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Congressional Record

PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, SECOND SESSION

SENATE—*July 19, 1990*

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. As we reverence God, who created man in His own image out of the dust of the ground and breathed into his nostrils the breath of life, the Senate will be led in prayer by the Senate Chaplain, the Reverend Richard C. Halverson.

Dr. Halverson.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Beloved, let us love one another * * *.*—1 John 4:7.

*Love suffereth long, and is kind; love envieth not; love vaunteth not itself, is not puffed up, doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil; rejoiceth not in iniquity, but rejoiceth in the truth; beareth all things, believeth all things, hopeth all things, endureth all things. Love never faileth * * *.*—1 Corinthians 13:4-8a.

Eternal father, infinite in love, help us understand that love is more than emotion—love is a command to be obeyed. "He that loveth another hath fulfilled the law." "* * * everyone that loveth is born of God. He that loveth not, knoweth not God; for God is love." 1 John 4:7-8. Forgive us, gracious God, when we reduce love to weak sentiment and irrelevance. Help us realize that love is the most powerful force in life—the power by which righteousness conquers in history. Patient Father, grant us grace to understand that our response to love is obedience, not just a warm feeling. In the name of Jesus who is love incarnate. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader or his designee is recognized for 10 minutes.

The Senator from California, the majority leader's designee.

JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. CRANSTON. Mr. President, this morning following the time for the two leaders, there will be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

At 11 this morning, the Senate will begin consideration of S. 2830, the farm bill.

RESERVATION OF LEADER TIME

Mr. CRANSTON. Mr. President, I ask that the time for the majority leader be reserved for his use later in the day.

The PRESIDENT pro tempore. Without objection, the remaining time of the majority leader will be reserved.

Mr. CRANSTON. I also ask the minority leader's time be reserved.

The PRESIDENT pro tempore. Without objection, the time of the minority leader under the standing order will likewise be reserved.

PRIVILEGE OF THE FLOOR—S. 2830

Mr. CRANSTON. Mr. President, on behalf of the Senator from Maine [Mr. MITCHELL], I ask unanimous consent that Mr. Robert June, a congressional fellow who serves as a legislative assistant through the National Sea Grant Marine Policy Fellowship Program, be accorded the privilege of the floor during consideration of S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the order for today, there will now be a period for the transaction of morning business until the hour of 11 a.m., with Senators permitted to speak therein for not to exceed 5 minutes.

The Senator from South Dakota [Mr. PRESSLER] is recognized for not to exceed 5 minutes.

Mr. PRESSLER. I thank the Chair.

(The remarks of Mr. PRESSLER pertaining to the submission of Senate Resolution 310 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. PRESSLER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been noted. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Nebraska is recognized for not to exceed 5 minutes.

WE ARE STILL COURTING DISASTER IN CAMBODIA

Mr. KERREY. Mr. President, the administration's change of policy toward Cambodia yesterday was a welcome change. I spoke on it yesterday, and today I would like to suggest to the administration and to my colleagues that, though we have had a change in policy, and it is welcome, we are still courting disaster with the continuation of the balance of our policy.

I observe and urge my colleagues as well to stay with the phrase "courting disaster" a bit because the expression does not simply mean that a disaster

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

might occur. It means that we are actually courting it, sending flowers, singing serenades, and writing letters trying to win the commitment of someone or something which will prove to be our worst nightmare rather than the answer to our dreams.

I fear, Mr. President, that in Cambodia we are still courting that very disaster. My observation of the central elements of our policy is that they will lead to continued success of the Khmer Rouge and the denial of freedom to the people of Cambodia.

I believe that the administration genuinely desires to keep Pol Pot, who is probably still leading the Khmer Rouge forces, from returning to power. I do not doubt the sincere desire of the administration to see the people of Cambodia enjoy free and fair elections. However, I genuinely, sincerely, and sadly conclude that a continuation of the current policy will not get the job done.

First, let me say the change of policy announced by Secretary Baker after a meeting with Soviet Foreign Minister Eduard Shevardnadze contains good things. It shifts the United States away from its decade-long support of seating a coalition government that includes the Khmer Rouge in the United Nations. It eases licensing restrictions on humanitarian projects in Vietnam and Cambodia. That, for me, is a wonderful change. It should help save some lives. It also implements a program to aid Cambodian children who are victims of war.

Mr. President, all of these are good and need to occur. However, with respect to those who convinced the administration to make these changes, allow me to say again, we are still courting disaster in Cambodia. We are doing two things, Mr. President, which will bolster the Khmer Rouge militarily and which will bolster them politically as well.

First, our support of an insurgent war against the current Government of Cambodia is not strengthening the hand of the non-Communists.

It is strengthening the military hand of the Khmer Rouge. This situation should not be seen as comparable to the issue of aid to the Contras or other such insurgencies which have battled governments that the United States did not like in the past.

In this case, Mr. President, the Khmer Rouge are also battling against the government, and their military capacity vastly exceeds that of the KPNLF or the Sihounist forces. American policymakers who believe we should continue to support the non-Communist resistance should consider this question: Who do you expect to take power if the Hun Sen government is overthrown by force?

The answer I give, Mr. President, is the Khmer Rouge, precisely the opposite of what we are trying to accomplish. It is a difficult issue because the non-Communists do deserve our support. However, even if the People's Republic of China were to end all support to the Khmer Rouge, which is unlikely, the Khmer Rouge is likely to be the principal beneficiary of a successful guerrilla campaign.

Thus we are courting disaster, Mr. President, because the continued support of the principle of using insurgent warfare to destabilize the Government of Hun Sen legitimizes the Khmer Rouge effort. Potential for a tragic outcome is very great.

Second, our announced intention of opening discussions with the Vietnamese about Cambodia, ironically and tragically, strengthens the political message of the Khmer Rouge. They have been organizing around a fierce nationalist, anti-Vietnamese, anticorruption message. The Cambodian people have intense negative feelings, to say the least, about the Vietnamese, and so our sort of collaboration with the Vietnamese will become a battle cry for a committed Khmer Rouge.

Let me make it clear, Mr. President, that I welcome this dialog with the Vietnamese Government for other reasons. I believe it may help us with other problems that we have, I sincerely believe it will court disaster in Cambodia.

A large part of our problem is that we have placed most of the information about what is going on in Cambodia under that rug called national security. It is classified information and unless you have gained a special security clearance—or have been elected to Congress which is a frightening thought for those concerned about genuinely important secrets—American citizens do not have a right to know what is going on. As a result of being kept in the dark, Americans have a difficult time reaching good, independent conclusions of their own.

Another problem for Americans is that we still tend to believe we can solve other people's problems from thousands of miles away. If we'll just have a meeting with other world leaders, we ought to be able to work these things out. We put meetings and conferences and summits at the top of the list when we are trying to decide what should be done.

We forget to do the most important thing first: Declare those truths that we hold to be self evident that we believe people have a right to form their own government and to be free from the dictates of that government. Our values and our experience of forming democratic institutions along with the experience of world leaders like Vaclav Havel, who can teach us again what it means to be imprisoned for political beliefs, must be laid upon the table before any other offers are made.

I believe we must do two very important things, as I said yesterday, in addition to what has been done. It is not incompatible with the administration's objectives. First, we should lift the Trading With the Enemies Act economic restrictions that prevent American businesses from forming partnerships and investing in Cambodia. Nothing spreads our values more than this kind of activity. Understand that I am not advocating most-favored-nation status. We are not expressing our support for the Government of Cambodia with this action. We are merely saying we do not regard them as an enemy.

Second, I believe it is important for us to exchange some kind of interest sections with the Government of Cambodia. Again, this does not mean we are recognizing the Government of Cambodia. It does not legitimize the Government of Cambodia but it sends a nationalist message that I think is important for that particular government, and it provides us with the opportunity to pressure them for political reforms including free and fair elections.

These are not ends in themselves, Mr. President, these two moves that I suggest. I do not have some sense that as a consequence of these two things we are going to have peace immediately as a result. There is apt to be fighting for some considerable period of time.

But I do believe it is going to permit these two actions of the United States to influence Cambodia and the people of Cambodia in our most positive way, which is with our values, by saying to them that you can have political freedoms, that you can have economic freedoms, that you can have protection from your own government in the way we have in the United States of America and we can help you get that done if you in fact want that kind of help. It enables the United States to stand upon its principles which, for me, is our strongest point. It is the strongest moment that we have in saying these are the things that we believe human beings ought to struggle to achieve. I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LIEBERMAN). Without objection, it is so ordered.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,951st day that

Terry Anderson has been held in captivity in Beirut.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

EXTENSION OF MORNING BUSINESS

Mr. BURNS. Mr. President, I ask unanimous consent that morning business be extended for no more than 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized.

Mr. BURNS. I thank the Chair.

(The remarks of Mr. BURNS pertaining to the introduction of S. 2880 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BURNS. Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DASCHLE). Without objection, it is so ordered.

The Senator from Connecticut is recognized.

Mr. LIEBERMAN. I ask unanimous consent to proceed as in morning business for no more than 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIESEL POLLUTION

Mr. LIEBERMAN. Mr. President, we learned today what many of us have suspected for a long time and that is that the dirty smoke coming out of trucks and buses is bad for human health. In the short run, overexposure to bus and truck fumes can lead to headaches, nausea, wheezing, and tightness of the chest. Over the long term, bus and truck fumes may actually cause cancer.

The particles in diesel fuel are absorbed deep in the human lung and they carry volatile organic compounds which are the cancer-causing agents.

Those are the unfortunate conclusions of a major report issued by the Federal Environmental Protection Agency just yesterday. Studies that are documented in that report indicate that truck drivers and others routinely exposed to bus and truck fumes and other emissions from heavy transportation equipment may actually have a higher risk of contracting cancer of the lung, liver, or bladder.

Unfortunately, it is not just those who work with such vehicles who are at risk. Millions of Americans in cities across the Nation breathe the dirty air every day. It is important to note it took far too long for this information about this dangerous situation to come to light. For most of the 1980's, the administration opposed efforts to control diesel emissions. It was only after environmental groups successfully challenged the EPA in court that the agency undertook the task of drafting regulations that govern diesel fuel.

Mr. President, today's news should serve as a graphic reminder to those who are working as conferees on the Clean Air Act that the diesel fumes are not just dangerous—they actually can kill. I hope the conferees will accept the tough standard established in the Senate Clean Air Act for regulation of diesel trucks and off-road vehicles, including construction equipment, and to phase in safer fuels for use in buses at the earliest possible date.

In the meantime, I think the result of this EPA report should suggest to any driver who pulls up behind a bus or a truck and sees that dark cloud churning out of the tailpipe as it accelerates to hold your breath and get out of the way. That dirty air not only looks bad, it is dangerous.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LIEBERMAN). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

The PRESIDING OFFICER. Under the previous order the Senate will proceed to consideration of S. 2830. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. I thank the Chair. For those who have been listening with half an ear back in their offices, who may be wondering just what is going on, this is indeed the farm bill (S. 2830) that is now before us. As my colleagues can see, it is a somewhat weighty tome. But for those who may have any difficulty in going through this, we do have a summary in green. If they do not want to read the whole bill, we have this handy, pocket size 1,300-page summary, pocket size for those who have large pockets.

Mr. President, we are now beginning floor debate on what has become a-once-every-5-year-ritual—consideration of the farm bill. In some ways, the name of the bill is a misnomer. It incorrectly implies that the legislation only concerns farmers.

It has a far broader impact.

True, it affects every farm family's budget and the farmer's decisions about what crops to plant, where to sell, and how much to borrow.

But each day, it also affects every man, woman, and child living in this country.

It affects each of us every time we sit down to eat or get dressed in the morning. It improves our balance of trade each time we export a ton of wheat, corn, or soybeans overseas.

It protects the water we drink and the wetlands our wildlife depends on. It protects the safety of our food supply from dangerous pesticides. It preserves the rural character of our States threatened by urban sprawl.

Yes, this bill affects farmers. But it also affects all of us, every day, by making sure our domestic agriculture produces reasonably priced food for the Nation's dinner tables.

It is for these reasons that the Agriculture, Nutrition, and Forestry Committee named the bill to reflect its broad scope: The Food, Agriculture, Conservation, and Trade Act of 1990.

The bill is the result of hard work and tough decisions. During the hearing phase of the farm bill, the committee traveled nearly 28,000 miles to 13 States to meet firsthand with those who are most affected by the laws Congress passes. In Washington, we set a rigorous schedule for ourselves—33 hearings in an 8-week period. All told, these 180 hours of hearings generated over 5,000 pages of testimony.

During the markup phase of the bill, we had countless meetings and 20 public markup sessions.

In the end, we passed a good bill, supported by the committee on a 15–4 vote. The bill had bipartisan broad support, ranging from the senior Senator from Indiana and the minority leader, the committee's most senior member, to its newest member, the Senator from Nebraska.

In preparing this legislation, the committee was guided by several important principles:

That our farmers need programs that give them a fair return on their crops and a secure future;

That the food Americans eat must be safe and nutritious;

That our farm programs must make sense and meet budgetary constraints;

That sound farm programs must protect the source of our abundant food;

That our farm programs must provide safe water and fertile soil; and

That farm programs must be consistent with our environmental objectives.

To achieve these goals, this legislation has 19 titles, encompassing a host of complex issues, ranging from target prices to planting flexibility, from food safety to consumer protection, from forest management to wetlands conservation, and from foreign food aid to trade.

These are some of the highlights of the commodity titles of the bill:

Stops the decline in target prices and loan rates;

Creates mandatory marketing loans on wheat and feed grains;

Increases planting flexibility;

Establishes a new targeted option program [TOP] that allows farmers to design their own farm program to meet their own specific farm needs;

Establishes a new oilseeds income protection program; and

Improves quality and cleanliness of U.S. grain.

These are some of the highlights of the other farm bill titles:

Breaks the "circle of poison" by prohibiting the overseas export of pesticides banned from U.S. farm use;

Continues protection for fragile wetlands swampbuster;

Creates major new incentive program to help farmers prevent contamination of ground and surface water on 10 to 20 million acres;

Helps farmers meet environmental laws;

Helps farmers use less pesticides and monitors hazardous chemical use;

Establishes first-ever national organically grown label;

Makes major revisions in Food for Peace Program—the most significant changes in 25 years; and

Makes most important revision of national forestry laws in 14 years.

There is one title missing from the farm bill—a nutrition title. Initially, we have planned to base this title on the Mickey Leland Memorial Domestic Hunger Relief Act which Republicans and Democrats from the Agriculture and Budget Committees introduced to combat hunger in this country.

Unfortunately, due to the lack of a final congressional budget resolution, we do not know at this time if the budget will contain adequate funds for the Mickey Leland bill. For this reason, the farm bill, as reported by the Agriculture Committee, does not contain a nutrition title.

Time and time again, I have reaffirmed my commitment to supporting a nutrition package that is within budget. However, time is running out. Because these programs will soon expire, Congress may have to act without a final budget resolution. If, on the other hand, the budget is resolved before the close of the farm conference, I intend to have the Mickey Leland bill attached to the farm bill.

The committee is dedicated to providing adequate nutrition to those in need. I am personally committed to seeing the Mickey Leland bill pass this year, either as part of the farm bill or as separate legislation. I urge the budget negotiators to keep a bipartisan consensus and fund the Mickey Leland bill.

Finally I want to say a word about the budget. I have told the members of the committee from the beginning that this farm bill must be consistent with our budget responsibilities. It is a very hard goal to meet for a committee with so many farm constituents with so many pressing needs. Our members joined me in that commitment. For that they deserve our thanks.

Budget scorekeeping, however, is arcane. When it is applied to agriculture programs it is a particularly byzantine. Thus when we reported the bill, we thought it would be acceptable to the Budget Committee, however a scorekeeping problem has arisen involving the transfers of funds between fiscal years.

Senator LUGAR and I will soon offer an amendment to fix that problem and produce a bill acceptable to the Budget Committee.

What further savings will the budget summit require? I don't know and we do not attempt to prejudge the summit agreement in this bill.

But this much is certain. The Senator from Indiana and I are committed to making the necessary budget savings. In the last two reconciliation bills we have saved $3.5 billion while the cost of the farm programs was falling by $16 billion.

This committee and American agriculture is prepared to do its share to address our budget crisis.

Writing a 5-year farm bill is not easy. Since becoming a member of the Agriculture Committee in 1975, we have had several farm bills. I have grown old on farm bills in the last 16 years. I know how difficult it is to write a farm bill. We must deal with regional differences, commodity differences, and philosophical differences.

In putting this bill together, I have had tremendous cooperation from Senators on both sides of the aisle, Democrats and Republicans. But it would have been impossible to have written this bill without the help of the distinguished senior Senator from Indiana [Mr. LUGAR]. He is not only one of the most knowledgeable Members in this Chamber on this and so many other subjects, but his willingness to work with us to fashion a bill that could get some broad support was absolutely essential.

As I have stated over and over again, I do not want a budget-busting bill, and we will not have one. I want a bill that has broad geographical, philosophical, and bipartisan support. I think we have done that, Mr. President, in the bill before us today.

Not everybody will agree with everything in this bill. Nobody expects that. Had I been able to write a farm bill solely by myself, I would have written a number of titles differently. I am also certain that if Senator LUGAR was left to write a farm bill solely by himself, his would be written several titles differently. My good friend and an expert on farm policy, Senator DASCHLE of South Dakota, is with us. If Senator DASCHLE wrote a farm bill solely by himself, his would be different. And the same would be true for every Agriculture Committee member.

But to pass a bill from the Senate, a majority of this Chamber must agree. Each of us has had to give up something.

Finally, when this bill goes to conference, I will commit to not finishing conference if there is a budget summit underway and close to reaching an agreement. I will abide by the agreement reached at the summit that is approved by Congress.

Mr. President, I ask unanimous consent that a summary of the major provisions of S. 2830 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COMMODITIES

Planting Flexibility: Allows 25% planting flexibility tied to a program crop base. Producer may plant up to 25% of program crop base to other crops and receive base protection. Loan eligibility is extended to program crops planted under this flexibility option, except program crops planted on oilseed acres.

Deficiency payments are not available on program crops planted on "flexed" acres. The Secretary may provide additional flexibility to producers having trouble meeting conservation compliance requirements and cross-compliance provisions are eliminated.

Acreage Reduction Programs: Maximum ARP programs established as follows: 20% maximum for wheat and feed grains; 25% maximum for cotton; and 35% maximum for rice.

Secretary may establish an ARP percentage of 0. For feed grains, Secretary is given discretion to make ARP determinations of excess stocks on an individual feed grain basis.

Target Prices for 1991 through 1995 crops: Wheat=$4.00 per bushel.

Feed Grains: Corn=$2.75; grain sorghum=$2.61; barley=$2.36; oats=$1.55 for 1991, with an increase each year of 10 cents up to a maximum of $1.85; cotton=$0.729

per pound; and rice=$10.71 per hundredweight.

Targeted Option Payment Program: Producer may choose to increase or decrease ARP percentages and receive a corresponding increase or decrease in the target price level. Allowed increase in ARP is different for each crop, but decrease in ARP requirement is limited to ½ of ARP announced by Secretary.

For every 1 percentage point increase or decrease in ARP, Secretary shall increase or decrease the producer's target price by between .5% and 1%. The Secretary shall determine the exact level in a manner designed to make this option production and participation neutral.

Price Support: Wheat and Feed Grains:

Secretary may select from two options:

Plan A: Marketing Loan with loan rate established at 1990 base loan rate.

Plan B: Marketing Loan with loan established at 1990 actual loan rate; however, for every 1 cent the Secretary reduces the loan rate below the base loan rate, the Secretary shall provide an Advance of 0.75 cents to the producer at sign-up. This Advance shall be repaid

The level for cotton and rice is the same as current law.

Cotton Marketing Loan consolidates plan A and plan B and current law and contains provisions authorizing adjustments in prevailing world market price in order to ensure competitiveness.

Dairy: Stops decrease in dairy prices. Price is frozen at $10.10 per hundredweight.

Requires Secretary to implement supply management if government purchases become excessive.

Establishes promotion program to make fluid milk product compete with other beverages.

Sugar Provisions: Extension of current program.

Oilseeds Provisions: Nonrecourse marketing loan for oilseeds is established at following rates:

Loan rate for soybeans set at $5.50.

Secretary has authority to reduce soybean loan rate if Secretary estimates excessive stocks as follows:

If stocks to use ratio exceeds 20%, loan rate may be reduced to no less than $5.25; and

If stocks to use ratio exceeds 25%, loan rate may be reduced to no less than $5.00.

Loan rate for sunflower seed, canola, flax and safflower set at 9.7 cents. Secretary shall adjust rate in accordance with adjustments made in the loan level for soybeans. Secretary authorized to establish programs for other oilseeds as Secretary deems necessary.

Bases and Yields Provisions: Producers eligible to receive deficiency payment for any program crop in any crop year may not use acreage planted or considered planted to any program crop or oilseed to increase crop acreage bases in subsequent years.

The calculation of farm program payment yields is unchanged. The Secretary shall allow producers to provide actual yield data to ASCS county committees.

Modification for irrigated yields—any producer expanding current irrigated acreage planted to program crops shall not be assigned an irrigated yield for any new irrigated land.

Grain Quality: Grain standards: For the first time, establishes a framework for future changes in grain standards including economic value of grain. Improves cleanliness of grain: provides authority to preclude blending clean grain with contaminated grain.

Other Provisions: Establishes a separate wool payment limitation at $50,000. Revises and updates provisions concerning CCC sales price restrictions. Provisions concerning adjustments to support prices for quality, location, etc., are revised and updated.

Pilot Bushel Based Program for Wheat and Feed Grains: Producers will be able to meet ARP requirements by limiting marketings instead of amount of acreage. Option to be offered to producers in 15 counties in each of 4 states.

Farmer Owned Reserve Program: Farmer Owned Reserve modified to provide for the more gradual accumulation and exit of wheat and feed grains into and from the reserve.

FOOD SAFETY AND CONSUMER ISSUES

Circle of Poison: Prohibits the overseas export of pesticides banned from U.S. farm use but found in many imported foods.

A loophole in current law allows U.S. chemical companies to manufacture here and ship overseas pesticides that the Environmental Protection Agency considers probable carcinogens and too dangerous for domestic farm use. Because the Food and Drug Administration waives through virtually all imported food without inspection, these chemicals often end up on America's dinner tables.

Organic Labeling: Sets first-ever national standard for a "organically grown" label to help eliminate consumer confusion, provides food alternatives, and gives farmers market incentives to use less chemicals.

ENVIRONMENTAL AND CONSERVATION ISSUES

Wetlands Protection ("Swampbuster"): Extends 1985 farm bill protections for 60 to 80 million acres of fragile wetlands.

Also, for first time, farmers may protect and restore their wetlands by enrolling them in a reserve program and selling the federal government a conservation easement.

Clean Water: Creates major new incentive program to help farmers prevent contamination of ground and surface water on 10 to 20 million acres of land. Also, for the first time, USDA must help farmers meet state and federal environmental standards.

Protection of Fragile Land: To reduce off-farm enviornmental threats and mitigate soil loss on adjacent lands, enrolls a total of 40 million acres by 1995 a reserve program.

Includes new "Farms for the Future Program," allowing states to permanently protect farms from conversion to other uses.

Conservation Compliance: Improves the implementation of 1985 farm bill requirement that farmers meet conservation objectives to remain eligible for federal farm program benefits. Farmers must now implement plans to prevent soil erosion.

Recordkeeping for Dangerous Pesticide Use: To help monitor chemical use, requires farmers to keep records of hazardous pesticide use.

FORESTRY

First Time a Forestry Title: The most significant revision of national forestry laws in 14 years, this sets up the first-ever public/private partnership to protect 25 million acres of private forestland. Through conservation easements and other incentives, protects forests for the future, the legislation targets 8 million private forest owners—who manage 482 million acres of forest covered by an estimated 200 billion trees.

RESEARCH

Reduce Pesticide Use: Authorizes a ten-fold funding increase ($250 million over five years) for Low-Input Sustainable Agriculture (LISA) to help farmers use less chemicals.

New Priorities for Agricultural Research Facilities: For the first time, requires USDA to consider environment, nutrition, water quality, and competitiveness when awarding research grants.

New Initiatives in Agricultural Research: Increases authorization ($1.5 billion over five years) in competitive grants.

University Research: Increases formula funding for land grant colleges and 1890s institutions.

Global Warming: Authorizes $67 million over five years to study the effects of global climate change.

TRADE

Food for Peace: Makes the most significant revision in our food aid and trade laws in 25 years.

"Food for Freedom" Program: Gives the United States powerful new tools to help the emerging democracies. Gives the president authority to donate food and spend up to $50 million for agricultural necessities such as fertilizers and transportation.

Commercial Trade: To increase competitiveness abroad, requires USDA to develop long-term trade strategy to expand overseas markets.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I thank the distinguished chairman of our committee for his thoughtful comments about my work and the work of the other members of the committee. He has offered extraordinary leadership in a very complex matter. He has characterized the bill faithfully and truthfully as complex, covering 19 titles. He has described very well the travel of the committee and the number of meetings. It has been an important discussion for all of us. The product of our labors is now before the Senate as Senate bill 2830. I commend the chairman for his leadership and commend the members of the committee for a very straightforward look at the problems of agriculture in this country and their very constructive response.

I rise today, Mr. President, in support of our bill, S. 2830. It was reported with strong bipartisan support by the Senate Agriculture Committee. Some aspects of this legislation should be improved before final action in the House-Senate conference and I have confidence they will be during this debate.

Nevertheless, I believe this legislation tracks closely with the provisions of the 1985 farm bill and is worthy of support at this time.

Despite strong criticism by some of our colleagues at the time, I believe Congress made the right choices in 1985. We chose market-clearing loan rates, aggressive export promotion, and a gradual but real reduction in

income guarantees. In 1985, we passed a good farm bill.

Since enactment of the 1985 farm bill, net farm income has increased from $32 billion in 1985 to $48 billion in 1989 and shows a 30-percent gain even when adjusted for inflation. Total farm debt fell by an average of nearly $10 billion a year between 1985 and 1989. Farm real estate values, which eroded by $57.2 billion a year during the 1981 farm bill, have turned around under the 1985 law and increased by an annual average of $46.9 billion since then. The farm sector's debt-to-asset ratio, which had reached a troubling 23.5 percent in 1985, has now declined to a more normal 16 percent.

Another benchmark of better times is the growth in U.S. farm exports. From 1981 to 1985, our exports declined 8 percent a year. But since 1986, export value has grown by over 10 percent a year, on average, and has now risen 44 percent from its low point.

Now, Mr. President, we have another farm bill before us. The Agriculture Committee passed a bill that, in many ways, continues the policies of the 1985 Food Security Act. To this extent, it is a good bill. In a few ways, the legislation before us even improves upon the 1985 law. To that extent, it is also a good bill. In other areas, however, the bill now before the Senate contains provisions that could frustrate good policy—that could risk a return to the failed policies of earlier decades. And to that extent, some improvement might still be made.

The task of the Senate, therefore, is to make a reasonably good bill better: Where it is sound, to leave it alone; where it is deficient, to improve it.

Many people have come to believe certain myths about farmers and farm programs. One myth is that all farmers are eagerly looking for more and more subsidies. This is untrue. A 21-State survey conducted by land grant universities asked farmers what their general preferences were for future agricultural policies. The survey found that 35 percent wanted a gradual phaseout of all farm programs. Another 33 percent wanted to keep the present program, while 8 percent wanted decoupling, a system of direct payments which would imply much less government manipulation of markets. In other words, 76 percent of farmers wanted either the status quo or significantly less government involvement in agriculture. Only 11 percent of farmers in the 21-State survey favored mandatory production controls, a system of strict government quotas and acreage controls.

A second myth is that nearly all farms are receiving government payments, and therefore nearly all have a vested interest in farm bills. The 1988 farm costs and returns survey, conducted by the U.S. Department of Agriculture, found that only about one-third of all farms received direct government payments. That means two-thirds did not. Now, some portion of that two-thirds receive subsidies in other ways—for example, tobacco and peanut growers are subsidized, but not through direct payments—but the fact remains that a very substantial segment of American agriculture prospers without the web of acreage controls, target prices, and price supports that have unfortunately come to characterize U.S. grain and cotton policy.

There is no price support program for potatoes, but we do not seem to hear the potato growers complaining very often. The Federal Government does not stand ready to guarantee the price of hogs, yet the pork producers are not clamoring for handouts. One is tempted to observe that the commodities Government tries to help seem to have worse problems, while the commodities Government leaves alone seem to prosper.

A third myth of farm policy is that our farm programs are designed to help small, family farmers. For good or ill, this is not true either. U.S. agriculture today is dominated by farms with over $100,000 in annual gross sales. About 323,000 farms are in this category, and while they account for only 15 percent of U.S. farms, they represent 77 percent of all sales volume, 85 percent of all net farm income, and 57 percent of Government payments. This is not an impoverished group of people; their net farm income averaged $70,825 in 1988.

The smaller farms, grossing between $40,000 and $100,000, are more numerous but less profitable. Their net farm income, on average, was only a little over $17,000 in 1988. Yet each farm in the $40,000 and $100,000 sales class received less than half as much money in direct Government payments, on average, as did farms that grossed more than $100,000. In short, our farm programs are not based on need and never have been. This may not even be a bad thing, but whether it is good or bad we should be open about it.

Mr. President, we shall hear a great deal in the next few days about how important it is to preserve the family farm. Some will make the case that if we do not fork over many more billions of dollars, thousands of farms will fail and we shall all probably have to pay a higher percentage of our disposable income just to keep food on the table. Some of my colleagues may paint a picture of agriculture today so grim, so foreboding, so fraught with gloom, doom and despair, that the more naive among us will ask why on earth anybody would want to farm in the first place.

I hope that the Senate will look beyond mythology, and beyond the emotional rhetoric that often accompanies farm bills, and look at facts instead. For example, before we are through with this farm bill, some of my colleagues are going to propose increasing target prices, the basic income guarantees for so-called program crops. These Senators will adapt a populist tone when they call for spending more money; they will argue that the family farmer just cannot make it without the extra money they propose to send him.

When that time comes, I will note for my colleagues that for every new dollar in target price payments they legislate, they are sending 90 cents of it to fewer than 20 percent of the farms in American. I will point out that, of that same new dollar in payments, 57 cents will go to farms with more than $100,000 in annual sales, while only a quarter will go to mid-sized farms with sales between $40,000 and $100,000. And I will then point out what a curious brand of populism it is that talks about the little guy, and then proceeds to siphon off most of the cash to the big guy.

One of the things I find interesting is that sometimes politicians want to give farmers more than farmers apparently want. For example, the Senate Agriculture Committee was tied up in knots for weeks because some people wanted to raise loan rates. Frankly, it surprised me that we were forced to go through long debates over loan rates, since the 1985 farm bill's loan rate policies have worked well.

What surprised me even more was the dogged determination of some people to raise loan rates even though there is no discernible demand in the countryside for higher loan rates. Let me cite, again, that 21-State survey of farmers: In that poll, only 18 percent of American farmers wanted to raise loan rates—82 percent did not. Indeed, 34 percent wanted to eliminate loan rates altogether. Yet some people think they must be higher.

Mr. President, S. 2830 is, as yet, an unfinished product. Among other things, it remains too expensive. The Congressional Budget Office advises us that this bill, without further adjustment, will increase Federal spending by $3.5 billion over the next 5 years. Obviously, the bill's cost must be brought within the boundaries of what we have available to spend.

The chairman has already indicated his agreement with this point, and I would say, Mr. President, that the estimates of the expensive character of the bill are to some degree, in the eye of the beholder, and vary accordingly to the differing guidelines that are offered.

I am committed with Chairman LEAHY to make certain that this bill remains within our Budget Committee's guidelines, to make certain that in no way could it be characterized as spending more money at a time when

the summit conference is meeting and, obviously, is heading for spending less money. I commend the summit. I commend those who will work with this bill.

But, Mr. President, we have had moving targets and moving goalposts throughout this situation. As Chairman LEAHY has pointed out, fairly shortly he and I will join to offer an amendment which we believe brings this bill into conformity with the budget so there is no new set cost over the 5-year period of time.

We believe this can be done relatively simply. If further reductions are required, they will be met. I make this point explicit because I would not want the debating point to lie that in some way the Senate Agriculture Committee has attempted to fashion a bill that spends more money on agriculture than the Budget Committee or the summit or anyone else wants to spend. We clearly are in conformity with that. I believe we have a good working majority within our committee, and I presume the rest of our colleagues will likewise join us with that.

Mr. President, let me mention a few highlights of the bill. The bill, as I pointed out earlier, generally freezes target prices for program crops, with the exception of oats where some increases are proposed to bring this crop structure into line with other feed grains.

I make this point because in the notice to us by the Office of Management and Budget, OMB, it appeared to me that there was a characterization of our bill as one in which some target prices were raised. Indeed, one of the large debates we had within our committee over several weeks was on this very point—freezing target prices. I would not want any other characterization by OMB or anyone else.

I would suggest that in a technical way. We have made the oats exception to achieve some equity, to bring oats into line with other feed grains. Clearly, the committee has spoken with regard to freezing target prices.

The bill adopts the acreage reduction programs suggested by the Bush administration in the Green Book earlier this year. For some crops like wheat, these provisions will likely mean significantly lower ARP's than in the recent past.

Loan rates for cotton and rice are, essentially, extended in their current form. For wheat and feed grains, the bill continues the current dual loan rate structure—a basic loan rate and an actual loan rate 20 percent lower—but sets a floor for these loan rates at 1990 levels, mandates a marketing loan of the type now in use for cotton and rice, and provides for advance payments if the Secretary chooses to utilize the fully reduced loan rate, as he has done in recent years. Once again, cost considerations may compel us to reexamine these provisions, since they are the single largest reason for the $3.5 billion increase in projected spending during 1991–95.

The chairman and I will shortly offer an amendment which, through payment of these dollars at a more normal time puts them in the proper budget year. We believe that alleviates most budget-related criticism.

A new marketing loan program for oilseeds, with soybeans supported at $5.25 to $5.50, is part of the committee's bill, as are numerous provisions intended to give farmers more flexibility. For example, farmers will be able to increase or decrease their idled acreage, with corresponding offsets in their deficiency payments; they will be able to plant soybeans or other oilseeds on formerly idle acres, again with payment offsets; they will be able to shift 25 percent of their program crop acreage into other commodities without losing their entitlement to future program benefits. These provisions, taken together, will give farmers more planting choices than they have today. That is good in my judgment. They do not represent nearly the degree of planting flexibility that an original bill. S. 2292 that I authored provided, or that the Bush administration proposed, and further discussion of this may occur during this debate.

Several programs like peanuts, sugar, honey, and wool are extended with relatively little change. Dairy price supports are also continued, but unlike the last farm bill there is now a floor beneath which price supports cannot fall, namely the current support rate of $10.10 per hundredweight.

Finally, the bill will make significant reforms in the Farmer Owned Reserve for wheat and feed grains. Our policy will be that these reserves will no longer be held off the market as they now are, but will be more readily available when farmers wish to take advantage of good prices and sell them on the market.

The bill also generally retains current limitations on direct payments to producers.

One of the most exciting aspects of this legislation is the conservation title. The conservation title of the Food Security Act of 1985 tied soil and water conservation to farm program participation. For the first time, Congress enunciated the basic principle that the United States will not subsidize irresponsible stewardship of our natural resources. A recent poll of farmers' attitudes showed significant support for the conservation provisions in the 1985 act. For example, 60 percent supported conservation compliance requirements.

S. 2830 puts agriculture in the forefront of wetlands restoration. This bill would allow former wetlands converted to crop production to be restored to wetland status. Producers would be offered permanent easements on the land. This Wetlands Reserve Program, similar to my bill S. 1063, would make agriculture a leader in the national effort to achieve President Bush's goal of no net loss of wetlands.

One of the major components of the 1985 bill was the Conservation Reserve Program. In S. 2830, the CRP is renamed the Environmental Conservation Acreage Reserve Program, since additional types of environmentally sensitive lands are made eligible. Incentives are provided to encourage hardwood tree planting, windbreaks, and shelterbelts on ECARP land. Because of the higher amount of land eligibility for entry, the Secretary is given the authority to accept contracts with the greatest public benefit.

One of the more controversial portions of the 1985 bill was the so-called swampbuster provision. That provision stated that any person who drained and planted a crop on a wetland would be ineligible for Federal farm benefits.

S. 2830 clarifies current law by providing that wetlands may be drained if such draining will have a minimal effect on the functional hydrological and biological value of the wetland.

Our bill allows valuable wetlands to be drained if they are mitigated by restoring a wetland of an equivalent value on a former wetland that has been drained in the past.

S. 2830 reforms the current swampbuster penalty so that a farmer who, in good faith, drains a wetland is subject to a reduction in his or her Federal farm benefits on the first violation, rather than a total loss of program benefits. The farmer must restore the drained wetland and can use this graduated penalty on each farm only once in any 10-year period.

Finally, the trigger for determining if a swampbuster violation has occurred is changed. Current law states that a violation has occurred if a person drains a wetland and plants that land to an agricultural commodity. S. 2830 provides that a violation is deemed to have occurred if a wetland is drained and the land is left in such a condition that crop production is possible.

CREDIT

S. 2830 makes substantial reforms in the operating rules of the Farmers Home Administration. The committee responded to abuses in FmHA lending practices by limiting the amounts and number of times any one person can write down debt. The bill also establishes for the first time a statutory requirement that FmHA borrowers graduate to commercial lenders within certain periods of time. The committee strongly believes that FmHA should return to its traditional role as a lender of last resort to borrowers who cannot obtain credit elsewhere, but also believes that federally subsidized

lending should at some point come to an end. To encourage borrowers to move to commercial credit, the bill increases the amount of FmHA resources dedicated to guaranteeing commercial loans. S. 2830 also contains new lending authority for Farm Credit System institutions and incorporates a request by the administration to permit the Federal Agricultural Mortgage Corporation to pool FmHA-guaranteed loans.

INTERNATIONAL PROGRAMS

The international title of S. 2830 has two main elements: a reform of food aid programs and a continuation of our export and market development efforts.

Food aid, commonly known as Public Law 480, now makes up less than 4 percent of all U.S. commodity exports, but its impact in the world is much greater than its size. For nearly 40 years the United States has been the largest provider of food aid to the poorest people of the world. Many of my colleagues have seen some of these programs firsthand: nutrition programs for mothers and infants in India, famine relief in eastern Africa, or food aid to create jobs in Indonesia and Jamaica.

But this program has operated much the same way for many years and, like any successful operation, it needs from time to time to change and adapt to remain successful. The traditional demands for food aid have changed as we face new situations in Eastern Europe and Central America. We need to respond quickly and rapidly to these changes and others yet to come.

The laws and regulations governing the food aid programs have become encrusted with bureaucratic requirements, many imposed by Congress, others by successive administrations. The Inspector General of the Agency for International Development called the current law "obsolete, complicated, and confusing" and called for "more realistic, achievable goals. * * *".

For more than a year, the committee has worked to create new food aid legislation that will allow the Nation to respond quickly and appropriately to the needs of millions of people. This provision was originally cosponsored by a majority of committee members and reported out unanimously in April. Moreover, it has the endorsement of a wide range of agricultural groups as well as the cooperatives and private voluntary organizations who administer these programs overseas.

The second part of the international title is devoted to maintaining the steady growth in agricultural exports of the past 5 years. Constructing this part of the legislation was a difficult task because we are in the final 5 months of trade negotiations in the Uruguay round. The committee wanted to make sure that our farmers and exporters have the tools to capture new markets and expand established ones. But we did so in a way which supports the free-market goals of our trade negotiators and does not allow protectionist forces in Europe and elsewhere an excuse to lock American products out of their markets.

Therefore, S. 2830 retains the main trade features of the 1985 farm bill: the Export Enhancement Program, Targeted Export Assistance, and export credit guarantees. If the Uruguay round ends with a genuine commitment to substantial and progressive reductions in trade-distorting subsidies, as I hope it will, this legislation will allow us to move quickly to take advantage of the expanded export market. If the trade round is not successful and our farmers must compete with unfair foreign subsidies and trade barriers, we will be prepared to meet those challenges as well.

RESEARCH

The most important component of S. 2830's research title is the National Research Initiative, which identifies a new direction for the agriculture research agenda. I applaud the inclusion of the special grants language in the title to encourage the development of regional research projects. The additional funding for the National Needs Fellowship Program, a grant program for undergraduate and graduate students, is also critical to agricultural science education.

Sustainable agriculture properly receives emphasis in this farm bill. However, sustainable agriculture should not be confused with low-input sustainable agriculture, which requires a reduction in the use of inputs. Sustainable agriculture is a strategy of implementation and management practices applied to the farm. While reducing the improper use of chemicals is a desirable goal, for some farmers a manageable level of inputs is necessary for a sustainable farming operation. Research on low-input sustainable agriculture should not exclude efforts at integrated pest and crop management programs and other effective sustainable agriculture practices.

Several areas within this title may be duplicative and should be streamlined before final passage of the bill. For example, this title creates over 125 State and national boards and committees with multiple report and technical guide requirements. I understand the desire for accountability, but wonder if we aren't creating more administrative paperwork than effective solutions.

CROP INSURANCE

The committee, in the course of its deliberations, made many difficult decisions. One decision we did not make was what to to about crop insurance. Most Senators would agree with Secretary Yeutter's point that it is wasteful to run a two-track risk protection program: subsidized crop insurance for farmers choosing to buy it, and ad hoc, after-the-fact disaster bills for everyone.

The administration proposed eliminating crop insurance and implementing a disaster indemnity program. This may be the most cost-effective course, although most members of the committee would prefer to retain a crop insurance program that farmers would choose to purchase.

The chairman and I continue to struggle with this issue and hope to have some recommendations prior to the completion of this legislation.

Mr. President, I began with a plea for rational discourse, not emotion-laden rhetoric. I made this plea because agriculture is something more than simply another business. It is indeed a valuable and worthwhile way of life. I have been managing my family's farm for the last 30 years, and it is natural that when we discuss farm policy, our deeply held feelings about life on the land come to the fore.

My point, however, is that though farming is more than a business, it is a business nonetheless. It is a business which must remain competitive in an ever-changing world if it is to survive on anything approaching a commercial basis.

We do not do farmers a favor by romanticizing them. We do not advance the cause of American agriculture by proposals that would hamstring U.S. competitiveness and take us back to the days when mountains of surplus grain rotted in the open air beside full-to-bursting bins.

Yes, this farm bill is partly social policy. No one can rationally deny that. But it is also a series of laws and regulations that will either help or hinder our farmers as they try to sell their produce in world markets. Our emotions, deeply held as they may be, must not blind us to that.

Ever-increasing subsidies that bid up production costs and hamper competitiveness are not, in the final analysis, good for American farmers. We should maintain some income supports, and we will. But the basic message of the 1985 farm bill must be repeated loud and clear: Gradually but irreversibly, American agriculture will come to depend more on the market, less on the Government. We shall take our agricultural policy forward into the 1990's, not backward into the 1930's.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. LEAHY. Mr. President, I commend the Senator from Indiana for his fine statement. I have two items.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that three legislative fellows, who

have worked with the committee on the preparation of the farm bill, be granted the privileges of the floor. The three legislative fellows are Lisa Witt, who is a budget examiner for the International Affairs Division of the Office of Management and Budget, and Jim Phippard a legislative fellow from the Agency for International Development, and Keith Bulatao, a legislative fellow from the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, as the distinguished Senator from Indiana and I both said, we do have an amendment to correct some of the budget considerations. I think that we did a good job in keeping the spending under control in this bill.

I want to remind Members that spending on agriculture has fallen dramatically since fiscal year 1986. In fiscal year 1986 we spent $25.8 billion on commodity programs. That is a level neither I nor Senator LUGAR would ever consider bringing to this floor. Since then, spending has fallen by almost 60 percent to just over $10 billion for fiscal year 1991, fallen from $25.8 billion in fiscal year 1986 to $10 billion fiscal year 1991.

I do not know of any other budget function that posts that kind of savings.

The costs are expected to average just under $12 billion for the life of this bill. There have been some very good ideas from both sides of the aisle that might have significantly increased our spending. A number of them, had they not been subject to budget considerations, I would have eagerly accepted. They were too expensive, so I have opposed them.

We have since received Congressional Budget Office estimates, and with the amendment I am about to send to the desk, it would bring the cost of the bill back to baseline, reduce spending across the board. It will cut spending from export promotions to conservation progrms, from cotton to wheat, from feed grains to rice, in an attempt to spread the cut on all programs involved.

AMENDMENT NO. 2303

(Purpose: To amend S. 2830, to reduce the cost of the bill)

Mr. LEAHY. Mr. President, I send the amendment to the desk and ask that it be treated as original text for the purpose of an amendment.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2303.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(a) TIMING OF ADVANCE COMPENSATION.—On page 70 after line 24, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(b) CONFORMING AMENDMENT.—On page 71—

(1) on line 1, strike "(III)" and insert "(IV)"; and

(2) strike lines 6 and 7 and insert "not later than 270 days after the advance compensation was made available.".

(c) TIMING OF ADVANCE COMPENSATION.—On page 118 between lines 9 and 10, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(3) on line 10, strike "(III)" and insert "(IV)"; and

(4) strike lines 15 and 16 and insert "not later than 270 days after the advance compensation was made available.".

(d) COST-SHARE ASSISTANCE ON PERENNIAL COVER.—

(1) On page 96, line 20, strike "50" and insert "25";

(2) On page 146, line 8, strike "50" and insert "25";

(3) On page 201, line 8, strike "50" and insert "25"; and

(4) On page 244, line 14, strike "50" and insert "25";

(e) TARGETED OPTION PAYMENT.—

(1) On page 198, between lines 20 and 21, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's upland cotton base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted upland cotton acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to upland cotton for harvest during the previous two years.".

(2) On page 242, between lines 4 and 5, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's rice acreage base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted rice acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to rice for harvest during the previous two years.".

(f) STORAGE PAYMENTS.—

(1) On page 349, strike lines 15 through 25 and insert the following:

"In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehouses under the authority contained in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requriements, impact of user fees, and other considerations determined appropriate by the Secretary, except that the rates paid to producers and commercial warehouse shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehouse as a result of the adjustment of storage rates under this section."

(g) STOCKS-TO-USE RATIO FOR OILSEEDS.—On page 305, line 15, strike "20 percent" and insert "19 percent".

(h) MINOR OILSEED PLANTINGS ON 50/92 ACREAGE.—

(1) on page 183, strike lines 22 through 24 and insert "(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(2) on page 184, line 19, strike "(I)" and insert "(i)";

(3) on page 184, line 23, strike "(II)" and insert "(ii)";

(4) on page 185, strike lines 9 through 24;

(5) on page 228, strike lines 12 through 14 and insert the following:

"(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(6) on page 229, line 9, strike "(I)" and insert "(i)";

(7) on page 229, line 13, strike "(II)" and insert "(ii)"; and

(8) beginning on page 229, strike lines 24 through line 14 on page 230.

(i) MARKETING ASSISTANCE PROGRAM—On page 462, line 17, strike "$225,000,000" and insert "$200,000,000";

(j) USER FEES.—At the appropriate at the end of title XIX, add the following new section:

"SEC. 19 . COLLECTION OF FEES FOR INSPECTION SERVICES.

"(a) QUARANTINE, INSPECTION AND TRANSPORTATION FEES.—

"(1) QUARANTINE AND INSPECTION.—The Secretary of Agriculture may prescribe and collect fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of a commercial vessel, commercial aircraft commercial truck railroad car, and each passenger aboard a commercial vessel or commercial aircraft.

"(2) TRANSPORTATION.—Each person that provides transportation to a passenger to enable such passenger to obtain transportation through a commercial aircraft or commercial vessel into the customs territory of the United States shall—

"(A) collect from such passenger the fee prescribed under this subsection at the time the document or ticket authorizing such transportation is issued; and

"(B) identify on the document or ticket referred to in subparagraph (A), or through electronic means as determined appropriate by the Secretary, the fee charged under this subsection as an agricultural inspection fee, or as part of a combined Federal inspection fee.

"(3) TREASURY.—Any person who collects a fee under this subsection shall remit such fee to the Treasury of the United States prior to the date that is 31 days after the close of the calendar quarter in which such fee is collected.

"(4) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account' (hereinafter referred to in this subtitle as the "Account'), for the use of the Secretary for quarantine or inspection services under this subtitle.

"(B) AMOUNTS IN ACCOUNT.—

"(i) DEPOSITS.—All of the fees collected under this subsection shall be deposited in the Account.

"(ii) REIMBURSEMENT.—The Secretary of Treasury shall use the Account to provide reimbursements to any appropriations accounts that incur the costs associated with the Secretary carrying out all activities of the Secretary at ports in the customs territory of the United States or at preclearance or preinspection locations in connection with the enforcement and administration of this subtitle.

"(iii) PROCEDURE.—The Secretary of the Treasury shall make reimbursement under clause (ii) on a quarterly basis. Amounts required to be reimbursed under clause (ii), shall be made on this basis of estimates made by the Secretary of the expenses described in clause (ii) that are incurred by the Secretary in the 3-month period immediately preceding such reimbursement.

"(iv) ADJUSTMENTS.—Adjustments of reimbursements made under clause (ii) shall be made to the extent necessary to correct prior estimates that were in excess of, or less than, the amount required to be reimbursed under clause (iii).

"(5) ADJUSTMENT IN FEE AMOUNTS.—The Secretary shall adjust the amount of the fees to be assessed under this subsection to reflect the cost to the Secretary in administering such subsection, in carrying out the activities at ports in customs territory of the United States and preclearance and preinspection sites outside the customs territory of the United States in connection with the provision of agricultural quarantine inspection services, and in maintaining a reasonable balance in the Account.

"(b) PLANT INSPECTION.—Section 102(f) of the Act of September 21, 1944 (7 U.S.C. 147a(f)) is amended to read as follows:

'(f)(1) Notwithstanding paragraph (2) of this subsection, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Unless otherwise specifically authorized or provided for in appropriations, no part of such sums shall be used to pay the cost or value of property injured or destroyed.

'(2) The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of providing for the inspection of plants and plant products offered for export or transiting the United States and certifying to shippers and interested parties as to the freedom of such plants and plant products from plant pests according to the phytosanitary requirements of the foreign countries to which such plants and plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. Any person for whom such an activity is performed shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary of Agriculture shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation. The Secretary of Agriculture shall have a lien for the fees, any late payment penalty, and any accrued interest assessed against the plant or plant product for which services have been provided. In the case of any person who fails to make payment when due, the Secretary of Agriculture shall also have a lien against any plant or plant product thereafter attempted to be exported by such person. The Secretary of Agriculture may, in case of nonpayment of the fees, later payment penalty, or accrued interest, after giving reasonable notice of default to the person liable for payment of such assessments, sell at public sale after reasonable public notice, or otherwise dispose of, any such plant or plant product upon which the Secretary of Agriculture has a lien pursuant to this section. If the sale proceeds exceed the fees due, any late payment penalty assessed, any accrued interest and the expenses of the sale, the excess shall be paid, in accordance with regulations of the Secretary of Agriculture, to the owner of the plant or plant product sold upon the owner making application therefore with proof of ownership within six months after such sale, and otherwise the excees shall be credited to accounts that incur the costs and shall remain available until expended. The Secretary of Agriculture shall, pursuant to regulations as prescribed by the Secretary, suspend performance of services to persons who have failed to pay such fees, later payment penalty and accrued interest.'.

"(c) VETERINARY DIAGNOSTICS.—Section 11 of the Act of May 29, 1884 (58 Stat. 734, as amended, 21 U.S.C. 114a) is amended by inserting immediately following the first sentence: 'The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics. Any person for whom an activity related to veterinary diagnostics is performed pursuant to the section shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary shall assess a later payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation.'.

(2) LIENS.—

(A) IN GENERAL.—The Secretary shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this subtitle for the fees, any late payment penalty, and any accrued interest assessed under this subsection.

(B) OTHER ANIMALS, ETC.—In the case of any person who fails to make payment when due under this subsection, the Secretary shall have a lien against any animal, article, or means of conveyance thereafter imported, moved in interstate commerce, or attempted to be exported by the person after the date of such failure until the date on which such owner or operator make full payment to the Secretary under this subsection.

(C) SALE OF ANIMALS, ETC.—

(i) AUTHORITY.—The Secretary may, if a person does not pay fees, late payment penalties, or accrued interest on such, after providing reasonable notice of default to such person, sell at public sale after reasonable public notice, or otherwise dispose of, any such animal, article, means of conveyance or facility on which the Secretary has a lien under this paragraph.

(ii) EXCESS PROCEEDS.—If the sale proceeds under clause (i) exceed the fees due, any late payment penalty assessed, any accrued interest on such, and the expenses associated with the sale, such excess shall be paid to the owner of the animal, article, means of conveyance, or facility if such owner submits an application for such excess together with proof of ownership not later than 6 months after the date of such sale. If no such application is made, such excess shall be credited to accounts that incur the costs associated with the fees collected and shall remain available until expended, without fiscal year limitation. The Secretary shall suspend performance of services to persons who have failed to pay fees, late payment penalty, or accrued interest under this subtitle.

"(d) REGULATIONS.—The Secretary of Agriculture may prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) RECOVERY OF AMOUNTS OWED.—An action may be brought for the recovery of fees, late payment penalties, and accrued interest which have not been paid in accordance with this section against any person obligated for payment of such assessments under this Act in any United States district court or other United States court for any territory or possession in any jurisdiction in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide such action.

"(f) DEFINITIONS.—

"(1) PERSON.—For the purposes of this section, the term 'person' means an individual, corporation, partnership, trust, association, or any other public or private entity, or any officer, employee, or agent thereof.

"(2) VESSEL.—For the purposes of subsection (a), the term 'vessel' does not include any ferry.

"(3) CUSTOMS TERRITORY.—For the purposes of subsection (a), the term 'customs territory of the United States' means the 50 States, the District of Columbia, and Puerto Rico.

"(4) PLANT AND ANIMAL QUARANTINE LAWS.—For the purposes of subsection (a), the term 'plant and animal quarantine laws' means one or more of the following: the Plant Quarantine Act of 1912 (7 U.S.C. 151 et seq.); the Federal Plant Pest Act (7 U.S.C. 150aa et seq.); the Federal Noxious Weed Act of 1974 (7 U.S.C. 2801 et seq.); the Animal Quarantine Laws (21 U.S.C. 101-105, 111-131, and 134-134h); the Honeybee Act (7 U.S.C. 281 et seq.); section 306 of the Tariff Act of 1930 (19 U.S.C. 1306), and any other Act administered by the Secretary relating to plant or animal diseases or pests or noxious weeds.

"(5) UNITED STATES.—For the purposes of subsection (b), the term 'United States' means the several States of the United States, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and all other territories and possessions of the United States.".

(G) PENALTY.—On failure of a person to pay any fee assessed under this section, the Secretary shall assess a late payment penalty on such person, and the overdue fees and late payment penalty shall accrue interest,

as provided in section 3717 of title 31, United States Code. Any late payment penalty and any accrued interest shall be credited to the accounts that incur the costs associated with the fees collected and shall remain available until expended without fiscal year limitation.

Mr. LEAHY. Mr. President, I urge the adoption of the amendment, and I ask unanimous consent that a summary of the amendment, along with a table, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF BUDGET SAVINGS AMENDMENT

The budget reduction amendment accepted by the Senate to S. 2830 achieves the savings by a variety of program changes. These changes will reduce the cost of the bill as reported from the Committee to the Senate Budget Resolution baseline.

A table describing the savings levels is attached.

The provisions in the amendment include:

Changing the timing on the advance compensation provision.—The bill as reported from Committee provided advance compensation to producers, if the Secretary chooses to reduce loan rates below the basic loan level. Congressional Budget Office assumed that the initial compensation would be provided in fiscal year 1991 and repaid in fiscal year 1992, thus the fiscal year 1991 cost. This provision provides the compensation and repayment within the same fiscal year.

Returning Marketing Assistance Program spending to $200 million.—The Committee raised spending on the Marketing Assistance Program (formerly known as the Targeted Export Assistance Program) to $225 million per year. The amendment returns the program to the current $200 million spending level.

Perennial cost share.—The amendment will provide a 25% cost share to producers who plant perennial crops on reduced or conserving use acreage.

Targeted Option Program change.—The amendment makes clear that cotton and rice acreage a producer has underplanted in the previous two crop years will not be eligible for the Target Option Program.

Farmer-owned reserve storage payments.—The provision in the Committee reported bill regarding comparability of commercial and producer grain storage payments is modified to make the provision budget neutral.

Minor oilseed plantings on 50/92 acreage.—A provision allowing the planting of minor oilseeds on conserving use acreage under the 50/92 program is eliminated.

APHIS user fees.—Fees will be collected to fund a portion of the Animal and Plant Health Inspection Service operations at ports of entry into the U.S. and for other portions of APHIS.

[In millions of dollars]

Adjustments to package	Fiscal year—					Total
	1991	1992	1993	1994	1995	
Sec. 301 & 401—Shift adv. comp. to fiscal year	(2,730)	41	28	95	49	(2,517)
Require FOR storage payment provision to be budget neutral	(11)	(23)	(23)	(23)	(23)	(103)
Set MAP at $200 m. 91–95	(10)	(18)	(25)	(5)	(25)	(103)
Make cost share on perennial 25 percent vice 50 percent		(20)	(20)	(10)		(50)
Set stocks-to-use trigger at 19 percent				(103)		(103)
Preclude planting of minor oilseeds on cotton and rice		(2)	(1)			(4)
Modify reduced acreage TOP on cotton and rice to exclude historical underplantings	(16)	(54)	(55)	(55)	(55)	(236)
APHIS user fees	(79)	(79)	(79)	(79)	(79)	(395)
Total	(58)	25	(38)	25	37	(8)

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 2303) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DASCHLE. Mr. President, this will likely be the most important debate affecting rural America that we will have during this entire Congress.

For many in Washington, agriculture policy is an academic exercise. They tinker with the numbers on one end to see how the numbers come out on the other end.

For the people of rural America, agriculture policy is much more than this. Agriculture is their way of life. The decisions we made in the next few days will determine whether many of the people in rural States will be able to continue their chosen occupation and live in their chosen community, and whether the future they hoped for their children will be a reality.

We will hear much in the next few days about the virtues of the 1985 farm bill. When Senators hear these speeches, I urge them to keep the following facts in mind:

The 1980's were the worst period for farm income since records have been kept. Overall income may be at high levels, but when you adjust for inflation, farm income is behind previous years. Crop farmers have experienced stagnant or declining returns. Some States, such as my own, have experienced declines of up to 60 percent in real net farm income since the 1970's.

The number of farms has dropped significantly, while the average size of farms has increased. Almost 300,000 families left farming in the 1980's. The rural population is decreasing by 150,000 people each year.

Prices have been driven to such lows that farmers no longer can depend on income from the market. In some States, Federal payments represent more than 50 percent of net cash income.

Earlier this year, members of the Agriculture Committee from North and South Dakota, Iowa, and Nebraska toured these States and heard what farmers say about the farm bill, not what the so-called experts in Washington say.

Let me quote a few of their remarks.

From a wheat farmer in North Dakota:

As grain farmers, we were vicitimized by the effects of the 1985 farm bill. The theory that declining loan rates and target prices would ultimately increase our profitability has devastated us, individually and collectively. With the exception of those with substantial outside income and resources, many of us will be going broke. We are currently on a suicide mission. We cannot exist on economic dialogue and trade theories.

From another farmer:

Regardless of the statistical reports that the Agriculture Department is using to try to show that farmers are better off this year than last, I know differently. I have yet to talk with one farmer in North Dakota who says he is better off this year than last year. We are very close to a depression in rural America. These are hard times for all farmers.

From a Nebraska farmer:

A good farm program is a fair farm program. The 1985 farm bill was not fair. It yielded record profits for the grain processing and exporting companies. For most of the farmers in Nebraska and folks that depend on farmers for their jobs, the 1980's were characterized by bankruptcy, farm sales, pain and despair.

Having described for you the economic conditions in rural America, let me tell you how I see the legislation the committee proposes to meet these needs.

But before I do that, let me express in the most sincere way I know my gratitude to our chairman, Senator LEAHY, for his leadership in guiding the committee through this difficult process. The farm bill is a heavy load for this or any other committee. It includes 19 titles, encompassing 1,081 pages. Chairman LEAHY kept the committee to the task. His patience and fairness enabled Members on both sides to have their views considered. As he said, this bill is a bipartisan product. To bring this bill before the Senate is an achievement for the chairman, as well as the ranking Member, the senior Senator from Indiana. They are to be commended for their accomplishment and certainly their fairness.

The bill offers many significant improvements in agriculture policy.

As the chairman of the Subcommittee on Research, I am satisfied with our efforts in developing a research title that for the first time sets priorities for research that reflect the needs of rural America and real-life farmers, not researchers and agribusiness. These priorities have been endorsed by the National Governors Association. The bill shifts more emphasis to research in new products, and in bringing new products to the market,

instead of increasing production. The bill also increases funds for sustainable agriculture, authorizes funds for research on the effects of global warming, and improves the coordination of Agriculture Department activities and educational efforts to deal with ground water contamination.

I am also pleased with the development of the grain quality title. I express my gratitude to the junior Senator from Missouri, Mr. BOND, who joined in this effort. Without his cooperation and support for this objective, this title would not be a reality. The measure represents his work and our work in the subcommittee for more than a year to understand the details of grain quality issues and develop a package to bring our grain quality laws up-to-date with the demands of the competitive global market. The bill establishes a framework for future improvements in grain standards, including consideration of the economic, or end-use, value of grain. The bill will improve the cleanliness of our grain and our competitiveness by precluding the blending of clean grain with contaminated grain. It also builds incentives for quality into farm programs at long last.

This legislation recognizes the restrictions of the 1985 farm bill that prevent farmers from adjusting their operations for conservation, environment and market considerations. It gives farmers new flexibility to plant crops that make sense for the environment and for the market. It will reduce the strong incentives built into the 1985 farm bill that encourages farmers to use excessive amounts of fertilizers to boost production.

The bill improves the operation of conservation programs. It makes swampbuster more enforceable by establishing a graduated penalty system. From the farmer's standpoint, it makes swampbuster and other wetlands programs more workable. It protects wetlands and environmentally sensitive lands without making it impossible for farmers to operate their farms.

S. 2830 updates our agricultural trade programs. It establishes clear authorities among Federal agencies involved in food aid. It establishes the Food for Freedom Program to help emerging democracies, with a priority for value-added products. It also requires the Agriculture Department to develop a long-term strategy to expand overseas markets.

The bill also reauthorizes the wool and honey programs, which are certainly very important to the people of my State.

That said, I must explain my opposition to the bill as it is, and lay out the ways I hope to improve it.

In determining whether the bill deserves support, it must ultimately be judged on these two critical points:

What does it mean for farm income?

How fairly are the benefits provided in this legislation distributed?

On both these tests, in my view, this proposal fails. The committee bill as it stands offers no improvement in farm income. In fact, the bill will allow for substantial reductions in farm income. The bill also perpetuates a policy that disproportionately distributes benefits to larger farms.

Some Senators will argue that the committee's farm bill is the best product that could be achieved under our budget constraints. I do not believe it. While I acknowledge that our considerations are tempered by budget constraints, the budget does not make the structure of this farm bill inevitable. It does not make lowering farm income inevitable.

Even given the budget limits, we can write a farm bill that does more to improve farm income, and does more to fairly distribute the benefits provided within this legislation.

Moreover, faced with a tighter budget, it becomes even more important that we change direction. With less to spend overall, we must adopt policies that improve farm income and distribute agricultural program benefits more fairly than we find in this bill.

With a shrinking pie, we must find ways to divide the pie more fairly.

This farm bill could be called the "S&L Farm Bill." It is another victim of the savings and loan crisis. The cost of the savings and loan bailout this year, $60 billion to $65 billion, is almost equal to the cost of farm programs for the last 5 years. Rural America is forced to accept less, at the same time its pays it share for cleaning up after the greed and arrogance of those people who abused our thrift system.

Despite all the complaints about spending on agriculture programs, agriculture represents less than 2 percent of the budget. What we have spent to develop the B-2 bomber would have funded commodity programs for the last 2 years in their entirety. The interest we paid on the national debt last year would have covered the cost of commodity programs for the entire decade of the 1980's.

Spending on agriculture has been decreasing dramatically, and people should understand that. From its highest point in 1986, agriculture spending has decreased by more than 56 percent. The decrease in defense spending, on the other hand, has been only 4.6 percent in the same period.

In terms of farm income, this bill sticks close to the baseline established by current law, especially after the amendment just adopted by the Senate.

According to the Congressional Budget Office, continuing this policy will mean a decline in net cash income of almost 30 percent. I really think it is important that we emphasize this again and again. This could mean, according to CBO, the exit of another 500,000 farmers from agriculture. Some in this body have grown tired of hearing that number. Some even doubt its validity. It seems unbelievable. Perhaps it is exaggerated, a statistical anomaly. But it is not my number; it is CBO's number; the same CBO that we depend upon for all of our budgetary and forecasting statistics as we make decisions in this body and in our committees. Even if you reduce it by half, to 250,000 farmers in the next 5 years, that is still a dramatic amount. That is almost the number that left farming in the last 10 years. Imagine the impact to rural communities of losing that number in half the time.

How can we so easily brush aside this information? Have we forgotten how many people in rural America live on the edge of economic disaster? A few cents here or there in prices is a budget issue in Washington, but, to the people in rural America, those same few cents can make the difference between whether or not a family can keep its farm.

What other industry would we allow to suffer this kind of loss? If we were looking at a bill that it was estimated would mean the closing of more than 500,000 small businesses and the displacement of an equal number of families from their homes and their way of life, would we not try to change it? Would we not fight it? Would we not say that a loss of that proportion is unacceptable regardless of what business or what work force we might be talking about? Would we not make some effort to keep those businesses alive, and to prevent those families' lives from being so brutally uprooted?

If the objective is to sweep away these people and make room for those farmers on the high end of the economic ladder, then perhaps one can be satisfied with this farm bill.

But if the objective is to keep a place in rural America for families to live and work on their own land, this bill is not satisfactory; it is not acceptable.

We can do better. We can make improvements within the budgetary constraints that we have been given.

It amazes me that even this modest attempt to improve current law has drawn a rebuke from the administration and Secretary Yeutter. He threatens to recommend that the President veto the bill if it passes in its current form. Yet, even in its current form, this legislation will provide even greater advantage to the vast multinational corporations who demand cheap grain to enhance their profits and position worldwide. We simply cannot sacrifice family farmers on an altar of imagined free trade, with little more than a

passing thought to whether the situation it creates is fair or gives competitors too much.

During consideration of this bill, I plan to offer amendments that I hope will forestall the catastrophe that the Congressional Budget Office said could result from maintaining the status quo. One amendment I plan to offer would establish higher target prices for the first levels of production of wheat or feed grains. This amendment will target additional benefits to family-size farmers, the ones who need them the most.

I plan to offer another amendment to improve the fairness of the bill through additional reform in the limitations on payments to individuals. This amendment will make it harder for individuals to circumvent payment limits. It also would require an annual report to Congress listing the individuals who receive payments in excess of the $50,000 limit, and create a training program for USDA personnel to improve their ability to prevent abuses.

I also plan to offer another amendment to bring storage payments to commercial elevators in line with storage payments to farmers, a measure that will save at least $100 million over the life of the bill.

I also hope that in the course of deliberations on this bill, we may have an opportunity to consider amendments to raise loan rates and to index target prices to inflation, proposals that were rejected in committee.

For those who object to raising loan rates, consider this: Loan rates are the farmer's minimum wage. When we debate whether or not to raise the minimum wage for workers, few Senators argue that workers do not deserve such a raise. The human needs of these workers outweight considerations over competitiveness and other matters. We are asking you to consider the human needs of farmers as well as their minimum wage.

Before one suggests that linking target prices to the costs of production is a radical, partisan idea, let me read from a letter by the chairman and vice chairman of the National Governors Association Committee on Agriculture and Rural Development. The chairman, I might add, is the Republican Governor of my State of South Dakota.

The letter says:

> While we appreciate your action to reduce the downward spiral of these targets, we believe target prices should reflect the cost if inputs. Economic forecasters agree that the inflation rate for 1991 will likely be slightly more than 4.0%. Farm income has increased in the last few years largely due to weather related price increases. Leveling farm prices coupled with four percent inflation will erode farm income. We ask that you index target prices to an appropriate inflation indicator to help offset this erosion.

Mr. President, the farm bill has been a matter of intense interest in my State this year. I have received hundreds of letters and phone calls from people crying for a change in agriculture policy. They struggle to keep their heads above a rising tide of debt and inflations. They watch in dismay as their neighbors leave the land. They see their small towns die, their schools and hospitals close.

For many of them, the worst part is that they see no future in farming for their children. In Langford, SD, the high school canceled its Future Farmers of America Program because there were not enough students interested. Less than a third of the students who live on farms in my State say they plan to become farmers.

Some Senators are fond of reciting the hard realities of economics. The people who write me may not know much about economics, but they know a lot about the hard realities of life. When these Senators propound their economic theories and recite their impressive statistics about trade and other matters, let us remember these people. Behind all the numbers and all the theories are real people, people whose lives depend upon the judgments we are about to make.

Mr. President, when we finish our work here, I hope we can say we stood for the family farmers of rural America. That is why I cannot in good conscience support the bill in its current form and why, in spite of my great admiration for the two managers of this bill, I hope the Senate will see fit to improve the legislation to allow for greater opportunities for improved farm income and a fairer distribution of the benefits this bill provides.

I yield the floor.

Mr. COCHRAN. Mr. President, I rise in support of S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990, perhaps the most comprehensive agricultural legislation ever considered by the Senate. The 19 major titles address the concerns of consumers, producers, agribusiness, and environmentalists. This bipartisan legislation is supported by a strong majority of the Agriculture Committee.

S. 2830 ensures sound agricultural policy by continuing to provide consumers with low-cost food, by stabilizing farm income, and by ensuring protection for our Nation's environment. It extends current conservation programs and increases protection of wetlands, ground and surface water, and highly erodible land.

This legislation contains many key provisions of the 1985 Food Security Act, the success of which is shown by the fact that the value of agricultural exports increased from a decade-low of $26 billion in 1986 to $40 billion in 1989, and that net farm income rose steadily to a record $48 billion in 1989. The 1985 farm bill increased farm income and restored the competitiveness of American farm products in international markets.

In 1985, a marketing loan program was developed for cotton and rice. This program allowed the U.S. rice and cotton sectors to recapture lost market shares in world trade. The program also increased domestic use and reduced burdensome surplus stocks. Costs of the program have declined, and 1990 savings from the cotton program are expected to return over $100 million to the U.S. Treasury.

The Food, Agriculture, Conservation, and Trade Act of 1990 not only continues the successful marketing loan programs for cotton and rice, but extends coverage to wheat, feed grains, and oilseeds. The program for soybeans and other oilseeds is a major step to reverse recent declines. Between 1979 and 1989, U.S. soybean production declined 15 percent to 1.9 billion bushels, while foreign production increased 68 percent to 2 billion bushels. Similarly, the U.S. share of the world soybean market dropped from 84 to 64 percent, with a comparable decline in export shares of oilseed products.

American soybean producers have succeeded in the past with little government involvement. Foreign governmental support of soybean production, however, has continued to expand since the 1985 farm bill took effect. U.S. soybean acreage and production have decreased while world demand has grown. As a result, the United States is losing its share of an important world market to foreign competitors. Today, the U.S. soybean industry is at a crossroads, and it is vital that our producers maintain a healthy oilseed sector and regain market share in world markets. I believe the marketing loan program will help them do this and will work as effectively for soybeans as it has for cotton and rice.

A major goal in this farm legislation is increased planting flexibility for our farmers. The flexibility provisions remove some rigidities in past legislation; this should promote increased efficiency in farming operations and help producers make management decisions that are both economically sound and environmentally sensitive.

The strong trade title in this bill will assure continued robust agricultural trade through 1995. Export assistance and market development initiatives will be strengthened. For example, a new Food for Freedom Program will provide maximum flexibility to respond to uncertain situations, such as those in Eastern Europe. The Targeted Export Assistance Program will be replaced by a Marketing Assistance Program, which will be broader and will focus on building long-term markets. A revised Export Enhancement Program will combat unfair trade practices abroad, pressuring other

countries to achieve trade policy reform.

Our farm programs benefit all Americans by maintaining a stable agricultural sector which benefits both producers and consumers. Our national objective is to assure our consumers a dependable, high quality supply of food and fiber at reasonable prices. To accomplish this objective, producers must have adequate incentives, as well as some measure of protection against such inherent risks as weather, insects, and disease which threaten to create volatility in prices and incomes from year to year.

Farm programs, therefore, are a means to an end. They provide producers with income and price-support protection through loans, payments, purchases, and storage programs to promote orderly marketing and to minimize wide swings in commodity prices. Further, many programs attempt to balance supply and demand by requiring producers to adjust their production in line with market needs.

I urge all Senators to support the Food, Agriculture, Conservation and Trade Act of 1990, which will ensure that all Americans have the safest and most reliable low-cost food and fiber supply in the world.

Mr. President, I just want to make a few additional comments, mainly to compliment the leadership of our committee, the distinguished Senator from Vermont [Mr. LEAHY] and the distinguished Senator from Indiana [Mr. LUGAR] who have really devoted a tremendous amount of energy, effort, and intelligence to developing this legislation.

Mr. President, the Senate Agriculture Committee has been working on this legislation for quite some time. We began last year with a series of hearings which took the committee all over the United States. We listened to farmers, to those involved in agribusiness activities, consumer groups, and others who were interested in the provisions of the 1990 farm bill to find out the suggestions they had which could be made to improve the 1985 Food Security Act.

The 1985 act has proven to be a great success in many respects. It has improved the situation for many of the commodities, particularly those where surplus stocks have accumulated. We developed two new programs, a marketing loan program and an export enhancement program which helped move what we produce here in America into the international marketplace for profit.

I think we have a record of achievement as a committee in terms of reaching out to get the best possible advice and counsel from experts. This includes those who are trying to live day by day on the farms of America, to see how we could better craft a farm program which would be sensitive and responsive to the needs and interests of American agriculture and all of America's citizens. I think we have achieved that goal, Mr. President. I compliment those who have worked hard to make this possible and I look forward to discussing the amendments which may be offered.

I just want to point out a couple of things that Senators can sort of be on the lookout for as we consider this bill. We have at work here, really, a competition of ideas between those who want to elevate price supports to such a level that we would produce basically for a domestic market, and those who would like to continue the U.S. agricultural sector as a competitive worldwide enterprise.

Therein lies one problem. If we escalate the price support levels so high we cannot sell what we produce in the international marketplace, we basically leave to foreign competitors, then, the other world markets which we have basically priced ourselves out of completely. That is one of the problems we have in trying to deal with amendments such as the one described by the Senator from South Dakota.

It would be great to have the Government guarantee to every grain farmer who wanted, a price which was higher than each individual farmer's cost of production. That is the goal that some are pursuing in this farm bill debate. But, if we do that we have to understand that there are other implications from adopting that strategy; whether we want to be competitive in the international marketplace, and how high the subsidy levels should go in terms of the drain and stress on the Federal budget. These are all considerations which the committee has had to undertake.

It has not been a very easy process to sort out all of these competing interests, but I think the committee has done very well in this regard and I commend, again, Chairman LEAHY, and the ranking Republican member, Senator LUGAR. I commit to them my effort to try to defend this bill on the floor and to guard it against amendments which would unravel the compromise that this bill reflects.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise also to speak about the farm bill that we have before us. I want to talk about the structure of American agriculture. I want to talk about the distribution of Government payments. I want to talk about imports and exports.

I compliment my friend from Mississippi, Senator COCHRAN, for the comments he has made. He has hit the nail right on the head. There are two competing philosophies shaping the farm bill. Should we raise the prices to such a level that we only will have an internal market? Or should the United States be a factor on the world scene in agriculture?

I am going to be using a series of charts and graphs so people can follow my train of thought. The first chart illustrates the number of farmers there are in the United States.

There are now 2.1 million farmers, in the United States. Of them, nearly half have a gross farm income on their farm of less than $10,000.

That, of course, gets into the definition of who is a farmer. A farmer is a person who produces 1,000 dollars' worth of goods for the market. If you had one sow, you could produce more than 1,000 dollars' worth of goods. If you had one steer, it would almost be worth $1,000. So most farms in the United States are very, very small. And most people who are on the farm do not spend their entire time there by any means, nor do they get most of their living there; 49.3 percent of the farmers have a volume of sales of less than $10,000. An additional 15.6 percent have a volume of less than $25,000. So 65 percent of all farmers have a gross volume of sales, of less than $25,000. Only one-half of 1 percent of all farmers have a gross volume of over $1 million and only 1 percent of the farmers have a gross volume between $500,000 and $1 million a year.

Farming is not a big business, by and large. There are in this group some rather large farmers to be sure but most of the farmers are pretty small businessmen and do a rather small volume of business.

My second chart shows what these farms produce; 49 percent that have a volume of less than $10,000 only produce 2.5 percent of the farm product of the United States. Put another way, nearly half of the farmers produce just a little more than 2 percent of all the goods.

On the other end of the scale, one-half of 1 percent of the farms that do more than 1 million dollars' worth of business produce almost 28 percent of the total output in agriculture in the United States; 75 percent of all the farmers do a real volume of less than $50,000 which represents approximately 11 percent of the total volume in agriculture. Most of the volume is produced by the larger farmers.

Some say these larger farmers are the ones that get all of the Government largess; that they are the ones who get all of the farm subsidies. But that is not the case.

Here is a chart that shows how the subsidies are paid and to whom they go. Only one-half of 1 percent of the farmers have volumes over $1 million. They produce 28 percent of the goods. They get 3 percent of the payments.

As we can see from this chart, Mr. President, most of the payments are received by the farmers in the middle,

the family farmers, the small farmers. Farmers who have a volume of $100,000 to $250,000 a year receive somewhat over a third of all the payments.

Farmers that have between $50,000 and $100,000 a year in volume receive 21 percent of Government payments. The great bulk of the payments are made to small family farmers. These payments are not made to the farmers at the upper end.

These two groups of farmers, these with sales over $500,000 annually, that produce 38 percent of all of agricultural output, receive 9 percent of the Government payments.

We are going to hear time and again during the course of this debate that it is the big farmers who are receiving all the subsidies. The facts of the matter are that farmers who do a volume of between $50,000 and $500,000 receive in excess of 70 percent of the subsidies and that is the way it should be. We are trying to support the farmers who are in the middle level.

Again, there are over 2 million farmers. Only 700,000 farmers receiving anything from the Government, and this is the distribution of those payments.

Let me speak for a moment about the infrastructure of agriculture. Those people who sell seed and fertilizer and chemical supplies to the farmers, those who operate the grain elevators and the processors, the transporters, the insurers, the lawyers in rural America, those who work on the barges, the railroads, the ships, and the trucks, are the infrastructure. It has to be the goal of farm policy not only to support the farmers but to support the infrastructure of agriculture as well.

Really, the infrastructure of agriculture has more people working in it than work on the farm. So if we want rural America to prosper, we have to help not only the farmer but we have to keep in mind the infrastructure of agriculture.

The infrastructure of agriculture has a somewhat different approach than do the farmers. The farmers want the most for each bushel that they produce. The infrastructure of agriculture relies more on the totality of the bushels. They rely much more on the volume of the goods than they do on the price of the goods. They get paid on the gross number of bushels, rather than on what each bushel brings.

So the infrastructure of agriculture also needs to be served by this farm bill, because, again, rural America has more people working in the infrastructure of agriculture than they do in agriculture itself. Therefore, as I listened to my friend from South Dakota who just spoke about raising loan rates, if we are going to fail to support the infrastructure, we are going to give away part of rural America. It is important we, indeed, support not only the farmer but rural America in general.

Let me put up an interesting chart about the investment in agriculture for an ordinary farm. This might not be the ordinary farm in South Dakota or in Nebraska, but it is in Minnesota. The subject of this chart is that farmers are, indeed, very, very highly leveraged.

A normal farm of 500 acres—and the average farm in the United States is 462 acres so this really is quite average—at $1,200 an acre, which is a reasonable value, means the farmer has $600,000 invested in land. We took a figure of about $150,000 of machinery for a total investment of $750,000, a very sizable investment.

I've multiplied out that he planted corn on 240 acres and beans on 250 acres. The house, a driveway, and so on make up the other 10 acres. Calculating a reasonable price that the farmer is likely to obtain for the soybeans and corn, gives a total income of $146,000. That is a gross income on an investment of $750,000. That, indeed, is a very highly leveraged business.

If the rains do not come and if he has a bad year, one can see that he has an enormous investment that is riding on a razor-thin volume. If you consider the fact that the average profit on his volume, in Minnesota at least, is about 20 percent, the return on invested capital is very small, 2 or 3 percent. Farming is a tricky business.

It is a different kind of business than the one I am accustomed to being in which is retail, where the volume is far, far larger than the investment. In farming the volume is about 20 percent of the investment. If the farm is highly financed, if $400,000 of that $750,000 is financed and the interest rate is 10, or 11, or 12 percent, which is probably average now, a very large portion of gross income goes just to pay the interest. This is one of the elements of farming, the extraordinary leverage, that brings the Congress and brings the Government into play with agriculture. It is such a fragile business, because it is subject to so many vagaries, including nature.

This is why we on the Agriculture Committee have a sense that, yes, the Government needs to be involved in agriculture because it is a fragile business, it is a business where the leverage is higher than any other I know, and it is a business that is subject to the vagaries of nature and depends on unpredictable elements in our society more than any other I know.

I would like to talk about the international aspects of agriculture as well. It is an important element. Some of my friends on the Agriculture Committee are, indeed, feeling that there should be a high support price per bushel. I do not say that the prices should be low, but the loan rates should be competitive; that loan rates should make our goods available for export. Look at what we export. In the case of corn, 30 percent of what we produce is exported. In the case of soybeans, it is almost 50-50, and it used to be a good deal larger. We have lost a large portion of the world market in soybeans, and that is too bad.

In the case of wheat, 64 percent of the wheat that we produce in the United States is exported. It, indeed, is important that we have loan rates that are competitive on the international market. If loan rates rise to such a degree that we are no longer competitive, what happens to rural America if we do not export our commodities?

These are raw commodities. Exports are a billion and a half bushels of wheat in this case, or a billion bushels of soybeans. Think of the trucks that must operate, the insurers that must work, the trains and the barges and the other transportation modes and the elevators that must handle goods in order to move 1 billion bushels of soybeans, or 1 billion bushels or more of wheat. The amount of corn shipped overseas would be almost 2.5 billion bushels.

It is absolutely essential that this farm bill that we discuss and that we pass adapt itself to the world market. Those who would look inward, those who, as the Senator from Mississippi has pointed out, would have a high internal price and thereby take us out of the export markets, would do great damage to rural America. Rural America depends on the entirety of these items being handled, and exported, moved about, insured and handled by elevators. It is important that we support not only the farmer but the infrastructure of agriculture, and that means volume.

Now I would like to take a look at the land values and how they relate to agricultural exports. This chart goes, Mr. President, from 1910 to 1990. The blue line is the line that represents the value of Minnesota farmland in southwestern Minnesota.

For the first 65 years of this chart, there was a very gradual increase in land values. Suddenly in the 1970's, as exports rose, land values just skyrocketed. If you were a farmer in the seventies or early eighties and bought your land on the top side of this graph, fixed capital for land just became so great a portion of the farmer's overhead that it could not be "penciled out," as they say. Farmers simply could not make it work. They could not get enough money from growing crops in order to pay for the land.

That led to a very severe recession and, indeed, a depression on the farms

earlier in this decade. As we can see, the land values went down as fast as they went up, though they did not go all the way down to zero. Now they have turned around again.

Notice the uncanny linkage to the level of exports. On this side of the graph, Mr. President, it is dollars per acre. This is in millions of dollars. So this would be $40 billion in trade. As trade increased, so did the value of agricultural assets. Since the principal asset of a farmer is the land, it is important from that standpoint as well that we support international trade. If we do not support international trade, the basic asset of agriculture, the land, will not appreciate as it has in the past.

Mr. President, let me speak for a moment about agricultural trade and what started the great growth in agricultural trade in the 1970's. This is a chart showing agricultural imports and exports. The top line is the exports; the bottom line is the imports. Since 1960 we have always run a trade surplus in agriculture. Right now that trade surplus is nearly $20 billion. When you look at the balance of trade figures for the United States, many people have pointed out that over many years, the balance of trade has been negative. This is not so in agriculture. In agriculture, we have had a very positive balance of trade. Farm trade did not really amount to much until the 1970's when the line bolted upward. I would like to discuss why it did that next.

One of the first things that happened in the 1970's was that the Soviets had a change of heart. The Soviets decided that in times of low grain production, they would not slaughter their animals but, instead, they would buy grain from abroad in order to feed their animals a normal rate rather than slaughtering them at too young an age. They decided to import grains. With the Russian trade deal, suddenly up jumped the United States trade figures, and world trade really began to take off.

Also, in the 1970's, there was a period of rapid economic growth. In addition, all the petro dollars were about, money was cheap, and people were encouraged to make loans at rather low interest rates relative to inflation. The real interest rates in the 1970's were very low and sometimes the rate of inflation, indeed, exceeded the interest rate. That created a great incentive to borrow. Many Third and Fourth World and other nations got deeply into debt. Some of that money came back as agricultural trade. That, too, was part of the 1970's.

In addition, there was bad weather in the world, but there was good weather in the United States. We were able to produce while some parts of the world were not able to produce.

Finally, in the 1970's, the value of our dollar was quite low making our exports very competitive.

Between the Soviets, who had a change of heart, the bad weather, the world economic growth, the cheap money, and the fact that the value of the dollar was low, exports absolutely boomed in the 1970's. They started off in 1970 at about $7 billion and ended up close to $40 billion in 1980, an extraordinary increase for a single decade.

But in the early 1980's, absolutely everything reversed so that we saw a decline, as indicated in the chart. The decline began in January 1980, just the beginning of the decade. The Soviet grain embargo led to us being thought of as unreliable food suppliers. It was the second embargo in less than a decade. That embargo was brought about by President Carter. But President Nixon had also imposed an embargo earlier on soybeans against the Japanese. That led the Japanese to invest a great deal in South America so that they would have an ensured source of vegetable oil when they needed it. Embargoes have worked very much against us.

The Nixon embargo was a very brief one, a matter of weeks, but nevertheless, it so upset the Japanese that they made very large investments in South America. The Soviet grain embargo continued on for quite some time and really shattered confidence in the United States as a reliable supplier of food.

World trade in the 1980's stagnated. There was a worldwide recession. On top of that, the weather changed and the entire world experienced some pretty good years weatherwise, and production went up. Interest rates, while they came down from the very high levels of the late 1970's, nevertheless, in real terms remained very high. The 1980's turned out to be some pretty difficult years. The value of the dollar went up so our exports were more expensive. Then came the emergence of the European Community as a new and very expansive player on the world market. I will speak about that in a moment as well.

All the things that benefited us in the 1970's turned around and worked against us in the first half of the 1980's. In the second half of the 1980's, once again, we have a favorable trend, to some degree because of the 1985 farm bill.

In the 1985 farm bill we made loan rates competitive once again. They were not competitive under the 1981 farm bill. The dollar moderated in value. There were some short crops around the world. Some of the elements of the 1970's recurred. But the 1985 farm bill was a moving factor in all of that because American goods were competitive once again. Indeed, as is shown here on the chart, trade has picked up. Where at one time the difference between exports and imports was about $5 billion, they once again have grown to approximately $19 or $20 billion.

Let me put up, Mr. President, another chart which shows where we buy and where we sell our agricultural exports. The startling point is our trade in the Far East, in Asia. We sell $16.3 billion and we import $3.3 billion in agricultural trade, so it is a 5-to-1 factor. We have a trade balance in the Far East of $13 billion.

Our biggest customer is Japan. To Japan we export well over $8 billion and we import almost nothing. Taiwan is the third largest customer with $1.6 billion in agricultural exports from the United States; and Korea, the second largest, with $2.5 billion.

These are relatively small countries, and you can see from them that when a country has economic success, one of the first things it does is improve the diet of its people and it expands world trade. That, of course, is one of the positives of 1990's. As we see world economies changing from a planned economy to a more competitive economy, as that begins to happen in Europe and in other places, we should reasonably expect to do more business with them exporting our agricultural goods.

As you can see, Mr. President, despite the fact that Western Europe has become a very large exporter, they are still pretty good customers of ours. We export $7 billion to them. We import $4.5 billion from them, probably the largest item being wine, which is considered an agricultural item as well.

In the case of Latin America, we import more than we export. In the case of Canada, it sometimes shifts from year to year. But in 1989, they exported to us somewhat more than we exported to them.

Oceania includes New Zealand and Australia where we have a large trade imbalance. But throughout the world, total exports in 1989 were about $40 billion, the total imports are somewhat in excess of $21 billion, so that the net trade balance is nearly $19 billion, which is very satisfying, indeed.

Let me talk if I may, for a moment, Mr. President, about the European Community. What has happened in the European Community has really changed the face of agriculture worldwide. In 1977, they were net importers of nearly 20 million tons of grains. They were the largest customer that we had in those days. They were the world's largest customer in agriculture. Look how they have changed. They have crossed the line and have become exporters and now in grains have become the second largest exporter all in the course of 10 or 11 years.

It changed the face of world agriculture because the Europeans decided that they wanted sufficiency for themselves, because they decided that they would really subsidize their farmers. They have changed in a period of 11 years from a net importer to the second largest world exporter, we being the largest world exporter.

They have a different attitude. They spend an extraordinary amount on agriculture. They spend about $55 billion a year on their agricultural programs. In 1990 we will spend, I believe, $8.4 billion, about one-seventh. They spend almost $7 for every dollar that we spend, and they prop up agricultural prices so high that they get an enormous production and then they have to subsidize the exports and they dump it onto world markets. This is a very cruel thing, indeed, because the Third and the Fourth World countries—the poor countries of the world—can only lift themselves up by their bootstraps by developing their agriculture.

Every country in debt that starts in the business of trade begins first in agriculture and they begin first with some products from the land. They simply do not have the wherewithal to begin a manufacturing society. That is a more mature society. But because the Europeans have these large surpluses and because they dump them onto the world market and drive down the prices, some farmer in the Third or Fourth World—in Africa or Asia—who is really eking out a living, suddenly finds his marketplace depressed because the Europeans have to get rid of their surplus.

So what the Europeans do in subsidizing exports, and indeed what we do in subsidizing exports hurts some very poor people around the world, farmers in third and fourth world countries are simply not able to defend themselves. Hopefully, through the GATT proceedings of international trade negotiations that will change and a more level playing field will result.

Mr. President, let me talk about some displacements that have occurred in the world. That is, if the Europeans dump onto the world market, who is not selling?

This is a chart that shows the cumulative amount of grain that they have shipped onto the world market, because of their subsidies. Somebody had to be displaced unless the market grew. In some years the market grew but not by that amount. This chart over here, which almost tracks the European growth exactly, shows the cumulative amount of U.S. grain production that is foregone by acreage reduction programs.

This country alone has acreage reduction programs. This country alone says to a farmer if you want to participate in a program, you cannot plant on all of your land. You can only plant on 90 acres out of 100 or 7 acres out of 10. The other land must lay fallow.

If we had planted on those set-aside acres, we would have had far more production. There would have been much more activity in rural America. Indeed, as we set aside acres, the Europeans picked up all of the slack.

If every country set aside, if every country said to their farmers you cannot plant on all your land, you can only plant on a certain percentage of it, that would be one thing. But only we do that. We penalize ourselves.

We penalize not only our farmers, but all of rural America, because we reduce the volume. So there are fewer truckers, there are fewer barge operators, there are fewer people working at the grain elevators, there are fewer people who are involved in the entire infrastructure of agriculture because we set aside.

We continue to set aside in this farm bill. And I continue to object to set-asides. I continue to say it simply is not in the American interest to set aside productive land and increase the cost production on the land that we actually do plant.

If a farmer can only plant on 8 acres out of 10, the land payments on those 2 acres on which he does not plant continue. The taxes on those 2 acres on which he does not plant also continue. So he has to earn from the 8 acres enough not only to pay the costs attendant to those 8 acres but pay the costs for the other 2 acres as well.

It increases the overhead of American agriculture and disadvantages American agriculture. We alone follow that practice on the basis that by laying aside land you allegedly have less production, and therefore you will have a higher price. When you have a higher price, the Government's payments become less.

So it is to the advantage of the Government, not to the advantage of the farmer. It is to the advantage of the Government, not to the infrastructure of agriculture that set-asides are used.

It would be my hope, and I will offer an amendment that I do not expect to see passed presently, to undo set-asides and allow the most productive land in this country not to lay fallow unnecessarily, but to produce agricultural commodities so that we can be competitive on the world market.

Let me also speak now about the world soybean trade, the U.S. share of world soybean trade as indicated by this chart and what our farm programs have done with respect to it.

This part of my opening remarks, Mr. President, has to do with flexibility that I hope will be expanded in this farm bill.

Back in 1970-71, we had a total of 80 percent of the world trade in soybeans. We had at this point 80 percent, total trade was about 20 million tons, and the total trade has gone up to about 60 million tons in this 16-17 year period.

Our share of the total trade has gone steadily down; where it used to be 80 percent, it is now, as you see, approximately 36-37 percent.

So our share in the trade of soybeans has gone down. Why speak about soybeans? It is one of the large crops. Wheat, feed grains, which includes corn, sorghum and oats, and soybeans are the three principal crops.

Soybeans is an approximately 2 billion bushel crop in the United States. It is the fastest increasing crop in the world agriculture. It has been called the "miracle crop" because it has added so much additional production to world agriculture, and has improved lifestyles through cooking oils and other use of oils. Soybeans are indeed an essential part of animal feed throughout the world. It has been the most expansive crop by far in agriculture.

We have lost market share. Because of the inflexibility of the farm program, our farmers cannot respond to market signals and plant soybeans. Our farmers have to plant the crop that is mandated by the farm bill if they want to participate in farm programs. It is that, too, that I have sought to change in this particular farm bill, to increase the flexibility that farmers have in being able to plant crops on their farms.

Now, if you have a corn base, you have to plant that base or you lose that base. You use it or lose it, as they say. You cannot plant soybeans on that corn base even if the world market is short on soybeans and you want to respond to the market. You simply cannot do it or you lose your base. The base, your agricultural base, really is an important element of the value of your farm.

So unfortunately as this chart shows, while world trade in this miracle crop called soybeans is expanding at a rapid rate, our share worldwide is going down. Who is taking it? In this case it has been the South Americans. From 1979-1988, the production of soybeans in this country has gone down by 13 million acres. The production of soybeans in South America has gone up by an exact like amount, 13 milion acres. So as we gave our production away, the South Americans, with glee, picked it up.

It is my hope that this farm bill will allow sufficient flexibility so that we in the United States will be able to regain some of our market share and be aggressive producers of this crop called soybeans.

Mr. President, I want to speak briefly about Europe, because they have become the principal opponent, the other principal exporter in world trade, and suggest a contrast, for a moment in their agriculture with ours.

They have a total population in the European Community of 323 million. We are at about 244 million, perhaps 250 million. Those are small countries, and the largest country is France, and it is as small as the State of Texas. The size of West Germany is just a little bit larger than the State of Minnesota. The size of Great Britain is somewhat larger than the State of Minnesota, but not by much Yet, they have 7 million farms; we have about 2,100,000 farms. While the average size of our farm is 462 acres, their average size is 41 acres.

If you look at dairy in Italy, for instance, their average herd size is three. In all of Europe, I believe the average herd size is 15, something that has not been the case in the United States now for 35 years. In the United States, the average herd size is closer to 60. And they have in Europe a series of small farmers, a huge number of small farmers, 3½ times as many farmers as we do.

They are just subsidized in a manner that slows down their economy; that is expensive to their consumers; that, as I said, is injurious to people who are very poor in the Third and Fourth World countries. And it is unfortunate that we have to deal with countries that subsidize to such a degree.

They subsidize, Mr. President, to such a degree that in wheat, where the average yield in the United States might be 40 bushels, they have 10-ton clubs, 10 tons of wheat per hectare, which is on average about 150, 155 bushels per acre.

In Europe you will see cracks in the wheat fields because they fertilize and use herbicides perhaps a dozen times during the course of a growing season, as opposed to perhaps three in the United States. That is the way they get their yields up, and that is the way they develop these huge surpluses that they dump on the world market. As I say, it destroys the lives of many poor people around the world.

Mr. President, finally, in talking about the competition, let me talk about the enormous potential that exists in South America. We farm in this country approximately 330 million acres, 330 million acres, as you see here, of arable land, crop land.

In Brazil, they farm about 120 million acres. In Brazil, they have available another 500 million acres that has not been planted. In Argentina, about 50 or 60 million acres is in production. Well over 300 million additional acres can be put into production.

What does that mean? That means that we should have a farm policy that does not guarantee such high prices worldwide that we encourage the South Americans to begin production, because indeed, if they start to produce on all the acres they have, we will find new competitors coming in that will make our farm economy far more difficult to cope with.

As I pointed out, in the case of soybeans they respond very quickly. We reduced our soybean acres by 13 million. They increased their plantings by 13 million acres, not substituting soybeans for another crop in most instances, but just planting new acres, fertile acres, that they had previously used for grazing.

So as we consider the situation of American agriculture, we also have to understand the enormous potential that our competition has.

Mr. President, I have not commented a great deal about the 1990 farm bill that has come out of the committee, other than to say that it continues to have set-asides, acreage reduction programs, ARPS, as they are sometimes known. I do not agree with ARPS, because as I pointed out on one of our charts, not only are we the only country to set aside acres, not only are we the only country that will say you cannot produce on good acres of land, but we give away markets through the use of ARPS to other countries. That has been documented time and time again.

I will offer an amendment to end that practice in the United States, to eliminate the use of set-asides, to eliminate the use of acreage reduction programs. I will also introduce an amendment to make loan rates more competitive. That is, I will introduce an amendment to continue the 1985 formula with respect to loan rates, that loan rates can reflect market prices. That was one of the great strengths of the 1985 farm bill, and it should be continued.

Finally, Mr. President, I will be introducing, or perhaps the Senator from Iowa will introduce, an amendment with respect to planting flexibility, that farmers, if they have a wheat base or a corn base, do not have to use it or lose it; that if they have such a base, they can look at the marketplace and they can say, OK, this year it makes more sense to plant soybeans, or it makes more sense to plant some other crop. And they can respond to markets, rather than respond to farm programs.

I believe that markets work. I have always, throughout my entire life, worked with markets, and I think that the proof of the last 5 years, where the agricultural markets have been given a chance to work, proves once again that they will work, that farmers will be more enriched, that rural America will be kept busier, and that really should be a goal of this farm bill.

I say in conclusion, Mr. President, that this farm bill that we reported from committee has many positive factors to it. I do not mean to suggest that it is a nonsatisfactory piece of legislation. I do mean to suggest that through increased flexibility, that by having loan rates that are more competitive and more oriented toward the market and, furthermore, the elimination of acreage reduction programs, we would indeed strengthen the farm bill and make it a farm bill that will lead to bigger and better things for American agriculture and for all the people of the world.

Mr. President, I yield the floor.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER (Mr. BURDICK). The Senator from Oklahoma is recognized.

Mr. BOREN. Mr. President, today we begin debate on one of the most important pieces of legislation the 101st Congress will address—the Food, Agriculture, Conservation, and Trade Act of 1990, more commonly known as the 1990 farm bill.

Farm legislation is vital to the entire Nation, not just to a few farmers. American farmers provide the consumer with the cheapest, safest, and most reliable food supply in the world. The U.S. agricultural sector is also a major food supplier to the rest of the world, especially the poorest, least developed countries which are not self-sufficient in their most basic need—food.

Agriculture is the single largest industry in the American economy. The American food industry employs over 20 million people and accounts for nearly one-fifth of our Nation's gross national product. Agriculture is also the largest industry in my home State of Oklahoma, accounting for nearly $3.7 billion of income in 1988.

The U.S. farm sector is one of the few bright spots in our balance of trade; we have maintained an agricultural trade surplus for four decades. Our agricultural exports reached an all-time high of $40.6 billion in 1989.

Mr. President, our food and fiber sector is the envy of the world. Most of the credit for this system must go to the American farmer for his hard work, endurance, and skillful management of our natural resources. American innovation and technology, too, have contributed greatly to the progress of the industry.

Farm legislation, however, has also played an important role. If properly crafted, farm programs can serve several vital functions.

First, income support programs can help provide a stable financial health to the agricultural sector. Every business must estimate different variables that effect its future. Interest rates, currency values, and labor costs are the most obvious examples. Each of these variables is extremely important to business, and each is difficult to estimate. Agricultural producers, however, must gamble with these factors plus one addition—the weather. No other business enterprise depends on

such an unpredictable force to such a great degree as the farmer does on the weather.

Debts must be paid in bad years as well as good. The target price mechanism in this legislation provides some needed income stability to farming operations and buffers our food and fiber sector from wild swings in cashflow.

Second, farm legislation establishes a series of rules and incentives designed to preserve our valuable farmland resources. Agricultural producers are pricetakers in their respective markets and therefore have an incentive to maximize production for the short term. They cannot control price. Production is the only thing they can control. Concern for the long-term condition of our farmland resources led Congress in 1985 to tie certain conservation provisions to commodity programs. This legislation continues that trend and reauthorizes several programs that help preserve our valuable soil and water resources.

Let me say, Mr. President, that there are those who would like to change the farm program to exclude some farmers, particularly larger farmers by volume, from the program. We must look at those actions with a great deal of concern because the more we push farmers outside the program, the more we encourage them simply to maximize their production, the more we undermine the preservation of the resource base of our land, of our environment, by pushing people out of the program and therefore discouraging them to take advantage of the conservation provisions.

Third, farm legislation authorizes agricultural research projects that will continue to allow the American food industry to take advantage of the latest and best applied technology. Land grant universities in every State in the Nation contribute to this effort to improve production, reduce costs, and address health concerns.

Mr. President, these are just a few general advantages of our farm programs that I hope my colleagues will consider.

As I say, oftentimes those from States where agriculture is not a large component of the economy simply believe that the farm bill is to benefit farm programs alone and farmers alone, that only those Members from farm States should be concerned about. Nothing could be further from the truth, Mr. President. We all must be concerned about farm legislation. We must all band together, for the sake of our national economy, for the sake of our national resource base, for the sake of our environment, to craft farm legislation that makes sense.

The Food Security Act of 1985 set the commodity programs for the 1986 through 1990 crops of wheat, feed grains, cotton, and rice. Winter wheat farmers in Oklahoma, Texas, Kansas, and other States have completed their harvest of the 1990 crop and are attempted to plan their farming operations for next season. I have joined with several other Senators in urging Secretary Yeutter to announce the most critical elements of the 1991 wheat program and I hope he will do so without delay. However, most elements of the program will not be finalized until the new farm bill becomes law. Unfortunately, this will not occur before winter wheat planting begins. Therefore, expedient passage of this bill is critical to the decisionmaking for winter wheat producers.

Finally, I believe it is especially important for Congress to pass a multiyear farm bill before the conclusion of the Uruguay round of the General Agreement on Tariffs and Trade [GATT]. A strong, multiyear farm bill is needed to show our European competitors that we will not unilaterally withdraw our export programs and to show our own U.S. negotiators in Geneva that Congress does not want a GATT agreement that is bad for American agriculture.

We must not unilaterally disarm our farm programs and leave the American farmer at the mercy of European governments with large export subsidies which are designed to steal our markets. The only way to get relief from the EC at the bargaining table is to deal from a position of strength through a farm bill that effectively promotes American farm exports.

It is urgent, therefore, for us to act and for us to send that signal to those who would continue their unfair export subsidies against us in an effort to take markets away from the American farmer.

As chairman of the Subcommittee on Domestic and Foreign Marketing, I am especially supportive of this bill's trade title. This bill takes the best ideas from several agriculture trade bills, including S. 2147, which I introduced along with Senator COCHRAN of Mississippi, as well as the trade bill introduced by the distinguished chairman, Senator LEAHY, and the distinguished ranking member, Senator LUGAR.

Our farmers can compete with any farmers in the world. However, they are also being forced to compete with foreign governments. The European community, for example, has a long standing policy, known as restitution payments to pay its exporters to sell wheat at a loss. For these reasons, we have adopted the Export Enhancement Program [EEP] which is designed to match the European subsidies by providing our exporters with certificates redeemable for government-owned commodities.

Although the EEP has been successful in regaining some of our lost markets, the community's subsidies continue. Our subcommittee heard testimony that the EC's restitution payments have reached as high as 10 times the EEP bonus for certain markets, 10 times the size of the export subsidy. Clearly, we must continue to keep the pressure on our competitors and aggressively use the EEP.

The best way to assure that the pledges recently made at the Houston economic summit to consider dismantling of the huge export increase in farm subsidies by the European community, the best way to make sure that those pledges are redeemed is to continue a strong export enhancement program now, to do it in this farm bill, and to send that message while our negotiators are at work on the GATT amendment.

This bill continues this strong export policy by authorizing EEP expenditures of at least $600 million annually. It also allows the EEP to be used against countries that hurt U.S. exports through the practice of monopolistic pricing. The bill renews the Cottonseed Oil Assistance Program [COAP] and makes needed improvements in the GSM credit programs.

Mr. President, I believe this farm bill must pass and it must pass soon. To achieve that goal, Senators from farm States must work together in a bipartisan fashion. The worst thing that could happen for our producers would be for the farm bill to become mired in partisan politics. Instead, we have an obligation to put any political differences aside in order to write the best possible agricultural policy for the Nation.

Mr. President, I simply close by saying we were finally able to do that in the Agriculture Committee, and, after some partisan haggling in the beginning, we realized we had a broader responsibility not only to the agricultural sector, but to the entire economic interests of this country to put aside partisan differences, to work together, to come forward with a consensus bill with a large majority of the Agriculture Committee behind us. That is exactly what we have done.

The grave danger we face is this: If we were to fail to reach an agreement now and push this bill on to passage and get it on to the conference committee so that early on in the fall we can have a farm bill finally signed into law, the longer we wait, the more we will be pressured to have only a 1-year farm bill. I say to my colleagues nothing could be more damaging to the economic interests of our United States. If we have simply a 1-year farm bill with uncertainty of what the programs will be in the following year, it will make it very, very difficult for producers to make long-range investment decisions.

More than that it will send exactly the wrong message to our negotiators at the GATT, and it will send a mes-

sage to our competitors who are continuing these huge subsidies, estimated to be as high as $10 billion, to steal our market, sometimes as high as $7, $8, $9 per bushel of wheat in order to take our markets away from us, that we are at their mercy, that they are going to be able to determine in the GATT negotiations what our long-term farm bill will look like.

So, Mr. President, I urge my colleagues to let us join together, put aside such minor differences as we might have, speed this bill to passage on the Senate floor, get it to the conferees so that we can get a bill on the President's desk to send a strong message and strengthen the hand of our negotiators in the GATT negotiations which are now going forward.

I thank the chairman, the distinguished Senator from Vermont, who is on the floor, for his leadership. I thank the ranking member as well. We have had a very good effort. It has been a very hard working group. Many hours have been spent in the Agriculture Committee to bring this bill on the floor. I think overall it is an exceptionly good product. It does not mean it could not be improved in the course of the legislative process. But as we make those improvements, let us not bog down, let us not slow the pace of getting this bill enacted into law.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Oklahoma for his kind words and for his leadership on this committee. The Senator from Oklahoma has been a tireless worker on the very complex issues in this bill, notwithstanding his other duties as chairman of the Senate Intelligence Committee. And having had some experience in that field, I know the enormous number of hours that takes and the hours that none of the public sees because it has to be, by the very nature of that committee, behind closed doors. But the Senator from Oklahoma was there every time we needed him on these agriculture matters, adding his expertise and his good common sense.

I agree with him that we have put together legislation that can carry out the goals that he has talked about in the domestic agriculture field, and also in trade.

So I applaud him for what he has said and I just wanted to note my appreciation for his help in the committee.

Mr. President, I suggest the absence of a quorum.

The PRESIDNG OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDNG OFFICER. Without objection, it is so ordered.

The Senator from South Dakota is recognized.

Mr. LEAHY. Mr. President, will the Senator from South Dakota yield to me just for a couple of minutes for a housekeeping chore

Mr. PRESSLER. If it would be just for a couple of minutes and if I can get the floor back in 2 minutes.

Mr. LEAHY. Of course.

Mr. President, I ask unanimous consent that the Senator yield to me for 2 minutes without losing his right to the floor.

The PRESIDNG OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2304

Mr. LEAHY. Mr. President, we have some committee en bloc amendments. They were reported by the committee subsequent to the reporting of the overall bill and the committee authorized me, as chairman, to offer the amendment on its behalf.

I send the amendment to the desk and I request that the amendment be treated as original text for purpose of further amendments and that no point of order be waived.

The PRESIDNG OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2304, en bloc.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LUGAR. Mr. President, I join the distinguished chairman in endorsing this amendment which comprises numerous amendments adopted by the committee by unanimous, bipartisan consent.

It was agreed at the time we came to our basic conclusions on the farm bill that minor and technical amendments might be offered, and if they found unanimous consent in a bipartisan way in the committee, they would be made a part of the chairman's amendment. So it is my privilege to endorse the amendment and ask for its passsage.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2304) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. I thank the distinguished Senator from South Dakota and the distinguished Senator from Indiana.

Mr. PRESSLER. Mr. President, I would like to speak on the farm bill that is before us, to give some of the views of South Dakota.

Two years ago, I held a series of listing meetings on the revision of the farm bill. Since that time, I have kept in close touch with the ranchers, farmers, small businessmen and others in my State regarding revision of the farm bill.

As you know, this body last acted on this bill 5 years ago. It was a long and contentious debate. We are now entering into a new farm bill debate here on the Senate floor and I think it is good to review some recent history. Also, it is my desire to report to the Senate some of the findings I have had in meetings with my farmers and ranchers.

In fact, about 2 years ago I spent the February recess visiting 14 towns, small towns, strictly on how the farm bill was doing and what we could do to improve it. Subsequently, I have held several other meetings on this topic in my State.

The issue before us is agriculture in the 1990's. As we saw in the Houston summit, agricultural trade negotiations are at the very center of the farm policy debate. For the first time in our country's history, we have found that the trade aspects of agriculture are going to be key concerns in the 1990's. I have said frequently that what happens in international trade may well be as important to farm prices in the United States as some of our farms programs. Therefore, we must watch international trade agreements very, very closely.

Mr. President, I think it is good to review some of the history of the agricultural trade debate and to recognize that European agricultural subsidies are, generally speaking, designed to increase agriculture production, while ours are designed to decrease agriculture production.

For example, if a farmer qualifies for target or loan prices in the United States, that farmer must set-aside part of his land and not produce on it. This leads to the charge that we are paying people not to produce. Also, we have the conservation reserve program, in which whole farms or tracts of land are taken out of production for several years and people are paid not to produce and to practice conservation practices.

In part, we are preserving topsoil, we are preserving wildlife, we are preserving water with these set-asides and the conservation reserve program. But the point is, our subsidy program is designed to reduce agricultural production. In Europe, the subsidy program

is designed to increase agricultural production—no land set-aside program is required to qualify for subsidy.

Also, the Europeans engage in heavy subsidizing of agricultural exports. That is, when the surplus crops of these countries are sold abroad, they are dumped. The European Community [EC] alone spends $12 billion each year on subsidies for farm exports. These crops are sold at world prices, whatever they will bring, and that is usually just below the United States loan rate. They undercut the sale of U.S. farm exports in third country markets.

Whatever the reason, we need an international agricultural treaty. We need to change the way we define our subsidies compared to those of Europe and other countries.

Some countries subsidize the transportation of agricultural commodities. Canada heavily subsidizes agricultural products for export. That is a subsidy just as much as a deficiency payment paid to a rancher or farmer. In the 1990's we are going to need a common set of definitions on just what constitutes a farm subsidy.

I plan to offer an amendment calling for an international agricultural conservation reserve agreement, under which countries could get credit for actually reducing production. When our farmers and ranchers do not produce on all their acres, that actually helps our international competitors. Europe, Argentina, Canada, and other countries that are surplus-producing countries are at full production. We are not. So our subsidies are actually a double subsidy to them. In the 1990's we are going to have to move toward solving that problem. In part, that is what President Bush was talking about in his Texas meeting.

On the issue of target prices, I support increased target and loan rates under the current circumstances, in which our farmers and ranchers have to compete against a system in Europe that can only be characterized as very unfair competition.

I recall that on this floor when I came here, over 11 years ago, I discussed this with Senator Milton Young, the late Milton Young, of North Dakota, who served in this body I think 30-some years. He gave me the history of how he had initiated the target price program for wheat because of the growing subsidies in the European countries. There were many others who also contributed to these policies. It was not a Republican policy or Democratic policy—it was a bipartisan farm policy.

Regardless of the history, today we are standing on the verge of a new farm bill. Granted, what we do here in the Senate on the farm bill will be very significant. Perhaps more significant will be the appropriations that will come later, and the possible imposition of a Gramm-Rudman-Hollings sequester, if a budget agreement is not reached. So, there are many bumpy points on the road as we move toward appropriate funding of a new farm bill.

I am sure there will be efforts to reduce the target prices. I have not joined in that effort because I think under the circumstances our farmers are entitled to at least a cost-of-living-increase, if not more. If target prices are frozen or reduced, that will be very counterproductive.

I also believe that we as a nation have an interest in keeping ranchers and farmers on the farm. For example, in Europe they have kept small-farm agriculture prosperous. This has meant that small towns also are prosperous, and the business communities in those small towns are prosperous.

We can go into almost any small town in France or Germany or Italy or England and find a Main Street that has prosperous small businesses. That is not true of many towns in the United States. Indeed, in the small towns of the United States, we often find that small businesses are boarded up. They are closed.

In practice we have almost had a policy of moving people from rural areas into very crowded city centers. Europe has had a long-time policy of keeping people on the land.

Our policies, in terms of the basic strength of our national economy, would be better if we had such a policy to keep family-size farmers and smaller ranchers in operation. That should be the purpose of this farm bill. It should not be huge subsidy payments to a few big conglomerates. There should be limitations on farm program payments.

During the last consideration of the farm bill I offered an amendment with a three-tiered pricing system, which I think has merit, to help the small farmer. It was based on the idea that, if Government programs help keep the family farm, small farmers and ranchers, and help enrich the small businessmen in our towns, all America will benefit. Indeed, there have been surveys in New York City that show that most people want to keep the concept of the family farmer in America.

There are many other details to this farm bill that are of great importance. There is the crop substitution issue, which is very important in my State. There are a number of other details I shall be working on with others as the amendments move forward.

Mr. President, I grew up on a family farm in eastern South Dakota, in Minnehaha County. I am very proud of that. My parents still occupy that farm. This is a point of pride to me. Having been active in 4-H, the agricultural youth group, I feel I know farming well. What we are doing here is very important, not only to the farmers of our country but to all citizens because it is an essential element in the fabric of our national life.

The fact that we have such a large supply of high quality food is a great blessing. There are not very many countries in the world where you can buy milk fresh every day. That is because there is no program to maintain a uniform supply of milk. Countries that do not have a dairy program, for example, have ins and outs, ups and downs in milk production, and can buy clean, fresh, tested milk only in the big cities. That is an unusual treat in the world. If we get away from Europe and the United States, it is fairly hard to do. And it is also true of other food products.

We spend a much lower percentage of our budgets on food than many other countries do because we have had a system of even production. We have had a farm program that has allowed small farmers and ranchers to stay in business. It has allowed diversity, and it is in the national interest to have that even supply of food at a reasonable cost.

I know there are many environmental issues, kindness to animals issue, and so forth that are being blended into this debate. We have many disagreements on those sorts of issues. But, as we begin this farm bill debate, let us remember that what we are doing here will affect our country for many years to come, not only farmers but also city folks.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 2305

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2305.

At the end of the bill add the following new section:

SEC. . It is the sense of the Senate that Federal nutrition programs are important elements of our national food and agriculture policy. It is further the sense of the Senate that when legislation reauthorizing federal nutrition programs is considered in the Senate, such programs should be authorized at levels that will meet recognized national needs.

Mr. REID. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WIRTH). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2306 TO AMENDMENT NO. 2305

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state it.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID], for himself, Mr. RUDMAN, Mr. CHAFEE, Mr. BRYAN, Mr. BRADLEY, Mr. PELL, and Mr. KERRY, proposes an amendment numbered 2306 to amendment No. 2305.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following new section:

SEC. . MEANS TEST FOR AGRICULTURAL PAYMENTS.

The Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. MEANS TEST FOR AGRICULTURAL PAYMENTS.

"Notwithstanding any other provision of law, a person (as defined in section 1001(5)(B)(i) shall be ineligible to receive payments under any of the annual programs established for a commodity under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (other than disaster payments or payments received under conservation reserve programs established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) and as amended by subsequent legislation) for a crop year if the average amount of gross sales of agricultural commodities by the person during the 5 previous crop years is in excess of $500,000 per year.".

Mr. REID. Mr. President, agriculture holds a special place in the history of the United States. In the 1700's through the early 1800's, most Americans were farmers and farm prosperity was equated with national prosperity. In terms of American history, most farm families barely produced enough to feed themselves.

In the latter half of the 1800's, this situation began to change rapidly, thanks to scientific and industrial changes. Every decade since the 1800's, farming has become phenomenally more productive. The development of new plant varieties, fertilizers, coupled with increased use of tractors and the modernization of farm machinery has doubled and tripled the production output of all of our major crops. For this we certainly need to thank, and I do thank, the American farmer.

Today, farming is no longer the chief way of life in industrailized nations. In 1850, each farmer produced enough food for four people. Today, a farmer produces enough food for more than 80 people. Less than 3 percent of all Americans live on farms. Yet, the United States produces most of the world's agricultural output.

As farms have become less a way of life for the majority of Americans, it has become more and more a business. The U.S. Government became solidly involved in agriculture by offering price supports to farmers during the Great Depression under the guidance then of President Herbert Hoover. Hoover had had considerable background in agricultural policy. Having been founder of the Commission of Relief during World War I, it was his responsibility to organize food relief for war-ravaged Europe, and he has been credited with saving, and rightfully so, countless lives.

As a result of the great success of Hoover's Commission for Relief, he was appointed by President Woodrow Wilson as Director of the U.S. Food Commission. In 1929, when Hoover was President, the Agricultural Marketing Act passed which established a Federal Farm Board to protect American farmers from the shocks of the Great Depression which had already begun.

Hoover promised to "establish for farmers income equal to those of other occupations." Ironically, though, farmers suffered during this time because of Federal policies. The Federal Reserve had reduced the money supply by one-third causing a huge drop in price levels at the same time that taxes were being raised.

In 1933, the Agricultural Adjustment Act was enacted. President Roosevelt intended for the act to expire when the farm crisis ended. The intent of the act was clear: "To relieve the existing national economic emergency by increasing agricultural purchasing power."

Raising farm income was, during this time, one component of a policy to revive national prosperity. According to a 1934 article in the New York Times, after 1 year of dealing with the Federal Farm Board, Kansas farmers voted strongly against Federal controls.

In the 1930's, roughly 40 percent of all American farmers were tenants and sharecroppers. The New Deal programs were designed solely for agricultural relief. The landowners, the tenant farmers, the sharecroppers saw barely a penny of benefits.

Historian David Eugene Conrad notes Agricultural Adjustment Administration bureaucrats who were sympathetic to the farmers were forced to resign their positions.

As the original intent of President Hoover's farm income support was forgotten, the New Deal encouraged farmers to produce far more than they could sell by promising them far more than the market values of their crops. The absurdity of this lies in the fact that farmers were encouraged to overproduce, yet their surpluses were cited as proof of the need for Government management of agriculture.

Mr. President, the Agricultural Adjustment Administration offered target prices for wheat and cotton crops as they do today for these and many other commodities. This policy established a safety net to protect the small, struggling farmer. It is much more than this, though. By including farmers at every income level, I believe it is time we reevaluated the purpose and intent of our grossly outdated farm programs. Is it good, responsible public policy to dole out Federal dollars to as many farmers as possible? I put that in the form of a question, Mr. President. Is it good, responsible public policy to dole out Federal dollars to as many farmers as possible?

If the original intent of the Agricultural Adjustment Act is to keep as many Americans as possible on the farm, our programs have failed and failed miserably. Since 1933, the U.S. farm population has fallen from 30 million to less than 5 million. I am really ashamed to say, Mr. President, that what was once intended to assist Americans in rising out of the depths of the Great Depression has departed from that vision and become a policy ridden with disincentives to efficient production, the nightmare of any free market nation.

According to the USDA, there were 2.2 million farms in the United States in 1988. Yet, the USDA classifies a farmer as anyone who sells over $1,000 a year in farm commodities. Think about that. The USDA classifies a farmer as anyone who sells over $1,000 a year in farm commodities. This means if my neighbor sells his horse for more than $1,000, USDA classifies him as a farmer. The examples are replete with absurd examples of who is classified as a farmer because of this classification, namely, $1,000.

Needless to say, USDA farm statistics are grossly skewed by the inclusion of $1,000-a-year farmers who are obviously not earning a living in this endeavor. In spite of the inclusion of these gentlemen farmers, the 1988 average net income of all U.S. farmers was a healthy $45,644 a year. Even by including the $1,000-a-year-gentleman-farmer category, the average American farmer earned over $45,000 a year. In 1986, 55 percent of the USDA's so-called farmer's income really came from off the farm. This could come from occupations such as teaching, consulting, or investment in real estate.

Farmers are relying less and less on actual farm income. Because of the USDA's generous definition of "farmer," it often appears that the American farmer is truly in a crisis position. Perhaps he is. And there are examples, I have heard from this floor, that certainly indicate that there are some farmers who are having trouble. But who can be sure when we talk about numbers, when we use the classification that the USDA has as to what a farmer is; that is, someone with an income of over $1,000 in farming?

By refusing to make a reasonable classification of just who is and who is not a farmer, the USDA guarantees the overspending of billions of tax dollars. Since the New Deal era, it has been proclaimed that farmers have a right to the cost of their production. This says that if a farmer grows a certain program crop, the taxpayers are obliged to pay for it and provide him a profit also.

If farmers have a right to the cost of their production, then why are we not subsidizing all vegetables, all fruits, all livestock, and other examples? If economic arguments for subsidizing the commodities, which we do, made sense, then no one would produce commodities not protected by Government programs.

In any other business an owner must either lower his cost of production or try another business if he cannot make ends meet. Our taxes are increased when farmers of certain commodities cannot stay afloat. How can it be logical to subsidize certain foods we eat and not others? Who has the right to decide for us what we will and will not eat and what price we will pay for them? Why have we not paid the price of a dozen eggs or a pound of hamburger, chicken?

I find it hard to accept that Americans will go hungry if farmers are allowed to stop idling their land and permitted to grow whatever they want and as much as they want.

Why price fluctuations, heavy debt and bad weather? Why are some farmers dependent on Government programs and not others? It does not make a lot of sense to me and it does not make a lot of sense to the American taxpayer.

Current agricultural policy seems to be based on the assumption that America will benefit from federally mandated inefficiency and waste rather than allowing farmers to produce at maximum productivity. Supporters of farm programs often justify them based on farmers' needs, but since the New Deal the programs have not targeted benefits according to need.

It is inappropriate, and some say morally inappropriate, to provide farm program benefits to all but the most needy. Why should any but the most destitute farmer be treated better by the Federal Government than any other American citizen? Prevailing agriculture policy assumes that the Federal Government treats all farmers equitably and ethically. This is not so. Providing agricultural subsidies to affluent farmers contradicts the realities, priorities, justice, and moral principles important to Americans.

Some argue that our Nation's food supply needs protecting. While no one would dispute the importance of food to our survival, controlling its supply was not the original intent for our programs initiated during the Depression, as I have outlined.

There are many other goods and services crucial to our well-being which, of course, are not directly subsidized. We can talk about all kinds of programs: Medicine; we can talk about clothing; we can talk about home building. We simply do not deem that they should be subsidized.

These kinds of programs, when we subsidize prosperous farmers, fly in light of anything that is reasonable. This is the sort of Government intervention which creates victims. We cannot economically reward one group without punishing another group. What is lavished on wealthy farmers must first be taken from other citizens.

In a free market society, what gives one citizen the right to someone else's paycheck? In order for Government to control agriculture in our country, we insist on subsidizing wealthy farmers. By doing this, the poor—not only the poor farmers but the poor generally—are sacrificed again and again and again.

The moral and economic debate for Government control of agriculture either includes all sectors of agriculture or no sectors of agriculture because it simply would not be comprehensible from an intellectual basis to do otherwise.

Our farm programs are in need of fixing for several reasons: Our food prices can and ought to be lowered. We need not spend billions of dollars a year on agriculture in these times of tightening budget constraints, and I mean billions of dollars of taxpayers' money. And since a moral and economic argument for farm subsidies holds little water, program benefits should be targeted to the neediest farmers, period.

Mr. President, I am not alone in my belief that the distribution of agricultural payments is grossly disproportionate. When the National Public Policy Education Committee surveyed 12,000 American farmers—farmers, I repeat—it was found that 53 percent of these people agree that agricultural programs should give more benefits to needy farmers. This tells me that farmers, like other Americans, recognize that our limited resources need to be carefully distributed.

My perceptive colleague in the other body, DAN GLICKMAN, stated on the floor of the House of Representatives this past February that not only are the largest farms in the United States recipients of a disproportionate share of agricultural payments but also that our precious tax dollars must be targeted to only those farms which are in need of Government payments to remain viable. Remember, Mr. President, DAN GLICKMAN represents an agricultural State, the State of Kansas.

Congressman GLICKMAN received a letter from the USDA this past March concerning the targeting of agricultural payments. This letter to Mr. GLICKMAN referred to some astonishing statistics from a USDA reference entitled "Economic Indicators of the Farm Sector, National Finance Summary" dated 1988.

In 1988, there were 30,000 farms in the United States with gross sales in excess of a half million, $500,000. These 30,000 farms comprise less than 1.5 percent of all farms in the United States. Out of these 30,000 farms, 14,000 were recipients of direct agriculture/Government payments. This means that 14,000 out of 30,000 farms with gross sales in excess of a half million produced commodities which were covered by agricultural programs and chose to participate in them. These 14,000 farms received $1.2 billion in direct Government payments from the U.S. Department of Agriculture. Less than one-half of 1 percent of all U.S. farms received 8.4 percent of all agriculture payments made in 1988, $1.2 billion.

Mr. President, I am referring to a percentage of farms that is affected. We have a pie chart representing 100 percent. My amendment that is before this body affects that little, tiny piece of pie out of this full pie chart—one-half of 1 percent. This amendment will save the United States taxpayers $1.2 billion and affects 14,000 farms—14,000 farmers, one-half of 1 percent.

In effect, what we would be doing, Mr. President, is writing the U.S. taxpayer a check for $1.2 billion. This would come from one-half of 1 percent of the farms in the United States, let me mention, 14,000 farms, the wealthiest farmers in the United States; $1.2 billion paid to 14,000 farmers.

Now, Mr. President, this astounds me, as I am sure it astounds the American taxpayer, but incredibly it affects States in the following manner. There is only one State in the United States in which it affects more than 2 percent of the farmers. It affects in six States more than 1 percent of the farms. In all the rest of the States, that is 43 other States, it affects less than 1 percent of the farms.

What is more—and listen to this—the average net cash income of these farms is over $700,000 a year, net; not gross, net. Within the $500,000 and above gross sales class, the average gross sales income is $1,897,000, of which the average net income in dollars is $762,000 a year. The average direct payment made to farms in this sales class is $62,500. In 1988, the average family income in the United States was $38,608. This is the average family income. This is the average taxpayer payment to these farmer fat cats: $62,587.

And, Mr. President, we are talking about one-half of 1 percent, 14,000 farmers that gobble up $1.2 billion.

In other words, we the taxpayers, using our agent, the U.S. Department of Agriculture, paid millionaires a subsidy nearly twice as big as most hard-working families make in a year. The millionaire subsidy could be used to fund numerous priorities ignored over the past decade.

Mr. President, you know the multitude of projects you are interested in for scientific purposes. There are others of us interested in medical research for disease such as breast and uterine cancer, interstitial disease, multiple sclerosis, diseases that affect the women, and we are going to hear more about that in the debate in the days to come.

This money, this $1.2 billion, could be used for all kinds of worthwhile programs rather than to give a $1.2 billion subsidy to 14,000 fat-cat farmers.

One thing we have not mentioned, of course, is we could use it to do something about our deficit. We are fighting and scratching to come up with money to do a better job of balancing the budget than what we have done. The American public is hearing all kinds of "Read my lips; we are going to tax you now."

There is a debate going on here in Congress as to how much of it is going to be from taxes, and how much is going to be from spending cuts. Let us look at some spending cuts right here; a spending cut for 14,000 farmers which would save $1.2 billion.

It could be used on many other programs, Mr. President: Our schools, our underfunded health-care system. Our health-care delivery system is staggering. What has happened to rural health? Rural health, hospitals are closing here; they are closing there. They are not closing by sectors. They are closing all over this country.

According to OMB's fiscal year 1991 budget, requiring that farmers and farm corporations with gross annual sales in excess of $500,000 are ineligible for agriculture payments will result in savings of at least $1 billion a year. So we know it is at least $1 billion, probably more.

In his opening remarks regarding the 1990 farm legislation, the able chairman of our Agriculture Committee, Senator LEAHY, emphasized the paramount importance of passing that which is not a budget buster. Those were his words: budget buster. I could not agree with him more.

Since I have come to this floor, I listened to a statement from the senior Senator from South Dakota, and he said one of the things that we have to do is make sure that the wealthy farmers do not get more than their share. Well, I agree with that. I think he should look closely at my amendment, as I hope the rest of the Senators and their staffs do, because I could not agree with Senator LEAHY more, nor could I agree with the senior Senator from South Dakota more, that we have to make sure that the wealthy farmers do not get more than their share.

In a July 16 letter from Secretary of Agriculture Yeutter to Vice President QUAYLE, the Secretary cites the cost of this act as excessive, and recommends that President Bush veto it should the cost of the act not be reduced. That is the act now before this body. I have taken this warning to heart, and I am sure my colleagues have, too. Let us begin with the first vote on the farm bill by lopping off $1.2 billion worth.

Barring agricultural payments for the wealthiest one-half of 1 percent of farms will not affect the supply of our food. As I have already pointed out, farm programs are not supply management programs. They are income support programs.

Should this group of approximately 14,000 farmers whose crop production is controlled by the Federal Government be barred from programs and begin to operate their farms differently, we could indeed have maybe an abundance of the goods covered by the farm program. This is what I am sure would be good news for Americans.

We hear so much, and I have heard it already here. I am happy to be one of those who says we have a very good supply of food in this country, but never forget one reason we have a great supply of food in this country is this country has been endowed with great natural resources—the greatest farmland in the world, great resource projects that help water those lands. We have so much here of natural resources that we should be the breadbasket of the world.

Well, I know many Nevadans, and I think every State that is represented in this Senate, would love to pay lower prices for the food they feed their families. Growers of commodities not covered by farm programs certainly do not flood the market with their goods. Why would they plant with no program? Despite the abuses by our agriculture programs, this year's farm bill contains many beneficial and admirable provisions.

I believe that if you look at the information put out by the Democratic Policy Committee, which summarizes the farm bill, some of the strides the Agriculture Committee has made in this farm bill are significant. It breaks the circle of poison by prohibiting the overseas use of pesticides banned from U.S. farm use.

The subcommittee which I chair held hearings during this Congress to deal with a number of those substances which are unhealthy: Alar in apples, cherries, and grapes. We have a tremendously difficult time making sure that that is no longer put on our apples, cherries, and grapes. It is not, but of course one of the loopholes is that farm products that are carried in this country, imported into this country, you cannot have Alar on them. I would really congratulate and applaud the Agriculture Committee from stopping this type of thing.

We held hearings on the use of fungicides and pesticides on our food production. Of course, we are doing a pretty good job here. We have great strides to make in eliminating the amount of these products that can be used on our domestic farm products.

But what controls do we have on those farm products that come in from overseas? We were going to have a series of hearings. The Agriculture Committee has beaten us to the punch, and I am very happy they have done that. It will save the Environment and Public Works Committee a lot of time because this bill makes provision to break the little circle of poison, and that is the right way to phrase it because it really is a circle of poison. Of course, it establishes the first ever "naturally, organically" grown label.

Again, our subcommittee, when we were going through some of the problems of fungicides, pesticides, Alar, we had a number of hearings about organically grown food. I can remember clearly the Commissioner of Agriculture from the State of Texas came in and explained a very successful program that has been initiated in Texas with organically grown food. I am glad to see the Agriculture Committee has also recognized the importance of organically grown foods, and the "organically grown" label.

I believe that protecting the safety of our food is one of the greatest responsibilities we have in the Senate. That is why I commend and applaud Chairman LEAHY and those members of the committee for working with these two very important areas.

We also have to recognize that there are very important provisions in this act designed to protect our precious wetlands, forests, and pastures. If it were not for land grant colleges and

agricultural research, we would not be producing what we do today.

So even though I am here, Mr. President, to talk about one-half of 1 percent of the farmers in this country, the wealthiest farmers in this country, 14,000 farmers to get $1.2 billion, I am also here to applaud and commend the Agriculture Committee, which did many farsighted things in this bill. I think they have done some outstanding things. I have listed six provisions of the legislation that I think are outstanding.

But it does not take away from the fact that the mission this body has here today is to save $1.2 billion for farms with gross sales in excess of $500,000 a year.

Remember, net cash income, as a percent of gross cash income to these farmers, is 40 percent. For the average American farmer the ratio is between 2 and 4 percent.

Why are we worrying about protecting these farmer fat cats? What we should be worried about is the true family farmer, not these huge corporations who are trying to control agriculture policy in this country.

The average American farmer ratio of income, net income as a percent of gross cash income, is 2 to 4 percent. Our agricultural program should be targeted to the struggling, disadvantaged farmer, and to ensure that this happens, I am offering and have offered today an amendment which has been cosponsored by several of my colleagues: Senators RUDMAN, CHAFEE, BRYAN, BRADLEY, PELL, and KERRY.

This amendment to the Food, Agriculture, and Conservation Trade Act of 1990 is a step in the direction of responsible farm policy, a step in the right direction to save this country money. My amendment will add a vitally needed means test to our country's agricultural ARP's. Farmers and farm corporations with gross annual sales of agricultural commodities in excess of one-half million dollars will not be eligible for direct farm program payments except for disaster and conservation reserve program payments.

In the letter from Secretary Yeutter and Vice President QUAYLE, which I cited, it was suggested that payment eligibility be focused on smaller farms, in order to reduce agriculture expenditures. I think that Secretary Yeutter is on the right track, as far as this goes.

Mr. President, this amendment should be supported, without question, because it will save the taxpayers dollars. It will lower our food prices by limiting price supports to the top, the wealthiest, fat cat farmers and stop subsidizing the millionaires. Remember, what we have is a free market economy. We have the countries of Eastern Europe wanting to adopt our free market system. Let us not show them the chapter about farm programs, because they are going to say, maybe we did not read the chapter, maybe we better take another look at it, because in a free market economy such as ours, there should be no multibillion-dollar- taxpayer-provided subsidies to the wealthy. We have produced more than enough food to feed the American people and a large share of people outside the American continent. It is estimated that, in 1988 alone, the overpayment of agricultural benefits caused food prices to increase by $10 billion. I urge my colleagues to join me in my efforts to restrict agriculture payments to farmers who are not really in need of it. I hope, Mr. President, that my colleagues here in the Senate will join me in this effort.

Mr. President, I have had people visit my office, well-intentioned people, who said, "Senator REID, you are not really going to offer this, are you?" I said, "Yes, I am." I said that I am because it simply is unfair to treat 14,000 people in this manner. It is unfair to treat them in that manner because it directly affects the consuming American public.

We have been reading a lot about Donald Trump's problems lately. One of the problems is he spent too much money on the Taj Mahal. There are people saying that Atlantic City is saturated. Maybe what we should do in Atlantic City is help Donald Trump in some way. If we are really interested in helping the wealthy, we should start with him.

Mr. President, I have seen good times and bad times in the economy of my State of Nevada. The good times come for a lot of reasons. There is a lot of warm sunshine, and we have a good tax base. But we have had bad times also, and we have not asked for Government subsidies to bail out the resort industry.

We cannot, Mr. President, treat farmers any differently than we treat other people. I have heard on this floor a lot of talk about rural America. Well, I was born and raised in rural America, and I can remember my father, who was a hard rock miner in good times and bad times. Sometimes there were no places for him to work. But there were no Government subsidies to bail out the gold mining business. There was not much gold.

So I think we have to recognize what we are doing here and not lose sight of the facts. We have to say, here is this policy and that policy and remember what you are doing. The act started back in 1935, and we have people hungry on the farms.

Mr. President, we are talking about one-half of 1 percent, 14,000 farmers, who take from the American taxpayer $1.2 billion. Why can we not support something like this? I am not asking to revolutionize the farm programs. I am not here knitpicking about a program that may not be hitting on all eight cylinders. I am here talking about one-half of 1 percent of the farm programs.

Mr. President, I have been supportive of farm programs in the past, but I am telling you I cannot support this, and I do not see how anyone else can—14,000 farmers, a small percentage of the farms in each State, having mass wealth. The average income is $700,000 for each one of these. How can we not support a program like this? How can we not agree to chop this off? How can we not agree to save the American taxpayer $1.2 billion? Because we, in effect, by passing this, will be writing a check to the American public for over $1 billion.

I yield the floor, Mr. President.

Mr. PRYOR. Mr. President, I would like to take this opportunity to commend the very distinguished Senator from Vermont, the chairman of the Agriculture Committee. Senator PAT LEAHY, working very closely with Senator LUGAR of Indiana, I think has shaped and fashioned a farm bill over the last several months, Mr. President, that I think is a very solid bill.

I have never voted for a farm bill that I was proud to go home and brag about. I think this will not be an exception. These are hard bills to put together.

Chairman LEAHY, in my opinion, who basically has very little to gain for his home State and the products that they produce in the State of Vermont, as a direct result from this bill, has probably put more time and attention into dealing with the concerns that each of the producing-State Senators making up that committee, making up the geographic terrain of this country, than any chairman that I have ever had the opportunity to work with.

It was a dedication. It was a commitment. There was never any question of ours that Chairman LEAHY resented. He was always available for us to bring our particular problems to him and to his staff alike.

Senator LUGAR also has worked in a very, very cooperative and expert manner in trying to fashion a bipartisan approach to a very, very complex issue.

The first thing that I would like to say, having commended our chairman and ranking member, is I think that we need to get something in perspective. The agricultural bill that we have before us this afternoon is a very, very complex piece of legislation. Many people love to critize the American farmer. They especially love to criticize the programs that help and aid not only the American farmer but more importantly the American consumer.

Mr. President, once every 5 years after the Agriculture Committee has assembled and worked its way through

many, many of these complex programs we then produce, each 5 years, a bill of this nature to guide the farm policies, to guide the farm economy, to make our statements to world trading partners as to what will be our Government's response in these very, very difficult times in the field of agriculture.

We do this, I think, with one person very, very high, at the top of our thinking process. We are trying to protect the American consumer. We are trying to give the consumer quality food, safe food, we are trying to keep down food lines, we are trying in every way that we can to have the best food program in the world, and we have achieved it. We have achieved it in spite of many of the difficulties and many of the onslaughts and many of the problems that some of these programs actually bring about.

Mr. President, this particular bill, the Agriculture Act of 1990, truly is a product, I think, of good people working in goodwill to fashion a meaningful and a workable program not only for the farmer but equally important for the American consumer.

I think it should be noted also, Mr. President, that this piece of legislation, though covering every State in the United States of America, is a program and is a commitment of our American taxpayer for less than 1 percent, seven-tenths of 1 percent of our Federal budget. Less than seven-tenths of 1 percent of our Federal budget is represented, Mr. President, in this very large and heavy package. Income support for the farmer, philosophically, traditionally, historically has never been a support program to make the farmer rich or even in some cases to make the farmer whole or to pay back his cost of production. What we are doing here is to attempt to stabilize food prices in America. That is the purpose of agriculture subsidies.

Let me be the first to say this: From time to time during the long history of the agriculture programs in our country, adopted by this Congress, there have been a few farmers who have abused these programs. I might add that some of those farmers have gone to jail, or are in jail, or perhaps might be in jail. So the system has a way of basically taking care of those abusers. But there have been abuses.

There have been abuses in the housing program in New York City, in San Francisco, and in Chicago. But because we find abuses, and because we find a few racketeers or a few people who are not as sensitive to obeying the law as others, we do not stop building homes, we do not stop subsidizing houses. We try in our own way to find a way to fashion legislation to help the American farmer, to also help the American consumer.

Mr. President, there is no Senator in this body that I admire more than my friend from Nevada, Senator HARRY REID. I will never forget his maiden speech on this floor when he was seated right here. I happened to be the Presiding Officer of the Senate. He talked about the need for a taxpayer's bill of rights. I sent a note down to his desk and I said, "Senator REID, I don't know if you know who I am or not, but I want to join you in that effort." Since that day we have been colleagues and comrades in arms, not only on that issue but I hope when this bill is over we will be comrades in arms on this issue.

I would, however, Mr. President, like to take a moment or two to point out the flaws in Senator REID's amendment. I think I can treat those flaws very quickly and I can talk to our colleagues very succinctly about those flaws and, hopefully, if there is due time, and I know the Senator from North Dakota, the very distinguished member of our committee, will be responding shortly after I finish in a few moments. I know he would like to make some points in addition to mine.

First, Mr. President, a means test, a means test as Senator REID's proposal would bring about: Let me, if I might, read to you the wording in the Reid amendment that has just been presented to the Senate. He talks about, on the second page sixth, seventh, and eighth lines, average amount of gross sales, not net sales, of agriculture commodities by the person during the 5 previous crop years if it is in excess of $500,000.

Senator REID's amendment sounds wonderful. It sounds just great for a very few percent of those farmers out there who are producing food and fiber for this country and also for the world's population. I think it really has a wonderful feeling to this amendment or wonderful ring to it, that we are going to take all this money away from those greedy money grubbers and we are going to give it to hospitals, or we are going to give it to health care, or we are going to do something like that.

Mr. President, let me just say if the Reid amendment would pass—I want our colleagues to think about this—if it would pass, 40 percent of all of the agricultural production in America would be immediately disqualified for farm assistance payments, 40 percent. I am not talking about 40 percent of the farmers. I am talking about 40 percent of the acres. If you take 40 percent of the acres of agriculture of all production in our country out of the farm programs, those farmers are going to be free to do anything they want to because they have to make up the difference.

What are they going to do? In 40 percent over all the acres in this country we are going to see the farmers double and triple their production. When this happens we are going to see ourselves once again spiraling not upward but back downhill, falling rapidly into the same crisis we are attempting to pull ourselves out of at this time. We are going to see massive overproduction. We are going to see massive decreases at the same time in farm prices. And we are going to see, for those remaining farmers in the program, the way the loan rates, the deficiency payments and everything else is structured, we are going to see payments that will exceed any and all expectations.

The means test is not going to work. It will bring a dramatic decline into farming.

The second point, gross farm income, that is what my friend's amendment says. Senator REID's amendment talks about gross farm income. Mr. President, I know farmers in my State—and by the way there are 900 farmers in my State who would lose all agricultural support payments if the Reid amendment would be adopted. All right.

In the State of Arkansas, Mr. President, I know of several farmers who make $1 million, $2 million, $2½ million in sales, in sales in gross sales. They lose money in their farming operation. That is hard to believe. Because what is not being accounted for is the cost of land and the cost of equipment that must be replaced. That is not factored into these considerations.

Mr. President, I respectfully submit to this body that the Reid amendment, even the concept of a means test, is a concept which I truly believe is faulty and I truly believe would bring a massive decrease in farm income and ultimate rural chaos. We are talking about the closing of hospitals that Senator REID has talked about it. He has engaged himself and committed himself to health care and a better system of health care. I have had the opportunity and the privilege of working with Senator REID on some of the issues that we jointly feel should become policy and should become the practice of our health care system.

Mr. President, most of those hospitals that have closed in the last decade in the United States have been rural hospitals. Most of the businesses that have closed in the last decade have been rural businesses. We have seen a rapid deterioration, a decay, a decline, of rural activity and we see a stagnation today of rural America which, if this particular proposal would pass, I think would rapidly accelerate that period of decline and stagnation. I suggest that this is only going to get worse.

Finally, Mr. President, one additional point, my good friend and colleague Senator REID has talked about taking all of this money and fighting disease

with it. I think that is wonderful. I would like to take a lot of dollars that we spend around here and fight disease with it. And I would like to say, Mr. President, with all due respect to my friend Senator REID, that the whole patchwork and the whole landscape of American agriculture is, once again, of looking at what would ultimately assist the consumer—a lower food price, a quality product that we not only can sell here at a reasonable price but overseas at a fair price.

These are not the only subsidies that we have going around. For example, Mr. President, in the Senator's own State of Nevada, in the Far West in this country, there are some other subsidies. All of those people in Washington DC, and in Arkansas, we do some subsidy in your State, I say to my distinguished friend. We subsidize the water. We subsidize western water. Are we griping about it? Are we trying to say that any farmer or any citizen who gets $500,000 a year in gross sales, that they are not going to get any more water, or that we are not going to subsidize any more water?

We subsidize grazing lands in the West. We subsidize grazing land in the Senator's own State of Nevada. Are we trying to say that we are not going to subsidize any more of this land? No, we are not making that response to this very, very difficult question because this is a question of basically a common approach dealing with cotton, corn, soybeans, peanuts, rice, sunflower seeds, wool, and you name it, Mr. President.

We have attempted in this legislation to take into consideration each and every concern, after hours of testimony, after days and evenings of debate, after really contentious sessions of how we have disagreed in some areas and finally have come to agreement in the overall concept of what should be the policy for the next 5 years, not only for the American farmer, but equally as important, as I have said before, for the American consumer.

Mr. President, I truly hope that this amendment offered, by Senator REID is not agreed to.

On July 19, my friend, Senator COCHRAN from Mississippi, and myself, along with 14 other Members of this body, sent to our colleagues a "Dear Colleague" letter outlining the flaws of the Reid amendment—although good intentioned, Mr. President, I might add once again—submitted to this body by a very dear friend of mine.

Mr. President, I ask unanimous consent that the "Dear Colleague" letter sent by Senator COCHRAN and myself on July 19 to our colleagues be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 19, 1990.

DEAR COLLEAGUE: You have undoubtedly received one or more letters during the last several days requesting support for further limiting farm program benefits in the form of "targeting", or a "means test." The adoption of either would be very detrimental to American agriculture.

Farm program opponents misuse farm cost and return data to characterize certain farmers as being among the nation's "largest and wealthiest . . . needing no program payments." It is interesting that gross revenues are always the measure used to determine "wealth" on a farm and the operator's need for program benefits. This is clearly an inappropriate and misleading yardstick since it measures revenues against only part of production costs. This excludes for example, fixed costs such as land, equipment and other capital replacement!

How can these important and substantial costs be excluded from a new return equation without distorting the conclusion? The only meaningful computation of net returns must take into account the full economic cost of production. Data from USDA show that, while most major crops have returns somewhat in excess of CASH expenses, they do not have returns sufficient to cover the full economic cost of production. These figures are U.S. averages for all farm sizes, but the same situation prevails for large farms as well as small ones as can be noted from the following excerpt from a June 28, 1990, letter from Deputy Assistant Secretary of Agriculture Daniel A. Sumner to Reps. Richard Armey and Charles Schumer:

"The percentage of farms in a vulnerable financial position (high debt-to-asset ratio and negative net income) is larger for farms with gross revenues above $1 million than it is for smaller farms. This suggests that the greater average net returns on the larger farms is associated with greater financial risk."

Don't be mislead by the net cash return figures that are being cited. Farmers have to pay for land and equipment if they expect to farm for more than a very short time. Unlike may business ventures, farming is very capital intensive, and requires a significant long term investment. In addition, large scale producers do not always realize an economy of scale.

As this issue is debated in the Senate remember also that supply and price stabilization is one of the more important objectives of farm programs. It is an objective intended not only to benefit farmers, but every American consumer of food and fiber. The desired stability can be achieved only by attracting a high percentage of agricultural production into program participation. This means that the larger farmers must be eligible for program benefits. Otherwise they have no incentive to comply with acreage reduction programs (ARPs) which are necessary to manage inventories and stabilize prices. Without program benefits, there would be a strong incentive for producers to put all of their productive acreage into production. This would impose even higher ARPs on the remaining program participants.

Over the life of the 1985 farm bill acreage reduction programs (ARPs) were as high as 25% for some crops. If a 25% ARP is needed under current program eligibility rules, a 50% ARP could be needed if program eligibility were denied to farmers accounting for half of crop output. This is too great a burden to place on program participants. The elimination of program benefits for certain farms could ultimately pose a great burden on remaining program participants. The implementation of a strict "means test" type program would cause surplus stocks to increase, prices to fall, and deficiency payments to increase significantly. As a result, farm income (for participants and nonparticipants combined) would fall, land values would drop, loan defaults would occur, and lending institutions would be adversely affected.

Workable farm programs that achieve the objective of supply and price stabilization and ensure an abundant supply of safe, reasonably priced food and fiber depend on a high level of program participation. This participation cannot be achieved by denying eligibility through a "means tests" or by making participation impractical by imposing further limits on benefits.

The Senate Agriculture Committee has worked very hard to report a bill which is beneficial to the American farmer, consumer, and conservationist. It contains essentially the same principles as the Food Security Act of 1985 which enabled a significant recovery for American agriculture. I urge you to defeat amendments that would destroy the effectiveness of farm legislation which has already proven to work well.

Sincerely,

David Pryor, Thad Cochran, John Breaux, Bennett Johnston, Bob Kerrey, Dennis DeConcini, Richard Shelby, Trent Lott, Wendell H. Ford, Wyche Fowler, David Boren, Howell Heflin, Bob Graham, Dale Bumpers, Jesse Helms, Slade Gorton, Pete Wilson.

Mr. PRYOR. Mr. President, I also ask unanimous consent that a table on water subsidies, a State-by-State analysis of those States that receive these water subsidies from the rest of us taxpayers, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

WATER SUBSIDIES, A STATE BY STATE ANALYSIS

[In thousands of dollars]

	Amount of subsidy	Percent of total
Arizona	$5,503	1.03
California	329,182	61.62
Colorado	10,632	1.99
Idaho	25,165	4.71
Kansas	5,823	1.09
Montana	8,121	1.52
North Dakota	1,923	.36
Nebraska	24,791	4.64
New Mexico	4,648	.87
Oklahoma	53	.01
Oregon	7,052	1.32
South Dakota	3,633	.68
Utah	10,525	1.97
Washington	87,037	16.29
Wyoming	8,174	1.53
Wyoming-Nebraska	1,602	.30
Totals	534,300	100.00

COMBINED TOTAL SAVINGS FOR GRAZING ANIMALS ON GOVERNMENT LAND VERSUS PRIVATE LAND

(Includes BLM and USFS)

State	BLM	Forest Service	Total
Alabama		$16,791	$16,971
Arizona	$2,451,450	6,786,896	9,238,346
Arkansas		187,768	187,768
California	1,364,100	3,545,413	4,909,513

COMBINED TOTAL SAVINGS FOR GRAZING ANIMALS ON GOVERNMENT LAND VERSUS PRIVATE LAND—Continued

(Includes BLM and USFS)

State	BLM	Forest Service	Total
Colorado	2,572,000	12,487,289	15,059,289
Florida		142,196	142,196
Georgia		29,220	29,220
Idaho	6,486,450	9,867,960	16,354,410
Illinois		128,403	128,403
Kansas		239,359	239,359
Kentucky		1,662	1,662
Louisiana		146,220	146,220
Maryland		8,771	8,771
Minnesota		3,471	3,471
Mississippi		32,874	32,874
Missouri		209,082	209,082
Montana	8,300,375	3,695,943	11,996,318
Nebraska		1,591,823	1,591,823
Nevada	12,031,500	1,873,350	13,904,850
New Mexico	9,285,700	9,320,000	18,605,700
New York		50,033	50,033
North Dakota		2,495,970	2,495,970
Ohio		5,685	5,685
Oklahoma		343,657	343,657
Oregon	5,428,275	6,262,117	11,690,392
South Dakota		5,756,358	5,756,358
Texas		856,346	856,346
Utah	6,282,550	4,413,856	10,696,406
Vermont		1,542	1,542
Virginia		8,432	8,432
Washington		696,972	696,972
West Virginia		57,228	57,228
Wisconsin		285	285
Wyoming	9,000,200	8,117,946	17,118,146
Totals	63,202,600	79,380,828	142,583,428

Mr. PRYOR. Mr. President, I thank the Chair and I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, let me compliment my distinguished friend and colleague from Arkansas for his statement. He very correctly points out the inequities which could result if this amendment were adopted by the Senate.

Let me suggest right away that it has an appealing sound to it. Let us limit the payment of farm benefits to only the smaller farmers with a small level of gross receipts. But my first impression of the amendment is that it would be unfair because gross receipts do not necessarily translate into high profits. If you had a farm with high gross receipts, $1 million, for example; that does not necessarily mean that a producer will have any net income.

In the Southeast, Mr. President, farming is capital intensive and very risky. It requires a tremendous investment of energy, effort, and money in order to have a successful and profitable farming operation, particularly with cotton, soybeans, and rice and with aquaculture, catfish, as well. These types of farms require a great deal of investment.

Many of them are heavily indebted and have high interest payments to banks, the farm credit system, and others who are extending credit. A tremendous expense is incurred every year. So, to just presume, as this amendment does, that high receipts mean high profits is an erroneous basis for targeting benefits.

Let me say then what the facts are. Farm programs now account for only 0.8 percent of Federal outlays. The Congressional Budget Office estimates that the costs of these programs will fall as low as 0.6 percent in fiscal year 1991. Currently, under the law, program benefits are targeted. As a matter of fact, there is a $50,000 per person cumulative limitation on target price deficiency payments and a $200,000 per person limitation on marketing loan payments and other payments.

For a variety of reasons, farm program benefits are based upon production levels, not the financial condition of individual farms. For this reason, large farms tend to receive a disproportionate share of program benefits. For instance, the Department of Agriculture has indicated that in 1988 there were 30,000 farms, which is 1.4 percent of all farms, with gross sales of over $100,000. They accounted for 37 percent of the cash receipts from the sale of farm commodities and 8.4 percent of all direct Government payments. So, as a percentage of gross farm income, Government payments accounted for only 3 percent of these operations.

Government payments represented a much higher portion of gross income for farms with sales between $40,000 and $500,000. These program payments represented about 13 percent of gross income. So payments are already targeted toward the mid-sized farms.

The limitations on payments right now serve to manage the payments to large farms.

In conclusion, Mr. President, gross sales, is an inappropriate means of limiting payments, since a farm could have a very large gross sales but coupled with a very high cost of production, could result in a modest return or even a loss.

According to a study completed by the Department of Agriculture, debt to asset ratios tend to be larger for farms with higher gross revenues. The percentage of farms, therefore, in a vulnerable financial position is larger for farms with gross revenues above $1 million than it is for smaller farms.

If the current rules for targeting benefits were changed, Mr. President, to exclude larger farming operations from participating in Federal programs, this could result in extreme instability in the agriculture sector. In order to qualify for program benefits, farmers have to abide by the Department of Agriculture's regulations.

If, for example, we have a situation of oversupply where we are accumulating stocks and market prices are being depressed, the Department could require an increase in the amount of the set-aside required for program participants. The Acreage Reduction Program would be instituted in order to control production and to bring the supply nearer in line with the demand which exists so that prices can stabilize.

If a farmer is excluded from the program because he has gross receipts in excess of an arbitrary amount, he is not going to participate in the program and, at the same time, will not be governed by those rules of set-aside or acreage reduction. He will be on his own, to plant as much as he wants, to take advantage of the depression that exists in agriculture in other parts of the country. This may result in putting smaller farmers out of business. That is a prospect that is a result unintended which could come from an amendment of this kind.

I am from a rural State. Agriculture is very important, and is our major industry in Mississippi. Approximately 16 percent of Mississippi's farms which have gross sales over $100,000 would be ineligible for benefits if this amendment were passed. This would not only have a devastating effect on my State's farmers, but it would also have a devastating effect on the entire economy of our Nation's agriculture sector, Mr. President.

I urge the Senate to reject this amendment.

Mr. BAUCUS. Mr. President, I would like first to address the farm bill generally and make a brief statement on the pending amendment.

Mr. President, the 1990 farm bill as reported out of the Agriculture Committee is a disappointment.

The bill does have some strong points.

During the committee markup of the farm bill, my colleagues and I were able to include a number of valuable provisions.

These provisions include: an increase in the oats target price from $1.55 in 1991 to $1.85 by 1995; a change in the way the USDA will calculate barley deficiency payments that will increase producer income; a new program to encourage increased production of minor oilseeds including canola, rapeseed, safflower, and flax; a provision which will allow farmers to choose to increase or decrease ARP percentages and receive a corresponding increase or decrease in the target price level; a provision precluding the Secretary of Agriculture from using a whole herd dairy buyout program to control the supply of milk; authorization for continued strong trade promotion programs such as TEA and EEP; and a mandate to implement a marketing loan or an across-the-board EEP if the current round of GATT negotiations fail.

Mr. President, these improvements are necessary and are appreciated. But, it is rare that I can cite seven major provisions that I either sponsored or cosponsored and still oppose a bill. Unfortunately it is the case this time. Though this bill does move in

the right direction, it simply does not go far enough.

Mr. President, we must recognize that we are on the brink of a crisis in rural America. There are a number of warning signs that we are approaching a serious recession in the Farm Belt.

A recent study by the Congressional Budget Office concluded that farm income will decline by 21 percent over the next 5 years.

It went on to conclude that if the farm bill does not increase farm income over the current baseline, 500,000 farmers will be forced into bankruptcy in the next 5 years. That means that about one in every four farmers will be driven off the farm. An exodus that would dwarf the problems of the early 1980's. The basic problem is very simple. Target prices—the prices farmers receive for their crops—have been coming down and the costs of production have been going up. Farmers are caught in the squeeze.

For example, the wheat target price has declined from $4.38 to $4 in the past 5 years while production costs have increased more than 20 percent. Obviously, no farmer can survive those two adverse trends for long. To reverse these trends I believe this farm bill should have made real increases in target prices. Such increases are imperative so that we can continue to feed ourselves and much of the rest of the world. At the very least, the bill should have provided farmers with protection against inflation. That is why I pushed so hard in committee to index target prices to the CPI-U. My amendment failed in committee, and I, therefore, had to vote against reporting out the bill. I intend, however, to offer the same amendment on the floor.

My amendment will simply ensure that high levels of inflation will not erode farm income. It will provide a safety net for farmers against high inflationary costs of doing business. I urge my colleagues to support it.

I am also dissatisfied with the formula the bill contains to calculate barley deficiency payments. It is a step in the right direction, but it does not go far enough. The current system is grossly unfair. In calculating government payments, USDA assumes that farmers received far more for their commodity on the market than they could ever hope to get.

Either we should use the malting value of barley when calculating the target price for all barley and keep them combined when determining the market price for deficiency payment purposes; or we should separate feed barley from malting barley when determining the target price and when figuring the market price. This is the only formula that makes sense. Any formula short of this will continue to cheat feed barley producers out of high deficiency payments.

I believe that this bill should have provided relief to barley producers who are being forced to repay advance deficiency payments for the 1988 and 1989 crop years.

In conclusion, Mr. President, I have never been a doomsayer and I do not mean to be one today. The farm program has served this nation well over the last 50 years. The United States has consistently been the world's leading agricultural producer and exporter.

U.S. consumers have long benefited from the lowest food prices in the industrialized world.

Farm policy has worked and it will continue to work if we are willing to produce a fair farm bill. But if we are not, if we are more interested in pinching pennies than ensuring a reliable supply of high quality food, we will have serious problems. Farmers are the backbone of rural America. If the farm economy turns sour, we will see ghost towns throughout the Farm Belt and the American food supply will be severely threatened for the first time since the Great Depression.

Mr. President, I urge my colleagues to consider the implications of a failed farm policy and work to produce a fair and balanced farm bill. I hope we can produce a bill that gives the farmers of Montana and the rest of the Nation a fair shake.

Mr. President, I would like to say a few words on the pending amendment. I am frankly surprised that we are even considering this amendment. I am surprised because I know the author of it and I respect him highly. I have worked alongside the author many times on issues within the jurisdiction of the Environment and Public Works Committee. I have found him to be fair, solid and one of the most insightful persons in the U.S. Senate.

That is why I am so surprised that he has offered this amendment today. One of the problems with the amendment is that it focuses on gross receipts. Anyone who has run a business knows that the level of gross receipts often has very little to do with the profitability of the business. Some businesses require high margins, some businesses lower margins. So often a business with very high gross receipts has low profitability. This amendment, therefore, is flawed in its premise.

In addition, Mr. President, I might add that we already have a $50,000 payment limitation on most farm programs. This limitation is in place to protect against abuses. It has worked well in the past and I am sure it will protect against abuses in the future, as well. This makes no sense.

Finally Mr. President, the farm program is not a welfare program. It is a program designed to ensure a stable supply of food, and at the same time protect farm income. The amendment before us today attempts to turn the farm program into a welfare program. Such action is inappropriate and I reject it.

For these reasons, Mr. President, I strongly urge defeat of this amendment.

Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to first respond to the amendment of our colleague from Nevada. I, too, hold our colleague from Nevada in high regard. He is, I think, one of the most effective legislators among us. But in this area, I must say I think he has made an error in logic. His argument is really fatally flawed because, on the one hand, while he repeatedly points out that it only relates to one-half of 1 percent of farmers, he does not point out that that one-half of 1 percent of our farm producers provide 38 percent of our agricultural production.

Mr. President, I simply direct the attention of my colleagues and the Chair to this chart that shows the distribution of farm sales. The last two bars related to the amendment of the Senator from Nevada. In these two categories, we have the farmers who produce over $500,000 of gross sales. As my colleagues can see, they produce 28 percent of our agricultural produciton.

What happens if the amendment of the Senator from Nevada is agreed to? Very simply what would happen, Mr. President, is that those small number of farmers who have a very large part of the overall production would dramatically increase their production in order to make up for the lost income. What would that do? It does not take anyone with a great mathematical background to understand if they increase their production, prices will go down and the result will be that subsidy payments to the other 99.5 percent of the farmers in America will go up.

This will not save the taxpayers money, Mr. President. In fact, the estimate that the Senator from Nevada has given is, I think, perhaps from an early USDA estimate which said that if you had this kind of limitation, you would save over a billion dollars. But you know what? USDA finally figured out what I have just pointed out; that if you, in fact, eliminate that one-half percent from the farm program who produce 38 percent of our agricultural production, they are just going to increase their production, collapse price, increase subsidies for everyone else.

As a result, USDA says the actual savings from this measure, if enacted in 1992, will be $150 million, not $1.2 billion.

No. 2, what would farmers do who are in this category who are targeted by the amendment of the Senator

from Nevada? Very simply, they would break up their operations so they would not lose their farm program benefits. They would break up their operations so that they would still qualify and, in fact, many of us believe you would find no savings at all.

So, Mr. President, while I believe this amendment is well intentioned, I do not believe for one moment that it would accomplish what the Senator from Nevada seeks to accomplish.

Mr. President, let me turn my attention to the overall farm bill.

I would first like to extend my congratulations and my thanks to the chairman of the Agriculture Committee, Mr. LEAHY, my fellow committee members and their dedicated staffs. The bill before us today represents literally months of hard work and difficult negotiation.

At the outset, I want to say that this legislation, as it stands today, does not achieve everything I wanted to accomplish in a 5-year farm bill. It is, however, an improvement over current law, and given the strong differences of opinion in the Agriculture Committee over the commodity provisions, the very heart of this legislation, this bill represents a remarkable compromise.

Again, I want to congratulate Chairman LEAHY and his staff for their excellent leadership.

As we begin our work on this bill, I would like to take a moment to briefly put the debate into a broader perspective. During recent months, we have heard a lot of heated rhetoric about farm policy. We have heard a lot of attacks. We have even heard some hostility directed toward the farm program, and we have also heard an enormous amount of misinformation.

One of the most frequent myths that we have heard is that the farm bill is anticonsumer, that it drives consumer prices up. I think we heard something of that from the Senator from Nevada. He said we ought to have lower prices. Mr. President, I think those who make that argument are simply misled, perhaps misinformed, because exactly the reverse is true. The food stockpiles that we build through our farm programs keep prices reasonable. In fact, Americans pay a lower percentage of their consumer dollar for food than any other people in the world.

I direct the attention of my colleagues to this chart that shows consumer spending on food in the developed countries of the world. This relates to those countries that have a gross national product something close to ours. My colleagues can see that at the very bottom is the United States. In fact, if we had a chart that showed every country in the world, we would find the United States enjoying the lowest food costs of any nation in the world.

In many African countries, people spend more than half of what they earn for food. Even with countries with a standard of living comparable to ours, such as West Germany, Japan, Sweden, Switzerland, people spend 16, 18, to 20 percent of their consumer dollar on food. In America, we spend just over 10 percent.

Even if we add the cost of the farm bill, Americans still spend a lower percentage of their consumer dollar on food, 10.7 percent, to be exact, than do the people of any other nation.

Mr. President, let me repeat that. Even when you add the cost of the Federal Farm Program, consumers in America pay the lowest consumer price for food of any nation in the world—in fact, of any nation in world history. In short, we enjoy the widest variety of wholesome food available anywhere at the lowest consumer cost in the world.

Why? Because for decades this country has pursued a deliberate and sensible policy of managing the country's food supply through a Federal Farm Program. We do not have to imagine what life would be like without a responsible Federal Farm Program. We need only look to the East. Look to the Soviet Union where people will wait in line for hours on the off chance that they might be able to buy a beat up piece of what might be beef. Look at East Germany. What did the first crowds pouring through the Berlin Wall want to buy? Oranges, fresh oranges. Look at Poland, where food riots broke out when the Government announced huge price increases.

(Mr. ROBB assumed the chair.)

Mr. CONRAD. Mr. President, look at Africa, where children die every day of famine brought on by terrible drought.

We had a terrible drought just 2 years ago. It wiped out nearly one-half of the entire harvest nationwide. Yet there was no famine in America, no riots, no panic buying, no food shortages, and no skyrocketing prices. We do not know what it is like to pay $1 for a loaf of bread on Monday and $2 for that same loaf on Tuesday. We do not have to wait in endless lines to buy most basic necessities of life, even in the middle of the worst drought in 50 years.

Mr. President, I can remember so well being in the Soviet Union and seeing people standing in lines around a block waiting to buy a piece of meat; waiting in lines around a block because there was a rumor that there might be some fruit available in a store.

I can remember so well being at a dinner engagement in which we were served a white, fishy-looking substance. I turned to my wife and said, "What do you think that is?" She said to me, "Why don't you try it?" So I took a bite, and it was pure lard—pure lard being served in the Soviet Union.

Mr. President, I think many times we do not know how good we have it, and yet we are now presented with an amendment, and other amendments, I am sure, to follow, that threaten what has been an American success story.

Mr. President, I told this story yesterday. I want to repeat it today. Just weeks ago we had a visitor in my home town of Bismarck, ND, from the Soviet Union. That person went to visit a grocery store in Bismarck. After he had walked up and down three aisles in that grocery store, he had to leave the store. He was so overcome by emotion at what he had seen that is available to the typical American consumer that he could not handle emotionally what he had seen.

Mr. President, it is unparalleled in the world what is available to the American consumer. It is unparalleled in the world the stability of our food supply. And we act at our peril when we talk about making radical changes.

Stable supplies of food at reasonable prices are absolutely essential to our political and economic security. That is why we have a farm bill. That is why Congress has approved new farm legislation every few years for more than half a century. Our farm programs work. One look at the shelves of any grocery store in our country proves it.

Yet somehow the national importance of the farm program gets lost in the rhetoric. Somehow the farm bill is portrayed as some sort of elaborate scheme to keep farmers in business. That is like saying we build powerplants so the guy who runs the generator can have a good job.

Of course, the farm program benefits farmers, but it also benefits consumers, wage earners, manufacturers, shippers, the American economy as a whole, and the people of a hungry world. The farm program means affordable prices for American consumers. It means food security and stable prices. It means processing and manufacturing jobs right here at home instead of in Japan. It means a healthy domestic industry, one of the few to create trade surpluses for the United States year after year. It means food stockpiles to help ease famine and malnutrition around the world. It means that 2 percent of our people who live and work on family farms can earn a decent living while they feed the Nation and the world.

I hope that as we debate the complex and often arcane details of this legislation, we will not lose sight of these larger issues.

There are a few other myths and misperceptions that have arisen in the farm bill that I think require a response. We have all seen newspaper articles that ask why should the Government support farmers but not plumbers or shoe store owners? That

is a fair question, a legitimate question. It is a good question.

The answer is simply this: Agriculture is not just another industry. No one has ever died because their faucet is leaking. No government has ever been overthrown because too many shoe stores went out of business. But many governments have toppled when the grocery shelves are bare, and people die every day because they have no bread. Famine is common in human history.

You cannot control drought, flood, hurricanes, hail, or any of the acts of God which can destroy a crop. But we have known since Joseph told Pharoah of his dreams that a wise government builds food surpluses. In fact, farm programs and food security have been the hallmark of advanced governments for centuries, from the ancient Egyptians and the Incas and the Romans, to the United States, Japan, Europe, and China today.

Few Americans realize that world agricultural production has been outpaced by consumption for the past 3 years.

Let me repeat that fact. Few people in this country understand and appreciate that for the last 3 years global consumption of food has exceeded production. We are consuming more than we are producing. Most Americans are not aware of this because the United States and other food-producing nations carry food reserves for just such occasions.

How many of us would be willing to depend on private corporations to store adequate food reserves? How many would trust the free market to pursue a food policy that deliberately keeps food prices reasonable so that even the poorest among us can afford food? That is the role of Government. When I hear people say, who have not been engaged in the considerations of this farm bill, that we are out here in a free market in world agriculture, humbug. There is not a free market in world agriculture. Our friends in Europe subsidize prices at three times world market rates for commodity after commodity after commodity. If the United States wants to retreat from the world agricultural trade war, we will lose that fight. What has been an American success story will be threatened.

Mr. President, it is very easy to come to this floor and score a few debating points.

But people need to think very carefully about what we are discussing. Food security in this country costs each American about 14 cents a day. That includes 2 cents a day for research on nutrition, food safety, new varieties of disease- and pest-resistant plants, environmentally neutral methods of production in biological control techniques for plant diseases and pests. Mr. President, 14 cents a day is not too much to ask to have a stable and secure source of food for our country and others in the world.

Another myth I would like to puncture is the idea that most farm program benefits go to wealthy farmers. We have heard that on the floor. We have seen it in the newspaper headlines. I would invite any of my colleagues to travel with me to North Dakota and meet these so-called wealthy farmers. I urge my colleagues to come with me on a tour of my State and talk about wealthy farmers.

Mr. President, my State, the most agricultural in this Nation, led the Nation in personal income decline last year. For the last 3 years we have led the Nation in outmigration. Where is all of this wealth flowing that we have heard so much talk about?

The most recent update from USDA's Economic Research Service indicates that farms with $50,000 or more in the net cash returns account for 20 percent of those receiving payments, 51 percent of sales, and about 60 percent of all direct payments received; $50,000 may sound like a lot of money. But net cash income does not translate into profit. Net cash returns do not account for personal labor, depreciation, and other fixed expenses. It also does not account for returns to management and investment.

Typically, net farm income is less than 50 percent of net cash returns, meaning that these so-called wealthiest farmers are those with net incomes of less than $25,000 a year. I can report to my colleagues in my State there are very few with net incomes of $25,000.

I wish I could take my colleagues today to farms that are grossing $500,000 a year that are on the brink of bankruptcy today, on the brink—$500,000 in gross sales and they have $525,000 of expenses, and we are talking about putting them out of business here today on the floor of the Senate.

Let me just say the $25,000 a year may be a decent living, but it certainly is not wealthy by the standards of almost any other industry. Farming is an extraordinarily risky occupation, one that requires enormous capital investment and experiences huge operating costs. How many small businessmen who clear $25,000 a year need to buy and maintain a $100,000 combine? How many can have their industry destroyed by a 15-minute hailstorm? Few jobs pay this little while calling for the management skills, the hard work, and the high financial risk of farming.

The need for a strong farm bill is clear. The outlook for farm income in the 1990's is sobering. A study by the nonpartisan Congressional Budget Office indicates that under a simple extension of the 1985 farm bill, if we just took the 1985 farm bill and extended it, net cash income would decline by 29 percent by 1995, and net farm income by 21 percent.

Mr. President, American agriculture is just recovering from the worst farm recession since the 1930's. Net farm income during the decade of the 1980's fell to the lowest level in real dollars since recordkeeping began in 1910, lower than during the Great Depression of the 1930's.

Mr. President, we have heard a lot of talk about record farm income. What they forgot about is inflation. Unfortunately, farmers cannot forget about inflation. Farmers are faced with inflation in everything they buy. Mr. President, just to make the point, I want to show this chart that shows declining net farm income, the U.S. average for the decade, expressed in 1982 dollars, so we are comparing apples to apples, oranges to oranges. This chart shows, Mr. President, that the decade of the 1980's was the lowest 10-year period for farm income since they started keeping records in the 1910's.

That is the backdrop upon which we write the 1990 farm bill. The farm depression pushed down the value of farm assets by $500 billion between 1981 and 1987; nearly 50 percent.

Mr. President, we have heard great consternation in the land about a loss to our economy of some $500 billion in the S&L crisis. And well that we should; $500 billion is a staggering sum. We not only lost $500 billion in the S&L disaster; we lost $500 billion of farm assets in the period 1981 to 1987. I have not heard much talk about it in the news media. I have not read much about it in the newspaper columns. But in 1981, we had farm assets of almost $1.1 trillion, and by 1987, the bottom had fallen out; we had lost over $500 billion in value down to $600 billion.

The farm depression also reduced net investment to agricultural plant and equipment into negative numbers throughout the 1980's as farmers were forced to live off of their balance sheets. Mr. President, this chart shows very clearly net farm capital investment, average per year, again expressed in 1982 dollars for consistency, 1970 through 1974, $3 billion net capital investment; 1975–79, nearly $4 billion net capital investment. But look at what happened in the period from 1980–84; a hemorrhage, a loss of $4.6 billion; 1985–90, another hemorrhage, $4.5 billion as these so-called wealthy farmers lived off their balance sheets.

Mr. President, I realize that budget constraints will limit our ability to address some of the needs of the farm program, but I believe the bill, as it stands before us, represents the absolute minimum budget commitment. Our traditional share of the Federal budget is 2.2 percent. In this submission we are at seven-tenths of 1 per-

cent, one-third of our traditional share of Federal spending.

Mr. President, we cannot discuss the farm bill merely in terms of domestic policy. The implications for international trade and global competitiveness are enormous. United States food processors and farmers face an aggressive trade war and rigid trade barriers from our competitors in Europe, Japan, and other nations. While the European Economic Community has been carefully protecting its producers in aggressively going after world markets, we have sharply reduced support for agriculture, down 25 percent in real terms since 1981.

Let me give my colleagues just a few examples. The Europeans subsidize the sunflower to the tune of 28 cents per pound. We do not currently support our sunflowers at all. They support soybeans at $15 per bushel, compared to $4.50 here. They support wheat at $5.60 a bushel, compared to $4 here; and corn at $5.20 a bushel, compared to $2.75 here.

Moreover, the European Economic Community spends about $10 billion a year to dump surplused subsidized grain on world markets.

Our farmers are efficient and productive, but they cannot hope to compete against those overwhelming subsidies. Do not think for a minute that the Europeans are subsidizing farmers for the farmers' sake. The EEC's supports are designed to capture markets, to provide millions of jobs in food processing, and they have succeeded.

In just 15 years, the European Community has gone from being one of the largest importers of foods to being one of the largest exporters. Meanwhile, our food industry is shrinking. Twenty million Americans worked in the food industry in 1975. Today there are 18 million. We have lost jobs because we have lost agricultural production. We are also losing export markets. Today our trade surplus in food products stands at $16 to $18 billion, down from $26 billion in 1980.

If we fail to provide adequate support levels for agriculture, we will be throwing down our weapons in this trade war and inviting the Europeans, Canadians, Australians, and all of our other competitors to walk in and take over these markets. Is that what we want?

Of course, I believe American agriculture would do very well in a truly free global market, but that market does not exist. If we continue to reduce argiculture supports, while our competitors continue their aggressive trade policies, we will lose.

Let me discuss for a moment some of the specific provisions of the bill before us. As I said earlier, this farm program does not do as much for farmers as I would like. We fought to raise target prices and loan rates to partially insulate agriculture from inflation, but the majority of the committee disagreed. I will not hesitate to propose raising target prices again.

This compromise bill does, however, stop the sharp decline in target prices. It offers our producers more opportunities and more flexibility to make intelligent business decisions than the rigid provisions of the 1985 farm bill did.

This bill provides much greater income protection for producers of oilseeds. For the first time, the farm program will provide an underlying level of income protection for producers of oilseeds. This provision is critical if the United States is to be successful in competing for market share in one of the fastest growing food markets in the world.

U.S. producers have also lost oats production and market share even as the demand for oats has risen in the United States. Under the 1985 bill, we have become major importers of oats. This legislation raises the support level for oats in 10 cent annual increments until $1.85 is reached in 1994. This is a plus for our farmers and our trade balance.

The legislation corrects an inequity in the calculation of the barley deficiency payments. It limits the impact of unusually high malting barley prices on the calculation determining feed barley deficiency payments. Under this legislation, the Secretary may not include malt barley prices in excess of $0.22 above the feed barley price for determining the national average price of barley.

This will cushion against a repeat of 1988 and 1989 inequities, when malt barley prices averaged $1 or more above feed barley prices because of the drought, raising the average barley rice and virtually eliminating the deficiency payment for feed barley. Feed barley producers who received low market prices were denied deficiency payments because of the high price of malt barley.

Farmers are not only given more flexibility in what they can plant, they are given the opportunity to design their own farm program by selecting levels of set-asides which fit their farms. Under the Targeted Option Payment Program [TOPP], farmers may increase their set-asides—up to 15 percent for wheat producers and 10 percent for feedgrains producers—and receive an increase in their deficiency payments of 0.5 to 1.0 percent for each percentage increase in set-asides. Farmers who wish to lower their set-asides can do so by accepting a lower support level. This flexibility helps all farmers and is supported by North Dakota farmers.

This bill also makes some progress in modifying the conservation provisions known as swampbuster to make them fairer to farmers. In spite of the improvements, I strongly feel that the changes did not go far enough and I voted against the conservation title of this farm bill. I continue to believe the swampbuster provisions are unreasonable and unfair, and that the penalties are far too severe.

However, there have been some improvements. Producers can now work with the Soil Conservation Service to determine whether draining nuisance spots will have a "minimal effect on wetland values" and whether or not mitigation will be required to offset the loss of minimal wetland values. In addition, first time violators of the swampbuster rules are subject to less draconian penalties than in current law. This is progress over the 1985 bill.

This bill also establishes a nonprofit corporation, the Alternative Agricultural Research and Commercialization Corporation [AARCC], to promote new uses for agricultural commodities like soybean oil ink, biodegradable plastics, and red dye from sunflower hulls. AARCC will provide research grants for the development of new industrial uses for agricultural commodities, and business financing and technical assistance for the commercialization of these products.

Senator HARKIN and I have worked on this legislation for 3 years. AARCC is designed to bring some of the amazing technological discoveries our agricultural researchers have made, and will continue to make, to the marketplace.

The renewable resources of American agriculture represent some of the brightest hopes we have for solving pressing environmental problems. We can replace products made with precious, nonrenewable fossil fuels with the renewable resources of American crops. We can diversify our rural economy with new jobs and new industry. We can open up new markets at home and overseas. That is what AARCC is aimed at, and that is what gave this bill such strong bipartisan support in the Committee on Agriculture. I want to thank Senator BOND, in particular, for his strong advocacy on this issue.

This farm bill contains many provisions from legislation I introduced, S. 2634, to extend and improve Farmers Home Administration's [FmHA] programs. My legislation was developed from testimony I received from seven hearings I held on the agency since early 1989.

It includes a program to return FmHA to its proper role of providing supervised credit to beginning farmers, and financially troubled farmers. The agency has strayed from that role. It is necessary for FmHA to again increase its supervision in order to meet its mission: Providing short-term credit and assistance to beginning and financially troubled borrowers, enabling them to build the skills and

equity they need to build a successful farming operation.

The administration had expressed its intent to reduce reliance on FmHA by implementing mandatory borrower graduation and a sharp reduction in direct lending. The compromise bill does not take this course.

This bill provides a systematic program of borrower training in financial and farm management, increased training of FmHA employees and county committees, and more frequent review of borrowers' financial status to discover and resolve problems early. FmHA is required to plan for a borrower's graduation from FmHA credit programs from the day the borrower receives his first loan.

These provisions should insure that FmHA makes good loans and properly oversees those loans. It also insures that borrowers receive the assistance they need to graduate to private credit.

Further, the bill gives beginning farmers preference in purchasing of FmHA inventory property. It also corrects problems which arose from the implementation of the Agricultural Credit Act of 1987, and clarifies congressional intent. I believe this bill contains reasonable solutions which will prevent abuses to the act, while still serving legitimate borrowers. While I am not entirely satisfied with these provisions, I appreciate the effort that members of the committee have made to reach this compromise.

I am deeply concerned about FmHA direct loan funding. This bill shifts funds from the Direct Loan Program to the Guaranteed Loan Program. Interest rate reduction assistance is required on the funds shifted to guarantees. FmHA is encouraged to subsidize interest rates on guarantee loans by up to 4 percent. This change, along with FmHA's commitment to increase lenders' and borrowers' use of the program, should increase the number of borrowers who qualify for private credit with FmHA guarantees.

The shift in funding from FmHA's direct to guaranteed lending mandated by the committee is a very large cut in the Direct Loan Program. It is my understanding that this shift is intended by the committee to be taken from appropriations levels based on the Congressional Budget Office's January 1990 baseline. The use of interest rate reduction assistance on such loans will enable some farmers to qualify for guaranteed loans.

However, interest assistance alone has not, in the past, helped all farmers make the transition to guaranteed loans, as the General Accounting Office and other organizations have testified. Such a sizable shift from direct to guaranteed loans, according to the experts, cannot be accomplished without denying credit to some farmers. Already, FmHA direct loan funding has been slashed by two-thirds—from $4.9 billion in fiscal year 1985 to $1.6 billion in fiscal year 1990. Further cuts, beyond those contemplated here, would undermine the basic mission of the program.

Farmers face extremely high real interest rates today. In many areas of the country, farmers have experienced several years of natural disasters, including droughts followed by floods. Tens of thousands of farmers depend on FmHA moderate interest rates to get them through difficult times. Young farmers depend on FmHA to help them start farming. There will continue to be a strong demand for FmHA direct loans. It is my hope that adequate funds will be made available to meet this demand.

Let me repeat that I do not think this bill is enough, but it is the most we can do in the current budget situation. It does not accomplish all that I believe is needed: It falls short of the bill that I introduced with Senators KERREY, EXON, HARKIN, and DASCHLE.

However, given the severe budget pressure, in my judgment it was more important to move quickly with the best possible package. In particular, the bill is a significant improvement over current law and the version of the 1990 farm bill passed by the House Committee on Agriculture.

I also believe that the AARRC Program to commercialize new industrial products from agricultural commodities will have positive long-term benefits for agriculture. Finally, passage of this bill should help us achieve more favorable trade terms for American agriculture and food processing businesses.

In closing, allow me to remind my colleagues that the farm bill is important to every citizen of this Nation. It is very easy for my urban colleagues to attack the farm program. It is easy for them to tell their constituents that agriculture spending is wasteful or wrong-headed. But they should know better. They should know that if they gut the farm program, they will have to tell their constituents why food prices are rising, why we are losing American export markets, and American jobs, to foreign countries.

I urge my colleagues to resist the easy rhetoric. I urge them to do what responsible governments have done for thousands of years: Enact a careful sensible farm program to protect our country's food security and international trade position for the next 5 years.

The PRESIDING OFFICER. The Senator from Missouri [Mr. BOND].

Mr. BOND. Mr. President, when any bill with some length and complexity comes to this body from a committee of original jurisdiction, it is clear that there are many questions that colleagues need to ask. And the members of the committee ought to be willing and able to explain why the various provisions are in the measure and what has brought about the need for the measure.

Frankly, with respect to the farm bill, it is something that affects all of us. We have to have the food every day; almost all of us have some form of agriculture; most of us have a diversity of agriculture in our States. Despite all of the uncertainties, we know from childhood that which farmers face—drought, flood, pestilence, interest rates—probably the greatest complexity that farmers face and the most difficult, is in understanding and working through the Federal Farm Program. I believe that in this instance, as in many others, there are basic misunderstandings about the nature of the Federal Farm Program and what we are trying to do here today.

Personally, I feel that the amendment before us is based on a misunderstanding of what it is the farm bill is doing and what it proposes to do. I believe that those problems and the shortcomings in the amendment have been addressed by my colleague, the Senator from North Dakota, and before him, the Senator from Montana, and the Senator from Mississippi. They have laid out some of the basic reasons for the farm bill which are inconsistent with the amendment that has been introduced.

Today we have before us what I think is basically a good bill. I want to commend our chairman, Senator LEAHY, and our ranking member, Senator LUGAR, for their great leadership in bringing this bill to this point. Together the two men have been able to bridge some very wide gulfs.

It has not been an easy task. It took many hours in committee and in backroom sessions, in prayer meetings, and extended discussions, where we came together to produce a bill that we could bring to the floor. It is a special day, and it is one which we have looked forward to. Some of us wondered whether we would reach this point.

As we bring this forward, we have to answer some questions that are popular in many circles. Why is a farm bill necessary? Well, agriculture is crucial to the U.S. economy. From farm to retail, it is America's largest industry. Food and fiber accounts for more than $800 billion in assets. Agriculture exports are one of the few bright spots in U.S. trade. Every dollar in these export earnings generates another $1.50 in downstream economic activity.

What is more, when our competitors rely on import restriction subsidies and unfair trade practices to protect their domestic markets, we have to take action in response to protect our farmers. Even as farm numbers decline, as they have in recent years, re-

ceipt productivity increased. One farmer now provides enough to feed 113 people. The Federal Government has come to be involved in agriculture since the 1930's. The goal remains the same, to balance the needs of farmers with the public's expectations of a safe, abundant food supply at reasonable prices.

The health of the general economy, of course, is vital to U.S. agriculture, and the health of our agricultural sector is vital to our economy. As we debate the farm bill, it is important that we have sound fiscal and monetary policies to assure rural America of affordable credit, employment opportunities, and continued strong demand for agriculture products.

High inflation and high interest rates remain a major concern for the agricultural economy. Failure to reduce the Federal budget deficit will stifle that fragile recovery now underway in agriculture. That is why, even though we present on the floor today spending under the guidelines, operating guidelines of the CBO, OMB baselines, we know full well, if there is—and we hope there will be—a summit agreement reached, which will bring down that deficit to lower interest rates and to keep our economy sound.

There will undoubtedly be some additional costs imposed and some additional reductions made to the farm programs. We understand that because agriculture will benefit from the lowered interest rates and the sound economy. We also realize that agriculture has a very important role in the world market and that is why the GATT agreements are so important.

I believe that we who are concerned about agriculture and all of us who follow agriculture or depend upon it should be thankful for the leadership role that President Bush played at the Houston summit in bringing foward the need for the developed countries to take the lead in getting rid of unfair trade subsidies and agricultural surpluses.

The European Community is currently spending about $97.5 billion on agriculture. That is the price of the subsidies, of the dumping subsidies, of the production subsidies. You get $16 to $18 for a bushel of soybeans in tne European Community. In our country people would be growing soybeans in window boxes if they got those prices. No wonder they have surpluses to dump in the world market. When they dump those surpluses they take sales away from American farmers. Yes, we do have a long-term goal to get back to that free market. We have a long way to go to get there and until we do we cannot leave the American farmer without protection.

That protection is the thing that drives the cost of the commodity programs. We have seen that CBO baseline estimates outlays for this year at about $7 billion. Much of that is needed to counter the subsidies of our competitors. But let us recognize that those figures are down 71 percent since the 1986 high of $25.8 billion, and at a 25 percent reduction even from the actual 1988 spending. Agriculture has been hit hard by sequesters in 1987 and 1989. A total of $4.1 billion in savings was generated.

Now we have heard, and probably will hear, some very moving statements and speeches about how we ought to increase target prices for agriculture, increase the levels of marketing loans. Unfortunately when we talk about those grand and glorious goals we overlook the fact that we have to operate within budget constraints even before the summit agreement. We should not be promising what we cannot produce.

We have worked long and hard with the administration, with the staffs of both the minority and majority to come out with the best deal possible we could put together for agriculture. We feel that freezing target prices is the best that can be achieved without busting the budget, which no one is going to accept in this time of tight constraints.

The good news is that target prices and Government payments are not the only solution, however, for putting revenue in farmers' pockets. We are moving toward a market economy where farmers can get their returns from the marketplace. We are on the right track.

The Food Security Act of 1985 has been a success. It has moved us in the direction of more market orientation. It has reduced the financial stress within the agricultural sector. It has restored our international competitiveness. It has reduced commodity surpluses. It has improved the food stamp program. It has added new conservation benefits and decreased soil erosion significantly.

Under the 1985 farm bill we see land values once again beginning to increase. Total gross cash income less cash expenses from farming has increased to $47 billion from $27 billion in 1985 to a projected $49 billion in 1989. Net farm income is rising from $32 billion in 1985 to a projected $49 billion in 1989. Deflated in 1982 dollars it is still a 30 percent increase. Debt to asset ratios have fallen. Export values increased commodity reserves have been reduced. We have implemented a conservation program. Conservation compliance plans on 140 billion acres will reduce erosion by more than 1.4 billion tons annually of soil.

I believe the committee bill builds on this sound foundation. The key elements of the compromise that we passed provides first for flexibility. As we have talked about the farm programs with farmers in my State, we find a greater need for flexibility. Farmers want to be able to plant for the market rather than for the farm program. Under this bill that has been reported out of the committee, producers can plant other program crops, oilseeds, and experimental and industrial use crops on up to 25 percent of their crop acreage base.

There is the targeted option program which would increase or decrease the acreage reduction set aside in exchange for an increase or reduction in target price. Producers can plant oilseed or experimental crops on up to one-half of required set aside. Zero certification allows producers to forgo planting any acres on which they have a base, protect their historic crop acreage base, and have freedom to plant another crop which would not be eligible for the Federal target prices or marketing loans.

A very important element in this bill is to provide a marketing loan for oilseeds. This is critical for oilseed programs.

The United States has been squeezed out of the world market for soybean oil and Sunflowers and other oilseeds. Since 1979 our share of the world's soybean market has fallen from 84 percent to 64 percent. U.S. production has fallen by more than 9 million acres since 1979 while foreign production has increased 68 percent over the same period. Brazil and Argentina have increased production by 116 percent. If that trend were to continue, by 1999 Brazil and Argentina will plant more acres to soybeans than the United States.

The committee's marketing loan program will ensure that the United States can compete against the subsidies of the European Community and improve the current gap between the program crops. That and the flexibility provided in this program are going to enable soybean and other oilseed producers to recapture the American share of that very important market. While CBO estimates have changed, the provision currently is estimated at either $49 to $125 million over 5 years, but I believe that this is acceptable for a crop which has the exports associated with it, over $500 million a year in exports from Missouri alone.

Another area that is very important in this bill is one in approving the grain quality standards. There was concern raised in the 1985 farm bill that at the time it was concluded there was not sufficient information to determine what was available on the existence, nature, and seriousness of a grain quality problem on the world market. I personally and many of my colleagues talk about anecdotal evidence, stories told us by purchasers of grain abroad who say that American grain does not measure up to the quality, to the standards, of that shipped from other countries.

The Office of Technology Assessment has completed a study on grain quality last year. They found out that the results showed that improvements must be made. Buyers today not only factor price and supply into their decisions but quality. If we do not do something about it we are going to lose markets, we are not going to be able to maintain the markets we have.

The bill passed out of the committee includes a modified version of legislation introduced by Senator DASCHLE and myself last year which adopts provisions that relate to grain standards and the operation of commodity price support programs. We believe this is an essential step to assure that American farmers maintain their rightful place in the world market.

In addition, this bill reauthorizes key export programs and I think makes some very important improvements in Public Law 480, our primary food donation program, Food for Peace. It encourages the long-term planning with a goal for identifying growth markets and reauthorizes credit guarantee programs, the Export Enhancement Program, and the Targeted Export Assistance Program, which has been renamed the Marketing Assistance Program.

We also continue our very important commitment to the environment. This has been a major concern in my State. Several provisions from the bill I introduced earlier this year, the Agricultural Conservation Research and Enhancement Act of 1990 have been included. It broadens the scope of the conservation reserve program. It reauthorizes the program through the 1995 request for a 140-million-acre floor.

It provides new incentives for planting trees, particularly hardwood trees.

It requires a study of options for land coming out of the conservation reserve, now renamed the Environmental Conservation Acreage Reserve or ECARP; certainly not a very pleasant name but at least one to make it stand out from the other acronyms that we use around this place.

There is a new wetlands reserve program; new flexibility in offsetting compliance; a new integrated management program; and important changes in the swampbuster provision—similar to a bill introduced by Senator BOSCHWITZ and myself.

It expands on the minimal effect determinations, where farmers can, if they have a nuisance spot, farm that land without being penalized.

It establishes a new category of minimal effect where mitigation will be permitted. Where a farmer has a pothole in the middle of the field and cannot farm that field efficiently and economically, under certain circumstances, with the approval of the county, ASCS can commit that land. It can be committed on a one-for-one basis by bringing back prior converted wetlands of similar value and same size in that area. This is an essential step for efficient farming.

It also provides a graduated penalty rather than imposing a total forfeiture of all program crop payments.

In my State, one farmer lost $37,000 because of an inadvertent planting, on a wetland of one acre, a nurse crop that was found to put him out of compliance. Now the penalties can be graduated to the severity of the infringement.

On the conservation side, it improves the situation because the determination is triggered at the drainage rather than the planting.

Paperwork reduction is included in the bill. Paperwork reduction, that is for farmers not for Members of the Senate.

The bill that we have reported out has 1,081 pages and a report of 1,282 pages. It weighs 6 pounds, 2 ounces. Perhaps we can adopt an amendment on paperwork reduction that would limit the farm bill to 100 pages.

In any event, I hope that we can pass a bill on the floor of this body with strong bipartisan support. It received that support in the committee.

Farmers want and deserve a bill. I think that we have made many good strides in this bill. There should be some changes. I will support changes.

I hope that we can continue to work and make sure that agriculture is well served by our 1990 farm bill. I do not want to see efforts weaken the bill. I do not want to see a 1-year extension. I believe that there is too much uncertainty in agriculture today and a 1-year extension just heightens that uncertainty. It puts us at the mercy of the negotiations in Geneva. It adds too great an uncertainty as to what we would ultimately adopt for farmers. I believe the farmers deserve a 5-year bill. I intend to see that they get one.

Again, Mr. President, I commend the chairman and the ranking member for their leadership and their perseverance in bringing the bill to the floor.

Mr. DECONCINI. Mr. President, I rise today in opposition to the amendment of my distinguished colleague and friend from Nevada, Senator REID, which limits payments to farmers who have gross annual sales over $500,000. An adjustment of this magnitude will seriously impair the effectiveness and the equity of farm programs.

The Agricultural Committee, as the distinguished Senator from Missouri has just pointed out, has worked for a long time to mold something that can be brought to this body as a bipartisan farm program, something that does not attack different sections of the country.

I have looked at this bill, Mr. President. Quite frankly, some of it has no bearing whatsoever on the economic condition of the West or the Southwest. Some of it deals with peanuts and sugar and things that we do not deal with. Yet you will not see this Senator out here offering amendments to undo what the Agriculture Committee has worked on for so long. The Committee has brought a farm bill to this body which recognizes the economic importance of agriculture, even in areas that are outside our own selfish interest and our own constituent interest. The Agriculture Committee should be commended for its hard work to report a bill that is responsible. The pending amendment will destroy the effectiveness of farm legislation which has worked and will work well.

Mr. President, the use of gross annual receipts is not the best measure for control of farm programs. It is not an accurate representation of annual profits, nor is it a measure of wealth or how well a farmer is really doing.

Mr. President, it is a well-known fact that the majority of American farmers, including many of them in Arizona, have income off of their farm. In Arizona, even some of the wealthy farmers, their wives teach because they want to and in some cases they teach because they have to, or they work in other places or they have other income.

If you look no further than what the distinguished Senator from Nevada has proposed, you may conclude that any farmer who makes more than $500,000 a year gross income, has got to be a very wealthy person. Such figures are certainly within the upper levels of American income. But a farmer has to pay a great deal of money in order to farm in Arizona and other Southwest States. It is high-priced land now. They have to buy equipment. They have to buy supplies. They have to spend a great deal of money for maintenance of that equipment and distributing those supplies.

Agriculture is a unique industry. American farmers have significant long-term expenses that one does not see every yaer but must be paid over a very long period of time.

Western farmers are big business, Mr. President. In an average year, over 75 percent of the cotton farmers in Arizona exceed the proposed limitations based on gross sales. Those farmers are highly efficient. They are productive operations. On an average 260-acre farm in Arizona, a cotton farmer spends over $233,000 just in growing that crop. The major share is the cost of water. So the farmer has to pay taxes, has to pay for machinery, and has long-term expenses for that total farm or that 260 acres, not just to grow that central crop.

Particularly in the West, and increasingly throughout the country, we are encouraging our farmers to diversi-

fy. In Arizona, it is not uncommon for a cotton farmer to raise cattle and to grow a mixture of program and nonprogram crops. Diversification makes good economic sense and it makes good environmental sense.

The bill reported to the floor by the Agriculture Committee encourages diversification. Diversified farms, Mr. President, have high gross receipts. They are high cash flow operations. It just does not make sense to have a farm bill encouraging diversification on the one hand, and penalizing the efficient farmer trying his very best to respond to that legislation on the other hand. That is what this amendment does.

This amendment contradicts what this farm will is trying to accomplish which is to put this Nation, into a prosperous, more effective, productive farm program.

Under this amendment, the most productive farmers will be punished. Mr. President, this is not equity.

There is more to this issue than who gets benefits from the Federal Government's Farm Program. If large producers are not participants in farm programs, there would be no incentive for them to comply with acreage reduction programs. These programs are necessary to stabilize prices and manage our agricultural inventories. If farmers do not participate, they will be forced to plant all their acreage and increase their efficiencies just to cover expenses. The result will be an increase in production of surplus crops, prices will spiral and make it even harder for the United States to participate competitively in world markets. A workable farm program requires a high level of farmer participation. This amendment will discourage participation from those that most need to be in the program.

Senator REID argues that his amendment will save Federal taxpayer money. I would argue that it will cost the taxpayer money. As my farmers in Arizona dramatically increase their production of cotton, the world price of cotton will plummet. The cost of the cotton program for those farmers continuing to participate will also dramatically increase.

Rather than finding more money to pay for needed health care programs, as the Senator from Nevada wants to do—and I support that very admirable position he has taken as to spending more in health care programs—we will really have less money.

I urge my colleagues to look at this farm bill and this farm program as a united effort, one that continues to apply throughout the land. We ought not be here hacking up one person's farm program and trying to penalize somebody because their farming is different than in some other part of the country.

PRIVILEGE OF THE FLOOR—S. 2830

Mr. DECONCINI. Mr. President, I ask unanimous consent that Robert Breazeale, a legislative fellow acting as a legislative assistant in my office, be accorded the privilege of the floor during consideration of S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I rise in opposition to this amendment. I notice in the historical highlights of agriculture in Minnesota that in 1987, which is the last year that count was made, 860 farms that have annual volumes in excess of half a million dollars. In 1969 there were 47 such farms and the number has increased quite rapidly in recent years. There are now 860 such farms. It is not a large part of my constituency.

It is not unlike the national farm picture. We have about 100,000 farms in Minnesota; somewhat less than 1 percent have a volume in excess of half a million dollars.

It is not a matter of trying to protect a large constituency, but it is a matter of trying to apply some common sense to the amendment.

It is quite clear to me, in the event we pass such an amendment, fathers and sons and daughters who work together on many farms throughout Minnesota will simply break up the farm into parts in order that the amendment will not apply to them. That has happened in other regards in the farm bill. So the amendment will not have a meaningful impact.

As some of the other Senators have mentioned also, it is not clear to me why this number was chosen because it may not have any relationship to net income. It may have no relationship to need. And, certainly as the Senator from Arizona pointed out, in the event you exclude these people from the farm program, their only option will be to plant fence row to fence row, throw on some more fertilizer and chemicals so they increase production, and try to make it back by sheer volume. That will have, certainly, a negative impact on the farm program in other areas.

Other businesses certainly and other programs certainly do not have these kinds of limitations. I think it would be wrong to have this kind of a limitation in the farm bill. It really does not have any meaningful impact. Certainly the types of aid that the western farmers, where the Senator from Nevada is from, receive by way of water benefits; they, too, should be part of this? But they are exempted from it because those are not payments in the normal sense of the word.

This is not an amendment that has equity on its side. This is not an amendment that will achieve much by way of results.

I would say, if the Senator from Nevada looks at the chart that shows the distribution of Government payments—again 1987 is the most recent year we have figures for—it shows the payments by the Federal Government do indeed hit where we want them to hit and that is the family farm.

If we look at the production of farms, we will see that those farms with gross sales over half a million dollars do about 38 or 39 percent of the total volume and receive only 9 percent of the total farm payments. Most of the farm payments are in the middle section of 50,000 to 250,000 annual volume and that is where they should be. Those are the family farms. Those are not the large corporate enterprises, many of which are out in the Senator's part of the country.

So I respectfully oppose this amendment on the basis that it will not achieve the desired ends. It may, indeed, have an unsettling element to the entire farm bill and, therefore, I encourage my colleagues to vote no.

The PRESIDING OFFICER. The chair recognizes the Senator from Vermont [Mr. LEAHY].

Mr. LEAHY. Mr. President, I do not know how many other Senators may want to speak on this issue. I certainly do not want to cut anybody off, but there has been a very good debate on this amendment. We have heard the issue propounded. I hope we might get to a vote soon.

The proponent of the amendment is on the floor. I understand he does want to say something further. The distinguished Senator from Arkansas, who has spoken on this, wishes to, I understand, say something further. The distinguished Senator from Minnesota has just spoken.

I keep getting questions from Senators who are holding committee hearings and other meetings, when we might vote. Mr. President, I would like to ask the distinguished Senator from Nevada [Mr. REID] if he has some idea, for scheduling purposes, when this may come to a vote simply so we could let others know. I am not in any way trying to discourage debate.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Responding to the chairman of the Agriculture Committee, with his consent I would like to yield to the Senator from Arkansas who has a brief statement.

Mr. PRYOR. Mr. President, I appreciate the Senator from Nevada yielding. If I might respond, Mr. President, to the distinguished chairman's request, it is my understanding that after Senator REID closes for his amendment, only one remaining Senator has expressed an interest in

coming to the floor and that is Senator BOREN of Oklahoma.

If there are others, I hope we will be notified soon. We have been on this amendment now for approximately 2 hours. We think it is ready either for an up-or-down vote or a tabling motion. So let me say, any Senators who have any desire to speak for or against the Reid amendment, we all hope they will, posthaste, come to the floor of the Senate.

Mr. LEAHY. I thank my distinguished colleague. I think that perhaps we will have the vote relatively soon, in the next 15 or 20 minutes.

Mr. REID. Mr. President, if the Senator from the Agriculture Committee will yield, there are a couple other Senators who expressed a desire to me to speak. Senator RUDMAN has indicated he wishes to speak.

Mr. President, if the Senator has yielded to me——

Mr. LEAHY. I yield the floor, Mr. President.

Mr. REID. I see the distinguished Senator from Alabama; does he wish to speak on the amendment?

Mr. HEFLIN. Yes.

Mr. REID. I have some statements I would like to make, and I indicate to the Senator from Alabama, who I understand has been involved with the committee meeting with Senator RUDMAN and that is why they both have not been here, I have no problem with allowing the Senator to speak. I have to be here regardless of who speaks and who does not speak. I can always speak at some moment when there is a lull in the statements.

Perhaps I will add him to the list of people I need to respond to. I yield the floor.

Mr. HEFLIN. Mr. President, I want to thank the distinguished Senator from Nevada for allowing me to address the issue. I have many conflicting situations, and trying to be here and speak on this amendment has been difficult. But I am delighted and appreciate the courtesy of the Senator.

I would like to begin my remarks by a personal experience. One time in my small town of Tuscumbia, AL, I voted absentee, and I soon found out that everybody in the courthouse and most of the people in the community where I lived knew how I voted in the sheriff's race, in the probate judge's race, in the Governor's race and everything else.

I decided that if I was going to exercise my right of secret ballot, I would never vote absentee again, and I never have.

Now what does that have to do with the Reid amendment? It has a lot to do with it. Under the Reid amendment, as I understand it in its entirety, it is required that a farmer, big or small, has to go to the ACS office, the Agricultural Stabilization and Conservice Service, Commodities Stabilization office, in each county.

And if the Reid amendment is adopted, in 1991, a farmer has to go down with five of his income tax returns for the past 5 years. He goes into the ACS office and he presents them to show that his gross sales did not amount to more than $500,000. I know human nature and I know rural people. Everybody in the area will know about the tax returns of that farmer who goes to the office. The banker will hear about it, and the banker will say, "Well, you know, he didn't do as well, as I thought he did and he didn't show me his tax return. I'm not sure I'm going to loan him any money for his next year's crop."

That is to point out one of the faults in regard to this amendment. There are all sorts of ways to look at tax returns, and I am not sure they will ever altogether prove gross sales, and you would have to have a number of different types of financial statements to establish gross sales.

I see Senator PRYOR over there. Senator PRYOR was the author of one of the greatest pieces of legislation that has been adopted since I have been in the Senate. I was one of his cosponsors, and that bill was the taxpayers' bill of rights. This amendment will just about eliminate among farmers any degree of secrecy or privacy. I believe every American citizen has a constitutional right of privacy. We have never made public income tax returns, but that is what is going to happen in the event that this amendment becomes law.

The farmers have suffered a great deal over the years. I voted against the 1986 Tax Reform Act largely because it devastated American farmers. Over a period of years, tax policy had been developed relative to farming, and things that were essential to them were destroyed in that Tax Reform Act of 1986. They changed their depreciation schedules; they changed the capital gains as it would apply to timber; and certainly anybody who has ever been involved with tree growing realizes that it takes from 20 to 75 years, depending on the type of tree, for the tree to grow; that if there is any justification for capital gains differential in tax law for any one group, it is for the farmer who grows timber. And most every farmer has a small woodland.

That was a devastating bill, in my judgment, to the farmer. It also did away with a lot of things like income averaging, tax credits on certain things;

To me we have some things here in regard to the tax returns that would have to be used. It would mean that it may not present a true picture and would cause an administrative nightmare on the basis of gross sales. If we are going to do something, I think net is a much better approach. I am not advocating that. I am against it for many other reasons, some of which I will recite. Gross sales in farming is misleading as to the income that a farmer gets.

The cost of production varies as to the crop and as to the operation. There is in certain parts of the country rich land. It costs the farmer who grows corn in rich land where he can make 150 bushels to the acre the same amount it costs the farmer in the lands which do not produce more than 60 bushels to the acre.

We have a lot of differences involved. We have cost of production that enters into this equation. There are certain highly intensified capital farming operations. Cotton is one of them.

I recently was on a cotton farm. I was getting my picture taken, films being made in regard to my upcoming campaign for reelection. They were taking pictures of me leaning up against the cottonpicker to show that my interest in farming had not waned and that I was the farmers' friend. I said, "What does that cottonpicker cost?" He said, "$140,000." You go in the wheat fields and you see a combine. What do they cost?

The point I make is that there is a wide variance between farming operations. Some require very high capitalization, and, as a result, their net may be very low. But involved in high capitalization, if they are going to be able to make a profit, it means that the production on the acre of land of whatever it must be, gross sales, have to be much higher because of the high cost of the intense capitalization. That goes into the cost of production. Gross sales, in my judgment, is not the proper approach for any type of limitation. I think the payment limitations by net profit is a much more proper approach.

Now, this legislation, in my judgment, is also one of the most antienvironmental amendments that has been presented. We are all for a better environment, an environment that looks to the future. And there are environmental concerns on the farm. If you are in a farm program, you have to comply with environmental requirements.

But environmentally, from the viewpoint of the sodbuster program, the wetlands program, the swampbuster program, all of those programs which are designed to improve the environment that a person under the program has to comply with, if he is driven out of the program, he cannot comply. I do not know the total number of acres that are available in all farms or the total number of acres that qualify under the sodbuster program or the swampbuster program or the wetlands program, and all of those types of pro-

grams, but if we are to eliminate them for the program, you are going to find an antienvironmental policy is being adopted. I think it will be a mistake.

I also realize that in the production of farm commodities, whether it is grapes, cotton, rice, wheat, corn, or whether it is the production of cattle or anything else, one of the biggest costs is fuel. Some crops have additional fuel costs like drying and other aspects. But in the event you drive people out of the program, you are going to see you will have problems. And, in my judgment, this amendment, to some degree, places the farmer under the heel of OPEC. It has effects which mean that if OPEC raises the price of fuel, the cost of production goes up, and it will have a direct relationship to the price of farm commodities. The gross sales go up and you are going to have a situation where, when it is tied to gross sales, the biggest cost of production is fuel.

Another problem is that we are addressing are those farmers who will get out of the program, and when they get out of the program, you are going to find it much more difficult to deal with the Farm Credit System. The Farm Credit System is already shaky. We have had a rescue of the Farm Credit System, and I think we cannot afford to have an S&L in the Farm Credit System, which we have had before, and this is a danger that applies.

I have asked some people, does this include the loan program? There are payments made under the loan program, particularly when, in effect, they sell to the CCC, the Commodity Credit Corporation. It can have the effect of driving people out of the program where they can receive no loan, a payment which helps them over a period of time in which loans can be very effective for farmers in selecting the time they want to sell their product. Some will sell to the CCC. We have had over the years some of the largest payments made through the farm program are payments made through the Commodity Credit Corporation.

Do the farm program payments benefit consumers?

The farm program opponents tend to characterize payments to farmers as a cost to taxpayers without corresponding benefits. This is a gross injustice to farmers and taxpayers alike. One of the prinicpal objectives of farm programs is supply and price stabilization. Without farm programs, and substantial participation in it, no mechanism would exist for managing production and inventories. In the absence of some form of production or inventory management the tendency would be toward violent cycles of overproduction and underproduction and vicious swings in price, each feeding on the other and both exacerbated by the weather.

Because agricultural production is unpredictable under the best of circumstances, there are times when inventories are very low and must be rebuilt in order to maintain consistently adequate supplies at reasonable prices. This means that the production capacity in excess of what is needed for normal year-to-year food and fiber demand must be maintained.

The taxpayers cost for farm programs is in part an investment in this production capacity which allows inventories to be rebuilt when necessary. Consumers receive a dependable supply of the lowest cost agricultural products in the world. It avoids the combination of scarcity and excessive prices which otherwise would occur.

They claim that a disproportionate share of farm program payments go to large farmers. They cite 1987 data. Farm program opponents tend to cite 1987 data because that was the year when the world was awash in agricultural commodities, prices were depressed, and farm program costs were high.

I do not think 1987 is an appropriate year to cite. We have seen a substantial decrease in the payment by the Federal Government on farm programs in more recent years. They show that the top 3.6 percent of payment recipients got 42 percent of payments.

The true facts are that the distribution of payments are disproportionate only in the sense that limitations already in effect deny large farmers a vast share apportioned by the production. Because payments are coupled with production, payments should be proportionate with the level of production. This is not the case because limitations are already stringent enough to make it unfeasible for many large farmers to participate in the program, and therefore their production receives no payment. That is quite a large number.

Many large farmers who are program participants, but affected by limitations, receive payments only on part of their production. Presently a large farmer is limited to $200,000. In my judgment that is a better way rather than using some type of gross sales as a basis for trying to limit Government payments.

If the top 3.6 percent of payment recipients receive 42 percent of the payment, it can only be concluded that the same 3.6 percent produced considerably more than the 42 percent of the program commodity.

USDA has no data to show the relationship between farm output and payments. However, using sales as a surrogate for production, it can be easily shown that large farms get a disproportionately smaller share of payments. For example USDA data shows that in 1988 farms with sales of $500,000 and over accounted for 36.6 percent of total sales, but received only 8.4 percent of Government payment.

I could go on, on this topic, but in my judgment this is an ill-advised, ill-conceived program. If you are going to have a limitation program, I think that the payment limitation is the proper approach to be used.

Gross sales vary so much—gross sales for cotton farmers will be much higher and with less profit than there will be for some of the other commodities. The other commodities such as wheat or corn are not nearly as intensified as to the financial investment and the cost of production. You get into cotton, you have cottonpickers, which I told you the cost of, you have to have insecticide, and you have to use airplanes to go over the fields to spray the insecticide.

So in my judgment, as we look at this proposed amendment, it is ill-advised. It has many consequences I do not believe that the authors of the amendment ever thought of. I urge my colleagues in the Senate to vote this down. Thank you.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from Vermont.

Mr. LEAHY. Madam President, I again repeat what I said earlier. I really would like to see this come to a vote. I think there is going to be a vote up or down.

I would urge if there are other colleagues who wish to speak on this amendment that they do it quickly. We have a number of other amendments to follow this one. We are looking at a late night as it is. Madam President, I hope Senators might bring this to a vote in the next 10 minutes.

Mr. REID. Will the Senator from Vermont yield?

Mr. LEAHY. I yield to the Senator from Nevada.

Mr. REID. I know the manager of this bill has a large bill. I saw the pocket version which is 1,300 pages long. I sat here for 2½ to 3 hours. I have some remarks to make in answer to the many mistakes that people have made with regard to my amendment. I am writing to do that. I want to make sure that the debate moves along freely. That is why I have not tried to take the floor. I am ready whenever there is a lull in the proceedings.

Mr. LEAHY. Madam President, I should note the Senator from Nevada has been the model of patience through this debate. The Senator from Nevada made his arguments cogently, clearly, directly and, I might say, expeditiously.

I would not urge cutting off anybody, especially the proponent of the amendment. He has been unfailingly courteous to every Senator who wished to speak. Obviously he is entitled to have a chance to state his position.

I would just urge Senators, if they have statements, if they can give the abbreviated version and put the longer one in the RECORD, it would be very helpful because we have a number of amendments that will have to be voted on and will require rollcall votes this evening.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I want to a associate myself with the remarks of the Senator from Alabama who just spoke.

I have some remarks that I will make later on. I will put them in the RECORD so we do not have to take too much of the time of Senators on the floor, since we want to get on with the bill and get it passed.

First of all, I want to pay a special thanks to the distinguished chairman of the committee, Senator LEAHY, for all of his hard work in keeping the committee together through these long weeks and months of pulling this bill together.

The farm bill always seem to take a long time in committee, but I must say that this year under the leadership of Senator LEAHY, we worked out all of the agreements and disagreements in committee. The bill had very strong bipartisan support when it came out on both sides, Republicans and Democrats.

Obviously, the bill is not the model of what it would be if I could write it myself. I doubt that it is the model or that it would be the same if the distinguished Senator from Indiana could write it himself, but it represents a reasonable compromise between the various conflicting interests in agriculture in the country. It is a true testimony to the qualities of leadership and patience that the distinguished chairman from Vermont has shown in getting this farm bill out.

I want to talk basically a few minutes about the amendment offered by my friend from Nevada. I must admit that, on the surface, it makes sense and looks good. We do not like the idea of these multimillionaire farmers getting Government payments when they are making $15 million, $20 million a year and getting all these big Government payments.

Quite frankly, to the extent that we can limit the amount of Government payments that go out and tighten down on the $50,000 payment limitation that is now part of the law, that I agree with. When you approach it from the income standpoint, as the Senator from Nevada has done, It it really does do more harm than good. I know that $500,000 gross income sounds like a lot of money. The Senator from Alabama pointed out what a cottonpicker costs. He should check what a combine costs or maybe some of the new John Deere tractors. You will find those prices are well in excess of $150,000 themselves, in my part of the country.

This $500,000 gross income sounds like a lot of money, but I was checking here. You can take a farmer in Iowa that has a diversified operation, maybe has corn, some soybeans, maybe smokes, some hay, pasture ground, and let us say they are marketing livestock, fat cattle. At the price of cattle right now, fat cattle, it would be about 500 head. That is not an enormously large feed lot in my State of Iowa. But maybe the farmer has a couple of sons coming into the farming business with him, and they feed out 500 head of cattle. Right there, boom, you have your $500,000, and they are not eligible for the program.

But that is just gross income. Out of the $500,000 that they would sell that fat cattle for, they may be only netting, depending upon the market and what the feed prices are and things like that, $50,000 to $90,000. Yet, under the amendment of the Senator from Nevada, they would be out of the program.

What would that mean? That would mean, for example, that on all their corn ground and their soybean ground and oats, and maybe they have some wheat—not that much in Iowa, but maybe in Missouri—that kind of combination, that means they would be out of the program. That means that they could plant as much as they wanted to.

That is where this amendment, I think, does more harm than good, because then these farmers would have no constrictions. They would plant whatever they wanted to. It would drive the commodity prices down, which means the Government costs would go up. That means next year we would have to have bigger set-asides on the land that is left.

The other problem with this amendment is that once these farmers are out of the program, they do not have to comply with any of the conservation measures that we have in law or that would be in this bill. Some of these farms, to be sure, could be larger farms, and it is very important that they comply with the conservation measures that are in the bill.

Well, the under the amendment of the Senator from Nevada, they would not have to comply. They could sodbust. They would not be constricted. They could be swampbusters. They could tile all the swampland and drain it all out. They would not have to comply with any conservation measures whatsoever.

Again, I know $500,000 sounds like a lot, but when you think of it in terms of livestock production, you get there very quickly. About 30 percent of the production in this country would be outside of the program, if this amendment were to pass. Take 30 percent of the production outside of the program, and you are going to really wreak havoc on market prices.

Take that livestock farmer in Iowa marketing maybe 550 head, 600 head of cattle, then he would be out that 1 year if you market the 500, 600; he would be out of the program. Say next year, for market reasons and decisions that that farmer made, he is not going to feed that many cattle, and say he is only going to feed 300. So the next year he would be in the program. Well, then the next year he decides he is going to put some more cattle on feed. He would be back in the program. Then you have this in and out, in and out of these farmers. That would wreak havoc on the marketplace.

So while I have empathy with the Senator from Nevada in what he is trying to get at, I think there may be some better ways to do it. I would have a lot of problems with approaching it from the standpoint of gross income.

I know that the Senator has talked about the averages. The average net income, I am told by the Senator, is like $700,000-some. Well, averages are a funny thing. It is like that river whose average depth is 2 inches deep. It is a mile wide, but the average depth is 2 inches. It is a half-inch, except in the center where it is 20 feet deep. The average net income may be $700,000. that is because a very, very few are making millions. That is pulling the average up.

So that while I understand the motive, and while I think the motives in terms of cutting down Government payments to these larger farmers is admirable, I think there are better ways to do it than to focus on the gross income side. Quite frankly, I think in doing that, as I said in my remarks, we would do more harm than good.

I yield the floor.

Mr. BOREN. Madam President, many of the other speakers have already made the points I wanted to make in my remarks. So I will not take the time of the Senate to go over them again and again.

I certainly understand why my good friend and colleague from Nevada has offered this amendment. We are indeed facing very difficult budgetary times. There are many of us who serve on the Agriculture Committee that have wanted to make sure that a primary focus of the farm program would

be to keep in being those family-size farm units, make it possible for them to continue to exist. And when savings had to be made in the programs, we have been very sensitive to the need to try to direct as much of the benefits to smaller units as possible.

But I think while the amendment is well-intentioned, when you talk about giving benefits to those who have gross receipts of $500,000 or more in 1 year's time, it is as if you are only talking about very, very large operators or very profitable operators, and that is simply not always the case. The fact is that you could easily gross $500,000 annually, while netting less on a farm than an average factory worker.

There have been many large farm operations that have very large gross receipts that have not even been able to break even. We are also dealing with a situation here—and the Senator from Alabama discussed this at length—during which time, if we had to provide for tax returns to be given to local USDA county officials and county committees in order to collect information then I think we have a real problem in terms of the violation of confidentiality. It would be very, very hard on small closely knit, rural, communities for people to simply keep confidential that kind of personal financial information.

So that is an additional problem that we are dealing with. I think when we think about the size of farms that are involved and the size of economic units involved, we really have in mind, I am sure when you hear the figure, especially of those not from farming regions of the country, $500,000 a year in gross receipts, you tend to think that you are dealing with a huge operation, something like the size of the King Ranch, section after section of land, 10, 15 miles across.

In fact, smaller operations, those that certainly could be operated by a family, or parents and children with the same family, would be caught up in this kind of net.

I just did some fast calculations. If we look at the average yield on wheat in my State, you can easily on 950 acres have gross receipts of $100,000. On cotton, with average yields on 350 acres, you could easily have another $80,000 of receipts. And if you run 375 head of cattle, which is not a gigantic herd, you could easily have gross receipts if you look at 85 cents per pounds, of over $318,000 a year.

So, in other words, a farming operation or farming ranching operation—and often in a State like mine, it is a combination operation with 950 acres of wheat, 350 acres of cotton, and 375 head of cattle which would not by any means qualify you to appear on a production like Dallas or Dynasty, but simply a family farming operation, you could have gross receipts that would trigger this kind of provision and exclude you from participation in the farm program.

Farming in these days even in terms of a family farming operation is not something that is operated on a small scale, at least as far as gross receipts are concerned. It has been very modest in terms of net income. You think of the cost of inputs for an agricultural operation of family size, a new tractor with four-wheel drive costing $130,000; a new combine and wheat thrasher. Many of my farmers have a $135,000 new cotton stripper that will cost somewhere between $120,000 and $200,000. You are talking about inputs in a family-sized operation that are exceedingly expensive.

Let me raise another point—and I would share this with my colleagues because I know without regard to whether our colleagues come from agricultural regions or from urban areas—we are all concerned about conservation, and are all concerned about saving our natural resource, and we are all concerned about impacts on the environment. While it is true that a very small percentage of the number of farmers in this country would fall under this gross receipts test, let me say it is ironic, I would say to my colleagues, that it is very possible that extremely wealthy people who might have net incomes of $10 or $20 million a year who happen to have farming operations would still be eligible to continue to get farm benefits on their farms.

Let us say have an example of a surgeon, a very successful surgeon who might have a net income of $5 or $6 million a year. That person has a farming operation, maybe a farming operation that has $400,000 of gross receipts in a year's time. That person is still going to be eligible for Government subsidy payments even though he has net income of maybe $5 million a year.

But a family farmer under this amendment who might have gross receipts on $150,000 or $130,000 might have a net income of $25,000 this year because that is all that farm family netted from that farming operation. They would not be eligible for benefits, although the other person who had a net income of $5 million a year because it did not come from agriculture even though he had a farming operation would be eligible.

So we have those kinds of problems. Let me go back to the point that I was making just a moment ago and that is the potential impact on our conservation programs and on the environmental programs which we have so carefully crafted over a period of years. Income stability has been a very important role of the farm program but another very important role of the farm program has been conservation of the natural resource and protection of our environment.

That is why in the 1985 act and earlier acts we have been careful to craft certain provisions that would leave farmers to idle out of production a certain number of acres each year. The Government has been partners in terms of building ponds and providing terracing. We have had specific provisions, swampbuster provisions, sodbuster provisions, to try to take very fragile land out of production, land where the soil is thin, where there is very little rainfall and severe slopes and where erosion is likely to occur. We have had a tragic loss of topsoil of the land resource in this country.

There is also growing concern about the use of chemicals in agricultural production. This is something we hear from many of our colleagues from the nonagricultural areas as well as concerns from farmers themselves because the farmers are the very best stewarts of the land. They know they must preserve their land if it is to remain productive.

What will happen if this amendment is adopted? What is the practical impact? I urge my colleagues who are from nonagricultural areas to hear me on this point because many of the very people who argued so effectively for conservation programs and for programs to protect our environment I think might mistakenly vote for this amendment without understanding the full impact of it.

While we might have only one, two, or three of the farms in the country fall in this category, in terms of gross receipts they make up a much larger share of the agricultural production of the country. In some States you might have three farms making up to 1 percent of the number of farmers but 20 percent of the amount of production.

What is going to happen to a farming operation that is excluded from participation in the farm program under this amendment because of the $500,000 gross receipts limitation? That farmer is now freed of all constraint; he is no longer in the farm program. He can no longer take advantage of conservation programs. That farmer can no longer receive an economic benefit from idling part of his or her land and putting it into a conservation reserve. What is that farmer left to do? If that farmer is going to maximize his or her income, that farmer will plant every available acre. They will increase production as much as possible. They will pour on the chemical inputs and everything else they can use to increase production on that land. They will take whatever fragile acre they can possibly get their hands on and farm it if they can produce something on that acre because economics will move them in that direction.

So it will be ironic that in the name of trying to do something here, which

really is still not related to net income or ability to earn its gross receipt, we will have caused a very severe problem from a conservation point of view and an environmental point of view. We are going to encourage more use of chemicals and artificial inputs and encourage production on more fragile acres of land in this country by driving out of the farm program some of those larger farming operations that most need to be in conservation programs.

And, lastly, I would say also that we can end up by costing the taxpayers more for those farmers who are remaining in the program because you are likely to cause an over increase in production, as those farmers have the constraints removed, as they no longer have the acres in the conservation programs, as they no longer take advantage of other Government programs that lead them to reduce production. All incentive is more and more production that is likely to collapse the price even further, that is likely to end up costing the taxpayers money instead of saving them money in terms of what is left with the rest of the farm program.

I simply say to my colleagues I hope that they will carefully consider not just the goals of this amendment—I understand the goals, I sympathize with them, I understand the budgetary constraints under which we are operating. My own first allegiance above all is to the family-sized farm unit. They are not only an important agricultural and economic part of our society, they are also a very important unit from the point of view of the sociology of this country and community of this country and value that those farm families represent.

It is worthwhile to preserve their existence and wherever possible we should try to get them the kind of help necessary to provide a safety net under them so that family agriculture can continue. But we will end up hurting family agriculture, we will end up hurting conservation programs, we will end up damaging our own environmental goals, and we are likely to end up costing the taxpayers of this country more if we adopt what I know is a well-intentioned amendment on the part of the Senator from Nevada.

So I urge my colleagues to think before they vote on this particular amendment, and I urge my colleagues to defeat this amendment when it comes to a vote.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from the State of Washington.

Mr. GORTON. Madam President, I thank my distinguished colleague from Oklahoma for that brilliant analysis of his on this present amendment. I heard it with great interest.

I now, however, Madam President, wish to speak to the bill as a whole and to its philosophy for a while while we are still at the beginning of the debate on a very important piece of legislation.

Madam President, the objectives of the 1990 farm bill are the same now as they have been in every farm bill dating back to 1933 when the Agricultural Adjustment Act was passed. Federal farm programs are intended to provide stability to an industry that is both fundamentally important to our Nation's health and security and at the same time, extremely risky. Farm programs benefit both the farmer and consumer by evening out large swings in prices. The means for accomplishing our goal have changed, but the end objective has not.

The 1990 farm bill, which is before us, contains many excellent provisions. The trade title, for example will assist in maintaining and expanding U.S. market share. Through programs like the Marketing Assistance Program and the Export Enhancement Program, our producers will be given a chance to compete against unfair trade practices overseas. The research title will serve both the producer and consumer. Both groups will benefit through improved technology leading to enhanced production and food safety. The grain quality title will ensure that U.S. grain remains the best in the world. For the first time, a title addressing environmental concerns is included in the bill. The conservation title will take important steps in protecting the environment and preserving the livelihood of the farmer. The commodity titles for wheat, feed grains, and dairy provide producers an adequate level of income security that is consistent with the bill's objectives.

These are commendable programs which I believe will benefit the farmer, the consumer, and the environment for many years to come. I am extremely proud to be a member of the Agriculture Committee which drafted this bill. Most sections of the farm bill I wholeheartedly support. I have, however, concerns about the budget relationship to the 1990 farm bill and its potential impact on America's farmers.

It is wrong to promise the American farmer more than we know we can deliver. The current 1990 farm bill does just that. Congress has imposed upon itself budget restrictions in the form of the Gramm-Rudman-Hollings Act. It is an almost immutable certainty that the dollars promised to American farmers in the bill as drafted cannot be delivered after budget cuts, mandated by Congress in that Act, are enacted. To promise support for agriculture through this bill, while knowing that this support level will be reduced by the Gramm-Rudman-Hollings law, is truly giving with one hand and taking with another.

Madam President, the Federal budget deficit is now predicted to exceed $160 billion. Everyone knows that every program—defense, transportation, commerce, agriculture, and a legion of others—will have to tighten its belt to come near our deficit reduction goal. I do not advocate further cuts in agriculture. But, not only does this farm bill fail to eliminate unnecessary programs to save money, it creates a new program the cost of which could be several billion dollars in the future.

Even after this morning's changes the bill is estimated by the administration to be several billion dollars over what will be our final budget. In fact, unless significant changes are made to the bill, the President may veto it.

If savings are not found during this debate, in the end all farmers, despite what this bill promises, will suffer as their programs face the inevitable budget reductions required by law. For this reason, I believe this draft of the 1990 farm bill makes hollow promises to America's farmers.

Let me make a few observations on individual programs.

My principal, specific objection to the bill is its proposal to create at new oilseed marketing loan. This program is intended to encourage soybean production. In reality, the oilseed program simply introduces a new income transfer program in favor of producers of oilseed crops. The administration estimates that likely, modest changes in market prices from currently projected levels will result in future outlays not now reflected in the bill's budget.

Madam President, the soybean marketing loan appears to be without cost, but a minor change in soybean prices will result in substantial marketing loan payments. These funds will have to come right out of the hides of other existing commodity programs. Thus, the soybean marketing loan will compete directly with major commodity programs. It will compete and will take money away from wheat and dairy, from barley and corn. A new oilseed program will take money away from commodities for which Federal programs were initially created and intended. I cannot justify jeopardizing our commitment to existing programs, including the Northwest commodities of wheat, barley and dairy, to encourage the production of soybeans and to start a major new program.

This bill is also deficient because it does not reform various secondary programs. These unjustified secondary progams should either be eliminated altogether or have their support prices established more in line with those of other commodities. As the distinguished Senator from Indiana [Mr.

LUGAR] pointed out in his statement this morning, numerous commodities such as potatoes and apples, do not rely on Government support prices to remain competitive in the market place. In fact, as the distinguished ranking minority member of the committee disclosed, it is the minor commodities we purport to assist through secondary programs that have the most difficulty competing.

The sugar program is an example. It is bad agricultural policy, bad foreign policy, and bad trade policy. The sugar program, supposedly run at no cost to the Government, transfers $1 billion of costs each year to the consumers of the United States. It prevents many of the developing countries which the United States assists, from exporting their sugar to the United States. Sugar producers have almost the highest profit margin of any commodity. This program should be eliminated.

The peanut program is another archaic program which Congress should eliminate. It is anticompetitive. It prohibits entry into peanut production by new farmers despite existing demands for peanuts. In addition, the peanut program receives an increased subsidy year after year. So while the major commodity programs have consistently taken cuts, the support for peanuts grows. We should not let this condition continue.

This bill provides the Secretary with an option in setting loan rates. I see no reason to change the loan rate provisions for wheat and feed grains. A change would be a departure from the market-oriented agriculture established in the 1985 farm bill. Eighty-five percent of all the wheat in the Pacific Northwest is exported. Under current loan rate provisions the United States has achieved a substantial increase in exports, regained market share, and farm income is at new highs. Changing the loan rate formula is likely to cause agriculture exports to plummet, reducing market share and farmer income.

The purposes of the 1990 farm bill are laudable. But I believe the bill in its present state holds out false hopes to America's farmers. I hope that we can work to craft a bill that meets the needs of the American farmer in a fiscally responsible manner. We have the ability to write such a bill. We should do so.

Mr. REID. Madam President, I have patiently waited this afternoon while people have reflected on the amendment which I have offered. Respectfully, I submit to the Senate that a close reading of the amendment would have cut down the verbiage significantly.

First of all, Madam President, this does not affect, as Senator HEFLIN's staff told him, environmental matters, because in fact we protect that in this amemdment. Farmers would still get those payments. This is not an antienvironmental bill.

But Madam President, if you sat here, as I have this afternoon now for 3½ hours, and if you listened closely you would find yourself in some of the territory that was covered in the book "Alice in Wonderland" because you have arguments going all over the spectrum.

On the one hand, it is argued that production will skyrocket. On the other hand, you hear that grocery shelves will become empty. You hear that prices are going to go up. Then one of the other Senators says prices will go down if this amendment passes.

This we are told in conjunction with the fact that if we pass this amendment, which is directed to the top one-half of 1 percent of the fat cat farmers in this country, if this amendment passes and saves this country $1.2 billion, we are going to ruin the family farm. What kind of reasoning is a that?

We have heard argument after argument here this afternoon as to how we can arrive at the $500,000 figure the $½ million figure. My taxpayers bill of rights, we are being told, is going to go out the door and will not be of any effect any more. That is ridiculous.

If you go to get a loan on a car, do you not have to show people how you are going to repay that loan? If you are going to buy a home, you have to come up with some indication of how you are going to pay that home. If you want to get a credit card, do you not have to do something to give some indication of how you are going to pay that back?

Let us really get back to what this amendment is about, not what it is not about.

What this amendment is about is affecting 14,000 farmers out of the millions we have in this country; 14,000 of them—one-half of 1 percent. That is what this amendment is about.

It is not about "Come and look at my farm, and I will show you some hardship." This is about saving the American taxpayer $1.2 billion. This is what we are here to do, to try to save the taxpayer some money. Here is an opportunity to do it without going through this intellectual exercise that does not direct its point to this amendment.

Madam President: "Percentage of farms affected by proposed means test." See this great big 100 percent—one-half of 1 percent is what we are talking about. We are not talking about destroying the family farm. We are talking about making a little bit of sense out of the farm programs in this country.

What do you think the American taxpayer feels about this? Madam President, before I forget, I have received a note to add Senator HUMPHREY as a cosponsor to this amendment. I ask unanimous consent that be allowed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, there were a number of points that were raised in the statement of my good friend, the junior Senator from Arkansas. I would like to respond to just a few of those.

First of all, the statement was made that we will spend only 0.7 percent of our $1 trillion budget on farm programs. With all due respect, that is a ton of money. I am talking, Madam President, not about all farm programs. I am not here to trash the farm programs of this country. I am here to talk about one-half of 1 percent of the farmers, and I have to respectfully submit that $1.2 billion is big money no matter where you come from in this country.

I also submit that of course this amendment will affect some farmers. It will affect 14,000 farmers in the State of Alabama. It will affect 142 farmers, or 0.33 percent of the farms in the State of Alabama. In Arkansas, there are 48,242 farms. This would affect 328 farms in the State of Arkansas.

I could go on with other examples. I would like to address my attention to some comments made by the Senator from Arkansas that I think it important to respond to.

There was a statement made about "How much money do these farmers make?" As I indicated earlier in my statement, for farms with gross sales in excess of $500,000 a year—listen to this—not the gross cash income, but the net cash income, as a percent of gross cash income, is 40 percent; profits, 40 percent. For the rest of the farms, it is from 2 to 4 percent.

The senior Senator from Mississippi kept talking about gross profits, about profits, saying that this figure of $500,000 talks about gross figures. Then he started talking about how these people make no profits.

I will cover again, as I did in my opening statement, that the average net cash income of these farms, these farms I am talking about right here, is $700,000 per year. Within the $500,000 and above gross sales cash, the average gross cash income is $1,897,000. We are not talking about the family farmer. The average net cash income is specifically $762,000 a year, these 14,000 people average; 14,000 farmers average $762,000 a year net cash income. That is pretty good.

Instability, the senior Senator from Mississippi talks about. The only thing that is not stable is the arguments made against this amendment. What they are saying is if you do not treat these people right, if you do not treat this one-half of 1 percent of people right, they are going to do all kinds of

things. They are going to plant more crops; they are going to put more fertilizer on their land. To stop that, what we are going to do is bribe them. We are going to bribe these people; we are going to give them $1.2 billion a year so they will be good, good citizens.

That is a fine way to run a farm program, bribe the top half of 1 percent—14,000 fat-cat farmers. That is what we want to do?

The senior Senator from Mississippi talked about a $100,000 gross sales. That is something that is going on in the House. In this body, it is $500,000.

My good friend, the junior Senator from North Dakota, who I came to this body with, who is a close personal friend—I think the world of him. I recognize he comes from a farm State. I recognize he has fought a valiant battle for the people in North Dakota, and I recognize the economy in North Dakota is not the best.

But I have to say, Madam President, that the arguments made by my friend from North Dakota regarding my amendment—not the opening statement he made about the farm bill, but about my amendment—simply are not valid.

Remember, my amendment talks about these farmers here, the top half of 1 percent, that produce not 40 percent of all the farm crops in this country, as has been stated here time and time again by the opponents of this amendment—but 40 percent of the agriculture commodity crops in this country. Here they are, and here is what the program costs were for last year. That its where the 40 percent comes from. Not all crops.

Also, in reference to my friend from North Dakota, there was a lot of talk about how food in the United States, in comparison with how much income we make, is a low figure. Of course it is because we have such a high personal income. These figures that I am talking about, the $1.2 billion that is going to be saved, let us make sure there is no mistake about from where those figures come. They come from the U.S. Department of Agriculture, and I ask unanimous consent that the National Financial Summary of 1988 for the U.S. Department of Agriculture, listing the $1.2 billion of these 14,000 farmers, one-half of 1 percent, be printed in the RECORD.

The PRESIDING OFFICER (Mr. GRAHAM). Without objection, it is so ordered.

(See exhibit 1.)

Mr. REID. The argument that the Nation's richest farmers would skirt the law if my amendment were to be enacted misses the point, though, entirely. We are voting on farm policy. It is up to the administration to enforce the law.

As you know, Mr. President, we in the past passed a law that limited the amounts of payments that farmers could get.

And, of course, they went to great pains to avoid that, as indicated in many different places. One easy reading is the Congressional Quarterly. The latest issue talks about the Christmas tree method of avoiding the $50,000 limit. In fact, it is so outrageous, and listen to how they do it. They have the children, the cousins, the preacher, literally, and that is true that some people are listed getting these $50,000 payments. Last month, one of these people received a letter from the Agriculture Department in Washington informing him that the organization had schemed to evade Federal payment limits. As a result, the letter said, he was being denied Federal farm subsidies this year and retroactive to 1989.

There are ways to get at people who want to cheat. There are ways of getting at people who want to avoid the intent of Congress and other laws. Loopholes should be closed by the U.S. Department of Agriculture. So the argument that the Nation's richest fat-cat farmers are going to skirt the law if this amendment is enacted is a pretty shallow argument.

I am also told the amendment is not good because it would affect trade. This is not a trade amendment, but an income support amendment. If national trade policy, Mr. President, depends on income support payments to millionaires, then we need a new trade policy. I do not think we would get a lot of argument on that. We do need a new trade policy. But my amendment that affects one-half of 1 percent of the wealthiest farmers in the United States certainly is not going to affect our trade policy, and, if it is, we better change our trade policy.

Let us also understand, Mr. President, farmers over $500,000 in sales are not all going broke. The average net income is $762,000 a year. The percentage of profit is 40 percent. How would you like to have a business that you could net 40 percent profit? Not bad. The average gross sales is nearly $2 million, $1.8 million.

Mr. President, I spent the large part of my opening statement talking about what a good job the Agriculture Committee does and has done in this legislation. I approve of many of the conservation issues they have in this bill that they have never had in another agriculture bill. That is good. I approve much of what they have done. But maybe it is important sometimes that someone who is not from a farm State just take a look at this farm bill. Maybe the Agriculture Committee needs someone to look at it who is not in a farm State because, I will say to my colleagues, it takes some pretty stretched reasoning to back up what has happened here.

No one this afternoon has hit this argument on its head. Why should we, the American taxpayers, pay one-half of 1 percent of farmers in the United States, that is 14,000 farmers, $1.2 billion when I have given my colleagues the amounts of money they make? Average net income, $762,000 a year. Percentage profit, 40 percent. Average gross sales, almost $2 million.

My friend from North Dakota invited me to go to North Dakota, and I would love to go to North Dakota. I would like to look at some of his farms. But I want my friend to know that in North Dakota, we have in this category right here that I am talking about, 206 farms out of a total of almost 36,000 farmers. I am sure that there are some farms in North Dakota which are having significant problems, but they are not the farms that are averaging a net income of $726,000 a year, percentage profits of 40 percent, average gross sales of almost $2 million. No, the farms that are having problems are the farms that are struggling, the farms that are trying to help. That is what the agriculture program was originally set up to do, to help the farmers who need help.

I would love to go to North Dakota. I would love to go and see the family farms. I cannot stress enough how much respect and how hard the Senators from North Dakota has worked to protect the family farms. But I do submit that these are not the people he has been trying to protect, that our farm programs are meant to protect. The top one-half of 1 percent, $1.2 billion a year in taxpayers money they take, and in the State of North Dakota, 206, or a percentage in North Dakota of .58 percent.

Mr. President, let us talk about what this amendment does. Let us not talk about speculation because all the horror stories my colleagues have heard today are people looking through a crystal ball, and they have been about that accurate. Let us talk about what this amendment does and what it affects.

What it affects is, out of the 50 States, one State has over 2 percent of the farms that are affected by this; 6 States have over 1 percent of their farms affected; and in 43 States, less than 1 percent of the farms are affected by this. Nationwide, as I have indicated, it is a very small speck.

I am going to repeat for the fourth time here today, this amendment is not gutting the farm bill. This amendment strengthens the farm bill for lots of reasons. I will bet my colleagues, Mr. President, that there are people who are going to vote against this amendment, and you know why? Because they are part of this farm coalition that says you support my package of goodies and I will support your package of goodies. I have had Sena-

tors come to me and tell me they are going to vote against my amendment even though they know my amendment is in the right direction.

I am calling upon this Senate to do what is right. Let us step in the right direction and bring this bill down $1.2 billion. It would make the administration happy; it would make the American taxpayer happy; and it would give us a stronger farm bill.

There is no one who has been better to me since I have been here in the U.S. Senate than the senior Senator from Arizona, but this amendment, contrary to his statement, does not affect nonfarm income. It only affects farm income.

I will also repeat for the third time—I think repetition is important in this—as the Senator from Alabama remarked and recognized that the initial statement he made regarding conservation payments are not excluded, he recognized that he was wrong, and I want to state again, this is not an antienvironmental amendment. In fact, it is proenvironmental.

I also must suggest that we look very closely at the statement of the junior Senator from Iowa, who said this amendment at face value had a lot of merit. If he looked at it more closely, it would have even more merit than the face value. He talked about using 1 year as the way of establishing how much commodity support that you would have.

This is a 5-year rolling average that we are talking about, not 1 year. It is a 5-year rolling average. I recognize, everyone recognizes, there are good years and bad years. That is why we established this 5-year rolling average.

So again I submit that we are not violating any confidences of anyone, that we are not gutting the farm bill. In fact, what we are doing is suggesting to the American public that it is about time we gave them something.

Let us talk about basic fairness. That is what this amendment is all about, fairness; one-half of 1 percent of the farmers in the country or 14,000 farmers are getting $1.2 billion of our taxpayers' money. These people are averaging income of $762,000 a year. They have a 40-percent profit margin. It is time it was put to a stop.

I do not think we have to bribe these people to make sure they are good citizens. That is what we have been told; if we do not give them this money, they are going to plant more crops, drop more fertilizers on the land. So to keep them quiet, make sure they are good citizens, let us give them $1.2 billion of the taxpayers' money. I say no.

I yield the floor, Mr. President.

EXHIBIT 1

TABLE 32.—DIRECT GOVERNMENT PAYMENTS, BY VALUE OF SALES CLASS, 1970–88 [1]

Year	Farms with sales of—										All farms
	$100,000 to $499,999				$40,000 to $99,999	Less than $40,000					
	$500,000 and over	$250,000 to $499,999 [2]	$100,000 to $249,999 [3]	Total		$20,000 to $39,999	$10,000 to $19,999	$5,000 to $9,999	Less than $5,000	Total	
Million dollars:											
1970	124	140	266	406	708	826	671	400	582	2,479	3,717
1971	116	130	244	374	622	685	550	327	471	2,033	3,146
1972	180	206	373	579	862	814	630	373	523	2,340	3,961
1973	172	193	334	527	677	468	327	190	246	1,231	2,607
1974	46	40	63	103	136	100	67	42	37	246	531
1975	57	64	105	169	231	140	82	54	76	352	809
1976	48	69	112	181	231	117	60	43	53	273	733
1977	103	184	305	489	618	279	126	96	108	609	1,819
1978	171	378	601	979	1,059	397	159	136	128	820	3,029
1979	88	191	288	479	461	168	68	58	54	348	1,375
1980	91	195	282	477	414	146	59	51	47	304	1,286
1981	148	316	441	757	599	206	84	73	66	429	1,932
1982	293	387	1,005	1,392	1,065	355	146	127	114	742	3,492
1983	1,098	1,784	3,184	4,969	2,061	664	291	85	128	1,168	9,295
1984	1,044	1,589	2,979	4,568	1,874	543	233	107	61	945	8,430
1985	798	1,499	2,413	3,911	1,901	695	228	105	66	1,094	7,704
1986	953	1,848	3,692	5,540	3,132	1,283	532	216	158	2,189	11,813
1987	1,283	2,616	5,145	7,761	4,504	1,613	861	452	271	3,198	16,747
1988	1,221	2,445	4,566	7,012	3,609	1,437	639	282	281	2,638	14,480
Percentage distribution:											
1970	3.3	3.8	7.2	11.0	19.1	22.2	18.0	10.8	15.6	66.6	100.00
1971	3.7	4.1	7.8	11.9	19.8	21.8	17.5	10.4	14.9	64.6	100.00
1972	4.5	5.2	9.4	14.6	21.8	20.6	15.9	9.4	13.2	59.1	100.00
1973	6.6	7.4	12.8	20.2	26.0	18.0	12.5	7.3	9.4	47.2	100.00
1974	8.8	7.5	11.8	19.3	25.6	18.8	12.6	7.9	7.0	46.3	100.00
1975	7.0	7.9	13.0	20.9	28.6	17.3	10.1	6.7	9.4	43.5	100.00
1976	6.6	9.3	15.3	24.6	31.5	16.0	8.2	5.8	7.3	37.3	100.00
1977	5.7	10.1	16.8	26.9	34.0	15.3	6.9	5.3	5.9	33.4	100.00
1978	5.6	12.5	19.8	32.3	35.0	13.1	5.2	4.5	4.2	27.1	100.00
1979	6.4	13.9	20.9	34.8	33.5	12.2	4.9	4.2	3.9	25.3	100.00
1980	7.1	15.2	21.9	37.1	32.2	11.4	4.6	4.0	3.7	23.7	100.00
1981	7.7	16.3	22.8	39.2	31.0	10.6	4.4	3.8	3.4	22.2	100.00
1982	8.4	11.1	28.8	39.9	30.5	10.2	4.2	3.6	3.3	21.2	100.00
1983	11.8	19.2	34.3	53.5	22.2	7.1	3.1	0.9	1.4	12.6	100.00
1984	12.4	18.8	35.3	54.2	22.2	6.4	2.8	1.3	0.7	11.2	100.00
1985	10.4	19.5	31.3	50.8	24.7	9.0	3.0	1.4	0.9	14.2	100.00
1986	8.1	15.6	31.2	46.9	26.5	10.9	4.5	1.8	1.3	18.5	100.00
1987	7.7	15.6	30.7	46.3	26.9	9.6	5.1	2.7	1.6	19.1	100.00
1988	8.4	16.9	31.5	48.4	24.9	9.9	4.4	1.0	1.9	18.2	100.00

[1] See estimation note following table 41.
[2] For the years 1970–81, data are for sales class $200,000 to $499,999.
[3] For the years 1969–81, data are for sales class $100,000 to $199,999.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I commend the Senator from Nevada for the amendment he has presented. I am pleased to be a cosponsor of this amendment.

It seems to me it is a very simple amendment. It would disqualify farmers and farm corporations with gross sales over one million from receiving farm program payments except for disaster and conservation reserve payments.

I know the arguments against this. The arguments are that it is too hard to police; that the farmer and his son have a big farm, it is very prosperous so they just split it up in some fashion and so they continue to qualify.

It seems to me that with the sophisticated methods we now have both in our Internal Revenue Service and certainly the U.S. Department of Agriculture which is putting out not millions but billions in payments to farmers all over the Nation, there ought to be a way of policing this so the outrageous

evasion of the purpose of this bill does not occur.

I want to make one thing clear. In no way do the proponents of this amendment intend it is going to wipe out the American farmer or wipe out this farm bill. Not at all. This is just a small fragment of a total farm bill in the over $20 billion range. What we are talking about is certainly not anything of miniscule proportions, but we are dealing with $1 billion that can be saved from that program.

The purpose of this amendment from the distinguished two Senators from Nevada, Senator RUDMAN and others, is to ensure that the Federal Government sends its payment not to the millionaire farmers but to those who need the benefits. It seems to me unfair to our taxpayers, unfair to all citizens of the Nation when we are struggling with these tremendous deficits, to send these substantial payments to a relatively few farmers in the United States and, indeed, some who are millionaires.

You might say, well, that is not quite true. These payments go to the farmers who need it.

Let us look at the record, as Al Smith used to say. Let us look at some statistics. These come from the U.S. Department of Agriculture itself. What did they say in their survey conducted in 1988, which is only the year before last, where we have the latest statistics?

This is what they say. In the Nation there are over 2,200,000 farms. Of those, the top 60,000—60,000 out of 2,200,000—received about 43 percent of the Federal direct payments.

How is that for a distribution system? The top 60,000 out of 2,200,000 get 43 percent of the payments. What is the average payment? Is it just some miniscule amount, something to tide them over, a couple thousand, 20,000? Not at all. The average payment is $75,000. That is a nice check to get through the mail.

The average net farm income from these farms, that is, what is left over when everything is paid for, is it $20,000, $30,000? Are they just scratching by? Not at all. The average net farm income is $96,000.

Is this just some minuscule operation, they are just barely making it, everything in debt to the local banks? Not at all. The average net worth—meaning you take what they have, less what they owe, and this is what is left. It is pretty good, is over $800,000.

This is what OMB has to say about this subject. "In 1987, 30 percent of $22.4 billion in subsidies that went out"—30 percent of that tremendous chunk of money—"went to 4 percent of the farm operators."

What is going on around here? The 4 percent gets 30 percent of the money, and these farm operators had an average, this group had an average net income of $100,000 a year, which is pretty good, and net worth of nearly $850,000.

What is an average net income of over $100,000 a year? That is three times, three times the average income for an American family. So you have this total inequality in the distribution of these funds. The system is upside down. The sum of 30 percent of all the payments go to 4 percent of the farmers, and those 4 percent are doing very well. Their income is three times that of the average American family.

If we pass this amendment, this Senate right now could start off by saving up to $1 billion a year. That is pretty darned good, and it is a very big start toward facing up to the biggest single national problem we face in America, the deficit. I do not think anybody will argue with that.

Now, is this just something that we from the East conjure up? After all, people say, you are from Rhode Island. How many farms do you have?

We do not have many farms, and none of them are under any kind of system like this. So you say, well, you have an ax to grind.

Sure, I am anxious to save some money. But I also would point out, you ask the farmers themselves. This is a report that came from the farmers.

Asked whether farm programs should give more benefits to farmers with annual sales under $250,000, 16 percent thought it was a bad idea; 53 percent agreed. In other words, if you are going to have payments, have them go to people who need them.

Here is a letter of support from an organization that is clearly part of the farm community, the National Grange. This is what they said in June of this year. They stated that Senator REID's amendments will provide opportunities for small and medium-sized family farmers to prosper and survive.

One of the great cries around this Chamber is the small family farm, and this legislation will help the small family farm. Certainly it will put the tilt in that direction to a greater extent.

In conclusion, I would just like to say there is not any one of us who does not go out on the stump the Fourth of July, August recess, in September. All seasons of the year we are ready to talk at the drop of the hat about the evils of the Federal deficit. It is a good theme, it is a good topic, and it plays well. But the question is, are we willing to do anything about it?

Here is a chance to do something about it—$1 billion, which could go to reduce the deficit. But if we do not want to do that, we could put it into nutrition, Head Start, health programs, assisting the elderly, or education. There is a host of ways we could spend that money if we do not want to use it to cut the deficit.

Mr. President, in closing, I think the amendment makes common sense. It certainly adheres to the basic values we have espoused in this Congress many, many times—make sure that the small family farms survive. But we do not have to worry about the top 4 percent of the farms in the Nation.

Mr. President, I commend the authors of the amendment, and hope it will be adopted.

I also ask unanimous consent that an editorial from the New York Times dated June 19, 1990, in connection with this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 19, 1990]

GET FAT FARMERS OFF WELFARE

Imagine that Congress had decided to create a new welfare program that took $10 billion from taxpayers and gave it all to the owners of a single industry. Then imagine that two-thirds of this money went to the richest 15 percent of the owners. That sounds unimaginably perverse. It is. It is also a fair summary of how farm subsidies work.

To begin with, the $10 billion in subsidies doesn't include billions more in inflated food prices. To make matters worse, the smallest farms, 70 percent of the total, get less than 10 percent of the Federal payments. The upshot is a system that makes poor urban mothers pay 20 percent more for milk while wealthy dairy farmers get ever wealthier.

Now two Congressmen, Dick Armey of Texas and Charles Schumer of New York, have devised a radical remedy for this perversion: Stop paying welfare to the wealthy. Specifically, their bill would eliminate subsidies for farmers earning more than $100,000 or any farm with sales over $500,000. It's sad that Congress even needs to debate such a bill; it's even sadder that it probably won't pass.

Of course farmers resent the notion that farm subsidies are called welfare. They prefer to think of them as payments to stabilize output, conserve soil or save the small family farm. But the nation's farm program encourages soil erosion, destabilizes production and favors large farms. The complex provisions include target prices, marketing orders, marketing loans, quotas and support prices.

All these devices jack up consumer prices. And because the subsidies are distributed according to farm output, not need, large farms wind up collecting 100 times more than small farms.

The farm program is a hodgepodge of contradictory regulations. Price supports are set high, producing huge surpluses. So Congress then provides expensive export subsidies to get rid of the excess. When dairy price supports generated big surpluses, Congress paid farmers to slaughter their herds. At times, Congress has put itself in the ludicrous position of paying more in crop subsidies than the entire crop was worth.

The details of the Armey-Schumer bill may need revision. Setting limits on a farmer's personal income will be administratively costly. But setting limits on gross sales doesn't take proper account of costs. And past Congressional efforts to limit subsidies

have been half-hearted and easily evaded. So far, Representatives Armey and Schumer do not have a complete solution.

Yet the underlying principle is surely correct: Kick wealthy farmers off welfare. If enforced, the Armey-Schumer bill would save taxpayers about $1 billion a year. Even more could be saved if Congress went one step further and limited Federal subsidies to the truly needy. That could save $6 billion.

A Southern Congressman laments that the Armey-Schumer bill would be the "beginning of the end of farm programs as we know them."

Wonderful.

Mr. CHAFEE. I yield the floor.

Mr. LEAHY. Mr. President, I assume we are ready to vote. Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been requested on the first-degree amendment.

Mr. REID. I ask for the yeas and nays on the second-degree amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, I am advised the distinguished Senator from New Hampshire, Senator RUDMAN, wishes to speak. We are attempting to get him to the floor.

Let me make just a short argument awaiting his presence. I commend the distinguished Senator from Nevada for the general thrust of the amendment. I believe the entire issue of payments limitation may be one that should be visited during this farm bill. But I would suggest that the current amendment is probably not the best way to attempt that.

I suggest that for at least two reasons. The committee has examined any number of ways in which payment limitations might come to the floor or payments might be targeted for farmers who are needy. The predicament always is that whatever the solution the means of evasion are substantial.

In this particular case, farms having $500,000 in income have sometimes sought under stress much this kind of situation to divide it to a point in which their income was clearly less than $500,000. Since the amendment has a one-threshold situation, either above or below, it is not hard to conceive how farmers would subdivide their property or their businesses to evade this particular amendment if they were so inclined.

I suppose beyond that the accounting problem, the problem of looking to the 1040 income tax return, leads not only to an argument on the invasion of privacy, but it leads to an auditing problem that is very substantial if what was once a farm of $500,000 income now becomes 10 farms with $50,000 or so, and 10 returns of various relatives are involved.

The problem that the Senator from Nevada is attempting to reach in this is a profoundly important problem in terms of fairness and in terms of equity in American agriculture. It may be, in the overall course of this debate, that the limitation or the targeting situation should be approached another way.

On balance, Mr. President, I am convinced that this amendment does not propose the right way. For these reasons, I will vote in the negative in the event we have an up-and-down vote.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, while we are waiting for Senator RUDMAN, I will respond very briefly to my friend from Indiana. As far as someone being scholarly, no one in this body exceeds the senior Senator from Indiana. We recognize his scholastic background.

Having said that, Mr. President, I suggest that the reasoning of my friend from Indiana is not valid. Of course there are means of evading any law. The jails are full of people that tried to evade the law.

I already recounted how certain people have tried to evade the $50,000 limit that was set by the Congress and the President some time ago. The U.S. Department of Agriculture has an obligation, in fact the obligation here amounts to offer $1 billion—in fact $1.2 billion. That is the figure the U.S. Department of Agriculture. The Office of Management and Budget sets it at a little over $1 billion.

So it seems to me that the USDA would take care of these people that attempt to avoid the law. That is not a reason I respectfully suggest for not voting for this method to bring just a small part of the spending under control.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I rise to clarify my vote in favor of the amendment offered by the Senator from Nevada.

I do not feel that this amendment is perfectly crafted. I think my distinguished colleague from Nevada is too optimistic in his belief that $1 billion will be saved. I would also point out that excluding the largest producers from crop programs means that the ability of the programs to regulate production—which is their intended goal—would be greatly compromised. I am, however, strongly in support of the concept of targeting the wealthiest farmers—or rather agricorporations—from farm program subsidies. For this reason, I feel it necessary to vote for this amendment. It's a step in the right direction.

I would like to make my dedication to small and family farmers clear. My own State of Wisconsin is known for its productive and successful small- and medium-sized farms. They are truly the backbone of American agriculture—and they are the one's who need Government farm subsidies.

Mr. JOHNSTON. Mr. President, on its face, the amendment offered by the senior Senator from Nevada is appealing, but it begs the basic point: Why are payments needed anyway? Whether the farm is small or large, the reason is that the full economic cost of production exceeds the average price received by farmers.

The reason that prices received do not equal the full cost of production is that pervasive subsidies throughout the world have depressed the world price for agricultural products. It is not lack of efficiency on the part of our farmers, but unfair subsidies from abroad, and the steadfast refusal by foreign countries to discontinue these subsidies, that put our farmers at a disadvantage.

How should we respond to this situation? Should we unilaterally stop all subsidies, and forfeit agricultural production to foreign countries? Of course not, and no one seriously suggests that. Should we only provide support to small farmers, with income—measured in gross receipts which of course does not adequately take into account capital costs required particularly in the Southeast as the distinguished senior Senator from Mississippi pointed out—below a certain level, allowing large farms to sink or swim? That would be counterproductive as well. We must have commercial size farming operations to compete under prevailing world market conditions; eliminating large farms from payment programs would only lead these farms to double, or triple, production to increase economies of scale. This would only lead to overproduction—and this would as the distinguished senior Senator from Arkansas pointed out lead to a large reduction in gross farm income.

The only option which makes economic sense for us is to provide price supports for all sizes of farm units—subject to current limitations—enabling commercial scale farms to survive and participate in production limits, thereby enabling these farms to operate profitably when and if a global agreement is reached to eliminate subsidies altogether.

In 1989, agricultural exports were $39.7 billion, and accounted for about 12 percent of total U.S. merchandise

exports. Our agricultural trade surplus—over $18 billion in 1989—helps keep the U.S. trade deficit lower than it would be otherwise. It makes no sense to me to adopt an amendment which would have the effect of crippling larger units which by definition contribute more to this surplus side of our balance of trade.

This amendment is not good for Louisiana, where many farmers have had high capital costs in equipment and land because of the nature of the commodities we produce and where many of these same farmers are heavily burdened by debt. The limit proposed by the Senator from Nevada ignores these factors. It is also not good policy for our country and I urge that it be rejected.

Mr. BREAUX. Mr. President, I oppose the amendment offered, which proposes to impose a means test on farmers based on their gross revenues. It is unfair to farmers in Louisiana and the Nation because it is misleading with regard to their cost of production and income.

If the amendment were to be enacted, it would remove a number of farmers from participation in Government programs, the benefits they provide to participants, and would disrupt domestic stocks and price stability. Without the incentive of the program benefits, farmers outside the program would be able to put all of their productive acreage into use, which would increase supplies and force downward pressure on prices. In this situation, farmers and the farm sector will suffer from more financial problems.

Stable supplies and prices benefit the Nation's farmers and consumers. Driving farmers from participation in Government programs because they do not meet an income test is not an equitable policy nor a sound one. It would be harmful to farmers and consumers would not benefit. I oppose the amendment for those reasons.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of the Reid amendment to urge my colleagues to support this important proposal, which would eliminate farm subsidies to producers with earnings in excess of half a million dollars.

Mr. President, when you hear farm program advocates defend current policies, they talk with great emotion about the small, struggling farmer. It is a sympathetic plea, and I share the concern that many Americans have about such family farmers.

But the fact is, Mr. President, that current farm programs disproportionately benefit not the small, struggling family farmer, but huge, highly profitable agribusinesses. Many of these producers are millionaires. They do not need taxpayer subsidies, and they don't deserve them.

It is also important to note that these subsidies do not go to all types of agribusinesses. At the same time that wealthy wheat farmers are raking in huge Government handouts, many types of farm production are excluded altogether. In my State of New Jersey, for example, we have many farmers who produce fruits and vegetables that are not eligible for price support payments. Why grant subsidies to large producers of cotton and rice, while those who produce blueberries, cranberries, peaches, or tomatoes get no such support? That is unfair.

Mr. President, existing farm programs are also unfair to consumers. In fact, agricultural subsidies cause food prices in the United States to increase by an additional $10 billion per year.

Opponents of the Reid amendment say that large producers that would be excluded from farm programs under this amendment would increase production if the amendment were adopted. If that happened, they say, prices would come down, perhaps to a significant degree.

The strange thing, Mr. President, is that they say this as an argument against the Reid amendment. Well, Mr. President, tell that to the American consumer. Tell that to the working American who has to feed his or her family.

Mr. President, if this amendment can reduce the prices of produce for consumers, I say: Great. That is a good reason to support the Reid amendment.

Let me make one more point, Mr. President.

It was only a couple of days ago that we learned that our budget deficit in fiscal year 1991 is expected to be $168.8 billion—and that is not including billions more in costs from the thrift bailout. Our budget deficit demands action. We have to eliminate waste wherever we see it.

Well, the Federal policy of providing handouts to wealthy agribusiness is extremely wasteful. It is 1.2 billion dollars' worth of waste. And it is time to put a stop to it.

Mr. President, this amendment would not solve all the problems and inequities in the current farm program. Not by any means. But it is a step in the right direction. It would make sure that at least the largest producers do not get the benefits of taxpayer handouts. It would save taxpayers an estimated $1.2 billion. And it would inject at least a minimal degree of rationality to a fundamentally flawed farm policy.

I urge my colleagues to support it.

Mr. LEVIN. Mr. President, I have been supportive in the past of efforts to limit farm program payments to individuals to $50,000. A limit such as that makes good fiscal and farm policy sense to prevent farm programs intended to promote the family farm from giving away money to huge agribusinesses. However, that is not what the Senator from Nevada's amendment would do.

By limiting eligibility for payments to those producers with average gross sales under $500,000 over the last 5 years, the amendment disrupts supply management efforts and may hurt farmers of modest income. The amendment would lead to overproduction and, therefore, because of the decline in average market prices below the program crop target prices, accrue little or none of the savings that have been attributed to it.

Also, the amendment is an inaccurate mechanism, in that it would have arbitrarily deprived producers above a certain gross income level, regardless of their costs of production. from receiving payments.

Mr. LEAHY. Mr. President, we are very close to a vote. I yield to the Senator from Arkansas.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. It is my understanding that there are no more speakers, Mr. President, relative to the Reid amendment which is the pending business. Mr. President, is there an underlying amendment? Is there a second-degree amendment? I move to table the underlying amendment.

Mr. LEAHY. I ask for the yeas and nays.

The PRESIDING OFFICER. Has the Senator from Arkansas moved to table the first-degree amendment? Is that correct? Is that correct? There is a first- and second-degree amendment.

Mr. LEAHY. Parliamentary inquiry, Mr. President. If the underlying amendment is tabled, then does it all fall?

The PRESIDING OFFICER. The Senator is correct. If the first-degree amendment is tabled, it carries with it the second-degree amendment.

Mr. REID. Will the Senator from Vermont yield?

Mr. LEAHY. Yes.

Mr. REID. Senator RUDMAN has just made an appearance. He has been tied up in a committee meeting most of the afternoon.

Mr. LEAHY. Mr. President, certainly, if the Senator wishes to, nobody is going to cut off his time, but just because we had told everybody we are going to vote about 5 o'clock earlier, could the Senator from New Hampshire give us some indication of how much time he wants so we can alert our people?

Mr. RUDMAN. I thank my friend from Vermont.

Mr. President, let me say to my friend from Vermont, the chairman of the committee, that I truly would have been here much earlier. I want to tell the Senator that I do not believe in inconveniencing the Senate but I was involved in a 5½-hour deposition

taken by the Ethics Committee today. I have just arrived from that deposition.

I would like about 2 minutes to get some papers together and I would like to speak for approximately another 3. Senator REID, according to my information, has made a very persuasive presentation which, if logic would follow, would persuade the Senate to adopt his amendment. However, I would like just a few minutes to address a few of the issues raised here today. I suggest the absence of a quorum. I withhold that.

Mr. LEAHY. Mr. President, could I ask unanimous consent that, at a quarter of, the Senator from Arkansas [Mr. PRYOR] be recognized for the purpose of a motion to table.

The PRESIDING OFFICER. Is there objection?

Mr. PRYOR. Mr. President, may I inquire? I want to have a vote as soon as the Chair, but I want to inquire of the Senator from New Hampshire, does this give the Senator an adequate amount of time to present his case?

Mr. RUDMAN. It does.

The PRESIDING OFFICER. Is there objection?

Without objection, at 5:45, the Senator from Arkansas will be recognized for purposes of a motion.

Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. RUDMAN. Mr. President, I want to briefly highlight some of the most significant facts in this amendment.

Let us start by calling this amendment what it is. It is an amendment that provides for an agriculture entitlement means test. We are talking in the budget summit about means testing Social Security and means testing Medicare. We are talking about means testing a whole range of programs.

What the Senator from Nevada and I have attempted to do is to means test agricultural subsidies. I have heard the arguments that opponents of this amendment have made today. However, there are a few figures which the Senator from Nevada mentioned, that I am going to repeat. Because whether we carry the day here or not, I expect that in the near future, the Senate will address this issue again.

In 1988, farmers grossing over $500,000 in sales received $1.2 billion indirect Government payments. OMB estimates that this amendment would save $1 billion a year. Looking at the recent escalation of agricultural subsidies, I believe that figure is probably low.

In 1981, USDA said the farm bill would cost $12 billion over 5 years and it cost $60 billion. In 1985, USDA said that the farm bill would cost $52 million over 5 years, and it cost $80 billion. This year USDA estimates that the farm bill will cost $59 billion in mandatory spending and $3 billion in discretionary authority for new programs.

I believe that the 1990 farm bill will cost the American taxpayers in the vicinity of $90 billion over the next 5 years.

It is important to note that over the past 8 years, almost all Federal programs have experienced some reductions, while agriculture has been increased.

I would like to talk about the equity of a means test.

First, it will provide equity in the agricultural programs where currently almost three-quarters of the participating farmers receive only one-fifth of the Government payments. When I saw that figure, I was appalled. It will repeat it. Three-quarters of the participating farmers—the small family farmer that we think of, receives one-fifth of the Government's commodity payments.

Here is another persuasive statistic: The top 14.7 percent of the program recipients receive 57 percent of the payments. Think about it.

We all talk about the small, poor family farmer. But, the top 14.7 percent of the program recipients are not the family farmer the American people think we are trying to help.

This amendment would affect less than 1 percent of the United States participating farms. Of the 30,000 farms grossing over $500,000 annually, only approximately 14,000 are participating in the Government programs.

I would like to make some comparisons of Federal payments and income levels for a few selected Federal programs for 1987. The average income of a farmer receiving CCC subsidy payments was $48,000. In addition, they received an average Federal payment of $18,017. Compare that to low-income people. The average income of Social Security recipients was $4,700 and they received an average Federal payment of $3,000. The average income of a family an AFDC was $4,800 and they received an average payment of $4,300. In this same year, the average U.S. household income was $36,600. Yet, Mr. President, we have seen farms grossing over $500,000 receive an average payment of $62,587 from the various commodity programs. This is not what I consider equity.

Finally, I would like to point out three of the more recent agriculture payment horror stories that the American public has had to pay for.

No. 1, the dairy program. In Jerome County, ID, a group of investors from the Matco Corp., received $9.9 million in Federal subsidies.

No 2, the wheat program. A farmer in California used three corporations to turn eight entitlements worth $400,000 into 79 entitlements worth $3,950,000.

No. 3, the sugar program. Because of our sugar price support, the American consumers makes an involuntarily annual contribution to one corporation in Florida of as much as $52 million a year.

Mr. President, this is a very modest amendment. It would mean testing the agriculture entitlement programs so that the most needy farm income recipients are the ones to receive the commodity payments. I hope that this amendment will have the support of the Senate.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized.

Mr. CHAFEE. Mr. President, I wanted to ask the Senator a question for 2 minutes.

Mr. PRYOR. I yield 2 minutes to the Senator from Rhode Island.

I ask unanimous consent, Mr. President, that I may be recognized for 2 minutes to make a motion.

The PRESIDING OFFICER. The Senator from Arkansas has yielded 2 minutes to the Senator from Rhode Island.

Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask the Senator from New Hampshire a question. I agree with everything he said. One of the arguments he used is, well, you cannot police this, that the farm that has the father and two sons making $500,000 a year will just split it up. It seems to me that with the sophisticated equipment we have in this country we ought to be able to police this in some fashion. Does he have any thoughts on that particular challenge to the proposal he made?

Mr. RUDMAN. With the amount of money we spent on computers in the IRS and with the identification numbers and geographical numbers required, one would think it would not be difficult to police at all. If we can find welfare recipients who have cheated and received $100 or $200, we ought to be able to find a farmer who gets hundreds of thousands of the dollars only because of subdividing his farm.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized to make a motion.

Mr PRYOR. Mr. President, at this time I move to table the underlying amendment No. 2305, and on that, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Montana [Mr. BURNS] and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

I further announce that the Senator from Colorado [Mr. ARMSTRONG] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Idaho [Mr. SYMMS] would vote "yea."

The PRESIDING OFFICER (Mr. HARKIN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 30, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—66

Adams	Durenberger	Lott
Akaka	Exon	Lugar
Baucus	Ford	Mack
Bentsen	Fowler	McCain
Biden	Glenn	McConnell
Bingaman	Gore	Nickles
Bond	Gorton	Nunn
Boren	Graham	Packwood
Boschwitz	Gramm	Pressler
Breaux	Grassley	Pryor
Bumpers	Harkin	Riegle
Burdick	Hatfield	Robb
Coats	Heflin	Roth
Cochran	Helms	Sanford
Conrad	Hollings	Sasser
Cranston	Inouye	Shelby
Danforth	Jeffords	Simon
Daschle	Johnston	Thurmond
DeConcini	Kassebaum	Wallop
Dixon	Kerrey	Warner
Dole	Kohl	Wilson
Domenici	Levin	Wirth

NAYS—30

Bradley	Humphrey	Mitchell
Bryan	Kasten	Murkowski
Byrd	Kennedy	Pell
Chafee	Kerry	Reid
Cohen	Lautenberg	Rockefeller
D'Amato	Leahy	Rudman
Dodd	Lieberman	Sarbanes
Garn	McClure	Simpson
Hatch	Metzenbaum	Specter
Heinz	Mikulski	Stevens

NOT VOTING—4

Armstrong	Moynihan
Burns	Symms

So the motion to lay on the table amendment No. 2305 was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I wonder, while most of our colleagues are on the floor, if we might get some idea where we stand. The distinguished Senator from Indiana [Mr. LUGAR] and I are prepared to stay here and move on. I strongly encourage that. I keep hearing in the wind the sound of amendments fluttering hither and yon, eager staff, Members, lobbyists, and otherwise, but they do not quite materialize. I wonder if we might have some that could not only materialize, but do so under a relatively short time agreement so we can let our colleagues know where we stand.

We have passed the package of committee amendments, which was a substantial number, 40 or more amendments. We passed the very substantial $3.5 billion savings amendment. We have accomplished a fair amount today. But if we are to finish this bill, we are going to have to have cooperation from Senators. Otherwise we are going to be in late every single night for several nights to run.

Having said that, Mr. President, I yield to anybody who would like to step forward with an amendment.

The PRESIDING OFFICER. Is any Senator seeking recognition to offer amendments?

Mr. LEAHY. Then, regular order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEAHY. I was thinking regular order was third reading. That was what I was thinking of.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BOSCHWITZ. If the Senator from Vermont will yield, I have a couple of amendments, actually three, that I am prepared to go forward with. I understand some amendments may be laid down tomorrow. I would prefer to do them at that time, very frankly, if I could.

I have an appointment here in about 15 minutes. While I do not believe my amendments will be very lengthy—one of them I think will be accepted, it is just technical in nature—nevertheless they may require rollcall votes.

Mr. LEAHY. Mr. President, the Senator's appointment is not for 15 minutes. Maybe we could take care of all of them by then. Then, of course, we could get the rollcall started before he had to leave for his appointment.

Mr. PRESSLER. Mr. President, I have an amendment which I do not believe requires a rollcall vote. I am prepared to offer it now. I think it was agreed to on both sides.

Mr. LEAHY. I am not aware of the amendment the distinguished Senator is talking about.

Mr. PRESSSLER. I think the Senator's staff is aware of it.

The PRESIDING OFFICER. Has the Senator from Vermont yielded the floor?

Mr. LEAHY. I yield the floor.

AMENDMENT NO. 2307

(Purpose: to require a report concerning an interntional agricultural conservation reserve)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2307.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title XII the following new section;

SEC. . REPORT CONCERNING AN INTERNATIONAL AGRICULTURAL CONSERVATION RESERVE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Approximately one-fifth of the world's cropland is experiencing an intolerable rate of soil erosion;

(2) The cost of farm program subsidies is at record levels in many nations;

(3) The United States has taken the initiative of enrolling nearly 34 million acres of agricultural land in a ten-year Conservation Reserve Program;

(4) World food production historically has increased at an annual rate of 2.5 percent, but world food production during the 1980's has increased at an average rate of over 3 percent annually;

(5) All nations would benefit from the decreased agricultural subsidies and stabilized food production an international agricultural conservation reserve could provide.

(b) REPORT TO CONGRESS.—

(1) Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall, in consultation with other federal agencies, prepare and submit a report to the Congress on the feasibility of negotiating an international agreement or treaty to establish an international agricultural conservation reserve to protect fragile agricultural soils.

(2) The report shall examine the potential for the establishment of an international agricultural conservation reserve under which:

(a) All signatory nations would agree not to subsidize farmers who bring highly erodible virgin land into crop production.

(b) All signatory nations would agree to return a certain percentage of highly erodible cropland to its natural state and keep it out of production for a minimum of 10 years and implement sound conservation practices on such land to control soil erosion.

(c) Provisions would be established to allow a portion of the land placed by signatory nations into the reserve to be returned to production if stocks fell below those levels needed to maintain adequate commodity and food supplies.

Mr. PRESSLER. Mr. President, today I am offering an amendment to S. 2830, the 1990 farm bill, which will require a report concerning an international agricultural conservation reserve treaty that would reduce soil erosion and equalize agricultural subsidy programs.

The high cost of farm programs, export subsidies, and worldwide soil erosion problems provide a unique opportunity needed to reach such an agreement.

My amendment requires a report to Congress not more than 1 year after the date of its enactment by the Secretary of Agriculture on the feasibility of negotiating an international agreement or treaty to establish an international agricultural conservation reserve to protect fragile lands. Such an agreement would require all grain exporting nations to agree not to bring any virgin land into production and to return an equal percentage of their cropland to grass or other natural per-

manent vegetative cover. The land would have to be held out of production for a minimum of 10 years. Emergency provisions would be included to allow land to be brought back into production if a shortage of grain occurred or a nation's production fell below domestic consumption. Such an agreement would benefit all nations.

The United States has taken the initiative in idling nearly 34 million acres through its Conservation Reserve Program [CRP]. In addition, more than 20 million more acres are idled because of U.S. farmers' cropland enrollment in other Federal farm programs. U.S. farmers must idle a percentage of their cropland in order to be eligible for crop subsidy payments. This has given an unfair advantage to foreign competitors who receive crop subsidies that do not hinge on the idling of cropland.

Mr. President, as we work together in crafting the 1990 farm bill, we need to keep our agricultural community prospering. However, one objective expressed to me by the farmers and ranchers I have visisted with, and from whom I have received letters and phone calls, is fair treatment in the world trade arena. Our farmers and ranchers have proven that they are the most efficient and productive in the world. They desperately need to be able to compete fairly with other major agricultural exporting nations.

The 1990 farm bill will not eliminate set-aside programs. This is why we must look to an international land conservation program. It is vital not only for fair trade, but also for the global protection of fragile lands.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LEAHY. Mr. President, I have no objection to this amendment.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 2307) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, again, after that flurry of unprecedented action, we are back to where we were.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2309

(Purpose: To authorize the Secretary of Agriculture to arrange for additional inspection services in connection with certain ports of entry)

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 2309.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert at the appropriate place in title XIX in the section entitled Collection of Fees for Inspections Services:

SEC. . ADDITIONAL INSPECTION SERVICES.

(a) AGREEMENTS.—The Secretary of Agriculture, in carrying out regulations prohibiting or restricting the entry of materials that may harbor pests, or diseases, is authorized to enter into agreements with operators or owners of vessels for the purpose of providing inspection services at ocean ports of entry in the United States in addition to the regular or on-call basis currently available in connection with such ships. Any such agreement shall provide for the payment by the operator or owner of an amount determined by the Secretary to be necessary to defray the costs of providing additional service pursuant to such agreement.

Mr. MURKOWSKI. Mr. President, I rise today to offer a simple, straightforward amendment to the Department of Agriculture to be reimbursed for certain necessary inspection services.

As you know, the Department is responsible for inspecting vehicles entering the United States to ensure that no agricultural pests are present. This is a very necessary task, and one which the Department has performed in an exemplary manner. However, there are occasions when the system breaks down.

For a number of years, there has been a problem involving the inspection of cruise ships entering southeast Alaska from Canada. Simply put, the Department's inspectors are located in Anchorage, and the cruise vessels enter at Ketchikan—over 800 miles away. The Department's inspection budget simply does not allow inspectors to meet the cruise ships upon arrival in Alaskan waters, and until these ships have been inspected, nothing can be offloaded.

Because passengers do not disembark until later ports, the lack of inspection does not affect them. However, it does affect the vessels' ability to promptly and properly dispose of their garbage. Storage space on any vessel is limited, and keeping garbage on board poses a serious health hazard for the passengers and crew on board.

The only alternative, at this point, is to steam outside U.S. jurisdiction and dump the garbage overboard. Frankly, Mr. President, I do not know anyone on either side of the aisle that would find that an acceptable option.

My amendment is revenue neutral. It simply provides for reimbursement agreements between cruise ship operators and the Department. In short, if the industry wants extra inspections it will be able to pay for them.

Not only will this amendment help ensure pollution control, and reduce health risks to our citizens, it reflects industry and government cooperation for the advancement of a cleaner environment. I urge my colleagues' support. It is my understanding it has been cleared on both sides.

I defer to the Republican floor leader.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we commend to the Senate the amendment of the distinguished Senator from Alaska. The amendment clarifies the program that was included in the budget amendment offered by the distinguished chairman of our committee this morning. We recommend an "aye" vote for this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2309) was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I would like to, for a minute, discuss this amendment with the managers before I offer it. I have an amendment to conform the checkoff approval provisions relating to wool, to the other checkoff program approval provisions that we have in law. As my colleagues know, most of them are majority. This one, for some reason, is two-thirds.

Sixty-three to sixty-eight percent of the producers support the checkoff, the self-promotion, self-help part of enabling legislation for them, which others are using.

I want to just ask the managers: Have they looked at that situation? I

think it is only fair, and I would intend a very simple amendment that would just make the checkoff approval provision for wool comparable to those for other livestock promotion programs.

Mr. LUGAR. If I may respond to the distinguished Senator, I have not seen the amendment. I will be happy to study it. I suspect testimony might come from Members who have an interest in wool in their States, and we would want to hear from them. But I certainly look forward to examining the amendment.

Mr. LEAHY. Mr. President, I wonder if I could ask the Senator from New Mexico a question. Is this similar to a provision that is in the House farm bill?

Mr. DOMENICI. I believe it is. My State does happen to be a very big wool-producing State. I am not on the Senator's committee. But I have met with the people in our State regularly, and it seems to me they very much would like to have a majority vote for the checkoff which costs the taxpayers nothing, as my colleagues know.

Mr. LEAHY. I wonder, Mr. President, if the distinguished Senator would mind withholding just for a minute or two and just allow me a chance to take a look at that. If the amendment is what I believe it is, I do not think there will be any objection to it. We may just save all of us some time.

If the distinguished Senator will withhold, it will be my intention to put in a quorum call, unless someone is seeking recognition on another matter, so that he would not lose his ability to bring it up.

Mr. DOMENICI. Mr. President, I am most appreciative of the chairman's statement, and I certainly will not send the amendment to the desk. I have now provided it to both the chairman and ranking member, and I look forward to their perusal of the amendment. Certainly, I do not want to take this issue and expedite it, if there are other Members in the Senate who clearly have an interest in wool or think to the contrary.

Having said that, I believe I will make a few remarks about the farm bill while the distinguished managers take a look and see what they think about the amendment.

Mr. President, I rise to comment on a very important piece of legislation before us, the 1990 farm bill, formally known as the Food, Agriculture, Conservation and Trade Act of 1990. I know that my colleagues on the Senate Agriculture Committee have worked many long and difficult hours in developing this bill. I commend them for their efforts.

Today, we are facing a much different agricultural economy than 5 years ago. I think the 1985 farm bill did a good job of moving agricultural policy closer to free market forces. We have seen a 6-year trend of debt retirement, and farmers now have a more conservative approach to financing. Land values have ceased their precipitous decline and are now moving upward. Commodity prices, during the last couple of years, have risen moderately, reflecting tighter crop supplies and expanding world trade. Recent USDA forecasts of net cash income of farmers in 1990 range from $55 to $59 billion, compared with the record income of $57 billion in 1988.

Our citizens enjoy a safe, relatively inexpensive variety of food. Here in the United States, about 14 percent of our total personal consumption spending is on food, while citizens of Japan spend about 21 percent; the U.S.S.R., while it is hard to be precise, we think they spend about 40 percent. A kilogram of coffee costs $7.61 in Washington, DC, and $12.25 in Singapore; while a kilogram of boneless sirloin steak costs $9.74 here and, believe it or not, $45.66 in Tokyo.

I think it is time, and everyone does, to refine the Food Security Act of 1985. I support the goals of providing increased program flexibility to farmers and developing a farm bill that is more responsive to changing international markets.

Certainly, agriculture is a tough, competitive, and mature industry. Agricultural production will always be at the mercy of climatic conditions. Over the years, we have seen the agricultural sector moving toward a smaller number of farms. However, these farms are generally larger, quite efficient, and enjoying enconomies of scale. Today's successful farmer is a competent manager, a skillful negotiator, and an innovator. Our farmers and ranchers can efficiently produce plentiful amounts of the highest quality commodities. Given a level international playing field, American agribusiness can compete with anyone, anywhere, anytime.

Mr. President, as ranking member of the Budget Committee, I noted with disappointment and dismay the cost estimate for the Senate-reported bill. As estimated by the Congressional Budget Office, direct spending for the commodity programs authorized in the bill were $2.9 billion in 1991 and $4.3 billion, 1991 to 1995, over basically a straight extension of the 1985 law.

I compliment the chairman and ranking member of the Agriculture Committee for recognizing the excessive cost of the provisions contained with the Senate-reported bill and offering an amendment to bring spending back to the baseline level. At least, the bill now before us is back to the level assumed in the Senate-reported budget resolution.

I think it is important, however, to note that the House-passed budget resolution assumed reduced spending on farm programs of $800 million in 1991 and $8.1 billion over 5 years.

However, I do not know if there is slippage between the House-passed resolution and the House farm bill. Perhaps the distinguished ranking member knows whether the farm bill that is before the House saves $8.1 billion over 5 years as recommended in the budget resolution.

I would caution my colleagues that we should not send the wrong signal to our agricultural producers. The need for reduction in spending for farm programs is clear.

Agriculture will have to do its part to contribute to the deficit reduction package. The summiteers from both the House and Senate are calling for cuts in agriculture. The administration included in its 1991 budget a reduction in CCC spending of $1.5 billion next year and $19.4 billion over the next 5 years. The administration also supports reductions in agriculture spending within the context of the budget summit. To date, the summiteers have not reached an agreement, but I believe we will. And when we do, obviously agriculture will have to take some portion of the savings.

The "other summit" held in Houston earlier this month sent a clear signal to the world that trade-distorting agricultural subsidies worldwide would have to be reduced and eventually eliminated. It is my hope that we will now begin to see movement in the GATT negotiations that reflect those views expressed in the summit communique.

In the absence of a budget which does not meet the Gramm-Rudman-Hollings targets, this country will face massive across-the-board cuts this fall. The midsession review of the budget prepared by the Office of Management and Budget estimates a Gramm-Rudman-Hollings baseline deficit of $168 billion, and subsequently, a sequester of approximately $100 billion will occur if our budget summit efforts are not successful, we will have that planned train wreck on October 15, in which case OMB projects CCC outlays to be cut by $3.9 billion.

But, agricultural spending cuts don't have to be that severe and, in fact, should not. I would remind my colleagues that we are in the midst of a budget summit called by the President, so that both the administration and the Congress can develop a multiyear, enforceable package to reduce the deficit.

Let me suggest to you that some of the problems that plague the agriculture sector have distinct similarities to our overall Federal budget, and in the larger picture they are all related.

Large Federal deficits drive up interest rates, increase debt carrying costs of all debtors—including farmers, increase the value of the dollar overseas,

and reduce all exports—including agriculture, this reduces export commodities prices and, thereby, reduces farm income and creates cash-flow problems to service debt.

I am convinced that the one thing we can do that will benefit agriculture in the long run more than anything else is to lower those projected deficits. Clearly, that is what I have been trying to do as a participant in the budget summit, because if we do that there is a high probability that interest rates will be reduced across the board. That means if we are going to succeed in a budget summit, everyone is going to have to share in this sacrifice.

To do that, agricultural expenditures must be reduced below a simple extension of current law. That is what the budget summit is driving toward and what the House passed-budget resolution called for, although as I indicated I am not at all sure that the budget resolution in the House is being implemented by a farm bill. That is what the Houston economic summit has requested, and I believe in the end this is what the American people are asking us to do. Ultimately I believe it is precisely what the farm sector, those farmers and ranchers in the United States, will benefit most from, and ultimately it will ensure their long-term economic prosperity.

The bill before us obviously has missed that point, but I am hopeful that the economic summit will not. I am hopeful that we will have a fair sharing of the deficit reduction burden, and agriculture will bear its fair share.

Mr. President, I wonder if the distinguished chairman and ranking member have had an opportunity to review my proposed amendment. I am not trying to rush. If not, I can wait until tomorrow.

Mr. LEAHY. Mr. President, we are reviewing it.

VISIT TO THE SENATE BY MEMBERS OF THE JAPANESE PARLIAMENT

Mr. WIRTH. Mr. President, we have in the Chamber today a distinguished group of Japanese parliamentarians from across the political spectrum in Japan. They are in Washington for a week to be meeting with Secretary Cheney, meeting with people here on the Hill on United States-Japan relationships, also developing a whole new process for setting up a broader set of relationships between the United States and Japan. There have been some rocky times in the past, and we have just had a very fascinating set of discussions on the Kurile Islands, United States budget process, naval arms control, and the Korean peninsula, easy isues to all of us.

RECESS FOR 5 MINUTES

Mr. LEAHY. Because we do have a group of distinguished parliamentarians from Japan on the floor, I would ask unanimous consent that we stand in recess for 5 minutes so that Members might meet our friends from Japan; that when we return Senator DOMENICI be recognized.

There being no objection, the Senate, at 6:38 p.m., recessed until 6:43 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. HARKIN].

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2310

(Purpose: To conform the checkoff approval provisions relating to wool to other livestock checkoff program approval provisions)

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposed an amendment numbered 2310.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 929, between lines 18 and 19, insert the following new section:

SEC. 1730. CHECKOFF PROGRAM FOR WOOL.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking out "two thirds" each place that such appears and inserting in lieu thereof "a majority".

Mr. DOMENICI. Mr. President, I understand that the managers are willing to accept this amendment.

Simply stated, this will make the provisions relating to the wool checkoff program similar to other livestock checkoff programs, changing the required voting for approval to a simple majority instead of a super majority.

I strongly support the concept of producer-funded and producer-directed promotion programs to increase market demand. The National Wool Act, as amended, authorizes the wool and mohair industries to engage in market development, research and promotion activities.

Following the renewal of the Wool Act, the Secretary of Agriculture conducts a referendum of all sheep and Angora products to determine if a two-third majority of producers voting or of sheep and goat inventory represented by the voters favor continuation of the promotion programs. If approved, a deduction rate is established for producers to fund the program.

My amendment would merely change that acceptance level to a simple majority.

This amendment would bring the sheep industry's promotion program in line with other livestock sectors' programs. Only a simple majority approval level was required for the beef, dairy and pork promotion programs.

Since 1955, at least 63 percent of sheep producers and at least 69 percent of sheep production in the United States have voted to continue the wool promotion program. My amendment is supported by producers.

According to the Congressional Budget Office, this amendment would not increase the cost of the 1990 farm bill. This is merely a technical measure designed to bring uniformity to the livestock industries' promotion programs.

I understand this provision was included in the chairman's mark reported by the House Subcommittee on Livestock, Dairy and Poultry and was accepted with no debate or controversy.

Mr. President, I would urge my colleagues to supprot this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LUGAR. Mr. President, we supprot the amendment of the distinguished Senator from New Mexico, and the logic that he has offered is persuasive. The program that he has described is one of the older programs, and perhaps had the extraordinary majority because of that, but clearly is inconsistent with the other checkoff programs. In other areas, the 50-percent majority has been the standard. We believe that is a fair standard, and we support the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 2310) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 2311

(Purpose: To prohibit the organically produced certification from being granted to a handling operation that uses storage containers or bins that contain fungicides, preservatives, or fumigants)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 2311.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out paragraph (5) of section 1617(a) and insert in lieu thereof the following new paragraph:

"(5) use any packaging materials, storage containers or bins that contain fungicides, preservatives, or fumigants;".

Mr. GRASSLEY. Mr. President, I have submitted a copy of my amendment to both sides of the aisle. I believe that it likewise will be approved.

I want to say in support of my amendment that overall I compliment the Committee on Agriculture for their efforts to promote consumer confidence in organic foods. If consumers determine that they prefer organically produced foods, it must be clear to them and to the farmers who attempt to grow organic foods what constitutes organically grown food.

However, certification of only the production segment establishes a public perception that the agricultural product is definitely chemical hormone free. This can be a false illusion if products become tainted after it leaves the farm. Instances are reported within the food industry of organic products transported within the same shipment as toxic materials; organic products showing traces of chemical residue after joint tenancy in storage facilities with nonorganic pruducts; and contaminated shipping containers used for organic products.

The public health safety and welfare is not served by certification of merely the first link in the marketing chain to the consumers. Unless an entire organic certification trail is attained the consumption of food items labeled "organic" will equate that of the spin of a roulette wheel for our consumers.

The current push toward raising environmental consciousness and striving to redirect agricultural production toward environmentally sound practices will be moot if the ultimate sale of the product falls through due to the loss of product integrity on its way to the market.

I believe that my amendment closes these loopholes. We will have that integrity.

I yield the floor.

Mr. LUGAR. Mr. President, the distinguished Senator from Iowa has identified an important point with regard to the integrity of the organic certification process. He does close the loop. For that reason, we strongly support his amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Iowa.

The amendment (No. 2311) was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BINGAMAN). Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I rise just for a few minutes to address in a very general way the entire farm bill, and to do this in the way of opening remarks, but also to do it in a way of complimenting my colleagues on the Senate Agriculture Committee who have done so well.

I do not serve on that committee, but I had an opportunity to attend a few meetings and sit in on the markup of this bill by the Senate Agriculture Committee. There were a number of difficult issues and a lot of late nights spent by these committee members in resolving those issues, and I thank my colleagues for their dedication to this entire effort.

Because the farm bill occurs only once every 5 years it may seem like there is not very much to do because it does not happen every year. But it sure is a massive undertaking as evidenced by anyone who has had an opportunity to see the legislation, 1,000 pages, and the committee report of about 800 or 900 pages.

Every 4 or 5 years, Congress reauthorizes farm legislation, and the committee saddled with the responsibility does it for many reasons.

The main reasons are an adequate food supply for America's consumers, continued vitality and viability of rural America, and, lately, in the last two farm bills, much and justified concern about the environment, and, of course, farm income as well. It used to be that farm income was the only concern. It is one of many concerns now.

So I say that the members of this committee did their work very well. Of course, in this process of doing this work very well, there was much compromise, and, to some extent, to get a bill voted out of committee, there has to be something for everyone. That tends to make legislation that may be otherwise relatively simple, very complex.

There are a number of points that I feel must be further addressed to achieve the goals of fairness, simplicity, and flexibility necessary for any farm program to work. The most important issue I see is meaningful planting flexibility. I have spoken before to this body on the need for farmers to be able to make planting decisions based on the market forces, based on those market situations, and not just on determinations made by politicians and bureaucrats in Washington, DC. The Agriculture Committee has made strides toward increasing planting flexibility. But I feel that we must revisit this issue.

The committee missed the mark on flexibility, in my estimation, when it defeated the amendment of Senator BOSCHWITZ, which would have provided neutral planting signals for program crop acres. His program would have been good for farmers, good for the environment, and it would have saved money to boot. On this latter point, that I hope my colleagues will have a chance to consider efforts to save money in this bill and to save it without hurting agriculture. They will find that there can be a considerable amount of money saved by granting more flexibility to farmers to make a determination on what they plant. Flexibility is extremely important to Midwestern farmers.

Now, there are other areas that I feel are critical to Iowa farmers in this bill. Agriculture trade and the conservation titles are important interests in my State, and there is a growing interest in my State about the whole issue of sustainable agriculture.

A final question regarding our 1990 farm bill is whether or not it will fit within the budget agreements that we must reach to bring our deficit under control. I am well aware of the efforts of the managers of this bill to bring the bill, at least in their estimation, into conformity with the guesstimates of the Congressional Budget Office. Starting out this way in a more fiscally sound way was a positive thing for them to have done.

There is still a lot of argument about cost. There will be honest differences of opinion, I am sure, but I hope that when we consider any opportunity to save money in this bill in the future, we give particular consideration to those that do not affect farmers' income.

The 1985 Food Security Act has cut payments to producers for the last 4 years. I am pleased to see that this bill proposes a freeze on target prices and halts the decline in our target prices. This means, however, that we must find alternative ways to cut Government spending without hurting farm income, and flexibility, I am sure, is jut one of the many ideas that might be thrown out for our consideration.

Reform of our program payment limits could be another opportunity. We just had a vote on that. I am sure that Senator REID would say that we missed a wonderful opportunity to save a lot of money. But some of us that voted against that felt that just gross payment limitations or gross income was not a fair determination of how you ought to determine eligibility for the farm program.

There are a number of other options which have been presented in committee and, I am sure, will be presented here again on the floor. I intend to review each option carefully with the goal of achieving a balance between a sound farm policy and a sound budget policy. In the end, we need a farm program that is fiscally responsible, environmentally sound, rationally consistent, fair to farmers, and fair to consumers. In regard to being fiscally responsible, I think we all need to remember that when we consider the impact of Federal budget deficits upon interest rates in the United States, if we can protect just 1 percentage point of what farmers will pay in interest as the cost of operations, we will increase farm income by $2 billion a year and in some respects do much more for agriculture that way than what we do directly through price support payments.

So I hope my colleagues share these goals and will work toward these ends.

I yield the floor.

Mr. COATS. Mr. President, I am convinced, like most Hoosiers, that a great deal of what is best about Indiana is found in its farmers.

Indiana values those in agriculture for their economic contribution. Farming is, after all, the No. 1 family-owned business in the State. Farms cover two-thirds of Indiana. The value of Indiana's agricultural exports is now over $2 billion a year. And we must always remember that between American dependence and American independence there is only a thin layer of fertile soil.

But Indiana also looks to farm communities for something other than prosperity. It views them as the defenders—the incubators—of traditional family values. Family farms help provide both our wealth and our conscience. They remind us what is best about stable, healthy families and the virtues they breed. Their importance is more than economic.

For many years now, the needs of agriculture in Indiana, as well as the health of agriculture in the Nation, have found a champion in my colleague DICK LUGAR. His work on the Agriculture Committee is unsurpassed. His stature in the Senate on this issue is unequaled. Over the years, he has provided a strong, distinctly Hoosier voice in the formation of America's farm policy. And with this new farm bill that history of concern and commitment is confirmed.

This is an Indiana tradition I hope to share and strengthen. For a decade in the Congress, I have been guided by a few firm principles—convictions I think can be consulted with confidence.

I believe America requires a farm policy that reflects a deep concern for our farm families. We must remember that a farm crisis is not just numbers and deficits, but pride and tears.

We need to move at a gradual but sustained pace toward free farm markets in which supply and demand determine production and price. The history of intrusive government intervention in farming has been a history of failure.

We need to realize that expanded markets for agricultural products abroad are vital to America's long-term economic health. Indiana is second only to the State of Washington in per capita income derived from exports. We send abroad nearly 50 percent of the crops we produce. Indiana ranks fifth in corn exports, fourth in soybean exports. And we also need to ensure that free international trade is fair international trade.

We need to expand markets at home by finding new uses for old crops. Agricultural innovation and technology is essential.

And we need to guarantee that environmental restrictions, particularly on the use of agricultural chemicals, are both needed and reasonable before they go into effect. Farmers have an important role in protecting the environment. But their burden must be fair.

I was pleased with most of the features of the 1985 farm bill. In general, it worked as we intended. That legislation reduced the huge surpluses of grains and fiber that accumulated under previous Government programs. It has helped make the prices of U.S. agricultural products competitive in world markets. It has helped stabilize farm income.

And now we make our regular return to this issue. I have examined the bill before us closely. It is complex. The amendment process will be occasionally controversial. But given the convictions I have outlined, I have concluded this bill is generally good for agriculture, good for Indiana and good for the Nation.

I believe that farms should prosper through sales, not subsidies. Provisions that stimulate agricultural research are welcome. I support provisions of the Lugar-Leahy bill on acreage flexibility.

We should be concerned about certain environmental provisions of this bill. The issue of target prices and loan rates will again be debated. But, taken as a whole, the Lugar-Leahy legislation is well written, well intended, and needed.

Agriculture is our Nation's largest industry, counting for 16.6 percent of GNP in 1986. There are 2.16 million farms in the United States. This debate we are entering is essential to our economic health. It is vital to Indiana's future. And the bill before us is a step in the right direction.

Mr. KASTEN. Mr. President, I rise today to voice my thoughts on the 1990 farm bill.

The 1990 farm bill is the single most important farm legislation the Senate has addressed in the last 5 years. The Agriculture Committee has worked many long hours writing this bill and bringing it to the floor for consideration. I am hopeful that all sides can work together on this critical legislation so that we can keep American agriculture going—and going strong—for the next 5 years.

There are a few key areas of the bill that I think could stand some improvement. These include dairy, conservation and trade—and I intend to offer amendments to make the necessary changes.

DAIRY

The dairy title of the bill passed by the Senate Agriculture Committee has already made some significant strides toward reform—reforms which I have strongly supported for years. I would like to express my appreciation to the Agriculture Committee for the efforts they have made in this area which is so crucial to my home State of Wisconsin.

The 1990 farm bill will repeal the California Make Allowance which will permit cheese, butter, and nonfat dry milk from other regions of the country to compete in the lucrative California market—in which artificially low prices have protected California dairy products for the last 35 years. This important provision will also stem the disproportionate growth of California's processors. It's time to establish a level playing field for all dairy to play on.

Another significant reform which I have strongly advocated for years is a change in the determination of milk surpluses to a total solids milk equivalent.

This new formula will increase the stability of the support price, which has fluctuated over recent years due

to the butterfat formula used by the Commodity Credit Corporation.

The bill also instructs the Secretary of Agriculture to reform the Minnesota-Wisconsin [M-W] price series and Federal milk marketing orders, both of which are outdated and have come to discriminate against Upper Midwestern dairy in recent years.

This is a significant improvement over current law, but the committee left these provisions dangerously open-ended. I will make an amendment to set a solid deadline of January 1, 1992, for reform of both the Minnesota-Wisconsin price series and Federal milk marketing orders.

Our Nation's dairymen, especially those in Wisconsin and the entire Midwest, have waited long enough for relief from these outdated and discriminatory pricing systems.

Secretary Yeutter recently informed me that hearings on milk marketing order reform will be held in Eau Claire, WI, as well as in Minneapolis and four other locations. I am heartened by this news—I'll be testifying at the Eau Claire hearing and I'm hopeful that by the end of 1991 all American dairymen will be competing on a level playing field.

OPENING NEW MARKETS

Opening new markets for American agriculture should be one of the greatest priorities of this farm bill. The future success of our Nation's farmers lies in foreign markets. I will be working with the distinguished senior Senator from Iowa [Mr. GRASSLEY] to set aside 25 percent of the Export Enhancement Program funding for a Value Added or First Stage Processed Export Enhancement Program. This new market research program will aggressively seek out new foreign markets for American agriculture.

I will offer an amendment to define within the trade section of the bill what a first-stage processed agricultural product is. It is of particular concern to me as a Senator from America's dairy State that products like cheese, butter and nonfat dry milk are included in this program. Canned vegetables, chilled meats—like pork and beef, flour and oils will also greatly benefit from the expansion into these new foreign markets.

There are untapped markets all over the world just waiting for our products—and it is up to us to exploit that opportunity.

CROP FLEXIBILITY

Another important change we need to make is a move toward crop flexibility. I support a crop flexibility plan that will permit farmers to flex out of part of their program base in order to grow a crop that is in high demand in the marketplace. If a farmer tried to do this now, he would lose some of his Federal program benefits.

We have to change that policy. Just look at what happened to oats at the end of the 1980's. Due to the oat bran craze, consumer demand for oats soared. Because farmers were locked into their program crops and faced losing their program base acreage if they were to grow anything else, America wound up doubling its imports of oats—at higher prices—between 1987 and 1989.

That is just one example of how we need to make Federal agriculture policy more responsive to real national needs. The 1990 farm bill gives us a golden opportunity to make some real improvements

CARGO PREFERENCE

Mr. President, I will also be working closely with other Senators from the Great Lakes to resolve the cargo preference inequity. The 1985 farm bill increased the cargo preference requirement for the Food for Peace Program—the amount of goods which must be sent on U.S.-flagged vessels—from 50 to 75 percent of all goods shipped. It also guaranteed through a set-aside, a short-term continuation of Food for Peace shipments to the Great Lakes.

This change was called for to help the U.S. shipbuilding industry. Our domestic shipbuilders have long been under siege by foreign competition. It was argued that increasing the percentage of U.S. ships carrying Food for Peace cargoes would spark a demand for more U.S. ships—thus helping the domestic shipbuilding industry.

What has taken place, however, is a steep decline in Food for Peace trade activity in the Great Lakes region. The Port of Milwaukee handled 220,000 tons of Food for Peace cargo in 1987, in 1989 it handled a mere 70,000 tons.

So far in 1990, there have been no shipments whatsoever. The Port of Kenosha in my own State of Wisconsin has been forced to close down as a result of the 75 percent cargo preference. Mr. President, this is an outrage—ironically, in an effort to help American shipping we force American ports out of business and put American labor out of work. A Great Lakes set-aside is necessary to the maintenance of Wisconsin's maritime and agricultural export trade.

Quite simply, the higher the cargo preference requirement mandated by Federal law, the worse Great Lakes ports do. Even though grain products can be purchased at far less cost in Milwaukee than elsewhere, they must be shipped 1,500 miles south to be put on a U.S. vessel—instead of being loaded on a ship in Milwaukee. This does not make sense. It imposes inefficiencies on the system, and it hurts Wisconsin's farmers. The agricultural community in Wisconsin and other Great Lakes States is being damaged by a flawed Federal policy which forces them to compete unfairly with other regions of the country.

Mr. President, it is my greatest hope that the 1990 farm bill will resolve this terrible inequity.

CONSERVATION

One of the Senate's best targets of opportunity in this farm bill is the issue of conservation. With my support and the leadership of Senator LEAHY of Vermont and Senator LUGAR of Indiana, the Agriculture Committee has put together a bill that goes a long way toward uniting America's agricultural policy with a wise and forward-looking environmental policy.

For too many years, we have neglected the fact that we are all sustained by the quality of our soil. The livelihood of our farmers depends entirely on the production of soil and water—so protecting these resources ought to be priority No. 1 for any intelligent agriculture policy.

The conservation title of the 1985 Food Security Act was landmark legislation—the premier conservation legislation since World War II. Linking public support for agriculture to good conservation makes just plain good sense, because we all know that good farming means good conservation.

Poor conservation practices are like a business that steadily consumes its own capital, little by little squandering its inheritance from nature. You can get away with this for a while, but in the end, the resources run out—and you are left with nothing.

That's why I'm delighted to report that the Agriculture Committee has approved a bill that greatly strengthens several of the conservation provisions of the 1985 bill. This action makes it clear that Congress wants to include environmental protection as a full partner in agriculture policy.

This bill includes many of the provisions of the Farm Stewardship Act of 1990 that I introduced in April. Among these are adjustments to swampbuster to improve conservation of wetlands and to increase the ability of farmers to comply.

Most important of all, the bill changes the penalty trigger from producing an agricultural commodity on a converted wetland to the actual wetland conversion itself. It establishes a reduced penalty for cases in which a farmer who converted a wetland, acting in good faith and with a record of no violations over the previous 10 years, could come back into compliance by restoring or mitigating that wetland loss.

Mitigation would become an option where it is both reasonable and technically feasible to offset the loss of a wetland. The active participation of the U.S. Fish and Wildlife Service and the Soil Conservation Service in planning wetland restoration and evaluat-

ing exemption requests will ensure a program that is effective and fair.

This provision should take much of the confusion out of swampbuster—confusion which has hampered effective implementation of this program over the past 5 years.

Together, the change in the trigger, a reduced penalty, and the ability to restore wetlands has shifted the emphasis of swampbuster from penalizing farmers to protecting wetlands.

The 1990 farm bill will make swampbuster more practical. In some cases, farmers have been fined as much as $200,000—that is wrong. These laws were not intended to put farmers out of business for an inadvertent violation that could be corrected. They were designed to protect wetlands and conserve our soil—that is what the 1990 reforms are all about.

Another important component of my bill that has been incorporated in the 1990 farm bill would amend the credit title to continue and expand the forgiveness of farm debt in exchange for conservation. This is intended to be a domestic version of the debt-for-nature swaps that are making progress in saving tropical rainforests.

This part of the credit title has been used only sparingly since 1985; the changes proposed in this farm bill will make this option available to farmers much earlier in the loan-servicing process, even to reduce the principal on new Farmers Home Administration loans. This should help reduce future loan losses to the Government, while at the same time giving a boost to our conservation efforts.

The creation of the Wetlands Reserve Program is another step in the right direction. Combined with swampbuster, the reserve program can help bring to an end our 200-year history of wetlands destruction—a history in which agricultural conversions alone are responsible for the eradication of around 100 million acres of destroyed wetlands. This bill will help us build equity in conservation by permanently protecting wetlands, so that future generations of Americans will be able to enjoy the biological and hydrological benefits healthy wetlands can provide.

Finally, I intend to propose changes in the highly erodible land sections of the title to improve the implementation of conservation compliance. Farmers with erodible land are required to have a conservation plan—an erosion-reduction plan—and to have fully implemented it by 1995.

But a bad plan is as bad as no plan at all, and many plans submitted to date just don't do the job. I will propose that conservation compliance plans mandate active application of primary conservation practices—not just conservation tillage, but such other well-known conservation practices as contour planning and strip-cropping as well.

We need to work toward the day when the application of basic, cost-effective conservation practices is a matter of routine throughout American agriculture. Our ultimate goal must be non-degradation of our soil resources. My amendment will be a step in the right direction.

At a time when environmental protection is becoming a genuinely global concern, it is gratifying that we in America can point to the conservation provisions of the fundamental agricultural law of this land—and know that we are tending to conservation at home as well as abroad.

It is vitally important to all of us that the conservation measures contained in this bill succeed—succeed in gaining widespread support in the agricultural community, and succeed in conserving our fragile natural resources that are starting to show signs of wear and tear.

Mr. President, what we are addressing is nothing short of the future of U.S. agriculture, and the future of the American community as a whole. I look forward to working with my colleagues in crafting this important legislation.

Mr. McCONNELL. Mr. President, since coming to the U.S. Senate, agriculture has been one of my top priorities. Farming is an extremely important industry in Kentucky. In 1989, Kentucky's 90,000 family farmers sold more than 2.5 billion dollars' worth of farm products. While most people believe tobacco and horses dominate Kentucky agriculture, the fact is over 17 different commodities contribute more than $1 million to farmer's income.

This diversity in Kentucky's agricultural economy makes my State a strong competitor in domestic as well as world markets. Over one-fourth of our States' production goes to foreign consumers and we are working hard to increase our presence in the global marketplace.

Today, American agriculture is a world leader and the envy of every free nation. This country's farmers are the most productive, most efficient, and the most concerned about our natural resources than any of our competitors.

Despite the fact that less than 2 percent of the U.S. population lives on a farm, agriculture represents 17 percent of our gross national product and provides jobs for an estimated 20 million Americans.

Just how productive are America's farmers? One American farmer or rancher provides food and fiber for 92 of his neighbors and 22 people overseas. This productivity spreads beyond farmers to benefit consumers.

American consumers pay the lowest percent of their personal income on food than any other country. Our food is not only the most affordable, but consumers have the widest variety of food and the assurance of quality and safety.

This legislation which we are considering the Food, Agriculture, Conservation, and Trade Act of 1990, is designed to maintain the wide array of Federal programs which provides each of us with a safe and affordable supply of food and fiber.

The farm bill is not only commodity support programs. S. 2830 includes provisions to encourage research into new technologies, practices to protect environmentally sensitive habitats, food aid to developing nations, and countless other beneficial programs.

The average person would never see a direct benefit from this farm bill other than the food in which they eat. However, it is the countless number of indirect benefits that makes this bill good policy.

Many of my colleagues will oppose the farm bill. They have been told the farm bill only provides subsidies to already wealthy farmers and farmers are no more deserving of support than plumbers or janitors. But I argue that plumbers and janitors do receive support and indirect benefits from a sound federal farm policy.

I do not contend that our current Federal farm policy is without flaw. Many of the problems have been exploited recently in an effort to undermine the need for a farm bill. I suggest that we proceed cautiously with an eye on the future. Our resources must be conserved and maintained if we are to be prepared for the 21st century when there will be an additional 1 billion people on this planet to feed.

The 1985 farm bill allowed agriculture to prepare to meet the challenges of the future. In the many farmer meetings which I have held across Kentucky, the vast majority of farmers support the basics of the 1985 bill. They have obviously suggested some changes and many have already been incorporated into the new package, but time and time again they say, "conditions are improving, don't mess that up."

The next few days will be filled with debate on amendments that could mess things up. Many believe that farmers should not be treated differently from other segments of our society, but they are different. Farmers produce something that none of us can live without—food. I would hope that each of my colleagues will realize that all Americans benefit from a sound fair agriculture policy. Not just the 2 million farm families, but each and every U.S. citizen.

Mr. LEAHY. Mr. President, just for the sake of our colleagues, we are trying to set the schedule for the continuation of the farm bill. As I said

earlier, we had a very good debate on one of perhaps three or four most important amendments that would come up, the payment limitations debate, which was actively entered into by both the proponents and opponents of the amendment. And we voted on that.

There have been some very significant amendments, especially the first one offered by the distinguished Senator from Indiana and myself, that required in this bill to bring the cost down about $3.5 billion. That also was passed. There were numerous other amendments presented to the committee after the farm bill was voted out, I believe some 40 such amendments, that also were passed en bloc. A number of Senators have given their opening statements. I commend all that.

But I urge Senators to contact me or Senator LUGAR or our staffs tonight so that we can schedule things for a vote tomorrow and Monday, and get these amendments in some orderly fashion.

For those who have amendments they think can be accepted, the staff and appropriate Senators are going to be working throughout the weekend to try to clear amendments. So those who feel they have something that they can win by our accepting it ought to take this opportunity to bring it forth so we can do that this weekend, because if we get into the hurly-burly of the debate next week we may not have the opportunity to look closely enough at a Senator's amendment and we may not realize how brilliantly constructed and important it is and thus might not be willing to accept it and may force him to go to a rollcall vote which he may not win.

So I would encourage those who have amendments to bring them forth now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULE FOR THE REMAINDER OF THE SESSION

Mr. MITCHELL. Mr. President, for the information of Senators, I would like to describe the schedule for the remainder of the legislative session, between now and the August recess, so that Senators can have a full understanding that those events which occur or do not occur now will have an effect on when the Senate goes into recess in August.

We have begun, today, action on the farm bill, a very important measure with respect to which a large number of Senators indicated an intention to offer amendments. Notwithstanding that, only one amendment was offered today despite the fact that Thursday has been designated now for several years as the day on which the Senate is expected to remain in session; as what one might call the maximum work session day.

Upon disposition of the farm bill, I have indicated publicly on many occasions, and in my discussions with the distinguished Republican leader, it is my intention to proceed to the campaign finance reform bill.

Upon disposition of that measure, it is my intention to proceed to the debt limit extension bill, if we have received that measure from the House by that time and I hope very much that we will.

Then, following disposition of that measure, it is my intention to proceed to complete action on the Department of Defense authorization bill.

It is my hope that we will also, within that period, be able to work in other matters such as appropriations bills, the first one of which I believe was reported a short time ago. But the measures I have described are those which represent the minimum that will be necessary to act on.

To the extent that action on those measures is delayed now, why then, of course, to an equal extent such action will be required at the other end of this legislative period, thereby increasing the probability of delaying the onset of the August recess.

I hope very much that we will be able to complete action in time to recess as previously scheduled at the close of business on August 3. But, if we are not to have any significant legislative activity on Thursdays or Friday or Monday in the period between now and then, then it is almost certain, dictated by the action of the Senate itself, that the Senate recess will be delayed beyond the August 3 deadline.

I make these remarks merely to inform Senators fully of the proposed schedule and what is to occur. I do not intend by my remarks to suggest that the legislation I mentioned is an all-inclusive list. There will undoubtedly be other matters prior to recess.

The Ethics Committee report of this week will require disposition by the Senate. It is my intention to bring that before the Senate at the earliest possible time, consistent with the opportunity for all Senators to fully consider that measure. And there may well be other matters.

I merely make this statement to point out that the timing of this legislative period, and more specifically the onset of the August recess, is up to the Senate itself; that will be determined by individual Senators. So, those Senators who are unwilling to come forward and offer an amendment, which results in a delay of this bill, assure their continued presence in August. It is a function that is entirely within the discretion and authority of Senators themselves.

We have attempted, with great difficulty and consuming a fairly substantial amount of time, to prepare a schedule for tomorrow which, as these agreements indicate, merely involves debate on one amendment, which will then be put over for further debate and voting on Tuesday, and debate and voting on one other amendment. We are in the process, and I commend the managers of the bill and their staffs for their efforts, of attempting to do the same with respect to Monday. But each Senator should be aware that each day within which limited or no activity occurs in July means a day on which activity will be required in August.

I encourage all Senators, for their own convenience if for no other reason—I now appeal to the ultimate motivation—the self-interest of Senators; that if Senators wish to commence the recess at the close of business on August 3, it is incumbent upon them individually and collectively to come forward and proceed to offer amendments and dispose of legislation when a measure is before the Senate.

I thank my colleagues for their cooperation today. I thank the distinguished manager, the chairman of the committee, and the distinguished ranking member and minority manager. I hope very much that we will be able to get some cooperation in arranging a full schedule of activity on this measure on Tuesday.

Mr. LUGAR. Will the leader yield?

Mr. MITCHELL. Yes.

Mr. LUGAR. I thank the distinguished Senator for yielding for a moment of comment. I think the leader has pointed out very clearly the road that lies ahead of us. I will say on our part, I look forward to working with the distinguished chairman of the committee. We are eager to accelerate passage of this legislation.

I think we have worked out a program at least for activity and progress for Friday and Monday. It appears Tuesday is a crucial day for really coming to grips with whether we can not only get amendments to the floor, but resolve them so that perhaps Members would not wish to offer every single one they have indicated they might offer.

I think we made good progress today. Inevitably, the opening statements take time. We have had an amendment, a test of strength of sorts. It appears at least to me that it is possible Tuesday might be a very productive day and maybe conclusive. I would be optimistic enough to predict that. Surely by Wednesday, we should come to a resolution of the farm bill.

Mr. LEAHY. If the Senator will yield, to begin with, I absolutely agree with the sentiments of the distinguished Senator from Indiana. I wonder if I might ask the distinguished majority leader, if we have amendments on Tuesday, and I fully expect we will—I will strongly urge that we do—would it be the distinguished leader's intention to go well into the evening Tuesday if we are making that kind of progress? I would recommend that.

Mr. MITCHELL. Yes, it is my intention, indeed. I think Senators ought to be prepared for the virtual certainty of lengthy sessions each day between now and the August recess. It will be difficult to meet the original schedule in that regard in any other way. I think that will be necessary. So I hope that Senators will be able to adjust their schedules accordingly and be prepared for what I think is not only a likelihood but almost a certainty.

Mr. President, having said all that, there will obviously be no further rollcall votes this evening. I want to conclude again by thanking my colleagues for their cooperation and efforts in this regard.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. CRANSTON. Mr. President, I ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:09 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5002. An act to amend title 38, United States Code, with respect to veterans' housing and memorial affairs programs, to improve the Department of Veterans Affairs compensated work therapy program, to authorize the Secretary of Veterans Affairs to provide a demonstration program of transitional housing for veterans in that program, to provide mortgage payment assistance to avoid foreclosure of home loans guaranteed by the Secretary of Veterans Affairs, and for other purposes.

At 1:14 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5258. An act to require that the President transmit to Congress, that the congressional Budget Committees report, and that the Congress consider, a balanced budget.

ENROLLED JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 276. Joint resolution designating the week beginning July 22, 1990, as "Lyme Disease Awareness Week"; and

S.J. Res. 281. Joint resolution to designate September 13, 1990, as "National D.A.R.E. Day."

The enrolled joint resolutions were signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 5002. An act to amend title 38, United States Code, with respect to veterans' housing and memorial affairs programs, to improve the Department of Veterans Affairs compensated work therapy program, to authorize the Secretary of Veterans Affairs to provide a demonstration program of transitional housing for veterans in that program, to provide mortgage payment assistance to avoid foreclosure of home loans guaranteed by the Secretary of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5258. An act to require that the President transmit to Congress, that the Congressional Budget Committees report, and that the Congress consider, a balanced budget for each fiscal year; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

MEASURES PLACED ON THE CALENDAR

The following joint resolution, previously received from the House of Representatives for concurrence, was read the first and second times by unanimous consent, and placed on the calendar:

H.J. Res. 548. Joint resolution designating the week of August 19 through 25, 1990, as "National Agricultural Research Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3295. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a supplemental summary of the budget known as the Mid-Session Review; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC-3296. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the status of certain budget authority proposed for rescission by the President in his fifth special impoundment message; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Commerce, Science, and Transportation.

EC-3297. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for the protection of distinguished persons by personnel of the Department of Defense; to the Committee on Armed Services.

EC-3298. A communication from the Secretary of Energy, transmitting, pursuant to law, notice of procedures for submission of a report under the Stewart B. McKinney Homeless Assistance Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3299. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on methods to increase the use of underutilized minority banks, women's banks, and limited-income credit unions as depositories or financial agents of Federal agencies; to the Committee on Banking, Housing, and Urban Affairs.

EC-3300. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a study on the feasibility of making Secretary-owned property available to low-income persons whose homes were destroyed in the areas declared for disaster in connection with Hurricane Hugo and the Loma Prieta earthquake; to the Committee on Banking, Housing, and Urban Affairs.

EC-3301. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1989; to the Committee on Commerce, Science, and Transportation.

EC-3302. A communication from the Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, the boundary decision of the White Salmon National Scenic River within the Gofford

Pinchot National Forest, WA; to the Committee on Energy and Natural Resources.

EC-3303. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the quarterly report on U.S. coal imports for the first quarter of 1990; to the Committee on Energy and Natural Resources.

EC-3304. A communication from the Deputy Under Secretary of the Department of Energy, transmitting, pursuant to law, notification that the study evaluating Federal energy technology R&D programs in the light of possible global climate change will be provided by September 1, 1990; to the Committee on Energy and Natural Resources.

EC-3305. A communication from the Acting Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, notification of the phaseout of the Atomic Safety and Licensing Appeal Panel; to the Committee on Environmental and Public Works.

EC-3306. A communication from the Chairman of the Board of Foreign Scholarships, transmitting, pursuant to law, the annual report of the Fulbright Program; to the Committee on Foreign Relations.

EC-3307. A communication from the Assistant Secretary of the U.S. Department of State, transmitting, pursuant to law, notification of the payment of a reward; to the Committee on Foreign Relations.

EC-3308. A communication from the Assistant Secretary of the U.S. Department of State, transmitting, pursuant to law, notification of the payment of a reward; to the Committee on Foreign Relations.

EC-3309. A communication from the Chairman and CEO of the Farm Credit Administration, transmitting, pursuant to law, the semiannual report for the period from October 1, 1989, through March 31, 1990; to the Committee on Governmental Affairs.

EC-3310. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on diabetes prevention, treatment, and control among American Indians and Alaskan Natives; to the Committee on Indian Affairs.

EC-3311. A communication from the Secretary to the Board of the Railroad Retirement Board, transmitting, pursuant to law, the 1990 annual report on the financial status of the railroad unemployment insurance system; to the Committee on Labor and Human Resources.

EC-3312. A communication from the Executive Director of the Committee for the Purchase from the Blind and Other Severely Handicapped, transmitting, pursuant to law, the fiscal year 1989 annual report; to the Committee on Labor and Human Resources.

EC-3313. A communication from the Secretary of Education, transmitting, pursuant to law, the final regulations on the Foreign Language Materials Acquisition Program, Library Literacy Program, Library Services and Construction Act Basic Grants to Indian Tribes and Hawaiian Natives Program; to the Committee on Labor and Human Resources.

EC-3314. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the views on the actions of the Senate Committee on Agriculture, Nutrition, and Forestry to develop a 1990 farm bill; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3315. A communication from the Comptroller General of the United States, transmitting, pursuant to law, an opinion on the Federal Savings and Loan Insurance Corporation's final financial statement; to the Committee on Banking, Housing, and Urban Affairs.

EC-3316. A communication from the Chairman of the Federal Reserve Board, transmitting, pursuant to law, the monetary policy report to the Congress; to the Committee on Banking, Housing, and Urban Affairs.

EC-3317. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notification that the Commission in Docket No. 39886, *Huron Valley Steel Company* v. *Seaboard System Railroad, Inc., et al.,* has extended the time period for issuing a final decision to September 20, 1990; to the Committee on Commerce, Science, and Transportation.

EC-3318. A communication from the Secretary of Energy, transmitting, pursuant to law, studies on global climate trends and greenhouse gas data; to the Committee on Energy and Natural Resources.

EC-3319. A communication from the Administrator of the Department of Health and Human Services, transmitting, pursuant to law, a report on the "Rural Health Care Transition Grant Program"; to the Committee on Finance.

EC-3320. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-228, "District of Columbia Emergency Overnight Shelter Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3321. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-229, "Victims of Violent Crime Compensation Act of 1981 Conforming Amendments Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3322. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-230, "District of Columbia Statutory Savings Provision Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3323. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-231, District of Columbia Income and Franchise Tax Conformity Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3324. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-232, "National Council for Negro Women Equitable Real Property Tax Relief Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3325. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-233, "Vital Records Act of 1981 Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3326. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-234, "District of Columbia Government Employee Affirmative Obligation Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3327. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-235, "Motor Vehicle Fees Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3328. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-236, "Conveyance of the Jewish Community Center Act of 1989 Amendment Act of 1990" and report, adopted 7-10-90; to the Committee on Governmental Affairs.

EC-3329. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-237, "Real Property Tax Rates for Tax Year 1991 Amendment Act of 1990" and report, adopted 7-10-90; to the Committee on Governmental Affairs.

EC-3330. A communication from the Vice President of the Farm Credit Bank of Texas, transmitting, pursuant to law, the annual report for the pension plan for the year ended December 31, 1989; to the Committee on Governmental Affairs.

EC-3331. A communication from the Director of the Federal Bureau of Investigation, transmitting, pursuant to law, the first of five annual reports on the FBI's New York Demonstration Project [NYDP]; to the Committee on the Judiciary.

EC-3332. A communication from the Congressional Affairs Officer of the Federal Election Commission, transmitting, pursuant to law, a report of the Federal Election Commission on the Presidential Election Campaign Fund; to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-543. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Appropriations.

"SENATE CONCURRENT RESOLUTION No. 26

"Whereas, the Land and Water Conservation Fund grant program has had a significant impact on outdoor recreation and has greatly contributed to the quality of life in Louisiana; and

"Whereas, Louisiana state and local governments have benefited greatly from the Land and Water Conservation Fund grant program by using these funds to acquire and develop more than 567 recreation facilities; and

"Whereas, Louisiana state and local governments have contributed more than $57.3 million to match federal support for this program; and

"Whereas, Louisiana and state and local governments are engaged in an intensive effort to protect and enhance our conservation estate, wetlands, and recreational resources; and

"Whereas, there is an important relationship between recreational opportunities and tourism, industrial inducements, protection of our cultural and natural resources and the health and economic well being of the citizens of Louisiana; Therefore, be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to fully fund the Land and Water Conservation Fund grant program, and be it further

Resolved, That a copy of this resolution shall be transmitted to the Secretary of the

United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-544. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE RESOLUTION No. 617

"Whereas, there are numerous savings and loan associations ("Thrifts") operating in the State of Illinois which were created by, or are the surviving institutions of, supervisory mergers approved by the Federal Home Loan Bank Board ("FHLBB") and the Federal Savings and Loan Insurance Corporation ("FSLIC"); and

"Whereas, these mergers were used by the FHLBB and FSLIC as a vehicle to assist specified thrifts in the acquisition of designated financially-troubled thrifts in Illinois; and

"Whereas, many of these troubled thrifts had substantially negative net worths; and

"Whereas, in lieu of any FSLIC monetary contributions, the mergers were consummated through the placement of goodwill on the books of the surviving institution, a practice which was fully sanctioned under generally accepted accounting principles at that time of merger; and

"Whereas, these surviving thrifts have, in the vast majority of cases, operated successfully and profitably since the time of merger and, in many cases, have raised their net worth to current regulatory requirements; and

"Whereas, this financial progress was accomplished at no cost to the FSLIC, thus saving the insurance fund hundreds of million of dollars in otherwise required contributions; and

"Whereas, the majority of these merged institutions have operated profitably and have significantly depreciated the goodwill on their books; and

"Whereas, these merged institutions have carried out the financial burden of the FSLIC in protecting depositors' investments and restoring otherwise insolvent thrifts to viability; and

"Whereas, the proposed savings and loan reform legislation now pending in the United States Congress would penalize these merged institutions by disregarding the goodwill placed on their books by the FHLBB and FSLIC for the purposes of regulatory capital requirements; and

"Whereas, the proposed legislation as it is currently drafted would impose severe burdens upon the industry and force most of these otherwise profitable Illinois institutions into mergers with out-of-state or foreign banking interests; Therefore, be it

"*Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois,* That this body expresses its enthusiastic support for the savings and loan industry in the State of Illinois; and be it further

"*Resolved,* That this body expreses its appreciation to those savings and loan institutions who have kept the industry financially viable in the State of Illinois in the absence of the monetary assistance contemplated by the Federal regulatory scheme; and be it further

"*Resolved,* That this body calls upon the United States Congress to enact legislation which will provide for complete and total reimbursement to these merged institutions for the regulatory goodwill placed on their books at the time of merger in lieu of monetary contributions from the FSLIC, and be it further

"*Resolved,* That suitable copies of this preamble and resolution be presented to each member of the Illinois Congressional Delegation, the President of the U.S. Senate, and the Speaker of the U.S. House of Representatives."

POM-545. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Commerce, Science, and Transportation:

"HOUSE RESOLUTION No. 1650

"Whereas, the General Assembly of Illinois adopted SB 1254 in June of 1989 and created provisions for the new Uniform Drive's License Act; and

"Whereas, this legislation prevents Illinois from losing federal highway and roads funds by complying with federal standards for commercial truck drivers; and

"Whereas, commercial licensed truck drivers will now be disqualified from driving for twelve months if they refuse to submit to a blood-alcohol content test (BAC) or have a BAC as low as .04%; and

"Whereas, the commercial truck drivers in Illinois are among the safest truck drivers in the country and have had their image tarnished by a small minority of careless operators; and

"Whereas, the new commercial drivers licensing regulations make demands on all commercial intra-state haulers to pay a 30% increase to become licensed and provide limited provisions for exemption: Therefore be it

"*Resolved, by the House of Representatives and the Eighty-Sixth General Assembly of the State of Illinois,* urges Congress to consider exempting Intra-state haulers, who are not required to receive Illinois Commerce Commission authority to operate, from Commercial Drivers licensing rules.

"*Resolved,* That suitable copies of this resolution be sent to United States Secretary of Transportation Skinner and to all members of the United States Congress."

POM-546. A resolution adopted by the City Council of Sweetwater, Florida, favoring legislation to provide Hialeah Race Track with exclusive non-competitive racing dates during the winter season; to the Committee on Commerce, Science, and Transportation.

POM-547. A concurrent resolution adopted by the Legislature of the State of Mississippi; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION No. 502

"Whereas, the U.S. Army Corps of Engineers and the United States Environmental Protection Agency have promulgated guidelines regulating the classification and use of wetlands; and

"Whereas, under administrative guidelines applying a broad definition of wetlands, hundreds of thousands of acres already in cultivation or development have been classified as wetlands; and

"Whereas, administrative mitigation guidelines for broadly defined wetlands have placed excessive prohibition on development possibilities; and

"Whereas, these administrative guidelines have deprived landowners of the use of their property without compensation; and

"Whereas, although wetlands constitute only a small percentage of the land area in the United States, wetlands constitute a very large percentage of the land area in areas such as the Mississippi Delta and the Mississippi Gulf Coast; and

"Whereas, these administrative guidelines classifying wetlands and implementing no net loss standards are impacting lands never before considered wetlands in these areas; and

"Whereas, these administrative guidelines ignore the special needs of unique geographical areas such as the Mississippi Delta and Gulf Coast; and

"Whereas, the ill defined no net loss policy and the lack of specific criteria for evaluation of mitigation efforts and use permits have created a high level of uncertainty; and

"Whereas, the overly broad classification of land as wetlands in counties in the Delta and Gulf Coast regions applies to 40% to 85% of the land area in these counties; and

"Whereas, this will result in tax asssessment reductions causing a devastating loss of the tax base and revenues for municipalities and counties in these areas; and

"Whereas, a common sense approach to developing reasonable classification, use and mitigation guidelines and standards will identify special geographical considerations that need recognition and will preserve and protect actual wetlands: Now, therefore, be it

"*Resolved, by the Mississippi State Senate, the House of Representatives concurring therein,* That we urge the President and Congress to take speedy and appropriate action to ensure that regulatory agencies use a common sense approach in promulgating guidelines regulating the classification and use of wetlands and mitigation of loss of wetlands: Be it further

"*Resolved,* That copies of this resolution be transmitted to the President of the United States, the President and Secretary of the United States, the Speaker and Clerk of the United States House of Representatives and to the Mississippi congressional delegation."

POM-548. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Environment and Public Works:

"HOUSE RESOLUTION No. 1796

"Whereas, the United States Congress, the United States Nuclear Regulatory Commission, and the United States Environmental Protection Agency have each approved the concept of deregulating certain radioactive waste that they have characterized as "below regulatory concern"; and

"Whereas, if it is deregulated, this radioactive waste will be disposed of in landfills, sewers, incinerators, and many other types of facilities that were never designed or intended to take radioactive waste; and

"Whereas, this deregulated radioactive waste could be recycled into contaminated raw materials and consumer products; and

"Whereas, it has been estimated that more than 30% of the current volume of "low-level" radioactive waste could be subject to this deregulation; and

"Whereas, evidence is growing that exposure to low levels of ionizing radiation have greater negative health effects than have been previously assumed by national and international agencies; and

"Whereas, simultaneous exposure to radiation and toxic chemicals often acts synergistically to produce unexpectedly severe effects on human health and the environment, and the deregulation of nuclear waste

may result in a great increase in such multiple exposures: Therefore be it

"Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois, That this House is strongly opposed to the deregulation of any radioactive waste, and to the acceptance of any radioactive waste, deregulated or otherwise, at any waste disposal or treatment facility that is not specifically licensed to handle such waste; and be it further

"Resolved, That this House respectfully urges the U.S. Congress to repeal Section 10 of the 1985 Low-Level Radioactive Waste Policy Amendments Act (P.L. 99-240), which requires the Nuclear Regulatory Commission to set standards for the deregulation of radioactive materials that have been characterized as "below regulatory concern"; and be it further

"Resolved, That this House strongly urges the U.S. Nuclear Regulatory Commission and the U.S. Environmental Protection Agency to refrain from any activity that will further the deregulation of radioactive wastes or materials; and be it further

"Resolved, That a suitable copy of this Preamble and Resolution be transmitted to the members of the Illinois Congressional Delegation, to the Administrator of the U.S. Environmental Protection Agency, and to the U.S. Nuclear Regulatory Commission."

POM-549. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 24

"Whereas, the Secretary of Transportation of the United States shall not approve any federal highway funding in any state which has a maximum speed limit on any public highway within its jurisdiction in excess of fifty-five miles per hour other than a highway on the Interstate System located outside of an urbanized area of 50,000 population or more; and

"Whereas, there are many sections of four laned, United States numbered highways in Louisiana on which a speed limit of sixty-five miles per hour would be safe and more practical; and

"Whereas, the state government is in a better position to determine the speed limit necessitated by the conditions of a specific local road to ensure safety to travelers; Therefore, be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to authorize an increase of the maximum speed limit on public roads to sixty-five miles per hour without penalty, Be it further:

"Resolved, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-550. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 35

"Whereas, the state of Louisiana has a vested interest in maintaining its wetlands which are essentfal to the economy and beauty of the state; and

"Whereas, equally important is the agricultural community which is responsible in large part for the economic health of the state; and

"Whereas, environmentalists, persons who derive their living from the rich wetlands resources, and the agricultural community have traditionally worked in harmony to support the reasonable and productive use of the state's farmlands and wetlands; and

"Whereas, the 1890 Harbors Act gave the United States Army Corps of Engineers jurisdiction over maintenance of the navigable waters of the United States; and

"Whereas, section 404 of the 1972 Clean Water Act gave the United States Environmental Protection Agency legislative authority to regulate the permitting of dredge and fill activities in or adjacent to the navigable waters of the United States and thereafter, the United States Environmental Protection Agency entered into an agreement with the United States Army Corps of Engineers giving them the authority to administer the dredge and fill program; and

"Whereas, a change in the way that the United States Environmental Protection Agency, the United States Department of Agriculture, the United States Soil Conservation Service, the United States Fish and Wildlife Service, and the United States Army Corps of Engineers define "wetlands" may require many landowners in Louisiana to obtain section 404 permits for specific activities planned for their property; and

"Whereas, should this change remain in effect, approximately 4.2 million acres of Louisiana cropland will be affected; and

"Whereas, the restrictions placed on landowners are not limited to those in Louisiana, but impact many landowners throughout this country; and

"Whereas, private lands bought, developed, or farmed for many years are now suddenly classified as wetlands, which places severe restrictions on the continued use of the land as a viable source of livelihood; and

"Whereas, this expanded jurisdiction occurred only as a result of writing a new wetlands procedural manual, and not because of a change of law: Therefore, be it

"Resolved, That the Legislature of Louisiana hereby memorializes the Congress of the United States to take whatever action is necessary to cause the United States Environmental Protection Agency, the United States Department of Agriculture, the United States Soil Conservation Service, the United States Fish and Wildlife Service, and the United States Army Corps of Engineers to redefine "wetlands" such that prior-converted croplands excluded from the provisions of the Food Security Act of 1985 would also be excluded from regulation under section 404 of the Clean Water Act of 1972: Be it further

"Resolved, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-551. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 48

"Whereas, farming and farmlands make vital contributions to the economic well-being of the state of Louisiana; and

"Whereas, prior-converted croplands currently under cultivation in the wetlands region of Louisiana are threatened by recent action on the part of the United States Army Corps of Engineers and the Environmental Protection Agency to revise the federal definition of regulable wetlands; and

"Whereas, under the revised definition, approximately four million two hundred thousand acres of cropland currently under cultivation in the state would be subject to the permitting process of the United States Army Corps of Engineers; and

"Whereas, farmers and farming as an industry, have been made to endure various and numerous hardships in Louisiana and across the United States in recent years; and

"Whereas, loss of farmlands in the productive and fertile wetlands region of Louisiana would be a detriment to the individual farmers who cultivate the area in particular and to the farming industry in Louisiana in general: Therefore, be it

"Resolved, That the Legislature of Louisiana memoralizes the Congress of the United States to exempt prior-converted croplands from the definition of regulable wetlands under the control of the United States Army Corps of Engineers: Be it further

"Resolved, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-552. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 162

"Whereas, recently the Mega Borg, a Swedish oil tanker, exploded when attempting to transfer crude oil to a smaller tanker, which explosion resulted in a spill of nearly four million gallons of oil into the Gulf of Mexico; and

"Whereas, as a result of the oil spill, disasterous damage is occurring along much of Louisiana's coastline; and

"Whereas, much of the damage is irreversible in that it threatens the wildlife, waterfowl, fish, and oysters that claim the marshes, coasts, and estuaries as their homes; and

"Whereas, sixty-eight percent of the imported oil entering the United States enters the Gulf and three hundred and twenty-four million barrels of oil are produced on the federal Outer Continental Shelf each year; and

"Whereas, a state that is as heavily involved with the transport of oil and as seriously threatened by damage if it is spilled should be prepared for emergencies; and

"Whereas, the United States government has a responsibility to participate in and assure the effectiveness of an emergency response to any oil spill: Therefore, be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to require the United States Coastguard to immediately address the problem created by the oil spilled in the Gulf of Mexico from the tanker the Mega Borg by undertaking to spur those responsible for the tanker to clean up the spill and by coordinating efforts made in that regard and to require the creation of and provide for the implementation of the plans necessary to prevent future such occurrences and to respond quickly and effectively to those which do occur: Be it further *"Resolved,* That all efforts to plan for the prevention of or response to oil spills be developed in coordination and cooperation with all appropriate Louisiana officials: Be it further

"*Resolved,* That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-553. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 5

"Whereas, it has come to the attention of the Legislature of Louisiana that federal legislation has been proposed that would have the effect of mandating that there be lower assessment levels and/or lower rates of taxation for certain businesses and/or certain types of property, in particular, property owned by water carriers, pipelines, and telephone companies; and

"Whereas, a draft bill is being circulated by the Honorable J. James Exon, United States Senator from the state of Nebraska which would require such lower assessment levels; and

"Whereas, it has been estimated that passage of such proposed legislation would result in a direct loss of more than fifty million dollars of revenue annually to Louisiana's parishes, school boards, sheriffs, municipalities, levee and drainage boards, and other local taxing bodies; and

"Whereas, the loss of revenues of this magnitude would have a devastating effect on this states' local governing bodies, particularly in view of the poor economy in Louisiana over the last several years: Therefore , be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States, and the representatives of Louisiana in Congress, both Senators and House members alike, to strenuously oppose all proposed legislation which would have the effect of mandating a reduction in property assessments and/or lower rates of taxation for certain businesses or for certain property located in Louisiana, and particularly, that they oppose the draft legislative bill being circulated by U.S. Senator J. James Exon of Nebraska dealing with this matter: Be it further

Resolved, That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-554. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 136

"Whereas, there exists several proposals to increase federal excise taxes on such products as gasoline, beer, wine, and tobacco; and

"Whereas, higher federal excise taxes would increase the cost of such products to consumers, reduce consumers' disposable income, and threaten jobs in these industries; and

"Whereas, the United States tax laws have always been progressive with people paying based on their ability to pay; and

"Whereas, increases in federal excise taxes are regressive and would damage those least able to afford such tax increases with the increases falling most heavily on the middle class and working poor; and

"Whereas, if federal excise taxes are increased, the state's economic activity would be adversely affected and the state will lose revenue: Therefore, be it

Resolved, by the Legislature of Louisiana that the Congress of the United States is hereby memoralized to oppose any legislation which would increase the federal excise taxes on gasoline, beer, wine, and tobacco: Be it further

Resolved, That a copy of this Resolution be transmitted to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-555. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 148

"Whereas, the members of the Legislature of Louisiana wish to memorialize the Congress of the United States of review the provisions of the Social Security Act commonly known as the social security offset and windfall, which substantially reduce the anticipated retirement benefits of Louisiana public employees, for the purpose of repealing or amending those provisions to provide relief for such public employees and parity with benefits enjoyed by non-public employees who are able to receive private pensions without comparable reduction in social security benefits; and

"Whereas, most public employees in the state of Louisiana participate in state or local public retirement systems and not in the social security system as to such public employment; and

"Whereas, numerous Louisiana public employees and/or their spouses also are or have been employed in non-public sector jobs for which they and their employer have contributed to the social security system; and

"Whereas, upon retirement after many years of dedicated public service, Louisiana public employees have been promised and are entitled to receive a public pension based upon their service and contributions to the public retirement systems; and

"Whereas, Louisiana public employees who have also been employed in non-public sector jobs or have spouses who have been so employed and have contributed to the social security system upon retirement expect to receive social security benefits commensurate with their social security-covered service and comparable to those received by all others who contributed to the social security system; and

"Whereas, as a result of the social security windfall provision, Section 215(a)(7) of the Social Security Act and the offset provision, Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of Section 202 of the Social Security Act, the social security benefits for which contributions were made by the employee or the employee's spouse, respectfully, are substantially reduced or eliminated, severely impacting the financial condition of the public retiree; and

"Whereas, the Legislature of Louisiana firmly believes that Louisiana public employees should not be penalized for their years of dedicated public service and should receive social security benefits which are commensurate with their or their spouses' years of social security-covered service and contributions and are comparable to those received by all other employees. Therefore, be it

Resolved, That the Legislature of Louisiana hereby memorializes the Congress of the United States to review the windfall and offset provisions of the Social Security Act for the purpose of repealing or amending such provisions to provide relief to public system retirees and to provide social security benefits to such public system retirees which are commensurate with their or their spouses' years of social security-covered service and contributions and are comparable to those received by other retirees." Be it further

Resolved, That a copy of this Resolution be transmitted to each member of congress, to the secretary of state and presiding officers of both houses of the legislature of each of the other states in the union, to the clerk of the United States House of Representatives, to the secretary of the United States Senate, to the president of the United States, and to members of the public media."

POM-556. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION No. 95

"Whereas, Nicaraguans have endured years of strife in a war torn and embattled country; and

"Whereas, for the first time in memory the country is being led by a democratically elected government; and

"Whereas, democracy in its infancy, particularly in a country racked with the fallout of long term war, needs support; and

"Whereas, historically support from stable, economically strong democracies has assisted and strengthened fledgling democracies; and

"Whereas, the unalterable commitment of the United States of America to democracy flourishing in every corner of the globe is the crtical underpinning of our guiding principles of individual human rights, freedom, and dignity; and

"Whereas, the people of Nicaragua have struggled so long and deserve to enjoy life under such guiding principles: Therefore, be it

"Resolved, That the legislature of Louisiana memorializes the Congress of the United States to be sensitive to the needs of the Nicaraguan people by supporting the movement toward democracy demonstrated by the recent election in that country: Be it further

"Resolved, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-557. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 1660

"Whereas, there are an estimated 30,500 individuals listed as prisoners or missing in action from World War II, the Korean Conflict and the Vietnam Conflict; and

"Whereas, certain departments and agencies of the United States government maintain records and information concerning military personnel listed as either prisoner of war or missing in action; and

"Whereas, disclosure information that any department or agency may have regarding military personnel listed as prisoners or missing in action would benefit the families and the country: Therefore, be it

"Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois, That we urge Presi-

dent Bush to authorize the release of any information that any department or agency may have concerning military personnel listed as prisoner of war or missing in action from World War II, the Korean conflict and the Vietnam Conflict; and be it further

"*Resolved*, That copies of this resolution be presented to President George Bush, the President of the United States Senate, the Speaker of the United States House of Representatives and each member of the Illinois Congressional delegation."

POM-558. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources:

"SENATE CONCURRENT RESOLUTION No. 13

"Whereas, Chronic Fatigue Syndrome, also known as Epstein-Barr Viral Syndrome and Chronic Fatigue Immune Dysfunction Syndrome, is a serious illness characterized by overwhelming fatigue, weakness, and many other disabling symptoms; and

"Whereas, there is no known cause, treatment, or cure for Chronic Fatigue Syndrome which is often incorrectly diagnosed and those inflicted are treated inappropriately; and

"Whereas, Chronic Fatigue Syndrome symptoms may last for many months or years and are often debilitating; and

"Whereas, it is important that we build a greater knowledge and awareness of Chronic Fatigue Syndrome and increase coordination of research and programs to combat this syndrome: Therefore, be it

"*Resolved*, That the Legislature of Louisiana hereby memorializes the Congress of the United States to increase the coordination of chronic fatigue syndrome research and programs within the public health community for the exchange of information about this disease: Be it further

"*Resolved*, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-559. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Governmental Affairs:

"HOUSE CONCURRENT RESOLUTION No. 130

"Whereas, federal law currently provides, when a federal agency determines that it no longer requires the use of property which it owns, that the property becomes excess property and it is then screened for possible use by other federal agencies, and when no other federal agency requires the property for its activities, it becomes surplus property; and

"Whereas, federal surplus property may be donated to state agencies for distribution to local governments, nonprofit educational or public health institutions, medical institutions, hospitals, clinics, health centers, schools, colleges, universities, schools for the mentally retarded, schools for the physicially handicapped, child care centers, and other such institutions; and

"Whereas, such use of federal property by states, local governemtns, and other authorized domestic users has the effect of extending the use of property paid for by the U.S. taxpayer to promote conservation, economic development, education, the development of parks and recreation, public health, and public safety in the United States; and * * *"

POM-560. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Governmental Affairs:

"SENATE CONCURRENT RESOLUTION No. 50

"Whereas, certain departments and agencies of the United States government now maintain and receive information correlated to United States personnel listed as prisoners of war, or missing in action, from World War II, the Korean Conflict, and the Vietnam Conflict; and

"Whereas, it is the desire of the people of Louisiana that such information be disclosed by those federal departments and agencies maintaining such records and information; and

"Whereas, disclosure would allow a nation, proud of its democratic heritage, to no longer keep secret from itself those facts necessary to achieve long overdue introspection; and

"Whereas, disclosure would allow generations recalling World War II, the Korean Conflict, and the Vietnam Conflict to pay tribute to and thank their contemporaries, those brave Americans who suffered and may continue to suffer the fate of prisoners of war, and those brave Americans who are still listed as missing in action; and

"Whereas, H.R. 3603 accomplishes disclosure, while at the same time protects the national security, and also provides for the privacy of those families affected; Therefore, be it

"*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to pass H.R. 3603: Be it further

"*Resolved*, That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-561. A resolution adopted by the County Council of King County, WA, favoring the development of a prejudicial conflict resolution process to address intergovernmental conflicts between State or local governments and Indian tribes; to the Select Committee on Indian Affairs.

POM-562. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Select Committee on Indian Affairs:

"SENATE CONCURRENT RESOLUTION No. 124

"Whereas, communities of the Houma Indian Nation have existed in the vicinity of Grand Caillou, DuLac Golden Meadow, Isle de Jean Charles, Lower Pointe aux Chenes, Lower Montegut, and Bayou DuLarge since the eighteenth century extending throughout southeastern Louisiana; and

"Whereas, ancestors of the United Houma Nation, Incorporated of Southeastern Louisiana were residing in the area consisting of Louisiana at the time of first contact with LaSalle in 1686 and have continued to reside in the area of Louisiana since that time; and

"Whereas, research by noted anthropologists has determined that the Houma Indians are, indeed, native to Louisiana; and

"Whereas, in 1979, the Houma Alliance, which was incorporated in 1974 and the Houma Tribe, which was incorporated in 1972, merged to become the United Houma Nation, Incorporated of Southeastern Louisiana; and

"Whereas, the policy of the state of Louisiana provides for recognition of Indian tribes within its borders, to support their tribal aspirations, to preserve their cultural heritage and improve their economic condition, and to assist them in the achievement of their just rights; and

"Whereas, wetland and coastal erosion poses an imminent threat to the culture, livelihood, and homeland of the Houma Indians; and

"Whereas, pending before the Congress of the United States are Senate Bill 2423 and HR 4886 which extends federal recognition of the United Houma Nation; and

"Whereas, the state of Louisiana desires to reaffirm the continuity of the state's recognition of the United Houma Nation as exhibited in House Concurrent Resolution No. 97 of the 1977 Regular Session of the Legislature: Therefore, be it

"*Resolved by the Legislature of Louisiana*, That the state of Louisiana formally recognize the United Houma Nation, Incorporated of Southeastern Louisiana as an Indian community of the state: Be it further

"*Resolved*, That the Legislature of Louisiana memoralizes the President of the United States, the Congress of the United States, the assistant secretary of the Bureau of Indian Affairs within the United States Department of the Interior, the members of the Senate Select Committee on Indian Affairs, the members of the House Interior and Insular Affairs Committee, and each member of the Louisiana Congressional Delegation to support the adoption of Senate Bill 2423 and HR 4886 to extend federal recognition to the United Houma Nation: Be it further

"*Resolved*, That the appropriate federal officials are hereby urged and requested to do that which is necessary to effectuate the formal recognition of the United Houma Nation, Incorporated of Southeastern Louisiana acknowledging that the rights of the Houma Indians are not less, if not greater, than the rights of other Indian tribes in the United States: Be it further

"*Resolved*, That a copy of this Resolution shall be transmitted to the Governor of the state of Louisiana, the President of the United States, the Congress of the United States, the assistant secretary of the Bureau of Indian Affairs within the United States Department of the Interior, the members of the Senate Select Committee on Indian Affairs, the members of the House Interior and Insular Affairs Committee, and each member of the Louisiana Congressional Delegation."

POM-563. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources:

"SENATE CONCURRENT RESOLUTION No. 141

"Whereas, the in-home services program in an integral part of the Council on Aging providing such services as meals, housekeeping and handyman repairs to some 27,827 elderly persons whose financial means or health would otherwise prohibit them from receiving such assistance; and

"Whereas, there are presently some 138,600 elderly persons in the state who have expressed a need for such services as are provided by the in-home services program; and

"Whereas, the recent federal budget cuts to the in-home services program can only add to the more than 110,000 elderly persons presently being denied these basic services and whose names remain on waiting lists across the state; and

"Whereas, there is no other program in the state that provides the same or similar services to the elderly population, thus rendering those persons helpless as relates to adequate nutrition and decent housing: Therefore, be it

"Resolved, That the Legislature of Louisiana hereby memoralizes the Congress of the United States to provide full funding for the in-home services program provided by the Council on Aging in all parishes of the state of Louisiana in sufficient amount so as to provide meals and services to all applicants: Be it further

"Resolved, That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana Delegation."

POM-564. A concurrent resolution adopted by the Legislature of the State of Florida; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 451

"Whereas, among the first 12 amendments to the United States Constitution proposed in 1789 was an amendment stating: "No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened," and

"Whereas, although this amendment has not yet been ratified by the requisite number of state legislatures, there was no time limit given for such ratification: Now, therefore, be it

"Resolved by the House of Representatives of the State of Florida, the Senate Concurring, That the proposed amendment to the Constitution of the United States set forth below be, and the same is hereby, ratified by the Legislature of the State of Florida:

" 'No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened': Be it further

"Resolved, That certified copies of the foregoing preamble and resolution be immediately forwarded by the Secretary of State of the State of Florida, under the great seal, to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Archivist of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of substitute:

S. 1976. A bill to provide for continued United States leadership in high-performance computing (Rept. No. 101-377).

By Mr. JOHNSTON, from the Committee on Appropriations, with amendments:

H.R. 5019. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes (Rept. No. 101-378).

By Mr. CRANSTON, from the Committee on Veterrans Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 2100. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to amend title 38, United States Code, to improve veterans' compensation, health-care, insurance, and housing programs, and to provide for transitional group residences for veterans recovering for substance-abuse disabilities; and for other purposes (Rept. No. 101-379).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2283. A bill to amend the Public Health Service Act to establish a program of grants for the prevention and control of breast and cervical cancer, and for other purposes (Rept. No. 101-380).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1880. A bill to amend title VI of the Communcations Act of 1934 to ensure carriage on cable television of local news and other programming and to restore the right of local regulatory authorities to regulate cable television rates, and for other puroses (Rept. No. 101-381).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

George F. Murphy, Jr., of Maryland, to be inspector general, U.S. Information Agency.

Philip S. Kaplan, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Deputy United States Representative to the Negotiations on Conventional Armed Forces in Europe (CFE).

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Philip S. Kaplan.

Post: Ambassador, Negotiations on Conventional Forces in Europe.

Contributions, amount, date, and donee:

1. Self: Philip S. Kaplan, none.
2. Spouse: Barbara Ellen Kaplan, none.
3. Children and spouses names: Douglas S. Kaplan, none.
4. Parents names: Morris Kaplan; Rose Kaplan, none to my knowledge.
5. Grandparents names: Sam & Pauline Falk; Fannie Kaplan, deceased.
6. Brothers and spouses names: Jerome & Carol Kaplan, none to my knowledge.
7. Sisters and spouses names: No Sister.

Thomas W. Simons, Jr., of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Poland.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Thomas W. Simons, Jr.

Post: Poland.

Contributions, amount, date, and donee:

1. Self: Thomas W., Jr., none.
2. Spouse: Margaret Q., none.
3. Children and spouses names: Suzanne Deirdre; Benjamin Thomas (both unmarried), none.
4. Parents names: Thomas W. and Mary Jo Simons, $60, 1986; $50, 1987; $50, 1988; $25, 1989—DNC.
5. Grandparents names: All 4 decease.
6. Brothers and spouses names: No brother.
7. Sisters and spouses names: Sara R., and Richard Cohen, $25, 1988, Peter Gruenstein (candidate for Congress in Alaska).

Hugh Kenneth Hill, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bulgaria.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: H. Kenneth Hill.

Post: Bulgaria.

Contributions, amount date, and donee:

Self: None except tax allotment.

2. Spouse: None except tax allotment.
3. Children and spouses names: Derek, Jennifer and Brian, none except tax allotment.
4. Parents names: Helen M. Hill, none except tax allotment.
5. Grandparents names: Deceased.
6. Brothers and spouses names: Ottis G. Hill, Roberta Hill, $400—$100 each year, Century Club, Montana Democratic Party; $240 during past year, Champac (Champion Pac (Co.) Pol. Action Comm.
7. Sisters and spouses names: Glen and LaVerne Bushong; M.C. and Loreta M. Burns, none except tax allotment.

Aurelia Erskine Brazeal, of Georgia, a Career Member of the Senior Foreign Service Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federated States of Micronesia.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Aurelia E. Brazeal.

Post: Ambassador to Federated States of Micronesia.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: None.
4. Parents names: None.
5. Grandparents names: None.
6. Brothers and spouses names: None.
7. Sisters and spouses names: None.

Roy M. Huffington, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Austria.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Roy M. Huffington.

Post: Ambassador to Austria.

Contributions, amount, date, and donee: 1. Self:

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89

Payee	By	Amount	Year	Month
ROY M. HUFFINGTON				
Abdnor, Senator James	RMH	$500	1986	August.
Abdnor, Senator James	RMH	500	1986	July.
Archer for Congress Committee	RMH	500	1986	May.

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89—Continued

Payee	By	Amount	Year	Month
Ashe, Victor, for U.S. Senate	RMH	50	1986	December.
Associated Republicans of Texas	RMH	100	1986	March.
Associated Republicans of Texas	RMH	100	1986	May.
Bond, Kit, Missourians for	RMH	1,000	1985	July.
Broyhill, Roy	RMH	1,000	1986	July.
DeLay, Tom, Congressional Committee.	RMH	100	1986	July.
Delay, Tom, Congressional Committee.	RMH	100	1986	January.
Denton for Senate	RMH	100	1986	December.
Denton for Senate	RMH	500	1986	August.
Denton for Senate	RMH	500	1986	July.
DuPerier for Congress 1986	RMH	1,000	1986	May.
Duperier for Congress 1986	RMH	100	1986	March.
Gorton, Slade, 86 Committee	RMH	1,000	1986	July.
Gramm Senate Club	RMH	25	1986	May.
Gramm, Friends of Phil	RMH	25	1986	May.
Hargett, Ed, East Texans for	RMH	100	1986	June.
Hargett, Ed, East Texans for	RMH	500	1986	July.
Hawkins, Paula, Re-elect Senator	RMH	1,000	1986	July.
Hutchinson for Senate Committee	RMH	200	1986	December.
Hutchinson for Senate Committee	RMH	1,000	1986	July.
Koehler, Judy, Friends of	RMH	100	1986	November.
Koehler, Judy, Friends of	RMH	1,000	1986	July.
Kramer, Ken, '86	RMH	1,000	1986	July.
Livingston, Bill, for Senate	RMH	100	1986	October.
Livingston, Bill, for Senate	RMH	100	1986	May.
Mattingly, Mack, Friends of	RMH	100	1986	December.
Mattingly, Mack, Friends of	RMH	500	1986	August.
Mattingly, Mack, Friends of	RMH	500	1986	July.
McNiel, Friends of Don	RMH	100	1986	November.
McNiel, Friends of Don	RMH	200	1986	August.
Moore, Henson, Election Committee.	RMH	1,000	1986	August.
Moore, Henson, Election Committee.	RMH	500	1986	July.
Republican National Committee	RMH	100	1986	June.
Republican National Committee	RMH	100	1986	May.
Republican National Committee	RMH	75	1986	March.
Republican National Committee	RMH	75	1986	January.
Republican Party of Harris County.	RMH	25	1986	March.
Republican Party of Harris County.	RMH	100	1986	October.
Republican Party of Louisiana	RMH	100	1986	November
Republican Party of Missouri	RMH	100	1986	December.
Republican Party of Texas	RMH	100	1986	July.
Richardson, Committee to Elect Bill.	RMH	100	1986	April.
Richardson, Committee to Elect Bill.	RMH	100	1986	August.
Santini, Jim for Senator Committee.	RMH	1,000	1986	July.
Smith, Lamar, East Texans for	RMH	250	1986	December.
Smith, Lamar, for Congress	RMH	200	1986	August.
Smith, Lamar, Friends of	RMH	100	1986	November.
Snelling, Richard, 86 Committee	RMH	500	1986	August.
Specter, Arlen, for U.S. Senate	RMH	100	1986	July.
Symms, Senator Steve	RMH	1,000	1986	November.
Symms, Senator Steve	RMH	500	1986	August.
Zschau, Ed, for Senate Committee.	RMH	1,000	1986	July.
Zschau, Ed, for Senate Committee.	RMH	1,000	1986	July.
Andrews, Jack, for Senate Committee.	RMH	100	1987	August.
Aspin, Les, Reelection Committee	RMH	200	1987	April.
Bentsen, Senator Lloyd, Election Committee.	RMH	1,000	1987	July.
Bush, George, for President Committee.	RMH	1,000	1987	April.
Committee for a 6-Year Pres. Term.	RMH	250	1987	April.
DioGuardi, People for	RMH	250	1987	February.
Gramm Senate Club	RMH	25	1987	June.
Hatch, Senator Orin, Election Committee.	RMH	500	1987	January.
Hecht, Chic, Reelection Committee.	RMH	100	1987	April.
HUFFPAC	RMH	5,000	1987	August.
Kramer, Ken, 86	RMH	100	1987	January.
Lugar, Richard, Friends of	RMH	100	1987	February.
Moore, Henson, Election Committee.	RMH	100	1987	June.
National Republican Senatorial Trust.	RMH	10,000	1987	June.
Republican National Committee	RMH	100	1987	December.
Republican National Committee	RMH	100	1987	July.
Republican Party of Harris County.	RMH	100	1987	April.
Republican Party of Texas	RMH	1,000	1987	August.
Trible, Senator Paul, Friends of	RMH	500	1987	April.
Boulter, Beau, for Senate	RMH	1,000	1988	June.
Boulter, Beau, Texans for	RMH	500	1988	December.
Boulter, Beau, Texans for	RMH	100	1988	April.
Caperton, Senator Kent A., Campaign.	RMH	100	1988	May.
Danforth, John, for Senate Committee.	RMH	500	1988	June.
Dawkins, Pete, for U.S. Senate	RMH	250	1988	December.
Dawkins, Pete, for U.S. Senate	RMH	1,000	1988	June.
Durenberger, Dave, for U.S. Senate.	RMH	1,000	1988	June.
GOPAC	RMH	5,000	1988	June.

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89—Continued

Payee	By	Amount	Year	Month
Gorton, Friends for Slade 1988	RMH	1,000	1988	June.
Hatch, Senator Orin B., Campaign.	RMH	1,000	1988	June.
Hecht, Chic, Re-Election Campaign.	RMH	1,000	1988	June.
Karnes, Friends of Senator David	RMH	1,000	1988	June.
King, Steve, for Senate Committee.	RMH	500	1988	June.
Lott, Trent, for Mississippi	RMH	1,000	1988	June.
Mack, Friends of Connie	RMH	1,000	1988	June.
McQueen for Congress	RMH	100	1988	June.
Meyer, Fred, for State Chairman	RMH	500	1988	April.
Republican National Committee	RMH	100	1988	December.
Republican Party of Texas	RMH	20,000	1988	August.
Republican Party of Texas	RMH	1,000	1988	August.
Republican Party of Texas	RMH	100	1988	June.
Smith, Ashley, Campaign	RMH	100	1988	June.
Smith, Carl, Campaign	RMH	100	1988	August.
Smith, Dalton, Campaign	RMH	100	1988	May.
Sweeney, Texans For Mac	RMH	500	1988	January.
Voinovich, Friends of George	RMH	1,000	1988	June.
Volunteer Texas PAC	RMH	500	1988	April.
Bryan for U.S. Congress	RMH	100	1989	October.
Coalition for America	RMH	2,500	1989	November.
Committee on Limiting Terms Policy.	RMH	25	1989	August.
GOPAC	RMH	5,000	1989	June.
Hartland for Representative	RMH	250	1989	July.
Hartland for Representative	RMH	500	1989	May.
Hartland, Charlie, Reelection Campaign.	RMH	100	1989	December.
Hutchison, Kathy Bailey	RMH	100	1989	March.
Karnes, Friends of Senator Dave	RMH	50	1989	January.
Lanier, Bob, for Congress Committee.	RMH	1,000	1989	August.
Lanier, Bob for Congress Committee.	RMH	250	1989	July.
President's Dinner	RMH	15,000	1989	May.
Republican National Comm. (Team 100).	RMH	100,000	1989	May.
Republican National Committee	RMH	100	1989	December.
Republican National Committee	RMH	100	1989	December.
Republican National Committee	RMH	100	1989	June.
Republican Party of Harris County.	RMH	5,000	1989	October.
Republican Party of Texas	RMH	1,000	1989	September.
Republican Party of Texas	RMH	1,000	1989	May.
Vandervoort, Ken, Campaign	RMH	500	1989	October.
Wilson, Californians for Senator Pete.	RMH	100	1989	January.
PHYLLIS GOUGH HUFFINGTON				
Abdnor, Senator James	PGH	1,000	1986	August.
Broyhill, Roy	PGH	1,000	1986	August.
Hawkins, Paula, Re-elect Senator	PGH	1,000	1986	August.
Hutchison For Senate Committee	PGH	1,000	1986	August.
Kasten For Senate	PGH	1,000	1986	August.
Kramer, Ken, 1986	PGH	1,000	1986	August.
Republican Eagles	PGH	10,000	1986	April.
Santini, Jim, For Senate Committee.	PGH	1,000	1986	August.
Zschau, Ed, for Senate Committee.	PGH	1,000	1986	August.
Bentsen, Senator Lloyd, Election Committee.	PGH	1,000	1987	April.
Bush, George, for President Committee.	PGH	1,000	1987	April.
Republican National Committee	PGH	10,000	1987	April.
Fund for America's Future	PGH	5,000	1988	February.
Republican National Committee	PGH	10,000	1988	June.
Gramm, Friends of Phil	PGH	950	1989	February.
MICHAEL HUFFINGTON				
Chavez, Linda, for Senate	MH	400	1986	September.
Republican Party of Texas	MH	100	1986	July.
Vice President's Exploratory Account.	MH	750	1986	August.
Vice President's Exploratory Account.	MH	250	1987	January.
Dornan, Bob, For Congress	MH	100	1988	September.
Republican National Committee	MH	100	1988	August.
Texas Presidential Gala	MH	1,000	1989	October.
TERRY HUFFINGTON DITTMAN				
None				
GERALDINE HUFFINGTON MILLWEE				
Republican National Committee	GHM	25	1987	July.
Republican National Committee	GHM	25	1987	September.
Republican National Committee	GHM	25	1988	March.
Republican National Committee	GHM	25	1989	January.
ROY M. HUFFINGTON, INC.				
Republican Eagles	RMHI/MH	10,000	1986	
Texas Inaugural Committee	RMHI/RMH	5,000	1987	January.
President's Dinner	RMHI/RMH	15,000	1988	March.
Republican National Committee	RMHI/MH	10,000	1988	January.
Republican National Committee	RMHI/MH	1,100	1988	June.
Target 88	RMHI/MH	5,000	1988	August.
Voter 88	RMHI/RMH	1,000	1988	January.
Republican National Committee (Team 100).	RMHI/MH	90,000	1989	April.

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89—Continued

Payee	By	Amount	Year	Month
HUFFPAC (RMHI POLITICAL ACTION COMMITTEE)				
Andrews, People for Mark, Committee.	HUFFPAC	1,000	1986	October.
Barton, Congressman Joe, Committee.	HUFFPAC	500	1986	October.
Barton, Congressman Joe, Committee.	HUFFPAC	1,000	1986	October.
Bond, Kit, Missourians for	HUFFPAC	1,000	1986	October.
Chavez, Linda, for Senate	HUFFPAC	1,000	1986	October.
DeLay, Tom, Congressional Committee.	HUFFPAC	500	1986	October.
Gorton, Slade, 1986 Committee	HUFFPAC	1,000	1986	October.
Hawkins, Committee to Re-Elect Paula.	HUFFPAC	1,000	1986	October.
Hutchison for Senate Committee	HUFFPAC	1,000	1986	October.
Moore, Henson, Election Committee.	HUFFPAC	1,000	1986	October.
Sweeney, Texans for Mac	HUFFPAC	1,000	1986	October.
Vice President's Exploratory Account.	HUFFPAC	750	1986	October.
Zschau, Ed, for Senate Committee.	HUFFPAC	1,000	1986	October.
Bush, George, for President Committee.	HUFFPAC	4,000	1987	May.
Gramm, Friends of Phil	HUFFPAC	2,000	1987	January.
Dawkins, Pete, for U.S. Senate	HUFFPAC	500	1988	May.
Engeleiter, Susan, for U.S. Senate.	HUFFPAC	500	1988	May.
Gramm, Friends of Phil	HUFFPAC	2,000	1988	April.
Lugar, Friends of Dick, Committee.	HUFFPAC	200	1988	May.
Republican Senatorial Inner Circle	HUFFPAC	1,000	1988	January.
Voinovich, Friends of George	HUFFPAC	500	1988	May.
Wilson, Californians for Pete	HUFFPAC	500	1988	June.

Source: RMH—Roy M. Huffington; PGH—Phyllis Gough Huffington; MH—Michael Huffington; THD—Terry Huffington Dittman; GHM—Geraldine Huffington Millwee; RMHI—Roy M. Huffington, Inc.; HUFFPAC—Roy M. Huffington, Inc. Political Action Committee.

2. Spouse: Phyllis Gough Huffington.

3. Children and spouses, names: Michael Huffington; Arianna Stassinopoulos Huffington; Terry Huffington Dittman/Ralph Ernest Dittman.

4. Parents names: Roy Mackey Huffington, deceased; Bertha Michel Huffington, deceased.

5. Grandparents names: Joseph M. Huffington, deceased; Alice Mackey Huffington, deceased; Jacob Michel, deceased; Martha Weirich Michel, deceased.

6. Brothers and spouses names: I have no brother.

7. Sisters and spouses names: Geraldine Huffington Millwee; Robert Hughes Millwee, Jr.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to testify before any duly constituted committee of the Senate.)

Mr. PELL, for the Committee on Foreign Relations, reported favorably the convention against torture and other cruel, inhuman or degrading treatment or punishment (Treaty Doc. 100-20), and a resolution of advice and consent to ratification thereto with three reservations, four understandings, and two declarations.

TEXT OF RESOLUTION OF RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, adopted by unanimous agreement of the United Nations General Assembly on December 10, 1984, and signed by the United States on April 18, 1988, *Provided that:*

I. The Senate's advice and consent is subject to the following reservations:

(1) That the United States shall implement the Convention to the extent that the Federal Government exercises legislative and judicial jurisdiction over the matters covered therein; to the extent that constituent units exercise jurisdictions over such matters, the Federal Government shall take appropriate measures, to the end that the competent authorities of the constituent units may take appropriate measures for the fulfillment of this Convention.

(2) That the United States considers itself bound by the obligation under Article 16 to prevent "cruel, inhuman or degarding treatment or punishment," only insofar as the term "cruel, inhuman or degrading treatment or punishment" means the cruel, unusual and inhumane treatment or punishment prohibited by the Fifth, Eighth, and/or Fourteenth Amendments to the Constitution of the United States.

(3) That pursuant to Article 30(2) the United States declares that it does not consider itself bound by Article 30(1), but reserves the right specifically to agree to follow this or any other procedure for arbitration in a particular case.

II. The Senate's advice and consent is subject to the following understandings, which shall apply to the obligations of the United States under this Convention:

(1)(a) That with reference to Article 1, the United States understands that, in order to constitute torture, an act must be specifically intended to inflict severe physical or mental pain or suffering and that mental pain or suffering refers to prolonged mental harm caused by or resulting from: (1) the intentional infliction or threatened infliction of severe physical pain or suffering; (2) the administration or application, or threatened administration or application, of mind altering substances or other procedures calculated to disrupt profoundly the senses or the personality; (3) the threat of imminent death; or (4) the threat that another person will imminently be subjected to death, severe physical pain or suffering, or the administration or application of mind altering substances or other procedures calculated to disrupt profoundly the senses of personality.

(b) That the United States understands that the definition of torture in Article 1 is intended to apply only to acts directed against persons in the offender's custody or physical control.

(c) That with reference to Article 1 of the Convention, the United States understands that "sanctions' includes judicially-imposed sanctions and other enforcement actions authorized by United States law or by judicial interpretation of such law provided that such sanctions or actions are not clearly prohibited under international law.

(d) That with reference to Article 1 of the Convention, the United States understands that the term "acquiescence" requires that the public official, prior to the activity constituting torture, have awareness of such activity and thereafter breach his legal responsibility to intervene to prevent such activity.

(e) That with reference to Article 1 of the Convention, the United States understands that noncompliance with applicable legal procedural standards does not *per se* constitute torture.

(2) That the United States understands the phrase, "where there are substantial grounds for believing that he would be in danger of being subjected to torture," as used in Article 3 of the Convention, to mean "if it is more likely than not that he would be tortured."

(3) That it is the understanding of the United States that Article 14 requires a State Party to provide a private right of action for damages only for acts of torture committed in territory under the jurisdiction of that State Party.

(4) That the United States understands that international law does not prohibit the death penalty, and does not consider this Convention to restrict or prohibit the United States from applying the death penalty consistent with the Fifth, Eighth and/or Fourteenth Amendments to the Constitution of the United States, including any constitutional period of confinement prior to the imposition of the death penalty.

III. The Senate's advice and consent is subject to the following declarations:

(1) That the United States declares that the provisions of Articles 1 through 16 of the Convention are not self-executing.

(2) That the United States declares, pursuant to Article 21, paragraph 1, of the Convention, that it recognizes the competence of the Committee against Torture to receive and consider communications to the effect that a State Party claims that another State Party is not fulfilling its obligations under the Convention. It is the understanding of the United States that, pursuant to the above mentioned article, such communications shall be accepted and processed only if they come from a State Party which has made a similar declaration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MACK:

S. 2875. A bill to provide for the preservation of H.B. Plant Hall on the campus of the University of Tampa; to the Committee on Energy and Natural Resources.

By Mr. METZENBAUM (for himself, Ms. MIKULSKI, and Mr. SIMON):

S. 2876. A bill to amend the Public Service Act to provide for adequate representation with respect to the availability of bone marrow pursuant to the bone marrow registry established under such Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS:

S. 2877. A bill to temporarily suspend the implementation of program exclusivity regulations of the Federal Communications Commission in broadcasting areas adjacent to time zone borders and to require the Federal Communications Commission to review the regulations and propose revisions that protect the syndicated exclusivity rights of broadcasters while providing viewers with adequate program opportunities; to the Committee on Commerce, Science, and Transportation.

S. 2878. A bill to amend the discretionary allocation provisions of Public Law 81-874 (Impact Aid), and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 2879. A bill to amend the John F. Kennedy Center Act to authorize appropriations for maintenance, repair, alteration and other services necessary for the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BURNS (for himself, Mr. BOND, Mr. BAUCUS, Mr. SYMMS, Mr. MCCLURE, Mr. MURKOWSKI, and Mr. STEVENS):

S. 2880. A bill to allow the Secretary of the U.S. Department of Agriculture or other appropriate official to protect persons engaged in a lawful hunt within a National Forest or on other lands affected with a Federal interest; establishing an administrative civil remedy against individuals or groups intentionally obstructing, impeding, or interfering with the conduct of a lawful hunt; and for other purposes; to the Committee on Environment and Public Works.

By Mr. FOWLER (for himself, Mr. DASCHLE, Mr. HEFLIN, Mr. SANFORD, Mr. SHELBY, Mr. HARKIN, Mr. METZENBAUM, and Mr. INOUYE):

S. 2881. A bill to promote equal opportunity for minority farmers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SIMON (for himself, Mr. DODD, Mr. JEFFORDS, and Mr. DIXON):

S.J. Res. 352. A joint resolution designating the month of September, 1991, as "National Growth Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRESSLER:

S. Res. 310. A resolution stating that the Senate urges the President to instruct the Attorney General to appoint an independent counsel to investigate the involvement of Government officials in the savings and loan scandal; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MACK:

S. 2875. A bill to provide for the preservation of H.B. Plant Hall on the campus of the University of Tampa; to the Committee on Energy and Natural Resources.

PRESERVATION OF H.B. PLANT HALL

● Mr. MACK. Mr. President, today, I am introducing a bill which would provide financial assistance for the restoration of H.B. Plant Hall on the campus of the University of Tampa, a national historic landmark and symbol of the historical development of the State of Florida.

H.B. Plant Hall was orginally the Tampa Bay Hotel, which was opened in 1891 by Henry B. Plant. The hotel was a luxurious 511-room Moorish-revival-style structure adorned with six minarets, four cupolas, and three homes. The hotel drew celebrities from around the world, including Teddy Roosevelt and Babe Ruth and it held balls, tea parties, and organized hunts during the winter social season.

Following Henry B. Plant's death in 1899, the hotel operated sporadically

under a series of different managers and failed to prosper for a number of years. In the 1930's, the University of Tampa outgrew its facilities, so the university entered into a long-term lease with the city for the use of the hotel's buildings and grounds for offices and classrooms. Since 1933 this national historic landmark has been used by the University of Tampa as its main facility.

The former Tampa Bay Hotel is nearing its 100th birthday and an extensive $12 milion restoration is underway; $4.5 million has already been spent on the project from funds made available by various sources in Florida.

A remaining total of $7.5 million is needed over a 3-year period—$2.5 million per year—to complete the project to preserve this national historic landmark. This bill would authorize these funds to ensure that such a valued national historic landmark be preserved.●

By Mr. METZENBAUM (for himself, Ms. MIKULSKI, and Mr. SIMON):

S. 2876. A bill to amend the Public Service Act to provide for adequate representation with respect to the availability of bone marrow pursuant to the bone marrow registry established under such act and for other purposes; to the Committee on Labor and Human Resources.

BONE MARROW REGISTRY ACT

● Mr. METZENBAUM. Mr. President, I rise to introduce the Bone Marrow Registry Act of 1990. At the outset I would like to salute the efforts of Representative VIC FAZIO, who introduced this bill last month in the House of Representatives. Representative FAZIO's personal and professional commitment to the Bone Marrow Program is well known.

More than 7,000 children and adults die in this country every year of blood diseases that could be cured by bone marrow transplants. They die because the chances of finding a matched unrelated bone marrow donor is about 1 in 20,000. The Federal Government established a national registry to facilitate the finding of that 1 in 20,000 matched donor. The registry contains the names of more than 87,000 volunteers who had their marrow typed at a cost of $75 to aid computer searches for matched donors. But the registry is of insufficient size and diversity to offer much hope for the terminally ill to receive this living gift of life. Thus these patients and their families, already suffering from the trauma of a life threatening disease, often take on the additional costly and heroic effort of finding suitable donors through emergency appeals to the public at large.

Recent estimates indicate that if 250,000 persons were registered as potential donors, 80 percent of those in need of donors could find a match. Moreover, once a suitable match is found, 80 percent of all unrelated donor transplants are completely successful. The price of expanding the registry to 250,000 volunteers is $15 million.

Mr. President, I and many of colleagues in the both the House and Senate are willing to pay this price to prevent the needless death of so many people. The Bone Marrow Registry Act of 1990 is a one-time $15 million authorization for the purpose of testing potential donors with an emphasis on racial and ethnic populations inadequately represented in the registry. This funding level will not only enable the registry to reach a goal of 250,000 volunteers and thereby give thousands a better than even chance of full recovery from a life threatening disease, but also ease some of the burdens on patients and their families who, despite their own personal difficulties, have significantly increased the number of potential donors through their own time, efforts, and expense.

I urge all my colleagues to support this important legislation. I ask unanimous consent that the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bone Marrow Registry Act of 1990".

SEC. 2. ADEQUATE REPRESENTATION REGARDING BIOLOGICAL TYPES IN BONE MARROW REGISTRY UNDER PUBLIC HEALTH SERVICE ACT.

(a) IN GENERAL.—Section 373(b) of the Public Health Service Act (42 U.S.C. 274a(b)) is amended by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

"(2) With respect to biological compatibility in the transplantation of bone marrow, the Secretary shall ensure that the various types are represented in the registry under paragraph (1) to the extent necessary to provide adequate representation, for purposes of the registry, of the population of the United States. In providing for such adequate representation, the Secretary shall provide for a sufficient increase in the registry regarding any type of bone marrow that is underrepresented on the date of the enactment of the Bone Marrow Registry Act of 1990.".

(b) AUTHORIZATION OF APPROPRIATIONS FOR REGISTRY.—Section 373(b)(3) of such Act (42 U.S.C. 274a(b)) (as redesignated by subsection (a)) is amended to read as follows:

"(3)(A) For the purpose of carrying out paragraph (1), there are authorized to be appropriated $15,000,000.

"(B) Amounts made available under subparagraph (A) shall remain available until expended.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.●

By Mr. BURNS (for himself, Mr. BOND, Mr. BAUCUS, Mr. SYMMS, Mr. MCCLURE, Mr. MURKOWSKI, and Mr. STEVENS):

S. 2880. A bill to allow the Secretary of the U.S. Department of Agriculture or other appropriate official to protect persons engaged in a lawful hunt within a national forest or on other lands affected with a Federal interest; establishing an administrative civil remedy against individuals or groups intentionally obstructing, impeding, or interfering with the conduct of a lawful hunt, and for other purposes; to the Committee on Environment and Public Works.

NATIONAL FOREST HUNTER SAFETY AND PROTECTION ACT

Mr. BURNS. Mr. President, I rise today on behalf of myself and Senators BOND, BAUCUS, SYMMS, and MCCLURE to introduce the National Forest Hunter Safety and Protection Act of 1990.

America's cherished system of hunting, long admired by people throughout the world, is being seriously threatened by the tactics of a small, but well-organized group of anti-hunting activists.

These activists have decided not to try and change the laws or beliefs of Americans but instead have chartered a confrontational path of harrassment, intimidation and obstruction aimed at legitimate and law abiding sport hunters.

This bill simply says that any person who knowingly acts with intent to obstruct, impede, or otherwise interfere with the conduct of a lawful hunt on land affected with a federal interest may be assessed a civil penalty of not less than $1,000 but not to exceed the sum of $10,000 for each violation.

I would like to give you a few reasons for the need to protect hunters.

Harassment of legitimate and lawful hunting is on the rise. We noticed it in Montana last year.

Harrassment is an unreasonable interference with hunting.

Harassment is being done by groups whose true goals are to end all use of animals, and that has far reaching implications.

The groups who pursue these goals are not content with the normal mechanisms offered for debate in our free society. They have decided that the ends justify the means, and therefore they will interfere with lawful activities.

Hunting is a traditional and beneficial recreation, both for the hunter and for the management of wildlife populations.

The money paid by hunters in the form of license fees and excise taxes pay the bulk of the bill for the conservation of wildlife.

Under the combination of revenue from hunting and management of populations through hunting, wildlife is more varied and abundant today than at any time since the pioneering era.

Nearly one-half of the hunting that takes place in this country today is done on Federal public lands.

Although 37 States have enacted hunter protection laws, it is not clear that those laws would always apply on Federal lands.

Even if the State laws applied on Federal lands, this legislation would add some unique approaches and avenues that would aid significantly in the control of harassment.

The harassment is being done by groups whose true goals are to end all use of animals, including the use of animals in medical research and testing; the raising and eating of meat; the wearing of fur, leather, wool, and silk; the circus and rodeo; the keeping of pets; and the many varied uses of animal products in industrial processes.

When a person buys a State hunting license, he or she deserves the opportunity for a quality outdoor experience and should not be subjected to harassment by others.

Over the last 50 years hunters have contributed over $2.5 billion toward wildlife conservation through excise taxes, duck stamps and license fees.

This bill will continue this tradition by contributing all moneys collected as fines to the North American Waterfowl Management Plan and the Pittman-Robertson Act. Both of these programs acquire lands to protect wildlife habitat.

Mr. President, hunting is a legitimate, lawful sport and compatible with good management and conservation practices when done properly. Therefore, it is the role of the Federal Government to do what it can to protect the rights of law-abiding citizens engaged in a government-sanctioned sport and to protect the activities as well.

For example, back in March, a legal bison hunt was being carried out just outside of Yellowstone National Park. A member of the fund for animals tried to disrupt the hunt by placing his body between a hunter and a buffalo during the hunt.

Now Mr. President, you don't have to think too hard to figure out that is an extremely tense and dangerous situation for all parties involved. Therefore, it is the goal of myself and the cosponsors to avoid a potential life threatening confrontation between the two groups and help protect both groups.

By Mr. SIMON (for himself, Mr. DODD, Mr. JEFFORDS, and Mr. DIXON):

S.J. Res. 352. Joint resolution designating the month of September 1991 as "National Growth Month"; to the Committee on the Judiciary.

NATIONAL GROWTH MONTH

● Mr. SIMON. Mr. President, I rise today to introduce a joint resolution to designate September 1991 as National Growth Month. This joint resolution would provide an opportunity to educate the public about normal and abnormal growth patterns. It would also give children in America a chance to be screened for the disorders, and treated accordingly.

These disorders affect an estimated 2 million children in the United States. There are many conditions which may affect a child's growth. These include growth hormone deficiency, achondroplasia, Turner's Syndrome, intrauterine growth retardation, precocious puberty, osteogenesis imperfecta, and Noonan's syndrome.

Most children with a growth disorder grow to an average height of 4 feet, 6 inches. Short stature is usually accompanied with a host of other physical problems including infertility, delayed puberty, lack of pituitary hormone, curvature of the lower spine, kidney and heart ailments, and loss of hearing.

Unfortunately, there is a lack of public awareness about this problem which has resulted in many children not receiving diagnosis or treatment for the disorders. Many of these disorders can be detected at birth or during infancy. Due to extensive scientific research, a majority of these disorders can be treated.

I urge every Senator to cosponsor and vote for this very worthy joint resolution to designate September 1991 as National Growth Month.●

By Mr. FOWLER (for himself, Mr. DASCHLE, Mr. HEFLIN, Mr. SANFORD, Mr. SHELBY, Mr HARKIN, Mr. METZENBAUM, and Mr. INOUYE):

S. 2881. A bill to promote equal opportunity for minority farmers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MINORITY FARMERS RIGHTS ACT

● Mr. FOWLER. Mr. President, as Congress considers the 1990 farm bill, it is imperative that we address the needs of minority farmers and their communities. While many farmers have struggled across the country in recent years, these minority farm communities are often among the Nation's poorest, and their need for assistance is the most critical.

This year's farm bill provides an excellent opportunity to stem the decline of minorities in agriculture. The minority farm bill I am introducing would enhance minority participation in USDA programs. It would immediately halt the loss of minority land and minority operated farms. It would also eliminate racial discrimination and indifference to the needs of limited resource farmers from all programs administered by the Secretary of Agriculture. I am pleased that Senators DASCHLE, HEFLIN, SANFORD, SHELBY, HARKIN, METZENBAUM, and INOUYE have joined me as original co-sponsors.

This is necessary to reverse the trends set forth in the 1982 Civil Rights Commission report entitled "The Decline of Black Farming in America." The Commission found that since 1920 almost 94 percent of black-owned farms have been lost. Black farmers are currently losing land more than three times faster than other farmers. And similar studies have found that other minority farmers are losing their land at a rate similar to that of the black farmers.

Since that report was written the situation has only grown worse, as the trends that hurt all farmers in the 1980's hit minority farmers the hardest. Nearly one-fourth of all minority farms disappeared over the last decade. In the south, where 60 percent of all minority farms are located, five minority farmers left farming for every white farmer who quit.

We need to stem these losses—before there are no black-owned farms left—and begin the work of rebuilding these communities. The Minority Farmers Rights Act of 1990 will help current minority farmers stay in business, allow former farmers to return to the land and provide opportunities for minority youth to enter farming. I am pleased to join Representative MIKE ESPY who has offered similar legislation in the House to make sure that, with all our efforts to support a viable farm economy, we do not neglect our most disadvantaged farmers.●

ADDITIONAL COSPONSORS

S. 2114

At the request of Mr. KENNEDY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2114, a bill to promote excellence in American mathematics, science, and engineering education; enhance the scientific and technical literacy of the American public; stimulate the professional development of scientists and engineers; provide for education, training, and retraining of the Nation's technologists; increase the participation of women and minorities in careers in mathematics, science, and engineering; and for other purposes.

S. 2159

At the request of Mr. BOSCHWITZ, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2159, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 2186

At the request of Mr. MCCONNELL, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 2186, a bill to repeal the provisions of the Revenue Reconciliation Act of 1989 which require the withholding of income tax from wages paid for agricultural labor.

S. 2319

At the request of Mr. GARN, the name of the Senator from Wyoming [Mr. WALLOP], the Senator from Tennessee [Mr. SASSER], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 2319, a bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to protect the deposit insurance funds, to limit the depository institutions, credit unions, and other mortgage lenders acquiring real property through foreclosure or similar means, or in a fiduciary capacity, and for other purposes.

S. 2602

At the request of Mr. METZENBAUM, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 2602, a bill to amend the Public Health Service Act to provide assistance for biomedical and health services research, treatment programs and for other purposes relating to Alzheimer's disease and related disorders.

S. 2711

At the request of Mr. LOTT, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2711, a bill to amend the Internal Revenue Code of 1986 that provide that certain deductions of members of the National Guard or reserve units of the Armed Forces will be allowable in computing adjusted gross income.

S. 2793

At the request of Mr. AKAKA, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2793, a bill to amend the United States Institute of Peace Act to honor the memory of the late Spark W. Matsunaga, United States Senator from the State of Hawaii, and for other purposes.

S. 2852

At the request of Mr. LEVIN, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Massachusetts [Mr. KERRY], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 2852, a bill to reinstate as Federal service the services performed in temporary positions within the Bureau of the Census.

SENATE JOINT RESOLUTION 277

At the request of Mr. LUGAR, the names of the Senator from Montana [Mr. BURNS], the Senator from Louisiana [Mr. BREAUX], the Senator from Kansas [Mr. DOLE], the Senator from Hawaii [Mr. AKAKA], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Idaho [Mr. MCCLURE], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 277, a joint resolution designating October 6, 1990, as "German-American Day."

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 16, 1990 as "National Give the Kids a Fighting Chance Week."

SENATE JOINT RESOLUTION 297

At the request of Mr. SIMON, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of Senate Joint Resolution 297, a joint resolution designating September 1990 as "National Craft Month."

SENATE JOINT RESOLUTION 306

At the request of Mr. SIMON, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 306, a joint resolution to designate the period commencing October 21, 1990, and ending October 27, 1990, as "National Humanities Week."

SENATE JOINT RESOLUTION 313

At the request of Mr. HEFLIN, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 313, a joint resolution designating October 3, 1990, as "National Teacher Appreciation Day."

SENATE JOINT RESOLUTION 340

At the request of Mr. WILSON, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Montana [Mr. BURNS], the Senator from Kansas [Mr. DOLE], the Senator from New Mexico [Mr. DOMENICI], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. MACK], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Oregon [Mr. PACKWOOD], the Senator from Alaska [Mr. STEVENS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. COATS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. COHEN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Utah [Mr. Garn], the Senator from New York [Mr. D'AMATO], the Senator from North Dakota [Mr. BURDICK], the Senator from Arizona [Mr. DECONCINI], the Senator from Nebraska [Mr. EXON], the Senator from Ohio [Mr. GLENN], the Senator from Hawaii [Mr. INOUYE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Hawaii [Mr. AKAKA], the Senator from New York [Mr. MOYNIHAN], the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], the Senator from Michigan [Mr. RIEGLE], the Senator from Washington [Mr. GORTON], the Senator from New Jersey [Mr. BRADLEY], the Senator from Alabama [Mr. SHELBY], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 340, a joint resolution designating the week beginning November 11, 1990, as "National Disabled Veterans Week."

SENATE JOINT RESOLUTION 345

At the request of Mr. D'AMATO, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 345, a joint resolution designating August 20 through 26, 1990, as "National Headache and Jaw Disorders Week."

SENATE CONCURRENT RESOLUTION 91

At the request of Mr. HATFIELD, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Concurrent Resolution 91, a concurrent resolution expressing the sense of the Congress with respect to achieving common security in the world by reducing reliance on the military and redirecting resources toward overcoming hunger and poverty and meeting basic human needs.

SENATE CONCURRENT RESOLUTION 125

At the request of Mr. COHEN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Concurrent Resolution 125, a concurrent resolution expressing the sense of Congress regarding adequate funding for long-term health care services provided through the Medicare and Medicaid programs.

SENATE CONCURRENT RESOLUTION 134

At the request of Mr. HEINZ, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Concurrent Resolution 134, a concurrent resolution expressing the sense of Congress concerning a 1991 White House Conference on Aging.

SENATE RESOLUTION 310—APPOINTMENT OF INDEPENDENT COUNSEL TO INVESTIGATE THE INVOLVEMENT OF GOVERNMENT OFFICIALS IN THE SAVINGS AND LOAN SCANDAL

Mr. PRESSLER submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 310

Whereas the savings and loan bailout will cost taxpayers at least $89,000,000,000 and possibly more than $300,000,000,000 to insure deposits threatened by bad investments;

Whereas savings and loans associations began failing by the score as early as 1985 and continued failing at an alarming rate for several years;

Whereas by some estimates as many as one-third of the Nation's three thousands thrifts are at risk;

Whereas the elected leaders and top appointed officials are entrusted by Americans

to protect and manage the Federal Government competently;

Whereas some of these leaders may have allowed factors other than good management of government to influence oversight of the savings and loan industry; and

Whereas Americans have a right to know if there may have been any wrong doing among these officials in connection with the Savings and Loan disaster: Now, therefore, be it

Resolved, That the Senate urges the President to instruct the Attorney General to appoint an independent counsel to investigate the involvement of Government officials in the savings and loan scandal.

Mr. PRESSLER. Mr. President, Americans everywhere are outraged by the savings and loan industry disaster. This scandal will cost U.S. taxpayers hundreds of billions of dollars. They have a right to demand accountability for this enormous financial catastrophe.

I am not satisfied that enough is being done to track down, punish, and seek recoveries from officials and others who committed crimes in connection with the savings and loan debacle. They robbed investors in their institutions, and their illegal actions will rob U.S. taxpayers for decades to come. The victims of these crimes demand retribution, and they should have it.

According to the Comptroller General of the United States, the cost of "resolving the thrift crisis" may exceed $500 billion, depending upon the state of the economy and interest expense. Most of the loss will be borne by the U.S. taxpayers. There is plenty of blame for this to be shared by Government and the savings and loan industry. Americans are cynical enough about their Government and certain sectors of business with good reason. That is why we need a special approach in dealing with his unprecedented fiasco.

That is why, Mr. President, I today am introducing a Senate resolution, a companion resolution to House Resolution 407, urging the President to appoint an independent counsel to investigate the involvement of Government officials in the savings and loan scandal. The comprehensive savings and loan fraud package that was added to the omnibus crime bill (S. 1970) will double Department of Justice resources to investigate and prosecute for savings and loan fraud in the private sector and greatly increases penalties for such crimes. I am proud to have cosponsored and voted for that measure.

But we need more action to deal credibly with this problem. The appointment of an independent counsel to investigate the involvement of Government officials in the savings and loan scandal is necessary in order for the American people to feel confident that culprits both in and out of Government will be brought to justice.

Mr. President, I also support the idea of establishing an independent commission of inquiry to assess the facts of the savings and loan fiasco. In addition, we should consider creating a joint congressional select committee to achieve the same purpose.

I hope that my colleagues will join me in cosponsoring this measure and will vote to pass it in this Congress.

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

LEAHY AMENDMENT NO. 2303

Mr. LEAHY proposed an amendment to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, as follows:

(a) TIMING OF ADVANCE COMPENSATION.—On page 70 after line 24, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(b) CONFORMING AMENDMENT.—On page 71—

(1) on line 1, strike "(III)" and insert "(IV)"; and

(2) strike lines 6 and 7 and insert "not later than 270 days after the advance compensation was made available.".

(c) TIMING OF ADVANCE COMPENSATION.—On page 118 between lines 9 and 10, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(3) on line 10, strike "(III)" and insert "(IV)"; and

(4) strike lines 15 and 16 and insert "not later than 270 days after the advance compensation was made available.".

(d) COST-SHARE ASSISTANCE ON PERENNIAL COVER.—

(1) On page 96, line 20, strike "50" and insert "25";

(2) On page 146, line 8, strike "50" and insert "25";

(3) On page 201, line 8, strike "50" and insert "25"; and

(4) On page 244, line 14, strike "50" and insert "25";

(e) TARGETED OPTION PAYMENT.—

(1) On page 198, between lines 20 and 21, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's upland cotton base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted upland cotton acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to upland cotton for harvest during the previous two years.".

(2) On page 242, between lines 4 and 5, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's rice acreage base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted rice acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to rice for harvest during the previous two years.".

(f) STORAGE PAYMENTS.—

(1) On page 349, strike lines 15 through 25 and insert the following:

"In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehouses under the authority contained in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requriements, impact of user fees, and other considerations determined appropriate by the Secretary, except that the rates paid to producers and commercial warehouse shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehouse as a result of the adjustment of storage rates under this section."

(g) STOCKS-TO-USE RATIO FOR OILSEEDS.—On page 305, line 15, strike "20 percent" and insert "19 percent".

(h) MINOR OILSEED PLANTINGS ON 50/92 ACREAGE.—

(1) on page 183, strike lines 22 through 24 and insert "(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(2) on page 184, line 19, strike "(I)" and insert "(i)";

(3) on page 184, line 23, strike "(II)" and insert "(ii)";

(4) on page 185, strike lines 9 through 24;

(5) on page 228, strike lines 12 through 14 and insert the following:

"(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(6) on page 229, line 9, strike "(I)" and insert "(i)";

(7) on page 229, line 13, strike "(II)" and insert "(ii)"; and

(8) beginning on page 229, strike lines 24 through line 14 on page 230.

(i) MARKETING ASSISTANCE PROGRAM—On page 462, line 17, strike "$225,000,000" and insert "$200,000,000";

(j) USER FEES.—At the appropriate at the end of title XIX, add the following new section:

"SEC. 19 . COLLECTION OF FEES FOR INSPECTION SERVICES.

"(a) QUARANTINE, INSPECTION AND TRANSPORTATION FEES.—

"(1) QUARANTINE AND INSPECTION.—The Secretary of Agriculture may prescribe and collect fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port

in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of a commercial vessel, commercial aircraft commercial truck railroad car, and each passenger aboard a commercial vessel or commercial aircraft.

"(2) TRANSPORTATION.—Each person that provides transportation to a passenger to enable such passenger to obtain transportation through a commercial aircraft or commercial vessel into the customs territory of the United States shall—

"(A) collect from such passenger the fee prescribed under this subsection at the time the document or ticket authorizing such transportation is issued; and

"(B) identify on the document or ticket referred to in subparagraph (A), or through electronic means as determined appropriate by the Secretary, the fee charged under this subsection as an agricultural inspection fee, or as part of a combined Federal inspection fee.

"(3) TREASURY.—Any person who collects a fee under this subsection shall remit such fee to the Treasury of the United States prior to the date that is 31 days after the close of the calendar quarter in which such fee is collected.

"(4) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account' (hereinafter referred to in this subtitle as the "Account'), for the use of the Secretary for quarantine or inspection services under this subtitle.

"(B) AMOUNTS IN ACCOUNT.—

"(i) DEPOSITS.—All of the fees collected under this subsection shall be deposited in the Account.

"(ii) REIMBURSEMENT.—The Secretary of Treasury shall use the Account to provide reimbursements to any appropriations accounts that incur the costs associated with the Secretary carrying out all activities of the Secretary at ports in the customs territory of the United States or at preclearance or preinspection locations in connection with the enforcement and administration of this subtitle.

"(iii) PROCEDURE.—The Secretary of the Treasury shall make reimbursement under clause (ii) on a quarterly basis. Amounts required to be reimbursed under clause (ii), shall be made on this basis of estimates made by the Secretary of the expenses described in clause (ii) that are incurred by the Secretary in the 3-month period immediately preceding such reimbursement.

"(iv) ADJUSTMENTS.—Adjustments of reimbursements made under clause (ii) shall be made to the extent necessary to correct prior estimates that were in excess of, or less than, the amount required to be reimbursed under clause (iii).

"(5) ADJUSTMENT IN FEE AMOUNTS.—The Secretary shall adjust the amount of the fees to be assessed under this subsection to reflect the cost to the Secretary in administering such subsection, in carrying out the activities at ports in customs territory of the United States and preclearance and preinspection sites outside the customs territory of the United States in connection with the provision of agricultural quarantine inspection services, and in maintaining a reasonable balance in the Account.

"(b) PLANT INSPECTION.—Section 102(f) of the Act of September 21, 1944 (7 U.S.C. 147a(f)) is amended to read as follows:

"(f)(1) Notwithstanding paragraph (2) of this subsection, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Unless otherwise specifically authorized or provided for in appropriations, no part of such sums shall be used to pay the cost or value of property injured or destroyed.

'(2) The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of providing for the inspection of plants and plant products offered for export or transiting the United States and certifying to shippers and interested parties as to the freedom of such plants and plant products from plant pests according to the phytosanitary requirements of the foreign countries to which such plants and plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. Any person for whom such an activity is performed shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary of Agriculture shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation. The Secretary of Agriculture shall have a lien for the fees, any late payment penalty, and any accrued interest assessed against the plant or plant product for which services have been provided. In the case of any person who fails to make payment when due, the Secretary of Agriculture shall also have a lien against any plant or plant product thereafter attempted to be exported by such person. The Secretary of Agriculture may, in case of nonpayment of the fees, later payment penalty, or accrued interest, after giving reasonable notice of default to the person liable for payment of such assessments, sell at public sale after reasonable public notice, or otherwise dispose of, any such plant or plant product upon which the Secretary of Agriculture has a lien pursuant to this section. If the sale proceeds exceed the fees due, any late payment penalty assessed, any accrued interest and the expenses of the sale, the excess shall be paid, in accordance with regulations of the Secretary of Agriculture, to the owner of the plant or plant product sold upon the owner making application therefore with proof of ownership within six months after such sale, and otherwise the excees shall be credited to accounts that incur the costs and shall remain available until expended. The Secretary of Agriculture shall, pursuant to regulations as prescribed by the Secretary, suspend performance of services to persons who have failed to pay such fees, later payment penalty and accrued interest.'.

"(c) VETERINARY DIAGNOSTICS.—(1) Section 11 of the Act of May 29, 1884 (58 Stat. 734, as amended, 21 U.S.C. 114a) is amended by inserting immediately following the first sentence: 'The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics. Any person for whom an activity related to veterinary diagnostics is performed pursuant to the section shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary shall assess a later payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation.'.

(2) LIENS.—

(A) IN GENERAL.—The Secretary shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this subtitle for the fees, any late payment penalty, and any accrued interest assessed under this subsection.

(B) OTHER ANIMALS, ETC.—In the case of any person who fails to make payment when due under this subsection, the Secretary shall have a lien against any animal, article, or means of conveyance thereafter imported, moved in interstate commerce, or attempted to be exported by the person after the date of such failure until the date on which such owner or operator make full payment to the Secretary under this subsection.

(C) SALE OF ANIMALS, ETC.—

(i) AUTHORITY.—The Secretary may, if a person does not pay fees, late payment penalties, or accrued interest on such, after providing reasonable notice of default to such person, sell at public sale after reasonable public notice, or otherwise dispose of, any such animal, article, means of conveyance or facility on which the Secretary has a lien under this paragraph.

(ii) EXCESS PROCEEDS.—If the sale proceeds under clause (i) exceed the fees due, any late payment penalty assessed, any accrued interest on such, and the expenses associated with the sale, such excess shall be paid to the owner of the animal, article, means of conveyance, or facility if such owner submits an application for such excess together with proof of ownership not later than 6 months after the date of such sale. If no such application is made, such excess shall be credited to accounts that incur the costs associated with the fees collected and shall remain available until expended, without fiscal year limitation. The Secretary shall suspend performance of services to persons who have failed to pay fees, late payment penalty, or accrued interest under this subtitle.

"(d) REGULATIONS.—The Secretary of Agriculture may prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) RECOVERY OF AMOUNTS OWED.—An action may be brought for the recovery of fees, late payment penalties, and accrued interest which have not been paid in accordance with this section against any person obligated for payment of such assessments under this Act in any United States district court or other United States court for any territory or possession in any jurisdiction in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide such action.

"(f) DEFINITIONS.—

"(1) PERSON.—For the purposes of this section, the term 'person' means an individual, corporation, partnership, trust, association, or any other public or private entity, or any officer, employee, or agent thereof.

"(2) VESSEL.—For the purposes of subsection (a), the term 'vessel' does not include any ferry.

"(3) CUSTOMS TERRITORY.—For the purposes of subsection (a), the term 'customs territory of the United States' means the 50

States, the District of Columbia, and Puerto Rico.

"(4) PLANT AND ANIMAL QUARANTINE LAWS.—For the purposes of subsection (a), the term 'plant and animal quarantine laws' means one or more of the following: the Plant Quarantine Act of 1912 (7 U.S.C. 151 et seq.); the Federal Plant Pest Act (7 U.S.C. 150aa et seq.); the Federal Noxious Weed Act of 1974 (7 U.S.C. 2801 et seq.); the Animal Quarantine Laws (21 U.S.C. 101-105, 111-131, and 134-134h); the Honeybee Act (7 U.S.C. 281 et seq.); section 306 of the Tariff Act of 1930 (19 U.S.C. 1306), and any other Act administered by the Secretary relating to plant or animal diseases or pests or noxious weeds.

"(5) UNITED STATES.—For the purposes of subsection (b), the term 'United States' means the several States of the United States, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and all other territories and possessions of the United States.".

(G) PENALTY.—On failure of a person to pay any fee assessed under this section, the Secretary shall assess a late payment penalty on such person, and the overdue fees and late payment penalty shall accrue interest, as provided in section 3717 of title 31, United States Code. Any late payment penalty and any accrued interest shall be credited to the accounts that incur the costs associated with the fees collected and shall remain available until expended without fiscal year limitation.

LEAHY (AND LUGAR) AMENDMENT NO. 2304

Mr. LEAHY (for himself and Mr. LUGAR) proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 45, strike line 25 and all that follows through page 46, line 3, and insert "shall provide that the Board may not contract with processor organizations for any other services.".

On page 98, lines 17 through 20, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 120, between lines 22 and 23, insert the following new paragraph:

"(6) BARLEY FEED VALUE DETERMINATION.—Prior to the announcement of the program for the 1991 crop of barley, the Secretary shall conduct a study to determine a fair and reasonable relationship between the feed values of barley and corn. The study shall take into account the relative qualities of the two feed grains when fed as is to the various livestock classes, on a dry-matter basis.".

On page 148, lines 5 through 8, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 203, lines 5 through 8, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 246, lines 10 through 13, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 276, line 25, after "occurs", add the following: ", except that the penalty shall not apply to the marketing of breeder or Foundation seed peanuts, grown under the auspices of a publicly owned agricultural experiment station (including a State-operated seed organization), under such regulations as the Secretary may prescribe".

On page 328, between lines 12 and 13, insert the following new subsection:

(d) GROWERS OF HYBRID SEED.—Section 1001A(b) of such Act (7 U.S.C. 1308-1(b)) is amended by adding at the end the following new paragraph:

"(6) GROWERS OF HYBRID SEED.—To determine whether a person growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

On page 332, between lines 8 and 9, insert the following new paragraph:

"(5) UPLAND COTTON.—The Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same price the Corporation sells upland cotton for export, but in no event at less than the amount provided for in paragraph (1).".

On page 332, line 24, after "export", insert "(excluding sales of upland cotton for export)".

On page 335, between lines 2 and 3, insert the following new paragraph:

"(3) COMPETITIVE BID BASIS.—Subject to the sales price restrictions contained in this section, the Corporation may sell any basic agricultural commodity or storable nonbasic commodity on a competitive bid basis, if the sale is determined to be appropriate by the Secretary.".

On page 340, line 10, before "Subsection", insert "(a) IN GENERAL.—".

On page 340, after line 24, insert the following new subsection:

(b) PRODUCER.—Section 408 of such Act is amended by striking subsections (l) and (m) and inserting the following new subsection:

"(l) 'Producer' shall include a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

On page 341, between lines 13 and 14, insert the following new subsection:

(a) MEMBERSHIP.—The first sentence of section 1006(a)(1) of the Agriculture and Food Act of 1981 (7 U.S.C. 4102(a)(1)) is amended by striking "seven members who are engaged in the commercial production of one or more of the various major agricultural commodities produced in the United States" and inserting "seven members who, individually or as a group, are engaged in the commercial production of each of the program crops and in one or more of the other various major agricultural commodities produced in the United States".

On page 341, line 14, before "Section", insert "(b) EXTENSION.—".

On page 352, between lines 6 and 7, insert the following new subtitle:

Subtitle D—Options Pilot Program

SEC. 1051. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Program Act of 1990".

SEC. 1052. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there would be significant budgetary savings if practical alternatives could be found to the price support and production adjustment programs carried out by the Secretary of Agriculture and the Commodity Credit Corporation;

(2) in the free market economy of the United States, a reasonable measure of protection from fluctuations in the price of crops such as wheat, feed grains, and soybeans may be found through hedging activity on regulated commodities futures markets;

(3) while utilization of the markets by grain traders and large consumers of commodities for which market futures prices are available is widespread, agricultural producers are not generally familiar with the procedures for hedging the value of their production;

(4) such price protection may be economically obtained by trading in futures options rather than by the purchase or sale of futures contracts for large quantities of grain; and

(5) more information and data are needed to evaluate the viability of futures options trading as an alternative to the price support and production adjustment programs carried out by the Secretary of Agriculture and the Commodity Credit Corporation.

(b) PURPOSES.—It is the purpose of this subtitle to require the Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary") to conduct research necessary—

(1) to ascertain whether futures options trading would provide reasonable protection to producers from fluctuations in the value of the commodities they produce;

(2) to ascertain whether producers will accept and fully utilize this method of price protection if information is provided to the producers concerning its proper use; and

(3) to determine the effect widespread adoption of such futures options trading program would have on commodity prices.

SEC. 1053. OPTIONS PILOT PROGRAM.

(a) IN GENERAL.—To determine whether regulated agricultural commodity options trading can be used by producers to obtain protection from fluctuations in the market prices of the commodities they produce and the impact of such trading on the prices of the commodities, the Secretary shall conduct a pilot program for each of the 1991 through 1995 crops of corn and for each of the 1993 through 1995 crops of wheat and soybeans.

(b) COUNTIES.—The Secretary shall conduct the pilot program in various counties that produce significant quantities of the 1991 through 1995 crops of corn, and significant quantities of the 1993 through 1995 crops of wheat and soybeans. For the 1991 crop year, the Secretary shall select not less than three counties in each of three major corn-producing States to conduct the pilot program for corn for the crop year. The Secretary may add additional States and counties to the program in succeeding crop years.

(c) BROKERS.—Trades under the pilot program conducted under this subtitle shall be carried out through registered commodity brokers who choose to participate in the program.

(d) ELIGIBLE PRODUCER PARTICIPANTS.—The Secretary shall contract with eligible producers who wish to participate in the program and who are located in the counties selected for the pilot program. The contracts shall set forth the terms and conditions for participation in the pilot program, including a provision that the contract may be terminated by any participating producer at any time prior to receiving payments for options contracted for under the pilot program.

SEC. 1054. TERMS AND CONDITIONS.

(a) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—To be eligible to participate in the pilot program conducted under this subtitle, a producer shall meet all of the eligibility requirements specified in this

subtitle, and the regulations issued pursuant to this subtitle.

(2) PARTICIPATION IN PRICE SUPPORT PROGRAMS.—The regulations shall specify to what degree participation in the price support and production adjustment program established for the applicable crop of the commodity shall be required for participation in the pilot program.

(3) ADDITIONAL REQUIREMENTS.—To be eligible to participate in the pilot program, a producer shall—

(A) attend not less than one seminar conducted by the Cooperative Extension Service;

(B) maintain a separate brokerage account for the purpose of trading futures and options contracts covered by the pilot program; and

(C) compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing the program may require to permit a proper record to be kept of the results of all cash, futures, or options trading that may be undertaken under the pilot program by the producer.

(b) PROGRAM TERMS AND CONDITIONS.—The Secretary shall issue regulations or develop contract forms, or both, that set forth the terms and conditions of the program, and the rights and obligations of all of the parties participating in the program (including producers and registered brokers). At a minimum, the terms and conditions shall include:

(1) CONTRACT MONTHS AND STRIKE PRICES.—

(A) IN GENERAL.—The contract months and options strike prices at which participating producers may buy commodity put options in order to receive payments to cover the premiums on the options for each of the 1991 through 1995 crops of corn, and for each of the 1993 through 1995 crops of wheat and soybeans.

(B) TARGET PRICE AND LOAN RATE STRIKE PRICES.—The pilot program shall provide—

(i) a target price strike price for put options that is equivalent to the target price for the commodity involved; and

(ii) a loan rate strike price that is equivalent to the loan rate for the commodity involved.

(C) OTHER OPTIONS STRIKE PRICES.—Other options strike prices for commodities included in the program may be used if the prices are selected and agreed on by the Secretary and the representatives of the commodity futures trading industry designated in accordance with section 1055(a).

(2) ELIGIBLE PORTION OF CROP.—The portion of the crop of an eligible producer that may be used as a basis for acquiring options contracts.

(3) PUT OPTIONS CONTRACTS.—The time when, and the manner in which, put options contracts shall be acquired, held, and liquidated by producers to meet program requirements.

(4) PROGRAM BENEFITS.—

(A) IN GENERAL.—The program benefits to be offered participating producers shall include payments of not more than 15 cents per bushel to cover the cost of option premiums, transaction fees, interest, and other expenses.

(B) RELATIVE BENEFITS.—The Secretary shall inform participants that their participation is voluntary and that neither the United States, the Commodity Credit Corporation, nor representatives of the futures industry can guarantee that the participants will be better or worse off financially as a result of participation in the pilot program than the participants would be if the participants participated solely in price support and production adjustment programs carried out by the Secretary and the Commodity Credit Corporation.

SEC. 1055. COMMODITY FUTURES TRADING INDUSTRY.

(a) CONSULTATION.—The Secretary or the Secretary's designees may consult with representatives of the commodity futures trading industry who are specialists in the trading of futures contracts and futures options contracts, and who are designated by the regulated commodity futures markets that choose to participate in the pilot program.

(b) PROCEDURE.—The designations and consultations may be held without regard to the Federal Advisory Committee Act (5 U.S.C. App. 2). Such Act shall not be applicable to the pilot program carried out under this subtitle, or to the meetings of representatives of the commodity futures trading industry with the Secretary or the Secretary's designees relating to this subtitle.

SEC 1056. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—The pilot program established under this subtitle shall be carried out by and through the Commodity Credit Corporation.

(b) FUNDS.—The Corporation shall expend such funds as may be required to conduct the pilot program for futures options contract trading in the manner specified in this subtitle and the regulations issued, and contracts entered into, to carry out this subtitle.

(c) CONTRACTS.—Contracts entered into under this subtitle shall be considered to be program benefit contracts of the Commodity Credit Corporation, and not service or acquisition contracts of the United States.

On page 352, line 7, strike "Subtitle D" and insert "Subtitle E".

On page 352, line 9, strike "1051" and insert "1061".

On page 354, line 2, strike "1061" and insert "1071".

On page 390, line 21, strike "1,685,000" and insert "1,925,000".

On page 390, line 23, strike "1,710,000" and insert "1,950,000".

On page 390, line 25, strike "1,735,000" and insert "1,975,000".

On page 391, line 2, strike "1,760,000" and insert "2,000,000".

On page 391, line 4, strike "1,785,000" and insert "2,025,000".

On page 407, line 19, strike "products." and insert "commodities.".

On page 418, strike line 23 and all that follows through line 5 on page 419, and insert the following new paragraphs:

"(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out—

"(A) the grant program established under section 103;

"(B) the concessional credit sales program established under section 107; and

"(C) titles II and III;

including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs described in subparagraphs (A) through (C) for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.

"(2) LIMITATIONS.—Not less than 40 percent of the amounts made available for any fiscal year to carry out title I shall be used—

"(A) to carry out the credit sales program established under section 107; and

"(B) to carry out the grant program established under section 103.

On page 419, line 6, strike "(2)" and insert "(3)".

On page 419, strike lines 24 and 25, and insert "any fiscal year for carrying out section 103, section 107, title II or title III, may be used to carry out any other section or title.".

On page 420, line 9, strike the end quotation marks and the second period.

On page 420, between lines 9 and 10, insert the following new section:

"SEC. 408. COORDINATION OF PUBLIC LAW 480 AND OTHER FOREIGN ASSISTANCE PROGRAMS.

"(a) NOTIFICATION REQUIREMENT.—To facilitate the coordination of programs of assistance under this Act with other foreign assistance programs, the Committees on Agriculture, Foreign Affairs, and Appropriations of the House of Representatives, and the Committees on Appropriations, and Agriculture, Nutrition, and Forestry of the Senate, shall be notified at least 15 days—

"(1) prior to the entering into of any agreement under this Act (including any local currency agreement);

"(2) prior to the adoption, on behalf of the United States, of any amendment to agreement described in paragraph (1) that would increase the amount of assistance to be provided under the agreement or would change the purposes for which such assistance could be used, including any increase or change involving local currencies; or

"(3) prior to the waiver of any payments under section 403.

"(b) PROCEDURES AND PRACTICES APPLICABLE TO NOTIFICATIONS.—The notifications required by subsection (a) shall be treated in the same manner as reprogramming notifications pursuant to section 634A of the Foreign Assistance Act of 1961.".

On page 450, line 13, strike "commodities" and insert "agricultural commodities".

On page 451, line 5, strike "or".

On page 451, line 10, strike the period and insert "; or".

On page 451, between lines 10 and 11, insert the following new paragraph:

"(4) a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products.".

On page 454, strike lines 20 through 24 and insert the following new paragraphs:

"(3) LEVEL OF COST SHARE ASSISTANCE.—Cost share assistance provided under this section to private organizations as described in subsection (d)(3) shall not exceed 50 percent of the cost of implementing the marketing plan, except that such 50 percent ceiling shall not apply in the case of agricultural commodities with respect to which there has been a favorable decision under section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

"(4) STAGED REDUCTION IN ASSISTANCE.—In the case of any private entities that received assistance under section 1124 of the Food Security Act of 1985 prior to the date of enactment of this Act and with respect to which assistance under this section would be limited under paragraph (3), any such reduction in assistance shall be staged down to the 50 percent ceiling in equal increments over a 5-year period.

On page 468, line 18, strike "products." and insert "commodities.".

On page 499, between lines 9 and 10, insert the following new section:

SEC. 1136. WORLD LIVESTOCK MARKET PRICE INFORMATION.

(a) DEVELOPMENT OF METHODOLOGY.—The Secretary of Agriculture shall develop appropriate methodology for determining the world price of livestock and livestock products and shall gather and analyze appropriate price and cost of production information concerning such products in foreign countries for the purpose of price discovery and to aid in the sale of livestock and livestock products in foreign export markets.

(b) PUBLICATION OF INFORMATION.—Not later than 240 days after the date of enactment of this Act, and periodically thereafter, the Secretary of Agriculture shall publish the information gathered under subsection (a).

On page 519, line 20, strike "AGRONOMIC CROPPING" and insert "ALLEY-CROPPING".

On page 520, line 7, add "and" after the semicolon.

On page 520, strike line 8.

On page 520, line 9, strike "(D)" and insert "(C)".

On page 575, after line 20, add the following new sections:

SEC. 1278. INCREASE IN RESOURCE CONSERVATION AND DEVELOPMENT AREAS.

Section 1536 of the Agriculture and Food Act (7 U.S.C. 3459) is amended by striking "two hundred twenty-five" and inserting "450".

SEC. 1279. CONSOLIDATION OF USDA OFFICES ON INDIAN RESERVATIONS.

(a) ESTABLISHMENT OF DEMONSTRATION PROJECT.—The Secretary of Agriculture shall establish a demonstration project to improve the delivery of Department of Agriculture services to Indian tribes and Indian producers through the establishment of consolidated Federal agricultural offices on not less than 12 Indian reservations.

(b) ENTITIES AS PART OF CONSOLIDATED OFFICE.—An office established under subsection (a) on an Indian reservation shall be composed of representatives of Federal agricultural offices having jurisdiction over the area in which the reservation is located, including—

(1) the Agricultural Stabilization and Conservation Service;

(2) the Soil Conservation Service;

(3) the Farmers Home Administration; and

(4) other offices as determined appropriate by the Secretary of Agriculture;

with such representatives having the same responsibilities and authority to perform or provide such services on the Indian reservation as representatives of county offices of such Federal agricultural agencies.

(c) OTHER SERVICES ON NONPARTICIPATING INDIAN RESERVATIONS.—

(1) IN GENERAL.—With respect to an Indian reservation for which a consolidated Federal agricultural office is not established under subsection (a), the Secretary of Agriculture shall require the local office of the—

(A) Agricultural Stabilization and Conservation Service;

(B) Soil Conservation Service; and

(C) Farmers Home Administration;

that operates in a county in which such Indian reservation exists to establish a consolidated agricultural sub-office at the Tribal headquarters of such reservation and to provide staff for such sub-office as necessary, but in no event for less than one day a week.

(2) RESERVATIONS IN MORE THAN ONE COUNTY.—With respect to an Indian reservation that is located in more than one county, the Secretary of Agriculture, the relevant Federal county agricultural offices, and the Indian tribe shall enter into a cooperative agreement for the provision of the services required under paragraph (1) to avoid duplication of effort.

(3) NUMBER OF RESERVATIONS.—The Secretary of Agriculture ensure the provision of services under this subsection on not less than 12 Indian reservations during the first year after the date of enactment of this Act, and on not less than 10 additional reservations each year during which this section remains in effect.

(d) SELECTION OF RESERVATIONS.—In selecting those Indian reservations on which offices will be established under this section, the Secretary of Agriculture, in consultation with the Bureau of Indian Affairs, the Intertribal Agricultural Council, and the Southwest Indian Agriculture Association, shall consider agricultural acreage within the boundaries of the reservation or tribal jurisdiction, the soil classification of such acreage, and the population of such reservation of tribal jurisdiction.

(e) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary of Agriculture shall prepare and submit, to the appropriate Committees of Congress, a report concerning the implementation of this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated in each fiscal year, such sums as may be necessary to carry out this section.

On page 584, between lines 17 and 18, insert the following new subsection:

(d) RIGHT OF FIRST REFUSAL.—Section 335(e)(1)(A) is amended by adding at the end the following new clause:

"(iv) In the case of real property described in clause (i) that was acquired by the Secretary before January 6, 1988, that is (or has been at any time during the 12-month period preceding the date of enactment of this clause) under lease to a person described in subparagraph (C), and that has not been conveyed (or contracted to be conveyed) by the Secretary prior to the date of enactment of this clause, the Secretary shall, during the 30-day period following the date of enactment of this clause, make the person an offer, to be held open for a period of 90 days, to purchase the property on the same terms and conditions that such offers are made in the case of property coming into inventory on or after the date of enactment of this clause.".

On page 584, line 18, strike "(d)" and insert "(e)".

On page 585, line 1, strike "(e)" and insert "(f)".

On page 585, line 18, strike "(f)" and insert "(g)".

On page 585, line 22, strike "(g)" and insert "(h)".

Beginning on page 586, strike line 3 and all that follows through page 588, line 2, and insert the following new subsection:

(i) CONSERVATION EASEMENTS ON WETLANDS ON FMHA INVENTORY PROPERTY.—Section 335 is amended by adding at the end the following new subsection:

"(g)(1) Subject to paragraphs (2) through (5), in the disposal of real property under this section, the Secretary shall establish perpetual wetland conservation easements to protect and restore wetlands or converted wetlands that exist on inventoried property, as determined by the Secretary in accordance with title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

"(2) In establishing the wetland conservation easements on land that is considered to be cropland as of the date of enactment of this subsection, the Secretary shall avoid, to the extent practicable, an adverse impact on the productivity of the croplands, as provided in this subsection.

"(3) In order to avoid the adverse impact, the Secretary shall—

"(A) not establish the wetland conservation easements with respect to wetlands that were converted prior to December 23, 1985, and that have been in cropland use, as determined by the Secretary, in excess of 10 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(B) not establish the wetland conservation easements with respect to wetlands that have been frequently planted to agricultural commodities and wetlands described in subparagraph (A), in excess of 20 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(C) ensure that the buffer area adjacent to the wetland is generally not more than 100 feet in average width; and

"(D) ensure that access to other portions of the property for farming and other uses is provided.

"(4) The wetland conservation easements shall be placed on wetlands that have a history of haying and grazing, as determined by the Secretary, except that in no case shall the quantity of the wetland subject to the easements exceed 50 percent of the existing forage lands on the parcel of inventoried property. All haying and grazing practices on the wetlands (including the timing and intensity of haying and grazing) shall conform to forage management standards designed to protect wetlands.

"(5) If, despite the limitations contained in paragraph (3), wetland conservation easements established under paragraph (1) would prevent a particular parcel of inventoried property that is to be sold or leased to a borrower described in clause (i), (ii), or (iii) of subsection (e)(1)(C), or to a borrower who is a beginning farmer or rancher, from being a marketable agricultural production unit that is comparable to the parcel as acquired, the Secretary may—

"(A) establish wetland conservation easements on wetland that was converted prior to December 23, 1985, in a quantity that is less than 10 percent of the existing croplands available for production of agricultural commodities on the particular parcel; and

"(B) if the reduction provided in subparagraph (A) is not applicable, or is not sufficient to ensure that the particular parcel would be a marketable agricultural production unit, amend the wetland conservation easements established on the wetlands that have been frequently planted to agricultural commodities to permit the production of agricultural commodities (consistent with title XII of the Food Security Act of 1985) on the wetlands, to the extent necessary to maintain the parcel as a marketable agricultural production unit.

"(6) The Secretary shall provide prior written notification to a borrower considering preservation loan servicing that a wetlands conservation easement may be placed on land for which the borrower is negotiating a lease option.

"(7) The appraised value of the farm shall reflect the value of the land due to the placement of wetland conservation easements.

"(8) Notwithstanding the limitations described under paragraphs (3) and (4), the limitations may be voluntarily, knowingly waived by any person with respect to real property described in paragraph (3) or (4).".

On page 615, line 10, strike "System institution" and insert "insured System institution".

On page 615, between lines 15 and 16, insert the following new subsection:

(a) AUTHORITY TO TERMINATE.—Notwithstanding any other provision of law, effective on the date of enactment of this Act, the California Livestock Production Credit Association may terminate the status of the Association as a Farm Credit System institution.

On page 615, line 16, before "Notwithstanding", insert "(b) REQUIREMENTS.—".

On page 618, between lines 2 and 3, insert the following new section:

SEC. 1352. AUTHORITY OF FARM CREDIT ADMINISTRATION TO REGULATE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.11 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-11) is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following new paragraph:

"(1) AUTHORITY.—Notwithstanding any other provision of this Act, the Farm Credit Administration shall have the authority to—

"(A) provide for the examination of the condition of the Corporation and its affiliates; and

"(B) provide for the general supervision of the safe and sound performance of the powers, functions, and duties vested in the Corporation and its affiliates by this title, including through the use of the enforcement powers of the Farm Credit Administration under part C of title V."; and

(2) by adding at the end the following new subsection:

"(e) DEFINITION OF AFFILIATE.—As used in this title, the term 'affiliate' shall mean an entity effectively controlled or owned by the Corporation, except that such term shall not include a certified facility or an originator (as defined in paragraphs (3) and (7), respectively, of section 8.0).".

On page 618, line 3, strike "1352" and insert "1353".

On page 618, between lines 7 and 8, insert the following new section:

SEC. 1354. GAO STUDY OF RURAL CREDIT COST AND AVAILABILITY.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of certain matters related to the cost and availability of credit in rural America, including a study of—

(1) the relationship of the role and lending volume of the Farm Credit System to the ability of the System to repay the assistance provided under the Agricultural Credit Act of 1987 (Public Law 100-233) and amendments made by such Act;

(2) the ability of Farm Credit System institutions to be competitive taking into consideration the costs of rebuilding capital, repaying assistance, and capitalizing the Farm Credit Insurance Fund established under section 5.60 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-9);

(3) the rates Farm Credit Banks charge for credit and the rates prevailing in the market for credit of comparable risk and maturity;

(4) the potential for credit pricing practices of rural lending institutions to adversely affect the financial soundness of other lending institutions that provide agricultural credit;

(5) the pricing practices of commercial lending and insurance institutions and whether the practices adequately address the level of risk in agricultural lending;

(6) whether the assistance authorized under the Agricultural Credit Act of 1987, and amendments made by such Act, is being utilized in accordance with the purposes intended by Congress;

(7) the availability and adequacy of credit in rural America for the purpose of financing agricultural production, infrastructure (roads, bridges, and water systems), and rural development;

(8) the prudence and desirability for commercial lenders and Farm Credit System institutions who serve primarily agriculture to broaden lending activity to provide diversity in their portfolios;

(9) the level of competitiveness among the major sector lenders in agriculture, whether competition has increased or decreased in the last 5 years, and whether American producers have benefited from the competitive situation; and

(10) the level of farm lending activity, in relation to the total asset level, of agricultural lending institutions in rural America and the level of investment by the institutions outside of the rural community or area in which the lending institutions are located.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report on the study conducted under subsection (a) (including any related recommendations) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

On page 636, line 13, strike "and".

On page 636, strike line 21 and insert "genebanks with the United States; and

"(12) research that develops technology that will ascertain the lean content of animal carcasses that will be used for human consumption.' ".

On page 660, line 23, insert "(a) IN GENERAL.—" before "Section".

On page 661, between lines 6 and 7, insert the following new subsection:

(b) COST-REIMBURSABLE AGREEMENTS.—Section 1473 of the Act (7 U.S.C. 3319a) is amended by inserting before "without regard" the following: "and State departments of agriculture and associations thereof".

On page 661, line 11, strike "each" and all that follows through line 12 and insert "fiscal year 1991, $430,000,000 for fiscal year 1992, $440,000,000 for fiscal year 1993, $450,000,000 for fiscal year 1994, and $460,000,000 for fiscal year 1995.' ".

On page 777, strike lines 4 through 11, and insert the following:

SEC. 1485. TRIBALLY CONTROLLED COMMUNITY COLLEGES.

(a) ANNUAL GRANTS.—The Secretary of Agriculture shall make annual grants to accredited tribally controlled community colleges, as defined in section 2(4) of the Tribally Controlled Community Colleges Assistance Act of 1976 (25 U.S.C. 1801(4)), in the amount of $50,000 per institution for the purpose of enabling such colleges to carry out the agriculturally-related research and higher education programs of such colleges.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary in each fiscal year to carry out the activities described in subsection (a).

On page 802, after line 24, add the following new section:

SEC. 1497. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

(a) GRANT FOR DEMONSTRATION PROJECT.—The Secretary of Agriculture shall award a grant for the establishment of a project to demonstrate a model approach to improving rural health infrastructure. The project established with such grant shall—

(1) carry out systematic, community-based rural health needs assessments;

(2) identify and coordinate available health services resources;

(3) improve community infrastructure through health education and information and leadership development and training; and

(4) develop community generated health improvement strategies.

(b) PROJECT IMPLEMENTATION.—The project established under subsection (a) shall be implemented through the cooperation of—

(1) an academic medical center with accredited health professions schools, including schools of medicine, dentistry, public health, nursing, and allied health;

(2) the Cooperative Extension System of a land-grant university; and

(3) county-based citizens' organizations concerned with rural health services.

(c) AUTHORIZATION OF APPROPRIATIONS.—There authorized to be appropriated such sums as may be necessary in each fiscal year to carry-out subsection (a). Amounts appropriated under this subsection shall remain available until expended.

On page 861, between lines 19 and 20, insert the following new subtitle:

Subtitle E—Miscellaneous Provisions

SEC. 1571. TALLADEGA NATIONAL FOREST EXPANSION.

(a) ACQUISITION OF LAND BY SECRETARY.—

(1) IN GENERAL.—To protect and manage the timber resources and the scenic, natural, recreation and other resource values associated with certain forest lands in the State of Alabama, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary"), in cooperation with State and private entities as provided in this section, shall acquire by purchase, donation, exchange or otherwise, lands and interests lying within the boundaries depicted on maps dated December 31, 1990, and entitled "Talladega Forest Expansion", that are on file with the Chief of the Forest Service in Washington D.C.

(2) TECHNICAL ERRORS.—The Chief of the Forest Services may correct technical and clerical errors that appear on the maps referred to in paragraph (1).

(3) REFERENCE.—The lands included within the boundaries depicted on the maps described in paragraph (1) are hereinafter referred to as the "Talladega Expansion Lands."

(b) CONDITIONS.—

(1) IN GENERAL.—Acquisitions made under this section shall be commensurate with appropriated and donated funds and shall be completed by the Secretary notwithstanding any other provision or requirement of law or of any condition precedent.

(2) EXCLUSIONS.—The Secretary may exclude from an acquisition of land under this section—

(A) such rights-of-way, easements and other outstanding rights determined to be unacceptable to the Secretary; and

(B) any small or isolated parcels of land that the Secretary determines are not manageable.

(c) ADMINISTRATION OF ACQUIRED LANDS.—All lands acquired by the Secretary under this section shall be administered under the Act of March 1, 1911 (36 Stat. 961, as amended) (commonly referred to as the Weeks Act). In managing such lands the primary emphasis shall be on the sustained yield of forest products from such land consistent with the traditional uses, including hunting, hiking, public access and conservation of other resource values.

On page 924, line 19, insert "papayas," after "plums,".

On page 981, between lines 11 and 12, insert the following new subtitle:

Subtitle E—Miscellaneous Provisions

SEC. 1771. NATIONAL AGRICULTURAL PEST CONTROL INFORMATION PROGRAM.

(a) PURPOSES.—The purposes of this section are—

(1) to compile a national database on the use of chemical and nonchemical pest control methods on commercially raised crops and livestock; and

(2) to provide information from the national database to the Office of Pesticide Programs of the Environmental Protection Agency for benefit and risk assessments of pesticides.

(b) DEFINITIONS.—As used in this section:

(1) PESTICIDE.—The term "pesticide" means a pesticide as defined in section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(u)).

(2) PEST CONTROL INFORMATION.—The term "pest control information" means the information collected by the States under subsection (d)(1).

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(4) STATE.—The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

(c) NATIONAL AGRICULTURAL PEST CONTROL INFORMATION PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish in the Agricultural Research Service a national agricultural pest control information program.

(2) INFORMATION.—In carrying out the program established under paragraph (1), the Secretary shall—

(A) specify by regulation the type of information to be submitted, and the manner of submission, by States under subsection (d);

(B) receive, verify, coordinate, and evaluate pest control information;

(C) in conjunction with the Administrator of the National Agricultural Statistics Service, establish and maintain a database containing pest control information; and

(D) publish pest control information not later than 36 months after the date of enactment of this Act, and at the end of each 3-year period thereafter.

(3) LIAISON.—The Secretary shall establish a liaison between the Department of Agriculture and the Environmental Protection Agency on issues concerning the national agricultural pest control information program.

(4) COOPERATION.—In establishing the database and publishing pest control information under subparagraphs (C) and (D) of paragraph (2), the Secretary shall cooperate, to the maximum extent possible, with the Administrator of the Environmental Protection Agency and other users of the pest control information.

(d) PRIORITY PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish and maintain, within the National Agriculture Pesticide Impact Assessment Program (established in Department of Agriculture regulation 9500-2, March 7, 1983), a continuing priority program as described in paragraph (2) to compile data concerning chemical and nonchemical pest controls used in each State for each pesticide or other methods of pest control for the purpose of obtaining timely information on—

(A) crops treated;

(B) number of acres treated in a crop year;

(C) applications in a crop year;

(D) rates of application; and

(E) methods of application.

(2) DATA COLLECTION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each State shall conduct a survey to collect pest control information.

(B) EXISTING INFORMATION.—No State with a continuing program to collect pest control information shall be required to collect additional information.

(3) DATA SUBMISSION.—Not later than 30 months after the date of enactment of this Act, and at the end of each 3-year period thereafter, to be eligible to receive any Federal funds for the collection of pest control information, a State shall submit the information described in paragraph (1) to the Secretary.

(4) GRANTS.—

(A) IN GENERAL.—The Secretary may make grants to States for purposes of collecting pest control information under paragraph (1).

(B) ALLOCATION.—The Secretary shall allocate grants under this subsection among the States based on such regulations as the Secretary prescribes to carry out this subsection.

(C) REIMBURSEMENT.—The Secretary may make grants under subparagraph (A) to any State that has collected and submitted pest control information to reimburse the State for all, or any portion of, the costs incurred by the State in collecting the information.

(D) APPLICATION.—In order for a State to be eligible for a grant under subparagraph (A), the State shall submit an application to the Secretary at such time, in such manner, and containing such agreements, assurances, and information, as the Secretary determines to be necessary to carry out this subsection.

SEC. 1772. NATIONAL AGRICULTURAL CHEMICAL PLASTIC CONTAINER COLLECTION AND RECYCLING STANDARDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than January 1, 1993, the Administrator of the Environmental Protection Agency may, in consultation with heads of other interested Federal and State agencies, promulgate standards for national agricultural chemical plastic container collection and recycling.

(2) REQUIREMENTS.—The standards shall be designed, to the fullest extent practicable, to—

(A) provide an immediate option to the landfilling of containers;

(B) provide a safe, effective, voluntary, and workable solution to plastic container disposal;

(C) be economically and environmentally sound;

(D) be coordinated with appropriate State, county, and regional entities;

(E) promote incentives to encourage the collection or return of empty containers;

(F) encourage the participation of the private sector;

(G) not be unduly burdensome to small businesses and retail dealers;

(H) not require the submission of confidential business data from registrants for pesticide packaging prior to July 1, 1988; and

(I) not affect the authorities or requirements concerning pesticide containers established under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) or the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(3) CONSULTATION.—The Administrator shall consult with the heads of other interested Federal agencies, State lead agencies, agricultural chemical industry groups, plastic industry groups, recycling groups, business groups, environmental groups, agricultural grower groups, and other persons to developing reasonable, practicable, and economic standards to carry out this subsection.

(b) STUDY.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency shall conduct a study to determine the feasibility of standards for national agricultural chemical plastic container collection and recycling referred to in subsection (a).

(2) REQUIREMENTS.—In carrying out the study, the Administrator shall to the fullest extent practicable—

(A) determine the feasibility of recycling at least 40,000,000 pounds of plastic, assess the need for and potential uses of recycled plastic containers, and determine if there are any technical, scientific, and geographic barriers to recycling;

(B) recommend criteria for identifying and selecting plastic recyclers who can recycle containers;

(C) recommend criteria for container collection site selection and evaluate the utilization of existing county landfill or designated solid waste regional sites provided for in the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) as sites for containing collection with the goal of eliminating overlapping and duplicative sites;

(D) consider procedures for the proper handling, storage, and transportation of containers to collection sites;

(E) identify and define procedures, criteria, and persons responsible for the inspection and certification of empty containers at collection sites;

(F) define procedures for the identification, separation, and preparation of empty containers in a manner that will ensure the reliability of the recycling standards;

(G) suggest a system for the transportation of collected containers, including (if appropriate) transportation from local sites (through central collection processing sites) to approved recycling operations;

(H) analyze the costs and benefits of recycling agricultural chemical plastic containers produced for the domestic market;

(I) examine methods of funding the collection and recycling of plastic containers and suggest a reasonable, practicable, effective, and efficient means of collecting monies;

(J) recommend the appropriate agency to administer a funding mechanism, including consideration of the Environmental Protection Agency, the Department of Agriculture, the Department of the Treasury, and the Internal Revenue Service;

(K) determine the nature, scope, costs, and benefits of incentives to encourage all agricultural chemical users (including commercial and private applicators, farmers,

and ranchers) to return containers to a central or county location;

(L) specify what additional information needs to be collected by the Administrator;

(M) recommend the appropriate Federal and State role in the implementation and enforcement of national collection and recycling, including consideration of—

(i) amendments to State pesticide plans to include recycling and collection standards;

(ii) necessary enforcement criteria; and

(iii) all applicable Federal laws and regulations;

(N) develop a verification process to ensure that a funding mechanism referred to in subparagraph (I) is collected to carry out collection and recycling, including consideration of the feasibility of—

(i) establishing a tamper-proof seal, hologram, indelible ink-jet code, or some other equivalent method; and

(ii) allotting redemption tickets to persons who return properly-rinsed containers;

(O) identify the effects of plastic material differences between closures and containers, and recommend solutions to any problems;

(P) conform to provisions of law and regulations promoting the safe storage and disposal of pesticides; and

(Q) coordinate Federal regulatory requirements with the Secretary of Transportation to permit appropriate use of recycled plastic into agricultural pesticide plastic containers.

(3) HIGH DENSITY POLYETHYLENE CONTAINERS.—As part of the study required under this subsection, the Administrator shall, in consultation with the heads of other interested Federal agencies, applicable State agencies, agricultural chemical industry groups, plastics industry groups, recycling groups, business groups, environmental groups, agricultural grower groups, and other persons, determine and assess the practical and economic feasibility and environmental benefits of a national agricultural plastic pesticide container collection and recycling project for high density polyethylene containers.

(4) REPORT AND RECOMMENDATIONS.—Not later than September 1, 1991, the Administrator shall submit to Congress—

(A) a report describing the results of the study required under this subsection;

(B) a legislative recommendation for implementation of standards for national agricultural chemical plastic container collection and recycling; and

(C) a legislative recommendation for implementing a funding mechanism for collecting and recycling plastics.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $1,500,000 for fiscal year 1991.

On page 1081, after line 10, add the following new subtitles:

Subtitle C—Investment of Certain Fees

SEC. 1951. PERISHABLE AGRICULTURAL COMMODITIES ACT.

Section 3(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499c) is amended by striking "referred to above:" and inserting the following: "referred to above, except that any operating balances and interest earned may be invested by the Secretary of the Treasury, at the request of the Secretary of Agriculture, in public debt securities with maturities suitable to the needs of the funds, as determined by the Secretary of Agriculture, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration the current market yields on outstanding obligations of the United States of comparable maturities. All interest earned shall be credited to the fund to pay for the services provided under this Act."

SEC. 1952. TOBACCO ADJUSTMENT ACT OF 1983.

Section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r) is amended by adding at the end the following new sentences: "Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of the Treasury, at the request of the Secretary of Agriculture, in public debt securities with maturities suitable to the needs of the fund, as determined by the Secretary of Agriculture, and bearing interest at rates determined by the Secretary of Treasury, taking into consideration the current market yields on outstanding obligations of the United States of the comparable maturities. Fees and charges, including late payment penalties, and interest earned from the investment of such funds shall be credited to the account referred to in this section.".

SEC. 1953. USER FEES FOR REPORTS, PUBLICATIONS, AND SOFTWARE.

Section 1121 of the Agriculture and Food Act of 1981 (7 U.S.C. 2242a) is amended by adding at the end the following new subsection:

"(d) INVESTMENT.—Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of the Treasury at the request of the Secretary of Agriculture, in public debt securities with maturities suitable to the needs of the fund, as determined by the Secretary of Agriculture, and bearing interest at rates determined by the Secretary of Treasury, taking into consideration the current market yields on outstanding obligations of the United States of the comparable maturities. Fees and charges, including late payment penalties and interest earned from the investment of such funds shall be credited to the account that incurs such costs.".

Subtitle D—Nutrition

SEC. 1955. COMMERCIAL WAREHOUSING AND DISTRIBUTION.

Section 3(d) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended—

(1) by striking "Before the expiration of the 270-day period beginning on the date of the enactment of this Act, the" and inserting "The"; and

(2) by striking paragraphs (1), (2) and (3) and inserting the following new paragraphs:

"(1) evaluate its system for warehousing and distributing donated commodities to recipient agencies designated in section 13(3)(A) (hereinafter in this Act referred to as 'child nutrition program recipient agencies');

"(2) in the case of State distribution agencies that require payment of fees by child nutrition program recipient agencies for any aspect of warehousing or distribution, implement the warehousing and distribution system that provides donated commodities to child nutrition program recipient agencies in the most efficient manner, at the lowest cost to those recipient agencies, and at a level that is not less than the basic level of services determined by the Secretary;

"(3) in determining the most efficient and lowest cost system, consider the use of commercial facilities for providing warehousing and distribution services and both the direct and indirect costs of the child nutrition program recipient agencies;".

SEC. 1956. COMMODITY ACCEPTABILITY INFORMATION.

Section 3(f)(2) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking "semiannually" and inserting "annually".

Subtitle E—Miscellaneous

SEC. 1961. CONFIDENTIALITY OF INFORMATION

Section 1770 of the Food Security Act of 1985 (7 U.S.C. 2276) is amended—

(1) in subsection (a)(1)—

(A) by inserting "in a manner such that the data supplied by any particular respondent is not discernable and" after "aggregate data"; and

(B) by striking "person" and inserting "respondent";

(2) in subsection (a)(2)—

(A) by inserting "the data supplied by any particular respondent or" after "identification of"; and

(B) by striking "person" and inserting "respondent";

(3) in subsection (b)(2)(B), by striking "person" and inserting "respondent";

(4) in subsection (c), by striking "section (a)" and inserting "subsection (a)"; and

(5) by adding at the end the following new subsections:

"(e) For purposes of this section, the term 'respondent' means any—

"(1) individual;

"(2) corporation, partnership, or other business establishment;

"(3) group or association;

"(4) State or local agency or instrumentality; and

"(5) any other entity that provided information to the Department of Agriculture pursuant to a provision of law referred to in subsection (d) of this section.

"(f) Nothing in this section will affect the availability of such information under State or local law.".

SEC. 1962. RECORDKEEPING AND SERVICE CENTER IMPROVEMENT.

(a) PURPOSE.—The Secretary of Agriculture shall establish and implement a program that is designed to minimize the amount of paperwork, and the time needed to complete such paperwork, required of producers that participate in programs administered by the Secretary of Agriculture.

(b) REPORT.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that contains specific proposals for—

(1) reducing and simplifying the recordkeeping and other paperwork required of agricultural producers and cooperatives (hereinafter referred to in this section as "producers") who apply for participation in, or attempt to comply with the requirements of—

(A) Federal agricultural price and income support programs administered by the Secretary of Agriculture, including programs under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.);

(B) Voluntary or mandatory soil or water conservation programs administered by the Secretary of Agriculture, including programs under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.); and

(C) other agriculturally related programs administered by the Secretary of Agriculture and related agency heads; and

(2) consolidating and relocating county offices of various agencies and operations of the Department of Agriculture to provide for more convenient and efficient public access to, and the more efficient use of, publicly owned or leased property; and

(3) statutory changes that are required to reduce paperwork burdens on producers.

(c) EVALUATION.—

(1) IN GENERAL.—In preparing the report required under subsection (b), the Secretary of Agriculture shall undertake a thorough examination of the feasibility of reducing paperwork and recordkeeping requirements imposed on agricultural producers by the Department of Agriculture by permitting such producers to have access to an existing subsequently developed computer network or system with the capability to—

(A) receive electronic transmissions, from computer terminals on farms or other remote locations, of all or a portion of any information required to be provided by such producers;

(B) provide any such producer with updated electronic information and data pertinent to the agricultural operation and marketing of such producer; and

(C) provide producers with information-sharing through audio conferencing.

(2) COMPUTER FEES AND USER CATEGORIES.—

(A) COMPUTER FEES.—In determining the feasibility and costs of providing a computer network or system as described in paragraph (1), the Secretary of Agriculture may consider the imposition of a nominal user fee on producers and others who desire to have access to and the use of such a network or system. The amount of such fee should be sufficient to partially or entirely defray the costs (after considering any savings to the Department of Agriculture) associated with the operation, maintenance, and future expansion of such network or system attributable to producer use thereof, but shall not include any reimbursement for existing equipment or equipment capability or for any costs associated with the initial establishment of such network or system.

(B) USER CATEGORIES.—In determining an appropriate amount to be imposed as a user fee under subparagraph (A), the Secretary of Agriculture shall examine additional categories of users who may be permitted access to the computer network or system, and examine safeguards that would be reasonably necessary to limit file access consistent with the provisions of the Privacy Act of 1974 (5 U.S.C. 552a et seq.) and any other relevant statutory or regulatory provisions governing disclosure of individuals or proprietary information.

(3) RECOMMENDATIONS.—In the report required under subsection (b), the Secretary of Agriculture shall include a detailed summary of the examination conducted under this section and recommendations regarding the feasibility of providing producers and other users with access to such computer network or system, and the appropriate amount of user fees that shall be imposed for such access and use, if any, and the categories of users who should be granted access to such network or system.

(d) IMPLEMENTATION.—

(1) IN GENERAL.—To the extent practicable, the Secretary of Agriculture shall take steps necessary to implement the recommendations contained in the report required under subsection (b).

(2) REPORT.—Not later than 180 days after the submission of the report required under subsection (b), the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that describes the steps taken to implement the recommendations contained in the report required under subsection (b).

SEC. 1963. WINE AND WINE GRAPE INDUSTRY STUDY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study to determine the most effective manner in which the Department of Agriculture may work with and support the United States wine and wine grape industry. Such study shall—

(1) be designed to determine whether existing Department of Agriculture programs could be improved to more effectively assist and support the United States wine and wine grape industry;

(2) be designed to determine whether new methods or programs implemented by the Department of Agriculture could enhance wine and wine grape production and processing and expand markets for United States wine and wine grapes; and

(3) be conducted in consultation with local, State, and national associations or organizations of the United States wine and wine grape industry.

(b) REPORT.—Not later than December 31, 1991, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that contains a description of the determinations made in the study conducted under subsection (a). Such report shall also include any recommendations for legislation that the Secretary determines may be necessary to implement the programs or methods described in subsection (a).

SEC. 1964. GRAIN-BASED ALCOHOL FUELS RESEARCH.

(a) ESTABLISHMENT.—The Secretary of Agriculture, in consultation with the Secretary of Energy, shall establish an alcohol fuels research program to determine the methods for, and the economic advantages of, utilizing offgrade grain in the production of clean fuels from renewable resources.

(b) PRIORITY RESEARCH.—The primary objective of the program established under subsection (a) shall be to encourage alcohol fuels research concerning grain and other agricultural crops and waste materials that would—

(1) convert cellulose and hemicellulose into sugars;

(2) convert 5- and 6-carbon sugars into ethanol;

(3) convert off-grade grains into ethanol, especially its derivative, ethyl tertiary butyl ether;

(4) utilize membranes to separate ethanol from process streams rather than using fossil fuel energy;

(5) improve the quality and value of by-products to increase digestibility and performance of livestock, poultry, and fish; and

(6) develop new markets for such byproducts.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for each of the fiscal years 1991 through 1995 to carry out the program established under subsection (a).

REID AMENDMENT NO. 2305

Mr. REID proposed an amendment to the bill S. 2830, supra, as follows:

At the end of the bill, add the following new section:

SEC. . It is the sense of the Senate that Federal nutrition programs are important elements of our national food and agricultural policy. It is further the sense of the Senate that when legislation reauthorizing Federal nutrition program is considered in the Senate, such programs should be authorized at levels that will meet recognized national needs.

REID (AND OTHERS) AMENDMENT NO. 2306

Mr. REID (for himself, Mr. RUDMAN, Mr. CHAFEE, Mr. BRYAN, Mr. BRADLEY, Mr. PELL, Mr. KERRY, and Mr. LAUTENBERG) proposed an amendment to amendment No. 2305 proposed by him to the bill S. 2830, supra, as follows:

At the end of the amendment, add the following new section:

SEC. . MEANS TEST FOR AGRICULTURAL PAYMENTS.

The Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. MEANS TEST FOR AGRICULTURAL PAYMENTS.

"Notwithstanding any other provision of law, a person (as defined in section 1001(5)(B)(i) shall be ineligible to receive payments under any of the annual programs established for a commodity under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (other than disaster payments or payments received under conservation reserve programs established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) and as amended by subsequent legislation) for a crop year if the average amount of gross sales of agricultural commodities by the person during the 5 previous crop years is in excess of $500,000 per year.".

PRESSLER AMENDMENT NO. 2307

Mr. PRESSLER proposed an amendment to the bill S. 2830, supra, as follows:

At the end of title XII insert the following new section:

SEC. . REPORT CONCERNING AN INTERNATIONAL AGRICULTURAL CONSERVATION RESERVE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Approximately one-fifth of the world's cropland is experiencing an intolerable rate of soil erosion;

(2) The cost of farm program subsidies is at record levels in many nations;

(3) The United States has taken the initiative of enrolling nearly 34 million acres of agricultural land in a ten-year Conservation Reserve Program;

(4) World food production historically has increased at an annual rate of 2.5 percent, but world food production during the 1980's has increased at an average rate of over 3 percent annually;

(5) All nations would benefit from the decreased agricultural subsidies and stabilized food production an international agricultural conservation reserve could provide.

(b) REPORT TO CONGRESS.—

(1) Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall, in consultation with other federal agencies, prepare and submit a

report to the Congress on the feasibility of negotiating an international agreement or treaty to establish an international agricultural conservation reserve to protect fragile agricultural soils.

(2) The report shall examine the potential for the establishment of an international agricultural conservation reserve under which:

(a) All signatory nations would agree not to subsidize farmers who bring highly erodible virgin land into crop production.

(b) All signatory nations would agree to return a certain percentage of highly erodible cropland to its natural state and keep it out of production for a minimum of 10 years and implement sound conservation practices on such land to control soil erosion.

(c) Provisions would be established to allow a portion of the land placed by signatory nations into the reserve to be returned to production if stocks fell below those levels needed to maintain adequate commodity and food supplies.

KOHL AMENDMENT NO. 2308

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to the bill S. 2830, supra, as follows:

On page 33, between lines 19 and 20, insert the following new section:

"SEC. 117.

"Not later than January 1, 1992, the Secretary of Agriculture shall—

"(1) conclude the national hearings announced by the Secretary on March 29, 1990, regarding changes in the pricing provisions of Federal milk marketing orders issued under section 8(c) of the Agricultural Adjustment Act (7 U.S.C. 608(c)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, in order to effect any changes in the Federal orders setting minimum prices that milk processors must pay for Grade A milk received from producers; and

"(2) implement the changes referred to in paragraph (1).".

MURKOWSKI AMENDMENT NO. 2309

Mr. MURKOWSKI proposed an amendment to the bill S. 2830, supra, as follows:

Insert at the appropriate place title XIX in the section entitled "Collection of Fees for Inspections Services."

SEC. . ADDITIONAL INSPECTION SERVICES.

(a) AGREEMENTS.—The Secretary of Agriculture, in carrying out regulations prohibiting or restricting the entry of materials that may harbor pests, or diseases, is authorized to enter into agreements with operators or owners of vessels for the purpose of providing inspection services at ocean ports of entry in the United States in addition to the regular or on-call basis currently available in connection with such ships. Any such agreement shall provide for the payment by the operator or owner of an amount determined by the Secretary to be necessary to defray the costs of providing additional service pursuant to such agreement.

DOMENICI AMENDMENT NO. 2310

Mr. DOMENICI proposed an amendment to the bill S. 2830, supra, as follows:

On page 929, between lines 18 and 19, insert the following new section:

SEC. 1730. CHECKOFF PROGRAM FOR WOOL.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking out "two thirds" each place that such appears and inserting in lieu thereof "a majority".

GRASSLEY AMENDMENT NO. 2311

Mr. GRASSLEY proposed an amendment to the bill S. 2830, supra, as follows:

Strike out paragraph (5) of section 1617(a) and insert in lieu thereof the following new paragraph:

"(5) use any packaging materials, storage containers or bins that contain fungicides, preservatives, or fumigants;".

FEDERAL COMMUNICATIONS COMMISSION REAUTHORIZATION ACT

INOUYE AMENDMENT NO. 2312

Mr. CRANSTON (for Mr. INOUYE) proposed an amendment to the bill (S. 1022) to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes, as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Federal Communications Commission Authorization Act of 1990".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. (a) There are authorized to be appropriated for the administration of this Act by the Commission $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1990 and 1991.

"(b) In addition to the amounts authorized to be appropriated under the section, not more than 4 percent of the amount of any fees or other charges payable to the United States which are collected by the Commission during fiscal year 1990 are authorized to be made available to the Commission until expended to defray the fully distributed costs of such fees collection.

"(c) Of the amounts appropriated pursuant to subsection (a) for fiscal year 1991, such sums as may be necessary not to exceed $2,000,000 shall be expended for upgrading and modernizing equipment at the Commission's electronic emissions test laboratory located in Laurel, Maryland.".

COMMERCIAL RADIO OPERATOR EXAMINATIONS

SEC. 3. Section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end the following new paragraph:

"(5)(A) The Commission, for purposes of preparing and administering any examination for a commercial radio operator license or endorsement, may accept and employ the services of persons that the Commission determines to be qualified. Any person so employed may not receive compensation for such services, but may recover from examinees such fees as the Commission permits, considering such factors as public service and cost estimates submitted by such person.

"(B) The Commission may prescribe regulations to select, oversee, sanction, and dismiss any person authorized under this paragraph to be employed by the Commission.

"(C) Any person who provides services under this paragraph or who provides goods in connection with such services shall not, by reason of having provided such service or goods, be considered a Federal or special government employee.".

TRAVEL REIMBURSEMENT PROGRAM

SEC. 4. Section 4(g)(2)(D) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)(D)) is amended by striking "1989" and inserting in lieu thereof "1992".

COMMUNICATIONS SUPPORT FROM OLDER AMERICANS

SEC. 5. Section 6(a) of the Federal Communications Commission Authorization Act of 1988 (47 U.S.C. 154 note) is amended by striking "and 1989" and inserting in lieu thereof ", 1989, 1990, and 1991".

HAWAII MONITORING STATION

SEC. 6. (a) Section 9(a) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended—

(1) by striking "and 1990" and inserting in lieu thereof ", 1990, 1991, and 1992";

(2) in paragraph (4) by striking "a facility at the new location" and inserting in lieu thereof "facilities at new locations"; and

(3) in paragraph (6) by striking "a facility at a new location" and inserting in lieu thereof "facilities at new locations".

(b) Subsection (b) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended to read as follows:

"(b) The Administrator of General Services is authorized to dispose of, only to the State of Hawaii, as much of the real property (including improvements thereon) at the present location of the Hawaii Monitoring Station as is necessary for the purposes of relocating, at a minimum, the antennas associated with the Monitoring Station.".

(c) Section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended by striking subsections (c) and (d), by redesignating subsection (e) as subsection (i), and by inserting immediately after subsection (b) the following new subsections:

"(c) Pursuant to the authority provided in subsection (b), the Administrator of General Services shall sell and convey to the State of Hawaii the real property and improvements thereon described in subsection (b) on an expedited basis, including provisions for lease-back as required.

"(d) In consideration of such sale, the State of Hawaii shall agree to—

"(1) pay to the General Services Administration an amount not less than the fair market value, as determined by the Administrator of General Services, of the property to be conveyed under subsection (c), or

"(2) convey to the Federal Communications Commission real property that would be suitable, as determined by the Commission, for the relocation of the Hawaii Monitoring Station and, in addition, pay to the General Services Administration an amount

equal to the difference between the fair market value of the two properties, as determined by the Administrator of General Services, if the Federal property conveyed is of greater value.

"(e) The General Services Administration shall reimburse the Federal Communications Commission from the net proceeds of such sale for all of the expenditures of the Commission associated with the relocation of the Hawaii Monitoring Station. Any such reimbursed funds received by the Commission shall remain available until expended.

"(f) The net proceeds of such sale, less any funds reimbursed to the Federal Communications Commission pursuant to subsection (e), and less normal and reasonable charges by the General Services Administration for costs associated with such sale, shall be deposited in the general funds of the Treasury.

"(g) If the General Services Administration and the State of Hawaii are unable to execute a contract for sale as required by this section or complete any other transaction necessary to carry out such sale, the Administrator of General Services shall not proceed to public sale of the property described in subsection (b).

"(h) The Hawaii Monitoring Station shall continue its full operations at its present location until new facilities have been built and are fully operational.".

(d) Subsection (i) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024), as so redesignated by subsection (c) of this section, is amended by striking ", in fiscal years 1989 and 1990".

TARIFF NOTICE PERIOD

SEC. 7. (a) Section 203(b)(1) of the Communications Act of 1934 (47 U.S.C. 203(b)(1) is amended by striking "ninety days notice" and inserting in lieu thereof "one hundred and twenty days' notice".

(b) Section 203(b)(2) of the Communications Act of 1934 (47 U.S.C. 203(b)(2)) is amended by striking "ninety days" and inserting in lieu thereof "one hundred and twenty days".

AMATEUR RADIO SERVICE RECIPROCAL PERMITS

SEC. 8. (a) Section 303(*l*)(3) of the Communications Act of 1934 (47 U.S.C 303(*l*)(3) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

(b) Section 301(c) of the Communications Act of 1934 (47 U.S.C. 310(c)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "Multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

WILLFUL OR MALICIOUS INTERFERENCE

SEC. 9. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"WILLFUL OR MALICIOUS INTERFERENCE

"SEC. 333. No person shall willfully or maliciously interfere with or cause interference to any radio communications of any station licensed or authorized by or under this Act or operated by the United States Government.".

APPLICABILITY OF FORFEITURES TO APPLICANTS

SEC. 10. The first sentence of section 503(b)(5) of the Communications Act of 1934 (47 U.S.C. 503(b)(5)) is amended by inserting "and if such person is not an applicant for a license, permit, certificate, or other authorization issued by the Commission," immediately before "unless, prior".

CHILDREN'S TELEVISION ACT

WIRTH (AND OTHERS) AMENDMENT NO. 2313

Mr. CRANSTON (for Mr. WIRTH) (for himself, Mr. INOUYE, Mr. HOLLINGS, Mr. METZENBAUM, Mr. LAUTENBERG, and Mr. BURNS) proposed an amendment to the bill (S. 1992) to require the Federal Communications Commission to ensure that broadcasters provide children's television programming that meets the educational and informational needs of the child audience, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Children's Television Act of 1990".

TITLE I—REGULATION OF CHILDREN'S TELEVISION

FINDINGS

SEC. 101. The Congress finds that—

(1) it has been clearly demonstrated that television can assist children to learn important information, skills, values, and behavior while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from over commercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary that the Federal Communications Commission (hereinafter referred to as the "Commission") take the actions required by this title.

STANDARDS FOR CHILDREN'S TELEVISION PROGRAMMING

SEC. 102. (a) The Commission shall, within 30 days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial television broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming. The Commission shall, within 180 days after the date of enactment of this Act, complete the rulemaking proceeding and prescribe final standards that meet the requirements of subsection (b).

(b) Except as provided in subsection (c), the standards prescribed under subsection (a) shall include the requirement that each commercial television broadcast licensee shall limit the duration of advertising in children's television programming to not more than 10.5 minutes per hour on weekends and not more than 12 minutes per hour on weekdays.

(c) After January 1, 1993, the Commission—

(1) may review and evaluate the advertising duration limitations required by subsection (b); and

(2) may, after notice and public comment and a demonstration of the need for modification of such limitations, modify such limitations in accordance with the public interest.

(d) As used in this section, the term "commercial television broadcast licensee" includes a cable operator, as defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522).

CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL

SEC. 103. (a) After the standards required by section 102 are in effect, the Commission shall, in its review of any application for renewal of a television broadcast license, consider the extent to which the licensee—

(1) has complied with such standards; and

(2) has served the educational and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs.

(b) In addition to consideration of the licensee's programming as required under subsection (a), the Commission may consider—

(1) any special nonbroadcast efforts by the licensee which enhance the educational and informational value of such programming to children; and

(2) any special efforts by the licensee to produce or support programming broadcast by another station in the licensee's marketplace which is specifically designed to serve the educational and informational needs of children.

PROGRAM LENGTH COMMERCIAL MATTER

SEC. 104. Within 180 days after the date of enactment of this Act, the Commission shall complete the proceeding known as "Revision of Programming and Commercialization Policies, Ascertainment Requirements and Program Log Requirements for Commercial Television Stations", MM Docket No. 83-670.

TITLE II—ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

SHORT TITLE

SEC. 201. This title may be cited as the "National Endowment for Children's Educational Television Act of 1990".

FINDINGS

SEC. 202. The Congress finds that—

(1) children in the United States are lagging behind those in other countries in fundamental intellectual skills, including reading, writing, mathematics, science, and geography;

(2) these fundamental skills are essential for the future governmental and industrial leadership of the United States;

(3) the United States must act now to greatly improve the education of its children;

(4) television is watched by children about three hours each day on average and can be effective in teaching children;

(5) educational television programming for children is aired too infrequently either because public broadcast licensees and permittees lack funds or because commercial broadcast licensees and permittees or cable television system operators do not have the economic incentive; and

(6) the Federal Government can assist in the creation of children's educational televi-

sion by establishing a National Endowment for Children's Educational Television to supplement the children's educational programming funded by other governmental entities.

SEC. 203. (a) Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 394 as section 393A;

(2) by redesignating subparts B, C, and D as subparts C, D, and E, respectively; and

(3) by inserting immediately after section 393A, as so redesignated, the following new subpart:

"SUBPART B—NATIONAL ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

"ESTABLISHMENT OF NATIONAL ENDOWMENT

"SEC. 394. (a) It is the purpose of this section to enhance the education of children through the creation and production of television programming specifically directed toward the development of fundamental intellectual skills.

"(b) There is established, under the direction of the Secretary, a National Endowment for Children's Educational Television. In administering the National Endowment, the Secretary is authorized to make grants to persons proposing to create and produce educational television programming for children. The Secretary shall consult with the Advisory Council on Children's Educational Television in the making of the grants. The grants shall be made on the condition that the programming shall—

"(1) during the first two years after its production, be made available only to public television licensees and permittees and noncommercial television licensees and permittees; and

"(2) thereafter be made available to any commercial television licensee or permittee or cable television system operator, at a charge established by the Secretary that will assure the maximum practicable distribution of such programming, so long as such licensee, permittee, or operator does not interrupt the programming with commercial advertisements.

The Secretary may, consistent with the purpose and provisions of this section, permit the programming to be distributed to persons using other media, establish conditions relating to such distribution, and apply those conditions to any grant. The Secretary may waive the requirements of paragraph (1) of this subsection if the Secretary finds that neither public television licensees and permittees nor noncommercial television licensees and permittees will have an opportunity to air such programming in the first two years after its production.

"(c)(1) The Secretary, with the advice of the Advisory Council on Childen's Educational Television, shall establish criteria for making grants under this section. Such criteria shall be consistent with the purpose and provisions of this section and shall be made available to interested parties upon request.

"(2) Applications for grants under this section shall be submitted to the Secretary in such form and containing such information as the Secretary shall require by regulation.

"(d) Upon approving any application under this section, the Secretary shall make a grant to the applicant in an amount determined by the Secretary, except that such amounts shall not exceed 75 percent of the amount determined by the Secretary to be the reasonable and necessary cost of the project for which the grant is made.

"(e)(1) The Secretary shall establish an Advisory Council on Children's Educational Television. The Secretary shall appoint ten individuals as members of the Advisory Council and designate one of such members to serve as Chairman.

"(2) Members of the Advisory Council shall have terms of two years, and no member shall serve for more than three consecutive terms. The members shall have expertise in the fields of education, psychology, child development, or television programming, or related disciplines. Officers and employees of the United States shall not be appointed as members.

"(3) While away from their homes or regular places of business in the performance of duties for the Advisory Council, the members of the Advisory Council shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with 5703 of title 5, United States Code.

"(4) The Advisory Council shall meet at the call of the Chairman and shall advise the Secretary concerning the making of grants under this section.

"(f)(1) Each recipient of a grant under this section shall keep such records as may be reasonably necessary to enable the Secretary to carry out the Secretary's functions under this section, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project, the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to a grant received under this section.

"(g) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this section, including those relating to the order of priority in approving applications for projects under this section or to determining the amounts of grants for such projects.

"(h) There are authorized to be appropriated $10,000,000 for fiscal year 1991 for the Secretary to carry out the provisions of this section. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants for projects for which applications approved under this section have been submitted within one year after the last day of such fiscal year.

"(i) For purposes of this section—

"(1) the term 'educational television programmming for children' means any television program which is directed to an audience of children who are 16 years of age or younger and which is designed for the intellectual development of those children, except that such term does not include any television program which is directed to a general audience but which might also be viewed by a significant number of children; and

"(2) the term 'person' means an individual, partnership, association, joint stock company, trust, corporation, or State or local governmental entity.".

(b) Section 397 of the Communications Act of 1934 (47 U.S.C. 397) is amended—

(1) in paragraph (2) by striking "subpart C" and inserting in lieu thereof "subpart D"; and

(2) in paragraph (15)—

(A) by inserting "and subpart B" immediately after "subpart A"; and

(B) by striking "subpart B, subpart C" and inserting in lieu thereof "subpart C, subpart D".

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing before the Subcommittee on Energy Research and Development has been rescheduled.

The purpose of the hearing is to receive testimony on the current operations and future mission of the Department of Energy's national laboratories.

The hearing, originally scheduled to take place on Thursday, July 26, 1990, at 9:30 a.m., will take place on Wednesday, July 25, 1990, at 9:45 a.m. in room SD–366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to provide written testimony for the printed hearing record should send it to the Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510, Attn: Mary Louise Wagner.

For further information, please contact Mary Louise Wagner at (202) 224–7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, July 19, at 9:30 a.m. for a hearing on the subject: Oversight and reauthorization of McKinney Act programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 19, 1990, at 10 a.m. on the Federal collection of information on foreign investment in the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Thursday, July 19, 1990, at 10 a.m. to conduct a hearing on modernizing the regulation of financial services.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Thursday, July 19, 1990 at 2 p.m. to conduct hearings on S. 2827, legislation to limit liability of financial institutions and bank regulatory agencies for nonculpable liabilities and consideration of other environmental risks to lenders.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the full committee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m. Thursday, July 19, 1990, for a hearing to receive testimony from Presidential nominees Calvin A. Kent to be Administrator of the Energy Information Administration; Paul L. Ziemer to be Assistant Secretary of Energy for Environment, Safety and Health; and David H. Leroy to be nuclear waste negotiator.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, July 19, at 1:30 p.m., for a hearing on work force preparedness.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 19, 1990, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on July 19, 1990, beginning at 2 p.m., in 485 Russell Senate Office Building, on S. 2645, the Urban Indian Health Equity Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 19, 1990, at 2 p.m., to hold a hearing on the nomination of Michael Boudin, to be U.S. district judge for the District of Columbia, Carol Bagley Amon, to be U.S. district judge for the Eastern District of New York, Charles W. Pickering, Sr., to be U.S. district judge for the Southern District of Mississsippi, and William M. Skreyny, to be U.S. district judge for the Western District of New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Affairs, of the Committee of the Judiciary, be authorized to meet during the session of the Senate on July 19, 1990, at 11:45 a.m., to hold a markup on S. 1629, a bill to establish clearly a Federal right of action by aliens and U.S. citizens against persons engaging in torture or extrajudicial killings, and for other purposes; S. 953, a bill to amend the Immigration and Nationality Act to revise the grounds of exclusion for admission into the United States; S. 1263, a bill to treat Hong Kong as a separate foreign state for purposes of applying the numerical limitations on immigration; and H.R. 639, a bill to amend the Immigration and Nationality Act to provide for special immigrant status for certain aliens who have served honorably in the Armed Forces of the United States for 4 years.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RUNNING THE BASES WITH FAY VINCENT: A BASEBALL COMMISSIONER FOR THE NINETIES

● Mr. WIRTH. Mr. President, all of us enjoy a rousing game of baseball. There's no substitute for the crack of a bat, the thrill of a high fly to left, or the call of the ump: "Play ball." Baseball is truly the national sport and a proud part of our American heritage.

The man who reigns over the baseball kindgom is a soft-spoken, but determined baseball fan, Fay Vincent. I have had the pleasure of getting to know Fay well over the last 2 years or so, first while he served as deputy to the late baseball commissioner, Bart Giamatti, and more recently, as he serves in that capacity himself. As chairman of the Senate Task Force on Expansion of Major League Baseball, I have had the opportunity to work closely with Fay and always found him approachable, a good listener, and a hard—but fair—negotiator.

Recently, the Washington Post wrote a delightful article on Fay that I believe catches many of the facets of this good man's character. For those of my colleagues who may have missed it, I ask that it be reprinted in the RECORD.

The article follows:

[From the Washington Post, July 10, 1990]

UP TO BAT FOR BASEBALL—COMMISSIONER FAY VINCENT'S FIELD OF DREAMS

(By Paul Hendrickson)

BOSTON.—The apparent contradictions of an ungainly man, who finds it difficult just to walk, presiding over an enterprise, a pastime, that offers such displays of godlike physical grace. "Yes, I've thought of that," Francis T. Vincent Jr. says, savoring the irony. "And maybe that's some of the reason they seem to like me."

He's in a little white golf cart and he's moving on the rim of the infield. His yellow cane is propped between his legs. One shoelace is untied. The contest is about 90 minutes off and early evening New England land light, a painter's light, is splashing across the playing surface of Fenway Park. Somewhere inside, concessionaires are boiling thousands of Fenway Franks, wrapping soggy tasty buns in little wedges of tinfoil for the night's vending onslaught.

But down here, on the edge of this napkin of immaculate clipped green, Beantown autograph hounds are leaning in for a signature. They're handing over ticket stubs, game programs, new balls, their grade school catchers' mitts. The commissioner of baseball—such a lovely and sonorous title—is signing them all, whatever they got, is signing in his small, neat hand his Irish American and almost girlish-sounding name, "Fay Vincent."

All the while he keeps up the steady patter, the expert pepper.

"Hiya, commish."

"Hi yourself."

"So whaddaya think of Fenway, Fay?"

"What do I think? I think Fenway's one of the cathedrals of the game."

"You been to Chicago yet, Mr. Commissioner?"

"I'll be there at the All-Star Game on the 10th."

"Fay, who makes the rules?

"Depends on the rules."

"How 'bout that Canseco's 23 million?"

"He did okay, wouldn't you'd say?"

"So you gonna punish ol' Steinbrenner and make him sell his Yankees, Mr. Vincent?"

"You're not trying to rush our investigation, are you? You want me to be fair in this thing."

(Mystified little kid loudly at the rail to his baseball mom:) "Mommy, who is this man?"

(Mom in a stage-whisper answer, her pan as dead as dishwater:) "Herbie, that's the guy who never has to sit behind a pole."

He's been in the job 10 months, and he hasn't sat behind a pole yet—nor will he in tonight's 61st All-Star Game at Wrigley Field. It wouldn't be wholly accurate to call him giddy over his good fortune, but on the other hand he says, "The wonderful thing is I finally got it lined up this time, avocation and vocation."

If initially the eighth czar in the game's history was perceived by some to be a drab business type following the late lamenated Renaissance scholar, what Fay Vincent has been steadily proving ever since is that first impressions are often wrong, and sometimes the No. 2 guy turns out to be the biggest surprise of all.

"It's more visible than I ever would have imagined, it's more fun than I ever would have imagined," he says, sounding like somebody in Booth Tarkington. That would be one level of truth about him, the seeming

boyish Booth Tarkington guilelessness. There are other levels.

The circumstances by which Fay Vincent became commissioner of baseball was the sudden death last Sept. 1 of his great good friend, A. Bartlett Giamatti. Vincent was Bart Giamatti's deputy, a post that Giamatti had specially created for Vincent, who'd come into baseball after a career in law and the corporate world. But relatively few outside those spheres knew him. Baseball certainly hadn't heard of him. In retrospect it almost seems as if Fay Vincent was Bart Giamatti's great secret, one he was going to empower much sooner than anybody dreamed.

If Vincent was a great secret, Bart Giamatti was a celebrity in America, a bearish little orator who subscribed to Variety and wore a Vandyke and had degrees in comparative literature and possessed the soul of a natural hambone. He brought both intellectuality and fandom to the office. He'd once been president of Yale, not a bad preparation for the complexities of the $1.1 billion business that is modern baseball. But Bart Giamatti died at 51 of a coronary after just five months in the job. The loss to baseball seemed huge. Fate had its own designs. A best friend got in.

And thus far the marks on Vincent are high.

"In my view he's got everything you'd want in a baseball commissioner, but more importantly I think he's got everything you'd want in a human being," Says Larry Lucchino, president of the Baltimore Orioles.

"What you see with Fay is what you get—and isn't that the ultimate compliment?" says Bud Selig, president of the Milwaukee Brewers.

"Nothing I've ever seen suggests this is a guy who has to go out and impress other people," says Donald M. Fehr, executive director of the players' union, and as such a man not naturally disposed to saying nice things about commissioners. Commissioners, after all, come into the job from the owners' side of things. Some commissioners have been perceived as little more than the stooges of greedy owners.

Some Fay Vincent bio and stats, not particularly the kind you'd get on the back of a Topps bubble gum card:

He's 52 and wears plain suits and plain watches and plain ties and even plainer shoes—never mind that he is worth somewhere in excess of $20 million.

He loves Cuban cigars.

He carries a small Swiss Army knife.

He's against the designated hitter rule.

He's been reading a biography of Coleridge and another of George Marshall. Just finished a book on Wordsworth.

He has a moonish face and a receding hairline and thick ankles and a triple chin. And yet, for such inelegance, there is the strangest elegance about him.

He was once president of Columbia Pictures. Under his leadership the studio produced "Kramer vs. Kramer" and "Tootsie." But also, it should be noted, "Ishtar."

"I never read a script," he says. You also wouldn't have found him hanging out at Spago. His office was in New York and movies were never the passion, they were the business. He was a CEO. "Running a movie company is very much an exercise in risk management," he says, something bracing in his voice.

When Coca-Cola bought out Columbia, Vincent went along. He held several key executive posts at Coke but never the top job, and eventually he saw the writing on the wall. He was taken out of the entertainment division and put into Coke International. "I couldn't get motivated about selling Sprite in Thailand," he says, though there is probably a little more to it than that. But anyway, baseball and Bart Giamatti's offer came along at just the right moment.

He used to play for the Putnam Avenue Grammer School nine. This was back in Hamden, Conn., in the late '40s. Putnam's uniforms were gray flannel and the commish can see them yet, because somewhere in their hearts, no matter what heights they've gone to, these are all just small-town boys in baggy woolen uniforms dreaming of the bigs.

"You see, we learn failure from baseball as kids," he says. "It's one of our earliest significant failures. We know by 14 it's over. But that's all right, it's a failure we can live with. That's why we come back to the game. That's why our devotion is so lifelong. You don't feel betrayed by yourself when you fail in baseball."

His Greenwich phone number is listed in the book. Doesn't believe in unpublished numbers.

He can say things such as, "Well, I don't know the answer to that. Sorry."

And yet . . . during the Pete Rose investigation, which wracked baseball for months, Vincent—who was overseeing the case for Giamatti—asked Rose flatly if he'd ever bet on baseball. Rose said no, he wasn't that stupid. Vincent said that was a very significant answer. It was ground-zero for the investigation, he said. It was an on-the-record denial, and if it was a lie, he said, that was going to be a very important fact.

Hardball. Today the disgraced Pete Rose is locked on the outside of a game he'd give anything to get back into. (Under baseball's rules, he can apply for reinstatement next month).

Asked at a Boston sports editors' convention what expectations he had for the outcome of the investigation of George Steinbrenner, owner of the Yankees, the Commissioner responded immediately: "My expectations are well under control."

The Steinbrenner case seems just one more larger or smaller black eye for the game. It is a murky case and at issue are the bad-boy owner's antagonistic relationship with former Yankee outfielder Dave Winfield, and the exact nature of a $40,000 payment Steinbrenner made to admitted gambler Howard Spira in January. (According to a spokesman for the commissioner, the results of the investigation will probably not be announced for at least two more weeks.) Vincent himself took charge of the recent hearings; last Thursday's went 7½ hours.

This is Vincent's third crisis in less than a year on the job. The other two crises—seemingly more difficult than this one—were the San Francisco earthquake during the World Series, and the bitter 32-day owners' lockout this past spring. Of the quake, the game's commissioner seemed to get things in focus awfully fast. The series, he said in a much-quoted remark, was "our modest little sporting event," and what was that next to the needs of a devastated community?

He practiced high-powered law in New York and Washington and also worked briefly at the Securities and Exchange Commission. In the '70s, when he lived in Washington, he was just another weekend fan eating hot dogs at Memorial Stadium in Birdland. He'd take his twin sons with him, which is probably one reason the boys have turned into passionate fans themselves. Last summer, one of the Vincent twins and a pal drove across America, hitting every major league ballpark and some minor ones too. Then they came home and wrote up a report for Dad. It's an unfair world but somebody's got to do these jobs.

In the mid-'50s, he fell off an icy ledge in a crazy prank in his first semester at college and crushed several vertebrae and almost paralyzed himself for life. Struggling to learn to walk again, the boy who would never make it to the bigs used to lie in bed and wait for the Yankees to come on TV. If it was a rainout, the disappointment was total.

And that boy's legs? Well, he eventually recovered them to 50 percent, which is to say he couldn't run, or even walk very far, but on the other hand he could go for short distances so that you couldn't really tell about his injury if you didn't know. That state lasted for about 25 years. Then about four years ago the arthritis set in, ruined his hip, and now it's pretty much torture for Fay Vincent to get across a room, or off a dais, or down a stadium ramp.

"Yes, I was trying to walk again," he says, remembering the summer of '57, when the Yankees meant so much. "There was a lot of therapy. I remember feeling hurt, yes, and somewhat embarrassed and foolish. My father was devastated because he was so much a man of . . . the body. In a way, *he* was the one depressed. On the other hand he was older, of course, so maybe he saw what it would mean. I was 18. When you're 18, you're A, immortal, and B, omnipotent."

Fay Vincent the elder was captain of the Yale football team. The son never came close to living up to the father's athletic legends. Fay Vincent doesn't say it in so many words, but his father is a major reason he didn't attend Yale as an undergraduate: The shadow was too long. (He did get to Yale for law school.) But this isn't a father-conflicted son. Mention his dad now and his voice drops soft as a bunt down third.

"He would have so enjoyed this," he says. "Particularly my relationship with umpires. The fact that I can hang around with *umpires*, that's an amazing thing." There's no irony here. Vincent's dad, deceased, was an umpire of amateur Connecticut baseball games until he was 76. Before that, Francis T. Vincent Sr. was an official in both the National Football League and the old All-American Conference. "My father would come home and tell us what people yelled at him all day," he says, in the kind of remark that can encapsulate a history.

How well does Fay Vincent know baseball? It's a little hard to tell. Yes, he goes for the lyric slant of light across the grass, but also for the 3-6-3 double play. He says he's not a box score maven.

Like Giamatti, Vincent is something of an intellectual on the game he loves, but one with the good sense not to try to mess with unknowables. "We really don't know what makes up this special relationship between baseball and the American soul," he says. "We just know that it's so. So let's leave it alone. . . . Baseball's relationship to the American people is not something you can define. It can't be done."

At a game in Baltimore a couple weeks ago, he got to ask DiMaggio himself about hitting the fastball. Think of it, Joltin' Joe and the Hamden Kid together in a box seat. If the old man could see him now. "I asked if he guessed what they'd be throwing. He said he did, at least to the extent of the fastball." One can almost hear that conversation: The great DiMaggio, ever laconic,

ever gracious, allowing as how he could pretty much tell by a sixth sense when the heater was coming in.

Though the marks are high, Vincent has not played an error-free game. Midway through this spring's lockout, he bonered a big one by suddenly announcing at a press conference his proposal that the owners open the camps in return for a promise by the players not to strike during the season. Don Fehr and the others in the union denounced that as a publicity stunt. He seemed momentarily to lose the goodwill he had built up in so brief a time. But he got it back.

Similarly, there was a moment of seeming bad judgment during the Pete Rose case. Vincent, a skilled lawyer, coordinated the legal aspects for Giamatti. Before the case was resolved, Giamatti signed a letter to a federal sentencing judge on behalf of one of Rose's chief accusers, who was an admitted felon. Rose and his attorneys contended the letter was evidence that Giamatti has prejudged Rose. For a moment it seemed as if the whole touchy Rose investigation might blow up in the faces of the commissioner and the deputy commissioner.

Fay Vincent used to hang around with George Bush's kid brother, Bucky. This was back before being George Bush's kid brother was a lot of cheese. In prep school Bucky Bush as 6 feet 5 and weighed 270 and played on the line for Hotchkiss. (Now he's in investments in St. Louis.) Fay Vincent—another lineman on that Connecticut preppie football eleven—was 6 feet 3 and 240.

One summer (this wasn't long before the accident) the two New England behemoths went West with the country and worked as apprentice roughnecks in the Texas oil fields. Some of the oil rigs belonged to a future president of the United States. Bucky and Fay drove out to Midland in a Renault that was so tiny it couldn't take both of them in the front seat at the same time. They used to pick the car up for kicks at gas stations, just to thrill the locals.

"We made $150 a week that summer and worked seven days a week," he says. "Johnny Cash was big on the radio. The oil workers used to call me Big'un. They'd say, 'Big'un, we're going down to Del Rio tonight, you coming'? I'd say, 'Uh, no, I don't think I'll go this time.' See, they were going to whorehouses in Mexico."

One more fact about him: Fay Vincent once wanted to be a Jesuit. The Jebbies, ever farsighted—at least insofar as delivering to America a future all-star commissioner—said sorry, couldn't take him, because a priest has to be able to say mass publicly, and he had a physical affliction. "Maybe they were right," a devout man says, letting another youthful dispppointment go.

With something of the quality of dream: "The experience of going to a game. I mean, white uniforms at night on grass. It's so . . . beautiful." You're sure he's going to add, "If you build it, he will come."

He's sitting in a suite in a Boston hotel. He's been talking about baseball for almost two hours. The Red Sox will play Toronto at Fenway this evening, and this fact alone seems to lighten Fay Vincent's heart.

His watch, with its inexpensive-looking expandable band, has slid halfway down his wrist, to the backside of his beefy hand. He is rumpled and easy. No airs here.

He's talking about Giamatti. It was a midlife friendship, and how many people ever got a chance at one of those? They met in 1978 at a dinner for seven in Princeton. It just clicked.

Memory-click:

"Something happened one time, I can't remember what it was, I was walking slowly. And of course Bart wasn't a great walker either, Bart has lots of physical problems, you know, not just his heart. Anyway, maybe I said something about the people who run other big-time sports, how much better shape they must be in than we are. And Bart said, 'Well, Fay, don't worry, we won't challenge Pete Rozelle to a race. We'll challenge him to a think."

Fay Vincent, Williams College, class of '60, Phi Beta Kappa, cum laude.

The weekend before Giamatti died, the two were in a chartered King Air going to their respective homes, Fay's on the Cape, Bart's on Martha's Vineyard. (Because of his walking problems, he often flies charter; airport corridors are murder.) The Rose case had just been settled and Giamatti was even more expansive than usual. There had been tough moments, and some mistakes, but they had saved the game, "You know, it was an experiment, Fay, the two of us," Giamatti said, "It's working."

The next weekend, same charter, they said goodbye again at the Vineyard airport. Vincent flew on to Harwich. He was having a cigar on his deck in the sunshine when the call came. The report was incomplete, but he somehow knew Bart was dead. There was something just too final in the words "cardiac arrest." Call it sixth sense.

"Why, Valerie Vincent," Fay Vincent says suddenly, his whole face lighting. "Where are your bags?" The commissioner's wife has just walked into the room. She's thin and pert. People say she's the one who raised the three Vincent children. The two have been married 25 years.

"I'm such a gracious winner," Fay Vincent says, turning back to the interview. It's as though a man is taking a puff on an imaginary cigar.

The phone rings. An assistant gets up to get it. The extension cord won't reach over to the chair where Vincent is. "It's okay, Rich, I'll get up," he says easily. He pulls himself up with his cane, hanging for several tentative seconds in the smooth climatized air. There's something slack and concave about him, as though he's destined to go crashing to the floor. He doesn't.

He's had sodas and ice cream bars and a couple of Fenway Franks, onto each one of which he's squirted Gulden's mustard out of a little plastic tube. He keeps asking everybody around him if he or she won't have something else to eat. He's like a benevolent monarch.

"I predict Hall of Fame," he says when Dwight Evans smashes one.

The commissioner's box, right at the Red Sox dugout, has nine seats. They're filled with some old friends, his wife, a bodyguard named Phil Knect, Knect's a former New York cop who's looked after the boss since Columbia Pictures.

The lights are on. White uniforms are moving on a field of dreams with godlike physical grace.

The mayor of Boston, Raymond L. Flynn, son of Eire, comes up to gas. The pastor of St. Monica's in South Boston is with the mayor. Both the padre and the pol are in mufti, two Boston boys cheering on the lads at the local ball yard.

"It's a Catholic game, you know, Mr. Commissioner," the priest says to Vincent. "It allows for mistakes and forgiveness."

On the mound, Roger Clemens is throwing aspirin tablets. Which is to say the Sox ace has some heat this evening. (Boston will win, 4-3, sweeping the series with Toronto, and permitting the morning scribes to enthuse, in spite of themselves, about pennant fever.)

"I went to high school with his sister," Valerie Vincent tells you, when you ask how they met. "He's a real fan. He's probably never been happier in a job. Back when I met him, I knew there were three teams. The Yankees, the Red Sox and the Cleveland Indians."

Is he in pain most of the time? She nods.

Harry Mazadoorian, Vincent's law school roomie, who's made his own effort at depleting the hot dog industry in New England: "He especially likes to remember his old friends. I think you'd find that's one of his most endearing traits. He invites me to games all the time."

The man himself, softly: "Bart never got here. This was his favorite team, his favorite ballpark. And he never got here. The Rose thing just kept him tied down."

An hour later, the commissioner of baseball is making his way in the dark along Van Ness Street. He's trying to get to his car. Several aides are with him. The car can't be brought to the commissioner because the street is clogged with revelers and TV semi-trailers. But that's okay, the commish will walk. Beantowners don't recognize him in these shadows. Fay Vincent's just some ungainly, contented fan with a cane, going home.●

RECENT PROBLEMS AT HUD

● Mr. MACK. Mr. President, below is an article, Julian L. Simon's "Why More HUD's May Lie Ahead," from the July 17 edition of the Washington Times. Simon writes of the recent problems at HUD, suggesting that too much emphasis has been on "who is to blame" rather than the system from which the problems stemmed.

As ranking member of the HUD Investigative Subcommittee, created specifically to examine recent problems at HUD, I have heard testimony which is consistent with Simon's suggestions.

Since the 1930's, America's housing policy has focused largely the supply. This method of providing housing assistance has often been associated with middlemen, consultants, and lawyers benefiting from the system. And it is precisely these middlemen who continue to oppose changing the system. Conversely, it is the low-income tenants themselves who often seek to change Federal housing policy by supporting changes that would result in their empowerment; that is, tenant management and ownership and tenant-based direct rental assistance.

On June 27, the Senate passed a housing bill which includes some of these concepts of empowerment. Although the bill's major emphasis still retains much of the current system that empowers middlemen, it has elements of change that hopefully represent the beginning of a new direction in our housing policy.

Mr. President, I ask that the article mentioned earlier be printed in the RECORD.

The article follows:

[From the Washington Times, July 17, 1990]

WHY MORE HUDs MAY LIE AHEAD

(By Julian L. Simon)

The HUD scandal is juicier than ever. It is a journalist's dream at a time when there is so little international and domestic bad news to write about. It meets the crucial criterion for newsworthiness—opportunity to analyze who is to blame.

The latest "blamee" to take the fall is Congress. The Washington Post faults legislators for their lack of oversight and forecasts more scandals because "So Many Share the Scandal's Blame . . . And So Few Will Pay."

That analysis is wrong. Blame and punishment may make us feel good, but no amount of fingerprinting or jail sentences will prevent repetitions in the future.

The real problem is a system in which bureaucrats are given responsibility for allocating goodies—in this case, spreading funds among suppliers of housing services. The newly announced congressional plan to "plug loopholes" offers just Band-Aids, not a cure.

As long as we focus on people rather than structure, we will have abuses and scandals. But journalists and politicians are drawn to analyses of personal characteristics as a moth is attracted to the flame.

For example, when the story broke last June, the Wall Street Journal's front-page story talked about how Deborah Dean, 33, ran a shoddy operation involving billions of dollars at the Department of Housing and Urban Development. The story referred to her and her associates as young adults and a "kiddie corps." It asked: "Where were the grown-ups?"

Two pages later, a headline spoke about "China's Old Men" in a story about the transfer of power after the Tiananmen Square massacre and crackdown. The story referred to the Chinese leaders as "old guys in their 80s."

Both stories imply that officials' ages are important determinants of their activities and decisions. They suggest that if people of more "appropriate" ages were put into office, the public would be better served.

Those stories illustrate a recurrent fallacy in human thinking. In a book titled "Human Inference," Robert Nisbet and Lee Ross review extensive studies showing that people are likely to err by explaining events by recourse to the characteristics of the actors instead of the structural conditions of the situation. In both China and HUD, the key element is the existence of a governmental entity that puts money or power, or both, at the disposal of officials. As long as that condition exists, the likelihood of abuse exists. Sometimes the public gets lucky and the officials are honest and humble. But inevitably some officials will take advantage of the opportunities.

Consider, for example, a current bone of contention—HUD's method of setting rents for housing it subsidizes. A developer in Washington state took HUD to court and won a suit charging that HUD's formula is unsound. But any conceivable bureaucrat-set formula will favor some developers over others. That opens the door to a never-ending cycle of lobbying and bribery intended to alter the formula is set.

The solution, then, is not to call for better officials—of the right age, say. The solution is to change the system.

A letter to the editor in The Washington Post agrees in placing the blame on the structure of the HUD program: "What they are trying to clean up is inherently corrupt and corruptible." But the writer offers a different solution of "direct construction of socially owned housing." That is the Polish system. As a result, Polish couples register newborn babies for apartments, hoping that the children will reach the top of the list by the time they marry. And of course that "solution" provides huge opportunity for corruption.

The only solution that does not create new opportunities for corruption is to put the market to work, not just on the supply side but on the demand side as well. On the demand side, that means giving poor people the money they need, either as straight income grants or as money earmarked for housing. The former is much better, but the latter is more politically palatable. Like any shift from centralization toward markets, such a program is opposed by the bureaucrats who would lose their jobs and opportunities for graft.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 for Mr. Brad Figel, a member of the staff of Senator BOB PACKWOOD, to participate in a program in the Republic of Indonesia, sponsored by the United States-Asia Institute, from August 15 to 25, 1990.

The committee has determined that participation by Mr. Figel in the program in the Republic of Indonesia, at the expense of the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Joan Hogan Gillman, a member of the staff of Senator CHRISTOPHER DODD, to participate in a program in England, funded by the British Council and cosponsored by the Liaison Group for International Educational Exchange, from May 27 to June 2, 1990.

The committee has determined that participation by Ms. Gillman in the program in England, at the expense of the Liaison Group for International Educational Exchange, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Pamela Kruse, a member of the staff of Senator JAMES M. JEFFORDS, to participate in a program in England, funded by the British Council and cosponsored by the Liaison Group for International Educational Exchange, from May 27 to June 2, 1990.

The committee has determined that participation by Ms. Kruse in the program in England, at the expense of the Liaison Group for International Educational Exchange, is in the interest of the Senate and the United States.●

BALANCED BUDGET AMENDMENT

● Mr. MACK. Mr. President, I was very disappointed to see that the House of Representatives again turned down a balanced budget amendment to the Constitution. The House's action made an article in Wednesday's Wall Street Journal by James M. Buchanan very timely. Buchanan argues that the death of socialism throughout the world has accentuated the need for constitutional constraints on governments. I commend his article to my colleagues and I ask consent that the article be reprinted in the RECORD.

The article follows:

SOCIALISM IS DEAD; LEVIATHAN LIVES

(By James Buchanan)

More than a century ago, the German philosopher Friedrich Nietzsche announced the death of God. This dramatic statement was intended to suggest that religion had cease to serve as an organizing principle for the lives of individuals or for the rules of their association. Since Nietzsche, the God pronounced dead was replaced in man's consciousness by "socialism." and I want to match Nietzsche's announcement with the comparable one that "socialism is dead"—a statement that seems much less shocking than Nietzsche's because it is being heard throughout the world in 1990.

In a very real sense, the loss of faith in socialism is more dramatic than the loss of faith in God, because the god that was socialism took on forms that were directly observable. There were no continuing unknowns waiting to be revealed only in another life, and the promised realization of the socialist ideal could not be infinitely postponed. Socialism promised quite specific results; it did not deliver.

One can only look back in amazement at the monumental folly that caused the intellectual leaders of the world, for more than a century, to buy into what F.A. Hayek called the "fatal conceit" that socialism embodies. How did we come to be trapped in the romantic myth that politically organized authority could satisfy our needs more adequately than we might satisfy them ourselves through voluntary agreement, association and exchange?

SOCIALISTS EVERYWHERE

This fatal conceit was almost universal. Let us now beware of current attempts to limit acceptance of the socialist myth to

those who were the explicit promulgators and defenders of the centrally planned authoritarian regimes of the Soviet Union and its satellites. There were socialists everywhere, in all societies and, even in the face of the evidence that continues to accumulate, there are many who still cannot escape from the socialist mind-set. And even for those of us who have, however begrudgingly, acknowledged that the socialist god is dead, there may not have emerged any faith or belief in any non-socialist alternative. We may not accept the alternative represented by the free market or enterprise system, even as tempered by elements of the welfare state.

Socialists everwhere, confronted with the evidence that economics organized, wholly or partially, on socialist principles cannot deliver the goods, are now making desperate efforts to redefine the term "socialism," which British socialist and scholar Alec Nove defined in 1987 as a society in which "the means of production of goods and services are not in private hands."

It is now almost universally acknowledged that a private-ownership, free-enterprise economy "works better" than Mr. Nove's socialized economy, in which decisions are made by state or cooperative agencies. The individualized market economy "works better" than the socialized economy in the sense that it produces more goods. But it also works better in the sense that it allows individuals more liberty to choose where, when and to what purpose they will put their capacities to produce values that they expect others to demand.

A threshold was crossed in the 18th century when we learned how the rule of law, stability of private property and the withdrawal of political interference with private choices could unleash the entrepreneurial energies that are latent within each of us. Humankind seemed near to the ultimate realization of its social potential. How did the socialist vision emerge to threaten, and in part forestall, this future? And why did the principles of classical political economy, which seemed so strongly to suggest the relative superiority of a market economy, lose their persuasive powers so quickly?

We must, I think, appreciate the rhetorical genius of Marx and his ability to convert arguments advanced in support of market organization into what could be made to appear to be support for a particular distributional class, the capitalists. By clever substitution of emotion-laden terminology, the market system became "capitalism," and the search of every person for his own advantage became the profit-seeking of the greedy capitalists. This rhetorical genius, coupled with totally erroneous economic analysis embedded into pseudoscientific jargon about the laws of history, was highly successful in elevating the distributional issue to center stage, to the relative neglect of the allocational and growth elements that were central in the classical teachings.

(I speak as one who shared fully in the socialist mind-set, from which, thanks to Frank Knight, I escaped relatively early in my career. But I appreciate the appeal of the Marxist-socialist ideas even if, now, I cannot explain it.)

Recall that during its early decades, the Soviet Union was held out as paradise by socialists in the West. After World War II, Eastern Europe was absorbed into the Soviet political orbit and the countries of Western Europe socialized their economies to greater or lesser degrees. Even where economies were largely allowed to remain free, Keynesian-inspired macromanagement was supported by arguments about the tendency of capitalism to generate massive unemployment.

Between the early 1960s and today, socialism became ill and died. What happened? There were two sides to the coin: "market success" and "political failure." The accumulation of empirical evidence must ultimately dispel romance. And the evidence did indeed accumulate to demonstate that free-market economies performed much better than politically directed or planned economies. Contrast, for example the West German Wirtschaftwunder with the demonstrable failures of the socialist experiments in Britain in the late 1940s and early 1950s. Honest evaluation suggested that the centralized economies of the Soviet Union, China and East European countries were not successful in producing goods and services.

Ideas also matter. And here the record of the academic economists remains, at best, a very mixed bag. The welfare economists of the early and middle decades of this century were almost exclusively concerned with demonstrating the failures of markets, in order to provide a rationale for political interferences. But the public-choice revolution in ideas about politics, and political failures, was also sparked primarily by academic economists.

When the behavioral models of economics are applied to "public choosers"—to those who participate variously in political roles, as voters, politicians, bureaucrats, planners, party leaders, etc.—the romantic vision that was essential to the whole socialist myth vanishes. If those who make decisions for others are finally seen as just like everyone else, how can the awesome delegation of authority that must characterize the centralized economy be justified?

This loss of faith in politics, in socialism broadly defined, has not, however, been accompanied by any demonstrable renewal or reconversion to a faith in markets, the *laissez-faire* vision that was central to the teachings of the classical political economists. There remains a residual unwillingness to leave things alone, to allow the free market, governed by the rule of law, to organize itself. We are left, therefore, with what is essentially an attitude of nihilism toward economic organization. There seems to be no widely shared organizing principle upon which persons can begin to think about the operations of a political economy.

It is in this setting, which does seem to be descriptive of the era into which we are so rapidly moving, that the natural forces that generate the Leviathan state emerge and assume dominance. With no overriding principle that dictates how an economy is to be organized, the political structure is open to exploitation by the pressures of well-organized interests. The special-interest, rent-seeking, churning state finds fertile ground for growth in this environment. And, depending on the relative strength of organized interests, we observe quite arbitrary, politicized interferences with markets.

This setting, which I have referred to as Leviathan, has much in common with the mercantilist-protectionist politics that Adam Smith attacked so vehemently in "The Wealth of Nations" in 1776. The same barriers that Adam Smith sought to abolish are everywhere resurging; and the same arguments are heard, both in support and in opposition. The arguments for Leviathan's extensions are not versions of the socialist's dream; they are, instead, simple efforts to claim a public interest in a single sector's private profit.

CONSTITUTIONAL CONSTRAINTS

There will be no escape from the protectionist-merchantilist regime that now threatens to be characteristic of the post-socialist politics in both Western and Eastern countries so long as we allow the ordinary or natural outcomes of majoritarian democratic processes to operate without adequate constitutional constraints. If we know that politics fails and that its natural proclivity is to extend its reach beyond tolerable bounds, we must incorporate constraints into a constitutional structure. A depoliticized economic order is within the realm of the possible, even if the accompanying faith in market organizations is not fully regained. We can protect ourselves against the appetites of the monster that the Leviathan state threatens to become.

The organized polities of the nation-states, and the associations among those states, must be kept within constitutional boundaries. The death throes of socialism should not be allowed to distract attention from the continuing necessity to prevent the overreaching of the state-as-Leviathan, which becomes all the more dangerous because it does not depend on an ideology to give it focus. Ideas, and the institutions that emerge as these ideas are put into practice, can be killed off and replaced by other ideas and other institutions. The machinations of interest-driven politics are much more difficult to dislodge. Let us get on with the task.

(Mr. Buchanan, a Nobel laureate in economics, is professor of economics at the Center for Study of Public Choice at George Mason University. This article is adapted from a speech he delivered in Sydney, Australia, in March.)●

TOTAL FORCE POLICY

● Mr. SYMMS. Mr. President, as we face the probability that the U.S. defense budget will continue to be an area from which we make spending cuts, we will have to address the topic of military force mix and structure. As the defense budget undergoes transition, so must our existing military force mix and structure policies. Yet, before we hastily begin to slash various areas of military resource allocation, we must first determine what military challenges confront us now and in the future. Neglecting to responsibly assess new global military requirements before we decide how or where to make defense cuts, Mr. President, would certainly be putting the cart before the horse.

Facing inevitable budgetary cuts, the size of our Armed Forces is very likely to be smaller. How then will we manage force structure and mix to achieve the best possible defense in the most efficient and economical manner? We have a feasible solution to this problem in our total force policy. Unfortunately, however, total force policy has not yet been adequately implemented. For the total-force concept to function as it was intended by Congress, our Reserve Force must be readily available to augment what will soon be smaller Active

Forces. Congress provided for this by approving 10 U.S.C. 673(b).

This provision has yet to be employed despite its need in Grenada, the Persian Gulf, and Panama where proper use of this authority would have provided necessary support to the Active Force involved. I would like to bring to the attention of my colleagues an article written by Admirals Zumwalt and Bagley, both of whom have distinguished military careers and extensive international and defense expertise. I commend their thoughts about total force policy to you and agree with them completely that an increased reliance on our Guard and Reserves means that it is absolutely imperative that we be able to access these means with the full confidence that they will be able to perform as required. If we cannot confidently depend on them, or if they cannot perform adequately, then we have not a total force, but a hollow force.

I call upon the civilian and uniformed leaders within the administration to take a strong and supportive role in affirming ready and reliable access to our Reserves through appropriate use of 10 U.S.C. 673(b). I would add that interest conflicts within the services as well as on the political front must be set aside while we find a successful solution to this pressing matter of national security.

Mr. President, I request that the text of the article by Admirals Zumwalt and Bagley be printed in the RECORD following my remarks.

The article follows:

[From Aerotech News and Review, Mar. 30, 1990]

THE ZUMWALT-BAGLEY REPORT: A NEW "TOTAL FORCE" FOR THE NINETIES?

(By Elmo R. Zumwalt, Jr. and Worth H. Bagley)

Faced with sweeping changes around the world, the wheels have begun to turn in a laborious, bureaucratic process to redefine America's force structure for the "nineties" and into the next century. By means of legislative fiat, an uneasy Congress mandated that the Department of Defense (DOD) conduct a "Total Force" assessment to update what many in the Congress considered an enfeebled defense policy for the structuring and employment of our armed forces.

The assessment, as per the legislative directive, is being conducted by a high level body of DOD, Service, and uniformed manpower officials. As might be expected, this effort will involve a "cast of thousands."

With deadlines set for an initial report in September and the final report by year's end, the members have now met twice. With each of the Services generally comfortable with their present methods of determining force structure and mix, it's doubtful they will strongly suggest any change in the status quo. However, budget realities and Congressional pressure will be the determining factor and undoubtedly will compel change if DOD and the Services are less than forthcoming in their review of the "Total Force."

But, as it is, the Total Force Policy should take little review; it is as viable and logical a plan today as when it came into existence as a concept in the early '70s. It is as flexible an approach to defense manning and structuring as we could hope to devise. All that is needed are decision makers with the will to implement it.

With its genesis in an earlier era not dissimilar to that of today—major cuts in defense spending, withdrawal of U.S. forces from critical geopolitical arenas, and the ending of the draft—the Total Force concept was implemented to meet the worldwide defense and other interests of the U.S., given our reduced resources to do so. Its basic approach was to maintain an active duty force capable of meeting anticipated day-to-day defense needs while having a substantially larger and better trained and equipped Guard and Reserve structure readily available to augment and reinforce their active counterparts as needed. Such a policy had as one of its chief objectives economy of force in that major manpower and mission resources could be placed in the less costly Reserve system and yet be available in times of a national need in situations short of national mobilization. The linchpin in this new policy was access to the Reserve Force. If there were no ready access to the Reserve for operational missions and contingencies, then the "Total Force" would be a hollow shell and collapse. Taxpayers would rightly question the multi-billion dollar investment in a conventional force that could be used only in a general (and increasingly unlikely) mobilization for global war. Congress solved the accessibility issue of the Guard and Reserve by legislation known widely as the "200K" call-up authority (Title 10, Section 673(b)).

The legislative history of Section 673(b) is quite clear in its intent. First starting with a ceiling of 50,000, then increasing the number of drilling Reservists which the President may recall to 100,000 and then to 200,000 the Congress clearly meant to give the President the authority and flexibility to access the manpower and resources of the Reserve component for any operational mission. This authority was to be exercised on a regular basis to "reinvigorate" the Guard and Reserve and make the "Total Force" a reality in both fact and deed.

There is today nothing in the dual problems of force structure and force mix that the Total Force Policy cannot address, as long as DOD and Administration decision makers are willing to take an affirmative stand on the use of the "200K" callup. Unfortunately, many in DOD—both uniformed and civilian—have not the foggiest idea of what Section 673(b) is, others do not want to disturb present arrangements, while for still others it falls into the "hard political problem/make head hurt" category.

Further, to say, as some do, that, "no service has ever asked for an involuntary recall" is slightly disingenuous, masks how this town conducts business, and neatly sidesteps the real issue. Section 673(b), as the Congress envisioned it, could have (many say should have) been used to provide needed Reserve support in Grenada, the Persian Gulf, present drug interdiction activities and in Panama. In each of these instances where Reserve volunteers provided and continue to provide inestimable service, the burden has been on them and their relationships with their civilian employers have been jeopardized.

It will be interesting then to read the conclusions of the DOD panel. Will they state clearly, as has the Reserve Forces Policy Board, that accessibility of Reserve manpower and resources is the key to a continued, viable total Force Policy? Then will they have the courage to state that with guaranteed accessibility to the Reserve component, the Total Force Policy has the flexibility to adapt and meet present and future force structure and force mix needs as circumstances dictate? Or, will the panel follow the Army's weak approach subsequent to Panama? There, as in Grenada, certain specialized units which exist predominantly in the Reserves were desperately needed and not readily accessible because political authority was unwilling to exercise the Section 673(b) call up, resulting in unnecessary operational problems. Having been twice stung, the Army does not want to face the unavailability issue in future contingencies. Unfortunately, in seeking a resolution of this problem, rather than making the Reserves accessible for future needs by calling for use of the unused Section 673(b), they seek the insufficient and costly approach of transferring. Reserve units back into the active Army.

Let us hope that DOD will show the common sense and leadership to keep a good policy; one that can meet our needs for the future—a "Total Force" in word and deed that capitalizes on the strengths and advantages of both active and Reserve components. This cannot be done without ready access to our Guard and Reserve.●

ANNIVERSARY OF CYPRUS INVASION

● Ms. MIKULSKI. Mr. President, tomorrow marks the 16th anniversary of the Turkish invasion of Cyprus.

In 1974 the Turks used a moment of political instability in Greece to send troops to Cyprus and created an artificial division on the island that persists to this day.

Repeated attempts to negotiate a settlement and reunite the island have failed. Most recently, a vigorous effort by U.N. Secretary General Perez de Cuellar met with the same fate.

Many of us felt that this U.N. initiative might meet with some success in light of the efforts of the highly capable new President of Cyprus George Vassiliou. President Vassiliou showed himself to be accommodating and flexible during the talks, but Turkish Cypriot leader Rauf Denktash once again scuttled any chance of an agreement.

Most recently the Government of Cyprus has turned to the European Community for assistance. Not only has Cyprus applied for EC membership, but it has also appealed to the EC membership to help resolve the partition crisis. In response, the EC has stated that a lasting solution to the Cyprus problem must be based on the independence, unity, sovereignty, and territorial integrity of the Republic of Cyprus, in accordance with the relevant U.N. resolutions.

I am pleased to see the EC taking a constructive role in this issue, but EC participation is no substitute for a per-

sistent, forceful engagement by the U.S. Government.

Once again, I encourage the Bush administration to make Cyprus a high priority in its foreign policy agenda.●

THE CONFLICT IN CYPRUS

● Mr. SIMON. Mr. President, tomorrow, July 20, is the 16th anniversary of the Turkish invasion of Cyprus. It is tragic that, at a time when walls are crumbling around the world and long-standing conflicts are being peacefully resolved, the green line between the Republic of Cyprus and the Turkish-occupied northern part of the island remains in place.

I have spoken on this issue several times in recent weeks, Mr. President, because frankly, I am increasingly frustrated with the lack of progress toward good faith negotiations. The conflict in Cyprus has festered for too many years and caused too much suffering. Ankara, unfortunately, has not been cooperative in the United Nations' effort to bring about a solution. And there is frustration in great part because we know that this conflict could have been and should have resolved years ago. And it is clear that the United States has to be a greater catalyst for change than we have been to date.

At the end of June, I introduced a bill, S. 2808, that I think will send a strong and clear message to our friends in Turkey that the United States wants to see a resolution in Cyprus. My bill would gradually wind down United States military and economic assistance to Turkey over the 5-year period beginning in fiscal year 1991 and running through fiscal year 1995, reducing funds by 20 percent each year. The cuts are conditioned on one simple step: All Turkish military forces in excess of the 1960 Treaty of Guarantee must leave Cyprus, and all illegal colonists must be withdrawn as well. This is not an unreasonable step.

Mr. President, the time has come for progress on this issue. Relationships among former adversaries in Europe have improved dramatically. We should be encouraging more positive movement between Turkey and Greece. I believe that my bill, S. 2808, will have that effect. We have to say to our good friends in Turkey, and they are our good friends, that there is a price to pay for violating international law. There is a price to pay for military occupying 40 percent of a sovereign state.

I hope that this bill will be overtaken by the course of events. Turkey and Greece are two of our closest allies, and I hope that in Cyprus, as in so many other European nations of late, the cause of freedom will triumph and will lead to a peaceful settlement.

But tomorrow we will recall the unhappy anniversary of the Turkish invasion, and we must recognize that 40 percent of the island is still occupied. Mr. President, I invite my colleagues to join with me and cosponsor S. 2808, and I urge Mr. Denktash in northern Cyprus and the Turkish Government in Ankara to negotiate a quick and fair settlement to end the division of Cyprus.●

REMEMBERING CAPTIVE NATIONS WEEK

● Mr. DECONCINI. Mr. President, 31 years ago, in July 1959, President Eisenhower signed into law a congressional resolution that calls on the President to designate the third week in July as Captive Nations Week. The resolution has since become a heartfelt American tradition as well as part of our legislative history. Its purpose is to demonstrate solidarity with those Europeans and others whose liberty had been snuffed out by Communist regimes, and to remind the leaders of those regimes that the American people and the American Government would neither forget nor accept the abrogation of the right of peoples to determine their own fate.

Today, in July 1990, America's hopes for the restoration of freedom, sovereignty and self-determination for all peoples are closer to realization than at any time since the end of World War II. The revolutions of 1989 and the elections of 1990 have resulted in the formation of non-Communist governments in most of Eastern Europe and the Baltic States, and the impending reunification of Germany under a democratically elected government. The forcible division of Europe is about to be overcome. Within the Soviet Union, people of many nationalities are awakening to proclaim their right to sovereignty and to decide how they will live. Their inspiring efforts remind us that the spirit of freedom is inherent in all humankind and that the striving for freedom by one people buoys and bolsters others engaged in the same struggle.

The events of the recent past testify to the determination of peoples to realize this most fundamental human dream, even at great risk and cost. And as we look at Europe in July 1990, we see the vindication of our hopes in the indomitable will of the peoples of Europe to rule themselves. The annual commemoration of Captive Nations Week has for 31 years served the noble cause of rememberance. Let us today anticipate a commemoration that goes farther than merely remembering. Let us today anticipate a commemoration that greets the free people of Europe, and welcomes them into the democratic community of nations. We look forward to the day when all captive nations can share in the blessings of liberty.●

YOUTH AND DRUGS

● Mr. SIMON. Mr. President, some weeks ago, I had the opportunity to visit the White Oak Center in Peoria, IL, that is doing a remarkable job of dealing with people who have some serious problems.

White Oak Center is a center for people who have a chemical dependency problem.

I have read an article by Dr. John F. Gilligan that appeared in the Peoria Journal Star, and I realize I should not simply keep it in my files but share it with my colleagues in the Senate and those who read the CONGRESSIONAL RECORD.

While the article is about drugs, it is really much more than an article about drugs. It is an article that calls upon us to redirect our society and our leadership.

Frankly, we had leadership, particularly under the Reagan administration, that appealed to the greed in us rather than the noble in us.

There has been an improvement in that regard in the Bush administration, though it still is a long way from the solid, committed, dedicated humanitarian leadership that the Nation needs.

In the article, Dr. Gilligan says,

> Our young are more concerned about acquiring Gucci shirts than community involvement.

He also says,

> What is it that youth hear from adults? Don't do drugs! Don't smoke! Don't drink, but if you do, don't drive! Finish school, so you won't be a bum. Study hard, so you can get a good job! Don't have sex, but if you do, don't get pregnant or get her pregnant! This is what youth hear most from adults.
>
> These are not ideals. These are not visions. They are only prescriptions to avoid the sinkholes of life. They don't tough young hearts or sire their enthusiasm.

Dr. Gilligan then says,

> A call for greatness is required. We adults, however, must first resolve our own uncertainties and ambivalences about how life ought to be lived. Convictions just don't sound very convincing when there is no belief within.
>
> How about us challenging youth to make the world a little bit better? There are numerous challenges: poverty, the environment, the homeless, racism, hunger, hate, illiteracy, and mental retardation are just a few examples. Who knows, calling youth to greatness might even change us in the process.
>
> Such involvement liberates one from self-centeredness, inspires hope in others, promotes commitment to the common good, and in general just cleanses the social fabric of a community.

Dr. Gilligan's immediate audience is for parents, it could just as well been written for the U.S. Senate.

His article suggests that what we need to deal with the problem of chemical dependents in our society is not simply tougher law enforcement,

but a vision, a dream, a sense of compassion of all of humanity.

I ask that the article be printed in the RECORD at this point.

The article follows:

[From the Peoria (IL) Journal Star, Mar. 4, 1990]

YOUTH AND DRUGS: PARAMOUNT NEED IS LEADERSHIP, VISION—NOT PRESCRIPTIONS TO AVOID THE SINKHOLES OF LIFE

(By John F. Gilligan, Ph.D.)

Let's not kid ourselves, there is more to the American drug problem than meets the eye. It is also a symptom of a deeper malaise within society itself. And, what is it?

Simply stated, it's spiritual atrophy. There has been a loss of beliefs, values and convictions that use to provide direction and guidance in living life.

The slow erosion of convictions that at one time unified families, communities and our nation has created a psyche of doubt and uncertainty. "I just don't know what to believe anymore," is frequently heard in private conversations. In such a climate, it is little wonder that an addiction to immediate gratification takes root.

Look at youth as an example. Why? Because youth usually reflect the trends and values shaping society. Furthermore, the future of our country resides in them.

There is, sadly, more truth than comedy in young people's statements that "greed is good." Recent polls reveal that our young are more concerned about acquiring Gucci shirts than community involvement. Where do they get this from? Is Ivan Boesky the only one to blame?

What is it that youth hear most from adults? Don't do drugs! Don't smoke! Don't drink, but if you do, don't drive! Finish school, so you won't be a bum. Study hard, so you can get a good job! Don't have sex, but if you do, don't get pregnant or get her pregnant! This is what youth hear most from adults.

These are not ideals. These are not visions. They are only prescriptions to avoid the sinkholes of life. They don't touch young hearts or stir their enthusiasm.

Where will youth learn and from whom will they learn that there is more to life than money, power, fame and self-interest?

Youth need to see and hear our ideals and visions. If they don't hear them from us—parents, teachers, coaches, employers, ministers—then we abandon them to a culture of flux not known for its articulation of ideals and convictions.

So, what is to be done?

A call for greatness is required. We adults, however, must first resolve our own uncertainties and ambivalences about how life ought to be lived. Convictions just don't sound very convincing when there is no belief within.

How about us challenging youth to make the world a little bit better? There are numerous challenges: poverty, the environment, the homeless, racism, hunger, hate, illiteracy and mental retardation are just a few examples. Who knows, calling youth to greatness might even change us in the process.

Such involvement liberates one from self-centeredness, inspires hope in others, promotes commitment to the common good, and in general just cleanses the social fabric of a community.

Youth need leadership that sets forth a vision to be pursued. And, we adults have the responsibility to provide that leadership. As the Book of Proverbs says: "Where there is no vision the people perish."

SUPERFUND LIABILITY DRIES UP CREDIT

● Mr. D'AMATO. Mr. President, a credit crunch is devastating many farmers, small businesses, contractors, and manufacturers. This credit crunch is different, because it is not based on economics or interest rates. Instead, lenders are refusing to lend any amount at any price if they suspect that a property might be contaminated with hazardous waste.

The reason is that the lender, rather than the owner or borrower, can be held responsible for the full cost of cleaning up a hazardous waste site. The cost of such a cleanup may run into the millions of dollars.

The problem stems from a series of court decisions that have reversed the intent of Congress in enacting the Comprehensive Environment Response Compensation and Liability Act [CERCLA], which we all know as Superfund. Congress originally included protection in the law that insulated innocent lenders from liability for hazardous spills. Lenders have been shocked by court decisions that have held lenders responsible for the full cost of cleaning up hazardous waste, even if the lender in no way caused or contributed to the contamination.

Cleanups of this sort can be very expensive, easily running into the millions of dollars. Lenders therefore not only risk losing the amount of their loan, but face an open-ended liability for cleanups that can exceed the value of the property.

CERCLA contained three provisions that were intended to protect lenders from liability for releases of hazardous substances by their borrowers. The first proviso exempted from liability a person "who, without participating in the management of a vessel or facility, holds inidicia of ownership primarily to protect his security interest." In other words, if a lender merely collateralized a loan with a lien on property he would not be liable.

The second lender protection in the Superfund law is called the innocent landowner defense. If a lender can show that the property was acquired after the hazardous substance was placed there, and that the lender did not know the property was contaminated after making reasonable inquiries in the previous uses of the property, the lender is not liable.

Finally, Congress provided that if the release of a hazardous substance was caused solely by "an act of omission of a third party" the lender is relieved of liability.

Clearly, Congress intended to exempt innocent lenders from liability. On the other hand, if a lender was in fact responsible for contamination, the lender should have the same liability for cleanup as anyone else.

The number of businesses affected by this situation is very large. Every farmer uses pesticides, fertilizers, and fuels. Every gasoline station, auto dealer, and trucking company has fuel tanks and handles waste petroleum products. Dry cleaners, metal finishers, chemical manufacturers, paint stores, and many other businesses all use hazardous materials of various sorts.

Let me cite two examples from New York State of the impact of CERCLA on lenders.

An upstate New York Farm Credit Association foreclosed on a large fruit farm. Later, they discovered that pesticides had been stored in a building with a leaking roof. Before the farm could be sold, the association had to spend $60,000 to remove and dispose of soil from the barn floor and other tainted material. In addition, the association has established a reserve fund of $200,000 just in case additional cleanup is required, even though the property has been sold.

In another case, the Marine Midland Bank was asked to make a $50 million loan to finance the acquisition of a western New York company that is an industrial solvents manufacturer and metal processor. Because of potential CERCLA liability, the bank thought an environmental audit was necessary. However, the buyer refused to pay the $250,000 cost of an audit, and the deal fell through. The bank missed out on the interest, fees, and related business the transaction would have produced.

In order to protect themselves, lenders are increasingly requiring environmental audits before they make loans. These audits can be quite expensive, and obviously add to the cost of borrowing, since the borrower must pay for them. An initial environmental assessment ususally costs about $1,500 to $2,000. If that preliminary check indicates the presence of contamination, a thorough audit can routinely cost up to $150,000 or more.

Private lenders are not the only parties that can be found liable under these court interpretations. Governmental agencies, such as the Small Business Administration or even State guaranty agencies can be held liable. I am certain that Congress did not intend that.

Furthermore, liability under CERCLA may extend not only to a lender, but to a trustee or fiduciary who holds title to or controls a property that is contaminated as part of a trust or estate. Thus, if a bank trust department accepts an assignment to administer an estate, the bank could find itself liable for the full cost of any necessary environmental cleanup. Congress surely never intended that.

This is a crisis that need never have happened. It certainly was never the intention of Congress to create such a situation. It is a problem that cries out for prompt resolution.

Fortunately, my colleague, the senior Senator from Utah [Mr. GARN] has introduced S. 2827, the Federal Deposit Improvement Act of 1990, which contains provisions that restore the original intent of the Superfund legislation, and will restore the confidence of lenders to make loans to deserving and creditworthy borrowers.

Let me stress that this legislation protects innocent lenders who are not responsible for hideous spills. But if a lender is indeed responsible for any contamination, he is held to the same standard of liability as any other polluter. I think that is fair and right.

The other provisions of this bill address deficiencies in FIRREA that have been identified by the FDIC. Some of these have merit and others may require additional scrutiny. However, I do believe that it is important to look at what we can do this year to ameliorate some of the more glaring shortcomings of FIRREA. Nevertheless, I am cosponsoring S. 2827, and I look forward to its speedy passage.●

PUBLIC BROADCASTING

● Mr. SIMON. Mr. President, a few years ago, I wrote a column expressing my concern about the future of public broadcasting. The Public Broadcasting System [PBS] has an excellent reputation for quality programming, but I see a trend that concerns me.

Increasingly, the programs on PBS are preceded by "The following program is brought to you through the courtesy of * * *." While those corporations who support PBS are to be commended, it is troublesome that public broadcasting is turning to the private sector for an ever-growing share of its budget. The implications of this trend are clear: PBS will be forced to show only those programs that attract a large audience and, therefore, attract sponsors. This is not my vision of public broadcasting, and I do not believe we should continue heading in this direction.

I recently had the opportunity to meet Jerry Landay, a visiting associate professor in the Journalism Department at the University of Illinois. He shared with me an op-ed piece that makes several important points about financing public broadcasting. I urge my colleagues to take a few minutes to read and think about what Professor Landay has written. I am grateful to Professor Landay for his concern, and I hope that what he has written will persuade others to join in this dialog.

I ask that the text of Dr. Landay's article be printed in the RECORD.

The article follows:

PAYING PUBLIC BROADCASTING'S WAY

(By Jerry M. Landay)

The radio-television critic of the New York Times, Walter Goodman, raises the right question in a passing reference to corporate funding of programs on public television (5/28/90): how best to pay for the system. The matter, sadly, has never had much sex appeal. It's an issue whose time has come.

Radio and television sets are the most potent instruments ever given to a society for informing and educating the body politic, for provoking democratic discourse, for setting a public agenda. In Eastern Europe, broadcasting has been the spark for fundamental political and economic change.

But the American commercial broadcasting system, by design, remains dedicated to the engineering of consent through electronic bread and circuses.

In the hands of the ad-mass industry, commercial broadcasting is a Johnny One-Note which produces and distributes back-to-back amendments designed to deliver huge audiences to commercial clutter, with hardly a concession to intelligence.

The networks spend $3 billion a year developing and producing an appallingly narrow range of program product, from sitcom to mayhem. Compare that with the 44 million federal dollars a year we grudgingly give public broadcasting for alternative program services that attempt to reflect the wider horizons of human affairs.

Only public broadcasting has devoted a sensible amount of air space to a timely understanding of Gorbachev's Russia. PBS's American Experience is the only regular, original program series on U.S. history. In this age of science and technology, NOVA is the only regular long-form science series on the American airwaves. In the entire 10,000-station "electric" spectrum in America, only the 300 stations of PBS carry sensible, non-polluting children's programming on-air, including instructural services to classrooms. National Public Radio provides the only mature daily news service on the airwaves. Its budget is small, and getting smaller.

It's impossible to get a true sense of our world from the abbreviated product of commercial broadcast newsrooms. We've bought into the specious industry myth that the "electric" media can't tell us a complicated story without being wallpapered by moving images; in fact, that television news can't tell us a complicated story of any kind. Thus, the commercial industry frees itself from having to explore the gray zones where provocative journalism must go.

So, television audiences have been denied probing examinations of possible presidential involvement in Iran-Contra, the S&L bail-out, the complexities of the budget deficit and the national debt.

Fifty-five per cent of American households can't receive, or afford, cable. With all the hullaballoo about the global reach of C-N-N, its staple is a recycled and extended version of precisely what network newsrooms do.

In the mid-'60s, a broadcasting industry embattled by payola and quiz-show scandals capitulated to the creation of a public broadcasting alternative. But a coalition of political gatekeepers and yahoos manacled the new system by refusing to provide adequate financing on a long-term basis.

In 1989, the average public television station received a scant 17 percent of its funding from the federal government. States and localities provided another 23 percent. Foundation grants dwindled to only four percent of the total. About 22 percent was raised by unrelenting, audience-eroding on-air solicitation campaigns. So-called "enhanced underwriting" by business and industry, an ill-disguised concession to the commercial system, delivered 16 percent last year, a growth of four percent in five years.

As of April, viewer giving was off by about seven percent, making the public system more dependent than ever on largesse from business. Its interests hardly foster diversity. A decided lack of corporate interest nearly scuttled the airing of a recent documentary series on the history of the civil rights movement, and an upcoming series on the '60s.

Federal deficit problems offer little hope for fiscal relief from Congress.

There is a sensible way to put public broadcasting on a sound, long-term footing, reversing the "unregulation" of the Reagan years. Just as truckers effectively pay a "use" fee for public highways through gasoline taxes, commercial communicators must help pay for their hugely profitable exploitation of the public air; specifically, through a tax on on-air advertising billings, or on the profits of commercial stations, networks, and cable providers, or through a "spectrum" access fee on their frequency or cable-box channel allocations.

Viewers and listeners who benefit directly from public broadcasting must help as well, through an excise tax on their set purchases, or an annual set-licensing fee, as in Great Britain. A positive side-effect would be to spare them from those nettlesome fund drives.

It's also time to consider the formation of a public entity, which might be called P-P-B, People for Public Broadcasting. The citizens' group would lobby for the system, raise public funds for it, and provoke the kind of public debate and discussion on the role of "electric" media in society that America has so far managed to evade.

Political maturity is required here. The "tube-face" is where 98 percent of American homes plug into the world. It's time for politicians and ideologues to affirm that the audience's right to programs of quality is not a partisan matter.●

CORRECTING THE ENGROSSMENT OF S. 1970

Mr. LUGAR. Mr. President, I ask unanimous consent that in the engrossment of S. 1970, the language that was amendment No. 2116 be modified by the following technical corrections that I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I have been informed by Senator ROTH who has drafted these modifications that he has discussed the changes with Senator SIMON and Senator DIXON, as well as Senator HEINZ and Senator WIRTH. There is agreement the language referred to needs to be modified. I urge my colleagues to agree to this unanimous-consent request.

The PRESIDING OFFICER. The request has been agreed to.

The modification is as follows:

MODIFICATION TO THE LANGUAGE OF AMENDMENT No. 2116 OF S. 1970

On page 55, line 20 and 21, strike out "EMBEZZLEMENT".

On page 55, line 23, insert "Institutions" after "Financial".

On page 57, line 4, strike out "412" and insert "411".

On page 57, line 14, insert "new" after "1".

On page 59, line 16, strike out "401" and insert "411".

On page 63, line 19, strike out "the" after "for".

On page 64, line 7, strike out "to".

On page 66, line 10, strike out "PETITION" and insert "REQUEST".

On page 68, line 10, strike out "425( )" and insert "435(c)".

On page 69, in the matter which follows line 9, strike out "special awards" and insert "special rewards".

On page 70, line 14, strike out "rewards" and insert "awards".

On page 71, line 5, strike out "3059A(d)" and insert "3059A(e)".

On page 72, line 25, strike out "(c)" and insert "(3)".

On page 74, line 11, insert "," after "nature".

On page 75, line 20, strike out "(1)".

On page 75, line 24, insert "the" after "if".

On page 76, line 19, strike out "to".

On page 77, line 13, strike out "435(b) or (c)" and insert "435(c)".

On page 78, line 16, strike out "PETITION" and insert "REQUEST".

On page 78, line 19, strike out "436(d)(2)" and insert "436(d)(1)(B)".

On page 79, line 1, strike out "436(d)(2)" and insert "436(d)(1)(B)".

On page 79, line 22, strike out "3059A(d)" and insert "3059A(e)".

On page 81, line 16, insert "Institutions" after "Financial".

On page 81, line 18, strike out "this".

On page 82, line 10, strike out "this".

On page 87, line 12, strike out "General;" and insert "General's".

AUTHORIZATION OF APPROPRIATIONS FOR THE TAFT INSTITUTE

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1939.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1939) entitled "An Act to extend the authorization of appropriations for the Taft Institute," do pass with the following amendment:

Strike out all after the enacting clause and insert:

That section 1373 of the Education Amendments of 1980 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1373. There are authorized to be appropriated to carry out this subpart—

"(1) $750,000 for fiscal year 1990;

"(2) $500,000 for fiscal year 1991; and

"(3) $250,000 for fiscal year 1992.

No funds are authorized to be appropriated to carry out this subpart for fiscal year 1993 or any succeeding fiscal year.".

SEC. 2. It is the sense of the House of Representatives to reject any extraneous amendments not related to the subject of this bill.

Mr. CRANSTON. Mr. President, I move that the Senate disagree with the House amendment, agree to a request for a conference, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer [Mr. BINGAMAN] appointed Mr. KENNEDY, Mr. PELL, Mr. DODD, Mr. HATCH, and Mrs. KASSEBAUM conferees on the part of the Senate.

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 406, S. 1022, the Federal Communications Commission reauthorization.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1022) to amend the Federal Communications Act of 1934.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause, and inserting in lieu thereof the following:

That this Act may be cited as the "Federal Communications Commission Authorization Act of 1989".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

SEC. 6. (a) There are authorized to be appropriated for the administration of this Act by the Commission $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1990 and 1991.

"(b) In addition to the amounts authorized to be appropriated under this section, not more than 2 percent of the amount of any fees or other charges payable to the United States which are collected by the Commission shall be available to the Commission until expended to defray the fully distributed costs of such fees collection.".

COMMERCIAL RADIO OPERATOR EXAMINATIONS

SEC. 3. Section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end the following new paragraph:

"(5)(A) The Commission, for purposes of preparing and administering any examination for a commercial radio operator license or endorsement, may accept and employ the services of persons that the Commission determines to be qualified. Any person so employed may not receive compensation for such services, but may recover from examinees such fees as the Commission permits, considering such factors as public service and cost estimates submitted by such person.

"(B) The Commission may prescribe regulations to select, oversee, sanction, and dismiss any person authorized under this paragraph to be employed by the Commission.

"(C) Any person who provides services under this paragraph or who provides goods in connection with such services shall not, by reason of having provided such service or goods, be considered a Federal or special government employee.".

TRAVEL REIMBURSEMENT PROGRAM

SEC. 4. Section 4(g)(2)(D) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)(D)) is amended by striking "1989" and inserting in lieu thereof "1991".

COMMUNICATIONS SUPPORT FROM OLDER AMERICANS

SEC. 5. Section 6(a) of the Federal Communications Commission Authorization Act of 1988 (47 U.S.C. 154 note) is amended by striking "and 1989" and inserting in lieu thereof ", 1989, 1990, and 1991".

HAWAII MONITORING STATION

SEC. 6. (a) Section 9(a) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended by striking "and 1990" and inserting in lieu thereof ", 1990, 1991, and 1992".

(b) Section 9(e) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3025) is amended by striking ", in fiscal years 1989 and 1990".

TARIFF NOTICE PERIOD

SEC. 7. (a) Section 203(b)(1) of the Communications Act of 1934 (47 U.S.C. 203(b)(1)) is amended by striking "ninety days notice" and inserting in lieu thereof "120 days' notice".

(b) Section 203(b)(2) of the Communications Act of 1934 (47 U.S.C. 203(b)(2)) is amended by striking "ninety days" and inserting in lieu thereof "120 days".

AMATEUR RADIO SERVICE RECIPROCAL PERMITS

SEC. 8. (a) Section 303(l)(3) of the Communications Act of 1934 (47 U.S.C. 303(l)(3)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

(b) Section 310(c) of the Communications Act of 1934 (47 U.S.C. 310(c)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

WILLFUL OR MALICIOUS INTERFERENCE

SEC. 9. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"WILLFUL OR MALICIOUS INTERFERENCE

"SEC. 333. No person shall willfully or maliciously interfere with or cause interference to any radio communications of any station licensed or authorized by or under this Act or operated by the United States Government.".

MOBILE RADIO SERVICE

SEC. 10. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.), as amended by section 9 of this Act, is further amended by adding at the end the following new section:

"MOBILE RADIO SERVICE

"SEC. 334. (a) When any public or private mobile radio services licensee is notified in writing by a Federal, State, or local law enforcement agency, acting within its jurisdiction, that such agency has obtained a judicial determination that there is probable cause to believe that a mobile radio unit is being used by any individual for the purpose of transmitting or receiving information in connection with the manufacture, distribution, importation, exportation, or sale of a controlled substance in violation of Federal, State, or local law, the licensee shall, after reasonable notice to the subscriber, discontinue service to the mobile radio unit being used by such individual. The licensee shall not be subject to damages or to any civil or criminal penalty or forfeiture for discontinuing such service.

(b) When a public or private mobile radio services licensee obtains notification in writing of a determination by a Federal, State, or local court or administrative body, acting in accordance with its jurisdiction and authority, that a person receiving, or seeking to receive, mobile radio service from the licensee is not lawfully in possession of the mobile radio unit through which service is or would be provided, the licensee shall, after reasonable notice to the subscriber, discontinue service or refuse service to such person. The licensee shall not be subject to damages or to any civil or criminal penalty or forfeiture for discontinuing or refusing such service.

"(c) Nothing in subsection (a) or (b) shall be deemed to prejudice the right of any person affected thereby to secure an appropriate determination, as otherwise provided by law, in a Federal court or a State or local tribunal or agency, that mobile radio service to such person should not be discontinued or refused or should be restored.".

AMENDMENT NO. 2312

Mr. CRANSTON. Mr. President, on behalf of Senator INOUYE, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for Mr. INOUYE, proposes an amendment numbered 2312.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Federal Communications Commission Authorization Act of 1990".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. (a) There are authorized to be appropriated for the administration of this Act by the Commission $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1990 and 1991.

"(b) In addition to the amounts authorized to be appropriated under this section, not more than 4 percent of the amount of any fees or other charges payable to the United States which are collected by the Commission during fiscal year 1990 are authorized to be made available to the Commission until expended to defray the fully distributed costs of such fees collection.

"(c) Of the amounts appropriated pursuant to subsection (a) for fiscal year 1991, such sums as may be necessary not to exceed $2,000,000 shall be expended for upgrading and modernizing equipment at the Commission's electronic emissions test laboratory located in Laurel, Maryland.".

COMMERCIAL RADIO OPERATOR EXAMINATIONS

SEC. 3. Section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end the following new paragraph:

"(5)(A) The Commission, for purposes of preparing and administering any examination for a commercial radio operator license or endorsement, may accept and employ the services of persons that the Commission determines to be qualified. Any person so employed may not receive compensation for such services, but may recover from examinees such fees as the Commission permits, considering such factors as public service and cost estimates submitted by such person.

"(B) The Commission may prescribe regulations to select, oversee, sanction, and dismiss any person authorized under this paragraph to be employed by the Commission.

"(C) Any person who provides services under this paragraph or who provides goods in connection with such services shall not, by reason of having provided such service or goods, be considered a Federal or special government employee.".

TRAVEL REIMBURSEMENT PROGRAM

SEC. 4. Section 4(g)(2)(D) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)(D)) is amended by striking "1989" and inserting in lieu thereof "1992".

COMMUNICATIONS SUPPORT FROM OLDER AMERICANS

SEC. 5. Section 6(a) of the Federal Communications Commission Authorization Act of 1988 (47 U.S.C. 154 note) is amended by striking "and 1989" and inserting in lieu thereof "; 1989, 1990, and 1991".

HAWAII MONITORING STATION

SEC. 6. (a) Section 9(a) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended—

(1) by striking "and 1990" and inserting in lieu thereof ", 1990, 1991, and 1992";

(2) in paragraph (4) by striking "a facility at the new location" and inserting in lieu thereof "facilities at new locations"; and

(3) in paragraph (6) by striking "a facility at a new location" and inserting in lieu thereof "facilities at new locations".

(b) Subsection (b) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended to read as follows:

"(b) The Administrator of General Services is authorized to dispose of, only to the State of Hawaii, as much of the real property (including improvements thereon) at the present location of the Hawaii Monitoring Station as is necessary for the purposes of relocating, at a minimum, the antennas associated with the Monitoring Station.".

(c) Section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended by striking subsections (c) and (d), by redesignating subsection (e) as subsection (i), and by inserting immediately after subsection (b) the following new subsections:

"(c) Pursuant to the authority provided in subsection (b), the Administrator of General Services shall sell and convey to the State of Hawaii the real property and improvements thereon described in subsection (b) on an expedited basis, including provisions for lease-back as required.

"(d) In consideration of such sale, the State of Hawaii shall agree to—

"(1) pay to the General Services Administration an amount not less than the fair market value, as determined by the Administration of General Services, of the property to be conveyed under subsection (c), or

"(2) convey to the Federal Communications Commission real property that would be suitable, as determined by the Commission, for the relocation of the Hawaii Monitoring Station and, in addition, pay to the General Services Administration an amount equal to the difference between the fair market value of the two properties, as determined by the Administrator of General Services, if the Federal property conveyed is of greater value.

"(e) The General Services Administration shall reimburse the Federal Communications Commission from the net proceeds of such sale for all of the expenditures of the Commission associated with the relocation of the Hawaii Monitoring Station. Any such reimbursed funds received by the Commission shall remain available until expended.

"(f) The net proceeds of such sale, less any funds reimbursed to the Federal Communications Commission pursuant to subsection (e), and less normal and reasonable charges by the General Services Administration for costs associated with such sale, shall be deposited in the general funds of the Treasury.

"(g) If the General Services Administration and the State of Hawaii are unable to execute a contract for sale as required by this section or complete any other transaction necessary to carry out such sale, the Administrator of General Services shall not proceed to public sale of the property described in subsection (b).

"(h) The Hawaii Monitoring Station shall continue its full operations at its present location until new facilities have been built and are fully operational.".

(d) Subsection (i) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024), as so redesignated by subsection (c) of this section, is amended by striking ", in fiscal years 1989 and 1990".

TARIFF NOTICE PERIOD

SEC. 7. (a) Section 203(b)(1) of the Communications Act of 1934 (47 U.S.C. 203(b)(1)) is amended by striking "ninety days notice" and inserting in lieu thereof "one hundred and twenty days' notice".

(b) Section 203(b)(2) of the Communications Act of 1934 (47 U.S.C. 203(b)(2)) is amended by striking "ninety days" and inserting in lieu thereof "one hundred and twenty days".

AMATEUR RADIO SERVICE RECIPROCAL PERMITS

SEC. 8. (a) Section 303(*l*)(3) of the Communications Act of 1934 (47 U.S.C. 303(*l*)(3) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

(b) Section 310(c) of the Communications Act of 1934 (47 U.S.C. 310(c)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

WILLFUL OR MALICIOUS INTERFERENCE

SEC. 9. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"WILLFUL OR MALICIOUS INTERFERENCE

SEC. 333. No person shall willfully or maliciously interfere with or cause interference to any radio communications of any station licensed or authorized by or under this Act or operated by the United States Government.".

APPLICABILITY OF FORFEITURES TO APPLICANTS

SEC. 10. The first sentence of section 503(b)(5) of the Communications Act of 1934 (47 U.S.C. 503(b)(5)) is amended by inserting "and if such person is not an applicant for a license, permit, certificate, or other authorization issued by the Commission," immediately before "unless, prior".

Mr. INOUYE. Mr. President, we now have before us S. 1022, legislation to reauthorize the Federal Communications Commission [FCC or Commission] for fiscal years 1990 and 1991. We have been meeting with our House counterparts to resolve any differences between the bill already passed by the House and the Senate bill as reported out of committee. I believe we have reached agreement on most, if not all, of the differences between the two bills. The substitute has been cleared with the ranking members on both sides of the aisle, and I am aware of no objection to it. I thus would like to take up my substitute to S. 1022 as reported and move for its passage by the full Senate at the conclusion of my remarks.

Before I do so, I would like to review briefly the provisions of the substitute I am offering:

FUNDING LEVELS

The substitute authorizes $109,831,000 in funding for fiscal year 1990, which is the same amount contained in the Senate and House bills and is the same amount requested by the President. For fiscal year 1991, the substitute retains the figure of $119,831,000 contained in the Senate bill, as reported, rather than the figure of $121,478,000 contained in the House bill. The President requested an appropriation of $117,998,000 for fiscal year 1991. Since the President's request is well below the amount authorized by the Senate bill, as reported, we have chosen to accept the figure in the Senate bill, as reported, in order to be fiscally responsible.

FCC FEES RETENTION

The substitute accepts the provision in the House bill that authorizes 4 percent of any fees or other charges collected by the Commission during fiscal year 1990 to be "authorized to be made available to the Commission until expended." This provision is intended to help defray the FCC's fully distributed costs of enforcing the fee collection provisions in section 8 of the Communications Act.

The House bill had authorized the FCC to retain 4 percent of these fees for both fiscal years 1990 and 1991. The Senate bill, as reported, declares that 2 percent of the fees collected by the Commission "shall be available" for both fiscal years.

The substitute accepts the House's 4-percent figure for fiscal year 1990 only and the House wording out of recognition that the FCC's costs of enforcing this congressionally mandated fees provision will be substantial and that even the 4-percent figure will not compensate the Commission completely for its costs of collecting the fees. Even at the 4-percent level, the FCC informs us that it is likely to incur costs in collecting these fees that are $1.5 million greater than the amounts retained in fiscal year 1990. Because the FCC's fiscal year 1990 appropriation passed the Senate before the reconciliation bill was enacted, the appropriation level did not account for this additional expense. The substitute bill would allow the FCC to retain 4 percent of these fees for only fiscal year 1990 in recognition of the unfairness of this unique situation.

LAUREL LABS

The substitute includes the House statutory provision concerning the upgrading and modernizing of the Commission's test laboratory in Laurel, MD. As in the House bill, the substitute directs that no more than $2 million "shall be expended" for upgrading this laboratory. Although the Senate bill, as reported, did not contain statutory language directing the expenditure of funds for the laboratory, the Commerce Committee explicitly expressed its intention that the FCC expend such funds for this purpose. The committee amended S. 1022 as introduced to increase the FCC's authorized funding for fiscal year 1991 by $2 million—from $117,831,000 to $119,831,000—before reporting the bill. The committee report accompanying the bill expressly declares that the $2 million "is to be used for the sole purpose of modernizing the FCC's Electronics Emissions Test Laboratory in Laurel, MD." (Senate Report 101-215, p. 2). Thus, by accepting the House statutory language a requirement that the Commerce Committee has already imposed in its report.

TRAVEL REIMBURSEMENT PROGRAM

The substitute bill also extends the FCC's travel reauthorization program until 1992. Both the Senate bill, as reported, and the House bill would have extended the program until 1991. The substitute extends the program an additional year because of its demonstrated success. Such an extension should also permit the FCC to continue to implement the travel reimbursement program through the end of fiscal year 1992 even if the next FCC authorization bill is not passed until after the end of 1991.

HAWAII MONITORING STATION

In the FCC Authorization Act of 1988, the Congress included a provision permitting the FCC to move the Waipahu, Oahu, monitoring station to a new suitable location. The bill reported by the Senate would have extended by 2 years the FCC's authority to relocate the monitoring facility. The House bill contained no provisions concerning this monitoring station.

The substitute extends the FCC's authority to relocate the monitoring station for 2 years until 1992. The substitute also, however, makes some substantial changes in the authorizing language to ensure that the land currently being used for the Hawaii monitoring station is sold to the State of Hawaii, which has a strong public interest in acquiring the property.

Under the new language contained in this substitute, the Administrator of the General Services Administration [GSA] shall sell to the State of Hawaii as much of the land associated with the Hawaii monitoring station as is necessary to relocate, at a minimum, the antennas associated with the monitoring station. The State of Hawaii is permitted either to pay their fair market value, as determined by the Administrator of the GSA, of the property it acquires or to swap another piece of property for the property acquired from GSA and pay the difference in price between the two properties, if the value of the property conveyed by the State of Hawaii is less than the value of the property it receives. These provisions do not foreclose the State of Hawaii from buying or selling these properties in conjunction with or as an agent for a third party that the State of Hawaii deems appropriate. Together, these provisions should provide the FCC, the GSA, and the State of Hawaii with sufficient flexibility to allow them to reach an agreement on the disposition of this property expeditiously.

As in the Senate bill, the substitute ensures that the Hawaii monitoring facility will continue to fully operate in the present location until new facilities are fully operational at a new location. The GSA shall reimburse the FCC for the expenses of the relocation from the net proceeds of the sale. Any

excess funds from the sale of the property will be deposited into the general funds of the Treasury.

The language further directs that the provisions of this section should in no way disrupt or defer the ongoing programs or regulatory activities of the Commission by diverting appropriated funds to the relocation of the Hawaii facilities. While we assume that the sale of the property will result in adequate funds for the relocation of the monitoring facilities, if this does not occur, the FCC should immediately inform the committee, and a supplemental appropriation can then be considered that would cover any shortfall.

STOLEN MOBILE TELEPHONES OR TELEPHONES USED FOR DRUG DISTRIBUTION

The substitute does not contain the provisions in the Senate bill, as reported, concerning the procedures to be followed if there is a suspicion that a mobile radio unit is stolen or is being used to engage in the illegal distribution of a controlled substance. These provisions were not included in the House bill. These provisions raise several important issues which deserve to be studied in greater detail before they are adopted into law. We have thus agreed to drop these provisions so that both Houses of Congress can explore these issues more fully.

TECHNICAL AMENDMENT

In the Omnibus Budget Reconciliation Act of 1989, Public Law No. 101-239, Congress amended section 503(b)(2) of the Communications Act in a manner that, as the conference report made clear, was intended, inter alia, to "clarif[y] and confim [] the FCC's authority to impose forfeitures on applicants who engage in misconduct during the application process." Unfortunately, however, Congress did not amend section 503(b)(5) of the act, which by its terms requires that a citation, rather than a forfeiture, be issued to a first-time offender who does not hold a Commission authorization. In order to correct this apparent anomaly, and to clarify that the Commission need not first issue a citation before imposing a forfeiture on an applicant for a Commission authorization, the substitute includes a technical amendment to section 503(b)(5). This provision was not contained in either the Senate bill, as reported, or the House bill but is not controversial and is consistent with the intent of Congress.

FCC TRADE AUTHORITY

The House adopted a provision—Section 9 of the House bill—that would have given the FCC explicit authority to assess the impact of its public interest decisions "on the foreign commerce of the United States." The substitute bill being considered today does not contain any similar provision. This omission should not be taken as an indication of any less concern about the FCC's ability to consider trade matters when making its decisions. Rather, the decision not to include this provision simply reflects the belief of the Congress that the FCC already has ample authority to consider the impact of its decisions on foreign commerce before making those decisions.

UNCHANGED PROVISIONS

The substitute bill includes all the other provisions that were contained in both the Senate bill, as reported, and the House bill. These provisions are as follows:

The Commission is given additional authority to prevent willful or malicious interference to radio communications.

The Commission can extend the tariff notice period from 90 to 120 days with the extra time used primarily for the processing of access charge tariffs.

The Commission may accept and employ the services of qualified persons to prepare and administer commercial radio operator exams for a fee that the Commission determines is appropriate, without those persons being considered Federal employees.

The Older Americans Program is extended for an additional 2 years until the end of 1991.

The Commission may permit aliens to operate over the amateur radio frequencies based on multilateral treaties as well as bilateral treaties.

Mr. President, this consensus bill reflects the efforts of the members on both sides of the aisle. I appreciate the concerns and the cooperation shown by the chairman of the Commerce Committee, Senator HOLLINGS, the ranking minority member of the Commerce Committee, Senator DANFORTH, the ranking minority member of the Communications Subcommittee, Senator PACKWOOD, and their staff. I believe that this bill accomplishes several objectives that will help smooth the regulatory and administrative process and also reflects the goodwill shown by the new Chairman and Commissioners at the FCC. For all these reasons, I offer my substitute amendment and urge my colleagues to support it.

Mr. HOLLINGS. Mr. President, I support the substitute amendment being offered by my colleague Senator INOUYE to S. 1022, the Federal Communications Commission reauthorization bill. I commend the distinguished chairman of the Commerce Committee's Communications Subcommittee for his leadership in crafting this bipartisan piece of legislation and bringing it to the floor. I believe it is important for us to continue our efforts to oversee the activities of the FCC. The FCC is dealing with a number of critical issues—for example, the financial interest and syndication rules, price caps for the telephone companies, the deregulation of AT&T, the comparative broadcast proceedings, and cable regulation—that have tremendous implications for the communications industry. This bill has provided us with a useful vehicle for monitoring the FCC's recent activities and includes a number of noncontroversial provisions that should be helpful in shaping and enforcing our communications policies of the future.

As you know, Mr. President, the FCC and I have had our differences over the years. Nevertheless, the new group of FCC Commissioners, led by the new FCC Chairman, Mr. Al Sikes, appears to be more receptive to the concerns of Congress than their predecessors. Let me remind them, however, I, and the rest of my colleagues, will continue to subject their decisions to a high degree of scrutiny because of the importance of the issues they must consider. I look forward to working with the FCC on the issues before the Commission and Congress this year and in the future.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2312) was agreed to.

Mr. CRANSTON. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, today the Senate is considering legislation to reauthorize the Federal Communications Commission for fiscal years 1990 and 1991. I want to express my support for the substitute amendment offered by Senator INOUYE, chairman of the Communications Subcommittee.

This legislation authorizes the continued operation of a very important governmental body. Now more than ever, the Commission plays a crucial role in the oversight and regulation of the communications industry in this country. As we have moved into the Information Age, a premium has been placed on the need for rapid and efficient communication. Television and radio broadcasts, along with our telecommunications network, are the roadways by which information travels within American society. In their role, Chairman Alfred Sikes and the Commissioners have continued to encourage the economic strength and technological leadership of U.S. industry. This is reflected in the Commission's work to set a standard for high-definition television by 1993.

The amendment currently before the Senate authorizes $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991. The FCC has been appropriated the full $109,831,000 for fiscal year 1990. The bill will also allow the FCC to keep 4 percent of the cost of regulation fees it collects in

fiscal year 1990 in order to defray the costs of collecting such fees, which is consistent with the House FCC authorization. Finally, the bill will allow the FCC to upgrade its laboratory testing facilities.

Mr. President, I would like to commend Senator INOUYE for his work in developing this legislation. I urge its passage.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 3256; that the Senate proceed to its immediate consideration; that all after the enacting clause be stricken; that the text of S. 1022, as amended, be inserted in lieu thereof; that the bill be read for a third time and passed; and a motion to reconsider the vote be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 3256), as amended, was passed.

Mr. CRANSTON. Mr. President, I ask unanimous consent that S. 1022 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILDREN'S TELEVISION ACT

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 424, S. 1992, the Children's Television Act of 1990.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1992) to require the Federal Communications Commission to ensure that broadcasters provide children's television programming that meets the educational and informational needs of the child audience, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to the immediate consideration of the bill.

Mr. INOUYE. Mr. President, we are here today to consider S. 1992, legislation to ensure that television stations better serve our Nation's children. The legislation imposes limits on the amount of time that can be devoted to commercials during a children's television program and requires the FCC to consider at renewal time whether the licensee has met the educational and informational needs of children in its programming.

This legislation is the result of the efforts of the members of the Commerce Committee and other Senators, including Senators WIRTH, METZENBAUM, and LAUTENBERG. Senator WIRTH has been working on this issue for over 15 years and without his persistence, we would not be here today to take this step for our children. I also want to thank Senators METZENBAUM and LAUTENBERG for their dedication and assistance in getting us to this point today. Finally, I want to thank the broadcasters for their cooperation and assistance on this legislation.

For the past 25 years, Federal policymakers have discussed the obligations of broadcasters to program for children. As far back as 1960, the FCC decided to include children as one of the groups whose programming needs had to be met by television broadcasters. Over a decade later, in 1974, the Commission issued the Children's Television Report and Policy Statement which concluded that broadcasters have a special obligation to serve children as a "substantial and important" community group and that children's programming should be aired throughout the weekly schedule.

In 1984, the FCC issued a report, "Television Programming for Children." The thrust of this report was to adhere to the general, voluntary obligations in the 1974 report. It concluded that broadcasters should not have any specific programming requirements. In another proceeding, the Commission determined that broadcasters should not be subject to any advertising restrictions. In both cases the Commission stated that it believed that the interests of children could be best protected by having the marketplace work, with virtually no interference by the Government.

In 1987, the Court of Appeals ruled that the FCC had not sufficiently justified its repeal of the advertising guidelines for children's programming and ordered the FCC to review its decision. The court then required the FCC to reconsider its action. So far, no Commission action has been taken. It was because of the Commission's reluctance to act to enhance children's television that the Congress has had to step in.

The amendment being offered today to this legislation has several provisions:

First, it extends the commercial time limits to children's programming carried on cable television;

Second, it revises the language concerning the obligation of television licensees to serve the needs of children by requiring that the FCC consider, at renewal time, whether a licensee met the educational and information needs of children through its overall programming, including programming specifically designed to meet such needs;

Third, it deletes the provision of this legislation that requires the FCC to act within 90 days when it considers complaints concerning advertising matter broadcast during children's programming; and

Fourth, it incorporates the National Endowment For Children's Educational Television Act of 1989 as a new title II—this provision is identical to S. 797 as passed by the Senate last year.

As to the consideration of children's television service in licensee renewal, the congressional concern is obvious. Our children are this Nation's most valuable resource, and we need to pay special attention to their needs. Child by child, we build this Nation. They are the future of the Nation, and we need to ensure that they are equipped to meet this enormous responsibility.

Children, especially young children, watch television a great deal. You are all familiar with the startling statistic that by the time a child graduates from high school, he or she will have spent more time in front of the television set than in the classroom. Television is thus the child's window to the world. To some reasonable extent, it should not only entertain, but also inform and educate.

The commercial broadcaster is a public trustee, given free use of a valuable portion of the spectrum in exchange for volunteering to serve the public interest. There is no greater obligation in this respect than to provide some reasonable amount of public service for the unique child audience. The FCC has stressed this obligation since 1974.

What Congress is saying, in S. 1992, is that broadcasters must focus on this critically important area of public service to children throughout its license term, and at the time of renewal, must submit a showing to the FCC that it has reasonably met this bedrock duty. That requirement of a specific showing at renewal is new. Congress is singling out this area for special focus by both the broadcaster and the FCC.

We have left the licensee the greatest possible flexibility in how it discharges its public service obligation to children. We recognize that there is a great variety of ways to serve this unique audience—including programming specially designed to entertain and inform children; family and adult programming that can also contribute to the information needs of children; and cooperative efforts with noncommercial stations to produce and

present educational fare. The list can be extended as far as the imagination of the creative broadcaster and must rely on the good-faith, dedicated judgment of the broadcaster. As the Commission aptly stated in 1974:

> There can be success here only if the broadcaster, to a reasonable extent, puts the profits second and the children first.

Some question has been raised as to the constitutionality of this requirement. I am frankly amazed and baffled. The premise of the Communications Act is that from the many who wish to broadcast, the Government selects some entities to be short-term licensees serving the public interest, and enjoins anyone else using the channel. The licensee is thus a fiduciary for all of those prevented by the Government from using the channel, and its license will be renewed as long as it meets this fiduciary obligation. If the licensee cannot be required to render public service—to children as in this legislation—because that interferes with the editorial discretion of the licensee, that means that the entire act is a farce. We have given away free a precious resource on a wholly unenforceable basis—the licensee is free to play old movies or run advertisements all day and cannot be called into account.

The previous administration opposed this measure on the ground of improper interference with editorial autonomy. The administration would have overturned a 50-year old broadcast scheme that has well served this Nation. The Supreme Court has sustained the constitutionality of the broadcast scheme in an unbroken series of decisions, from 1943 to last month's *Metro Broadcasting Inc.* versus *FCC* (No. 100-453, decided June 27, 1990).

In meeting its obligations under this section, the committee believes that a broad range of both programming and nonbroadcast efforts can meet the standard of service to the child audience required by new section 4. The committee notes that general purpose programming, including programming that is not subject to the commercial guidelines under section 3, can have an informative and educational impact [see "Children's Television Programming," 96 FCC 2d 634, n.39 (1984)] and thus can be relied upon by broadcast licenses as contributing to meeting their obligation in this important area. This is particularly true where special nonbroadcast efforts are undertaken in connection with a licensee's programming to enhance the educational or informational value of such programming to children, and the bill provides that the Commission shall take such efforts into account in determining whether a licensee has met the standard required by section 4. Such efforts might include, for example, the distribution of study guides or reading scripts prior to the broadcast of a program.

Similarly, the committee believes that licensees can serve the educational and informational needs of children by producing or supporting programming which is specifically designed to meet those needs and is intended for broadcast by other—primarily public—stations. The committee believes such efforts, which increase the overall availability of educational children's programming in the licensee's marketplace, should be encouraged. Therefore, the bill provides that the Commission shall also consider any efforts made by a licensee in this area in determining whether the licensee has met the standard required by section 4.

The Commission would, of course, expect that each station will itself broadcast some programming specifically designed for children to serve their educational and informational needs. Educational and informational needs encompass not only intellectual development, but also the child's emotional and social development. Prosocial programming which assists children to discover more about themselves, their families, and the world would qualify. In order to fulfill the obligation imposed under this new subsection, each broadcast licensee must demonstrate that it has provided the child audience with programming which serves its unique educational and informational needs. Under this legislation, the mix is left to the discretion of the broadcaster taking into account what other stations, including noncommercial ones, are doing in this important area. See, Action for Children's Television, supra, 756 F2d at 901-02. The committee thus expects that, in devising this programming, broadcasters shall consider the special characteristics of various segments of the child population and its needs in the current situation. The committee expects that the Commission will continue to defer to the reasonable programming judgments of licensees in this field.

The committee does not intend that the FCC interpret this legislation as requiring or mandating quantification standards governing the amount or placement of children's educational and informational programming that a broadcast licensee must air to pass a license renewal review pursuant to this legislation.

The committee expects licensees to be in compliance with the commercial time limits and the programming standard set forth in title I by September 1991. To facilitate compliance with this act, the committee directs the FCC to provide prompt notice of the requirements of this act.

Concerning the commercial time limits, set forth in subsection (3)(c), the committee intends that the Commission shall evaluate whether the advertising duration limitations for the weekends and weekdays should be equalized. The committee recognizes that it is reimposing regulations similar to those existing prior to deregulation. The committee encourages the FCC to examine the issue of equalization in light of subsequent changes in the children's marketplace that might make equalization appropriate.

Just as with other requirements imposed on broadcasters, such as equal opportunities, it is not the intention of the committee that a cable operator incur any liability for violation of the Commission's rules promulgated pursuant to this act for any secondary transmission of a primary transmission of a broadcast television station licensed by the Commission.

In closing, I urge my colleagues to support this important measure.

Mr. HOLLINGS. Mr. President, today I urge my colleagues to support the Children's Television Act of 1990, and I join wholeheartedly in the remarks of my colleague, Senator INOUYE, on this bill. S. 1992, as amended, represents a consensus of Commerce Committee members. It also represents the culmination of years of work by the Commerce Committee, and in particular the chairman of the Communications Subcommittee, Senator INOUYE, and by many other members, including Senators WIRTH, METZENBAUM, and LAUTENBERG. In addition, I want to commend the broadcast industry for their efforts to help craft legislation to further the interests of this Nation's children.

S. 1992, as amended, is designed to ensure that television programming aimed at our children is responsive to their needs and interests. It also limits the amount of time that can be devoted to commercials during children's programming. In view of the educational crisis this country faces today, we must do all we can to enhance and increase the educational material to which our children are exposed.

American children spend more time watching television than any activity other than sleep. Furthermore, it is well-documented that children under certain ages, unlike adults, are not capable of distinguishing programs from commercials. Thus, television has the ability to influence significantly our children's development. Moreover, it is clear that market forces alone have not worked to improve the quality or quantity of meritorious children's programming available on commercial television. The FCC has has ample opportunity to address these concerns, but has failed to act. Consequently, the responsibility to protect the interests of our Nation's children has fallen on Congress. The legislation before us today represents a sound exercise of that important responsibility.

In addition, we are adding to this legislation the provisions of a bill we already have passed, S. 797, authored by my colleague Senator INOUYE, and which I cosponsored, establishing an Endowment for children's educational programming. This Endowment would provide funding for educational and informational children's programming. The programming produced with the assistance of the Endowment ultimately will be available to anyone who wants to air it, including broadcast stations, cable systems, and schools. This program also will further the important educational interests of our children and enhance significantly the educational function of children's television programming.

Mr. President, at this point I would like to take a few moments to clarify and amplify several of the provisions in this bill relating to the endowment.

There is an emerging bipartisan consensus in this Nation that we must focus more of our collective attention and national resources on educating our Nation's children. The next generation likely will confront enormous challenges, international in scope and extraordinarily complex in nature. America's ability to retain its primacy as a worldwide economic and technological leader ultimately will depend on how well-prepared and well-educated our children are in relation to their peers in other nations.

The National Endowment for Children's Educational Television of 1990, which is incorporated in the legislation before us today and which was developed with the cooperation of dedicated producers and public television leaders, is an important and historic component of a multifaceted program to improve our children's educational experience. Although the medium of television has enormous potential as an educational tool, as illustrated by the success of programs such as "Sesame Street," "Reading Rainbow," "Square One TW," "3-2-1 Contact," and "The Electric Company," far more needs to be done to realize the educational promise of children's television.

This legislation directly addresses one of the keys to enhanced utilization of television for educational purposes: funding of educational programming. For a variety of reasons, funding to develop high-quality educational programming has been scarce and generally inadequate. The creation of the endowment will provide targeted funds for grants to help rectify that marketplace problem.

It is the intent of the committee that moneys authorized to be appropriated under this act be used in a manner that will yield the maximum educational results per dollar expended. The Secretary of Commerce should determine whether this goal can be realized by concentrating funding on a few projects that really can make a difference, rather than by spreading the amounts among many small projects. The eligible programming should be specifically designed to serve the educational, informational, and developmental needs of children, with the objective of improving intellectual skills and better preparing young viewers to learn by establishing a solid emotional and social foundation for intellectual advancement. The programs may range form instructional material primarily intended for classroom use across a wide array of programming formats, including prime-time environment.

Consistant with the goal of maximizing the return on these programming dollars, grants may cover the costs of public awareness and ancillary materials that are program related. for example, they could be used to provide companion printed materials such as books or manuals or computer software for interactive video applications.

The committee recognizes that the enthusiastic participation of the creative production community is critical to the success of the Endowment. There must be sufficient marketplace incentives and a sufficient comfort level within that community to ensure such involvement. To that end, the committee intends that producers of programming funded by endowment grants own the rights to the programming so long as such rights are consistent with the purposes of this act. The Secretary shall ensure that programming funded through the endowment is widely available to commercial broadcasters, cable television, home video, and other distribution systems that will reach our Nation's children, after it has been carried on public or noncommercial television for 2 years. Furthermore, although programming is to be exhibited only on public or noncommercial television for the first 2 years after its production, the Secretary retains the discretion to establish arrangements to meet the legitimate needs of producers, licensees, and the public regarding exhibition and distribution of such programming, so long as these arrangements also meet the goal of distributing the programs as widely as possible. In exercising such discretion, the Secretary shall take into account the continued level of support for this programming, as demonstrated by the willingness of public television licensees across the Nation to continue to exhibit such educational programming for more than 2 years following production.

I believe that this legislation represents a giant step forward for our Nation's children. Our responsibility today is to enact this legislation to protect our children and enhance their educational opportunities. I urge my colleagues to support S. 1992 as amended.

Mr. WIRTH. Mr. President, I have been concerned with the state of children's television in this country for many years. Television is a unique medium that offers incredible opportunties to enrich the lives of America's children. Virtually every developed country in the world devotes more resources than we do on educational television for children. In contrast, our broadcasters often ignore the child audience or offer cartoon programs that are principally designed to promote toys to children. We can do better than this. Indeed, we must do better if we expect America's youth to enjoy the same opportunities to learn from television as children from countries where television is used more wisely as an educational resource.

America's television broadcasters are licensed to serve the public interest. That obligation ought to include programming designed to serve the educational and informational needs of children. But that is not the case today. Because the Federal Communications Commission has loosened its previous requirements in this area, commercial broadcasters have virtually abandoned any efforts to provide children's educational content. Hearings on this topic have revealed study after study which demonstrates that educational programs have literally disappeared from the airwaves on all but PBS stations. Clearly, television's potential to benefit the child audience is not being adequately tapped. Approval of the legislation now at hand could finally reverse this trend.

Today, I offer a substitute amendment to S. 1992 that I am convinced will make important improvements in television's service to America's children. The amendment incorporates the most important element of the legislation I have proposed during the last several Congresses—a requirement that each television licensee provide programming specifically designed for children. Under this new programming standard, a station must serve children's educational and informational needs and in doing so must provide programs devised with children's special learning needs and capabilities in mind. I believe this aspect of the legislation is crucial and a most important accomplishment.

To stipulate that stations must provide programming "specifically designed for children" might seem redundant to some. How could one provide programs to serve the child audience without designing the content with the children's unique interests, needs, and information-processing capabilities in mind? That's a good question, and one I puzzled over long and hard as discussions about this measure proceeded. Earlier attempts to establish a children's programming standard seemed to suggest that content di-

rected at general audiences could somehow fulfill a licensee's obligation in this area. But that perspective overlooks all that we know about how children understand and learn from television.

Children differ tremendously from adults in their thinking and reasoning capacities. While even very young children can make some limited sense out of most television content, the most effective way to communicate to children is to target their particular level of cognitive abilities. Just as one wouldn't try to teach a third-grader how to read by using a college-level text, it makes little sense to suggest that children's needs can be adequately served by programming primarily intended for adults, even if that programming is wholesome family viewing that includes important social lessons.

Under the standards included in this legislation, each television licensee must provide at least some programming specifically designed for children in order to qualify for license renewal. This requirement is unequivocal. Stations may also strengthen their efforts at serving the needs of children in their community by distributing support materials to enhance the value of the educational programming they provide, or by producing or otherwise supporting educational programming broadcast on another station in the same community. Either of these actions could be considered by the FCC in evaluating compliance with this legislation. Finally, licensees must also adhere to appropriate limits on the amount of commercial content presented during their children's programming, another area in which FCC deregulation has led to abuses of the child audience.

Since the FCC rescinded its previous limits on children's advertising in 1984, the marketplace has responded by continually increasing the commercial pitches on children's television. Such increases take unfair advantage of young children who lack the capability to recognize and defend effectively against commercial persuasion.

If a policy limiting children's advertising is appropriate for broadcast television, it is equally important to apply that policy to cable programming. A child is affected no differently by an advertisement seen on a broadcast or a cable station, and thus it makes good sense to apply the advertising limits included in this measure to both sources of children's programming, as the amendment I offer will do.

I should note that program-length commercials [PLC's] are not directly addressed by the substitute legislation. In my original proposal, S. 1215, a provision was included that would categorize such programming as advertising content and thus subject it to the time restrictions on commercial minutes. Let me be emphatic—I continue to support this approach and think it is badly needed.

How bad have things gotten? Consider the case of "Video Power," a new syndicated children's program set to debut in the fall. According to the Wall Street Journal, April 30, 1990, the show's child-host, Johnny Arcade, will "rattle off news items, such as countdowns of top hit video games. Sandwiched in the minute-long countdowns will be 10-second or 20-second commercials, without so much as a pause between the news and the commercials." I wonder how much sense it makes to limit the commercial minutes a station can present during program breaks when there are no limits at all on the advertising permitted during the programs themselves.

At a time when the Federal Trade Commission [FTC] is moving against program-length commercials targeted to adults, it is unfortunate that no one is taking action to limit such crass commercialism directed at children. In the spirit of compromise, my amendment excludes the restriction I had previously proposed for the PLC's in order to accomplish the important gains that the rest of this legislation will realize.

By no means, however, does this measure abandon the issue of children's product-related programming. Under my amendment, the FCC would be required to complete its pending rulemaking on children's advertising policies within 6 months after enactment of this legislation. This rulemaking proceeding, which was ordered by the U.S. Court of Appeals more than 3 years ago, requires the Commission to evaluate the special needs of children in reassessing whether restrictions should be maintained on the overall amount of commercial content presented during children's programming. Included among the issues addressed is the topic of children's program-length commercials.

Because the Commission has already gathered extensive information on this topic, and their final report is long overdue, the most expeditious course is clearly to force the FCC to act. My amendment does just that. Should the Commission fail to adequately resolve this issue, I will again pursue appropriate legislative remedies, and have been pledged the support of my good friends Senators HOLLINGS and INOUYE, who both share my concerns in this area.

Finally, I should not that my amendment also incorporates Senator INOUYE's legislation to create a National Endowment for Children's Television. The need for such a program to support and promote the development of worthwhile educational children's programming has been clearly demonstrated over the years. The marketplace has simply failed to produce such content on its own, in large part because the advertiser-driven television industry does not find children's programming to be a particularly lucrative venture. The endowment will help ensure that television's potential to influence the lives of America's children in a positive fashion is at last fully realized.

The endowment has already been approved by this body, but has not yet been addressed by the House. The proposal remains unchanged from the previous version the Senate has already approved.

This amendment provides for meaningful reform and improvement in children's television. Though there is always more that could be done, I have no reservations about endorsing this proposal. It is a substantial accomplishment, and heralds a major shift in the way in which television will address America's children. Broadcasting in this country remains a privilege, not a right, and those who hold that privilege reap substantial economic benefits. With the enactment of this measure, we can soon expect America's broadcasters to meet the very specific obligation of serving the educational needs of America's children. I am pleased that this package is before us now and I thank Senators INOUYE and HOLLINGS for their assistance in crafting this amendment and bringing the legislation to the floor. I urge my colleagues to join me in supporting this important measure.

Mr. LAUTENBERG. Mr. President, I rise in support of the Children's Television Education Act of 1990.

America's educational system must work harder and harder to prepare our children to compete. Television, with its immense power, has the capacity to assist in that effort, to help educate and inform our children. It can arouse their curiosity about the world around them.

Educating and informing our children should not be an option that broadcasters can choose to pursue or not pursue. It is part of their legal obligation to serve the public. In return for the privilege of using the public's airwaves, as public trustees, they should use the medium to serve our children.

Unfortunately, commercial television broadcasters have failed the children of this Nation. They air precious little programming directed toward children, even less of some educational or informational value. They overwhelm our children with advertising messages; some programs are nothing more than commercials, hawking toys or other products.

When one looks at the market's incentives, their performance is no surprise. Left to their own devices, broadcasters will sell children short. Indeed,

broadcasters who want to serve children, do so at their commercial peril.

This is a classic case that justifies regulation. For years under different leadership, the FCC agreed. In 1974, the FCC adopted its children's television policy statement that set out broadcasters' duty to serve the unique needs of children. Broadcasters were required to air a reasonable amount of programming designed for specific child audiences.

However, in 1984, the Commission in its report on children's television programming and advertising practices let it be known to broadcasters that they need not pay special attention to our Nation's children. The FCC dropped the requirement for age-specific programming. It stated that a broadcaster's duty to serve children could be reduced if children were served by other, unrelated media, like cable TV or VCR's. The Commission also removed the limits on the amount of time that could be taken by commercial ads during a children's program. The U.S. Court of Appeals found that decision unfounded.

Mr. President, the legislation we have before us establishes in the law some minimum requirements on broadcasters.

It limits the amount of time that can be consumed by commercials in each hour of children's programming. The limit would be 10.5 minutes on the weekend and 12 minutes on the weekdays. The limit would also apply to cable television.

It requires the FCC to complete a proceeding on the issue of program length commercials.

Lastly and most important, it restores the special obligation of broadcasters to serve the education and informational needs of children, through not just its overall programming, but programming specifically designed to such children's needs.

Passage and enactment of this legislation—to restore a basic obligation of television broadcasters to serve our children—is long overdue.

Mr. President, I urge my colleagues to support this legislation.

Mr. BURNS. Mr. President, I would like to join my distinguished colleagues in supporting passage of this substitute to S. 1992, the Children's Television Act of 1990.

This substitute is a vast improvement over the original bill that was reported by the committee last November. I opposed that bill, and was prepared to urge the administration to veto it if necessary. It simply went too far in too many areas, and destroyed the compromise that had been in place since the 100th Congress, among Members, the broadcast industry, and public interest groups.

As a result, it took a lot of hard work by a lot of people to get us here today. But first, however, it took Senator INOUYE's willingness to listen to the concerns that I had, and a lot of other people had, about the original version of S. 1992. I commend him for being openminded in this process, and for agreeing to postpone further action on the bill in an effort to see if a new compromise could be reached. He and I agree that while children are our Nation's most precious resource, and that part of a television station's public interest obligations includes serving the child audience, legislation to further those goals is more easily achieved through consensus, not confrontation.

What emerged from these ultimately successful efforts for a compromise is a good bill. It protects children from overcommercialization in their television and cable programs, while acknowledging that advertising is what makes these programs possible.

For the first time, broadcasters' public interest obligations will be spelled out in statute, but unnecessary and unconstitutional programming standards included in earlier bills are avoided.

As they compete in an increasingly complex video marketplace, television stations will have the flexibility they need to serve the child audience in their local communities. Stations will be able to take into account what other children's programming is available in their community in determining their own programming mix.

The bill establishes that each station will have to provide some programming specifically designed for children to serve their educational and informational needs, yet it recognizes that children also are served by family and overall programming aired by a station. Therefore, the FCC also must take that programming into account.

Stations also will be able to help fulfill their obligations to children if they voluntarily engage in nonbroadcast efforts that enhance the educational and informational value of their programming. Similarly, stations that voluntarily support children's educational and informational programming that airs in their markets also will receive credit for that support at the FCC.

To sum up, Mr. President, a bill that had committee members on board, together with the National Association of Broadcasters and Action for Children's Television, is worthy of passage. I urge all of my colleagues to join me in voting for this compromise.

Mr. DANFORTH. Mr. President, I am pleased to support the substitute amendment that Senator INOUYE is offering today to S. 1992, the Children's Television Act. This measure has three main provisions. First, it limits the time that can be devoted to advertising in all children's television programming. Second, it requires the Federal Communications Commission to determine, in broadcast license renewal proceedings, whether the television broadcaster has served the educational and informational needs of children in its programming. Third, it establishes a national endowment to fund educational children's television programming.

I did not support the bill that was ordered reported by the Commerce Committee last October. That bill was unacceptable to most of my fellow Republicans on the committee and was strongly opposed by the broadcasting industry. Over the past several months, however, Senators CONRAD BURNS, DANIEL INOUYE, TIM WIRTH, and others have engaged in lengthy negotiations in an effort to forge a consensus. Mr. President, they have succeeded, and I applaud the results of their hard work.

Mr. President, this substitute retains the best elements of the earlier bills, while solving problems with those bills. The substitute satisfies the concerns that many raised by deleting programming standards that were unnecessarily intrusive in the broadcasters' programming decisions, and indeed, unconstitutional.

I am especially pleased that this measure includes my amendment to apply the advertising limits to children's programming on cable television. Children do not distinguish between cable and over-the-air broadcasts when they watch television. This language ensures that they will be protected from excessive advertising from either source.

This is a good bill. It serves the interests of children without imposing unreasonable burdens on broadcasters and cable operators. Therefore, I recommend its immediate passage.

AMENDMENT NO. 2313

(Purpose: To make an amendment in the nature of a substitute)

Mr. CRANSTON. Mr. President, in behalf of Senators WIRTH, INOUYE, and HOLLINGS, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for Mr. WIRTH, (for himself, Mr. INOUYE, Mr. HOLLINGS, Mr. METZENBAUM, Mr. LAUTENBERG, and Mr. BURNS), proposes an amendment numbered 2313.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Children's Television Act of 1990".

TITLE I—REGULATION OF CHILDREN'S TELEVISION

FINDINGS

SEC. 101. The Congress finds that—

(1) it has been clearly demonstrated that television can assist children to learn important information, skills, values, and behavior while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from overcommercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary that the Federal Communications Commission (hereinafter referred to as the "Commission") take the actions required by this title.

STANDARDS FOR CHILDREN'S TELEVISION PROGRAMMING

SEC. 102. (a) The Commission shall, within 30 days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial television broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming. The Commission shall, within 180 days after the date of enactment of this Act, complete the rulemaking proceeding and prescribe final standards that meet the requirements of subsection (b).

(b) Except as provided in subsection (c), the standards prescribed under subsection (a) shall include the requirement that each commercial television broadcast licensee shall limit the duration of advertising in children's television programming to not more than 10.5 minutes per hour on weekends and not more than 12 minutes per hour on weekdays.

(c) After January 1, 1993, the Commission—

(1) may review and evaluate the advertising duration limitations required by subsection (b); and

(2) may, after notice and public comment and a demonstration of the need for modification of such limitations, modify such limitations in accordance with the public interest.

(d) As used in this section, the term "commercial television broadcast licensee" includes a cable operator, as defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522).

CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL

SEC. 103. (a) After the standards required by section 102 are in effect, the Commission shall, in its review of any application for renewal of a television broadcast license, consider the extent to which the licensee—

(1) has complied with such standards; and

(2) has served the educational and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs.

(b) In addition to consideration of the licensee's programming as required under subsection (a), the Commission may consider—

(1) any special nonbroadcast efforts by the licensee which enhance the educational and informational value of such programming to children; and

(2) any special efforts by the licensee to produce or support programming broadcast by another station in the licensee's marketplace which is specifically designed to serve the educational and informational needs of children.

PROGRAM LENGTH COMMERCIAL MATTER

SEC. 104. Within 180 days after the date of enactment of this Act, the Commission shall complete the proceeding known as "Revision of Programming and Commercialization Policies, Ascertainment Requirements and Program Log Requirements for Commercial Television Stations", MM Docket No. 83-670.

TITLE II—ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

SHORT TITLE

SEC. 201. This title may be cited as the "National Endowment for Children's Educational Television Act of 1990".

FINDINGS

SEC. 202. The Congress finds that—

(1) children in the United States are lagging behind those in other countries in fundamental intellectual skills, including reading, writing, mathematics, science, and geography;

(2) these fundamental skills are essential for the future governmental and industrial leadership of the United States;

(3) the United States must act now to greatly improve the education of its children;

(4) television is watched by children about three hours each day on average and can be effective in teaching children;

(5) educational television programming for children is aired too infrequently either because public broadcast licensees and permittees lack funds or because commercial broadcast licensees and permittees or cable television system operators do not have the economic incentive; and

(6) the Federal Government can assist in the creation of children's educational television by establishing a National Endowment for Children's Educational Television to supplement the children's educational programming funded by other governmental entities.

SEC. 203. (a) Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 394 as section 393A;

(2) by redesignating subparts B, C, and D as subparts C, D, and E, respectively; and

(3) by inserting immediately after section 393A, as so redesignated, the following new subpart:

"SUBPART B—NATIONAL ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

"ESTABLISHMENT OF NATIONAL ENDOWMENT

"SEC. 394. (a) It is the purpose of this section to enhance the education of children through the creation and production of television programming specifically directed toward the development of fundamental intellectual skills.

"(b) There is established, under the direction of the Secretary, a National Endowment for Children's Educational Television. In administering the National Endowment, the Secretary is authorized to make grants to persons proposing to create and produce educational television programming for children. The Secretary shall consult with the Advisory Council on Children's Educational Television in the making of the grants. The grants shall be made on the condition that the programming shall—

"(1) during the first two years after its production, be made available only to public television licensees and permittees and noncommercial television licensees and permittees; and

"(2) thereafter be made available to any commercial television licensee or permittee or cable television system operator, at a charge established by the Secretary that will assure the maximum practicable distribution of such programming, so long as such licensee, permittee, or operator does not interrupt the programming with commercial advertisements.

The Secretary may, consistent with the purpose and provisions of this section, permit the programming to be distributed to persons using other media, establish conditions relating to such distribution, and apply those conditions to any grant. The Secretary may waive the requirements of paragraph (1) of this subsection if the Secretary finds that neither public television licensees and permittees nor noncommercial television licensees and permittees will have an opportunity to air such programming in the first two years after its production.

"(c)(1) The Secretary, with the advice of the Advisory Council on Children's Educational Television, shall establish criteria for making grants under this section. Such criteria shall be consistent with the purpose and provisions of this section and shall be made available to interested parties upon request.

"(2) Applications for grants under this section shall be submitted to the Secretary in such form and containing such information as the Secretary shall require by regulation.

"(d) Upon approving any application under this section, the Secretary shall make a grant to the applicant in an amount determined by the Secretary, except that such amounts shall not exceed 75 percent of the amount determined by the Secretary to be the reasonable and necessary cost of the project for which the grant is made.

"(e)(1) The Secretary shall establish an Advisory Council on Children's Educational Television. The Secretary shall appoint ten individuals as members of the Advisory Council and designate one of such members to serve as Chairman.

"(2) Members of the Advisory Council shall have terms of two years, and no member shall serve for more than three consecutive terms. The members shall have expertise in the fields of education, psychology, child development, or television programming, or related disciplines. Officers and employees of the United States shall not be appointed as members.

"(3) While away from their homes or regular places of business in the performance of duties for the Advisory council, the members of the Advisory Council shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with 5703 of title 5, United States Code.

"(4) The Advisory Council shall meet at the call of the Chairman and shall advise the Secretary concerning the making of grants under this section.

"(f)(1) Each recipient of a grant under this section shall keep such records as may

be reasonably necessary to enable the Secretary to carry out the Secretary's functions under this section, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project, the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to a grant received under this section.

"(g) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this section, including those relating to the order of priority in approving applications for projects under this section or to determining the amounts of grants for such projects.

"(h) There are authorized to be appropriated $10,000,000 for fiscal year 1991 for the Secretary to carry out the provisions of this section. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants for projects for which applications approved under this section have been submitted within one year after the last day of such fiscal year.

"(i) For purposes of this section—

"(1) the term 'educational television programming for children' means any television program which is directed to an audience of children who are 16 years of age or younger and which is designed for the intellectual development of those children, except that such term does not include any television program which is directed to a general audience but which might also be viewed by a significant number of children; and

"(2) the term 'person' means an individual, partnership, association, joint stock company, trust, corporation, or State or local governmental entity.".

(b) Section 397 of the Communications Act of 1934 (47 U.S.C. 397) is amended—

(1) in paragraph (2) by striking "subpart C" and inserting in lieu thereof "subpart D"; and

(2) in paragraph (15)—

(A) by inserting "and subpart B" immediately after "subpart A"; and

(B) by striking "subpart B, subpart C" and inserting in lieu thereof "subpart C, subpart D".

Mr. INOUYE. I would like to ask my good friend, Senator WIRTH, to clarify with me the nature of the programming that would be required by this substitute amendment. What must a broadcaster do to comply with this act?

Mr. WIRTH. As I am sure Senator INOUYE and many of my colleagues appreciate, this legislation is intended to reverse the trend of the 1980's, which has seen commercial television broadcasters virtually abandon their efforts at children's educational programming. My concern throughout the drafting of this legislation has been to ensure that the final language we employ results in just such a reversal. My concern has been that stations might claim that general audience programs that have merit for children, as some family-oriented shows certainly do, alone would fulfill this new obligation. If this outcome occurred, then our effort would have failed. Nothing would have changed in terms of the absence of educational programs uniquely designed for children. That is the area where the marketplace has clearly failed to deliver content essential to the public interest.

To meet the license renewal standard in the amended S. 1992, the broadcast licensee must do two things. First, it must comply with the advertising limits included in this legislation. These are clearly stated and leave little room for interpretation. Second, and more to the point of Senator INOUYE's question, a broadcast licensee must demonstrate it has provided programming specifically developed with the educational and informational needs of children in mind.

Programming that is provided to fulfill this obligation can certainly be designed to be entertaining to children. Indeed, one might hope this would be the case in order to maximize the attractiveness of such content to child viewers, thereby increasing its reach and impact on America's youth. There are several examples of very educational children's programs provided on public broadcasting stations that are so entertaining that they are among children's favorite shows.

But regardless of the entertainment value of the programs offered, the essential element this legislation requires is that some content is offered that takes into account the unique characteristics of the child audience. Young children possess a more limited ability to comprehend programming intended for general audiences. An effort must be made by the licensee to take into account the special characteristics of the various segments of the child audience and their needs.

At the same time, broadcasters can also count among their service to childen programs primarily intended for general audiences which also serve the needs of children. It would be arbitrary and against common sense to suggest that such efforts hold no value for children. However, a licensee cannot rely only on general audience programming to meet its obligation under this legislation. No matter how worthwhile and educational a general purpose adult program may be for the older child, standing alone, it often does not meet the needs of younger children.

Under this act, the FCC will have the responsibility to weigh broadcaster's efforts at serving the educational and informational needs of children in their community, both in the ordinary and comparative renewal situation. To fulfill the required standards, each licensee must demonstrate that some educational and informational programming targeted specifically at children was provided. Of course, it is expected that the FCC, in evaluating the licensee's compliance with this provision, will defer to the licensees judgement to determine how to serve the educational and informational needs of children in its community.

Mr. INOUYE. I am pleased with this explanation. This legislation will prod the Nation's broadcasters to deliver educational children's programming of great value to America's youth. That is not too much to ask of those licensed to operate on the publicly owned airwaves, and such service is clearly in the public interest.

Mr. WIRTH. I have one further concern related to the use of programs primarily to promote products to children—a practice the FCC has termed "program-length commericals." As you know, I have proposed restrictions on such programming when it is targeted at children, but that proposal has been opposed by others and is not included in the amended legislation. It would be a shame if the educational programming stimulated by this measure was wrapped in such a cloak of commercialism, which conceivably could occur. How are we to proceed on this other important issue?

Mr. INOUYE. The limitation on the amount of commercial content that is included as part of this act is based on a recognition that children deserve special protection from excessive television advertising. There is research evidence documenting that young children possess a more limited ability to recognize commercial persuasion. For these same reasons, the FCC currently has a policy that requires licensees to maintain a clear separation between programs and commercials targeted at children. At one time the Commission restricted program length commercials. That policy was effectively eliminated in the mid-1980's.

Thus, as my friend Senator WIRTH suggests, we have a problem with policy in this area. The FCC holds that children's programs and commercial content must be clearly separated.

However, concerns have been raised about programs whose primary purpose appears to be the promotion of products to children. I believe the most expeditious means of reaching a resolution here is to get the FCC to act on this topic. This legislation instructs the FCC to complete its related proceeding within 6 months of enactment of this bill. The Commission has been weighing evidence on this topic as the result of a court-ordered remand of their 1984 deregulation of its children's advertising policies. A report from the FCC on this topic is long overdue. Should the Commission fail to adequately resolve this issue promptly, I will support Senator WIRTH in efforts to address this concern.

Mr. METZENBAUM. Mr. President, I am pleased to cosponsor this substitute amendment to S. 1992, the Children's Television Act of 1990.

This legislation works out the differences between the three different bills which have been introduced in the Senate to help improve the quality of children's television programming. As the author of one of those bills, I applaud my friend and colleague, the distinguished senior Senator from Hawaii and chairman of the Communications Subcommittee, for putting together this thoughtful compromise.

The legislation which the Senate is about to adopt will help minimize the commercial pitch and maximize education in television programming geared for kids.

It is long overdue. For far too long, Federal regulators have been allowing broadcasters to focus not on children's developmental needs but on crass commercialism. Instead of inspiring kids to learn, television has been pushing them to buy, buy, buy.

This legislation will improve the situation. But it will not solve all the problems regarding children's television. Advertising manipulation will still be there. There is still, for instance, the problem of those ads involving 900 telephone lines.

Mr. President, I wonder if I could ask my distinguished colleague from Hawaii a question about this matter?

Mr. INOUYE. I would be glad to answer the question of the Senator from Ohio.

Mr. METZENBAUM. The legislation before us does not address the problem of TV advertisements which induce children to call toll telephone lines and which result in driving up parents' phone bills. I understand the Federal Trade Commission is currently investigating a complaint filed by Action for Children's Television regarding this matter. I wonder if my colleague from Hawaii, in his capacity as chairman of the Communications Subcommittee, is also planning to investigate this matter?

Mr. INOUYE. First let me say that I share the Senator from Ohio's concern about pushing small children to pick up the phone to call taped messages. No parental involvement is necessary and the children are encouraged to keep calling and calling. It can be very costly.

I will hold a hearing this year on the general issue of 900 numbers or toll telephone line services. One of the critical topics we will examine will be the advertising of such services to children. I welcome the Senator from Ohio's involvement.

Mr. METZENBAUM. I look forward to working with the Senator from Hawaii on the matter.

Mr. President, I urge my colleagues to vote for the substitute amendment which is currently before us. It is an important piece of legislation.

Mr. INOUYE. Title II of this legislation authorizes the appropriation of funding for the National Endowment for Children's Education Television. This endowment is intended to provide funding for the production of children's educational television programs. Under this legislation, the Secretary of the Department of Commerce, with the advice of the Advisory Council on Children's Educational Television, is required to establish criteria to be used by the Secretary in making grants for the production of such programming. To provide Congress an opportunity to review the criteria developed under this act, we expect the Secretary to submit the criteria to the Congress for review 60 days prior to the date on which the criteria become effective.

Mr. HELMS. Mr. President, when title II of this legislation was first introduced as a separate bill last fall, the distinguished Senator from Hawaii accommodated some reservations I had about the measure. I was concerned that yet another independent endowment with Federal funding would be created without establishing any criteria for picking and choosing among applicants for the funds.

My reservations about this new Endowment for Children's Educational Television were similar to those that I expressed last year in the controversy involving the National Endowment for the Arts [NEA]. The genesis for the NEA controversy, Mr. President, was that the NEA was established with very little guidance as to the quality of what the NEA was suppose to support with our taxes. We have a duty to avoid that same mistake as we create this new endowment.

I remind Senators that the NEA was established in 1965 with an annual budget of $2 million much as this National Endowment for Children's Educational Television was originally meant to be funded with a budget of $2.5 million. Since 1965, however, the NEA's budget has blossomed to around $170 million a year and has created a federally subsidized constituency for its funding that makes it almost impossible to debate commonsense restrictions on what the NEA sees fit to fund with the taxpayers' money.

It is only prudent, therefore, that Congress get some idea of what criteria the National Endowment for Children's Educational Television will use in subjectively choosing among numerous applicants for taxpayer funding. I commend the Commerce Committee and the Senator from Hawaii for recognizing these concerns by requiring the Children's Endowment to establish such criteria and to provide Congress an opportunity to review the suggested criteria before they become effective.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 2313) was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1992

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Children's Television Act of 1990".

TITLE I—REGULATION OF CHILDREN'S TELEVISION FINDINGS

SEC. 101. The Congress finds that—

(1) it has been clearly demonstrated that television can assist children to learn important information, skills, values, and behavior while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from overcommercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary that the Federal Communications Commission (hereinafter referred to as the "Commission") take the actions required by this title.

STANDARDS FOR CHILDREN'S TELEVISION PROGRAMMING

SEC. 102. (a) The Commission shall, within thirty days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial televison broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming. The Commission shall, within one hundred and eighty days after the date of enactment of this Act, complete the rulemaking proceeding and prescribe final standards that met the requirements of subsection (b).

(b) Except as provided in subsection (c), the standards prescribed under subsection (a) shall include the requirements that each commercial television broadcast licensee shall limit the duration of advertising in children's television programming to not more than ten and one-half minutes per

hour on weekends and not more than twelve minutes per hour on weekdays.

(c) After January 1, 1993, the Commission—

(1) may review and evaluate the advertising duration limitations required by subsection (b); and

(2) may, after notice and public comment and a demonstration of the need for modification of such limitations, modify such limitations in accordance with the public interest.

(d) As used in this section, the term "commercial television broadcast licensee" includes a cable operator, as defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522).

CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL

SEC. 103. (a) After the standards required by section 102 are in effect, the Commission shall, in its review of any application for renewal of a television broadcast license, consider the extent to which the licensee—

(1) has complied with such standards; and

(2) has served the education and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs.

(b) In addition to consideration of the licensee's programming as required under subsection (a), the Commission may consider—

(1) any special nonbroadcast efforts by the licensee which enhance the educational and informational value of such programming to children; and

(2) any special efforts by the licensee to produce or support programming broadcast by another station in the licensee's marketplace which is specifically designed to serve the educational and informational needs of children.

PROGRAM LENGTH COMMERCIAL MATTER

SEC. 104. Within one hundred and eighty days after the date of enactment of this Act, the Commission shall complete the proceeding known as "Revision of Programming and Commercialization Policies, Ascertainment Requirements and Program Requirements for Commercial Television Stations", MM Docket Numbered 83-670.

TITLE II—ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

SHORT TITLE

SEC. 201. This title may be cited as the "National Endowment for Children's Educational Television Act of 1990".

FINDINGS

SEC. 202. The Congress finds that—

(1) children in the United States are lagging behind those in other countries in fundamental intellectual skills, including reading, writing, mathematics, science, and geography;

(2) these fundamental skills are essential for the future governmental and industrial leadership of the United States;

(3) the United States must act now to greatly improve the education of its children;

(4) television is watched by children about three hours each day on average and can be effective in teaching children;

(5) educational television programming for children is aired too infrequently either because public broadcast licensees and permittees lack funds or because commercial broadcast licensees and permittees or cable television system operators do not have the economic incentive; and

(6) the Federal Government can assist in the creation of children's educational television by establishing a National Endowment for Children's Educational Television to supplement the children's educational programming funded by other governmental entities.

SEC. 203. (a) Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 394 as section 393A;

(2) by redesignating subpart B, C, and D as subparts C, D, and E, respectively; and

(3) by inserting immediately after section 393A, as so redesignated, the following new subpart:

"SUBPART B—NATIONAL ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

"ESTABLISHMENT OF NATIONAL ENDOWMENT

SEC. 394. (a) It is the purpose of this section to enhance the education of children through the creation and production of television programming specifically directed toward the development of fundamental intellectual skills.

"(b) There is established, under the direction of the Secretary, a National Endowment for Children's Educational Television. In administering the National Endowment, the Secretary is authorized to make grants to persons proposing to create and produce educational television programming for children. The Secretary shall consult with the Advisory Council on Children's Educational Television in the making of the grants. The grants shall be made on the condition that the programming shall—

"(1) during the first two years after its production, be made available only to public television licensees and permittees and noncommercial television licensees and permittees; and

"(2) thereafter be made available to any commercial television licensee or permittee or cable television system operator, at a charge established by the Secretary that will assure the maximum practicable distribution of such programming, so long as such licensee, permittee, or operator does not interrupt the programming with commercial advertisements.

The Secretary may, consistent with the purpose and provisions of this section, permit the programming to be distributed to persons using other media, establish conditions relating to such distribution, and apply those conditions to any grant. The Secretary may waive the requirements of paragraph (1) of this subsection if the Secretary finds that neither public television licensees and permittees nor noncommercial television licensees and permittees will have an opportunity to air such programming in the first two years after its production.

"(c)(1) The Secretary, with the advice of the Advisory Council on Children's Educational Television, shall establish criteria for making grants under this section. Such criteria shall be consistent with the purpose and provisions of this section and shall be made available to interested parties upon request.

"(2) Applications for grants under this section shall be submitted to the Secretary in such form and containing such information as the Secretary shall require by regulation.

"(d) Upon approving any application under this section, the Secretary shall make a grant to the applicant in an amount determined by the Secretary, except that such amounts shall not exceed 75 percent of the amount determined by the Secretary to be the reasonable and necessary cost of the project for which the grant is made.

"(e)(1) The Secretary shall establish an Advisory Council on Children's Educational Television. The Secretary shall appoint ten individuals as members of the Advisory Council and designate one of such members to serve as Chairman.

"(2) Members of the Advisory Council shall have terms of two years, and no member shall serve for more than three consecutive terms. The members shall have expertise in the fields of education, psychology, child development, or television programming, or related disciplines. Officers and employees of the United States shall not be appointed as members.

"(3) While away from their homes or regular places of business in the performance of duties for the Advisory Council, the members of the Advisory Council shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 5703 of title 5, United States Code.

"(4) The Advisory Council shall meet at the call of the Chairman and shall advise the Secretary concerning the making of grants under this section.

"(f)(1) Each recipient of a grant under this section shall keep such records as may be reasonably necessary to enable the Secretary to carry out the Secretary's functions under this section, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project, the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to a grant received under this section.

"(g) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this section, including those relating to the order of priority in approving applications for projects under this section or to determining the amounts of grants for such projects.

"(h) There are authorized to be appropriated $10,000,000 for fiscal year 1991 for the Secretary to carry out the provisions of this section. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants for projects for which applications approved under this section have been submitted within one year after the last day of such fiscal year.

"(i) For purposes of this section—

"(1) the term 'educational television programming for children' means any television program which is directed to an audience of children who are sixteen years of age or younger and which is designed for the intellectual development of those children, except that such term does not include any television program which is directed to a general audience but which might also be viewed by a significant number of children; and

"(2) the term 'person' means an individual, partnership, association, joint stock company, trust, corporation, or State or local governmental entity."

(b) Section 397 of the Communications Act of 1934 (47 U.S.C. 397) is amended—

(1) in paragraph (2) by striking "subpart C" and inserting in lieu thereof "subpart D"; and

(2) in paragraph (15)—

(A) by inserting "and subpart B" immediately after "subpart A"; and

(B) by striking "subpart B, subpart C" and inserting in lieu thereof "subpart C, subpart D".

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NASA AND THE INTERNATIONAL SPACE YEAR

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 75.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 75) entitled "Joint resolution relating to NASA and the International Space Year," do pass with the following amendments:

Page 3, line 9, after "applications;", insert "and".

Page 3, strike out lines 10 through 12.

Page 3, line 13, strike out "(6)", and insert "(5)".

Page 3, line 14, strike out "June" and insert "September".

Page 3, line 15, strike out "(5)" and insert "(4)".

Mr. CRANSTON. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

Mr. CRANSTON. I move to reconsider the vote by which the motion was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL AMERICAN INDIAN HERITAGE MONTH AND NATIONAL SENIOR CITIZENS DAY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged en bloc from further consideration of the following resolutions: House Joint Resolution 577, designating "National American Indian Heritage Month"; House Joint Resolution 591, designating "National Senior Citizens Day"; and that the Senate proceed to their immediate consideration, en bloc; that the joint resolutions be deemed read a third time and passed; that the preambles be agreed to, and, that the motion to reconsider the passage of these joint resolutions be laid upon the table. I further ask unanimous consent that the consideration of these items appear individually in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the joint resolutions (H.J. Res. 577 and H.J. Res. 591) were passed.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator BRADLEY be recognized at 9 a.m. on Friday, July 20, to offer an amendment relating to the sugar price support level; that there be 60 minutes equally divided and controlled in the usual form; that at the conclusion or yielding back of time, the amendment be laid aside until 9 a.m. on Tuesday, July 24; that there be 60 additional minutes for debate, equally divided and controlled in the usual form; that no amendment to the amendment be in order; and that, at 10 a.m. on Tuesday, the Senate vote on or in relation to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Friday, July 20, Senator BOSCHWITZ be recognized at 10 a.m. to offer an amendment relating to maximum ARP levels; that there be 80 minutes equally divided in the usual form; that no other amendments be in order to the Boschwitz amendment; that when all time is used or yielded back the Senate proceed without any intervening action or debate to vote on or in relation to the Boschwitz amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

MORNING BUSINESS; JOURNAL

Mr. CRANSTON. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m., Friday; that following the prayer, the time for the two leaders be reserved for their use later in the day; that upon reservation of the leaders' time, there be a period for morning business not to extend beyond 9 a.m., with Senators permitted to speak therein for up to 5 minutes each.

I also ask unanimous consent that following the prayer the Journal of the proceedings be deemed approved.

THE PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. CRANSTON. If there is no further business to come before the Senate today, I ask unanimous consent now that the Senate stand in recess under previous order until 8:45 a.m., Friday, July 20.

There being no objection, the Senate, at 7:45 p.m., recessed until Friday, July 20, 1990, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate July 19, 1990:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

STEVEN B. KELMAR, OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE GERALD L. OLSON, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

JOSEPH FRANCIS GLENNON, OF FLORIDA, TO BE A MEMBER OF THE ADVISORY BOARD FOR CUBA BROADCASTING FOR A TERM EXPIRING OCTOBER 27, 1991. (REAPPOINTMENT.)

NATIONAL MEDIATION BOARD

KIMBERLY A. MADIGAN, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR THE TERM EXPIRING JULY 1, 1993, VICE WALTER C. WALLACE, TERM EXPIRED.

IN THE NAVY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. JOSEPH S. DONNELL III, U.S. NAVY, xxx-x... xx...

HOUSE OF REPRESENTATIVES—July 19, 1990

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Grant us, O God, the vision to see the people of our communities brought together in respect and mutual assurance, teach us the wisdom to choose the way of justice and mercy, and give us the strength and commitment to walk the road toward those good goals. May we not grow weary in well doing but walk the way of truth and faithfulness and so do Your will. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. PAXON] please come forward and lead the House in the Pledge of Allegiance.

Mr. PAXON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4328. An act to authorize appropriations for fiscal years 1991 and 1992 for the customs and trade agencies, and for other purposes.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION AND SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation and the Subcommittee on Economic Development of the Committee on Public Works and Transportation be permitted to sit today, July 19, 1990, while the House is under the 5-minute rule.

This request has been cleared by the minority leadership of both the House and the Committee on Public Works and Transportation.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

APPOINTMENT AS MAJORITY MEMBER TO SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to the provisions of section 303 of House Resolution 84, 101st Congress, the Chair appoints the gentleman from New Jersey [Mr. PAYNE] as a majority member to the Select Committee on Narcotics Abuse and Control, to fill the existing vacancy thereon.

WHY NOT BUY OUT RUSSIAN DEFENSE?

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, I am sure you were amazed, as was I and many other Americans when earlier this week Chancellor Kohl convinced Soviet President Gorbachev to allow a unified Germany into NATO with Russian blessing.

This was astonishing to us and to our President, and a welcome development.

I have been thinking for some time, Mr. Speaker, that our approach to defense spending is probably all wrong. What we should be offering the Russians is to buy the most threatening aspects of their defense establishment. We could start with strategic weapons. Offer them $50 million for each SS-18's. This would work wonders in two ways: One, the Russians would get the money they need to help their economy, and two, it would reduce the threat to the United States. We could pay for it from our own defense budget.

I know it sounds preposterous to buy part of the Russian arsenal, but I would have said a week ago it was preposterous to think that Chancellor Kohl could have offered $3 billion to the Russians to allow a unified Germany into NATO.

REAGAN REVOLUTION HAS TURNED INTO HERBERT HOOVER RERUN

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the record bankruptcies, underfunded pensions, failed savings and loans and now the oldest bank in the District of Columbia, the National Bank of Washington, has announced it is in trouble. It cannot meet its capital obligations.

Mr. Speaker, the Reagan revolution has turned into a Herbert Hoover rerun, and what worries me it is on fast forward, Mr. Speaker. Think about it.

If you take away unemployment compensation, workmen's compensation, take away FDIC, welfare, and Social Security, we would be in worse shape today than in 1929.

I am saying today on the House floor that America is approaching a depression that will make the 1929 crash look like a fender-bender, and we are still giving away billions in foreign aid, still protecting nations that are wealthier than we are, and we have a trade law that is killing American jobs and destroying our economy, and we are doing nothing because Congress is taking care of lobbies. The White House is taking care of powerful lobbies. They are not taking care of the American people.

ADMINISTRATION'S SHIFT ON CAMBODIA DOES NOT GO FAR ENOUGH

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, the administration's shift on Cambodia is welcome, but not enough. By seeking new talks with Vietnam and dropping recognition at the United Nations of a three-part coalition that includes the Khmer Rouge, the administration is recognizing that our previous policy of collaboration with the Khmer has been bankrupt and leading us nowhere. We need to do more. We need to start talking to Son Sann and his Cambodian Government. We need to stop covert and overt aid to Sihanouk and his coalition because of their coziness with the Khmer and increasing reports of military cooperation between the Khmer Rouge and the Sihanouk forces.

We need to get behind a policy of free elections and a provisional government sponsored by the United Nations, and we need to bring China, the main protectors of the Khmer, to that point of view.

Mr. Speaker, let us stop the killing fields in Cambodia. The end of the cold war should apply to our Cambodia policy also.

NEW TELEPHONE TO INQUIRE ABOUT S&L ASSETS, 1-800-782-DOOM

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, does the telephone company know something about the S&L crisis that many working Americans have been fearing? The new toll-free telephone number assigned to the Resolution Trust Corporation for people inquiring what S&L assets are for sale is 1-800-782-DOOM.

This suggests a whole new approach to keeping the public informed. Do you want to find out how S&L prosecutions are going?

I urge the White House to install a new toll-free line. Dial 1-800-JUSTICE. Even if the Department of Justice charges a penny per name, do not worry, you will not be out more than the price of a quarter-pounder.

The budget deficit numbers change all the time. Six months ago, it was $100 billion. This week, $70 billion more.

Dial 1-800-DEFICIT to find out the hourly projections.

Finally, for the politically perverse, why not be able to call one of those charge numbers to hear the President whisper the words you never thought you would ever hear him say. That is right, dial 1-900-33-TAXES.

REPUBLICAN CAUCUS DECISION NO SURPRISE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, yesterday the Republican Party Caucus unanimously voted not to raise taxes.

Mr. CONTE. Mr. Speaker, if the gentleman will yield, he took my name in vain. I did not vote for that.

Mr. SCHUMER. Well, yesterday the Republican Party voted almost unanimously, with certain exceptions, not to raise taxes.

I would say that while the Republican Party fights over its soul, the economy is sliding slowly down the drain.

It is no surprise that this is going on. As one of our leading papers said, "The no fingerprints party has avoided responsibility on the deficit for the past 10 years, and yesterday's Caucus was another example."

The American people are asking their President, how can President Bush lead the country and the Congress if he cannot lead the Republican Party? The answer is simple. All the machinations in smoke-filled rooms and in little closets and summits is not going to bring us deficit reduction until the American people realize the gravity of the crisis.

□ 1010

Mr. Speaker, I would say to the President to step up to the plate and educate and lead the American people. Let them know how bad the situation is and then maybe actions like that that occurred in the Republican caucus yesterday will not call this summit to a grinding halt.

PUTTING AMERICA BACK ON TRACK

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute.)

Mr. DORGAN of North Dakota. Mr. Speaker, there are a lot of accusations being thrown across the political fence these days about a lot of things. And I suppose that is the way politics will always work.

But in a more serious moment, all of us should be asking some tough questions about why things that used to succeed in America are now failing. Why do we have 33 indictments for fraud over in the Defense Department with 60 of the 100 largest defense contractors under investigation?

Why the scandal in public housing over at HUD?

What caused the S&L scandal and the Federal deficit? What is wrong? They say it is getting better, when it is actually getting worse.

And other things—like the Hubble telescope. The question is, What is going wrong here? There seems to be almost systematic failure in a whole range of areas. Who is at fault and what is causing it? When the political dust settles, it is time for Republicans and Democrats to ask serious questions about what is going wrong and how we set it right.

Our country used to be the country of achievement, innovation, management. We had the biggest, the best, the most. Now things are not working. We used to figure out what is wrong, and we need to put America back on track.

DRIFT NET FISHING IN THE SOUTH PACIFIC

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, just 2 days ago the Associated Press issued a release announcing that the Government of Japan has made a decision to suspend the use of drift nets in its fishing operations in the Pacific.

Mr. Speaker, just last November, the House passed a strongly worded resolution condemning drift net fishing operations in the Pacific, as it was brought to the attention of Chairman STEPHEN SOLARZ, myself and the gentleman from California, Mr. BOB DORNAN, who visited with the several leaders of Pacific island nations.

Mr. Speaker, I want to personally thank the officials of the Japanese Government for conducting a major change in its policy toward driftnet fishing.

Mr. Speaker, I also want to personally commend the outstanding performance of sumotori, Ozeki Konishiki Saleva'a Atisanoe, in this month's Nagoya Sumo Tournament. We are all rooting for this young Samoan athletic for his many accomplishments in the sport of sumo.

And may I say, Mr. Speaker, to Konishiki in the Samoan language, "Konishiki, ou mama na."

JAPAN SUSPENDS DRIFT NET FISHING IN THE SOUTH PACIFIC

Japan has decided to suspend driftnet fishing in the South Pacific in the coming 1990/91 fishing season. This cessation of driftnet fishing takes effect one year ahead of the July 1, 1991 cessation date specified in the U.N. resolution on this matter.

The above measure will be continued until such time as the appropriate conservation and management arrangements specified in the U.N. resolution for South Pacific albacore tuna resources are put into place and appropriate regulatory measures for driftnet fishing are established.

In making this decision, Japan has taken into account the grave concerns of the South Pacific island countries over driftnet fishing in the region, and the intentions by these countries to develop albacore fisheries as an indigenous economic resource.

[From the New York Times, July 18, 1990]

TOKYO IS TO BAN FISH NETS EARLY

CANBERRA, AUSTRALIA.—Japan will stop drift-net fishing in the South Pacific this season, a year before the date set by a United Nations resolution, the Japanese Embassy said today.

The statement, forwarded from Tokyo's Foreign Ministry, said Japan would suspend drift-net fishing in the 1990-1991 season.

Drift nets can sweep as much as 30 miles of ocean and have been criticized by conservationists for indiscriminately killing marine life. Australia has joined many other Pacific nations in calling for their use to be banned.

Taiwan announced in June that it would ban its drift-net fleet from fishing in the South Pacific by July 1991.

TOKYO BAN SCHEDULED FOR 1992

New Zealand's Prime Minister, Geoffrey Palmer, immediately hailed the Japanese decision.

"I see it as a very clear indication of their understanding of the depth of feeling which the people of the South Pacific have about drift-net fishing," Mr. Palmer said.

Japan, which has the world's largest drift-net fishing fleet, last year announced that it would ban the use of such nets by its vessels worldwide in 1992. It has also been criticized for its drift-net fishing in the North Pacific.

The Japanese statement said the suspension of drift-net fishing operations would continue until appropriate conservation and management arrangements outlined by the United Nations were established for South Pacific albacore-tuna fisheries.

It said Japan had taken into account the "grave concerns" of South Pacific island nations about drift-net fishing.

"Through this decision, Japan wishes to further promote good relations with the South Pacific island countries," the statement said.

NO GASOLINE TAX FOR DEFICIT REDUCTION

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, it is budget time so once again we are treated to calls for an increase in gasoline taxes for deficit reduction. Such a suggestion was a bad idea in the past, is a bad idea now, and will remain a bad idea in the future.

Any gasoline tax increase for deficit reduction by its very nature would be regressive, recessionary, and will generate massive unemployment. Study after study has shown the regressivity of such an increase, since only a small percentage of the revenue generated will come from upper income taxpayers who benefited most from the tax cuts of the eighties. It is simply unfair to force the burden of reducing the deficit onto the backs of low- and middle-income American workers. It is absurd to assess this burden based on the number of miles that someone drives.

A 30-cent increase this year would force more than half a million Americans out of work over the next 3 years and would reduce our gross national product by nearly $30 billion in the first year alone. With our economy already slowing down, can we really afford a gas tax increase at this time?

Mr. Speaker, any suggestion of a gas tax increase for deficit reduction should be immediately removed from consideration in the budget negotiations. It is a terrible idea with tragic implications for America's economic future.

SELECT COMMITTEE ON WASTE, FRAUD AND ABUSE PROBLEMS IN THE SBIC PROGRAM

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSSO. Mr. Speaker, I and a number of my colleagues recently called for the creation of a select committee to investigate Government waste, fraud, and abuse. Such an independent body is needed to discover the causes of the endemic government mismanagement which has led to the savings and loan industry debacle as well as costly scandals at HUD and in the defense procurement industry.

Well, I am sorry to say that it is not just these we have to worry about. There are plenty of other black holes—legacies of the Reagan years—which are waiting to suck in more taxpayer money.

Last month the inspector general of the SBA testified at a Senate hearing that of the 50 Government-insured small business investment corporations he studied, 23 were in trouble, 13 of those in serious trouble. The potential cost to U.S. Treasury is $363 million. And this study purposely excluded SBIC's which had already been identified as potential risks. Business Week reports that the number of SBIC defaults has doubled since 1986, at a total cost of $563 million.

And I have discovered that these SBIC's, which are set up to serve small businesses, are not just lending to mom and pop stores. Incredible as it sounds, some are lending money to fortune 500 companies to help them execute leveraged buyouts. A loophole in the law allows these huge companies to gain from a program set up to benefit small businesses. I have introduced a bill, H.R. 4411, which would put a stop to this practice.

The mismanagement and neglect of the Reagan years will be with us for many years. It is almost certain there will be more unpleasant surprises for the taxpayers, all with a price tag.

DEDICATION OF THE RICHARD NIXON LIBRARY

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, later this morning the dedication of the Richard Nixon Library in Yorba Linda, CA, will take place. I regret that our schedule here has prevented a number of us from being able to attend.

I am not one who in any way would be an apologist for some of the problems of the Nixon administration, but I will say that I truly believe that as we look toward the future, especially in the area of foreign policy, that Richard Nixon has provided us with a great deal of direction.

It seems interestingly ironic that as the dedication of the library takes place, dramatic changes are taking place in Southeast Asia which I hope very much will lead to and bring about that peace which President Nixon and all in the free world have sought for decades.

PRESIDENT MUST PUT HIS OWN HOUSE IN ORDER

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, it was President Bush who initiated the current budget negotiations and who pointed specifically to tax increases as part of the solution. He acted because the fiscal policies of the last decade were bankrupt and leading the Nation toward bankruptcy.

Yesterday the House Republicans repudiated their leader, the President. The summit negotiations are now threatened and can work only if the President repudiates the Republican House repudiation of him, doing so in his actions if not words.

Successful negotiations require good faith and a willingness by all parties to bargain. What the House Republicans have done is risk shattering the cooperative atmosphere that has been carefully cultivated. They have said, "Let somebody else stand up and make the tough decisions. We will just stand in the way."

The President can successfully negotiate with the House and the Senate only if he puts his own house in order.

PERSONAL EXPLANATION

Mr. DORGAN of North Dakota. Mr. Speaker, on yesterday's vote on the final passage of H.R. 5268, fiscal year 1991 Agriculture appropriations, I was present and voting. Due to an apparent electronic malfunction, my vote was not recorded in the RECORD.

I wish to have the RECORD show that I voted "aye."

DISAGREEMENT IS NOT WITH THE PRESIDENT

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I was fascinated by the comments of the gentleman a moment ago about the House Republican Party's action yesterday with regard to taxes.

We took our action based upon the stand that most of us have taken over a period of years, that taxes are in fact bad for the economy and so, therefore, ought not be countenanced as a part of a summit agreement. Our disagreement, though, is not with the President of the United States. Our disagreement is with the Democrats in this body who have decided to go ahead and spend money as though there is no tomorrow that we have to deal with.

Why do I say that? I say that because of the appropriation bills that are now being brought onto the floor having been deemed, as we were told yesterday by a House budget resolution that is completely unacceptable and is a big-spending document.

□ 1020

The break of faith with the budget summit process was when the House deemed spending to be essential. That is the break of faith. We are not as a party willing to raise taxes in order to have money spent that was deemed not handled properly under the budget laws of the land. So I think it is time to understand that when the budget summit broke down was when Democrats deemed it so.

REPORT ON H.R. 5311, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, FISCAL YEAR 1991

Mr. DIXON, from the Committee on Appropriations, submitted a privileged report (Rept. No. 101-607) on the bill (H.R. 5311) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1991, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. CONTE reserved all points of order on the bill.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, FISCAL YEAR 1991

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes.

Mr. CONTE reserved all points of order on the bill.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks on H.R. 5257, and to include extraneous matter, along with tables and charts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5257) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1991, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts [Mr. CONTE] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Indiana [Mr. SHARP] as chairman of the Committee of the Whole, and requests the gentleman from New York [Mr. DOWNEY] to assume the chair temporarily.

□ 1024

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5257) with Mr. DOWNEY (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, H.R. 5257, which we present to the House today, makes appropriations for the fiscal year 1991 for the Departments of Labor, Health and Human Services, and Education and for 15 related agencies, including the Corporation for Public Broadcasting and the Railroad Retirement Board.

Our committee has worked hard to bring a good bill to the floor. We held 36 days of hearings spanning 11 weeks: 631 witnesses testified, including 80 Members of Congress. We received and considered 894 separate requests from Members.

The bill includes appropriations totaling $170,443 million for these departments and agencies, which is $4,212 million over the amounts requested by the President, and $17,309 million over the comparable amounts available for 1990. This amount includes advance appropriations of $19,453 million for fiscal year 1992 for various public assistance entitlements.

Entitlement programs, whose funding levels are determined by authorizing legislation, comprise more than 74 percent of the bill's total appropriations. The bill includes $126,568 million for these entitlements, an increase of $1,034 million above the amount requested by the President and $12,371 million above the amounts available for these programs in fiscal year 1990.

For discretionary programs, whose spending is controlled through the annual appropriations process, the bill includes $43,875 million for fiscal year 1991, which is an increase of $3,178 million over the President's budget and $4,938 million above the amount available for fiscal year 1990. In addition to these amounts, consideration of $5,505 million of budget estimates for 1991 has been deferred because reauthorizations have not yet been enacted for these programs. These unauthorized programs include Head Start, Low Income Energy Assistance, Community Service Block Grant, Refugee and Entrant Assistance, Family Planning, Vocational Education, and research training. The committee has reserved $8.9 million of funds for these unauthorized programs including important new program authorizations expected to be enacted such as child care, AIDS prevention and services, breast and cervical cancer screening, and the minority health initiative. Every woman in the House signed a letter to the committee asking for funds for the new breast cancer screening program. We want everyone of these Members to know that this is a high priority once the bill is signed into law. This includes in particular, Mrs. BOGGS who has been a tireless advocate for this program.

Taking into account the reserve established for unauthorized programs, the bill fully utilizes, but does not exceed, its section 302(b) allowances for both budget authority and outlays. The reserve is described on page 5 of the report.

Mr. Chairman, I have been pleased to serve with my friend, the distinguished gentleman from Mississippi, my chairman, for 35 years. He is also a member of our subcommittee. He always helps us and we appreciate it. It has also been a distinct honor and privilege for me to serve with my friend, the distinguished gentleman

from Massachusetts, the ranking minority member on this subcommittee and on the full Committee on Appropriations. We are friends on this subcommittee, and I want you to know that we have never had a vote on the subcommittee to resolve any differences of opinion.

The committee takes very seriously its responsibility to provide for the health and well-being of our country, especially for its vulnerable populations—the children, the disadvantaged, the elderly, and the handicapped. I have often said that if you educate your children and take care of the health of your people, you live in the strongest country in the world. The bill reflects these priorities, providing more than a $4 billion increase in function 500 education and training programs above 1990 levels, and more than a $1.3 billion increase for function 550 health programs.

The committee has emphasized programs that enhance the education of our young people. For the second year in a row, a $1 billion increase has been provided for chapter 1 compensatory education. Student financial assistance has been increased by $692 million over 1990, allowing the maximum Pell grant to be maintained at $2,300. Education for the handicapped receives a $728 million increase, and, as a result, the Federal share of the excess cost of educating a handicapped child will increase from 7 to approximately 10 percent.

The committee has made a major commitment to our biomedical research enterprise by providing a $1,041 million, or 14.3 percent, increase for the authorized activities of the National Institutes of Health. This funding will support approximately 6,000 new research grants, more than 1,400 above the 1990 level. Research conducted by the Alcohol, Drug Abuse and Mental Health Administration receives an increase of $108 million, or 13 percent.

The committee has recognized the continuing funding needs associated with the social problems of homelessness and drug abuse. $102 million is provided for the homeless assistance programs authorized by the Stewart B. McKinney Act, which is approximately the same as funding for comparable programs in 1990.

The various drug abuse programs within the bill's jurisdiction receive $2,613 million, which is $27 million above the 1990 level. In 1990, these programs were increased by $872 million; since 1988, their funding has more than doubled. I plan to offer an amendment today which will add $231,443,000 to the bill for various drug abuse activities at the Departments of Education and Health and Human Services. This action is intended to restore funding for four activities which the committee bill funds at levels below the President's request. The committee recommendation was based upon data indicating that States were having difficulty absorbing increases in funding for their drug treatment activities. The committee has been told, for example, that as of June 30, States had drawn down only 24 percent of their 1990 funds. Notwithstanding these concerns, many Members have expressed to me their belief that these amounts can be utilized in 1991 and that we should restore funding to the President's request.

Acquired immune deficiency syndrome [AIDS] continues to be a major concern of the committee. When combined with funding provided in other appropriations bills for the Food and Drug Administration and the Indian Health Service, it is expected that AIDS funding for currently authorized programs will total approximately $1.7 billion in 1991—an increase of 13 percent over 1990. Spending government-wide for AIDS, including treatment services provided through entitlement programs such as Medicaid and Medicare, is expected to reach almost $3.5 billion in 1991. In addition to these amounts, the committee has reserved funds for major new legislation in the area of AIDS prevention and services. This legislation is currently in conference.

DEPARTMENT OF LABOR

The bill provides a total of $7,649 million for the Department of Labor, including $5,874 million for discretionary programs and $1,775 million for entitlements. The bill exceeds the President's request for discretionary programs at Labor by $449 million and the 1990 level by $426 million, or 7.8 percent. The bill also includes $3,157 million in trust fund transfers, an increase of $140 million over the President's request and $215 million over the 1990 level. These trust fund transfers are principally for the administrative costs of the State employment security agencies.

The bill includes $4,211 million for programs under the Job Training Partnership Act, an increase of $293 million over the 1990 level. This total includes $90 million for the Job Corps, which is $98 million over last year's level. This amount is sufficient to maintain the 107 current centers and 41,500 training slots; 2 new centers will also be opened in 1991. The Dislocated Workers Program receives $514 million, which represents a $50 million increase over last year's rate. Community services employment for older Americans is supported at $400 million, an increase of $33 million over 1990. Trust funds and general funds for State unemployment insurance and employment service operations total $2,826 million, $189 million above the 1990 level.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The bill includes $135,749 million for activities administered by the Department of Health and Human Services. This includes $19,453 million in advance appropriations for fiscal year 1992 for various public assistance entitlements. For discretionary activities, the bill includes $16,717 million, which is an increase of $998 million over the amount requested by the President and $2,186 million, or 15 percent, over the comparable amount available for these programs in 1990. The bill also includes $6,279 million in trust fund transfers, which is $191 million above the request and $512 million above the 1990 level.

HEALTH RESOURCES AND SERVICES ADMINISTRATION

The bill provides a $33 million increase over 1990 levels for community health centers and a $45 million increase for the maternal and child health block grant. The bill restores the President's proposed reductions in health professions training, providing a total of $227 million in 1991 for these activities, $12 million above last year's level. Within the agency's total AIDS funding of $77 million, $20 million is provided for pediatric health care demonstrations and $27 million is targeted to adult health care demonstrations.

CENTERS FOR DISEASE CONTROL

The bill includes $998 million for the Centers for Disease Control, which is $119 million above the 1990 level. Among the increases provided are $9 million above the 1990 funding level for sexually transmitted diseases and $13 million for chronic and environmental disease prevention. The agency's AIDS funding increases from $443 to $509 million.

NATIONAL INSTITUTES OF HEALTH

The bill includes $8,318 million for the 20 appropriations which together fund the programs of the National Institutes of Health [NIH], including funding for AIDS research. The total for NIH is $694 million above the administration request and $1,041 million above the amount available for 1990. The funds provided will support approximately 6,000 new research grants, about 1,400 more than the 1990 level. The committee has developed a long-range management plan that assumes a stable grant pool of 24,000 with 6,000 new grants each year. Implementation of this system will require NIH to put in place management changes to better control costs.

In addition to the larger number of grants, the increase provided above the President's request is targeted to the following areas: Partial restoration of funding for biomedical research support grants; an increase in the average size of grant awards; intramural buildings and facilities; and high priority research areas, such as Alzheimer's

disease, pediatric AIDS, asthma, breast cancer, and Lyme disease. The largest increases for the institutes are $150.9 million for cancer, $107.7 million for heart, lung and blood, and $129.6 million for allergy and infectious diseases. Smaller institutes also receive increases, such as the $25.4 million increase for eye research and $26.2 million for environmental health. In allocating its increase, the NIEHS is encouraged to devote more research dollars to studies which validate different animal and nonanimal models used to test potential toxic substances.

The committee has provided $66.1 million for the human genome project, which is $9.6 million, or 17 percent, over the 1990 level and $36.8 million below the President's request. In addition, the committee permits the new Director to allocate up to $18 million of his discretionary fund to the genome project if he determines it to be in the best interests of NIH and biomedical research in general. The committee believes it is prudent to carefully examine the genome project before agreeing to further major funding increases, due to budgetary and ethical concerns raised by Members of Congress and some in the scientific community.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

The bill includes $2,649 million for these activities, which is $75 million above 1990 and $114 million below the administration request. Mental health and substance abuse research funding increases by $108 million over 1990, or 13 percent. The services block grant is funded at the 1990 level of $1,193 million.

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

Within the amount provided for this account, the bill includes $10 million for the National Vaccine Program, a $4 million increase over 1990.

AGENCY FOR HEALTH CARE POLICY RESEARCH

The bill includes $74.6 million in general funds and Medicare trust funds, an increase of $6.4 million over the budget request and $18.8 million over the 1990 amount. This is a new agency which replaces the National Center for Health Services Research and also includes the Medical Treatment Effectiveness Program. The committee has included a limitation of $13.8 million on transfers from the other Public Health Service agencies, including NIH, CDC, ADAMHA, and HRSA.

HEALTH CARE FINANCING ADMINISTRATION

The bill includes $45,015 million for the 1991 program level for the Medicaid Program, which is $113 million above the administration request and $4,785 million higher than the 1990 level: $1,583 million is provided for Medicare contractors, including $136 million in contingency funds, which is the same as the President's total request and $129 million above last year's level. Twenty-three million dollars is provided to continue the rural hospital transition demonstrations and $10 million is included for the new essential access community hospitals program. The bill includes $195 million for facility survey and certification activities which was not requested in order to meet current law survey requirements.

SOCIAL SECURITY ADMINISTRATION

The committee recommends that $4,167 million be expended from the Social Security trust funds for administrative costs of the Social Security Retirement, Survivors and Disability Program. This is $330 million more than the 1990 amount and the same as the administration request. With a reallocation of funds, staffing will be increased by 1,500 positions above the level proposed by the administration.

FAMILY SUPPORT ADMINISTRATION

The bill includes $12,657 million for the 1991 program level for family support payments to States, which is $965 million above the 1990 level and the same as the administration request. One billion dollars is provided for the Job Opportunities and Basic Skills Training Program. The committee has deferred funding for programs which are not currently authorized. These include Low Income Home Energy Assistance, Refugee and Entrant Assistance, and the Community Services Block Grant. The committee has rejected the President's proposal to reduce funding for State Legalization Impact Assistance Grants, thereby making the entire $1 billion, less the Federal offset, available in 1991.

OFFICE OF HUMAN DEVELOPMENT SERVICES

The bill increases child welfare assistance funding to $280 million, $27 million above the 1990 level. The bill provides $20 million for a new program of emergency protection grants for children of substance-abusing parents. Administration on Aging programs receive $808 million, $61 million above last year's level. The Head Start Program has been deferred because of a lack of authorizing legislation.

DEPARTMENT OF EDUCATION

For the Department as a whole, the bill includes $26,028 million, an increase of $2,478 million over the President's request and $3,016 million over the 1990 level. The amount for discretionary programs is $20,267 million, which is $1,723 million above the request and $2,897 million, or 16.7 percent above the 1990 funding. These comparisons do not include amounts for unauthorized activities such as vocational education and special handicapped programs which will be considered later in the year.

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

The bill includes $6,215 million for chapter 1 of the Elementary and Secondary Education Act, which is $1,003 million above the 1990 level and $757 million above the administration request. The amount provided includes $5,121 million for basic grants to local school districts and $569 million for concentration grants. Also included is $60 million for the Even Start Program, and $26 million for capital expenses for private school students. Up to $100 million of these funds may be transferred to initiate the President's proposed merit schools program if this program should become authorized prior to January 1991.

IMPACT AID

The committee bill provides $800 million for Impact Aid, an increase of $68 million over 1990 and $139 million over the budget request. This amount includes $600 million for category A and $140 million for category B payments.

SCHOOL IMPROVEMENT

The bill includes $1,474.7 million for the 38 activities which together comprise the school improvement account. This total is $64.2 million above last year but $230.2 million less than the President's request: $132.6 million of the reduction is based on the deferred consideration of funding requests for programs which are not currently authorized, such as Magnet Schools of Excellence, Presidential teacher awards and alternative certification systems. Funding for the chapter 2 block grant has been maintained at the 1990 level for a savings of $18.4 million from the President's request. Last, math and science programs would increase by $64.9 million to a total of $200 million.

HANDICAPPED EDUCATION-REHABILITATION SERVICES

The bill provides $2,748 million for education for the handicapped programs, which is $728 million above the 1990 level and $646 million above the administration request. These comparisons include funding for the chapter 1 State handicapped program which has been consolidated by the committee with the regular education of the handicapped account. The consolidation was recommended by the General Accounting Office. In allocating increases for education of the handicapped account activities, the States are expected to give the highest priority to funding those services previously funded under chapter 1. Since States will receive increases of a minimum of 25 percent over their combined education of the handicapped account and chapter 1 funding for 1990, the committee believes that the consolidation can be managed without a disruption in essential services.

The rehabilitation services and handicapped research account is funded at $1,852 million, which exceeds the request by $13 million and the 1990 appropriation by $72 million.

ADULT EDUCATION

There is $244 million provided for adult education, which is $51 million above the 1990 level and $5 million above the administration request.

STUDENT FINANCIAL ASSISTANCE

The bill provides $6,777 million for student financial assistance, which is an increase of $692 million over 1990 levels and $425 million above the administration request. This amount restores $160 million to Perkins loans and $60 million to State student incentive grants, both of which the President proposed to eliminate. The committee bill maintains the maximum Pell grant at $2,300, the same level payable in 1990. Pell grant funds are available under the same conditions as the current year except that eligibility has been restored for less-then-half-time students.

GUARANTEED STUDENT LOANS

The bill includes $3,900 million for guaranteed student loans, which is the most recent estimate by the Congressional Budget Office of the funding that will he required for the program under current law. This amount is $743 million above the request, and $44 million above the 1990 appropriation, The committee is aware that this may need to be further increased based on revised estimates of interest rates and other economic indicators and will be monitoring this situation closely.

HIGHER EDUCATION

There is $100 million provided for historically black colleges and universities, an increase of $4 million over both the 1990 level and the President's request. This includes both graduate and undergraduate programs. Special programs for the disadvantaged [TRIO] receive $342 million, an increase of $100 million over 1990 and $72 million over the President's request.

RELATED AGENCIES

The bill includes $1,018 million for 15 related agencies. This amount is $9 million above the request and $6 million above the 1990 funding level. The total includes $307 million for 1993 funding for the Corporation for Public Broadcasting, including $47 million for the satellite replacement. Full funding of $328 million is provided for railroad retirement dual benefits.

□ 1030

Mr. Chairman, this is a good bill. We present it to you and to the committee for your consideration and we ask approval of the bill.

The CHAIRMAN pro tempore. (Mr. DOWNEY). The gentleman from Kentucky [Mr. NATCHER] has consumed 7 minutes.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in strong support of H.R. 5257—the Labor, Health and Human Services, and Education Appropriations bill for 1991.

Mr. Chairman, when I called this bill "America's bill" in the full-committee markup, my colleagues responded with a patriotic chorus from the "Battle Hymn of the Republic."

When you think about what this bill contains—all the Federal funds to keep our people well-educated, healthy, and productive—it is easy to see why it is America's bill.

It tells America of our continued commitment to keep this Nation strong by providing a safety net for those who need help. It tells the homeless, there is hope. It tells children who can't afford college, there is help. To those who are ill, it says we are fighting to find the cure. And to those wanting to be gainfully employed, it says there is a way.

For these noble goals, the bill provides $167.8 billion total budget authority, a $17 billion increase over last year and $4 billion over President Bush's request. At first blush, those numbers might seem high enough to warrant a chorus of "Cry me a river."

But before singing the blues, it is important to realize 75 percent of the total, or $123 billion, is for entitlement programs—Medicaid, Medicare, black lung benefits, aid to families with dependent children and supplemental security income—money that must be appropriated.

The discretionary programs, over which we do exercise control, total $43.9 billion, $5.6 billion more than last year and $4.2 billion more than requested.

And for programs that are either being reauthorized, like low-income energy assistance and Head Start, or are being authorized for the first time, like increased AIDS services, we have kept nearly $8.6 billion of the 302(b) allocation in reserve for when they are signed into law.

There is no denying these are big numbers. This bill, like the other appropriations bills, takes its share of an overall spending target that is based on the House budget resolution.

That resolution assumes a $5 billion increase in outlays for all domestic discretionary spending. By the time the summit reaches a conclusion, I doubt the overall target will remain as high. This bill is very likely the high water mark.

But we do have to move our bills forward. At this point, any target we pick will likely need to be adjusted. So if you look at anything, look at the priorities. They are priorities of which I am proud.

I would point out that the loudest criticism of the bill to this point from a member of the administration has been not that it spends too much money, but that it spends too little.

In our preoccupation with targets, and summits, and numbers, it is easy to forget about the people whose very lives may hinge on the programs supported by this bill. The ones whose letters are so tough to answer.

Those letters remind us of the commitments we made to the handicapped, the disadvantaged, the ill and infirm, the illiterate, the promising scholars, the old, and the young. This bill, America's bill, is our response to each and everyone of them.

And once they see this bill, they will be whistling Dixie, thanks to the dedicated efforts and the evenhanded leadership of BILL NATCHER, the pride of Bowling Green, KY, and the most respected chairman in this entire body.

It responds to the educationally disadvantaged with a $1 billion increase for chapter 1, our main program to assist elementary and secondary education.

If we want to have an impact on our education system, make it competitive, this is where the money should go.

For handicapped education we provide a $727 million increase, raising the Federal share to 10 percent of the excess cost, but still billions short of our commitment to help disabled students get the type of education they deserve.

It provides $700 million more than last year for student financial assistance, with a $609 million increase for Pell grants, of which $371 million goes to cover prior year shortfalls. And supplemental educational opportunity grants get a $75 million increase to help the lowest income college-bound students.

For TRIO, the successful higher education program for disadvantaged students, the bill provides $100 million more than last year.

We are providing a $1 billion increase for the National Institutes of Health. Last year, we could not provide all the funds needed for NIH, and the number of new grants funded slipped to a low of 4,600. Of all the approved and worthy health research grants submitted, fewer than 2 in 10 are being funded. This bill raises that number to 6,000. It responds to the bench scientists who have pressed their case this year with renewed vigor and done an excellent job.

To cure and treat AIDS, $1.7 billion, a 13-percent increase in funding is expected.

For the homeless there is $131 million, $30 million more than last year, almost a 30-percent increase.

To help dislocated workers, the unfortunate casualties on the economic battlefront, we provide $513 million,

$50 million more than last year and $113 million over the President's request.

For workers affected by the slowdown in defense spending, this may be a critical addition. And for Job Corps we provide an increase of $98 million to put teenagers on the path to productive lives.

In addition to all these big programs, I am also quite proud of several new starts. There is the $5 million for new centers to help with the implementation of the Americans With Disabilities Act.

We double the disability prevention activities at CDC to $10 million. We fund a $1 million grant program to help local libraries purchase foreign language materials. And we provide $800,000 for new ways to restructure middle schools.

Mr. Chairman, as you can see this bill touches the lives of just about everybody in our country. This is truly America's bill—encompassing the aspirations of millions.

This year with all the changes worldwide we have an unprecedented opportunity through H.R. 5257 to strike a blow for freedom—freedom from ignorance, disease, and unemployment.

I congratulate our distinguished chairman, the gentleman from Kentucky [Mr. NATCHER]. I also want to thank his staff for their hard work. And I want to thank each subcommittee member, including the members on my side of the aisle, CARL PURSELL, JOHN PORTER, BILL YOUNG and VIN WEBER.

I urge your support for this bill.

Mr. Chairman, many other programs operated by the Departments and related agencies are funded by this bill.

DEPARTMENT OF LABOR

H.R. 5257 provides the Department of Labor with $7.6 billion, $1 billion more than fiscal year 1990 and $453 million above the administration's request. For the discretionary programs that is a $425.5 million increase over the fiscal year 1990 level and $449 million over the President's request.

The bill proposes to fund the programs under the Job Training and Partnership Act at $4.2 billion, $291 million more than last year and $371.5 million above the administration's request. Included in the JTPA total is $900.7 million for Job Corps, a $98 million increase. This will enable the Job Corps Program to continue serving about one out of every seven eligible youth. There is $700 million for the summer youth programs, the same amount as last year, and $513 million for dislocated worker assistance, a $50 million increase. The JTPA block grants to the States will receive $1.9 billion, a $155 million increase.

Another Labor Department program for which the bill recommends an increase is the Community Service Employment for Older Americans. The bill provides CSEOA with $400 million, $32.987 million more than last year and $57.18 million above the President's request. Of the CSEOA total, $312 million will go to national contracts and $88 million to State grants.

The Department's unemployment insurance and service programs are slated for $8.1 billion, $766 billion more than last year and $559 million above the President's request. This includes allotments to the States of $825 million.

Under the bill the Labor-Management Services Program would receive $90 million, $16 million more than last year, the amount requested by the President.

Established by title IV of the ERISA Act of 1975 the Pension Benefit Guaranty Corporation is a wholly owned, self-financing corporation. The bill permits usage of trust funds totaling $71.1 million, $744,000 more than last year and the amount the President requested.

The bill provides the Employment Standards Administration with a total of $223.4 million, $6.3 million more than last year and $1.08 million above the President's request.

For special benefits the bill provides $297 million, $102.9 million above last year and the amount requested by the administration. Of this amount $4 million is for the longshore and harbor workers' benefits.

Black lung would receive $919 million through this bill, $277 million more than last year and $3.95 million above the administration's request.

The bill provides the Occupational Safety and Health Administration with $291 million, $24 million more than last year and $3.35 above the administration's request. Of the total, $30 million is for safety and health statistics and $190 million for Federal and State enforcement.

The Mine Safety and Health Administration would receive $177.7 million under this bill, that is $9.6 million more than last year and $5.27 million above the administration's request.

The bill provides the Bureau of Labor Statistics with $260 million, $18.7 million more than last year and $7.3 million above the administration's request. This amount includes funds to continue the mass layoffs and plant closing survey.

For departmental management, the bill contains $133 million, $15 million more than last year and $1.48 million above the administration's request. This includes $7.45 million for the Women's Bureau, an increase of $600,000 over the amount requested, which will be used to continue expansion of the Displaced Homemakers' Network. Also, an increase of $7.6 million is provided for the Office of the Solicitor to handle the increased number of cases being referred to that Office.

The bill includes $172 million, $11.1 million more than last year and $10.5 million above the administration's request for veterans employment and training. The total includes $79 million for the Disabled Veterans Outreach, $4.6 million over the budget request and $72.8 million for Local Veterans' Employment Representative Program, an increase of $4.2 million. Funding for the National Veterans' Training Institute was restored to $2.5 million, $1.6 million more than requested, but equal to the previous years funding.

For the inspector general the bill provides $49.9 million, $3.3 million more than last year and $1.25 million above the administration's request. The total includes $1 million to cover administratively uncontrollable overtime costs mandated in Public Law 101-173.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

For the Department of Health and Human Services the bill provides a total of $135.7 billion, $13.2 billion over last year, and $1.27 billion over the administration's request.

Regarding the discretionary programs within HHS, we have sustained the momentum in biomedical research, AIDS activities, health programs, and disease control.

At the Health Resources and Services Administration, $1.63 billion is appropriated, $86 million above last year and $229 million over the request. We have fully restored cuts proposed by the administration in health professions training. Important health professions such as nursing, allied health, public health, and several others will continue.

The bill provides $33 million more for community health centers, for a total of $490 million. This valuable program will be able to provide additional primary care in economically disadvantaged areas of the country, including rural regions.

The maternal and child health block grant will also receive a major increase of $45 million from last year for a total of $598,627,000. This program provides for preventive nutritional, health and social services for families with children. This increase is needed to combat the continuing high rates of infant mortality in America.

At the Centers for Disease Control, we provide $997.7 million for a wide array of epidemic tracking, disease prevention, and education efforts. Over half of the agency's budget, or $509 million, is devoted to AIDS prevention and control activities. In other areas, we have doubled the disability prevention program to $10 million. These new funds will enable an expansion of current State programs in disability prevention, increase the

number of States starting new programs and provide for better coordination of State and nationwide activities related to this growing field. With the signing of the American With Disabilities Act, it is imperative that we make a special effort to reducing the incidence of disabilities.

We have also doubled CDC's lead poisoning prevention programs to $8 million and doubled breast and cervical cancer programs to $10 million. Should new authorizing legislation be passed enabling an expansion of breast and cervical cancer screening, the committee will make every effort to provide for a substantial increase in funding at the earliest possible opportunity. Lyme disease control will receive $5 million, up $3 million from last year. These new funds will help those States with the heaviest burden of cases, including Massachusetts and New York. With the growing numbers of diseases of worldwide significance, we have provided $750,000 to enable CDC's International Health Program office to respond to emergency outbreaks of disease, famine, and disasters around the world.

For the National Institutes of Health, this bill provides for $8.3 billion, $1.04 billion above last year and $694 million over the administration's request.

Biomedical research is our Nation's best investment against disease. Doctors and scientists labor day and night to find the cures for the thousands of diseases afflicting mankind. I am heartened by the progress we are making in conquering the tough diseases. Just last week, scientists found the gene causing neurofibromatosis, giving thousands of people around the world hope in finding a cure soon for their painful affliction. I am pleased with the progress we are making, but so much more remains to be done.

The amount of money in this bill will bring the number of new and competing research grants back up to 6,000 from the 4,600 being funded this year. This is an investment in our young investigators and gives them the confidence to go forth with new theories on the cause and manifestations of disease. By increasing the percentage of funding of approved grants, we will sustain more projects of scientific importance and increase the chances of finding more cures.

The decade of the brain initiative signed into law last year is now well underway. With Federal efforts coordinated by the White House Office of Science and Technology Policy, the NIH is taking the lead in making neuroscience a national health priority. For the National Institute of Neurological Disorders and Stroke, we have provided for $545 million, an increase of $67 million from last year. A substantial amount of this increase is dedicated for decade of the brain activities for the coming year. We have also provided the Fogarty International Center with funds for international conference(s) on the neurosciences in conjunction with the decade of the brain.

The National Cancer Institute is the world's leader in cancer research. With millions of lives at stake and with tremendous progress being made in basic research, it is essential that the NCI continue to grow and sustain its challenging mission. For NCI, we have provided nearly $1.75 billion, an increase of $151 million from last year.

The National Heart, Lung, and Blood Institute also deserves our highest level of support. With hypertension, asthma, myocardial infarction continuing to be a threat to our citizens, especially minorities, we are investing $1.136 billion, an increase of $108 million over last year.

On Cooley's anemia, a major blood disease afflicting Americans of Mediterranean and Asian descent, we understand NHLBI has already begun the development of a protocol for appropriate human clinical trials on oral chelators, when animal testing has been satisfactorily completed. NHLBI is working with the National Institute of Diabetes, Digestive and Kidney Diseases [NIDDK] on Cooleys anemia. We hope to be able to develop an oral chelator for human use which would eliminate the need for daily injections.

For the human genome project, the bill provides for $66 million, with an additional $18 million available through the Director's discretionary fund. Should the new NIH Director review the scientific and medical merits of the project, in consultation with Congress, and determines that the project is worthwhile, then he/she may devote additional funds to the program. However, there are strong ethical concerns that must be addressed in order to fully advance the program. This compromise allows continuation of current genome activities, gives additional time to a full consideration of the merits of the program, and leaves room for future growth.

With regards to the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA] we have provided $2.8 billion, $252 million over last year and $63 million over the budget request. Research at the National Institute of Mental Health, a key player during the decade of the brain, will total $430 million, an increase of $40 million over last year. With these additional funds, NIMH will begin new initiatives in children's mental health, brain imaging relating to mental disorders, and basic research on the biological basis of mental illness.

At the National Institute for Drug Abuse we have provided $266 million for basic research, $45 million above last year and $7 million over the administration's request. This will give NIDA research programs, especially in the crucial field of medications development, the momentum to find the answers in treating drug addiction. The National Institute on Alcohol Abuse and Alcoholism will receive $143 million, an $11 million increase over last year, which will enable them to reduce the risk of alcohol abuse nationwide.

The Office of Treatment Improvement is a new agency responsible for developing more effective approaches in the therapy of addictive and mental disorders. The bill provides for $35 million for crisis area treatment grants and $86 million for basic treatment improvement grants which is intended to help those areas with large numbers of at-risk individuals and special populations.

At the Office of the Assistant Secretary for Health, the National Vaccine Program will receive $10 million, nearly double last year's amount and $3 million over the request. The NVP is responsible for the coordination and development of new vaccines which would reduce the incidence of infectious diseases such as whooping cough and measles.

For the new Agency for Health Care Policy and Research, the bill includes $68.6 million in general funds, an increase of $29.5 million over the request and $18.8 million over 1990. This agency was created by last year's reconciliation bill. For the Medical Treatment Effectiveness Program we have provided $48 million, the amount requested, in order to find out which treatments are the most cost effective and medically useful. The results from this research have important policy and reimbursement implications.

Many of the key programs of the Family Service Administration, including low-income home energy assistance, refugee assistance, and community services block grants require reauthorization. I remain fully committed to increasing appropriations for LIHEAP. Last winter saw great demand among low-income households for heating assistance. I made sure $50 million in supplemental funds were provided for the program. Already I understand that 32 States have submitted applications for a total of over $133 million in supplemental funds. Clearly, the need is substantial and I will do all I can to ensure the energy needs of the poor are adequately sustained.

At Human Development Services, we have provided a total of $6.86 billion, $1.45 billion above last year and $256 million over the request. The key component of HDS, Head Start, is awaiting reauthorization and will be funded after its enactment. We have provided major increases for family crisis programs, including child abuse State and challenging grants, runaway and

homeless youth and family violence. For the Administration on Aging which administers HDS's aging programs, we provide for $781 million, $58.8 million over last year and over the administration's request.

For AIDS programs throughout the Public Health Service, the bill provides for approximately $1.7 billion, $114 million above last year, a 13 percent increase. I'm especially pleased to be able to accelerate our efforts in combatting pediatric AIDS, which is fast becoming a top cause of mortality among children ages 0 to 5. At HRSA, we have provided $20 million for pediatric AIDS demonstration projects and at the NIH we have doubled the funding for pediatric AIDS clinical trials to $47.5 million. These substantial increases will help pave the way to reducing the incidence of HIV infection among infants and children.

For homeless programs authorized under the McKinney Act, we have provided $102 million in this year's bill and $29 million in forward funding from last year for a total of $131 million, $30 million more than last year. These programs will go a long way towards helping the homeless become more self-sufficient and to sustain their health.

Also included is report language stating no funds are provided for the reorganization of the Public Health Service regional offices, prior to the approval of a reprogramming request.

EDUCATION

The bill provides the Department of Education with a total of $26.02 billion, $3.02 billion more than fiscal year 1990 and $2.478 above the administration's request. For discretionary programs there is $16.74 billion, a $2.2 billion increase over the previous year. These figures represent the most money we have ever been able to provide the Department.

Included in the overall increase for chapter 1 is an increase that means a great deal to me, the $36 million increase for Even Start, raising the total for that program to $60 million. Its a wonderful program that meets the educational needs of disadvantaged children and parents simultaneously. As provided in the authorizing statute when the total funding exceeds $50 million, Even Start must convert to a State formula grant activity; that will be the case in fiscal year 1991. I started funding for this program 2 years ago and I'm thrilled to see it grow.

For impact aid the bill provides $800 million, $67.6 million more than last year and $139 million above the administration's request. Of the amount provided, $600 million will go for category A students, $140 million will go for category B students, $17 million is for payments for section 2—Federal property, and $2 million for section 3E—base closings. Since the current process makes it difficult for some districts to budget appropriately I have asked the Department to look into the aid allocation process to determine if changes in the application process are warranted.

The school improvement programs are slated to receive $1.47 billion, $64 million more than last year and $230 million less than the administration's request. Let me highlight just a few of the increases provided by this bill. Included in the total are a $1.2 million increase for the national diffusion network, a $924,000 increase for inexpensive book distribution, $649,000 for arts in education, $62,000 for law related education and $406,000 for blue ribbon schools.

Included in the school improvement programs are $593 million for the Drug-Free Schools and Communities Program, this is a $54 million increase, a large amount of money for a program that only received $161 million in 1987.

The bill provides $200 million for the Eisenhower Mathematics and Science Education Program, $64 million more than last year but $30 million less than requested by the administration. I hope the Department will work with the Department of Energy and the National Science Foundation, who are also working to strengthen the math-science capacity of this Nation.

For the fund for the improvement and reform of schools and teaching the bill contains $9 million, a $642,000 increase, and for the fund for innovation in education it contains $25 million, a $6 million increase. Of the increase for FIE, $4.5 million is for the Comprehensive School Health Program and $4.5 million, a $1.1 million increase, is earmarked to continue expansion of the underachiever initiative that I started last year. I've long been concerned about the large number of students who aren't being reached by our educational system and hope that this initiative will foster innovative ways to reach youngsters who have been left by the wayside of the educational assembly line.

The administration requested $1 million for the Women's Equity Act program, the bill provides $2 million. Of that amount some funds will be used to fund fiscal year 1990 applications that weren't funded last year.

For bilingual and immigrant education the bill provides $205 million, $16.3 million more than last year and $537,000 less than the administration's request. I am concerned about the inability of the present educational structure to meet the needs of limited English-speaking students. So, included in this total is $800,000 for two middle school developmental bilingual instructional projects that foster academic achievement and retention by using an arts-based curriculum. The projects will feature site-based decisonmaking, voluntary magnet schools, parent involvement, community support, and collaboration with colleges and universities.

The education for the handicapped programs will receive $2.75 billion, $727 million more than last year and $645.8 million above the administration's request in this bill. This amount will bring the Federal share of the excess costs for education disabled children to 10 percent, the highest point in almost a decade. The bill also provides for the consolidation of the handicapped education programs in Public Law 89-313 and Public Law 94-142, as recommended by GAO. The Hawkins-Stafford Amendments of 1988 required that the administration of these programs be consolidated by fiscal year 1991. I hope that this increase will help us learn more about the unique needs of children with attention deficit disorders so that they can be better served in the future.

In the bill, the rehabilitative services and handicapped research will get $1.85 billion, $71.69 million more than last year and $12.8 million above the administration's request. Of this increase, as the original sponsor of the Americans With Disabilities Act, I am pleased $5 million will go to the National Institute on Disability and Rehabilitation Research for the creation of up to 10 special assistance centers to help employers respond to the challenges of implementing the new disabilities rights law.

The bill provides special institutions for the handicapped with $117.65 million, $8.3 million more than last year and $325,000 below the administration's request because $500,000 was transferred to another account for an evaluation.

The bill would increase vocational and adult education by $51 million, $5.3 million above the administration's request for a total of $245 million.

For student financial assistance a total of $6.78 billion is proposed, $692 million more than last year and $424.6 million above the administration's request. I'm particularly pleased that of this amount the SEOG Program would receive $533 million, a $75 million increase. SEOG targets the students with the greatest financial need and is free of all the abuses that sometimes taint other programs. The Pell grant program gets $5.4 billion, a $609 million increase. Of that increase $371 million goes to cover prior year shortfalls and $113 million is placed in a contingency fund in case the Departments cost-saving assumptions are inaccurate. The other financial aid programs are held at about the same level as the previous year. Work-Study gets $600 million, income contingent loans gets $10 million, Perkins loans $160 million, and State student incentive grants get $60 million.

The guaranteed student loans program would receive $3.9 billion, $43.6 million more than last year and $742 million above the administration's request. More than $2 billion of this bill goes to pay for loan defaults. This is a serious problem that undermines the student aid programs.

For the categorical higher education programs the bill provides $763.6 million, $140 million more than last year and $105.97 million above the administration's request. There are several increases of which I am very pleased and want to highlight. One is Aid for Institutional Development that receives $215 million, an $18 million increase. Another is TRIO, where we're recommending $342 million, a $100 million increase. In the foreign language studies we're continuing the work started last year with the creation of critical languages program between the Department of Education and the Defense Department. The fund for innovation in postsecondary education, where we're recommending $15 million, a $3 million increase is the first increase in over a decade.

For research and statistics the bill provides $133.86 million, $38.619 million more than last year and $40.9 million less than the administration's request. This represents the largest research and development increase in the history of the Department. In addition to the regular activities in these accounts there are a couple of items that deserve special attention. One is the $3 million for evaluation of education reforms in the States. Since States frequently replicate each others reforms, this program should help us prevent replication of ineffective practices. Another is the $10 million for following-up with the President's educational summit held last fall. The types of policymakers included in this activity is expanded to include State legislators, State board members and local school board members—folks that were excluded from the summit, but who play an important role in the education reform.

For libraries the bill provides $140.8 million, $4.154 million more than last year, $101.7 million more than the administration's request. I am pleased the bill provides $1 million to fund for the first time a grant program for local libraries to purchase native language materials.

□ 1040

Mr. Chairman, I yield 6 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I want to bring to your attention today two concerns I have with the human genome project which is funded by the Labor, Health and Human Services and Education Appropriations bill.

The human genome project is a $3 billion research plan to completely identify 100,000 genes that comprise the human being. The purpose of the project is to identify genetic causes for diseases and to use that knowledge in providing health care planning for human beings and we hope to eventually find ways to prevent or deal with disease.

The project has grown from $17.2 million in 1987 to $59.5 million last year. This year the administration asked for an increase of $36.8 million. This committee limited the increase to $9.5 million and we provided for the possible expenditure of an additional $18 million if approved by, as of yet unnamed director of the NIH.

We cut the administrations' spending plan for two reasons. First, this project is expected to cost the taxpayers $3 billion over the next 15 years. In other appropriations bills the science projects receiving the most funding are the high profile, sexy, and glitzy projects that gobble press attention as fast as they gobble dollars. The supercollider which was supposed to cost $4.4 billion in 1988 will now cost almost double that amount. Costs for the space station have grown from $8 billion to $30 billion. The Hubble telescope is another example. Its public relations program was dazzling until its mismanagement produced a Hubble that needed to be fitted with glasses. Promoters of the human genome project tell you that the funding for the project is not coming from other research. I'm sorry but it is.

In 1987, the NIH awarded 6,453 new and competing grants. This year, it is estimated that there will only be 4,577 new and competing grants. This bill tries to partially reverse this decline. But by the time the budget summit is in effect all medical research will be under excruciating pressure.

Some of the biggest names and biggest institutions and some of the most senior scientists in America are supporting the genome project. I'm glad because the project is a worthy one and we want it to succeed, but not if we do not make careful choices.

The overall squeeze on medical research funding will cut deeply into the support NIH is able to provide to a whole generation of young new scientists and we will pay a very big price. To be fair, the genome project is not in any one year as big a dollar gobbler as some projects I have cited, but $3 billion is big money.

The second reason for the committees' action concerns ethical questions such as who will have access to the information developed as a result of this project and how will they use it.

ETHICAL CONCERNS

We are living in an era where large institutions have an overwhelming impact on public policy and often at the expense of the individual. We see the drive toward mandatory drug testing by employers. It is a short leap from mandatory drug testing to other kinds of testing that employers may demand. Will employers be able to use this information to deny jobs? Will insurance companies be able to demand this information to quadruple your insurance premiums?

If the information that will be gained through the genome project is not accompanied by governmental and societal decisions that must be made concurrently with the development of genetic knowledge, we will destroy the principle of group insurance and we will be divided into two groups, those with pluperfect and imperfect genes. Just as surely as God made actuaries and accountants, there will be enormous pressures to give those who were lucky at birth, either through natural selection or genetic preselection, discounted health insurance premiums—and the rest of us, much higher "at risk" prices. Already we are seeing individuals with cystic fibrosis or Huntington's disease dropped from insurance plans and excluded from jobs. These discriminatory practices will only increase with advancements in genetic knowledge projects.

Taxpayers should not be put in the position of financing government programs without protections to ensure that those programs will not in the end lead to fencing them out of jobs or reasonably priced health insurance. I honestly believe that the development of information that surely will be gained through the genome project will necessitate a national health insurance program or some other kind of universal health coverage.

There are no Luddites on the committee. No one wants to hold back this research. We want to see it proceed but we want it to advance in a balanced way. There are critical societal choices that must be made concurrently with the development of the information that surely will come from dollars provided to the genome project. These ethical questions cannot be addressed by simply putting aside 3 percent of the funding for the genome project as the project managers have done. These questions will have to be addressed in a far broader way, not just within NIH but all across government and all across society. If we do not take care to develop answers to these questions before the knowledge genie is completely out of the bottle, the giant institutions which run the lives of so many Americans will use their leverage. And the knowledge gained through this project will be used in ways not consistent with American values, and a project which began with such promise will leave scars and tears in the social fabric.

We cannot allow that to happen. That is why I believe the committee made the right decision on funding levels for this program.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, I wonder if the distinguished chairman of the subcommittee would yield to me for the purposes of answering a question with respect to funding the Administration for Native Americans?

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I want to thank the gentleman from Alaska [Mr. YOUNG] for his assistance and his support all down through the years since he has been a Member of Congress, with our bill.

Mr. YOUNG of Alaska. Mr. Chairman, is it your understanding that funds provided for in the committee report with respect to the Department of Health and Human Services, Administration for Native Americans Programs, include $1 million for assistance to groups who are severely impacted by natural or manmade disasters such as large oilspills and that such funds would be available to communities impacted by the oilspill of March 24, 1989, in Prince William Sound, AK for the purposes of assessing socioeconomic impacts of the occurrence and to spur economic development which had been negatively impacted by the spill?

Mr. NATCHER. Mr. Chairman, if the gentleman will continue to yield, the gentleman is correct.

Mr. CONTE. Mr. Chairman, I want to support my good friend from Alaska [Mr. YOUNG]. I have been to his beautiful State many, many times, and I want to let the gentleman know we will do all we can to help those hurt by the big oilspill last summer.

Alaska's natural resources and beauty is a source of the gentleman's State's strength and economic viability, and its many environmental resources are valued throughout the country. These funds will greatly help to clean up the social and economic aftermath of the oilspill.

□ 1050

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. Mr. Chairman, I want to thank the esteemed chairman, the gentleman from Kentucky [Mr. NATCHER] and my dear friend, the gentleman from Massachusetts [Mr. CONTE] for all their hard work and leadership on this bill.

As many of you know, for the last 2 years I have offered the amendment earmarking DOD funds for military drug interdiction. I believe, as many of you do, that we must utilize all our resources to fight the drug war, including the military. Last year the Speaker appointed four Members of this body to serve on the National Commission on Drug-Free Schools, pursuant to the Anti-Drug Abuse Act of 1988. In my capacity as one of the Commission members, I want to share with my colleagues the importance of the Drug-Free School Program. Education, not interdiction, is the best way and, in my opinion, the only way we are going to successfully eliminate our appetite for drugs. The Drug-Free Schools Program clearly represents the best tool we can provide our educators, to rid our communities of the drug scourge. These funds must be used for the development and implementation of drug and alcohol abuse education and prevention programs in our local schools so that our next generation—the little babies starting as young as Head Start, have a fighting chance to resist the tentacles of the drug cartels.

Let me ask the chairman and the ranking minority member if they agree with me that comprehensive drug and alcohol abuse education programs starting with Head Start and continuing through college represent the keys to reducing our demand for drugs?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the chairman of the subcommittee.

Mr. NATCHER. Mr. Chairman, I would like the gentleman from Massachusetts to know that I not only agree with him but at this time it gives me an opportunity to thank him for his support of our bill all down through the years. The gentleman from Massachusetts is an able Member of the House.

Mr. Chairman, I agree with the gentleman.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to my colleague, the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I thank the gentleman from Peabody and the chairman from Bowling Green for his heartfelt comments about the importance of fighting drug abuse through education. I wholeheartedly agree that comprehensive substance abuse education programs—getting kids off to a good start and keeping them on track—is one of the best investments we can make. That's why I have worked to expand support for all the substance abuse programs in this bill and the Comprehensive Health Education Program in the Department of Education. I also think it prudent to build linkages between the Departments covered by this bill and their various substance abuse prevention and treatment programs. I appreciate all your efforts on the Commission for Drug-Free Schools. Thank you, Mr. Chairman, and Mr. MAVROULES.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. CONTE] and the chairman of the subcommittee, the gentleman from Kentucky [Mr. NATCHER].

Mr. CONTE. Mr. Chairman, I yield 4 minutes to my good friend, the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I want to applaud the work of the chairman of the subcommittee, the gentleman from Kentucky [Mr. NATCHER], and my good friend, the distinguished ranking minority leader, the gentleman from Massachusetts.

This is a good bill these gentlemen have put together, with funding for many sound programs.

There are, however, four essential antidrug programs which this bill has not adequately funded. And I understand that the gentleman from Kentucky [Mr. NATCHER] will offer an amendment at the appropriate time to fund these programs. First, there is the Drug Free Schools Program, the primary Federal tool for educating our Nation's children against the dangers of drug abuse, and that is funded at a level of $49 million below the President's request.

Mr. Chairman, we have evidence that these drug prevention programs are most effective when the entire community sends a strong antidrug message.

Finally, there is funding for two important drug treatment programs. The first program, treatment improvement grants, would help fund treatment demonstration programs for at-risk populations; $35 million more is necessary for these programs to meet the President's level.

Next, we must provide $99 million more for the Alcohol, Drug Abuse, and Mental Health Block Grant Program in order to meet the President's request. This program is the primary method the Federal Government uses to fund drug treatment programs.

Mr. Chairman, we are turning the corner on the drug problem. Our prevention and education programs have provided good results. Our citizens, and especially our children, are turning away from drugs, but there is a great deal more to do.

Mr. Chairman, it has been claimed that some of the funds in these programs have not been spent out as fast as they should be or that they are not being spent out, but, Mr. Chairman, no State has ever failed to spend its treatment funds within the existing time requirements, and the Federal Government has never been forced to recover a single dollar of unexpended treatment money. The law gives the States in education programs 27 months to spend the Federal funds, and they are doing so. In terms of the treatment block grants, let us consider the fiscal year 1989 Block Grant Program for a moment. That fiscal year began October 1, 1988. States, there-

fore, have until September 30, 1990, to spend their money; 96 percent of all involved funds have already been spent by June 15 of this year. So there should not be a problem in that area.

Mr. Chairman, I commend the distinguished chairman of the subcommittee and the distinguished ranking minority member for being willing to offer the amendment to restore the funding. It is not time to let down our guard, and I am glad we will be meeting the President's request in this area.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, let me join with my colleague, the gentleman from Pennsylvania [Mr. COUGHLIN], in praising the work that has been done over the years by the gentleman from Massachusetts [Mr. CONTE] and the subcommittee chairman, the gentleman from Kentucky [Mr. NATCHER]. Whatever problems Members of Congress have had with the Committee on Appropriations and this subcommittee, it has never been because they lacked the sensitivity or understanding as to what the human needs of our Nation have been.

That is why I hope that the press and the American people do not believe that this committee is responding to the reckless attacks that have been made on the Congress and this committee by Mr. BENNETT. He has seen fit to deal not with consultation but with more confrontation. He has come to my State and dealt with the press, and he has never even asked to meet with a member of our delegation. I would hope in the future as we try to work out a meaningful strategy to deal with an international problem that we will not find time for Republicans and Democrats to argue about the strategy which we are going to use to approach this very serious problem. The fact that the gentleman from Massachusetts [Mr. CONTE] and the subcommittee chairman, the gentleman from Kentucky [Mr. NATCHER] have come together to avoid a dispute on this issue on the floor again adds to the long tradition of this committee not being partisan but responding to a national need.

Mr. Chairman, I just want to let these gentlemen know that the Members, Republicans and Democrats, on the Select Committee on Narcotics Abuse and Control once again laud them for the leadership which they have provided.

Mr. CONTE. Mr. Chairman, I want to take this opportunity to thank my good friend of long standing, since I came to the Congress, for those kind words.

Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I join our colleagues today in thanking the chairman of the subcommittee, the gentleman from Kentucky [Mr. NATCHER], and the ranking member, the gentleman from Massachusetts [Mr. CONTE], and the other members of the subcommittee, as well as the staff for the very fine job they have done in bringing this bill forward.

I certainly support wholeheartedly H.R. 5257. I realize that there is criticism of the bill. There has never been enough money to solve the problems that this bill attempts to address.

This bill touches every American family every day of the year in some fashion, some more seriously than others.

I rise today to raise one issue which is of deep concern to me. It addresses the problem of disease treatment and, hopefully, disease control, elimination, and prevention. I refer particularly to those amounts of money that go to NIH for disease research.

Today we find more people in this country die from disease-related problems of heart and lung than any other disease. Yet we are appropriating in this bill less money for heart and lung, only about $1.1 billion, than we are for AIDS.

I am not critical of the money going to AIDS, but we are appropriating in this bill about $1.7 billion for AIDS research. But when we look at the number of people dying from AIDS each year, there is no comparison with the people who are dying from cancer. We are appropriating $1.7 billion for cancer research.

I am speaking now about cancer. Later on this year I am going to be talking to this committee and this Congress because we are on the verge possibly of developing a protection from cancer, particularly breast cancer. There is some suggestion now that there is a drug that may be applicable to preventing or at least reducing the incidence of breast cancer.

□ 1100

So, at the proper time I will be asking for additional funds for this research. We are now losing too many women each year, and men, from breast cancer. There is something that can be done. Mammography for early diagnosis is very important, but yet mammography today is inadequate.

First, many women do not appraise themselves, do not allow themselves to have mammography.

Second, it sometimes is not properly administered. The equipment presently in many hospitals and facilities is not appropriate, but adequate; so I am going to ask this committee a little bit later on that we might allocate more money for cancer prevention and research.

I think we just might be on the very verge at this time of eliminating or at least reducing the incidence of cancer; but I do rise in full support of this bill and thank the committee for what it has done.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsyvania [Mr. GAYDOS].

Mr. GAYDOS. Mr. Chairman, I rise in strong support of H.R. 5257, the appropriations bill for the Departments of Labor, Health and Human Services, and Education, because it reaffirms among other things the committee's long-time commitment to workplace health and safety.

We made that commitment in 1969 and 1970 when we passed the Federal Coal Mine Safety and Health Act of 1969 and the Occupational Safety and Health Act of 1970, and we have restated that commitment time and again in the intervening years.

As the chairman of the Subcommittee on Health and Safety, which has oversight and legislative jurisdiction in the occupational safety and health arena, I applaud the funding increases proposed for the Occupational Safety and Health Administration [OSHA], the Mine Safety and Health Administration [MSHA], and the National Institute for Occupational Safety and Health [NIOSH].

I especially want to commend the distinguished gentlemen from Kentucky, [Mr. NATCHER], chairman of the Appropriations Subcommittee, and the gentleman from Massachusetts [Mr. CONTE], the ranking Republican, for their continuing efforts on behalf of America's working men and women. In all of my years of working with them on worker health and safety issues and funding for the three agencies which have that responsibility, they have always been responsive and supportive.

In the measure before us, those two gentlemen have agreed with me and others that, even though these are times requiring fiscal constraints, we cannot ignore the threats to the health and safety of our workers.

The bill provides for funding levels for the three agencies above the recommendations from the administration which, in light of the increasing number of workplace fatalities, injuries, and illnesses, though modest, are vital.

Workplace fatalities have been averaging between 7,000 and 10,000 per year, depending on whether we use figures provided by NIOSH or the National Safety Council, respectively. The Bureau of Labor Statistics, on the other hand, has estimated that occupational fatalities for 1988, the most recent year for which data are available, at 3,300, about half of the NIOSH estimate.

Injuries and illnesses also are increasing. In 1987, the number of reported injuries and illnesses were just over 6 million. In 1988, the number had increased to 6½ million. More significantly, however, the number of lost workdays increased by more than 6,000, from just under 51,000 in 1987 to just under 57,000 in 1988. This suggests that the injuries and illnesses are becoming more severe and are resulting in longer hospitalization and convalescent periods.

We all know that we will never have a sufficient number of inspectors to visit every workplace, but the concept behind the OSHA Act and other occupational safety and health laws is to have enough so that there will be a presence. Two recent research papers by the National Bureau of Economic Research support the idea of more inspections.

A 1989 paper on assessing the impact of OSHA's enforcement on workplace accidents studied 6,842 manufacturing plants between 1979 and 1985. It was found that a 10-percent increase in inspections with penalties would reduce accidents by about 2 percent. The 1990 paper focused on the effectiveness of OSHA's health inspections and produced two major findings: First, the number of citations and the number of violations of worker exposure restrictions decrease with additional inspections in manufacturing plants, and second, the first health inspection has the strongest impact.

Given those findings, the proposed funding increases for OSHA and NIOSH are significant. The increase in funding from fiscal year 1990 of $267.1 million to the fiscal year 1991 level of $291.3 million as well as the addition of 34 full-time compliance officers are major steps forward.

The bill also provides a funding level of just over $87 million for NIOSH, an increase of $2.3 million from 1990's funding level and $1.88 million above the administration's request. Given some of the critical research projects being undertaken by NIOSH in the areas of farm health and safety, construction safety and health, ergonomics, and indoor air pollution, this proposed increase is very necessary.

Considerable concern has been expressed about the administration's proposed funding for MSHA and its intention to reduce full-time staff by 50 slots. I commend the Appropriations Subcommittee chairman and ranking Republican for restoring those 50 positions and increasing funding to $177.7 million for fiscal year 1991, an increase of $5.2 million over 1990 and more in keeping with the rate of inflation. The administration's proposed budget called for an increase of about 2 percent from 1990 to 1991, well below the 4 to 5 percent rate in inflation.

The administration must recognize the position of the House, as expressed by the Appropriations Subcommittee that—

* * * It would not be prudent to reduce staff and cut back on the number of safety and health inspections in our mines.

While it is true that the number of fatalities in the mining industry have continued to decrease, providing for fewer inspections is not the proper answer. We know that the drop in fatalities is probably due to two things: A continued reduction in the number of active mines and the mining work force, and the continued presence of MSHA inspectors.

Overall, Mr. Chairman, this is an excellent appropriations bill. It addresses many key issues appropriately and, even within the fiscal constraints we have, recognizes the importance of the health and safety of American workers.

Before I surrender my time, Mr. Chairman, let me also comment on the funding levels for Federal education aid, H.R. 5257. This bill commits an additional $3 billion for educational activities, including a substantial amount for student loan programs.

I have commented often that it should be a national goal to enable as many Americans as possible to continue their educations beyond the high school level, regardless of the form of education or kind of school to be attended—4-year private or public college, 2-year community college, or a career training school.

It is in the best interests of this Nation that we support those who wish to enhance their knowledge as well as those who seek career-specific training that would enable them to escape the chains of poverty and welfare.

The bill takes a significant step forward and I urge all of my colleagues to vote for passage of H.R. 5257.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Chairman, I want to congratulate the committee chairman, the gentleman from Kentucky [Mr. NATCHER], and the ranking member, the gentleman from Massachusetts [Mr. CONTE]. It has been a great honor to serve on this committee with my colleagues. I think it is one of the most outstanding committees that I have ever known in my 20 years of public service.

There are a lot of great programs in this bill, but I would just like to emphasize today some that do not get a lot of attention in this Nation. One is infant mortality, which is a national disgrace. I want to congratulate our subcommittee and our staff for making additions to the Maternal and Child Care Program. The authorizing statute requires that 15 percent of those block grants moneys be set aside by the Secretary for projects including infant mortality programs in this Nation. So I think that is a credit to the committee to recognize that now as a national priority.

Also, biomedical research has been underfunded by the administration. I am not sure why. It depends on who you talk to, but this committee has made adjustments on the plus side to improve and strengthen biomedical research in this Nation.

The National Institutes of Health have gotten additional help this year. The gentleman from Massachusetts [Mr. EARLY] and other members of that committee have been national leaders.

I did want to mention the need for a new Director at NIH but I understand that Mr. Danforth has agreed to take that position. I think it is the second time it has been offered to him. So I think that position is going to be filled very shortly. That is very critical to the morale and leadership of the National Institutes of Health.

My last comment is that on the whole program of AIDS, I think the committee will have to reconcile someday balancing out the research dollars being spent on the AIDS program, now $1.7 billion. We are squeezing down research on many of the other chronic illnesses, such as heart disease, lung disease, hypertension, and diabetes.

My State of Michigan has the worst track record in chronic illnesses in this Nation, No. 1, at the bottom of the list, with the highest rate of death by chronic disease, and yet our State is spending money on AIDS which it should be changing around and getting a better balance to these other critical illnesses which are killing more people.

So in conclusion, Mr. Chairman, I would like again to thank the committee and thank the staff for an outstanding bill, and I recommend it to the members of the committee.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in support of H.R. 5257, appropriations for the Departments of Labor, Health and Human Services, and Education. And I congratulate Chairman NATCHER, a man for whom I have the greatest respect, and the ranking minority member, Mr. CONTE, my colorful good friend and erudite colleague, for the fine work they have done in crafting this legislation.

Yet, I also want to express my concerns regarding the funding of drug treatment and prevention programs. As the ranking minority member of the Treasury, Postal Appropriations

Subcommittee, I helped to manage the passage last week of our bill which funds the interdiction of drugs. The Customs Service, the Bureau of Alcohol, Tobacco and Firearms, and the Internal Revenue Service do an incredible job stopping the flow of illegal drugs into the United States.

But more must be done to reduce demand for drugs. Everyone says so. The one criticism that we hear in Congress every day is that the administration is not serious about reducing the demand side of the drug problem. There is a great deal of criticism from Congress that too much money is spent on interdiction and not enough is spent on education and treatment. If no amendment is adopted to correct this then I do not think Congress should ever again criticize the administration on this point.

Funds for the Alcohol, Drug Abuse and Mental Health Administration Block Grant Program to States were cut $100 million from the President's request. The Education Department's Drug-Free Schools Program was cut $238,000 below current levels. And two other grant programs for drug treatment were cut over $77 million below the President's request.

In total, Congress is $230 million less committed to reducing the demand for drugs than the administration is.

Bill Bennett, the Director of the Office of National Drug Control Policy, has a tough job. He is charged by the President to end this shame of America—to end our addiction to drugs. He must accomplish this in two ways: stop the supply and reduce the demand. My subcommittee has given the drug czar and the administration the means to fight the supply side, we now need to fund the reduction side.

I am sure that my colleagues on the Appropriations Committee have legitimate concerns regarding the expenditure of these funds. I hope that these concerns will be resolved by the time this bill goes to conference so that we can fully fund a total war on drugs.

Again, I thank Chairman NATCHER and the gentleman from Massachusetts [Mr. CONTE] for their efforts in crafting an overall bill that funds vital programs and services for the United States. And I urge the House to move quickly to pass this bill without any further cuts in funding.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. MONTGOMERY], the chairman of the Veterans' Affairs Committee, and one of the most able Members of the House.

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Mr. MONTGOMERY. Mr. Chairman, I want to thank the distinguished gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE] and also the subcommittee members for the support they have given the veterans of this Nation.

I say to the gentleman from Kentucky [Mr. NATCHER] that he has never let us down as far as veterans, and we thank him very much.

Mr. Chairman, the bill provides $79 million for the disabled veterans' outreach program which is known as DVOP, an increase of $4 million over the budget request. The bill also provides $72 million for the local veterans' employment representatives program, known as LVER's. The bill also provides $2.5 million for the National Veterans' Training Institute.

Mr. Chairman, the gentleman from Kentucky [Mr. NATCHER] and the ranking minority member, the gentleman from Massachusetts [Mr. CONTE], as well as the distinguished chairman of the full committee, the gentleman from Mississippi [Mr. WHITTEN], and the full committee have again shown their support and commitment to our veterans by the amounts contained in this bill for employment programs for veterans.

With the reduction in the military force that is contemplated in all branches of the military service during the next fiscal year, and there will be other cuts to follow of our military, we must do what we can to help these young men and women readjust to civilian life, and a big part of that readjustment is finding a decent job.

This appropriation bill would carry out our responsibilities of finding veterans jobs when they are discharged from the military.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me this time.

The gentleman knows, and the House knows, the respect with which he is held by this entire institution, as is the gentleman from Kentucky, for the work that they do in bringing this bill to the floor. I think many of the policy options as defined in this bill are precisely those which the majority of the Congress feels are important for the future of the country.

I am concerned, however, about funding simply because we are engaged in budget summitry. We are engaged in talk of tax increases. We are engaged in an awful lot of questions about the direction of the future, and I think we need to understand that we started with a process here that is continuing in this bill in terms of funding which is somewhat disturbing.

The President's request, as it arrived on Capitol Hill, provided for an increase of $1.5 billion in budget authority and $3.6 billion in outlays over fiscal year 1990. Those are big increases, and they are increases which, in light of the talk about tax increases, are probably far too big.

This bill that we have before us increases the total budgetary resources, including the limitations on obligations, by $4.6 billion over the President's request. That total represents an increase in outlays of over $1.6 billion and has significant outyear implications.

Why is that important? Well, because in the budget summit that we are talking about we are supposedly going for a 5-year agreement. If, in fact, in this bill we are not only increasing this year but are increasing significantly in the outyears, that has real dire results in terms of the overall budget summitry.

So I am concerned about that, and I would say to both the good chairman and to the gentleman from Massachusetts that there are some areas of increase that I think we ought to look at specifically. I will be offering some amendments to take away some of the increases.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. STOKES], a member of the subcommittee and one of our best members.

Mr. STOKES. Mr. Chairman, I rise in support of H.R. 5257, the fiscal year 1991 Labor-Health and Human Services-Education appropriations bill. This is one of the finest bills the Appropriations Committee has ever sent forward. I believe that it clearly expresses the priorities of this Nation.

Let me first say that it has been a great privilege and pleasure to work with the distinguished chairman of our committee, WILLIAM NATCHER. He has been extremely fair and has worked exceedingly hard on behalf of programs that are of vital importance to the people of this Nation. I deeply appreciate the consideration he has given me and the programs in which I have a special interest. I would also like to express my appreciation to the ranking minority Member, Mr. SILVIO CONTE, who, too, worked long and hard on this bill. It is an honor to serve on the Labor-HHS-Education Subcommittee with these distinguished gentlemen.

Mr. Chairman, the Labor-HHS-Education appropriations bill is certainly one of the most important of the 13 approriations bills. It determines the quality of life for our citizens and is the foundation for our Nation's health, productivity, and competitiveness. This bill provides for all segments of our society, but particularly those who are most vulnerable—children, the elderly, the disabled, and the homeless.

The entire Nation will benefit from this bill's passage. This bill puts our people to work, maintains and enhances our health, and provides for the education of our children. H.R. 5257 appropriates $170.4 billion in

fiscal year 1991 for Labor Health, Human Services, and Education programs. These programs are where our priorities must lie.

Mr. Chairman, I agree with the high priority given education in this bill. We have recommended that over $26 billion be invested in educating our citizens. The education President only recommended that we spend only $23.5 next year in this critical area. Within the funds provided for education, proven programs, such as chapter 1, were given major increases in recognition of their effectiveness; $6.2 billion has been included for chapter 1, the Federal Compensatory Education Program for disadvantaged elementary and secondary schoolchildren. This amount is a $1 billion increase over the 1990 level and $757 million over the President's budget.

I am pleased to note that H.R. 5257 also includes a $728 million increase for State grants for handicapped education. This amount will increase the Federal share of the cost of educating a handicapped child from 7 percent to approximately 10 percent.

In the area of higher education, the committee's action increased funding for special programs for the disadvantaged—the so-called TRIO programs—by $100 million. With a total of $342 million, TRIO will be able to provide opportunities in higher education to 196,000 more students than it could under the 1990 level.

For student financial assistance, the bill includes $6.7 billion. This is an increase of $692 million over the 1990 level and $425 million above the amount requested by the President's budget. This level enables the restoration of $160 million to Perkins loans and $60 million to State student scholarships. Both of these programs were slated for elimination by the President.

The bill before us also emphasizes training, providing $4.2 billion to carry out the Job Training Partnership Act. Included in this amount is $901 million for the Job Corps, one of the most successful programs in preparing extremely disadvantaged young people for productive lives. This represents an increase of $98 million over the fiscal year 1990 level.

The bill also recognizes the needs of older Americans. It includes $400 million for community services employment for older Americans, and increase of $57 million over the President's budget and nearly $33 million over fiscal year 1990. This increase will enable expansion of part-time employment opportunities in community service activities for unemployed, low-income persons aged 55 and over.

H.R. 5257 addresses the health concerns of our Nation. It provides $135.7 billion for the Department of Health and Human Services. This is an increase of $13.2 billion over 1990 and approximately $1.3 billion above the President's budget. This bill would allow us to continue to mount a national campaign to deal with the problems of AIDS, homelessness, and substance, abuse. All of these programs received increases in the bill. The AIDS program will receive a 13-percent increase, the Stewart B. McKinney Act homeless programs will receive a 30-percent increase, and substance abuse programs will receive a 10-percent increase. Included among the substance abuse programs is first-time funding for emergency protection grants to assist States in providing protective services to children of drug-abusing parents.

The strengthening of our biomedical research capabilities is also addressed in this bill. It provides $8.3 billion for the National Institutes of Health—$1 billion more than the fiscal year 1990 level and $694 million over the President's budget. The committee's report also includes cost-management requirements to ensure that we as a Nation get the most from our investment in research.

We all know that we are facing severe budget constraints. However, we cannot afford to renege on our commitment to the disadvantaged and to children. The committee was able to provide needed funds for many health and human services programs that serve the poor, the elderly, and our children. The $33 million increase for community health centers is one example of our support for these programs.

Mr. Chairman, I strongly endorse the passage of the fiscal year 1991 Labor-HHS-Education appropriations bill, and urge my colleagues to support it. H.R. 5257 recognizes the budgetary constraints that we face without sacrificing important safety net programs. A vote in support of this bill is a vote to invest in the future of our Nation. I strongly urge the adoption of this bill.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I commend to the Members the fiscal year 1991 appropriation bill for the Departments of Labor, Health and Human Services, and Education. As usual, the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Massachusetts [Mr. CONTE], and the members of the subcommittee have done an outstanding job bringing this bill to the floor. I also want to commend the very fine staff of the subcommittee, Mr. Chairman. It is an ongoing pleasure for me and my staff to work with these very fine people, Mike Stevens, Bob Knisely, Sue Quantius, and, on the minority side, Jack Chow, who have done a flawless job of guiding the subcommittee through markup.

Mr. Chairman, as a gentleman from Kentucky [Mr. NATCHER] would and does say, this is a good bill. Although we all know that these will not and cannot be the final numbers, we are sending a strong message about our Nation's priorities. This bill has large increases for health and for education programs.

We are including a $1 billion increase for the National Institutes of Health to continue important work on the whole spectrum of biomedical research opportunities. In particular, I am encouraged to see continued progress on chronic fatigue syndrome. We are vigorously pursuing several promising avenues of investigation that I believe will eventually lead to effective treatments for the many people afflicted with this disease.

Mr. Chairman, on the education side, we have large increases for impact aid, assistance to local school districts that serve large populations of military children. For the first time in many years, we are beginning to recognize our obligation to these school districts.

Finally, we have continued our strong commitment to several of the independent agencies including the U.S. Peace Institute where Ambassador Sam Lewis and his staff are doing such fine and important work, and the Corporation for Public Broadcasting, which provides quality programming throughout the United States.

Mr. Chairman, this is an excellent bill which sends a strong message to this country that we are committed to the education and health of our people. I thank the distinguished gentleman from Kentucky and the able gentleman from Massachusetts for their leadership.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the chairman of the full committee, the dean of the Congress, the House, and the Senate, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I thank the gentleman, the chairman, for yielding me this time.

Mr. Chairman, may I say that it is a pleasure for me to be here. It is a pleasure to work as a member of this subcommittee and be associated with my good friend, the gentleman from Kentucky [Mr. NATCHER], an outstanding Member of the Congress and my close friend over the years, and the gentleman from Massachusetts [Mr. CONTE], another able friend, and my other colleagues on this subcommittee.

At this time when we have so many people looking around the world to find a place to look after, we should know by now that we cannot control the world and we certainly know that we cannot finance it.

It is wholesome to see our subcommittee under the chairmanship of the gentleman from Kentucky [Mr. NATCHER] give attention to Americans and America. We have got to give our country that attention, because our country is what all of our money is based on. An educated, healthy population, with adequate housing, food, and nutrition from a strong agricultural base, provides the foundation for our national strength and future.

This is a bill that is supported by all members of the Committee on Appropriations who agree on the importance of the education and health of the citizens of the United States.

Mr. Chairman, ours is a great country. We need to take care of all of it in order to maintain a strong, healthy Nation. Strength and health that can come only from protection and developing the Nation's resources—our real wealth—our highways, our bridges, our schools, our harbors, our health facilities, our national parks and wildlife refuges, and our research programs.

We face a difficult financial situation. But we cannot eliminate a $3 trillion national debt by cutting back or eliminating that which we need as a basis for economic growth. We will get out of our fiscal problem only when we return to producing more than we consume and selling the balance abroad. We need to regain our normal domestic and overseas markets. When we do that, we will be well on our way to eliminating the debt.

Mr. Chairman, this bill includes funds for all phases of education, both higher and secondary, including universities, colleges and community colleges, vocational education, disadvantaged education, adult education, and historically black colleges, including Mississippi Valley State University at Itta Bena, MS.

It is directed to meeting the health and other needs of our people, all of which is spelled out in the report accompanying this appropriations bill (H.R. 5257), which I shall not list here.

Mr. Chairman, I am especially thankful for the attention given to problems of my State and district.

Mr. Chairman, in addition to being a member of this subcommittee, I am serving my 12th year as chairman of the Appropriations Committee and I assure you no chairman, and no subcommittee, does a better job than BILL NATCHER and the members of this subcommittee.

□ 1120

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman from Kentucky [Mr. NATCHER] for yielding.

I rise in support of this bill today and compliment the work of the subcommittee in bringing this bill to us today.

Last week my colleague, Mr. CONTE, proudly termed this legislation "America's bill." In my opinion, he could not have come up with a more appropriate name. The programs funded by this bill ensure a decent way of life for all Americans—even for our poor, our elderly, and our children. These services make good on the promise that America really is the land of opportunity—for each and every one of us.

This year's bill provides about $170 billion for employment and training programs, health care, biomedical research, substance abuse prevention, family support payments, educational assistance, and other social service programs.

The $170 billion seems like a lot of money as we talk about how important it is to put our fiscal house in order and reduce the deficits that are threatening our economy.

But as we think about our funding priorities, I urge my colleagues to look long and hard at how the Federal assistance provided for in this bill improves the daily lives of our constituents.

I'm pretty sure you'll discover, as I have, that the programs funded by H.R. 5257 are indispensable to many Americans.

Let me take a few mintues to share with you their importance in my district of northeast Arkansas.

This bill includes $490 million for community health centers—more than $50 million over the administration's request.

As many of my colleagues from medically underserved areas know, these centers are the only source of affordable health care in many communities.

Last year, Federal funds supported 13 community health centers in northeast Arkansas—in Rector, Imboden, Mammoth Spring, Lepanto, Augusta, Des Arc, Cotton Plant, West Memphis, Madison, Marianna, DeValls Bluff, Clarendon, and Lake View.

Recent figures show that the doctors in these clinics treat 34,955 of my constituents in a year. Over 83,000 visits with patients are made possible through the Community Health Center Program.

These clinics are located in poor, rural sections of my district—places where it's hard to find a doctor, and for many families, even harder to pay his bill. The physicians at these centers tell me that without our appropriation, they couldn't keep their doors open. Almost 35,000 people in northeast Arkansas would be without health care.

In addition, H.R. 5257 recommends over $250 million for health professions training.

Right now, Arkansas suffers from a crippling health manpower shortage. Every single one of the counties in my district has been designated as medically underserved.

Health education scholarships and grants can make a critical difference in health care accessibility in the years to come by training doctors and nurses who will return to rural areas.

Although the committee was not able to appropriate any funds for the National Health Service Corps because changes in the authorizing language are still incomplete, this program will also go a long way toward alleviating the shortage of primary health care providers.

Unless the corps is revitalized, 20 of the 27 slots in my State's program will soon be vacant—and many Arkansans will be without access to health care services.

Our bill also provides $1 billion for the new workfare project, jobs opportunities and basic training [JOBS]. Arkansas has taken the lead in implementing this program which couples eligibility for welfare benefits with participation in job training and placement programs.

By requiring young welfare recipients to take part in educational and training activities, the JOBS Program encourages them to turn their lives around and become productive members of the work force.

I would like to focus for one moment on one of the most crippling and chronic problems in our Nation today, and that is the drug problem. We have done a lot in this committee and in this Congress about fighting the drug war.

Mr. Chairman, some Members from urban areas may not believe it, but we in Arkansas have a persistent, critical drug problem as well. Drugs are in ample supply throughout Arkansas. As I travel around my district and visit the various schools in the area, I find that the toll that drugs are taking in small towns across the improverished Mississippi Delta region is devastating. Drugs are prevalent not only in Arkansas, but across the delta, in Mississippi, Tennessee, Louisiana, Kentucky, Illinois, and Missouri.

Mr. Chairman, we have appropriated a lot of money in this bill for substance abuse education and prevention. We have recommended $2.6 billion for the Alcohol, Drug Abuse, and Mental Health Administration, and $539 million for drug-free schools and community programs.

Mr. Chairman, now we need to ensure that the funds that are appropriated are distributed to the committees that need them. Our bill provides, for example, $220 million to the Office of Substance Abuse Prevention for high risk youth prevention programs and other community-focused grants.

Currently the Office of Substance Abuse Prevention funds only four

high risk youth programs in the Mississippi Delta region, and awarded just one Community Youth Activity Program grant throughout the entire delta area.

Mr. Chairman, the lower Mississippi Delta is the poorest region of the United States—and often the most overlooked. The 8.3 million people that live in my part of the country deserve our assistance.

In its final report, the Lower Mississippi Delta Development Commission found a clear need for school and community-based programs directed at high-risk youth.

With the proper assistance, we can give a hand to students, educators, law enforcement officers, and local leaders who are learning to say no to drugs and the destruction that they bring.

That is why I requested your support in asking that special attention be paid to areas with all of the characteristics that place our young people at risk—widespread poverty, high pregnancy rates, and low high school graduation rates.

If State and Federal officials in charge of these funds take the time to help delta communities develop effective substance abuse programs, we can make sure that these Federal dollars go to good use.

The commitment to fighting the drug war is already present at the local level. Just within the past week, I have visited with community and student leaders who are working to educate young people about the dangers of drugs from two different towns in my district.

The money we're appropriating today can help them succeed. But it will be effective only if its adminstrators reach out to the delta region with improved technical assistance, work with them in developing substance abuse projects, and give them their fair share of this aid.

Mr. Chairman, the programs supported by this legislation are our best hope for turning the dead ends of poverty, welfare, and despair into two-way streets where our children can find the road to becoming productive, successful citizens. I urge my colleagues to vote for this bill.

Mr. CONTE. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I too want to shower accolades that are duly deserved on the distinguished gentleman from Kentucky [Mr. NATCHER] and the distinguished gentleman from Massachusetts [Mr. CONTE] for the work they constantly do, year after year, in this and in other ways.

Mr. Chairman, I want to focus the attention of the membership just for a moment on something special these gentleman did. They listened very carefully to the scientific community, the scientific investigators, particularly in biomedical research, as they contended in the questions of grants under the National Institutes of Health.

Biomedical research being on the top of the list of advances that the United States leads in, we ought to, as they have done, pay greater attention to what the scientific community itself wants to say to the Congress about priorities and specialties in this special field. They have accommodated them, notwithstanding some of the criticism we have heard from other members of the scientific community. It was a benefit to these gentleman in drafting this bill to hear from the biomedical research special investigative scientific field, and I thank them for that.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. HOYER], one of the able members of the subcommittee.

Mr. HOYER. Mr. Chairman, I thank the gentleman from Kentucky [Mr. NATCHER].

Mr. Chairman, every time I rise to speak on this bill I say what a privilege it is to serve with two of the giants of this House and of this country, two giants who have supported education and health care to the great benefit of the American public. Of course, I refer to our chairman, the gentleman from Kentucky [Mr. NATCHER], and the ranking member, the gentleman from Massachusetts [Mr. CONTE], not only the ranking member of the Committee on Appropriations, but of our subcommittee as well. It is a privilege to serve with both gentlemen. They are able advocates, committed to the welfare of our country and the welfare of our people.

Mr. Chairman, there will be offered during the course of the consideration of this bill across-the-board cuts. There is no bill in my opinion that this House will consider that is any less deserving of any cuts than this bill. Furthermore, as I have said on many occasions, if there is a motion that would be appropriate on this bill, an amendment, it would be for an across-the-board increase on behalf of the health, education, and welfare of the citizens of this country.

Mr. Chairman, I am particularly pleased that we have included additional moneys in education, in Head Start, in chapter 1, programs that are vital to the ability of this country to compete in the coming decade and the coming century.

I am also very pleased that we have included as the gentleman from Arkansas [Mr. ALEXANDER] indicated, moneys in this bill to meet the incredible crisis that confronts children in crack families.

Mr. Chairman, crack is a drug like none other that we have known in this country, probably the most insidious attack on the stability of families that we have seen, placing children at high risk.

Mr. Chairman, I rise today to support the bill reported by the Labor, Health and Human Services, and Education Subcommittee. Once again, my colleagues on the committee led by Chairman NATCHER have worked long and hard on this bill. And it shows.

Chairman NATCHER, beginning with the hearings in February, through the 302(b) allocations and the markup has done a masterful job: First, in increasing the discretionary funds available for the "people's bill"; and second, in helping the subcommittee and the House make tough, wise choices on the programs that ensure the health, education, and welfare of our Nation.

Chairman NATCHER and the ranking member of the minority, SIL CONTE, and every member of the subcommittee are to be congratulated on a fine job.

This bill provides $26 billion, a $2.5 billion increase over the President's budget request, for education. The President's request provided less than an inflation increase for education programs.

In reviewing the education programs that will help ensure our Nation's competitiveness in a changing world and ensure equality of opportunity for our people, the committee provided a $3 billion increase over last year's funding level, including:

A $1 billion increase over last year's funding level to $6.2 billion for chapter 1 programs for the educationally disadvantaged. Chapter 1 serves about 6 million children in about 14,000 local districts. This increase will permit both an increase in the number of children served and more intensive services.

We must remember, however, that nearly 50 percent of low-achieving elementary school students do not presently receive services under chapter 1 or any other local or State compensatory program. Currently, services provided outside the regular classroom amount to only 30 to 35 minutes a day. Too many, about one-quarter, of our chapter 1 teachers are instructing too many students on average during that short span of time. We clearly have a long way to go before we can say that we've done our best for America's educationally disadvantaged children.

The committee included a $728 million increase over last year's funding level of $2 billion for education for the handicapped, almost $650 million more than the President requested.

The committee also provided $692 million over last year's level and $425 million over the Bush budget request for student financial assistance. The committee restored funding for Pell grant awards for less than halftime students and maintains the $2,300 maximum award.

The committee provided $342 million for special programs for the disadvantaged, the trio program. In 1990 trio assisted about 510,000 low-income students who are potential first generation college students to pursue their education. There is no more important priority in our higher education programs.

Pediatric AIDS is a rapidly growing problem which is devastating families and challenging

the health care, biomedical research, and social services systems throughout this Nation. In many communities, African-American and Hispanic-Americans are the largest and fastest growing segments of the population infected with the HIV virus.

It is also the case that women and children constitute the fastest growing segment of the AIDS population. The number of new cases increased by 9 percent in 1989, the number of cases of women exposed to HIV grew by 11 percent and the number of infants exposed to the virus through perinatal transmission grew by 17 percent.

Mr. Chairman, AIDS is now the sixth leading cause of death in young people from 15 to 20 years of age. It is the ninth leading cause of death among children between the ages of 1 and 4.

This disease has different manifestations and characteristics in children than in adults. There are unique problems associated with growth and development, maternal factors affecting infection, drug treatment, and vaccine development.

Worse still, these kids are often born into poor or fragmented familes with little access to the ancillary health and other services they need. The committee included an additional $24 million for the pediatric clinical trials for a total of $47.5 million to help provide the multidisciplinary services that this special population needs, including research.

The committee provides $20 million for pediatric AIDS health care demonstrations, more than $5 million more than the administration requested for these projects which provide family centered community-based services for infected infants and children and demonstrate ways to prevent the spread of the HIV-infection.

Finally the committee provided an additional $10 million for a total of more than $23 million for basic research at NIAID on pediatric AIDS.

Mr. Chairman there is a relatively small, but vitally important program that I wish to bring to the Members' attention that impacts on a group of kids that we all have thought about, but for whom the system too often falls short, for whom the system too often fails.

Until last year, a young boy named Dooney Waters who lived in an apartment with a single parent who was also a crack cocaine addict is one of my constituents.

Late last year, Prince Georges County and the entire Nation was introduced to this 6-year-old because he was the subject of a series of articles in the Washington Post and the President's State of the Union Address.

Dooney Waters is a fine young man who does not deserve to become poster child for our country's drug problems, but he was illustrative of why young children are the fastest growing segment of the child welfare population.

State child welfare records indicate that substance abuse may be a factor in as high as 80 to 90 percent of all abuse reports in many jurisdictions.

The National Committee for the Prevention of Child Abuse has reported that 675,000 children are seriously abused by a substance abusing parent each year. These numbers do not reflect the numbers of children who are, like Dooney Waters, never reported because of abuse but who suffer enormously living in homes with a substance abusing parent who provides inadequate care, guidance, and discipline.

I was touched, frightened, and angered by Dooney Waters' plight. I was also inspired to try to help find some answers for these kids. What we found was a newly authorized and as yet unfunded program—"emergency child protective services for the children of substance abusing parents."

This is a program which will provide resources to States, localities, and private entities to improve services for these children.

With the chairman's help, and that of other colleagues both on and off the subcommittee, we were able to obtain $20 million for first year funding for this program.

I want to especially thank the chairman, and the other members of the subcommittee, because in my view we have done especially good work here. Some of the most severely disadvantaged kids in this Nation are going to have a chance to make it because of their leadership.

Mr. Chairman, there are a few other programs that are of significant importance and of particular concern to me, but which are part of that "reserve" which some have interpreted as money that the subcommittee decided to simply "save."

Two of those programs include the child care and Head Start programs, both of which have passed the House, but which are not yet authorized.

The child care bill is currently in conference. That legislation, as it passed the House, includes $450 million in fiscal year 1991 in title XX earmarked for child care. Mr. Chairman, 5 of 10 preschool age kids have mothers in the work force. Half of the families headed by a single parent aged 25 to 44 are poor. If we are to protect our children and assure a strong work force in the future, we must provide a better child care solution for our people, and I will work diligently with the other members of our committee to fulfill that obligation before this bill is finally enacted.

Head Start is also among these unauthorized programs, and this year it celebrates its 25th anniversary. We have many problems in our country. One of the best strategies for trying to resolve many of them is dependent upon our reaching our children when they are most dependent and most at risk.

The Head Start Program is one of our best opportunities to help disadvantaged kids in our society make it.

President Bush wants to increase funding by $500 million in fiscal year 1991, bringing the funding up to $1.9 billion. The President only wants to assure inclusion of a fraction of eligible children.

Mr. Chairman, this subcommittee is working toward assuring inclusion of all eligible children, the 20 percent of the eligible children who are not yet involved in the program and who are in danger of losing.

I will work diligently with Chairman NATCHER and the other members of this subcommittee to ensure that all of America's eligible 3, 4, and 5 year olds actually get a chance at a Head Start. The bill passed by the House includes a fiscal year 1991 authorization of $2.9 billion, and I know that this subcommittee will do its very best to reach that goal.

In closing, I want to again commend the chairman and my other colleagues on the committee for their good work. As we all know, the process is incomplete. Neither the Senate nor the budget summit have completed their work, but it is clear that whatever lies ahead, the people's bill could be in no better hands. I urge every Member to support the bill.

Mr. CONTE. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Chairman, I want to commend and thank the chairman and ranking member, the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE], for recognizing the need in this country to produce Ph.D.'s in areas of critical national need, where we have a shortage and are unable to produce our own people in these areas for science and technology. In the future we are going to have a shortage of some 7,000 individuals in these areas of very critical national importance. These gentleman have recognized this, and this bill contains in it a significant increase in this graduate program that will reduce that shortage from 7,000 down to 6,000 by contributing the aid and assistance for individuals to pursue advanced degrees so they can go to work for the American public and keep us technologically advanced and ahead on the curve and on the competitive edge of this world.

Mr. Chairman, I want to thank the gentlemen for recognizing the $25.5 million appropriation, which matched what the President asked for in this program, a significant increase over last year.

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] has 1 minute remaining, and the gentleman from Massachusetts [Mr. CONTE] has 30 seconds remaining.

Mr. NATCHER. Mr. Chairman, I yield myself 1 minute. I would like to say to the Members of this House that it is a distinct honor and a privilege for me to serve on this subcommittee with the subcommittee members. Not only that, Mr. Chairman, but to serve on our full Committee on Appropriations. We have 13 subcommittees. Each subcommittee has an excellent staff. We have an excellent staff.

Mr. Chairman, as I said in the beginning, this is a good bill. We recommend this bill to the House.

Mr. CONTE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, Secretary Sullivan personally called me and said how important the genome project is for genetic medicine.

There are over 4,000 genetic diseases and the genome project will give us a data base so that doctors can develop

curative treatments. Once we have a map of the human genome and sequenced the 3 billion base-pairs, we would have the Rosetta Stone of genetic medicine—a knowledge base that could be used forever in finding the causes of genetic diseases.

Mr. Chairman, we all recognize that the gentleman from Wisconsin [Mr. OBEY] was bringing up the ethical concerns of the project. We must guarantee the privacy rights of our individuals from unscrupulous institutions who might seek to use this knowledge to exclude certain groups of people. We have report language directing NIH to come up with a plan to address these ethical issues. It is a responsibility they should take very seriously.

Mr. FAZIO. Mr. Chairman, I strongly support H.R. 5257, the fiscal year 1991 appropriations bill for the Departments of Labor, Health and Human Services, Education, and related agencies.

I commend the chairman of the subcommittee, Congressman BILL NATCHER, for the excellent job that he and the ranking member, Congressman SILVIO CONTE, did in drafting this legislation. It is never easy putting together this appropriations bill, yet they managed to write a bill which meets their budget allocations and contains adequate funding for many vital programs. The subcommittee staff also deserves recognition for their outstanding efforts. I know that many hours of hard work were put into the development of this measure.

Since there are many programs contained in this bill, I would like to highlight a few which are especially important to me and my constituents.

First, this legislation contains increased funding for the National Marrow Donor Program [NMDP], an important program responsible for facilitating bone marrow transplants between unrelated donors.

The National Marrow Donor Program has been extremely successful in recruiting individuals willing to serve as bone marrow donors. In fact, approximately 400 transplants have been performed as a result of the registry's efforts. Unfortunately, however, budgetary constraints have prevented the national registry from testing enough individuals to meet the registry's goal of 250,000 listed potential donors. Although many individuals are willing to donate, there just isn't enough funding available to adequately test them.

This legislation adds $7.1 million to the National Heart, Lung, and Blood Institute budget request for NMDP for donor recruitment and other efforts. Further, the funding increase will allow for increased representation in the registry of certain ethnic and racial groups who have previously been underrepresented.

This funding increase will help alleviate the burden on those families who have had to assume the donor recruitment effort because of an inadequate number of individuals listed in the registry due to budgetary constraints. In fact, this concern about this burden led to my introducing authorizing legislation to increase funding for the purposes of bone marrow testing ethnically diverse individuals.

The legislation also includes report language which should help facilitate access by those in need of transplants to all bone marrow registries. An OTA study I requested earlier this year pointed to a lack of information about available U.S. registries. This language should help those families searching for a compatible bone marrow donor by increasing their access to all registries, public and private.

A second item in this bill involves polycystic kidney disease [PKD], which is a hereditary and potentially fatal disease of the kidney which affects approximately 500,000 Americans. PKD is the third leading cause of renal failure in the United States and 50 percent of those who have the disease will require dialysis—end stage renal disease.

Unfortunately, only a small amount of Federal funding has been spent at NIH-NIDDKD on research for PKD over the last 15 years. In 1987 alone, for example, 200 times as much money was spent by the Government on dialysis treatments for PKD patients as was spent on research for the same disease. Although I would have liked to see the bill include increased funding for this effort, I commend the committee for including report language encouraging the National Institute of Diabetes and Digestive and Kidney Diseases to expand its research efforts.

Another program which should be highlighted is impact aid. The Fourth Congressional District of California, which I represent, relies heavily on impact aid because of the presence of military facilities.

This legislation includes $800 million for impact aid, representing an increase of over $319 million above the amount the administration requests and almost $68 million over the current appropriation. Most importantly, the legislation completely rejects the administration proposal to allocate only $25 million for category "b" students. Without adequate funding, the quality of education in those areas heavily impacted by the presence of military facilities would be seriously compromised.

Finally, although I believe that overall this is a very good bill, I, nonetheless, have a major concern with one provision, and that is the treatment of rape and incest victims who are dependent on Medicaid for their health care.

Unfortunately, this legislation only allows for Medicaid funded abortions when the life of the mother is threatened. I do not believe that poor women, who have been victimized by rape or incest, should be further vicitmized by denying them access to Medicaid funded abortions.

Our Government policy should not be to force a woman who has been sexually assaulted to bear the child of her assailant. Economic justice demands that we not discriminate against women who depend on the Federal Government for their health care. Economically disadvantaged women should have the same ability as affluent women to choose to terminate pregnancies that result from sexual crimes.

The American people and the majority in Congress are on record in support of allowing Medicaid funding in cases of rape and incest. While for the most part we are silent here today on this issue, my colleagues and I who have been vocal on this issue have every intention of continuing our efforts the next time we see this bill.

Mr. AuCOIN. Mr. Chairman, one of our most neglected Federal programs is assistance for handicapped children. All children, including those with disabilities, should be our Nation's No. 1 priority.

The ultimate ability of our Nation to compete and to advance the common good depends on our willingness to provide an adequate education for these children.

Congress made a commitment to provide assistance for special education equal to 40 percent of the national average per pupil; last year, we scraped together only 9 percent, leaving the States and localities to pick up the rest of the tab.

In April, I introduced House Concurrent Resolution 85 expressing the sense of Congress that Federal funding for special education should be increased to provide more meaningful assistance to States and localities.

Today, I am pleased that we will be voting on a sizable increase for these special education programs—nearly $750,000, approximately $650,000 above the administration's request for the program.

Mr. Chairman, it's high time the Federal Government recognizes the need for improving our special education programs and begins to honor its previous commitment.

Unfortunately, this bill also discontinues funding for those special education programs funded through the Chapter 1 Program. Unless these programs would be eligible for funding under the 94-142 Program, this action will have serious consequences for some of our better special education progams in Oregon.

Oregon uses these chapter 1 funds to support students in State programs including students placed by the juvenile courts in private agency programs, the MaClaren School for Boys, State schools for the deaf and blind, Hillcrest School for Girls, and trainable mentally retarded students in State programs.

I am concerned about these programs and intend to work with the committee over the next few weeks to determine our options for future funding.

Mrs. COLLINS. Mr. Chairman, H.R. 5257, the Labor-HHS-Education appropriations for fiscal year 1991, includes provisions on a subject that has been among my top priorities for many years. Breast and cervical cancer continue to take a steep toll against American women and we in Congress must adopt strong measures for funding of research, prevention, early detection, and treatment of these diseases. H.R. 5257 commits funding for purposes of combating breast and cervical cancer in amounts sizable enough to make substantial progress. The prevention of breast cancer is an issue that must be of concern to everyone, and is immune from partisanship.

Breast cancer has become the second leading cause of cancer death for American women. It is estimated that there will be 150,000 new cases of cancer diagnosed in 1990, 44,000 of which are expected to result in death. Beast cancer incidence rates have increased about 1 percent per year since the early 1970's, including a 20-percent jump in

the first half of the 1980's. One in every 10 American women will be diagnosed with breast cancer. Additionally, about 900 American men will be diagnosed with breast cancer during 1990, of whom about 300 are expected to die.

In short, breast cancer incidence remains at a staggering level with no decrease in sight. However, the rate of breast cancer mortality is entirely subject to change.

Cervical and uterine cancers also poses great dangers. An estimated 46,500 new cases of these two forms of cancer are anticipated for 1990. It is estimated that there will be 6,000 deaths from cervical cancer, and 4,000 from uterine cancer this year. Statistically, low-income women have been the most frequent victims of cervical cancer.

The Pap test, however, has had a profound effect in minimizing the consequences of cervical cancer. The death rate for these cancers has decreased more than 70 percent over the past 40 years, due largely to these tests and regular checkups. But there remains a long way to go.

I have been involved in expanding coverage for screening mammographies and Pap tests through Federal programs for many years. In 1988, my effort to offer mammography benefits to Medicare patients was successful, as coverage was extended through the Catastrophic Care Act. But, with the act's repeal last year, no mammography benefits remained. Consequently, I introduced H.R. 3701 to restore those benefits. My effort to institute coverage for Pap tests was successful last year, as coverage was included through the Omnibus Budget Reconciliation Act of 1989.

Today, we have the opportunity to take another step in the right direction. The funding allotted by H.R. 5257 for advancement in breast and cervical cancer prevention is substantial. I am very optimistic that funding which continues at this level will yield benefits in terms of new techniques, tests, and technologies for limiting the occurrence of breast and cervical cancer as well as minimizing the consequences of these cancers when they do occur.

Mr. Chairman, this is an important provision which will benefit all American women. I encourage my colleagues to support it and H.R. 5257.

Mr. ROYBAL. Mr. Chairman, I rise today in strong support of H.R. 5257, the fiscal year 1991 appropriations for the Departments of Labor, Health and Human Services, and Education.

I would first like to take the time to applaud Chairman NATCHER for his commendable job of organizing and coordinating this truly bipartisan effort. I would also like to thank all the distinguished members of this committee for their hard work and unrelenting dedication. I feel privileged to be a part of such a cooperative effort and I am more than certain that this is the bill that is going to lead us into the new decade with the necessary firm and sound foundation for providing the American people with the health care, education, and labor programs that they so deserve.

In this regard, please allow me to highlight the many victories we as Members have achieved with this new bill. I for one, am particularly proud of the progress we have made in attaining funds for researching Alzheimer's disease. According to the current estimate from the National Institute on Aging, there are 4 million victims of this disease. A staggering figure such as this demands action from Congress and I wholeheartedly believe in the action we have taken.

Along these same lines, we have made further progress in addressing the health care needs of our people with the many increases in funds for care of the elderly. We have secured additional grants for programs such as congregate meals, supportive services for the elderly, and health care projects for elderly Indians. As chairman of the Select Committee on Aging, I have long been advocating the need to provide increased funding for these programs.

Also, I am very pleased that we have restored the number of positions for the community service employment program for older Americans and have brought this program up to its full funding level. This program has amply demonstrated the valuable contributions that older workers can make in their communities, I am happy to be a part of the effort to support such vital programs.

Significant headway has been made with the increased funding of programs like the JTPA which will train disadvantaged adults and youths to be geriatric certified home aides. In particular, there are additional funds for the job creation demonstration. I am hopeful that this will begin to resolve the existing crisis in long-term care due to the lack of available nursing personnel.

In addition, I am equally proud of the advances we have made in appropriating funds to improve our understanding of the relationship between AIDS and tuberculosis. With the devastating effects of AIDS beginning to surface these past few years, it is reassuring that Congress has acknowledged the need to finance projects which will safeguard the American people from future unforeseen dangers. In this respect, I compliment Chairman NATCHER and the members of the committee for their insight into this matter and for supporting programs such as the adult health care demonstration. This program will allow many AIDS patients the dental treatment they need by making funds available to partially offset the costs incurred by dental schools in providing oral health care for AIDS patients.

In terms of education, I am extremely happy with the advances we have made in this bill. We have increased our support for bilingual education and for the recruitment and training of minorities in the teaching profession. I am a faithful supporter of such programs. I believe we must work together to maintain the community spirit which has contributed to making America one of the most successful democracies in history by continuing policies that promote opportunities for members of all races.

And so, I wish to express my deepest gratitude to Chairman NATCHER and the members of this committee for a job well done. This most important bill will pave the way for a strong and healthy future. It will provide and protect and support the people of our Nation. Health care, education, workers' programs—these are most critical and essential to our country's progress and status for they take care of America's greatest asset—her people. Thus, in closing, I want to urge all my colleagues to vote in favor of this indispensable and invaluable legislation.

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 5257, Departments of Labor, Health and Human Services, and Education, and Related Agencies appropriations bill for fiscal year 1991, and request permission to revise and extend my remarks. This is the seventh reported of the 13 annual appropriations bills.

The bill provides $43.897 billion in discretionary budget authority and $50.419 billion in discretionary outlays. I am pleased to note that the bill is $8,856 million below the level of discretionary budget authority and $3,589 million below the outlays as set by the subdivision for this subcommittee.

As chairman of the Budget Committee, I plan to inform the House of the status of all spending legislation, and will be issuing a "Dear Colleague" on how each bill compares to the budget resolution.

I look forward to working with the Appropriations Committee on its other bills.

[Factsheet]

H.R. 5257, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1991 (H. REPT. 101-591)

The House Appropriations Committee reported the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations bill for Fiscal Year 1991 on Thursday, July 12, 1990. This bill is scheduled for floor action on Thursday, July 19, 1990.

COMPARISON TO THE 302(b) SUBDIVISION

The bill, as reported, provides $43,897 million of discretionary budget authority, $8,856 million less than the appropriations subdivision for this subcommittee. The Committee has deferred consideration of all programs for which no authorization has been enacted for Fiscal Year 1991. The Budget Act provides a point of order if the target for discretionary budget authority is breached. Since the bill is $8,856 million under the subdivision for discretionary budget authority, there is no such point of order against this bill. The bill is $3,589 million below the estimated discretionary outlays subdivision. A detailed comparison of the bill to the spending and credit subdivisions follows:

COMPARISON TO SPENDING ALLOCATION

[In millions of dollars]

	Labor, Health and Human Services, and Education, and related agencies appropriations bill		Appropriations Committee 302(b) subdivision		Bill over(+)/ under(−) committee 302(b) subdivision	
	BA	O	BA	O	BA	O
Discretionary	43,987	50,419	52,753	54,008	−8,856	−3,589
Mandatory [1]	123,943	123,589	123,943	123,589		
Total	167,840	174,008	176,696	177,597	−8,856	−3,589

[1] Conforms to budget resolution estimates for existing law.

Note: BA—New budget authority; O—Estimated outlays.

The bill, as reported, provides $30 million in direct loan authority which is equal to the appropriations subdivision for this subcommittee. There are no primary guarantees. A detailed comparison follows:

COMPARISON TO CREDIT ALLOCATION

[In millions of dollars]

	Labor, Health and Human Services, and Education, and related agencies appropriations bill		Appropriations Committee 302(b) subdivision		Bill over(+)/ under(−) committee 302(b) subdivision	
	DL	LG	DL	LG	DL	LG
Discretionary	30		30			
Mandatory [1]						
Total	30		30			

Note: DL—New direct loan obligations; GL—New loan guarantee commitments.

The House Appropriations Committee reported the Committee's subdivision of budget authority, outlays and credit authority in House Report 101-545. Those subdivisions are consistent with the total "allocation of spending and credit responsibilities to Committee" as contained in House Report 101-455 to accompany H. Con. Res. 310, Concurrent Resolution on the Budget for Fiscal Year 1991 which was adopted by the House on May 1, 1990.

Following are major discretionary program highlights for the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations bill for Fiscal Year 1991, as reported:

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Budget authority	New outlay
Department of Labor:		
Community services employment (Older Americans)	400	73
Job Training Partnership Act [JTPA]	4,211	164
Bureau of Labor Statistics	207	176
Department of Health and Human Services:		
Low-income home energy assistance [1]		
Community services block grant [1]		
Human Development Services	1,423	934
(Head Start) [1]		
Refugee and entrant assistance		
Alcohol, Drug Abuse and Mental Health Administration	2,649	936
Centers for Disease Control	998	538
National Institutes of Health	7,415	2,998
Department of Education:		
Compensatory education	6,225	747
School improvement programs (Chapter 2)	1,475	177
Bilingual and immigrant education	205	25
Education for the handicapped	2,748	330
Impact aid	800	610
Adult education	245	29
Student financial assistance	6,777	1,221
(Pell grants)	(5,301)	(1,060)

[1] Requires reauthorization.

Mr. MILLER of California. Mr. Chairman, I rise in support of H.R. 5257, the fiscal year 1991 Labor, Health and Human Services, and Education appropriations bill, and commend the leadership of Mr. NATCHER, chairman of the Appropriations Subcommittee, and Mr. CONTE, the ranking minority member, who have consistently restored and protected the most critical programs which benefit children and families.

A new sense of urgency has emerged about protecting and enhancing children's well-being, despite the significant expansions of many cost-effective early prevention programs. As the 1990's begin, growing numbers of children in the United States still remain at risk of poverty, ill health, and school failure.

U.S CHILD HEALTH CRISIS

Assuming that children have every opportunity to be as healthy as possible should begin even before birth. Almost 40,000 infants die before their first birthday—a tragedy still due largely to the incidence of low birth weight.

At a select committee hearing last fall, U.S. Assistant Secretary for Health James Mason testified that with present knowledge we could immediately save 10,000 of these 40,000 infants who die each year and save $2 billion annually in the cost of caring for low-birth-weight infants.

Yet, more than 1 million pregnant women receive insufficient prenatal care each year, and black women are more likely than white women to receive late or no care at all.

And still 40 percent of preschool children are not immunized. In some inner-city areas and isolated rural communities the percentage is as high as 55 percent. We're even beginning to see resurgences of childhood diseases, such as measles and whooping cough, that we had long since thought were eradicated. Increases are needed in the Childhood Immunization Program this year to cope with the rising measles epidemic as well as the ever-increasing cost of the vaccines themselves.

Again, this is not surprising given that some 11 million children have no health insurance and at least 7 million children don't even receive routine medical care.

CHILDREN'S WELL-BEING

More than children's overall health status is at stake—their very lives may be as well. We have failed to protect far too many children from harm or even grave danger.

Each year, more and more children are reported as battered or neglected—over 2.4 million in 1989, a 10-percent increase over the previous year and well over 90 percent since 1981—and more and more children die from abuse or neglect—over 1,200 in 1989 alone.

Each year, more and more children grow up in shelters, on the streets, or in one foster home or another. In fact, today, one out of four homeless persons is a child, and the fastest growing group among the homeless are children and their families. As testimony before the Select Committee on Children, Youth, and Families has revealed, the cognitive, emotional, developmental, and health consequences of homelessness for children can be devastating and long term.

And, each year, ever more children are born addicted to drugs and alcohol. According to a study conducted by the select committee last year, as many as one in six babies are born addicted to crack and other substances—a nearly fourfold increase over the past 3 years; yet two-thirds of surveyed hospitals had reported no place to send pregnant substance abusers for treatment.

The drug epidemic is taking its toll in other ways. The majority of child abuse cases now involve parental substance abuse and the most recent statistics warn that the number of children with AIDS is still on the rise, and congenital syphilis is reaching epidemic proportions.

Many of these problems are fueling record numbers of children in out-of-home placements. A recent select committee report, "No Place to Call Home: Discarded Children in America," warned that if current trends continue, by 1995, the number of children living in foster homes, mental hospitals, and juvenile detention facilities could exceed 840,000, up nearly 75 percent from the nearly 500,000 children now estimated to be in out-of-home placement.

THE COST TO SOCIETY

All the evidence is in. Report after report—from medical schools, universities, government agencies, and think tanks—and children's hospitals—warn that the United States is losing more than 20 percent of our children to poverty, and millions more to ill health, malnutrition, disability, and school failure.

The fiscal cost is enormous. The Committee for Economic Development, composed of CEO's from the Fortune 500, estimates that each year's high school dropouts cost the country $240 billion in lost productivity and foregone taxes. If we fail to implement a strategy for investing in young children, the losses resulting from youth who drop out of school over the next 4 years alone would amount to almost $1 trillion over their lifetimes.

The evidence also documents that it doesn't have to turn out this way. We know how to solve the problem. We have made the case that proven effective preventive programs such as prenatal care, early childhood education, and immunization save from $3 to $10 for every $1 invested.

Nonetheless, thousands are still turned away from these and other preventive infant and child health services, and they are suffering the consequences.

The cold truth is that the deficit is high and extraordinary competition exists for limited dollars. But, every day that we defer the problem, the worse it gets.

What we have failed to recognize is that when children start out with health, social, and educational deficits, they will be contributing to the Federal deficit every day of their lives.

LEARNING FROM DEVELOPED NATIONS

It is not as if we are lacking the tools, the knowledge, or the successful models.

Recently, the select committee released a U.S. Bureau of the Census report on international comparisons of children's well-being, a compilation of the most comparable international data on children and youth available. While the report raises a lot of significant policy questions, the findings are startling.

Every other Western industrialized nation studied does better than the United States in keeping children out of poverty; in minimizing health and safety risks to children in supporting and nurturing stable and healthy families.

Among six Western industrialized nations, the United States and Australia have more children and families in poverty even after we've provided tax and transfer benefits. And if you are a poor family in the United States, you are more likely to have lower earnings and less likely to receive any government aid than poor families in other Western industrialized nations. At least 99 percent of poor families with children in the developed countries studied received government assistance, compared with only 73 percent in the United States.

The most egregious disparities between the United States and other developed countries are in infant mortality, youth homicide, and teenage pregnancy and childbearing rates:

Among 11 developed countries with comparable infant mortality data, only Hungary had a

higher infant mortality rate than the United States.

Male youth in the United States are more than five times as likely to be murdered than those in the other developed nations studied.

The United States has the highest percentage of teenage women who become pregnant. Among the industrialized countries studied, teenage birth rates are almost twice as high in Hungary and the United States than in the countries with the next highest rates.

The select committee was also privileged to enage in discussion with the European and Canadian child health experts at a recent hearing about what we can learn from their national health policies that will result in better child health outcomes in the United States.

No pregnant women in Europe has to ask how or where she will receive prenatal care or who will pay for it.

And, compared with our friends in Europe, we fall far short of offering families in need support services such as respite care or home visiting.

And if there is any lesson to be learned from our international neighbors around the world, it may be how to budget more effectively. Other countries may spend less of their gross national product on education and health care—they are just spending it more wisely.

GOVERNMENT'S ROLE IN INVESTING IN COST-EFFECTIVE PROGRAMS

In my view, our Government should be providing at least the fundamental building blocks for young children, especially the most vulnerable, and the tools to help families stay together and be economically independent.

Mr. Chairman, I am especially pleased that the bill we are considering today provides increases for programs that provide early childhood education to promote school readiness, including comprehensive child development centers, preschool incentive grants, and the Infant and Toddler Program under the Education for the Handicapped Act, and Even Start.

Earlier this year, Mr. Chairman, we celebrated Head Start's 25th anniversary by passing a Head Start bill that builds on the Child Investment and Security Act, which I introduced last year, and provides a multiyear funding strategy for Head Start so that by 1994 all eligible, low-income preschool children can participate.

The benefits of Head Start are well documented. Studies are virtually unanimous that children show significant immediate gains in cognitive ability, self-esteem, achievement motivation, and social behavior as a result of Head Start participation. According to the administration's own study, Head Start also affects the long-term success of its enrollees. Children who attended Head Start are less likely to fail a grade in school or to be assigned to special education than children never enrolled in Head Start.

Given that only the most severely disadvantaged children currently can be served by the program—in 1988, 75 percent of all Head Start families had incomes below $9,000—the gains Head Start children receive are even more impressive.

Despite the increase Congress afforded Head Start last year, 80 percent of eligible, low-income children ages 3 to 5 are still excluded from the program. And with dwindling resources over the last quarter century, Head Start has had to struggle to maintain the high standards that have become its hallmark. The bill we are considering today sets aside funds in reserve to expand Head Start this year and to help maintain Head Start's legacy of quality. I urge this body to consider fully funding Head Start when the reauthorization becomes law later this year.

Mr. Chairman, I commend the Appropriations Committee for including funding in this bill for education programs so that we don't abandon children once they enter the schoolhouse door, including $1 billion for the highly successful Chapter 1 Compensatory Education for Disadvantaged Children and Concentration Grant Program, and over $700 million for the Education of the Handicapped Act Basic State Grant and Discretionary Programs.

In addition, this bill includes modest increases for programs to maximize the health and development of young children: the Maternal and Child Health Block Grant, the Lead Poisoning Prevention Program, and community health centers. Again, Mr. Chairman, it is my hope that the reserve funds will help us meet our obligation to fund the National Health Service Corps, which if not significantly expanded may result in the closure of 200 community health centers this year, and the critically important Childhood Immunization Program.

Mr. Chairman, I am also pleased that the bill includes modest increases for programs that support and ensure family stability: The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act, the Child Abuse Prevention and Treatment Act, the Family Violence Prevention and Services Act, and provisions of the Stewart McKinney Homeless Assistance Act funded under this bill.

I am especially gratified that a provision I authored to provide emergency protective services, additional caseworkers, counseling, and related services to children whose parents are substance abusers was also funded at $20 million. This program is desperately needed by a child welfare system near collapse from the Nation's drug crisis.

To meet these increasingly difficult problems facing vulnerable children and families across the Nation, I am particularly pleased that the bill incorporates a nearly 10-percent increase for child welfare services, including prevention, crisis intervention, and other services to enable children to remain in their homes under the care of their parents, or where that is not possible, to provide alternative permanent homes for them.

And finally, child care. Over 5 years ago, the select committee identified child care as the greatest unmet need of America's families—to reduce barriers to work, to relieve stress and financial drains on parents, and to improve the cognitive and social development of children.

The House of Representatives passed landmark child care legislation that will give parents maximum choice and states the authority, guidance, and flexibility to significantly expand child care opportunities for families. The House-passed bill provides for the expansion of the highly respected Head Start Program to a full-year, full-day program to meet the needs of working parents, and assures that neighborhood schools are able to offer convenient and reliable before- and after-school care and comprehensive early childhood education.

It is especially gratifying that the House-passed bill includes criteria and fiscal incentives to ensure that children will be provided safe and developmentally appropriate care.

While the bill contains the guarantee of funding, both through a new entitlement for child care services for title III and through an expanded earned income tax credit for working parents, titles I, II, IV, V, and VI must go through the appropriations process to receive any funds. I fully expect this legislation to be enacted before the end of this Congress and if we are to have a truly comprehensive child care policy in this Nation, I urge my colleagues to consider funding for these titles at a later date.

We need to bolster, not cut, or sacrifice one program for another. While I would have preferred to see greater resources directed to important programs, such as Maternal and Child Health, and Child Abuse Prevention and Treatment, I urge passage of H.R. 5257 because it includes critical funding increases for many children's programs, and a reserve account dedicated to new progams not yet enacted and program expansions not yet reauthorized that will assure the health and well-being of the Nation's most vulnerable children, youth, and families.

Mr. MOAKLEY. Mr. Chairman, I rise today to express my strong support for the Labor, Health and Human Services, and Education appropriations bill for fiscal year 1991. I want to commend Chairman NATCHER for this legislation and for his continued, skillful leadership in producing an appropriations bill which, in spite of extreme budgetary difficulties and limitations, is able to meet the needs of the many vital programs and services which are included in this bill.

I particularly want to thank Chairman NATCHER for his assistance in supporting a request for $3 million to the John W. McCormack Institute of Public Affairs for pursuing a new initiative with an international focus to be undertaken at the Institute.

Mr. Chairman, the John W. McCormack Institute of Public Affairs was established in 1983, with Chairman NATCHER's assistance and that of the late Carl Perkins, as part of the University of Massachusetts at Boston's commitment to applied social policy research, public education, and public service. Named after former Speaker John W. McCormack, whose district I am now privileged to serve, the McCormack Institute serves as a living tribute to a life committed to public service. The primary activities of the McCormack Institute include a master of science in public affairs graduate program, a biannual publication of the New England Journal of Public Policy, and applied research on public policy topics. Additionally, the McCormack Institute sponsors special conferences, seminars, and educational programs involving Institute professors, staff, and fellows as well as other university faculty and area practitioners.

While the initial focus of the McCormack Institute's activities began with the diverse and

challenging needs of the New England region, the scope of the Institute's activities now reaches well beyond these borders. Over the past 5 years, a series of international projects have strengthened the Institute's mission with regard to public service and the democratic process. In the 1990's there is both a need and an opportunity for former political and economic adversaries to learn new behaviors and new languages in order to function together in an interdependent world.

There is a compelling need for cooperative projects that help to bring together individuals and institutions from politically and culturally disparate backgrounds. To this end, the McCormack Institute seeks to broaden its international efforts over the coming years, focusing on topics such as the political, economic, and philanthropic requirements of emerging democracies; the reemergence of ethnicity and nationalism in previously closed societies; and culturally based conflict management. Through applied policy research, educational programs, conferences, collaborative projects, and publishing, the Institute seeks to contribute to greater understanding and competence with regard to the global community.

The McCormack Institute has already been successfully involved in a variety of international programs designed to foster democratic institutions and nonviolent resolution of conflict, particularly related to Northern Ireland, South Africa, and most recently, Eastern Europe. In the past year, extraordinary events in Eastern Europe, and in Central and South America as well, have lead to an emergence of democracy in what had been Communist and other nondemocratic governments.

In Latin America, the exit of General Pinochet from Chile left Fidel Castro as the only unelected dictator in this section of the world. In Nicaragua, Marxist leader Daniel Ortega was defeated by Violetta Chammoro, and in Panama, Gen. Manuel Noriega was ousted in favor a democratically elected president. Civilian governments also were elected in El Salvador and Guatemala.

In Eastern Europe, the new policies of and changes made by Mikhail Gorbachev helped spur the people of East Germany, Poland, Czechoslovakia, Romania, and so forth, to renounce their Communist rule and seek freedom through democratically elected governments. East Germany is on its way to reunification with West Germany. Poland, Czechoslovakia, Hungary, Romania, and Bulgaria all have newly elected parliaments. Even Albania, long considered closed to any changes in its hardline Communist government, is making gestures for change and is beginning, on a limited basis, to open its borders to outsiders. In these countries, the institutional aspects of democracy are very new. For the first time in several generations, the people, through representative governments, have the power and authority to govern themselves, to consider new laws and changes and to have a real role in enacting such changes. In order to understand and create a new government, as well as carry out its goals, many of these nations have turned to the United States for help. It is extremely critical that these governments receive our support and assistance to help maximize their efforts to establish effective, representative governments. It is also equally important that we be available to help minimize the confusion and frustrations that are beginning to surface as leaders are faced with the pressures of the growing economic and social needs of their new populations.

A number of new programs and services, created to assist Eastern Europe's emerging democracies, have been set up by both the executive and legislative branches of the Government. In the Senate, language was inserted in the appropriations legislation which would provide equipment, personnel, and technology to Poland. In the House of Representatives, the Speaker has created an informal bipartisan congressional task force chaired by Representative MARTIN FROST to provide information on parliamentary procedure and technical assistance. This task force has recently traveled to Eastern Europe to assess first hand the needs of the parliaments. President Bush recently called for the formation of a corps, consisting of corporations and individual volunteers willing to provide assistance and funding to help these nations.

All these efforts, while certainly to be commended, lack an important component, that of an academic approach to these newly emerging democracies. Certainly it has been the experience in this country that the vitality of democracy depends upon independent legislatures—coupled with adequate resources and procedures for effective oversight of the executive branch. Our U.S. Legislature is a long and standing model of such vitality and independence and as such is the most studied and written about legislature in the world.

Mr. Chairman, John McCormack, long a fighter for the rights of the legislative component of government, helped develop resources for effective congressional oversight of the executive branch. The McCormack Institute is particularly intrigued by the opportunity of expanding our role in Eastern Europe and in bringing the resources of the American education system to bear on emerging problems in that area as well as in Latin America.

The Institute is uniquely qualified to provide research, historical and cross-cultural perspective, and technical training and advice to incipient democratic institutions in formerly authoritarian States. The McCormack Institute encompasses a wide range of expertise in American and other Western democratic institutions and processes as well as in international politics and political economy.

Boston has perhaps the Nation's most concentrated center of academic resources, all of which could play an important role in the development of a comprehensive academic program. I certainly anticipate that the McCormack Institute would need to establish a small liaison office in Washington, DC—possibly in cooperation with a local academic institution—to enhance their programs and activities with regard to emerging democracies as well as to effectively coordinate with congressional efforts in this area.

Again, I want to thank you, the chairman for his support and his interest in the McCormack Institute and their potential role in this vital international initiative. I greatly appreciate your efforts to include this funding in the fiscal year 1991 appropriations. I am certain that these funds will be well spent and will greatly enhance the efforts being made by the United States to assist these newly democratic nations.

Mr. RAHALL. Mr. Chairman, I am pleased to rise in strong support of the Labor, Health and Human Services, and Education appropriations bill for fiscal year 1991.

I wish to commend our esteemed subcommittee chairman, Mr. NATCHER of Kentucky, and our distinguished committee chairman, Mr. WHITTEN of Mississippi, for bringing this bill to the floor in a timely manner.

I am almost afraid to praise this bill—and praise it I will—because for the past 2 days we have seen and heard nothing but predictions of doom and gloom for our budgetary process, and we have been warned of the dire consequences of not balancing the budget, or of triggering the dreaded Gramm-Rudman sequester.

But this bill, Mr. Chairman, contains the largest increase in education appropriations of any bill in the history of the U.S. Congress. As Mr. NATCHER is proud to say, this bill is the one that takes care of the health of a nation and the education of its children.

Ranking minority member, Mr. CONTE of Massachusetts, has called it America's bill—one that embodies the values that have made our Nation strong.

The $3 billion investment in education contained in H.R. 5257 is the largest increase over 1 year ever recommended, and will bring the currently authorized programs from the fiscal year 1990 level of $23 billion to $26 billion in fiscal year 1991. While some of our favorite and special programs are deferred awaiting reauthorization, their funding will amount to $1.1 billion, bringing the total of the appropriation for education to $27.1 billion.

Highlights of the bill include an increase of $1.02 billion for chapter 1, $727 million for education of the handicapped, $692 million for student financial assistance, although of that amount $371 million was allocated for prior year shortfalls in the Pell Grant Program. Other increases include $64 million for math/science; $67 million for impact aid; $51 million for adult education, and $100 million for the TRIO programs.

Mr. Chairman, I represent an economically depressed area in southern West Virginia where there are many educationally and economically disadvantaged children. The increase for chapter 1 compensatory education means we will be able to serve approximately 1.6 million more children than we serve today, and many of those children live in West Virginia.

The increase in education for the handicapped will help schools improve the quality of instruction and build links to other social service agencies for 4.1 million disabled young people in our schools.

As a Member whose district includes one of this Nation's historically black colleges, the Bluefield State College in Bluefield, WV, I am pleased that they are strengthened by increased appropriations to enhance their fiscal stabiity. These colleges serve 290,000 students nationally at 171 historically black colleges.

For higher education, the bill maintains our long-term commitment to universities and colleges, and the 12 million students who attend them, signaling that educational progress is critically important to the Nation's future, and that it requires a substantial investment of resources.

This landmark bill bodes well for the well-being of America's people, and will go far to assuring that we have a thoroughly educated citizenry.

Other significant increases will go for educational research, statistics, and assessment, all of which are urgently needed if we are to measure our attainment of the national education goals we have set for the year 2000.

And while we often forget to mention them—this bill provides a 3-percent increase for our libraries, and funding for the first time for title V of the Library Services and Construction Act—purchase of foreign language materials.

Mr. Chairman, for the past 1½ years, I was privileged to serve on the Education Committee, chaired by my colleague and my friend, Mr. GUS HAWKINS of California. Mr. HAWKINS, who has announced his retirement plans beginning next year, is one of the most dedicated servants of public education I have ever met. He is strong in his resolve to educate young and old alike, he is brave in the face of adversity, and he won't stand for any nonsense when the programs his Education Committee has jurisdiction over are threatened.

I think that it is indeed fitting that in this, his last year as a Member of this body, Chairman HAWKINS will vote for the largest education appropriation bill in the history of Federal funding for education in the United States.

This bill contains $5.3 billion for employment and training, $4.2 billion of which is for programs authorized primarily under the Job Training Partnership Act [JTPA]. This amount represents $371.5 million more than the President requested, and $293 million more than last year's appropriation.

For job training there are $1.9 billion, supporting 444,000 training slots; for summer youth employment, $700 million; for Job Corps, $101 million; and last but not least, $513 million for the title III dislocated workers, which provides early identification of dislocated workers, rapid provision of services and training. This appropriation is $114 million more than the President requested, and $50 million more than last year. This funding level will support an estimated 135,000 training slots.

The bill provides $400 million for community services employment programs for older Americans aged 55 and over, who live on low, fixed incomes, reflecting an increase of $57 million over last year's funding.

Funding increases, however slight, are included also for Trade Act benefits and training, veterans employment and training, and of utmost importance to West Virginians, $919.5 million from the black lung disability trust fund—$277 million more than last year—for paying black lung compensation and medical and survivor benefits when no coal mine operator can be assigned liability.

Finally, Mr. Chairman, this bill provides a total of $1.7 billion for research, education, and other activities aimed at preventing and treating AIDS. The funds are appropriated to the Public Health Service or institute involved, and are not consolidated into one separate account.

Funding includes support for community and migrant health centers, health care for the homeless, health professions programs, maternal and child health, the National Institutes of Health, alcohol, drug abuse, and mental health, Medicaid, Medicare, Social Security, supplemental security income [SSI], AFDC, aging programs, and others.

The bill contains the Hyde amendment on prohibiting Federal funds from being used to perform abortions except when the mother's life is endangered, which has my full support as always.

Mr. Chairman, I strongly recommend passage of H.R. 5257, the fiscal year 1991 Labor, HHS, Education appropriations bill, without any amendments to cut funding across the board.

Mr. GREEN of New York. Mr. Chairman, Last year when we took up the Labor-HHS-Education appropriations bill, I expressed my dismay over the decision to deny less than half-time students eligibility for Pell grants. At that time I expressed my belief, and cited a report by Secretary of Education Cavazos which indicated that the majority of less than half-time students are serious, hard-working students. They are students who work full time, are enrolled in 2-year public colleges, not proprietary schools, and are working for an associate's or bachelor's degree. They are the students who will fulfill this country's need for a well-educated work force and they deserve our encouragement and support. So, I am extremely gratified to see that eligibility for Pell grants has been restored to those students and wish to thank the distinguished chairman of the Labor-HHS-Education Subcommittee and the distinguished ranking minority member for their efforts to bring that about.

In addition to my thanks I should also like to say that I hope the committee's support for the Pell Grant Program will remain strong. I certainly understand the constraints under which the committee must make its funding decisions, but it concerns me that of the $609.5 million increase, $371 million will fund the previous two years' shortfalls rather than to increase the maximum grant amount which has remained $2,300 for 3 years in a row. I hope that next year's deliberations will result in funding levels that take into account the impact of inflation vis-a-vis the rising costs of education and offer a maximum grant amount that is closer to the authorization level of $3,100.

Mr. GOSS. Mr. Chairman, I rise today because I am concerned about our Medicare system. The Medicare Program is vital to the seniors of southwest Florida and, I suspect, everywhere else in our Nation.

The Medicare budget under this appropriations bill is unacceptable. What looks like a $700 million increase over fiscal year 1990, is in reality a $5 billion decrease when taking into consideration inflation.

The proposed spending for Medicare will lead to cutbacks in Medicare part B and place a strain on the physicians and hospitals who practice and operate in high Medicare areas. Efforts to control costs by bureaucratic decree or payment limits generally do not work well, because they merely redirect them to other areas.

While I support the long overdue increase in the education budget, I am disappointed and frustrated over the lack of understanding for the effects that these cuts will have on the Medicare beneficiaries who live in a highly concentrated Medicare delivery area.

Of course, we are dealing with people in this program—people with real needs and hurts who are relying on Medicare to provide quality treatment. But hospitals and physicians are the delivery means of this quality care, and they are also being squeezed by these cuts to the degree they may not be able to stay in business and provide adequate services.

I hope that this year's funding does not lead to a rationing of health care and break this program beyond repair. No matter what, we must find a better way to provide health care services and an equitable, affordable way to pay for them.

Mr. CRAIG. Mr. Chairman, today we are taking action on the Labor, Health and Human Services and Education appropriations for 1991—a bill that provides funding for some of our Nation's most important programs—a bill that is filed with new and excessive spending.

Two days ago, some Members of this Congress discussed the "Backbone of Congress:" Our ability to resolve the problem of the budget deficit without a constitutonal amendment. The fiscal irresponsibility of this bill does not demonstrate any ability to face the reality of our national debt. There are some excellent Federal programs that promote the welfare of our Nation—for example, the National Institutes for Health, Medicare and Medicaid, Impact Aid, trio programs and employment training. I do not oppose adequate funding for these sorts of programs.

However, this Congress continues to go beyond this Nation's financial capablity. If we are going to continue to enjoy the kind of economic growth and stability that allows us to provide these important services to Americans, then we must work toward solving our budget problems, Mr. Speaker. Congress must be fiscally responsible.

Mr. STEARNS. Mr. Chairman I rise today to commend the Appropriations Committee for increasing the National Vaccine Program's funding. The committee included $10 million for his critical program, $4.1 million more than fiscal year 1990.

Vaccines are the safest, cheapest and most effective means of preventing many infectious diseases. Global eradication of smallpox is a dramatic example of the effective use of vaccines. Appropriate use of vaccines can eliminate the occurrence of many diseases with the U.S. and reduce the incidence of others.

As many of you know, I am a strong supporter of biotechnology research and moving the results of that research into the marketplace. Recent advances in biotechnology have made possible the development of new vaccines and improvements in the efficiency and safety of existing immunization products.

Mr. Chairman, no one can deny the cost effectiveness of disease prevention as opposed

to treatment. Each dollar we spend today on the National Vaccine Program, which will help prevent many diseases, will save us almost $2 in disease treatment. By getting new and improved vaccines out of the lab and into production, we could save billions. And, of course, there is no price tag on the improved quality of life the National Vaccine Program brings.

Once again, I commend my colleagues on the Appropriations Committee for their foresight in fund Vaccine Program.

Mr. WEBER. Mr. Chairman, I rise today in support of H.R. 5257, a bill making appropriations to Departments of Labor, Health and Human Services, and Education.

I would like to begin my comments by offering deserved praise to our chairman, Mr. NATCHER of Kentucky; and our ranking member, Mr. CONTE of Massachusetts. Once again, under their leadership, the committee has crafted an extraordinary bill to address the health, education, and welfare needs of our citizens.

There are many important things in this bill, but I'd like to particularly point out some of the things this bill does to help ease the crisis rural areas are facing in health care.

Mr. Chairman, rural areas face a very real crisis in the area of health care. Low reimbursement rates and rising costs per patient have forced a number of hospitals to close, and put many more in danger. Low reimbursements and retirement have also created a shortage of health care professionals in rural areas.

Mr. Chairman, many rural areas currently face great difficulties in recruiting and retaining health care professionals. This is creating a great amount of concern, and real hardship for many rural residents.

To begin to alleviate this problem, the bill includes almost $45 million to train new general practitioners, nurses, and physicians assistants. This money will literally train thousands of new young professionals needed in these three professions which are essential to rural areas.

The committee report also includes language recognizing the physician shortage problem in rural areas, and has directed the Department of Health and Human Services to evaluate its programs and make recommendations as to how they can better serve rural areas.

Mr. Chairman, declining and aging populations, combined with growing expenses and low medicare reimbursements have also created a crisis for rural hospitals and rural citizens. The committee has noted these problems in its report language, and has directed the Secretary to look for innovative ways to help rural hospitals stay feasible.

The committee has also provided $23 million for the Rural Transition Grant Program. This will fund about 100 new grants. This program provides grants to small, rural hospitals to fund innovative programs that both help rural hospitals become more financially viable while at the same time providing better service for Medicare beneficiaries.

And finally, Mr. Chairman, the bill includes funding for research project targeted for rural health issues such as Lyme disease, aging in rural areas, rural mental health, and numerous other areas.

I am particularly pleased to see funds included to address rural mental health needs. This past year, a national conference was held in my district to bring to light the unique needs and disproportionate difficulties rural citizens face in the area of mental health.

Mr. Chairman, today we will not pass a bill that ends the difficulties facing rural health care, but we will make an important start. Once again, I want to thank the chairman, the ranking member, and my colleagues on the committee for their continued support for rural health concerns.

Mr. GUNDERSON. Mr. Chairman, I am pleased to have this opportunity to speak in favor of the fiscal year 1991 appropriations bill for the Departments of Labor, HHS and Education. I commend the commitment both the President and Congress have made, again, to the important programs within these departments.

Let me state for the record that this bill can still be improved. For example, the Chapter 2 Block Grants Program has helped to create numerous innovative educational programs on the local level ranging from helping students who are at risk of failure, to purchase of educational material. According to a study done in 1986, these block grants provided some or all of the funding used to purchase computer technology. Yet, while the funding for education across the board has increased, these grants have been held constant or have decreased.

On the other hand, I am especially pleased that this bill includes a substantial increase for employment and training administration and programs, through the Department of Labor and the successful Job Training Partnership Act [JTPA] program. We are currently working on a reauthorization package to further fine-tune JTPA. Combined with this increased funding, our efforts will effectively improve the earnings of economically disadvantaged and dislocated workers.

Also under the Department of Labor, Congress will increase funding into the State unemployment insurance and employment service operations account and the Unemployment Trust Fund over current funding. My State of Wisconsin, like most States, faced serious funding shortfalls in these accounts earlier in the year, but found Congress willing to act quickly to ease the burden. Our efforts today follow up on action we took earlier in the year to maintain the integrity of the accounts for our unemployed.

We have also made great strides through this bill to improve our commitment to excellence in education, and to ensure greater opportunity for the disadvantaged in our society to move into the mainstream of a competitive national and international work force. By our action, we have given President Bush a leg up on his effort to make education a top national priority.

Specifically, this bill increases overall funding on education by $3 billion. While I applaud the refocusing of some of our funding efforts, as evidenced by the Education Excellence Act we'll pass this week, I am concerned over the fact that we've increased education funding $2.5 billion over current levels. The President requested over a half-billion dollar increase for education programs, including huge increases for Head Start. Congress has gone further.

While we cannot lose focus of the increased pressure on our budget deficit presented by this 10.5-percent funding increase, I appreciate the focus on increasing aid to programs for the handicapped, adult education and technology programs through the Carl Perkins Vocational Education Act, and student loan programs.

As an advocate and Board member of Gallaudet University, I had the opportunity to help justify President Bush's request for increased funding to the institution from current $67.6 million to $74.047 million next year. In testimony before the Appropriations Subcommittee on April 26, I outlined the needs and accomplishments at Gallaudet, as put forth by Gallaudet president, I. King Jordan. We can all be proud of the renewed spirit of optimism springing forth into the deaf community because of the new programs and efforts at Gallaudet.

And we can be proud of the manner in which Gallaudet has handled its responsibility of stewardship of public funds. While 5.8 percent of the funding increase will go to increase staff and faculty salaries and other operating expenses, the university is well into its reorganization process, which will reduce staff by 10 percent. Similarly, the university now counts on private donations for 72 percent of its funding. These efforts alone demonstrate the Gallaudet commitment to less and decreasing its dependence on Federal assistance, and stepping up its focus on tapping into new sources of support.

An example of this is the university's commitment to match, dollar for dollar, funding to expand and remodel the Hall Memorial Building to better facilitate the special needs of the school. I'm pleased we have provided in this bill the full $2.5 million appropriation requested to get this effort off the ground.

This appropriation bill makes similar strides in other handicapped education programs, increasing by over $71 million funding for rehabilitation services and handicapped research, and smaller increases in Special Institutions for the Handicapped, a 36-percent increase to Education for the Handicapped Act, a 4-percent increase for the National Institute for the Deaf, and increases in all other smaller programs.

We've also made similar strides in funding vocational and adult education by increasing overall funding 26.4 percent. As a conferee on the joint House-Senate effort to reauthorize the Perkins Vocational Education Act, I'm strongly supportive of the recognition appropriators have given to this successful program. The President's request of $929.7 million for the program is not included in this bill, but we have assurances the full amount will be made available upon reauthorization.

Finally, we've addressed the funding problems under our student loan programs by increasing overall funding 11.4 percent over current levels. We must immediately turn our focus to stopping the hemorrhaging of losses in our loan programs in the context of reauthorizing the Higher Education Act next year. In the interim, we have given adequate reas-

surance that a Federal commitment remains to all of our student loan programs.

Again, Mr. Chairman, I appreciate the general direction we have chosen in this funding bill. Though I encourage further efforts to pare back excessive funding where we can, the infrastructural needs we are meeting through this funding proposal follow appropriately on the President's and Congress' commitment to excellence and compassionate assistance in our labor, education, and health services.

Mr. LOWERY of California. Mr. Chairman, I rise today in support of H.R. 5257, the fiscal year 1990 Labor-HHS-Education appropriation bill and commend Chairman NATCHER and my colleague from Massachusetts, Mr. CONTE, for their diligence in bringing this bill to the floor.

In particular, I would like to recognize the funding included in the bill for the Impact Aid Program. H.R. 5257 provides $800 million for this program in fiscal year 1991, an increase of $68 million over last years' funding level.

As the Representative of a city which is the homeport to a quarter of the U.S. fleet and contains over 15 military installations, I certainly understand the importance of this program. Within the San Diego's school district's boundaries are nearly 22,000 federally connected students. I am proud to say San Diego has always provided a high quality, complete educational program for the dependents of military families.

However, with the rising cost of educating students at risk of dropping out or, those students from military families who transfer frequently from school to school, federally impacted schools bear a special burden of providing instruction without benefit of adequate revenues to cover cost. Fortunately, we have a bill here today which begins to address the shortfall in funding the Impact Aid Program has been experiencing in the past years. I commend the chairman, Mr. CONTE, and members of the subcommittee for their continued understanding and support for this program and urge my colleagues to support the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1991, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, $70,030,000, together with not to exceed $54,751,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

TRAINING AND EMPLOYMENT SERVICES

For expenses necessary to carry into effect the Job Training Partnership Act, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act, $4,136,447,000, plus reimbursements, to be available for obligation for the period July 1, 1991, through June 30, 1992, of which $58,193,000 shall be for carrying out section 401, $69,047,000 shall be for carrying out section 402, $9,345,000 shall be for carrying out section 441, $1,894,000 shall be for the National Commission for Employment Policy, $2,500,000 shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under the Job Training Partnership Act, and $4,000,000 shall be for service delivery areas under section 101(a)(4)(A)(iii) of the Job Training Partnership Act in addition to amounts otherwise provided under sections 202 and 251(b) of the Act; and, in addition, $63,740,000 is appropriated for the Job Corps, in addition to amounts otherwise provided herein for the Job Corps, to be available for obligation for the period July 1, 1991 through June 30, 1994: *Provided,* That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers.

For Job Corps program operations authorized by the Job Training Partnership Act, $10,500,000, in addition to amounts otherwise provided herein for these purposes, to be available for obligation for the period July 1, 1990, through June 30, 1991.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $312,000,000.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $88,000,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and payments as authorized by title II of Public Law 95-250, as amended, and of trade adjustment benefit payments and allowances under part I, and for training, for allowances for job search and relocation, and for related State administrative expenses under part II, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended, $230,500,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year: *Provided,* That amounts received or recovered pursuant to section 208(e) of Public Law 95-250 shall be available for payments.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49-49l-1; 39 U.S.C. 3202(a)(1)(E)); title III of the Social Security Act, as amended (42 U.S.C. 502-504); necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, and sections 225, 231-235 and 243-244, title II of the Trade Act of 1974, as amended; as authorized by section 7c of the Act of June 6, 1933, as amended, necessary administrative expenses under sections 101(a)(15)(H)(ii), 212(a)(14), and 216(g) (1), (2), and (3) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 et seq.), $25,600,000, together with not to exceed $2,800,400,000 (including not to exceed $2,000,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980), which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which the sums available in the basic allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502-504), and the sums available in the basic allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, shall be available for obligation by the States through December 31, 1991, and of which $21,700,000 together with not to exceed $803,300,000 of the amount which may be expended from said trust fund shall be available for obligation for the period July 1, 1991, through June 30, 1992, to fund activities under section 6 of the Act of June 6, 1933, as amended, including the cost of penalty mail made available to States in lieu of allotments for such purpose, and of which $247,509,000 shall be available only to the extent necessary to administer unemployment compensation laws to meet increased costs of administration resulting from changes in a State law or increases in the number of unemployment insurance claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic allocation was based, which cannot be provided for by normal budgetary adjustments based on State obligations as of December 31, 1991.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1992, $328,000,000.

LABOR-MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses for Labor-Management Services, $90,051,000.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1991, for such Corporation: *Provided,* That not to exceed $42,669,000 shall be available for administrative expenses of the Corporation: *Provided further,* That contractual expenses of such Corporation for legal and financial services in connection with the termination of pension plans, for the acquisition, protection or management, and investment of trust assets, and for benefits administration services shall be considered as non-adminis-

trative expenses for the purposes hereof, and excluded from the above limitation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, $222,388,000, together with $1,016,000 which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshore and Harbor Workers' Compensation Act.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title V, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 per centum of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, $322,000,000, together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: *Provided*, That balances of reimbursements from Federal Government agencies unobligated on September 30, 1990, shall remain available for the payment of compensation, benefits, and expenses through September 30, 1991: *Provided further*, That in addition there shall be transferred from the Postal Service fund to this appropriation such sums as the Secretary of Labor determines to be the cost of administration for Postal Service employees through September 30, 1991.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, $918,796,000, of which $866,019,000 shall be available until September 30, 1992, for payment of all benefits as authorized by section 9501(d) (1), (2), (4), and (7), of the Internal Revenue Code of 1954, as amended, and interest on advances as authorized by section 9501(c)(2) of that Act, and of which $29,051,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and $23,355,000 for transfer to Departmental Management, Salaries and Expenses, and $371,000 for transfer to Departmental Management, Office of Inspector General, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5)(A) of that Act: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation, interest, or other benefits for any period subsequent to June 15 of the current year: *Provided further*, That in addition, such amounts shall be paid from this fund into miscellaneous receipts as the Secretary of the Treasury determines to be the administrative expenses of the Department of the Treasury for administering the fund during the current fiscal year, as authorized by section 9501(d)(5)(B) of that Act.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $291,243,000, including not to exceed $65,220,000, which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than fifty percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, $177,767,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the purchase of not to exceed twenty passenger motor vehicles for replacement only; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of major disaster: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, $207,274,000, together with not to exceed $52,760,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of 5 sedans, and including $3,700,000 for the President's Committee on Employment of People With Disabilities, $132,788,000, together with not to exceed $285,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

WORKING CAPITAL FUND

Funds received for services rendered to any entity or person for use of Departmental facilities, including associated utilities and security services, shall be credited to and merged with this fund.

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed $172,031,000 may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 2001-10 and 2021-26.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $45,713,000, together with not to exceed $4,195,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

GENERAL PROVISIONS

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

SEC. 102. None of the funds appropriated under this Act shall be used to grant variances, interim orders or letters of clarification to employers which will allow exposure of workers to chemicals or other workplace hazards in excess of existing Occupational Safety and Health Administration standards for the purpose of conducting experiments on workers health or safety.

SEC. 103. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage a Civilian Conservation Center of the Job Corps.

SEC. 104. None of the funds appropriated in this Act shall be used by the Job Corps program to pay the expenses of legal counsel or representation in any criminal case or proceeding for a Job Corps participant, unless certified to and approved by the Secretary of Labor that a public defender is not available.

This title may be cited as the "Department of Labor Appropriations Act, 1991".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

PROGRAM OPERATIONS

For carrying out titles III, VII, VIII, XVI, and XXVI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, and the Native Hawaiian Health Care Act of 1988, $1,627,375,000, of which $2,000,000, to remain available until expended, shall be available for renovating facilities related to the activities of the Gillis W. Long Hansen's Disease Center, 42 U.S.C. 247e, of which $488,000 shall remain available until expended for interest subsidies on loan guar-

antees made prior to fiscal year 1981 under part B of title VII of the Public Health Service Act and of which $4,129,000 shall be made available until expended to make grants under section 1610(b) of the Public Health Service Act for renovation or construction of nonacute care intermediate and long-term care facilities for AIDS patients: *Provided,* That notwithstanding section 838 of the Public Health Service Act, not to exceed $10,000,000 of funds returned to the Secretary pursuant to section 839(c) of the Public Health Service Act or pursuant to a loan agreement under section 740 or 835 of the Act may be used for activities under titles III, VII, and VIII of the Act: *Provided further,* That when the Department of Health and Human Services administers or operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advances to this appropriation: *Provided further,* That user fees authorized by 31 U.S.C. 9701 may be credited to appropriations under this heading, notwithstanding 31 U.S.C. 3302: *Provided further,* That during fiscal year 1991, the Secretary of Health and Human Services may enter into commitments of not to exceed $260,000,000 for fiscal year 1991 to guarantee Health Education and Assistance Loans under subpart 1 of part C of title VII of the Public Health Service Act: *Provided further,* That none of the funds made available under this heading shall be used to carry out sections 638, 704 and 705 of Public Law 100-607.

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service Act, $20,000,000, together with any amounts received by the Secretary in connection with loans and loan guarantees under title VI of the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year, no commitments for direct loans or loan guarantees shall be made.

VACCINE INJURY COMPENSATION

For payments from the Vaccine Injury Compensation Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act as amended, to remain available until expended: *Provided,* That for necessary administrative expenses, not to exceed $1,500,000 shall be available from the Trust Fund to the Secretary of the Department of Health and Human Services.

For compensation of claims resolved by the United States Claims Court related to the administration of vaccines before October 1, 1988, $62,920,000, to remain available until expended.

CENTERS FOR DISEASE CONTROL

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles III, XVII, XIX, and section 1102 of the Public Health Service Act, sections 101, 102, 103, 201, 202, and 203 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, $997,701,000 of which $7,740,000 shall remain available until expended for equipment and construction and renovation of facilities: *Provided,* That training of private persons shall be made subject to reimbursement or advances to this appropriation for not in excess of the full cost of such training: *Provided further,* That funds appropriated under this heading shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who had participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further,* That collections from user fees may be credited to this appropriation: *Provided further,* That amounts received by the National Center for Health Statistics from reimbursable and interagency agreements and the sale of data tapes may be credited to this appropriation and shall remain available until expended.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, $1,749,392,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out sections 301 and 1105 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, $1,135,589,000.

NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, $149,592,000.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney diseases, $613,686,000.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, $545,225,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, $944,965,000.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, $693,499,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, $488,282,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, $254,887,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311 and title IV of the Public Health Service Act with respect to environmental health sciences, $244,832,000.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, $278,311,000.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis, and musculoskeletal and skin diseases, $191,397,000.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, $125,623,000.

NATIONAL CENTER FOR RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, $353,469,000: *Provided,* That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants.

NATIONAL CENTER FOR NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, $37,289,000.

NATIONAL CENTER FOR HUMAN GENOME RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, $66,131,000.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities of the John E. Fogarty International Center, $18,682,000.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, $80,725,000.

OFFICE OF THE DIRECTOR

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, $106,175,000, including purchase of not to exceed five passenger motor vehicles for replacement only.

BUILDINGS AND FACILITIES

For construction of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, $239,903,000, to remain available until expended.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health, drug abuse, alcohol abuse, and alcoholism, section 3521 of Public Law 100-690, section 621 of Public Law 100-628, and the Protection and Advocacy for Mentally Ill Individuals Act of 1986, $2,648,748,000, of which $3,126,000 for renovation of government owned or leased intramural research facilities shall remain available until expended: *Provided,* That funds available under this heading for block grants under subpart 1, part B of title XIX of the Public Health

Service Act shall be expended by States in accordance with the same criteria and limitations as were applied to such grants for the fiscal year 1990.

FEDERAL SUBSIDY FOR SAINT ELIZABETHS HOSPITAL

To carry out the Saint Elizabeths Hospital and District of Columbia Mental Health Services Act, $12,000,000, which shall be available in fiscal year 1991 for payments to the District of Columbia as authorized by section 9(a) of the Act: *Provided,* That any amounts determined by the Secretary of Health and Human Services to be in excess of the amounts requested and estimated to be necessary to carry out sections 6 and 9(f)(2) of the Act shall be returned to the Treasury.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

For the expenses necessary for the Office of Assistant Secretary for Health and for carrying out titles III, XVII, and XXI of the Public Health Service Act, $61,270,000, and, in addition, amounts received by the Public Health Service from Freedom of Information Act fees, reimbursable and interagency agreements and the sale of data tapes shall be credited to this appropriation and shall remain available until expended.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55), and for payments pursuant to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), such amounts as may be required during the current fiscal year.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

For carrying out titles III and IX of the Public Health Service Act, and Part A of title XI of the Social Security Act, $68,579,000 together with not to exceed $5,000,000 to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 1142 of the Social Security Act and not to exceed $1,037,000 to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; and, in addition, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data tapes shall be credited to this appropriation and shall remain available until expended: *Provided,* That the amount made available pursuant to section 926(b) of the Public Health Service Act shall not exceed $13,776,000.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, $34,614,966,000, to remain available until expended.

For making, after May 31, 1991, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 1991 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States under title XIX of the Social Security Act for the first quarter of fiscal year 1992, $12,400,000,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, and section 278(d) of Public Law 97-248, $37,056,000,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, title XIII of the Public Health Service Act, the Clinical Laboratory Improvement Amendments of 1988, and section 4005(e) of Public Law 100-203, as amended, $104,966,000, together with not to exceed $2,026,638,000 to be transferred to this appropriation as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds: *Provided,* That $136,500,000 of said trust funds shall be expended only to the extent necessary to meet unanticipated costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further,* That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act are to be credited to this appropriation: *Provided further,* That all funds collected in accordance with section 353 of the Public Health Service Act are to be credited to this appropriation to remain available until expended.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, $46,958,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, including the payment of travel expenses on an actual cost or commuted basis, to an individual, for travel incident to medical examinations, and when travel of more than 75 miles is required, to parties, their representatives, and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands, to reconsideration interviews and to proceedings before administrative law judges, $626,081,000, to remain available until expended: *Provided,* That monthly benefit payments shall be paid consistent with section 215(g) of the Social Security Act.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 1992, $203,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out the Supplemental Security Income Program, title XI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $12,001,594,000, to remain available until expended: *Provided,* That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: *Provided,* That all collections from repayments of overpayments shall be deposited in the general fund of the Treasury.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For carrying out the Supplemental Security Income Program for the first quarter of fiscal year 1992, $3,550,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than $4,166,974,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided,* That travel expense payments under section 1631(h) of such Act for travel to hearings may be made only when travel of more than seventy-five miles is required: *Provided further,* That $50,000,000 of the foregoing amount shall be apportioned for use only to the extent necessary to process workloads not anticipated in the budget estimates, for automation projects and their impact on the work force, and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further,* That none of the funds appropriated by this Act may be used for the manufacture, printing, or procuring of social security cards, as provided in section 205(c)(2)(D) of the Social Security Act, where paper and other materials used in the manufacture of such cards are produced, manufactured, or assembled outside of the United States.

FAMILY SUPPORT ADMINISTRATION

FAMILY SUPPORT PAYMENTS TO STATES

For making payments to States or other non-Federal entities, except as otherwise provided, under titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C. ch. 9), $9,657,246,000, to remain available until expended.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act, for the last three months of the current year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or other non-Federal entities under titles I, IV-A and

-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9) for the first quarter of fiscal year 1992, $3,300,000,000 to remain available until expended.

PAYMENTS TO STATES FOR AFDC WORK PROGRAMS

For carrying out aid to families with dependent children work programs, as authorized by part F of title IV of the Social Security Act, $1,000,000,000.

PROGRAM ADMINISTRATION

For necessary administrative expenses to carry out titles I, IV, X, XI, XIV, and XVI of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), title XXVI of the Omnibus Budget Reconciliation Act of 1981, the Community Services Block Grant Act, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, Public Law 100-77, and section 126 and titles IV and V of Public Law 100-485, $81,200,000, to be reduced by such sums as may be collected, which shall be credited to this account as offsetting collections, from fees authorized under section 453 of the Social Security Act: *Provided*, That funds appropriated in Public Law 101-166 for the Commission on Interstate Child Support shall remain available through September 30, 1991.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

SOCIAL SERVICES BLOCK GRANT

For carrying out the Social Services Block Grant Act, $2,800,000,000.

HUMAN DEVELOPMENT SERVICES

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Older Americans Act of 1965, the Child Abuse Prevention and Treatment Act, chapters 1 and 2 of subtitle B of title III of the Anti-Drug Abuse Act of 1988, the Family Violence Prevention and Services Act (title III of Public Law 98-457), the Native American Programs Act, title II of Public Law 95-266 (adoption opportunities), section 206 of the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986, the Comprehensive Child Development Centers Act of 1988, the Abandoned Infants Assistance Act of 1988, section 10404 of Public Law 101-239 and part B of title IV and section 1110 of the Social Security Act, $1,423,217,000, of which $1,000,000 shall remain available until expended for the 1991 White House Conference on Aging.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For carrying out part E of title IV of the Social Security Act, $2,632,192,000, of which $544,000,000 shall be for payment of prior years' claims.

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six medium sedans, $82,250,000, of which $20,995,000 shall be available for expenses necessary for the Office of the General Counsel, together with $31,950,000, of which $26,881,000 shall be available for expenses necessary for the Office of the General Counsel, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $53,500,000, together with not to exceed $43,723,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $17,585,000, together with not to exceed $4,000,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, $9,167,000: *Provided*, That not less than $3,150,000 shall be obligated to continue research on poverty.

GENERAL PROVISIONS

SEC. 201. None of the funds made available by this Act for the National Institutes of Health, except for those appropriated to the "Office of the Director", may be used to provide forward funding or multiyear funding of research project grants except in those cases where the Director of the National Institutes of Health has determined that such funding is specifically required because of the scientific requirements of a particular research project grant.

SEC. 202. Appropriations in this or any other Act shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed 2,400 commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents, between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; expenses for medical care for civilian and commissioned employees of the Public Health Service and their dependents, assigned abroad on a permanent basis in accordance with such regulations as the Secretary may provide; rental or lease of living quarters (for periods not exceeding five years), and provision of heat, fuel, and light and maintenance, improvement, and repair of such quarters, and advance payments therefor, for civilian officers, and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country; purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Assistant Secretary for Health, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the rate for GS-18.

SEC. 203. None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 204. Funds advanced to the National Institutes of Health Management Fund from appropriations in this Act shall be available for the expenses of sharing medical care facilities and resources pursuant to section 327A of the Public Health Service Act.

SEC. 205. Funds appropriated in this title shall be available for not to exceed $37,000 for official reception and representation expenses when specifically approved by the Secretary.

SEC. 206. Amounts received from employees of the Department in payment for room and board may be credited to the appropriation accounts which finance the activities of the Public Health Service.

SEC. 207. None of the funds made available by this Act shall be used to provide special retention pay (bonuses) under paragraph (4) of 37 U.S.C. 302(a) to any regular or reserve medical officer of the Public Health Service for any period during which the officer is assigned to the clinical, research, or staff associate program administered by the National Institutes of Health or the Alcohol, Drug Abuse, and Mental Health Administration.

SEC. 208. Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years, so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. 209. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization.

SEC. 210. For the purpose of insuring proper management of federally supported computer systems and data bases, funds appropriated by this Act are available for the purchase of dedicated telephone service between the private residences of employees assigned to computer centers funded under this Act, and the computer centers to which such employees are assigned.

SEC. 211. No funds appropriated under this Act shall be used by the National Institutes of Health, or any other Federal agency, or recipient of Federal funds on any project that entails the capture or procurement of chimpanzees obtained from the wild. For purposes of this section, the term "recipient of Federal funds" includes private citizens, corporations, or other research institutions located outside of the United States that are recipients of Federal funds.

SEC. 212. None of the funds appropriated by this title shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed con-

sent of each participant or subject, or a participant's parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

SEC. 213. None of the funds appropriated in this title for the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of $120,000 per year.

SEC. 214. Notwithstanding any other provision of this Act, AIDS education programs that receive assistance from the Centers for Disease Control and other education curricula dealing with sexual activity that receive assistance under this Act—

(1) shall not be designed to promote or encourage, directly, intravenous drug abuse or sexual activity, homosexual or heterosexual; and

(2) with regard to AIDS education programs and curricula—

(A) shall be designed to reduce exposure to and transmission of the etiologic agent for acquired immune deficiency syndrome by providing accurate information; and

(B) shall provide information on the health risks of promiscuous sexual activity and intravenous drug abuse.

This title may be cited as the "Department of Health and Human Services Appropriations Act, 1991".

TITLE III—DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

For carrying out the activities authorized by chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as amended, except subpart 2 of part D, and by section 418A of the Higher Education Act, $6,225,250,000, of which $6,195,750,000 shall become available on July 1, 1991 and shall remain available until September 30, 1992: *Provided*, That $5,121,000,000 shall be available for basic grants under section 1005, $569,000,000 shall be available for concentration grants under section 1006, $310,000,000 shall be available for migrant education activities under subpart 1 of part D, $34,000,000 shall be available for delinquent and neglected education activities under subpart 3 of part D, $60,600,000 shall be for State administration under section 1404, and $15,150,000 shall be for program improvement activities under section 1405.

From the amounts appropriated for part A of chapter 1, an amount not to exceed $100,000,000 may be obligated to carry out a new Merit Schools program only if such program is specifically authorized in law prior to December 31, 1990.

IMPACT AID

For carrying out programs of financial assistance to federally affected schools as authorized by Public Laws 81-815 and 81-874, as amended, $800,000,000, of which $600,000,000 shall be for payments under section 3(a), $140,000,000 shall be for payments under section 3(b), $14,000,000, to remain available until expended, shall be for disaster assistance payments under section 7, $17,000,000 shall be for Federal property payments under section 2, $2,000,000, to remain available until expended, shall be for payments under section 3(e) related to shifts in enrollment and $27,000,000, to remain available until expended, shall be for construction and renovation of school facilities including $10,000,000 for awards under section 10, $10,000,000 for awards under sections 14(a) and 14(b), and $7,000,000 for awards under sections 5 and 14(c): *Provided*, That, of the amounts appropriated for payments under sections 3(a) and 3(b), not to exceed $25,000,000 shall be available for payments under section 3(d)2(b).

SCHOOL IMPROVEMENT PROGRAMS

For carrying out the activities authorized by chapter 2 of title I and titles II, III, IV, V, and VI of the Elementary and Secondary Education Act of 1965, as amended; the Stewart B. McKinney Homeless Assistance Act; the Civil Rights Act of 1964; title V of the Higher Education Act, as amended; part B of title III and title IV of Public Law 100-297; and chapter 5 of subtitle A of title VI of Public Law 100-418, $1,474,745,000, of which $1,098,451,000 shall become available on July 1, 1991, and remain available until September 30, 1992: *Provided*, That of the amount appropriated, $1,000,000 shall be for an evaluation study of the chapter 2 block grant program, $3,000,000 shall be for research on dropout prevention, and $33,900,000 shall be for national programs under part B of chapter 2.

BILINGUAL AND IMMIGRANT EDUCATION

For carrying out, to the extent not otherwise provided, title VII and part D of title IV of the Elementary and Secondary Education Act, $205,000,000, of which $42,000,000 shall be for training activities under part C of title VII.

EDUCATION FOR THE HANDICAPPED

For carrying out the Education of the Handicapped Act, $2,747,730,000, of which $2,400,000,000 for section 611, $257,730,000 for section 619, and $90,000,000 for section 685 shall become available for obligation on July 1, 1991, and shall remain available until September 30, 1992.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, Public Law 100-407, and the Helen Keller National Center Act, as amended, $1,851,911,000, of which $17,455,000 shall be for special demonstration programs under sections 311 (a), (b), and (c).

SPECIAL INSTITUTIONS FOR THE HANDICAPPED

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), $6,076,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles II and IV of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), $37,531,000, of which $336,000 shall be for the endowment program as authorized under section 408 and shall be available until expended.

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf and the partial support of Gallaudet University under titles I and IV of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), $74,047,000, of which $1,000,000 shall be for the endowment program as authorized under section 407 and shall be available until expended, and $2,500,000 shall be for construction and shall be available until expended.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Adult Education Act, the Stewart B. McKinney Homeless Assistance Act, and the Omnibus Trade and Competitiveness Act of 1988, $245,000,000 which shall become available for obligation on July 1, 1991, and shall remain available until September 30, 1992, of which $3,000,000 shall be for national programs under section 383, and $5,000,000 shall be for literacy clearinghouse activities under section 384 of the Adult Education Act and $1,000,000 shall be for technology education demonstrations under title VI, subtitle B, chapter 2 of the Omnibus Trade and Competitiveness Act of 1988.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 2, and 3 of part A and parts C, D, and E of title IV of the Higher Education Act, as amended, $6,777,000,000 of which $113,000,000 shall only be available if such funds are necessary to pay a maximum grant of $2,300 during the 1991-1992 program year, which shall be the maximum Pell grant that a student may receive: *Provided*, That notwithstanding section 479A of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), student financial aid administrators shall be authorized, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and the expected student or parent contribution (or both) and to use supplementary information about the financial status or personal circumstances of eligible applicants only for purposes of selecting recipients and determining the amount of awards under subpart 2 of part A, and parts B, C, and E of title IV of the Act: *Provided further*, That notwithstanding section 411F(1) of the Higher Education Act of 1965 as amended, the term "annual adjusted family income" shall, under special circumstances prescribed by the Secretary, mean the sum received in the first calendar year of the award year from the sources described in that section.

GUARANTEED STUDENT LOANS

(LIQUIDATION OF CONTRACT AUTHORITY)

For payment of obligations incurred under contract authority entered into pursuant to title IV, part B, of the Higher Education Act, as amended, $3,900,000,000.

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided for, titles I, III, IV, V, VI, VII, VIII, IX, X, and XII of the Higher Education Act of 1965, as amended, the Mutual Educational and Cultural Exchange Act of 1961, and the Library Services and Construction Act Amendments of 1984, $763,616,000, of which up to $27,500,000 for endowment activities under section 332 of part C of title III, and $20,900,000 for interest subsidies under part D of title VII shall remain available until expended, and of which $3,000,000 shall be for carrying out section 304 of Public Law 98-480: *Provided*, That $8,627,000 provided herein for carrying out subpart 6 of part A of title IV shall be available notwithstanding sections 419G(b) and 419I(a) of the Higher Education Act of 1965 (20 U.S.C. 1070d-37(b) and 1070d-39(a)): *Provided further*, That $1,000,000 of the amount provided herein for subpart 4 of part A of title IV of the Higher Education Act shall be for an evaluation of Special Programs for the Disadvantaged to examine the effectiveness of current programs and to identify program improvements.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), $200,036,000, of which $3,000,000, to remain available until expended, shall be for a matching endowment grant to be administered in accordance with the Howard University Endowment Act (Public Law 98-480), and $6,000,000, to remain available until expended, shall be for emergency construction needs.

HIGHER EDUCATION FACILITIES LOANS

The Secretary is hereby authorized to make such expenditures, within the limits of funds available under this heading and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 9104), as may be necessary in carrying out the program for the current fiscal year. For the fiscal year 1991, no new commitments for loans may be made from the fund established pursuant to title VII, section 733 of the Higher Education Act, as amended (20 U.S.C. 1132d-2).

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS

Pursuant to title VII, part F of the Higher Education Act, as amended, for necessary expenses of the college housing and academic facilities loans program, the Secretary shall make expenditures, contracts, and commitments without regard to fiscal year limitation: *Provided*, That during fiscal year 1991, gross commitments for the principal amount of direct loans shall be $30,000,000.

For payment of interest on funds borrowed from the Treasury pursuant to section 761(d) of the Higher Education Act, as amended, $8,449,000, to remain available until expended.

COLLEGE HOUSING LOANS

Pursuant to title VII, part F of the Higher Education Act, as amended, for necessary expenses of the college housing loans program, previously carried out under title IV of the Housing Act of 1950, the Secretary shall make expenditures and enter into contracts without regard to fiscal year limitation using loan repayments and other resources available to this account. Any unobligated balances becoming available from fixed fees paid into this account pursuant to 12 U.S.C. 1749d, relating to payment of costs for inspections and site visits, shall be available for the operating expenses of this account.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

For necessary expenses to carry out section 405 and section 406 of the General Education Provisions Act, as amended, $133,860,000, of which $4,000,000 shall be for the rural education program conducted by the regional laboratories which shall be in addition to the amounts carried forward from fiscal year 1990 for this purpose.

LIBRARIES

For carrying out, to the extent not otherwise provided, titles I, II, III, IV, V, and VI of the Library Services and Construction Act (20 U.S.C. ch. 16), and title II of the Higher Education Act, $140,800,000 of which $18,900,000 shall be used to carry out the provisions of title II of the Library Services and Construction Act which shall remain available until expended.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, $331,000,000.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $49,900,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, $25,800,000.

GENERAL PROVISIONS

SEC. 301. Funds appropriated in this Act to the American Printing House for the Blind, Howard University, the National Technical Institute for the Deaf, and Gallaudet University shall be subject to financial and program audit by the Secretary of Education and the Secretary may withhold all or any portion of these appropriations if he determines that an institution has not cooperated fully in the conduct of such audits.

SEC. 302. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 303. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 304. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 305. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

This title may be cited as the "Department of Education Appropriations Act, 1991".

TITLE IV—RELATED AGENCIES

ACTION

OPERATING EXPENSES

For expenses necessary for Action to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, $191,659,000: *Provided*, That $30,500,000 shall be available for title I, section 102, and $2,245,000 shall be available for title I, part C.

CORPORATION FOR PUBLIC BROADCASTING

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 1993, $306,505,000, of which $46,940,000 shall be available for section 396(k)(10) of said Act: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171-180, 182-183), including hire of passenger motor vehicles; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. chapter 71), $27,705,000.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $4,292,000.

NATIONAL COMMISSION ON ACQUIRED IMMUNE DEFICIENCY SYNDROME

For expenses necessary for the National Commission on Acquired Immune Deficiency Syndrome as authorized by subtitle D of title II of Public Law 100-607, $3,000,000.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-845), $750,000.

NATIONAL COMMISSION TO PREVENT INFANT MORTALITY

For necessary expenses of the National Commission to Prevent Infant Mortality, established by section 203 of the National

Commission to Prevent Infant Mortality Act of 1986, Public Law 99-660, $400,000, which shall remain available until expended.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, $1,200,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, $151,103,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, $6,675,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For the expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), $6,401,000.

PHYSICIAN PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1845(a) of the Social Security Act, $3,871,000, to be transferred to this appropriation from the Federal Supplementary Medical Insurance Trust Fund.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1886(e) of the Social Security Act, $4,073,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $328,000,000, which shall include amounts becoming available in fiscal year 1991 pursuant to section 224(c)(1)(B) of Public Law 98-76: *Provided*, That the total amount provided herein shall be credited to the account in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $100,000, to remain available through September 30, 1992, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board, $73,125,000 to be derived from the railroad retirement accounts, of which $2,457,000 shall be available for the lease-to-purchase costs and contract services related to the installation of a mainframe computer only upon the delegation of procurement authority from the General Services Administration to the Railroad Retirement Board: *Provided*, That $200,000 of the foregoing amount shall be available only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the existing limitation has been achieved: *Provided further*, That notwithstanding any other provision of law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 228a-r).

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

For further expenses necessary for the Railroad Retirement Board, for administration of the Railroad Unemployment Insurance Act, not less than $15,909,000 shall be apportioned for fiscal year 1991 from moneys credited to the railroad unemployment insurance administration fund of which $433,000 shall be available for the lease-to-purchase costs and contract services related to the installation of a mainframe computer only upon the delegation of procurement authority from the General Services Administration to the Railroad Retirement Board.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than $6,000,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, $8,000,000.

TITLE V—GENERAL PROVISIONS

SEC. 501. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 502. No part of any appropriation contained in this Act shall be expended by an executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract in full compliance with such Act and regulations promulgated thereunder.

SEC. 503. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18.

SEC. 504. Appropriations contained in this Act, available for salaries and expenses, shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 505. Appropriations contained in this Act, available for salaries and expenses, shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

SEC. 506. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

SEC. 507. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 508. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 509. No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress.

SEC. 510. The Secretaries of Labor and Education are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses,

Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board."

SEC. 511. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

SEC. 512. Such sums as may be necessary for fiscal year 1991 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 513. None of the funds appropriated under this Act shall be used to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug unless the President of the United States certifies that such programs are effective in stopping the spread of HIV and do not encourage the use of illegal drugs.

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1991".

Mr. NATCHER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENTS OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. NATCHER: On page 21, line 24, strike $2,648,748,000 and insert "$2,825,891,000"; on page 39, line 19, strike $1,474,745,000 and insert "$1,529,045,000"; on page 39, line 19, strike $1,098,451,000 and insert "$1,148,164,000".

□ 1130

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. The amendment which I am offering today adds $231,443,000 to the bill for various drug abuse activities at the Departments of Education and Health and Human Services. This action is intended to restore funding for four activities which the committee bill initially recommended be funded at levels below the President's request. The committee recommendation was based on data indicating that States were having great difficulty absorbing increases in funding for their drug treatment activities. The committee has been told for example that as of June, 30 States had drawn down only 24 percent of their 1990 funds. Notwithstanding these concerns, many Members have expressed to me their belief that these amounts can be utilized in 1991 and that we should restore funding to the President's request. The specific changes are as follows:

Drug-free school programs will increase from $539,000,000 to $593,300,000, an increase of $54,300,000 over the current bill.

The substance abuse treatment block grant will increase from $1,192,851,000 to $1,292,775,000, an increase of $99,924,000 over the current bill.

Treatment improvement grants will increase from $50,000,000 to $85,569,000, an increase of $35,569,000 over the current bill.

Community prevention grants will increase from $60,000,000 to $101,650,000, an increase of $41,650,000.

Mr. Chairman, I ask for an "aye" vote on the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the last word, and I rise in support of the amendments.

Mr. Chairman, I cosponsored the amendments with my friend, the gentleman from Kentucky [Mr. NATCHER]. We have discussed it at great length.

Mr. Chairman, I rise in response to the recent attack by Bill Bennett, our illustrious drug czar and general all-round purveyor of good will throughout these hallowed Halls. As you know Mr. Congeniality has asserted the committee slighted the war on drugs by not funding 4 of the 36 programs in this bill at the levels requested by the President and he is raising the issue that he is not getting everything he wanted.

Well, let me be the first to say "welcome to the club", because a lot of folks are not getting everything they wanted. And most of them got a lot less than Bill Bennett did in recent years. We have taken good care of Bill and I am not clowning around when I say he is wrong, absolutely wrong to criticize our support.

He slammed us for not supporting the very programs we have nurtured since infancy. Things like drug-free schools, which just celebrated its fifth birthday, thanks to the committee's willingness to more than double its funding. And ADAMHA block grants, not even 10 years old but already getting $1.2 billion, nearly triple the original funding and a total of $6.8 billion since its inception in 1982. And what about the 2-year-old twins—the treatment and prevention grant programs. Thanks to the leadership of BILL NATCHER and others on this committee they are both strong and healthy, and getting 25 and 20 percent increases next year. If Bill Bennett calls support like that flogging, what does he think about the Gramm-Rudman program eaters?

Mr. Chairman, in addition to nurturing those programs we are also caring for an extended family of substance abuse programs, including the granddaddy of them all—NIDA research, which has grown from $46 million to $266 million since 1980, a 580-percent increase in just 10 years. And grandma NIAAA research, now getting $143 million after starting out at just $22 million way back in 1980, a whopping 650-percent increase.

And the aunts and uncles—the NIAAA homeless and AIDS drug demos—who are getting $16 million and $75 million respectively. That is a big jump from the $9.2 and $22 million we initially provided. And all the other cousins—the treatment, training, outcome evaluation, and improvement programs. Not a single one of them has ever had their funding reduced. And neither have the prevention programs and community youth programs. Bill Bennett can raise hell all he wants but he can't complain about us not taking care of the drug programs in this bill. Because for the members of this committee this bill is our little baby.

The czar would have us believe that these programs are trouble free, and the more money they are fed the sooner we will get rid of the drug problem. I've got news for him, the programs cannot handle all the money we have thrown at them. Just 3 weeks ago the drug treatment block grant still had, listen to this, still had 76 percent of its 1990 money left to spend. And HHS still does not have an evaluation system in place, so what assurance do we have the money is being wisely spent? And what about the schools?

They have not even started spending the 52-percent increase we gave them last fall. Given these examples it seems we have been given a very bad rap by the czar. Maybe he could learn from the committee about demonstrating good judgment and exercising restraint.

And timing—my god, what about his timing? We have worked on this bill since last February. It has been brutal. Hundreds have testified. But never once did the czar communicate with the committee with me—not a letter, not a phone call—we got nothing but silence. Until yesterday, days after OMB and the departments had responded, the czar, like a bear waking from his winter sleep, arrived on the scene just as we are going on the floor. Releasing an inaccurate portrayal of the bill as enticing as the banter of the drug pushers he is so futilely combating.

So here we are, looking down the gun barrel of some czar induced

amendments trying to fix something that is not broken. They point to the reserve funds and say "we have plenty of money." They forget that money was promised to Head Start, child care, handicapped education—programs more desperate for funds than the czar ever will be.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Mr. Chairman, if anyone wants to know why the committee decided to not increase funding for the czar's empire, I ask them to consider the following article. This is an excerpt from the February 3, 1990, article from the New York Times.

Mr. Chairman, in testimony before the Senate Judiciary Committee, Mr. Bennett rejected the argument espoused by leading Democrats and many outside experts that education was the major solution to the Nation's drug problem. He offered an unsparing portrait of young drug abusers as knowing users, not innocent victims.

POSITION IS CHALLENGED

"Should we have drug education programs or should we have tough policy?" asked Mr. Bennett, who was Secretary of Education in the administration of Ronald Reagan. "If I have the choice of only one, I will take policy every time because I know children. And you might say this is not a very romantic view of children, not a very rosy view of children. And I would say, 'You're right.' "

Senator EDWARD M. KENNEDY, Democrat of Massachusetts, one of several committee members who challenged Mr. Bennett's position, said:

I continue to be deeply concerned that the administration underestimates the importance of treatment and education. We know that education can inoculate children against drug abuse.

In response, Mr. Bennett asserted on February 3, 1990:

I do not agree with Senator Kennedy's statement that you can inoculate children against drug abuse by education. I think that statement is refuted every day of the week. If there were a seminar or course which could inoculate, we would have put it in long ago.

Acknowledging his very strong feelings on the subject of drug education, Mr. Bennett went on to say that the problem was not a failure to inform children about the drug problem.

He said:

Look, if ignorance is the problem, knowledge is the cure. I don't believe that for a large number of kids out there who use drugs, that ignorance is the problem.

Some drug experts argue that there has been too little scientific evaluation of drug education programs to learn their value, and they say the Bush administration has not provided enough money for such research.

SOUGHT A CUT IN FUNDS

Mr. Bennett sought a cut in drug education funds when he was Secretary of Education under Mr. Reagan, and he has sometimes been skeptical about the value of such programs. But his comments today were among his bluntest on the topic. Despite that, the drug plan proposed by President Bush last week called for increased spending on drug education programs.

At one point in his appearance before the committee, Mr. Bennett described drug education as "a helpful auxiliary," but he said a better deterrent would be "some palpable reason in front of them that something will happen if they take drugs." Man, did he change.

I just want to make it clear where this money is coming from. It's coming from the amounts reserved for unauthorized and new programs. It means there will not be as much available for Head Start, for child care, for vocational education, or for immunization. So if those programs get cut, you will know why it happened. Even though we are going to fund all the drug programs at the President's mark. I think it is important for the integrity and vision of this subcommittee in this matter.

□ 1140

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Despite that, the drug plan proposed by President Bush called for an increase in spending on drug education programs, and at one point in his appearance before the Congress in February, Mr. Bennett described drug education as "a helpful auxiliary," but he said, "a better deterrent would be some palpable reason in front of them that something will happen if they take drugs." Man, did he change.

Thank you, Mr. Chairman.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

I certainly would like to say that I agree with virtually every word just uttered by the gentleman from Massachusetts. I know Bill Bennett. Bill Bennett, in fact, at one time in his life was as a teacher at the University of Wisconsin in my State.

All I would say is that if our distinguished drug czar is going to wind up hyperventilating in public every time he does not get a dollar that he wants, I suggest he go back to chain smoking so he can calm down. I would also remind Bill Bennett of the words that he uttered when he was Secretary of Education, when he said as follows:

Sooner or later people have to learn that you cannot solve every problem by throwing dollars at them.

Now, I think Bill Bennett ought to remember that. The fact is, I have gone around to drug treatment programs, drug education programs, all over my district. I found two things: No. 1, nobody knows that that is even Federal money. In fact, I had a number of people in my district who told me that they did not realize that there were any Federal drug programs in their area until I called them up and told them that I wanted to see what they were doing with Federal money. So I would suggest the first thing that Mr. Bennett ought to do is to help explain to the program managers around the country that there are hard-earned Federal tax dollars that are being used in those areas. The second thing we ought to understand is that when you take a look at the Block Grant Program that is being discussed here, the fact is, only 25 percent of previously approved money has been used to date. So, it seems to me, I will not object to the amendment offered by the distinguished chairman because I think the chairman has a right to call them as he sees them on his own bill.

But I frankly have some doubts about the accuracy of Mr. Bennett's understanding in this case because these programs are already getting more money than they can use. I think this Congress has an obligation to provide every dollar for drug education and drug treatment and other drug programs that can effectively be put to use. The fact is, a lot of these dollars have not been put to use yet. That is why I think there is nothing whatsoever wrong with the original judgment made by the committee, and I think it is important that those facts be clear this morning.

Mr. COUGHLIN. Mr. Chairman, I rise in support of the amendments.

Mr. Chairman, I want to congratulate the distinguished chairman and the distinguished ranking member for this amendment. In fact, I had intended to offer a similar amendment on behalf of the gentleman from New York [Mr. RANGEL] and myself, if it had not been offered. I am pleased about this.

Mr. Chairman, the American people consider drugs and crime as the No. 1 problem before our Nation. President Bush and Dr. Bennett have attacked the problem with a good national strategy, and we are making progress.

It is very seldom that I disagree with my distinguished ranking minority member, the gentleman from Massachusetts [Mr. CONTE]. However, Mr. Chairman, I can understand why Dr. Bennett was mad as hell. A vice chairman of the Select Committee on Narcotics Abuse and Control, I have heard

the President and Dr. Bennett savaged and pilloried by committee Democrats because we are not devoting adequate resources to the problem. They were not devoting adequate resources to the problem. But for this amendment, this Congress, controlled by Democrats, would not have been providing even the funds they asked for to fight the war on drugs. I have heard the distinguished Secretary of Health and Human Services, Dr. Sullivan, excoriated by committee Democrats because he was not providing sufficient resources for treatment. But for this amendment, this Congress, controlled by Democrats, would not be providing Dr. Sullivan even with the money that he asked for. I have heard the distinguished Secretary of Education, Dr. Cavazos condemned, condemned, for not providing sufficient resources for education by committee Democrats. But for this amendment, this Congress, controlled by Democrats, would not be providing the funds Dr. Cavazos requested for education.

Now, we cannot criticize the President's commitment, and we cannot criticize Dr. Bennett's commitment, and we cannot criticize Dr. Sullivan's commitment, and we cannot criticize Dr. Cavazos' commitment to the war on drugs, if we do not provide them with the resources they ask for.

I congratulate again the distinguished chairman and the distinguished ranking minority member for providing those resources.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I have nothing personal against Mr. Bennett. He got his early education in my district. He graduated from Williams College. The chairman could tell Members all I did to help him when he was Secretary of Education.

The thing I take issue with, instead of going out and calling Members a bunch of clowns, that is pretty tough. Why not pick up the phone, call the ranking Republicans, as Mr. Cavazos did and as Dr. Sullivan did. They called me. I think I batted 1,000 percent with the chairman for both of them. Why did he not just call me and say, "SIL, what is going on here," Instead of going out there and saying what he did. I resent that. That is no way to be treated. He did not say that just Democrats are clowns. He said we are all a bunch of clowns up here.

Mr. COUGHLIN. Mr. Chairman, I appreciate the gentleman's comments, and will suggest to Dr. Bennett he should have called Members. I can appreciate the frustration that Dr. Bennett had because of the criticism that has been continually pounded on him by Democrats in this body for not providing sufficient resources. Here we were, not providing the resources that he and the President asked for.

Mr. EARLY. Mr. Chairman, I move to strike the last word. As a member of the subcommittee, I cherish the opportunity to serve on it. I do not think this is one of our more outstanding moments. The amendment offered by the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE] was, I suspect, a reaction, a political reaction. The pride of serving on the subcommittee is that we spend all day marking up the bill, and we try to associate each particular project or program with the dollars we spend on it.

However, this amendment would take $231 million from reserves, for unauthorized projects, from which ones we do know, to put it into a political reaction.

Dr. Bennett speaks about drugs, the war on drugs. My friend, the gentleman from Pennsylvania [Mr. COUGHLIN] just spoke about the war on drugs. All we do as politicians, 435 Members, is throw money at the problem, not the specifics of the problem. Earlier, the gentleman from Michigan [Mr. PURSELL] spoke about all we are not doing with regard to infant mortality. The gentleman from Ohio [Mr. STOKES] is constantly talking about what we do not do on sickle cell anemia. The gentleman from Indiana [Mr. MYERS] spoke about what we are not funding at the Heart Institute, what we are not funding at the Cancer Institute. We can find $231 million for political reaction. As Mr. PURSELL also spoke about, we put too much money with AIDS because it is a political problem, it is a visible problem. The gentleman from Wisconsin [Mr. OBEY] spoke about the genome project, which he says we are overreacting to; I agree with him 100 percent. The gentleman from Maryland [Mr. HOYER] was the leader for fighting for pediatric AIDS money. That is where we should be spending the money, but we get a political problem and we throw money, we react. It is not one of the better moments for the subcommittee. I rise in opposition to the amendment. I am not going to push the issue, but it is not right.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words. I cannot help but smile at this debate. It was just a year ago last month that a supplemental appropriations bill was held up for a whole month because the administration vigorously opposed $682 million in additional funding to speed up the war on drugs. I secured the $682 million figure from the departments that said they needed that amount of money, every dollar of it for the war on drugs right away. I have never seen the administration more vigorously oppose an amendment. They even went to the extent of going to the Senate and making an agreement with them that they would fund some capital projects over there, if they would help to oppose the war on drugs provisions we had in the bill.

Now, here we are, a year later, and they say we should have more money for the war on drugs. I think we do need to fight the war on drugs. I have been for every dollar requested and more for that purpose. In the bill handled by the subcommittee I chair, we put in $100 million more than the administration requested this year. It makes me smile a little bit to hear the barbs going back and forth when only a year ago the administration opposed $682 million to speed up the war on drugs.

Mr. GILMAN. Mr. Chairman, I want to commend the distinguished chairman of the subcommittee, the gentleman from Kentucky, Mr. NATCHER, and the ranking minority member, the gentleman from Massachusetts [Mr. CONTE], for their good work in taking the drug problem off the back burner and keeping it up front in this time of such critical need.

I hope my colleagues will support fully the entire measure because it does contain these vital issues.

Mr. Chairman, I am pleased to rise in support of the amendment which would increase the appropriations for the Alcohol, Drug Abuse, and Mental Health Administration by $177 million, and would increase the appropriations for the school improvement program by $54 million. I would also like to commend the chairman of the Appropriation Subcommittee on Labor, HHS and Education, the gentleman from Kentucky [Mr. NATCHER], for offering this amendment, and the distinguished chairman of the Select Narcotics Committee, the gentleman from New York [Mr. RANGEL], and the ranking minority member, the gentleman from Pennsylvania [Mr. COUGHLIN], for their efforts to ensure that drug education, rehabilitation, and treatment receive the adequate funding levels, which they so desperately need.

Mr. Chairman, the Appropriations Committee reported a bill that was $200 million short of the President's request. I am pleased to note the committee chairman's willingness in raising the funding level and in giving antidrug efforts the attention it demands.

We cannot afford to put the American drug problem on the back burner. Our violent crime rates are up, our school dropout rates are up, and more babies are born each and every year addicted to drugs.

The President has been criticized for formulating a drug strategy that was "enforcement-heavy." In light of these accusations, now more than ever, Congress should be concerned about supporting this amendment and ensuring the proper funding level for antidrug programs.

Mr. Chairman, I strongly support this amendment, this appropriations measure would be woefully inadequate without this measure and I urge my colleagues to join in support.

Mr. BRENNAN. Mr. Chairman, the bill before the house today is the type of legislation the people of this Nation are talking about when they refer to a peace dividend. This bill is an education bill, a human service bill, and a bill for the working men and women of the United States. Mr. Chairman, our $3 trillion debt dictates that Congress start making tough choices about spending priorities. I feel strongly that the choice of the people of our communities would be to make this Labor, Health and Human Services, and Education bill a top spending priority.

I support this bill and I support the amendment offered by my colleague, Congressman BILL NATCHER, to fully fund drug abuse programs. Research indicates, and study after study demonstrates, that drug abuse treatment works. We must expand access to effective treatment programs. If one person seeking drug abuse treatment is turned away because of a lack of resources, then we are in no way equipped to win a so-called war against drugs.

Education and prevention efforts in our schools and communities also appear to be working. We can teach our children not to take drugs, we can help our youth find productive alternatives to drug use and abuse, and we can teach disadvantaged individuals and families that drugs are not the answer to poverty or low self-esteem.

The alcohol, drug abuse and mental health block grant is the primary way to fund drug abuse treatment programs, and I support fully funding ADAMHA. However, I am concerned about the urban bias that has been attached to the ADAMHA funding formula. I, therefore, will be introducing legislation to change that formula. Rural States have serious drug abuse problems. The rate of increase in drug abuse in rural areas such as my home State of Maine is creating burdens as significant as those being experienced in some urban areas.

The studies which resulted in the current ADAMHA funding formula cited age as the primary factor related to drug abuse, not urbanicity. The current ADAMHA funding formula hurts small rural States and is particularly harmful to large rural States. When drug addiction is spread out, as it is in rural areas, getting addicts and their families into treatment is even more difficult than when problems are concentrated. People living in rural areas should not be penalized or denied access to treatment services simply because they do not live in a big city.

Medicare payments have favored urban areas by paying rural physicians less than their urban counterparts for the same services. Transportation appropriations favor large urban States. Now, in a variety of ways, our Nation's war against drugs favors urban areas. As drug dealers and traffickers move out of urban areas and into suburbs and more rural communities, as they appear to be doing, I am concerned about the abilities of the seven States that receive level drug treatment funding to deal with the serious problems associated with drug abuse. I do not believe a drug addict in northern Maine should receive fewer services under a national drug treatment program than a drug addict in Los Angeles.

Large cities have serious drug problems and I support programs which are designed to target the particular crises some cities are experiencing. The Federal drug strategy identifies high intensity areas which are to receive additional funding for a variety of antidrug activities. There are other bills in Congress which target urban drug problems for receipt of additional law enforcement and antidrug abuse funding.

The ADAMHA Program is the primary program to serve all of the drug affected persons in the United States. It should serve people in rural towns and those in urban cities equally, not with a 40-percent bias toward urban areas.

I support the additional $177 million for ADAMHA offered today, and I commend my colleagues for the work that has gone into producing this education and human service bill. However, I urge my colleagues to join me in supporting legislation which will make the funding under this valuable program available to all those in need of drug abuse treatment, regardless of where in our Nation they live.

□ 1150

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky [Mr. NATCHER].

The amendments were agreed to.

Mr. AUCOIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time today for two reasons. The first reason is to express my congratulations to the manager of this bill, the chairman of this subcommittee, the gentleman from Kentucky [Mr. NATCHER], and to the ranking Republican, the gentleman from Massachusetts [Mr. CONTE], for the outstanding human resources product they bring to the floor in the form of this HHS appropriation. I think every Member of this body should be indebted to the leadership of these two Members, particularly the gentleman from Kentucky [Mr. NATCHER], for crafting an excellent piece of legislation for the people of this country.

The second reason I take this time, Mr. Chairman, is that I thought I should say a few words to people everywhere who believe, as I do, that a poor woman who is raped or who is the victim of incest should have the right to an abortion.

Mr. Chairman, this bill permits Medicaid funds for abortions for poor women only if the life of the mother is at risk. Few Americans think that is fair. Few Americans think that goes far enough. But that is all the further the antiabortion crowd will permit this distinguished committee to go with this bill today. In effect, that crowd is willing to say to poor women across the country, poor women who may be raped or who may be the victims of incest, "Sorry, lady, you've got to produce the seed of the rapist. You've got to be the incubator."

I think that is absolutely punitive, absolutely outrageous, and clearly the American people agree.

I oppose that also, and I could raise a point of order on the language that says that only the life of the mother shall be the exception to the ban on abortion under Medicaid. I could do that, and I could succeed. That point of order would lie. It does violate the rules of the House to legislate on appropriations bills. But I am not going to do that, and I do not think any prochoice Member would do that, because the language concerning the life of the mother is important so far as it goes.

I say to my friends that I could also offer an amendment to do what the American people want to do. I could offer an amendment that extends a similar exemption and protection for victims of rape and victims of incest for poor women. Unfortunately, I cannot do that because the antiabortion crowd would raise a point of order on that language, because it, too, is language on appropriations. They are not as charitable as I am when it comes to the language on the life of the mother. So that will not be happening here today.

The rape-incest issue will not be fought out. It cannot be fought out under the rules of the House as this bill comes through. I think the American people should know that and understand exactly why this is happening. But let me be very clear about this. The Senate is going to add rape and incest language in its version of this bill. The issue is going to go to the conference, and every Member, when the House has a chance to dispose of the conference report, is going to have a chance to join this issue. Every Member of the House will vote on that issue when the House considers the conference report.

So I say today at this point, let everyone—friend, foe, and opponent of abortion alike—know that this is but the first inning. The last inning will be the conference report and the House consideration of the conference report, the final negotiated versions of

the House and Senate, the final version of this bill.

Those of us who are pro-choice, like the overwhelming majority of Americans, look forward to that coming showdown. It is long overdue, and our side is going to win. It is going to win, and we are going to be especially interested. I might say to my friends, in watching our Republican colleagues who deal with this issue, because they are in a real dilemma. Their party platform calls for a constitutional amendment that virtually bans abortion. But in recent elections, as Republican candidates have lost challenges and quests for gubernatorial seats and other offices, the White House Chief of Staff and others who are ranking in the National Republican Party seem to have adopted an informal new position, and as best I can summarize that new position, which is inconsistent with the party platform, that new position seems to be that abortion is OK if the life of a Republican candidate is at risk.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. AUCOIN] has expired.

(By unanimous consent, Mr. AUCOIN was allowed to proceed for 1 additional minute.)

Mr. AUCOIN. So now, Mr. Chairman, in the face of overwhelming public opposition to the restrictive language of only the life of the mother being at risk, in the face of overwhelming support for compassion for victims of rape and incest, it is going to be interesting to see how the vote will occur when the rollcall is had in the final inning when we deal with the conference report. Will Republicans and, for that matter, Democrats be captives of the antiabortion extreme, as too many Members have been in the past? Or will my Republican friends and others respect individual freedom, the kind of freedom we have enshrined and seen fought for in Eastern Europe in the last 12 years?

Stay tuned, America. You are going to find out soon.

Mrs. BOXER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I thank the chairman of the subcommittee very much for his support, and first I would like to speak as chair of the Human Resources Task Force of the Budget Committee.

I want to say how pleased we are with the action of the committee as it relates to the health of our people, including the critical health research at NIH that the gentleman from Massachusetts [Mr. CONTE] spoke about, that the gentleman from Massachusetts [Mr. EARLY] worked so hard to get included and that the gentleman from Illinois [Mr. DURBIN] worked so hard to get included. To every member of the committee and the subcommittee who worked so hard to get this included, I want to say that I thank them very much.

This includes research for cancer, for heart disease, for Alzheimer's, for AIDS, and for sickle cell anemia. The gentleman from Ohio [Mr. STOKES] is right, we are not doing all we should, but this bill is doing all it can do, given the constraints we have. The enemies that we now face in our country are being addressed in this legislation: Heart attacks, strokes, AIDS, diseases of old age, and the tragic problems of our children.

What could be more of an enemy than pediatric AIDS, babies born to live in agony, crack and drug-addicted babies born into the world, in a sense shaking, needing doctors to heal them? What more could our role be in our society, or this Government's role, other than to ease that pain, and more than anything, to prevent that pain which this bill addresses?

This includes prevention, education, and treatment. The Budget Committee asked for $2.3 billion for AIDS, and it is my firm hope that the $1.7 billion appropriated will be augmented by part of the $2.9 billion reserve set aside by the committee for later use.

I would say to my colleague, the gentleman from Massachusetts [Mr. EARLY], that AIDS is not a political issue. AIDS is a health issue. It is killing our people, and we must respond. The Budget Committee responded, and this committee responded.

Mr. Chairman, I want to add my voice to that of the gentleman from Oregon [Mr. AUCOIN] in one area of disappointment that I feel very deeply about, and that comes in the area of rape and incest. The House last year clearly expressed its will on this issue, calling for Federal funding for abortion in three cases: Life of the mother, rape, and incest. This bill leaves out rape and incest, and that is very sad. Indigent women and girls who are victims of this horrifying crime need our help, and this bill is silent.

I was so privileged last year to offer the Boxer amendment, which was the first pro-choice amendment in this House in almost a decade, and it said that indigent women deserve to have the Federal Government at their side if they are the victims of the horrible crime of rape or incest.

Mr. Chairman, as the gentleman from Oregon [Mr. AUCOIN] said, we are not going to fight that fight today. Because of parliamentary reasons, we will have to wait. When the bill comes back from the Senate with the Boxer amendment included, we will have our day at that time, and I very much look forward to that day when we can finally change the very cold policy of this Government which denies desperately needed help to these desperate victims of crime.

□ 1200

Mr. Chairman, we will have that debate, and I, too, believe we will win that debate, and we can move forward.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is a way to cure leukemia and some 60 other types of cancers and blood diseases. It is a procedure called bone marrow transplant. It is a procedure where a healthy donor, by donating bone marrow, can give the gift of life to a person who is dying of leukemia or one of these 60 other ailments.

Mr. Chairman, I heard one of my colleagues mention earlier that there were some funding increases in this bill, and that is true, and one of the increases in this bill is to fund the Bone Marrow Donor Program to do additional research, to provide for the registry of names of donors who are willing to be donors and to actually recruit and type donors to become part of the national registry. That increase, I think, is essential because, Mr. Chairman, there are 9,000 Americans today who are going to die of one of these diseases if they cannot get a bone marrow transplant.

Mr. Chairman, it sounds like it might be easy to bring together the donor and the patient, but it is not easy. In fact, it is extremely difficult.

To give my colleagues an idea of how difficult it is, the first bone marrow transplant was done more than 20 years ago by Dr. Robert Good, who was the pioneer in the field of bone marrow transplantation. Through that 20-year period some people had their lives saved because they were able to find a compatible donor, and in those cases the donor was most always a brother or sister, but oftentimes even the brothers and sisters do not have the critical match that is necessary to match the marrow type of the patient.

There are a lot of heroes in this life saving effort. Dr. Good, especially, is a hero because he pioneered the procedure. I want to mention some of the other heroes today.

The gentleman from Kentucky [Mr. NATCHER], the chairman of this subcommittee, and the gentleman from Massachusetts [Mr. CONTE], the ranking member of this subcommittee, and all of my colleagues who serve on this subcommittee are heroes because they have enthusiastically supported every request that I have made to fund the National Marrow Donor Program to save lives.

Mr. Chairman, the gentleman from Pennsylvania [Mr. MURTHA] and the ranking member, the gentleman from Pennsylvania [Mr. MCDADE] of the Defense Appropriations Subcommittee where we actually began the National Marrow Donor Program are heroes. And all of my other colleagues on that subcommittee, again, who enthusiasti-

cally supported every request that I made for funding to establish this national marrow donor registry are heroes.

Dr. Jerry Barbosa, who is an oncologist in All Children's Hospital in St. Petersburg, FL, who impressed upon me the need for some way to bring together matching unrelated donors and the patients who need a marrow transplant to live, is a hero.

Mr. Chairman, I would like to say that the heroes also are the many thousands of people who work in the various community blood banks all over our Nation who do the blood tests for the typing of the marrow to be put into the national registry.

Admiral Elmo Zumwalt, who is the chairman of the board of the National Marrow Donor Program, and Dr. Robert Graves, one of the most involved and active members in this program, and all of the members of this board and the people who work in the National Marrow Donor Program are heroes.

And Mr. Chairman, the thousands of Americans who have already become part of the marrow donor registry are heroes.

Bone marrow transplantation is not experimental. It is not something that we hope we are going to find a way to do something good, but bone marrow transplantation works, and, when received in a timely fashion, is successful, and cures.

I have had the opportunity to meet so many people who were on their death bed dying of leukemia or another disease of this type, and have had a marrow transplant and are now living, actively pursuing their daily lives. I can tell my colleagues that the emotion which is felt when meeting these people makes worthwhile whatever we have to do to make these donors available to the patients.

Now, Mr. Chairman, there are 9,000 Americans in our country today who need a marrow donor, who need a transplant, but we do not have donors for most of them at this point. The National Marrow Donor Program, is less than 3 years old but maturing aggressively. At this time last year we had only 40,000 names in the registry. Today we have 150,000 names of willing donors typed and listed in our registry. We need to get at least 250,000 names. We need to increase this registry. We need to make sure that people like Allison Atlas, who my colleagues have heard so much about in the media, and Mark Smith, and Jolene Fagan and Amanda Early from the west coast of Florida, and Grant Harley of St. Petersburg, FL, these and the 9,000 others like them who need a donor but have no matched siblings, get a chance for life by finding the donors they need to save their lives.

The legislation that we have before us today has an increase in the funding for this marrow donor program. It provides funding for additional research, and it provides money for recruiting and for typing of the bone marrow of the potential donor as well as funds to administer the program.

One of the problems that families of the patients have had is that they have had to go out and raise the money to do the recruiting and pay for the typing to try to find a donor to save the life of their loved one. Now the Federal Government is meeting its responsibility. Money is being made available. We appropriated $6 million in the supplemental appropriations bill 2 months ago. This bill today contains some $16 million, and, when the defense appropriation bill is prepared, I have an idea that we will provide additional funding there because one of the recruiting programs is being done through the military forces.

Just 2 days ago I was able to announce that two large American companies General Mills and the Searle Corp., have agreed to recruit and help defer the cost of typing of their some 35,000 employees. The point is that people all over the country want to be involved, and this bill makes it possible for those people to be involved.

Mr. Chairman, I am proud to announce that some 40 Members, some 40 of our colleagues, have already had their own blood tested to determine the type of their bone marrow and we are listed in the national registry.

Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New Jersey [Mr. SAXTON] who is one of the active Members in his own district in this recruiting program.

Mr. SAXTON. Mr. Chairman, I would just like to take this opportunity to commend the gentleman from Florida [Mr. YOUNG] for the very active and essential role that he has played in establishing this program and in getting it funded.

I would like to say, Mr. Chairman, to the other Members that there is a very good way that we can all be involved together in this, and I got, I guess, a little bit excited about this program. In fact, I guess I have to say I got quite excited about this program and found some people in my district who need the procedure and who need a bone marrow transplant, and along with some friends back home we have established a program that we are going to carry out in the month of August, during the break, that we will call Operation Save a Life. We are going to go out and seek out, not only individuals who are willing and interested in becoming part of the Bone Marrow Donor Program, but we are also going to seek private funding as well to go along with the funding that we are providing through this bill to have the typing done, which costs about $75 for each person who is typed.

□ 1210

We are hoping during the month of August through Outreach and Save-A-Life in New Jersey to type an additional 1,000 to add to the 150,000 that have already been typed. This is such an essential program and such an opportunity for us to not only provide public funding, but to develop private funding as well and to provide those individuals who are out there in our society today asking us and looking to us as leaders and saying to us, "Help save a life, help save my life."

These people are so thankful when we are able to proceed to build up the bone marrow transplant in terms of the numbers of people who are there so that it makes it possible for these folks who are waiting for the opportunity for a transplant to find a match.

So again I commend the gentleman for his leadership in this matter.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for his comments.

I would like to say that we launched a pilot recruiting project in the District that I have the privilege of representing in Florida. At this point we have either typed or are in the process of typing some 5,000 additional donors for the program.

Mr. CONTE. Mr. Chairman, will the gentlman yield?

Mr. YOUNG of Florida. I am happy to yield to my friend and colleague, the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I want to take this opportunity to congratulate the gentleman from Florida [Mr. YOUNG]. We helped him get extra money in the supplemental and in this bill, and with the money, we will get to his goal of giving every patient their best shot at finding a match.

Mr. Chairman, I join my friend in strong support of the National Bone Marrow Program. They ought to name it the BILL YOUNG National Bone Marrow Program.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman's comments. He has been such a strong supporter of this program, along with the other colleagues I have mentioned.

Mr. Chairman, I would like to close my comments by saying that this Member has the experience of waking in the night on many occasions thinking of better ways to do this job and more effective ways to get people involved in the donor program.

In part, my determination stems from an experience in my district prior to the establishment of the National Marrow Donor Program, where a young lady we spent considerable time

with had a form of leukemia but could not find a donor. I remember leaving All Children's Hospital in St. Petersburg after she passed away. She was 11 years old, and I have talked to many of you about her. But I remember leaving that hospital at a very emotional time and my wife turning to me with tears in her eyes and punching me in the chest and saying, "BILL, do something about this."

Mr. Chairman, I guess it is sort of a crusade for me. All of our colleagues have received dozens and dozens of letters from me about the program, and I want to thank all of our colleagues, Mr. Chairman, for the tremendous support they have given us.

This is a way for Congress to save lives, to give hope to many who today have no hope without a marrow transplant. A major part of the funding for this program is in this bill that we are considering today. When our colleagues are deciding whether or not to support the bill, and when deciding whether or not to support some of the major cutting amendments, and this is unusual for me because I am usually supporting most of the cuts, but remember when the cutting amendments are considered we could be cutting this lifesaving program, let's support the bill as the committee presents it.

I thank the committee and I thank my colleagues for their attention.

Mr. GILMAN. Mr. Chairman, I rise to add my support for funding a National Bone Marrow Donor Program, and I would like to express my deepest respect and thanks to the gentleman from Florida [Mr. YOUNG] for addressing this critical issue.

An estimated 16,000 children and adults are diagnosed each year with leukemia and aplastic anemia. For these individuals, their only hope is to seek a bone marrow transplant. Unfortunately, almost 70 percent, nearly 11,200, cannot find a suitable match within their families, necessitating reliance upon the good will of the people who have added their names to the list of potential marrow donors.

However, there is a small 1-in-20,000 chance of finding a matching donor not related to the individual. With a potential donor list of less than 100,000 individuals, the chances for finding a match are less than optimal. However, with a National Bone Marrow Donor Program, the numbers of potential donors and possible matches would increase significantly.

The hopes and prayers of thousands, both young and old, rest upon locating a suitable bone marrow donor. I am pleased, therefore, that the National Bone Marrow Program has provided a chance for these individuals. Accordingly, I urge my colleagues to support this worthy program.

AMENDMENT OFFERED BY MR. BROWN OF COLORADO

Mr. BROWN of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Colorado: Page 39, line 17, strike "and title IV" and all that follows through "$1,529,045,000" and insert the following: "of Public Law 100-297; and chapter 5 of subtitle A of title VI of Public Law 100-418, $1,522,645,000".

Page 42, line 4, strike "$6,777,000,000" and insert "$6,783,400,000".

Mr. BROWN of Colorado. Mr. Chairman, I appreciate the opportunity to offer this amendment.

This provides this body a choice. It gives the Members of this body an opportunity to decide where the highest priorities are.

On the one hand is the money that is now contained in title IV, which is $6.4 million. That money under this amendment would be transferred to the Work Study Program, which incidentally under this bill has been cut. This would restore that cut and provide additional funding.

Mr. Chairman, I believe the money here, this $6.4 million is far better used to go to students who are in proven need and who want to work to help pay their way through school, rather than to what I believe is a scandalous use of this money under title IV.

Now, what is the use this goes to? This goes to the Kamehameha schools and largely, not all entirely, but largely to the Bishop Foundation.

I think each Member has to ask themselves, does the Bishop Foundation and the schools need the money? Well, here are some facts that I hope the body will consider in deciding whether the Bishop Foundation needs the money.

First of all, the Bishop estate is the largest of six private landowners that own almost one-quarter of the entire islands of Hawaii. The estate itself owns 8 percent of the land in Hawaii. That is worth almost $2 billion.

Let me reiterate that. The primary beneficiary under title IV is a program sponsored by the Bishop Foundation that is worth almost $2 billion. The trustees of that foundation that we are going to bestow this magnificence on, this help on, received last year $648,000 each just to act as trustees.

Let me repeat that, $648,000 a year to the trustees who are part-time trustees. If they want to fund this program, they can cut their trustees. They do not need the Federal taxpayer to bail them out of their program. I do not think there is need here.

Incidentally, those same trustees received approximately $1 million a year each the year before.

I do not think there is a case for need here.

The Kamehameha schools have the largest endowment of any precollege facility in the country.

Let me repeat that. The beneficiaries of this money have the biggest endowment of any precollege facility in the entire Nation. That is who you are going to give this money to. I think the money is far better spent in a work study program that goes to the kids who are willing to work their way through college and who have proven need in this area.

Well, I think that covers the need. I do not see how anyone can look at this program and come away with a statement that the money is needed.

Second, Mr. Chairman, I think we ought to ask, is this an effective program? The Kamehameha schools enroll only 6.4 percent of the eligible native Hawaiian students. That is 6.4 percent of the eligible students, to say that this money is here to help the Hawaiian students, I believe flies in the face of the facts. The fact is, this school is not doing the job for Hawaiian students. They have not admitted in the proper numbers and they do not have the record of performance.

There is one other thing I hope we will take into consideration, Mr. Chairman. What about the alternatives? Are there ways to help these Hawaiian students if we do away with this program? Well, I believe there are. Let me be specific. There is the Carl Perkins Vocational Education Act, the Library Services Instruction Act, the Drug-Free Schools and Community Act, the National Institute on Disabilities and Rehabilitation Research, the Hearing Loss Assessment; in addition to all these grants, there is chapter 1, chapter 2, and education for the handicapped.

Mr. Chairman, there are great alternatives for native Hawaiians. Millions of dollars are available to them. We should not be sending this money, primarily, not entirely, but to the Bishop Foundation. They do not need it, but I guarantee you the young men and women who want to go to college and are willing to work for it deserve it. I believe the money is far better spent in a program that looks at need and rewards incentive and hard work.

Mr. Chairman, I ask that the body adopt this amendment, that we transfer this money to the students who truly need it.

Mrs. SAIKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I must rise in opposition to this amendment introduced by my very dear friend, the gentleman from Colorado [Mr. BROWN].

This amendment would effectively delete the funding for education programs for native Hawaiians. These programs have been authorized by the Congress within the Hawkins-Stafford amendment passed in 1988, and are vitally important to the development of a quality educational program for native Hawaiians. With these programs, we will be able in Hawaii to focus on much-needed special education projects, gifted and talented programs, and curriculum development, specifically for native Hawaiians.

It is true that the Kamehameha schools can handle only 6.4 percent of the native Hawaiian children. The rest of the native Hawaiian children are scattered throughout our public school system and through our University of Hawaii system. These programs that I spoke of earlier are implemented through the university, the community colleges, and the public school system.

□ 1220

They happened to be coordinated by Kamehameha schools.

The Brown amendment would effectively add only 1 percent to the budget of the college work-study program, yet it would totally wipe out the programs for native Hawaiian education. These programs are most worthwhile, Mr. Chairman, and I urge my colleagues to oppose the Brown amendment.

Mr. FALEOMAVAEGA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today to support the proposed appropriations for certain native Hawaiian programs in fiscal year 1991. Mr. Chairman, I oppose the gentleman from Colorado's amendment to delete the proposed appropriations for the native Hawaiians under provisions of H.R. 5257.

Mr. Chairman, the Appropriations Committee bill for the Department of Health and Human Services, H.R. 5257, funds several programs for needy native Hawaiians. Along these programs are grants which will provide parent-infant programs, preschool programs, research and development, and followup assessment. Another program provides graduate and undergraduate fellowships for native Hawaiian students. A third program identifies gifted and talented Hawaiian students, elementary and secondary students with the support system needed for them to reach their potential. Programs of this nature are particularly important for groups of our population, such as native Hawaiians, and other groups who Congress has identified as in need of special assistance because of certain cultural and economic factors which place them at a tremendous disadvantage, both collectively and individually.

In support of this need, I can offer the following facts concerning the critical needs of the native Hawaiian community:

Since 1983, 70 percent of 4-year-old Hawaiians failed the standard hearing tests.

Female Hawaiian teenagers have the highest pregnancy rate of any group in Hawaii.

At Waianae High School alone on the island of Oahu, of 240 native Hawaiian students, only 40 graduated.

The life expectancy of native Hawaiians is 5 years lower than any other population group in Hawaii.

When compared by age-adjusted deaths per 100,000, to all U.S. races, native Hawaiians have: 34 percent higher overall death rate; 44 percent higher rate of heart disease; 39 percent greater incidence of cancer; 31 percent greater incidence of cerebrovascular disease; and 222 percent greater incidence of diabetes mellitus.

Mr. Chairman, I have lived almost half of my life in the State of Hawaii and am very close to the Hawaiian community. I am familiar with the native Hawaiian people and their needs. Mr. Chairman, I want to express my strong support for this funding. The money will go to the needy in the State of Hawaii, and I can assure my colleagues in the House that the proposed appropriation will definitely be put to good use for the needs of the native Hawaiian community.

Mr. Chairman, in brief response to the gentleman's statements concerning the Kamehameha schools and the Bishop estate, I just want my colleagues to know that the Kamehameha School, through the Bishop Estate Endowment Trust, provides educational opportunities for a very limited number of native Hawaiian students mainly because of the limited facilities available, and that it is a private institution, although specifically intended to assist young native Hawaiians. Despite such a noble effort on the part of this educational institution and the Bishop estate, still a majority of young native Hawaiians are in critical need for basic educational needs.

Mr. Chairman, I might also note that it is my understanding the Bishop estate does contribute to these educational programs, and that these funds do supplement such programs, without which the programs would not function properly. The bottom line is that the funds do go directly to the educational needs of young native Hawaiians, and I appreciate the fact that the administrators of the Bishop estate and Kamehameha School are there to carry out these programs.

Mr. Chairman, I would be remiss if I did not express my sincere appreciation and thanks to the distinguished chairman of this Appropriations Subcommittee, Mr. NATCHER of Kentucky, and the distinguished ranking minority member of the Appropriations Committee, Mr. CONTE of Massachusetts, for their outstanding leadership and support of this program.

Mr. Chairman, I also thank the gentlewoman from Hawaii [Mrs. SAIKI] for her support of this program.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I apologize for taking this time at this particular time, but I certainly would be remiss if I did not thank the chairman of the subcommittee, the ranking member, and all of the members of the subcommittee for, after all, without them, those of us who serve on this authorizing committee for much of the legislation that is in here would have no purpose for being here. We could authorize and authorize, but if, on the other hand, we did not have somebody to appropriate for what we authorized, we would be in real trouble. I particularly want to express my appreciation for the continued support of education. That support will be reflected in this bill to the tune of 13-percent increase over last year.

Since I view chapter 1 of the Elementary and Secondary Education Act of 1965 as the backbone of the Federal effort to help all disadvantged students in school, I was particularly gratified for the increase that this subcommitte has given for us and the full committee.

When I appeared before the Labor, HHS and Education Subcommittee in late April, I once again requested a substantial increase in the funding of another chapter 1 component, the Even Start Program. In that program we finally discovered that the only way we can do anything about illiteracy is to attack it as an intergenerational problem, which it is, and I am pleased to see that they gave a substantial increase. It is back up to $60 million, with the increase, which would allow 1809 new State projects along with the 127 that are now in effect in many of our districts.

I share the committee's serious concern regarding some of our major postsecondary education programs, and the Education Committee, under our distinguished chairman, the gentleman from California [Mr. HAWKINS], is addressing that issue. We again will be addressing that issue with the reauthorization next year.

I found it appropriate that the bill's recommendation for the graduate assistance in areas of national need program increases its funding level by 61 percent over the current fiscal year. This will permit the number of fellowships made available under this program to jump from 1,234 to 1,340 during 1991.

In the course of setting forth the Committee on Education and Labor's minority views and estimates on the fiscal year 1991 budget, my colleagues and I discussed the fact that while we said many, many years ago that we would fund 40 percent of all the mandates we sent out for special education, we really ended up last year supporting about 7 percent. We sent all the mandates but only 7 percent of the money. I am pleased to see that this committee has heard what we are saying and has offered to raise that 7 percent at least up to 10.2 percent this next year. That will free up money to the local districts to do the kind of things that they want to do.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I am happy to yield to the gentleman from Kentucky [Mr. NATCHER], the distinguished chairman, my very important ally and friend.

Mr. NATCHER. Mr. Chairman, I would like to say to the gentleman that we on this subcommittee appreciate his help with this bill all down through the years. The interest of the gentleman is not only with Even Start, it is with all of education. It is with all of the programs that come before his committee and the committee of my friend, the gentleman from California [Mr. HAWKINS], the chairman of the committee.

Mr. Chairman, I want both of the gentleman to know that we really appreciate their help not only today but all down through the years.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I am happy to yield to the gentleman from California [Mr. HAWKINS], my distinguished chairman.

Mr. HAWKINS. Mr. Chairman, I am pleased to join with the ranking minority member of the Committee on Education and Labor and to support everything that he has said with respect to the Committee on Appropriations and the appropriation bill before us today. Not only has this committee done an excellent job, I think, of helping us to build a competitive economy, but if I could presume to speak for the children of America, and obviously I cannot, I would say that this bill and the committee under the leadership of our esteemed colleague, the gentleman from Kentucky [Mr. NATCHER], and the ranking minority member, the gentleman from Massachusetts [Mr. CONTE], have done an outstanding job of preserving and helping in every way possible the children of America.

I think that if we have a future as a nation, we can say that it lies in our children. We certainly owe a debt of gratitude and our sincere thanks to this committee for what they have done in recognizing the welfare of children, and I want to thank the ranking minority member for taking this time.

We have been involved today in a serious bill before the committee and have had the same feeling expressed by all of the members of the Committee on Education and Labor.

I want the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE] to know our deep respect for them and what they are doing in this particular proposal.

Mr. GOODLING. Mr. Chairman, in closing, speaking for the children of America, we say a great big thank you to the committee for their efforts on behalf of education and training programs.

Mr. SAXTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, after thoroughly reviewing the appropriation bill before us today, I would just like to take this opportunity to commend and thank the leaders of this subcommittee for carrying out what I consider to be a very effective job.

□ 1230

I think in spite of the fact that this is one of the largest spending bills we will consider, it covers a wide range of programs that I daresay directly affect the quality of life of many of our constituents.

Mr. Chairman, I cringe when I see the $174 billion price tag, but I also find some solace in the fact that a valid attempt has been made to adequately fund many important programs, programs like the one addressed by the amendment here, programs like the one addressed by the gentleman from Florida [Mr. YOUNG], and other programs as well.

One important program which has not been discussed today so far as I know that is included in the bill is a program involving a disease known today as Lyme disease. It has become a serious health problem in many States, including New Jersey.

Mr. Chairman, many of those in the southern part of our State are all too familiar with the causes and dehabilitating effects of Lyme disease that goes untreated. Thousands of cases of Lyme disease have been diagnosed this year alone. This statistic becomes more alarming when experts tell us that the actual incidence of Lyme disease that go undiagnosed are 10 to 15 times greater than the number that are diagnosed.

Lyme disease is caused by a bacteria transmitted by the bite of a tiny tick known as a deer tick. If untreated, the disease carries with it severe arthritic and neurologic complications, and sometimes even death; $3 million is dedicated to the study of repellents and other protective measures for this disease. As one who has personally heard of and viewed the alarming problems that Lyme disease has caused, I commend the committee for its efforts in appropriating the money for this project.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I am pleased to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I would like to thank my good friend, the gentleman from New Jersey [Mr. SAXON], for his support of our bill and for what it does for Lyme disease. This disease started in Lyme, CT, right over the line from where I live in Massachusetts, and it spread like wildfire throughout the east coast and the Midwest and most of the United States today.

Mr. Chairman, more people enjoy the outdoors today and become exposed to Lyme disease, and to the tick, and it becomes even more essential that we find ways to test new repellents and ointments and find ways to reduce the tick population.

I am proud to say our committee has been well ahead of the curve in funding Lyme disease research and control. A lot more needs to be done. What we have is a solid start toward its elimination.

Mr. Chairman, I might say in the meantime, and it may sound very light, I am out there fishing or hunting every chance I get. I advise all sportsmen and outdoors people, bird watchers or anybody going out into the woods, to bring their stockings up over their pants and close their sleeves and wear some kind of gloves, because these ticks are so small and so very difficult to see. When you get home, if you have been out in the woods, inspect all of your body to make sure you do not have one of these ticks.

Berkeley Bedell, who served in this House, was an avid fisherman like myself. He contacted Lyme disease fishing in the rivers out here in Virginia. After many years now, Berkeley Bedell is feeling well and has felt that he is cured from Lyme disease.

Mr. Chairman, I want to commend the gentleman from New Jersey [Mr. SAXON]. We have been working very hard on this. It is something we have got to give our very best.

Mr. SAXON. Mr. Chairman, reclaiming my time, I thank the ranking member for those remarks. Part of this is the disease itself. The other part of the problem is that there are so many people who are deathly afraid of contracting Lyme disease, so it has actually altered the way of life of many people who live in rural areas.

Again I support the bill and make reference to this line item in the bill.

PARLIAMENTARY INQUIRY

Mr. BROWN of Colorado. Mr. Chairman, I would like to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Colorado. Mr. Chairman, is the business at hand before the committee the completion of deliberations on the Brown amendment?

The CHAIRMAN. The gentleman is correct. Any Member may insist on regular order when a Member is addressing another subject.

Mr. NATCHER. Mr. Chairman, at this time I would like to join with the gentlewoman from Hawaii and the gentleman from American Samoa with regard to this amendment. This matter was carefully considered by our

subcommittee. I think this amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. BROWN]

The amendment was rejected.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all I would like to engage in a colloquy with the distinguished chairman, the gentleman from Kentucky [Mr. NATCHER].

Mr. Chairman, I am very pleased with the provisions of the bill regarding funding for the National Cancer Institute. I note that the bill includes $150.8 million for the 1990 appropriations. I am very pleased with the language in this section of the bill which reads that the committee expects the Cancer Prevention and Control Program and all aspects of breast and cervical cancer research to be given the highest priority.

I went before the gentleman's committee and found an open mind and an open ear from the gentleman from Kentucky [Mr. NATCHER] and the distinguished minority leader, the gentleman from Massachusetts [Mr. CONTE]. I feel that the Committee on Appropriations has gone a long way in meeting this request.

Mr. Chairman, breast cancer will take the lives of 43,000 American women this year. Cervical cancer will take the lives of 6,000 women. Our Nation's second leading killer of women is breast cancer. Yet currently the NCI does not have the resources to explore all avenues for a cure.

I would like to ask the gentleman from Kentucky [Mr. NATCHER], is it his experience that the National Institutes of Health generally adheres to the report language and gives it its highest priority?

Mr. NATCHER. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to state to the gentlewoman from Ohio [Ms. OAKAR] that that has been the experience of the subcommittee and the Committee on Appropriations. We expect that they will follow the language that we set forth in the report.

Mr. Chairman, I would further like to say to the gentlewoman that if they do not follow it, they will have to tell us why when they present next year's budget. When the gentleman from Massachusetts [Mr. CONTE] and I became members of this committee a number of years ago, we had $73 million in the National Institutes of Health. $73 million. We are now up to $8,317 million. Mr. Chairman, that is the way it should be. When you take care of the health of your people and educate your children, you live in the strongest country in the world.

Mr. Chairman, I would further like to say to the gentlewoman from Ohio [Ms. OAKAR], the gentleman from Massachusetts [Mr. CONTE] and I appreciate the letter that the gentlewomen signed, together with the other gentlewoman in the House, concerning the new legislation that is going through at this time, which would add additional authorization and funding for breast cancer and cervical cancer screening. As the gentlewoman knows, in our bill we receive $2,900,000,000 for new programs. This new program certainly is right up at the top once it gets authorized.

Mr. CONTE. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I am delighted to yield to the gentleman from Massachusetts [Mr. CONTE], and want to thank the minority leader as well, not only for this part of the bill, but for the part that relates to cancer screening programs, mammography, and other programs.

Mr. CONTE. Mr. Chairman, I wish to thank my distinguished colleague the gentlewoman from Ohio [Ms. OAKAR], for her fine work on issues concerning breast and cervical cancer. The subcommittee was deeply impressed with her testimony this spring.

As the gentlewoman knows, our committee also doubled the amount for breast and cervical cancer control, $10 million at CDC. When the new authorizing bill, H.R. 4790, is enacted, we will do all that we can to provide additional funding.

Mr. Chairman, I want to stress that prevention of these two deadly diseases is the top priority for the health of women in this country. I am glad we were able to help on this vital mission.

Ms. OAKAR. Mr. Chairman, reclaiming my time, one of the reasons that I have tried to push for more research in various areas, certainly breast cancer, is that I do not think people realize that 143,000 American women will be diagnosed with breast cancer this year; 43,000 of them will die of breast cancer.

□ 1240

One out of nine women will be diagnosed as having this disease. It is in a crisis proportion. Twenty-four percent more women get breast cancer today than in 1976, and yet the reason this targeting in this report language for the extra revenues is so important, today only $18 million goes for direct research for breast cancer. And we do things the right way; we have $2.3 billion for AIDS research, which I support, but the fact is more women get breast cancer, in a critical way.

The CHAIRMAN. The time of the gentlewoman from Ohio [Ms. OAKAR] has expired.

(By unanimous consent, Ms. OAKAR was allowed to proceed for 2 additional minutes.)

Ms. OAKAR. I just wanted to make the point that during the Vietnam war, when we had 50,000 brave American lose their lives during that war, in combat; during that same period we had 330,000 women lose their lives to breast cancer. Yet, until this time, to be honest, we have not seen it targeted as a disease we could find a cure for.

We had a hearing at which the distinguished gentleman from Indiana [Mr. MYERS], a distinguished member of the Committee on Appropriations, was testifying and was part of the panel before our Subcommittee on Aging Health. We were told by one of the premier research doctors that in 5 years, if we could target this disease, we would find a cure for this disease and relieve the pain not only of the women but their families also.

So I certainly want to compliment the subcomitttee for putting that language in.

I also wanted to make another observation. That is that the distinguished chairman of our Committee on Aging, the gentleman from California [Mr. ROYBAL], also a member of the Committee on Appropriations, was very helpful in putting this funding in for elder-abuse provisions, because we have always had it in our authorizing committee as related to the Older Americans Act and we never had money for it.

I was so pleased that the committee was able to see fit to put some money in for what is another increasingly terrible phenomenon.

So I want to say to my colleagues how pleased I am with these increases in research on programs that, frankly, in the past have been somewhat neglected.

Mr. MYERS of Indiana. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. I thank the gentlewoman for yielding.

Mr. Chairman, I spoke earlier during general debate on this issue. I have been since criticized for the fact that I made light——

The CHAIRMAN. The time of the gentlewoman from Ohio [Ms. OAKAR] has again expired.

(On request of Mr. MYERS of Indiana and by unanimous consent, Ms. OAKAR was allowed to proceed for 2 additional minutes.)

Ms. OAKAR. I continue to yield to the gentleman from Indiana.

Mr. MYERS of Indiana. As I was saying, I was criticized for the fact that I made light, that I mentioned that they were spending more money on AIDS research than we are on these others which are killing more people. Heart and cancer are killing

many more people in this country than AIDS.

Now, I am not critical of the $1.7 billion that this committee put in the bill. However, the incidence of breast cancer which we are identifying here is increasing very rapidly also.

Just in 1980, 1 out of 11 women would be diagnosed as having breast cancer. Now it is one out of nine in just 10 years. And it is a rapid increase. So something may be done, something can be done.

So I certainly join the lady. We have worked together on this. Something can be done if it is given proper attention.

I earlier urged the committee that during this year we would be urging them to take a look and possibly fund programs that will come on, because a year can make a tremendous difference in the lives that we can save.

So I thank the gentlewoman for yielding and for her remarks here today. Something can and must be done about this very growing and very dreaded disease.

Ms. OAKAR. Mr. Chairman, I thank the gentleman and thank him also for his work on this matter.

So let us prevent the disease. This bill is a very important first step by having mammography covered for low-income women.

I would like to see it covered in every policy in this country, including Medicare.

Also, I am very pleased that you have specifically asked NCI to use the extra money to find a cure for breast cancer and cervical cancer. I hope they conform to your wishes. I know you will monitor them very carefully.

Mrs. VUCANOVICH. Mr. Chairman, I would like to thank the distinguished chairman of the Health Subcommittee, Mr. NATCHER, and the distinguished ranking member, Mr. CONTE, for their efforts, and the efforts of my colleagues on the subcommittee to increase funding for breast cancer research and prevention.

As you know, I have made the fight against death from breast cancer my legislative priority. My primary goal has been to work at the Federal level to make screening mammography available and affordable to women around the country. Doubling the funding to $10 million for breast and cervical cancer prevention programs at the Centers for Disease Control will certainly show our commitment to reducing the tragic number of these deaths.

My interest in helping to drive down the tragic number of deaths from breast cancer stems from my own personal experience. In February 1983, I followed the recommendation of the Office of the Capitol Physician, and went for my first screening mammogram. Although I always had been very conscientious about regular physical checkups, and although I was 61 years old, no one had ever mentioned anything about mammograms to me before. Unfortunately, that first mammogram detected a tumor, and prompt surgery saved my life. Early detection of my breast cancer allowed me to continue living an active and satisfying life, and caused me to dedicate myself to reducing breast cancer mortality.

A number of my colleagues and I have declared war on breast cancer, and this time it is not a fight to the death, but a fight until there are no more deaths. As I see it, the war must be waged on two major fronts: Making sure that every woman who needs one has access to affordable mammograms, and assisting those on the forefront of science who are searching for clues to the causes of breast cancer and its cure.

I commend the committee for appropriating more than $1.7 million for the National Cancer Institute, which is an increase of almost $151 million more than the fiscal year 1990 appropriation. More than that, Mr. Chairman, I commend the committee for adding the language to the committee report asking that breast cancer be given a high priority for the increased funding.

I believe that these actions will allow us to win a significant battle in the war against breast cancer deaths. Too many families have suffered and will suffer unless we remain vigilant and we succeed. I commend this committee for their dedication in this vital matter.

Mr. KILDEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of H.R. 5257, Labor-HHS-Education appropriations for fiscal year 1991.

I would like to commend the gentleman from Kentucky, Mr. NATCHER, and the gentleman from Masschusetts, [Mr. CONTE] and the members of their subcommittee for drafting an excellent bill which addresses the pressing needs of our Nation's most precious assets, our children.

The children of this Nation have every reason to be grateful to the gentleman from Kentucky, [Mr. NATCHER] this year and every year that he has served in this capacity. Chairman NATCHER's bill provides a $3 billion increase for education, the largest single increase ever appropriated for education.

Among the crucial education programs which received major increases over the fiscal year 1990 levels are $1 billion increase for compensatory education; $857 million increase for handicapped education; $692 million increase for student financial assistance, including $609 million increase for Pell grants for needy students.

A $100 million increase for the TRIO Program for needy students who are the first in their family to attend college. I have a number of those people in my district who are grateful to Mr. NATCHER for this.

This bill, in addition, reserves significant increases for current programs awaiting reauthorization, such as Head Start, vocational education, and for new programs such as the child care bill which is now in conference.

This bill was carefully and wisely drafted. Mr. NATCHER has brought his experience and his wisdom in setting the priorities in this bill, and I commend him for it.

Mr. Chairman, I urge passage.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I am happy to yield to the chairman of the subcommittee, the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to say to the gentleman and to the House that we appreciate the gentleman from Michigan's [Mr. KILDEE] help not only today with our bill but every year that the gentleman has been a Member of Congress. We appreciate it.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chariman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 43, line 12, strike "$763,616,000" and insert in lieu thereof "$763,551,000".

Mr. WALKER. Mr. Chairman, in a nation concerned about dealing with the problems of international competitiveness, what that nation needs is more lawyers.

In a nation concerned about economic viability, what that nation needs is more lawyers.

In a nation concerned about educational superiority, what that nation needs is more lawyers.

In a nation concerned about technological advances, what that nation needs is more lawyers.

In a nation concerned about engineering excellence, what that nation needs is more lawyers.

Now, what I am proposing here is that if you believe that, you probably are not for my amendment. If you do not believe that, what you probably should do is take a look at my amendment because we got an item in the bill called "law school clinical experience," and we are going to spend $5 million on it, despite the fact that the administration requested nothing for it in its budget.

□ 1250

That $5 million is a $65,000 increase over the 1990 amount. Now, I am a little embarrassed by the modesty of my own amendment in this case, but all I am doing is proposing that we eliminate the $65,000 of increase.

Now, since the committee's report claims that we are going to have 64 grants under this program, my amendment would have the effect of limiting by $1,000 each of the grants in this particular program. We are still going to get more lawyers under my amend-

ment. But at least we would hold this program that was not requested to the 1990 level, and we would save a modest $65,000 in one program under the budget.

It seems to me that maybe the House has the will to reduce this one program by $65,000, thereby maintaining a freeze level for the upcoming year. I ask the House's consideration of this amendment.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment. I think the gentleman must not understand the program. If he did, I do not believe he would have made the amendment.

It is always easy to pick on lawyers. They are fair game always. This Law School Clinical Program is a program to help poor people get access to justice that otherwise would not have it. We have a national legal services program but it cannot begin to serve all the poor people in this country that need access to justice. That is what this is all about.

Law schools now have, just in the last few years, started setting up clinical programs where they have students, under the supervision of two or three expert lawyers serve poor people. A large portion of these poor people are elderly people who have need for and a right to, for example, Social Security, but they cannot negotiate the legal system to secure what they are entitled to. That is what this is all about. Our justice system is based on the rule of law. If a person were in Vietnam and had a problem, a guy comes out in a white suit and sits there and makes a decision on the spot. No appeal, no nothing. That is the end of it. Now, that is fast justice, but that is not our justice system.

We base justice upon laws. People in this country must negotiate the legal system. People who have money can do that. However, we have a lot of people now who have rights that are not being protected because they cannot pay for the legal services. It is an access to justice that is involved here.

In the medical profession we have had interns for many, many years. We have never had interns in law schools until recently but are now beginning to do so. The biggest law schools did not even have clinical programs, but now we are encouraging them to set up a clinical program. They have to put up a lot of their own money also and this program is to encourage them to set up these programs. Law schools are catching on. The Bar Association is pushing them to do this. They had 29 law schools a couple years ago engaging in these clinical programs. Now there are about 64. They had a meeting last year. I think another 30 or 40 came to find out how to run a clinical program. They have to go through their bar associations and others to get money to set up the program and secure permission from the Supreme Court so students can help under supervision but they need some encouragement. That is what this program is about.

The $65,000 which happens to be the amount that was knocked out on Gramm-Rudman, this is all it is. It is replenishing the same amount they had last year before Gramm-Rudman knocked out $65,000. But what they will actually get is less per school than they had last year because more schools are qualifying. I think we really should match non-Federal funding, as long as they are providing legal access to justice that people would be eligible for under legal services if there was enough legal services available, which there is not. These clinical programs provide a needed service. We are getting the biggest bargain in the Government when we put up a little money and encourage them to put up non-Federal money to go with it.

So this is a good program, and I think it should be clear in the RECORD that we are not helping lawyers here. As a matter of fact, lawyers are contributing money to the law schools, giving law schools money to go with the little amount of money that is in this program. This is one of the best programs we have. If Members believe in access to justice and our legal system, Members surely should be for the full amount for this program.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I would like to advise the Members of the House that this is a matter that has come before our subcommittee each year during the hearings. We have carefully considered the matter. We have heard a number of witnesses each time. I join with the gentleman from Iowa [Mr. SMITH] that this amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER. On page 45, line 22, strike "$133,860,000" and insert in lieu thereof "$133,850,000".

Mr. WALKER. Mr. Chairman, what we have just discovered is that the House cannot go along with even the modest Gramm-Rudman cut that we took last year.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to inquire of the gentleman if it is his intention to reduce this amount $10 million?

Mr. WALKER. Yes, that is right.

Mr. NATCHER. If the gentleman will carefully consider his amendment, I say to the gentleman from Pennsylvania [Mr. WALKER] that he is reducing it only by $10,000.

Mr. WALKER. Mr. Chairman, in looking at this amendment, I find we had a staff error in drafting, and I would ask unanimous consent to correct the amendment. It should read "$123,860,000."

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALKER]?

There is no objection.

The CHAIRMAN. The amendment is modified.

The text of the amendment, as modified, is as follows:

On page 45, line 22, strike "$133,860,000" and insert in lieu thereof "123,860,000".

Mr. WALKER. Mr. Chairman, the House has just said that last year we got a few minor savings in the Gramm-Rudman. In that particular program, a $5 million program, we got $65,000 in savings. The House has just said with this decision that it cannot save that $65,000 again this year. We have to go ahead and save the money.

I am not certain that we can tell the American people with a straight face that there is any intention here at all to find savings in these programs, and this idea that there is somehow the political will and courage to deal with the budget deficit is becoming a national joke as we go through these appropriations.

In this particular case, we are talking about $10 million savings. We are talking about real money in this amendment. I hope that Members will understand what it is we are doing. This is money which is in the bill for the education summit followup. This is money badly wanted by the administration. Those who have come to the floor and suggested that somehow this President is driving these budget deficits forward, as the past administration did, may want to consider this because this is an amendment which strikes out the money, $10 million that they would like to have for a supplemental followup. Now, I do not have any doubt that they would use the money for some worthwhile purpose, but they are telling this Member of Congress that we ought to be a part of raising taxes in order to meet educational and other priorities.

In this particular case I am not certain of the priority for education, because it seems to me that if the description in the committee report is correct, this sound to me like $10 million in phone calls, because what it is for is to find out whether or not the things going on or that they said would go on at the summit are, in fact,

being followed through on. That can be made by a series of phone calls across the country, and my doubt is that it will cost 10 million bucks to do it.

Now, the committee has already cut this program from $20 million to $10 million. It seems to me that we should cut out the other $10 million and save the Department of Education. If we think it is important enough to follow up on, the summit, then do it within the resources that we have. We have plenty of resources to find out across the country what happened as the result of the summit. Why we have to spend this $10 million at a time when we do not have the money is beyond my imagination.

So I would certainly hope that the House could, in this particular instance, say to this administration that there are some needs for you, also, to do the job of cutting in things that are important but not absolutely essential. We are down to absolute essentials if we are going to deal with this budget deficit, and here something is not an absolute essential. Ten million bucks in phone calls to follow up on the summit is not an absolute essential. I would hope that the House in this particular instance would decide to save some real money, save $10 million. We will not harm education as being practiced in any school district in the country one iota with this cut.

□ 1310

This will simply assure that the Department of Education in some way will follow up on its summit of last year in a way that is different than the way they now plan to do it.

Mr. Chairman, I ask the Members to support a cut that has no consequences on education as really practiced but which has some real consequences in helping us lower budget deficits.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by my friend, the gentleman from Pennsylvania [Mr. WALKER].

Mr. Chairman, in the State of Virginia a summit was held in the field of education. At that time the Secretary of Education and the different representatives of the States were present.

This is followup on the summit to ascertain what can be done to implement the suggestions and the recommendations made at the summit.

We have a Secretary of Education who I believe is one of the best qualified men in this country to serve in that capacity. This is a matter that is of great concern to the Secretary of Education. He has talked to me about it. In testifying before our committee, he has stressed the importance of this amount of money, and as I pointed out to my friend, the gentleman from Pennsylvania—and he is my friend—I did not want to object. The difference between $10,000 and $10 million is a large amount with me, Mr. Chairman. Personally, it is a large amount. I did not want to object to the gentleman's construction as far as the amendment is concerned, but I would say to my friend, the gentleman from Pennsylvania, that here today we have a man who is qualified to be Secretary of the Department of Education.

This is a small amount of money that serves a useful purpose, and I hope this amendment is defeated.

Mr. CONTE. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Pennsylvania [Mr. WALKER] has raised a question over the $10 million for the education summit followup. I find his comments to be misdirected, because the committee really reviewed this activity in depth. I had the Secretary come to my office and speak to me about this and tell how badly he wanted it.

And this is one of the few items the President really wants. He is for a lot of things in this bill, but this is one item that he really wants because it will do so much. It creates a ripple effect in the States. This activity brings the Governors together with the President and other educational leaders to set goals and plan reform activities. Obviously the summit follow-up is a key component of the nationwide effort to reform our schools.

The $10 million for the one-time activity is badly needed, and I would be disappointed if this activity is cut. I know the Secretary, who is a good Secretary and a good man, would be disappointed if the summit followup is cut.

Mr. Chairman, I put language in the report directing the department to expand the summit followup to include all of the policy makers in the States, the school board members, the State board members, and the State legislators. They are the folks who are really reforming our schools. The $10 million is a good investment.

Mr. Chairman, I hope this amendment is defeated.

Mr. EARLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as I said earlier, I am proud to be a member of this subcommittee, and I do not like to oppose the subcommittee on occasion, but I want to thank the gentleman from Pennsylvania [Mr. WALKER] for a little variation in what he is doing.

I have not voted for an across-the-board cut since I have been in the Congress. I just do not think it is fair to treat everyone the same, whether they are efficient or inefficient or whether they are good or bad. The gentleman from Pennsylvania [Mr. WALKER] has offered an approach where he has identified four programs. This particular concern involving $10 million was discussed at length in subcommittee.

As far as the subcommittee was concerned, the majority would vote not to cut it. I am not going to push it, but if it came to a vote, I would vote to cut it.

Later on the gentleman has an amendment for $480,000 reduction in another agency which was discussed at length in subcommittee. I think the whole agency should be abolished. I would support him on that particular amendment, too.

I appreciate the last time we had consideration of the whole House, we included this and then did not have a rollcall vote. It is not that it was not meritorious, because it was. The gentleman probably will lose this amendment, but I just want the Members to know for the record that if it is put to a vote, I will vote for the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER], as modified.

The amendment, as modified, was rejected.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 53, line 4, strike "$3,871,000" and insert in lieu thereof "$3,806,000".

Mr. WALKER. Mr. Chairman, I guess we can try again. We could not get $65,000 before, we could not get $10 million there.

There is another little item in the bill called the Physician Payment Review Commission. This is something, as I understand it, that was set up to take a look at how physicians get paid under the Medicare system. If my constituents are any gauge of what has been happening, they are not real happy with the way that system is working and then with the way this Commission is performing.

The physicians are unhappy. They think that the entire program is aimed at driving them out of business. The patients are unhappy because they think the whole system is being destroyed by physician payments. The hospitals are unhappy because they think the system does not adequately protect their interests. Everyone in the system, as far as I can see, thinks that the process makes no sense.

So what do we do in this particular bill? We reward them. We give them $65,000 more this year than they got last year.

My amendment again is a very modest little amendment. It is just a little thing that says:

Let's not give them the $65,000. Let's force them to live with the over $3.8 million they got last year. Let us force this horrendous

problem upon them that they might have to live with last year's appropriation at the Physician Payment Review Commission.

So I would ask the House in this particular case to help us cut spending by this one little amount, by $65,000 for this Review Commission. I think most of America would tell us at the present time that it has failed in its job. Let us not reward them. Let us hold them to last year's spending.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think we ought to remember the movie, "The Wizard of Oz." If you recall that very famous movie, there was a scene where some of the little people were singing a little song which sort of described the tenor of the community. The words went like this:

We represent the Lollipop Guild, the Lollipop Guild, the Lollipop Guild, and in the name of the Lollipop Guild, we wish to welcome you to Munchkin Land.

To me, we are at the point today when we are dealing with "Munchkin" amendments.

Does anyone seriously believe that we are going to make a dent in Federal spending and the Federal deficit by reducing $65,000 from this item when we have the B-2 bomber that is going to cost us $600 million or $700 million apiece—that is not thousands, but millions—when we have star wars, and when we have the administration suggesting that with everything that has happened in the world, we ought to increase our military foreign aid around the world?

□ 1310

Mr. Chairman, this amendment, I think, is here simply for its symbolic purpose. The problem is that we have been engaging in symbolic acts for the last 10 years, and that is why we have not made very much progress in dealing with the deficit.

Now the Physician Payment Review Commission happens to be a very important program. We shell out billions and billions of dollars on the basis of how doctors are reimbursed for various medical services which are paid for by the taxpayers and by consumers of health services in this country. We have great disagreement about what system ought to be used to pay those physicians.

What we are simply doing here is to find a very tiny program in the budget which tries to lay out the most equitable way possible to reimburse doctors.

Mr. Chairman, I come from a rural area. We think we are getting euchred in the way physicians are being reimbursed in our area because of the urban differential which pays urban physicians far more than it pays rural physicians for the same services. There are people from big city areas who feel quite differently. These people are doing the hard job of trying to work through the very difficult problem of how to reimburse physicians under Government programs.

Mr. Chairman, I happen to be sitting here during my spare time, as we are here on the floor today, sitting here reading a description of a new national health care bill which is being offered by one of our Members. One of the issues that we have to face in the entire issue of universal health coverage is how doctors are going to be paid. That is a multibillion-dollar problem. We are going to have universal health insurance by the end of this century, and it would be kind of nice if we were not penny wise and pound foolish as we move to programs like that.

Mr. Chairman, I would suggest it is immaterial whether this amendment passes or not. I do not believe this amendment really accomplishes a serious legislative purpose. I really think it is a Munchkin amendment in a town besieged by Munchkin mentality, and so I guess that is normal; but I hope my colleagues do not mind if I chuckle at it as we pretend to take it as a serious legislative effort.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 115, noes 293, not voting 24, as follows:

[Roll No. 247]

AYES—115

Archer	Hancock	Robinson
Armey	Hansen	Rohrabacher
Ballenger	Hastert	Ros-Lehtinen
Bartlett	Hefley	Roth
Barton	Herger	Saxton
Bennett	Hiler	Schaefer
Billey	Holloway	Schiff
Broomfield	Hunter	Schuette
Brown (CO)	Inhofe	Schulze
Buechner	Ireland	Sensenbrenner
Bunning	James	Shaw
Burton	Kasich	Shays
Callahan	Kolbe	Shumway
Campbell (CA)	Kyl	Shuster
Clinger	Lagomarsino	Slaughter (VA)
Coble	Leach (IA)	Smith (TX)
Coleman (MO)	Lent	Smith, Denny (OR)
Combest	Lewis (FL)	
Coughlin	Lightfoot	Smith, Robert (NH)
Cox	Madigan	
Crane	Martin (IL)	Smith, Robert (OR)
DeLay	McCollum	
DeWine	McCrery	Snowe
Dickinson	McEwen	Solomon
Douglas	McGrath	Stearns
Dreier	McMillan (NC)	Stenholm
Duncan	Meyers	Sundquist
Edwards (OK)	Michel	Tanner
Fields	Miller (OH)	Tauke
Frenzel	Molinari	Thomas (CA)
Gallegly	Moorhead	Thomas (WY)
Gekas	Packard	Upton
Gillmor	Pashayan	Vander Jagt
Gingrich	Paxon	Vucanovich
Goss	Petri	Walker
Gradison	Quillen	Whittaker
Grandy	Regula	Wylie
Grant	Rhodes	Young (AK)
Gunderson	Ridge	
Hammerschmidt	Roberts	

NOES—293

Ackerman	Gonzalez	Obey
Alexander	Gordon	Olin
Anderson	Green	Ortiz
Andrews	Guarini	Owens (NY)
Annunzio	Hall (OH)	Owens (UT)
Applegate	Hall (TX)	Oxley
Aspin	Hamilton	Pallone
Atkins	Harris	Panetta
AuCoin	Hatcher	Parker
Barnard	Hawkins	Parris
Bateman	Hayes (IL)	Patterson
Bates	Hayes (LA)	Payne (NJ)
Beilenson	Hefner	Payne (VA)
Bereuter	Henry	Pease
Berman	Hertel	Pelosi
Bevill	Hoagland	Penny
Bilbray	Hochbrueckner	Perkins
Bilirakis	Horton	Pickett
Boehlert	Houghton	Pickle
Boggs	Hoyer	Porter
Bonior	Hubbard	Poshard
Borski	Huckaby	Price
Bosco	Hughes	Pursell
Boucher	Hutto	Rahall
Boxer	Hyde	Rangel
Brennan	Jacobs	Ravenel
Brooks	Jenkins	Ray
Browder	Johnson (CT)	Richardson
Brown (CA)	Johnson (SD)	Rinaldo
Bruce	Johnston	Roe
Bryant	Jones (GA)	Rogers
Bustamante	Jones (NC)	Rose
Byron	Jontz	Rostenkowski
Campbell (CO)	Kanjorski	Roukema
Cardin	Kaptur	Rowland (CT)
Carper	Kastenmeier	Rowland (GA)
Carr	Kennedy	Roybal
Chandler	Kennelly	Russo
Clarke	Kildee	Saiki
Clay	Kleczka	Sangmeister
Clement	Kolter	Sarpalius
Coleman (TX)	Kostmayer	Savage
Collins	LaFalce	Sawyer
Condit	Lancaster	Scheuer
Conte	Lantos	Schneider
Conyers	Laughlin	Schroeder
Cooper	Lehman (CA)	Schumer
Costello	Lehman (FL)	Serrano
Courter	Levin (MI)	Sharp
Coyne	Levine (CA)	Sikorski
Crockett	Lewis (CA)	Sisisky
Darden	Lewis (GA)	Skaggs
Davis	Lipinski	Skeen
de la Garza	Livingston	Skelton
DeFazio	Lloyd	Slattery
Dellums	Long	Slaughter (NY)
Derrick	Lowery (CA)	Smith (FL)
Dicks	Lowey (NY)	Smith (IA)
Dingell	Machtley	Smith (NE)
Dixon	Manton	Smith (NJ)
Donnelly	Marlenee	Smith (VT)
Dorgan (ND)	Martin (NY)	Solarz
Downey	Martinez	Spence
Durbin	Matsui	Spratt
Dwyer	Mavroules	Staggers
Dymally	Mazzoli	Stallings
Dyson	McCandless	Stangeland
Early	McCloskey	Stark
Eckart	McCurdy	Stokes
Edwards (CA)	McDermott	Studds
Emerson	McHugh	Swift
Engel	McMillen (MD)	Synar
English	McNulty	Tallon
Erdreich	Mfume	Tauzin
Espy	Miller (CA)	Taylor
Evans	Mineta	Thomas (GA)
Fascell	Moakley	Torres
Fawell	Mollohan	Torricelli
Fazio	Montgomery	Towns
Feighan	Moody	Traficant
Flake	Morella	Traxler
Flippo	Morrison (CT)	Udall
Ford (MI)	Morrison (WA)	Unsoeld
Ford (TN)	Mrazek	Valentine
Frank	Murphy	Vento
Frost	Murtha	Visclosky
Gallo	Myers	Volkmer
Gaydos	Nagle	Walgren
Gejdenson	Natcher	Walsh
Gephardt	Neal (MA)	Washington
Geren	Neal (NC)	Waxman
Gibbons	Nowak	Weber
Gilman	Oakar	Weiss
Glickman	Oberstar	Weldon

Wheat	Wise	Yates
Whitten	Wolf	Yatron
Williams	Wolpe	Young (FL)
Wilson	Wyden	

NOT VOTING—24

Anthony	Foglietta	McDade
Baker	Goodling	Miller (WA)
Bentley	Gray	Nelson
Chapman	Hopkins	Nielson
Craig	Leath (TX)	Ritter
Dannemeyer	Luken, Thomas	Sabo
Dornan (CA)	Lukens, Donald	Stump
Fish	Markey	Watkins

□ 1334

The Clerk announced the following pairs:

On this vote:

Mr. Craig for, with Mr. Anthony against.

Mr. Dornan of California for, with Mr. Gray against.

Mr. STALLINGS changed his vote from "aye" to "no."

Messrs. GUNDERSON, ROBERTS, and STENHOLM changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BARTLETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to speak on H.R. 5257, the fiscal year 1991 Labor, HHS, Education appropriations bill and particularly want to thank the chairman and ranking Republican.

H.R. 5257 is a large appropriation bill totaling $170.44 billion to fund the Department of Labor, Education and Health and Human Services. I hold no special expertise for all of these programs and believe Members should cast their vote based on the totality of the bill. I do, however, have some expertise in disability programs and rise to strongly support funding decisions made by the Appropriations Committee in the disability areas. Many of these programs are under the authorizing jurisdiction of the Subcommittee of Select Education of which I serve. Specifically, there are three programs which I strongly rise to support today and I want to outline the positive effects the action taken by the Appropriations Committee will have on children with disabilities.

First, H.R. 5257 increases the Education of the Handicapped Act State Grant Program to $2.4 billion, a significant and much-needed increase. This program ensures that a free and appropriate education is provided to 4.4 million disabled children and has been the cornerstone for educating children with disabilities in our neighborhood schools. It has meant academic and social success to millions of disabled children and has allowed them to lead more independent lives. The Education of the Handicapped Act has been an extremely successful and cost-effective program.

The increase represents a $784.9 million increase over the President's request and a $857.4 million increase over the fiscal year 1990 appropriation. This will increase the Federal contribution of educating children with disabilities from $352 per child in the 1990-91 school year to $512 per child in the 1991-92 school year. In terms of percentages, this increase brings the Federal share of the average per pupil expenditure from the current 8-percent Federal share to 11.5 percent. Public Law 94-142, the authorizing language for the EHA State Grant Program, requires that the Federal share be 40 percent of the national average per pupil expenditure. While this increase does not meet the 40-percent mandate, it moves us closer to meeting that goal.

Second, I commend the Appropriations Committee from consolidating funding for the chapter 1 State operated Handicapped Program, commonly known as 89-313, with funding for Public Law 94-142, the Education of the Handicapped Act. The 89-313 program is the predecessor to Public Law 94-142. In 1965 when the 89-313 program was created, most students with severe disabilities were educated in segregated facilities with little or no opportunity to interact with their nondisabled peers. With the enactment of Public Law 94-142 which requires a free and appropriate eduction for all disabled children, segregation has been greatly reduced. However, several States continue to segregate disabled children under the 89-313 program. I am pleased that the Appropriations Committee took the advice from the May 1989 GAO report to consolidate these two programs. It will go a long way toward ensuring that disabled children are educated with their nondisabled peers in a wide variety of settings.

Finally, I am extremely supportive of the Appropriations Committee's decision to effectively eliminate the VISTA service year floor. I tried unsuccessfully to strike this service year floor through the VISTA reauthorization last year. Public Law 101-204, the VISTA authorizing legislation, created a funding mechanism for part A, the regular VISTA Program through service years. The legislation requires that these service years, in effect, must be funded first before other programs within VISTA receive their appropriation.

Public Law 101-204 had required the ACTION Agency to meet the authorized service year floor, even if the appropriation is not sufficient to fund such a level. If the appropriate levels for part A are insufficient to meet the service year requirement mandated by the law, the ACTION Agency Director must rob from other programs in order to fund part A and if there are not enough funds available, ACTION will be violating the law solely because the Congress did not appropriate funds to meet the service year mandate.

H.R. 5257 does not appropriate enough money to meet the authorized 3,000 volunteer service year floor for fiscal year 1991, however, the Appropriations Committee report clearly states that their 1991 level of 2,900 volunteer service years is the ceiling. The committee report states that "funds should not be reprogrammed from within VISTA or other title I programs in order to increase the service years above this level."

This is a good policy decision. Each of these programs should be judged on their individual merits and funded according to those merits and within budgetary constraints. By taking this step, H.R. 5257 accomplishes that goal.

Again, I thank the chairman and ranking Republican for making these tough decisions and setting priorities for funding education programs.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am happy to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I thank the gentleman from Texas for yielding, and I want to take this opportunity to thank the gentleman from Texas for his kind words to our committee and also to congratulate him.

He has appeared before our committee year after year, and the committee has appreciated his many ideas. I want to commend him for his leadership not only in coming before our committee with these ideas but for all the fine work he does on the Committee on Education and Labor.

□ 1340

Mr. BARTLETT. Mr. Chairman, the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE] made the tough decisions. They were long overdue. They were difficult to make, but they did the right thing.

Mr. NATCHER. Will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I want to thank the gentleman from Texas [Mr. BARTLETT] for his statement in regard to our subcommittee. We appreciate it.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 55, line 19, strike "$8,000,000" and insert in lieu thereof "$7,550,000".

Mr. WALKER. Mr. Chairman, the gentleman from Wisconsin in discussing the last amendment raised the whole specter of the Wizard of Oz and the whole issue of Munchkins and so on. I would say to the gentleman that there is another scene from that play and movie that I also remember, and

that is when they arrive in Fantasy Land and Dorothy turns to Toto and says, "Toto, this sure ain't Kansas."

Well, that is really I think a look at what is going on here. One gets outside the beltway in Washington and people are going to have a hard time understanding why in the face of $100 billion deficits, we cannot even find ways to freeze last year's levels when it is a matter of saving a few thousand dollars.

The American people have a hard time focusing on millions and billions of dollars, because it is totally outside their frame of reference. They understand $65,000. They understand that $65,000 is real money in their family's lives, and that if we cannot even save that kind of money in the face of massive deficits, we have got big problems.

Well, I think we have got big problems here, because we simply do not have the will to deal with some of these programs and try to keep the spending down. So I am offering another attempt for the House, another try at getting the House to understand the nature of the dilemma we face.

In this particular case I am offering a cut of $450,000. That keeps the Institute of Peace at last year's funding level.

Now, we have got peace breaking out all over the world. It is something which is happening. The Institute for Peace was put together with all the best intentions by the people who formulated it, and it was largely aimed at doing something about the confrontations that we were having in the course of the cold war. At least that is how it was debated here in the House. I am sure there are other ideas for it today.

The fact is with peace breaking out around the world, one part of the peace dividend we might be able to realize would be to freeze the Institute of Peace at last year's funding levels. Just freeze it. We are not going to cut it back, we are not asking them to eliminate programs. We are simply saying that for $450,000 less than what is in the bill, we can keep you at last year's funding level and maintain you spending $7.5 million a year.

Mr. Chairman, I would also point out the cut I am asking for still keeps us above where the administration's request was. The administration requested $730,000 less than what is in the bill. So I am simply cutting back to last year's freeze level. I am not going as low as the administration's request.

It seems to me we could do at least that much. The American people are looking at us to show some small sign that we recognize the crisis that we are in. Yesterday we could not vote for a $20 savings. Today we cannot vote for a $65,000 savings in a couple of instances. We cannot seem to do anything.

Maybe, maybe this is the place. Maybe the de minimis kind of thing that the House can do is at $450,000 on this particular program.

Mr. EARLY. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be very happy to yield to the gentleman from Massachusetts.

Mr. EARLY. Mr. Chairman, I thank the gentleman for yielding. I do not want to get extensively into this particular subject either, but I want to bring up a point, that this specific account was discussed at great length, with strong support to strike the whole $8 million, which I supported and several other members supported. The majority of the subcommittee did not support that. Therefore, it is in at $8 million.

Mr. Chairman, I really think this $450,000 is not so much money, but it is indicative of staying at last year's level. I think there will be several Members that will speak in opposition to it, but if you cannot cut this account, if any agency made a bad presentation before the subcommittee, it is this agency. They should not get a dime, never mind $8 million less $450,000.

Mr. Chairman, I hope the amendment is adopted.

Mr. WALKER. Mr. Chairman, reclaiming my time, I thank the gentleman from Massachusetts [Mr. EARLY] for his point. If I understood the gentleman correctly, there was strong support within the committee itself for eliminating all the money?

Mr. EARLY. If the gentleman will yield further, I said in the subcommittee. It did not have a majority, but it was very close.

Mr. WALKER. Reclaiming my time, in the subcommittee there was a strong view that we ought to eliminate all the money for the agency, but it lost reasonably narrowly.

Mr. Chairman, I would simply say that all I am attempting to do here is cut it back to last year's level. There is certainly no issue involved here of eliminating the agency. You would simply be freezing it at last year's account level. Hopefully the House could do at least that much, if the subcommittee itself thought that there was some cause for maybe even eliminating the whole thing.

Mr. PORTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, to start with, obviously there wasn't support in the subcommittee for striking the whole appropriation, because not only did we not strike the whole appropriation, we increased the appropriation to $8 million. So obvioulsy the characterization of both of the gentlemen is not correct.

Mr. Chairman, I suggest that the gentleman from Pennsylvania [Mr. WALKER] sat down and scrolled through the report and picked out a few agencies that he personally did not like and is now using the time of the House to impose upon the Members his view of what the priorities ought to be. I suggest also that I do not think the gentleman has any idea of what the mission or role of this agency is.

Mr. Chairman, I would suggest to the gentleman from Pennsylvania that if there were money put forward to provide for police to learn how to better control riots and to prevent undue bloodshed, the gentleman would be a supporter of such a provision and he would consider it money well spent. Perhaps on second thought, he would not, but I do.

Mr. Chairman, I would say that diplomats consider the work of the Peace Institute to be the most important work being done today on conflict resolution, and therefore the avoidance of bloodshed around the world. The United States ought to be a leader in this regard, and I think the Peace Institute provides us that kind of leadership.

The only conflict in this world that is no longer a conflict, which thank God never became a hot conflict, is between the Soviet Union and the United States. But Mr. Chairman, there are other conflicts all over the world, in Afghanistan, Northern Ireland, Cyprus, in South Africa, and the Middle East, to name a few. We have a chance to prevent bloodshed and to resolve those conflicts amicably and I believe we have an obligation to attempt to do so.

Mr. Chairman, what does the Peace Institute do? If I can spend a few moments of the Chamber's time, I would like to talk about some of the things that they do that I think are important.

Next week the second round of a conference with Soviet historians will convene between the United States and the Soviet Union. It is jointly sponsored by the Soviet Foreign Ministry and the Peace Institute. Leading historians are reexamining the way they have understood the origins of the cold war. Foreign Minister Shevardnadze is encouraging Soviet historians to rethink the way they have understood the start of the cold war, and as a result, the Soviet archives are being pried open for the first time in history.

The first round has made clear the intense interest of Gorbachev and Shevardnadze in rewriting Soviet history correctly and truthfully. The payoff for this effort will be that it will allow the Soviet leader, Mr. Gorbachev, to justify with the people of the Soviet Union his acknowledgement of NATO as a player in European politics. It will allow the Soviets to rework

their foreign policy, centering it more toward Europe.

Mr. Chairman, this is not meaningless history. This is a project that will pave the way perhaps toward lasting peace in Europe.

In Eastern Europe the Institute has just published a report of a study group which they ran last winter. It has drawn scholars and government people together, and their objective has been to look into the key regions to anticipate conflicts and to develop methods of diplomacy to head off those conflicts. This is being conducted in cooperation with the State Department and with the State Department's strong support. It has put the Institute in a lead role in building bridges between academics on the one hand and policymakers on the other. The European study has developed a data base of ethnic, religious, and regional conflicts in Eastern Europe which have been repressed for a generation under communism, but are not boiling up throughout that area.

□ 1350

In Romania, between ethnic Hungarians in Transylvania, and the Romanians, in Yugoslavia, in Kosovo (Kosova) between the Serbs and the Albanians; in Bulgaria between Bulgarians and their other Turkish minority; and in Poland where there is evidence of increasing anti-Semitism directed at their tiny remaining Jewish minority.

The first report identified the problem. Next winter a conference of Eastern European government leaders will focus on practical methods for dealing with these kinds of ethnic conflicts and create mechanisms that will mediate the strife, hopefully without bloodshed.

The program, strongly encouraged by the Helsinki Commission's American delegation, of which I am proud to serve as a member, is working with other governments to find approaches to resolve these ethnic conflicts.

In the Middle East, Mr. Chairman, an incredibly important volume of work is under way, all of it relevant to the current stalemate. The Peace Institute is working quietly to bring together groups of Palestinians and Israelis, to discuss issues and to cross psychological barriers.

Spinning off the lessons learned from these sessions to policymakers, I think is a very, very important effort indeed.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. PORTER was allowed to proceed for 2 additional minutes.)

Mr. PORTER. Mr. Chairman, the world is not at peace. While we have, hopefully, resolved much of our conflict with the Soviet Union, in Afghanistan, Northern Ireland, Cyprus, South Africa, and other places all around the world, the potential for bloodshed is very, very great. Between Iraq and Israel, between Israel and Syria, the potential for conflict and bloodshed is indeed very, very serious.

Where the tensions are highest around this world, the Peace Institute is working to alleviate them, to bring parties together to find ways to resolve these conflicts peaceably.

I do not think the gentleman from Pennsylvania, in offering this amendment, understands the importance of this agency.

I have to say that the amount that is in question, which is $450,000, is almost all an inflation increase. The real increase amount is about 1.8 percent, a very, very small encouragement to a very, very important effort.

I would close by saying that we have at the helm of the Peace Institute a man picked by President Reagan and reaffirmed by President Bush, Sam Lewis, formerly our Ambassador to Israel, a man of great goodwill, good judgment, outstanding ability and intelligence, working so hard to make the Institute a success. It would be a slap at the work of Sam Lewis and the kind of idealism and practical diplomacy that he represents, if we were to adopt this amendment.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. PORTER] has again expired.

(On request of Mr. GLICKMAN and by unanimous consent, Mr. PORTER was allowed to proceed for 2 additional minutes.)

Mr. PORTER. I yield to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for his comments. I thank the chairman of the subcommittee for putting this amount in there.

Mr. Chairman, I have a vested interest in this. I was the prime House sponsor of this bill. Senator NUNN, Congressman ASPIN, there were a lot of authors of this concept. It was put into the 1985 defense authorization bill, then the largest defense bill in the history of America, as a complement to defense policy, that we in America ought to have an institute promoting conflict resolution, and peace studies around the world. Only Costa Rica and Sweden had a peace institute. America had its military academies.

The discussion was we ought to have an institute where we could learn about conflict resolution and where we could teach people at military academies, in the business community, and academics about what has happened.

The first president who was appointed and the current president is Sam Lewis. Sam Lewis was the United States Ambassador to Israel under both Presidents Reagan and Carter. He was picked for this job because he put together an incredible masterpiece of conflict resolution, a peace between Israel, the Camp David peace accord.

Both President Reagan and President Carter felt this man could perhaps help the world achieve peace and conflict resolution in Eastern Europe, in the Middle East, in the Third World, in South America, and the Far East as well.

So what this institute does, it is the only place in the United States that provides that kind of background, to bring the world together.

Now, my colleague from Pennsylvania, a very distinguished Member, said something interesting. He said now that peace is breaking out, why need a peace institute anymore?

I would say to my friend—basically that is how I interpreted his remarks—what I say to my friend is this: We need this kind of institute more than ever. The fact of the matter is this institute is engaged most seriously in cooperative projects with the Soviet Union on issues of arms control, economic development between the nations more than any other institute or our Government. It is needed now more than ever.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. PORTER] has again expired.

(On request of Mr. GLICKMAN and by unanimous consent, Mr. PORTER was allowed to proceed for 2 additional minutes.)

Mr. PORTER. I continue to yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for continuing to yield.

Mr. Chairman, no one agency is going to absolutely bring nirvana to this world and create peace.

I am a supporter of the Defense Department and defense spending. But we have one institute which is providing an intellectual basis for conflict resolution in this world, ways to resolve conflicts without resorting to arms.

United States-Soviet relationships, the Middle Eastern situation, Latin America, Third World; brainpower from all over the world is coming to this country to talk about conflict resolution. The United States of America will be known not only as the greatest economic and the greatest military power in the world but, because of the Peace Institute, we will also be known as the greatest peacemaking power in this world.

I urge you oppose the amendment and support the committee's bill.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, let me simply say very frankly that I did not support the increase in the Peace Institute budget when it was offered by the gentleman from Illinois. But I want to say this: The gentleman from Pennsylvania mentioned the "Wizard of Oz." There are some lines further on in the Munchkin song in the "Wizard of Oz" which go like this:

The house began to pitch, it landed on the wicked witch in the middle of the ditch, which was not a healthy situation for a wicked witch who began to twitch and was reduced to just a stitch of what was once the wicked witch.

Now, in my view, the wicked witch in this situation is war. Some people think the witch is dead. The fact is that while we may be happy that we have seen the collapse of the Soviet Union's alliance, nonetheless since 1945—a new report out yesterday tells us—that since 1945 the world has seen some 100 wars in which somewhere between 20 and 30 million people have died worldwide.

Now, I suppose in Munchkin Land it would not be considered odd to continue to insist on an expensive military budget while we in fact wind up making cuts in an organization that is pursuing peace.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. PORTER] has again expired.

(On request of Mr. OBEY and by unanimous consent, Mr. PORTER was allowed to proceed for 2 additional minutes.)

Mr. PORTER. Mr. Chairman, I continue to yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman.

I frankly do not know whether the Institute of Peace will accomplish anything. But I would suggest that this tiny amount of money being spent to bring people together, to discuss ways of institutionalizing mechanisms that can help people talk to each other and avoid taking up guns, is not a bad investment for any American taxpayer, for any American person concerned about seeing to it that the last American boy or girl has died in a foreign war.

So while I am skeptical about the ability of this or any other institution to avoid war, I do not think it is a bad investment in comparison to some of the turkey investments I have seen made by this Government with great regularity.

Therefore, I would support the thrust of the gentleman's comments.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the full 5 minutes.

Mr. Chairman, I rise in opposition to the amendment and adopt what was said by the gentleman from Illinois and by the gentleman from Kansas and one of the most able people on this floor with respect to foreign affairs, and the necessity to spend money abroad to preclude not only economic deprivation, to enhance the U.S. interest, but also to try to set aside man's resort to war. Historically, it has never been the case that mankind has resorted to force of arms to resolve conflict. Only recently in our lifetimes has resort to war become an unacceptable alternative because of the fact, of course, we can destroy all of mankind and the ability in fact for humanity to survive on this planet.0

□ 1400

It would seem ironic indeed to spend billions of dollars on the taking of lives, billions of dollars to resort in the final analysis to force to resolve conflict, and to at the same time try to save $450,000 on an effort to resolve conflict through discussions, through talk, through other than force of arms.

This may be another one of those symbolic votes to which the gentleman from Wisconsin has referred before. It it is such, it is important for Members to reject this amendment with the symbolic statement that as we watch the revolutions of 1989, with the sole exception of Romania, for the most part being peaceful revolutions, a dramatic difference from historic revolutions, that we say now more than ever it is important for Members to move ahead in studying just how mankind can resolve its differences through peaceful means.

Sam Lewis has been referred to on this floor by the gentleman from Kansas. Frankly, the Institute of Peace had some trouble getting its legs on the ground, perhaps still does as the gentleman also observes. But Sam Lewis was respected by both parties, both administration, a professional individual sent to one of the most volatile parts of the world, the Middle East. Because he was perceived to be an expert at the resolution of conflict, he has now been given that responsibility as the head of this Institute for Peace.

I would ask Members of the House to reject for both substantive and symbolic reasons this amendment.

Mr. EARLY. Mr. Speaker, I rise in support of the amendment. I have listened to the debate here get so dramatic. I listened to the debate, when they came in and made the presentation for the Peace Institute. I will be the first to acknowledge that the predecessor to Mr. Lewis was the one that was extremely poor. The only thing he talked about the Peace Institute doing was having high school students writing essays, peace essays, and that was the only thing they did.

I have listened to testimony of the Peace Institute. The only thing I can personally say they will do, that they will achieve, and that they will do it, is that they will spend the entire $8 million. I listen to all the things that the Peace Institute is going to do. If we are opposed to across-the-board cuts, then we have to suggest that they make specific cuts.

The gentleman from Pennsylvania [Mr. WALKER] has identified four specific areas. My problem with the amendment is that it does not eliminate it. We cannot eliminate anything in the U.S. Congress. Once it is here, it is here for eternity. Now this amendment again, the $450,000 is not what is important. I do not think the gentleman from Pennsylvania [Mr. WALKER] is suggesting that it is the $450,000 reduction. What is important is that these people not rationalize, they do not justify anything, never mind $8 million.

The amendment should be adopted.

Mr. KYL. Mr. Chairman, will the gentleman yield,

Mr. EARLY. I yield to the gentleman from Arizona.

Mr. KYL. Mr. Chairman, I am scheduling some townhall meetings for August in my district going to Payson, AZ, Shonto, and Pinetop Lakeside, and when I explain to my constituents we are spending over $8 million for something called the Institutes of Peace, and one of my constituents stands and says, "You cannot even save $450,000 on that in a time of tight budget crunch?" I find it awfully hard about how I will look them in the eye and say, "No, we cannot even save the constituents $450,000 on that."

Mr. EARLY. It is not $450,000. We should save the $8 million.

Mr. KYL. The amendment is to save $450,000, and I cannot justify trying to preserve that amount of spending.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. EARLY. I yield to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, the only problem with the argument that the gentleman sets up in this matter with reference to cuts, is that it seems as though the cuts are always in places where the fat is the least. The fat is the most in the military. The problems are the most in the military. The waste is the most in the military.

Mr. EARLY. That is true, but why do we accept waste or abuse anywhere?

Mr. SMITH of Florida. If the gentleman will continue to yield, we are not necessarily agreeing there is waste or abuse in Peace Institutes, but out of $300 billion, the other side has been unable to find a single program that they can agree on should be cut. With $300 billion, we could solve so many of our problems, or start on the road with solving problems in those areas. There is a total refusal and abandon-

ment, in my estimation, of the obligation of Congress.

Mr. EARLY. Mr. Chairman, we use that argument all the time. I do not think about the $450,000. It is $8 million. If we have not got a problem that cannot be justified, I heard the discussion of the Peace Institute, what they did. I heard the gentleman from Illinois. I did not hear any of that at the committee hearings. They correct high school essays.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. EARLY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I think it becomes absolutely ridiculous to have people come to the floor and suggest that the reason why they cannot support cuts anywhere else is because they will support all the cuts in the military.

I personally am willing to support all kinds of cuts in the military. I voted for cuts in the military. My problem is that I do not see any Member who is willing to vote for cuts in the other two-thirds of the budget. They have to have a little bit of balance here in order to do the job of getting the budget deficits down, and what we hear from the gentleman is that they are willing to vote to wipe out the military budget, but that is the only place they are willing to cut. I do not think that that will do it. It is a sham. I think it is absolutely necessary we look for some cuts elsewhere.

I thank the gentleman for his support and hope the Members will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 194, noes 220, not voting 18, as follows:

[Roll No. 248]

AYES—194

Andrews	Campbell (CA)	Duncan
Applegate	Campbell (CO)	Dyson
Archer	Carper	Early
Armey	Chapman	Edwards (OK)
Ballenger	Clinger	Emerson
Barnard	Coble	English
Bartlett	Coleman (MO)	Erdreich
Barton	Combest	Fawell
Bateman	Cooper	Fields
Bennett	Coughlin	Fish
Bentley	Courter	Flippo
Bereuter	Cox	Frenzel
Bilirakis	Crane	Gallegly
Billey	Darden	Gaydos
Broomfield	DeLay	Gekas
Brown (CO)	DeWine	Gillmor
Buechner	Dickinson	Gingrich
Bunning	Donnelly	Goss
Burton	Dornan (CA)	Gradison
Byron	Douglas	Grandy
Callahan	Dreier	Grant
Gunderson	McEwen	Schulze
Hammerschmidt	McGrath	Sensenbrenner
Hancock	McMillan (NC)	Shaw
Hansen	Meyers	Shays
Harris	Michel	Shumway
Hastert	Miller (OH)	Shuster
Hefley	Molinari	Skeen
Hefner	Montgomery	Skelton
Henry	Moorhead	Slaughter (VA)
Herger	Murphy	Smith (NE)
Hiler	Neal (MA)	Smith (NJ)
Holloway	Nielson	Smith (TX)
Hopkins	Nowak	Smith, Denny (OR)
Houghton	Olin	Smith, Robert (NH)
Hubbard	Oxley	Smith, Robert (OR)
Hughes	Packard	Snowe
Hunter	Parker	Solomon
Hutto	Parris	Spence
Inhofe	Pashayan	Stangeland
Ireland	Patterson	Stearns
James	Paxon	Stenholm
Jenkins	Payne (VA)	Sundquist
Johnson (CT)	Penny	Synar
Kanjorski	Petri	Tallon
Kasich	Pickle	Tanner
Kleczka	Quillen	Tauke
Kolbe	Ravenel	Tauzin
Kyl	Ray	Taylor
Lagomarsino	Regula	Thomas (CA)
Laughlin	Rhodes	Thomas (WY)
Lent	Ridge	Upton
Lewis (FL)	Roberts	Valentine
Lightfoot	Robinson	Vander Jagt
Livingston	Rogers	Volkmer
Lowery (CA)	Rohrabacher	Vucanovich
Lukens, Donald	Ros-Lehtinen	Walker
Machtley	Roth	Walsh
Madigan	Roukema	Weldon
Marlenee	Rowland (CT)	Wolf
Martin (IL)	Rowland (GA)	Wylie
Martin (NY)	Sangmeister	Yatron
Mavroules	Saxton	
McCandless	Schaefer	
McCollum	Schiff	
McCrery	Schuette	

NOES—220

Ackerman	Downey	Kaptur
Alexander	Durbin	Kastenmeier
Anderson	Dwyer	Kennedy
Annunzio	Dymally	Kennelly
Aspin	Eckart	Kildee
Atkins	Edwards (CA)	Kolter
AuCoin	Engel	Kostmayer
Bates	Espy	Lancaster
Bellenson	Evans	Lantos
Berman	Fascell	Leach (IA)
Bevill	Fazio	Lehman (CA)
Bilbray	Feighan	Lehman (FL)
Boehlert	Foglietta	Levin (MI)
Boggs	Ford (MI)	Levine (CA)
Bonior	Ford (TN)	Lewis (CA)
Borski	Frank	Lewis (GA)
Bosco	Frost	Lipinski
Boucher	Gallo	Lloyd
Boxer	Gejdenson	Long
Brennan	Gephardt	Lowey (NY)
Brooks	Geren	Manton
Browder	Gibbons	Markey
Brown (CA)	Gilman	Matsui
Bruce	Glickman	Mazzoli
Bryant	Gonzalez	McCloskey
Cardin	Goodling	McCurdy
Carr	Gordon	McDermott
Chandler	Gray	McHugh
Clarke	Green	McMillen (MD)
Clay	Guarini	McNulty
Clement	Hall (TX)	Mfume
Coleman (TX)	Hamilton	Miller (CA)
Collins	Hatcher	Mineta
Condit	Hawkins	Moakley
Conte	Hayes (IL)	Mollohan
Conyers	Hayes (LA)	Moody
Costello	Hertel	Morella
Coyne	Hoagland	Morrison (CT)
Crockett	Hochbrueckner	Morrison (WA)
Davis	Horton	Mrazek
de la Garza	Huckaby	Murtha
DeFazio	Hyde	Myers
Dellums	Jacobs	Nagle
Derrick	Johnson (SD)	Natcher
Dicks	Johnston	Neal (NC)
Dingell	Jones (GA)	Oakar
Dixon	Jones (NC)	Oberstar
Dorgan (ND)	Jontz	Obey
Ortiz	Sarpalius	Torricelli
Owens (NY)	Savage	Towns
Owens (UT)	Sawyer	Traficant
Pallone	Scheuer	Traxler
Panetta	Schneider	Udall
Payne (NJ)	Schroeder	Unsoeld
Pease	Serrano	Vento
Pelosi	Sharp	Visclosky
Perkins	Sikorski	Walgren
Pickett	Sisisky	Washington
Porter	Skaggs	Waxman
Poshard	Slattery	Weber
Price	Slaughter (NY)	Weiss
Pursell	Smith (FL)	Wheat
Rahall	Smith (IA)	Whittaker
Rangel	Smith (VT)	Whitten
Richardson	Solarz	Williams
Rinaldo	Spratt	Wilson
Ritter	Staggers	Wise
Roe	Stallings	Wolpe
Rose	Stark	Wyden
Rostenkowski	Stokes	Yates
Roybal	Studds	Young (AK)
Russo	Swift	Young (FL)
Sabo	Thomas (GA)	
Saiki	Torres	

NOT VOTING—18

Anthony	Hall (OH)	McDade
Baker	Hoyer	Miller (WA)
Bustamante	LaFalce	Nelson
Craig	Leath (TX)	Schumer
Dannemeyer	Luken, Thomas	Stump
Flake	Martinez	Watkins

□ 1426

The Clerk announced the following pairs:

On the vote:

Mr. Craig for, with Mr. Anthony against.

Mr. Stump for, with Mr. Flake against.

Mr. SAVAGE changed his vote from "aye" to "no."

Mr. HENRY and Mr. OLIN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MORRISON OF CONNECTICUT

Mr. MORRISON of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Connecticut: Page 59, after line 20, insert the following new section:

SEC. 514. None of the funds appropriated or made available by this Act shall be used to issue regulations to carry out the amendments made by section 3 of the Immigration Nursing Relief Act of 1989 insofar as such regulations permit the Secretary of Labor (1) to refuse to accept for filing a completed attestation filed under section 212(m) of the Immigration and Nationality Act, or (2) to review in any way such an attestation with respect to which a complaint has not been filed under such section.

Mr. MORRISON of Connecticut (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORRISON of Connecticut. Mr. Chairman, this amendment is directed at the manner in which the Department of Labor is seeking to implement the changes in procedures that this House passed in the Integration

Nursing Relief Act of 1989. This legislation was passed to deal with a crisis in terms of the availability of nurses in some of our urban areas in this country, and, in passing this legislation, the Congress took care to streamline the process by which foreign born would be permitted to work on a temporary basis in the United States. The purpose of the legislation was to see to it that the resources of the Department of Labor would be focused on those challenged petitions rather than on the many routine petitions that would be filed. In seeking to implement this legislation, unfortunately the Department of Labor has acted in complete disregard of the expressed intent of the Congress and has implemented regulations more onerous than the existing certification procedure which we seek to streamline.

Mr. Chairman, what this amendment would do is to bar the Department of Labor from implementing regulations in this fashion, but rather to require the Department of Labor to conform its regulations to congressional intent, and that is to use its resources only in those instances where there is a challenge to the validity of what is being presented on behalf of these temporary employees.

□ 1430

It is truly important that the Congress express itself in this area, because there is pending before the Judiciary Committee a broadening of this streamlined policy to apply not just to nurses, but to employees admitted to the United States in general.

It is unfortunate that the Department of Labor with its already limited resources has chosen to continue a burdensome bureaucratic process that it has used in the past, rather than to grasp what the Congress is trying to do, a streamlined procedure so that the resources of the department are used where there is really a contest, rather than where everyone agrees that it is appropriate for foreign workers to be brought into the country.

I know that the gentleman from Kentucky, the chairman of the subcommittee, has some comments on this amendment.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the distinguished gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, the gentleman from Connecticut has been nice enough to talk with me about this. The gentleman serves as chairman of his subcommittee and he is well versed as far as the subject matter is concerned.

I would hope that the gentleman at this time or at the proper time would withdraw the amendment and give us a chance to work with him on it. I will assure the gentleman we will do everything we can to help him.

Mr. MORRISON of Connecticut. Well, Mr. Chairman, I thank the gentleman for his statement.

Let me say that I will accede to his suggestion, which I know he makes in the interest of expediting this legislation.

I would invite meeting with the gentleman in order to see to it that these scarce resources that are being appropriated in this bill are used in accordance with congressional intent, rather than use it in a way which spends more money to do less on behalf of the public. With that, I look forward to our work together in reforming what is going on here.

Mr. NATCHER. Mr. Chairman, I thank the gentleman.

Mr. MORRISON of Connecticut. Mr. Chairman, I ask unanimous consent to withdraw the amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 59, insert after line 20 the following new section:

SEC. 514. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is reduced by 15.2 percent.

Mr. FRENZEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRENZEL. Mr. Chairman, I am about to provide the House another splendid opportunity to show some of its well-known courage.

In the last couple days we have repeatedly been exhorted to be courageous, and yet we have, in the rejection of amendments, collectively decided that there is as yet no definition of our courage. Our courage was not worth a few hundred million dollars yesterday. It was not worth $19 yesterday. Today we have proved that it is not worth $65,000, and a few other amounts as well.

Since we have not discovered what congressional courage is worth, in this amendment I am going to test the extreme, outer limits. This amendment would reduce the discretionary spending in this bill by $6.7 billion.

Members will recall that on each appropriation bill I have introduced amendments which have sought to reduce the bill back to the 1990 level of discretionary spending. Some of them have been large cuts. Some of them have been small cuts. This one is in the former category. It is 15.2-percent.

Obviously, 15.2 percent, or $6.7 billion, is more than the discretionary spending has been increased in this bill. However, the chairman of the subcommittee never brings out unauthorized programs. With the money reserved under the 302(b) allocation for authorized programs that will eventually be added to this bill, the bill will eventually be 15.2 percent over fiscal year 1990. It is my judgment that 15.2 percent must be removed from the bill now, even though the discretionary spending in it has increased only 11.3 percent.

Now, inflation in the coming year is expected to be something under 5 percent. This bill, by the time we are done with it, will increase the spending for discretionary amounts by nearly three times that amount. These egregious spending increases are being proposed at a time when the United States is supposed to be in difficulty, when we will have difficulty passing a debt ceiling increase, and when we moan and groan about the deficits that we are passing down to our children and grandchildren. Despite the deficit, this House believes that taking care of personal needs is so important that we must raise the level of discretionary spending in this bill by three times the rate inflation.

The bill before us, Mr. Chairman, spends about $167 billion, counting both mandatory and discretionary items. Once you add in the unauthorized funds which will be spent later, you will be very close to $176 billion.

Out of that amount, my 15.2 percent reduction in the discretionary amounts will remove about $6.7 billion. Out of the full expense of the bill's spending of $176 billion, it will be a decrease of something a little bit more than 3 percent.

Is this going to hurt some of the programs? If you believe that the only way that programs can be operated effectively is at the funding level which the subcommittee has put in its bill, then you will think this is an excruciating amendment. This is not 50 cents a function, as we were looking at yesterday. This is going to make substantial reductions in programs that many of you just love.

On the other hand, I doubt that all of you want to pass on to your children and grandchildren the kind of debts that this sort of appropriation will produce.

I must say as we sit here more than $3 trillion in hock, racking up $300 bil-

lion in increased debts in the coming fiscal year, it is hard to see a need so great that we must increase spending for it by more than three times the expected rate of inflation.

Mr. Chairman, we have had many tests on the willingness of Congress to decide when enough is enough. This Congress apparently has no limit to what is enough, but I propose to try to find a limit again today.

This is an amendment that is tough, and strong. It has nothing to do with the lollipop guild or Munchkin land. With this amendment we are talking about the great and powerful Oz.

Mr. Chairman, I urge adoption of the amendment.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if this amendment is adopted it will reduce the overall amount in the bill by $6,704,246,000. For 11 long weeks, every day with the exception of Saturdays and Sundays, with very few exceptions, we listened to hundreds of witnesses appear to testify on the budgets for the Departments of Labor, Health and Human Services, and Education. We carefully considered all of the testimony.

Under our section 302(b) allocation, we were allowed and allotted certain amounts. At the markup of the bill and in the presentation of the bill before the full committee, we stayed under our 302 allocation.

Now, Mr. Chairman, think about an amendment like this; 15.2 percent of the entire bill.

If this amendment is adopted, it will cut education funding in this bill, by $3,088,000,000.

□ 1440

Mr. Chairman, I was here back in the 1960's when we used to try day after day to pass an education bill to help educate the children in our country, and we failed time after time. We are now up to the point where we have $26 billion in this bill for education.

During the last 9 years, we have appropriated $199 billion for education, and at the same time $2.312 trillion for defense. Think about it.

I do not know of a single Member in this House who believes we should not educate our children.

If this amendment were adopted, it would cut the cancer research provisions in the bill by $265 million, the National Cancer Institute in this country. Today we have 500,000 people a year dying of cancer—$265 million.

If this amendment were adopted, as far as the elderly program is concerned, we would have a substantial reduction.

Mr. Chairman, we have in this country people that are in need of food, something to eat during the daytime. They go into the centers, with a lot of pride, Mr. Chairman, and I have seen them. They walk in, they need help. Take a look at what this amendment does as far as the elderly are concerned.

Older workers' employment, drug abuse, Medicare contractors all cut. Social Security Administration, a $633 million reduction. In this bill, we have a recommendation for 1,500 additional employees to see that these claims are processed. Here, we would have a huge reduction.

As far as impact aid is concerned, a reduction of $121 million, and we had appearing before our subcommittee 45 Members of this House saying to us, "Please, take care of category B, put the money back in."

As far as the Job Corps is concerned, if the amendment offered by the gentleman from Minnesota is adopted, there would be a $136,912,000 reduction. We had a witness who appeared before our committee not too long ago, Mr. Chairman, who said, "Why, at West Point it costs $17,500 a year, but in the Job Corps it is even higher." We said, "That may be true, but in the Job Corps we are saving boys and girls. We are helping them. We are helping to educate them, give them training and prepare them so they can go out and take care of themselves." It might be a lot, but we are taking care of poor boys and girls in this country in that program.

As far as summer youth employment is concerned, $106 million, Mr. Chairman. Mental health research, a $76 million reduction.

The one that impresses me the most from the standpoint of the harshness of such an amendment is the $3 billion reduction in education.

Mr. Chairman, I respectfully call upon the House to turn this amendment down.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, I respect my good friend from Minnesota. He has served this House with distinction and with pride, and I am sorry to see him leave Congress to go back home.

I understand what he is trying to do, but this bill holds special promise for our citizens. It helps those who suffer from disease, who struggle to make a living, who seek a brighter future through education.

If my friend's amendment is adopted, it would absolutely gut the heart of this bill. It would go far beyond what he intends to do.

His amendment assumes all discretionary items in the bill at 15.2-percent increase, but many items in this bill have increased far less. Quite a few do not have any increases at all, and taking a broad meat-ax approach to this bill would leave many of these programs stranded well below last year's level. It would be devastating.

Let me reel off what would happen. First of all, we just had a big tussle over drug funding. This amendment would be counterproductive to restoration of drug funding. It would drive us back in the direction that we came from. Biomedical research, cut by $1.25 billion. That means fewer grants, fewer grants for cancer research, slashed by over $260 million, and AIDS, over $250 million; maternal and child health care loses $90 million. Think of all those needy families, those children, who would not get food or medical care. Programs for the elderly slashed by over $120 million. Meals for low-income seniors reduced by $70 million, leaving thousands without a hot meal and some company. Education for the handicapped hacked by over $450 million.

The ADA is going to be signed into law by President Bush soon. Do we want to go back on our promise on helping the disabled now?

Mr. Chairman, I can go on and on with a litany of woe that this amendment would do. The chairman, the gentleman from Kentucky [Mr. NATCHER], and I have worked for many years on this bill. We are proud of our record. We do not earmark a dime in this bill. We have kept the faith with the people, with the good, solid programs that help our fellow citizens, and I hope that we will keep the integrity of this bill intact.

This Committee on Appropriations has been coming under severe criticism in the past couple of days. There is one way in which the House is out of whack in terms of fiscal reality. When people say that Congress spends too much, they think automatically of the Committee on Appropriations, and that is the fault. It is a knee-jerk reaction, and it is wrong.

Since 1981, nondefense discretionary spending has been shrinking in real terms. It has gone from $157 billion in 1982 to approximately $200 billion in 1990, $35 billion below the level necessary just to stay abreast of inflation.

Entitlements, on the other hand, largely in control of the committee of the proponent of this amendment, Ways and Means, are spiraling up, spending much faster than the rate of inflation. Entitlements have grown from just over $300 billion in 1981, to nearly $600 billion in 1990, $151 billion above the level necessary to keep up with inflation.

Similarly, when a document like the mid-session review comes out showing the deficit rising from $100 billion to $168 billion, the automatic reaction is to try to blame the additional spending on the Committee on Appropriations. Nothing, nothing could be further from the truth: $34 billion of the growth of the deficit is due to less revenue coming in than expected.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 5 additional minutes.)

□ 1450

Mr. CONTE. Mr. Chairman, $39 billion is due to economic and technical reestimates, including $10 billion from interest rate effects: Higher expenditures for food stamps, Social Security, unemployment compensation, Medicaid, Medicare, FDIC Bank Insurance Fund; and so on.

Do you know how much of that $60 billion increase in deficits since January is attributed to the actions of the Committee on Appropriations in enacting a supplemental? $600 million. Sooner or later Members of this House are going to have to come to grips with reality and with the continuing cause of an out of control—out of control—deficit. It is uncontrolled entitlement spending, which is largely the responsibility of the proponent of this amendment.

Mr. Chairman, let me point out one other problem. Even when this House tells its authorizing committee to make savings in the reconciliation process, they do not do it. Last year's reconciliation bill was supposed to obtain $14 billion in savings, so much from the Committee on Ways and Means, so much from the Committee on Energy and Commerce, so much from the Committee on Merchant Marine and Fisheries, and so on.

Do you know how much in real recurring savings of the Congressional Budget Office estimates were actually achieved? $4 billion. $4 billion. Plus $4 billion out of the Committee on Appropriations through sequester, because other committees did not do their job.

Yet Members trot out here on the floor and keep slamming and slamming and slamming the Committee on Appropriations saying it is spending out of control.

Think about it. The biggest complaint we had from the administration on this bill here today was that we did not spend enough money. Sooner or later someone is going to wake up around here. You are kicking the wrong dog.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(At the request of Mr. TRAXLER and by unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Chairman, may I commend the gentleman from Massachusetts [Mr. CONTE] for what I consider one of the most accurate and finest statements that have been said this year on any appropriation bill by any Member of this House.

Mr. Chairman, I want to say that again. The gentleman from Massachusetts [Mr. CONTE] is to be commended for his truthfulness, his accuracy, and his insight into the appropriations process in the spending or misspending that has taken place in these 10 years.

I would only add two comments to what the gentleman has said. First, in the last 10 years defense has doubled from about $150 billion to slightly over $300 billion. A very significant impact on our deficit.

Second, I would point out that this body and the preceding President slashed taxes, increased defense, and cut the domestic spending, but to no avail in terms of a deficit because the taxes were down, defense was up, and even the dramatic cuts that the gentleman alludes to in the discretionary areas were not adequate enough to forestall the massive revenue shortfalls created by the two major problems that created the deficit, the major tax cut of the 1980's and, second, the massive defense buildup.

Mr. Chairman, I commend the gentleman from Massachusetts [Mr. CONTE] for his accuracy and his truthfulness.

Mr. CONTE. Mr. Chairman, reclaiming my time, I remember in 1981, we had a rescission bill from President Reagan. I think that rescission bill was around $13 to $14 billion. I have sat on that committee for 32 years. We never went along with rescission. That committee never went along with rescission. But we did. In 1981, the Committee on Appropriations rescinded $13 to $14 billion. Unfortunately, they sent up here a supplemental for $13 to $14 billion, and we put it all in defense. That would have been a great thing to say.

I am not one of these defense bashers, but I remember that incident. Now we have got to go over to the summit, and we are late.

Mr. Chairman, let me say that it is going to take a lot of guts and a lot of courage to walk out of that summit with a package. You are not going to do it with just discretionary funds. We will go along and we will make some cuts there. You are going to have to do it with entitlements, because if you do not do it with entitlements, you are going to destroy this Government. Entitlements are getting bigger and bigger and bigger every year. They consume more than half of the budget right now, and nobody wants to do anything about it.

I tell people who want you to sign a petition, no taxes, no cuts in entitlements, and everything else, don't put yourself in cement.

Mr. MICHEL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I regret that because of our being tied up so much these days with summitry, I have not been over here on the floor supporting my friend, the gentleman from Minnesota [Mr. FRENZEL] in his efforts to cut spending from some of the appropriation bills. I would be quick to observe that while he serves on the Committee on Ways and Means, which has jurisdiction over many of the entitlement programs, if one looks at the voting record on that committee one will notice significant differences on the difference between the two sides as to whether to enact, cut, or restructure those entitlements. So I do no want to have the character of the author of this amendment demeaned in any fashion because of the outstanding service he has given across the board universally, uniformly, on this issue.

Mr. Chairman, as some of the older Members in terms of service will recall, I was for many years the ranking member of the subcommittee which brings this bill before us today. As those Members will further recall, more often than not I found myself speaking in opposition to my own subcommittee's recommendations, because I was in the minority, and I was not afraid to speak out that way, because that is what this debate is all supposed to be about on the floor of this House.

In today's climate, some might consider that an act of courage, or an act of foolhardiness. Back then it was neither.

Everyone knew where BOB MICHEL was coming from. They knew that he was opposed to excessive spending out of principle; that he had a right to oppose such spending and worked to reduce it. There were no recriminations, no threats, no warnings that because he sought to carry out his principles, he might lose projects in his district.

No, we agreed to disagree on the basis of comity. It thus pains me today to hear threats, not particularly concerning this bill, but in several of the previous ones we had several days ago, being bandied about that Members are endangering programs or projects of interest to them if they seek to challenge spending levels in the various appropriation bills, or that Members somehow feel intimidated if they do anything other than tow the line of the committee's recommendations.

Mr. Chairman, intimidation demeans this institution and undermines the democratic process. No Member should be fearful of carrying out his basic beliefs and principles.

With that said, Mr. Chairman, let me put on my old appropriator's hat and highlight what I believe are the excessive spending levels of this bill.

Total spending in the bill, as Members know, is $167.7 billion. It exceeds last year's level by $17 billion.

Now, if we could perchance in the summit freeze at last year's level across the board, you are talking about $17 billion right here. To be sure, about $12 billion of that increase represents mandatory spending, and thus shows the need, as members of the committee have said over the years, to do something about entitlements. The gentleman from Massachusetts [Mr. CONTE] made the case very well.

As a matter of fact, if we could reach the $12 billion savings in entitlements at the summit, I am sure we could get an overall deal within hours. But we are a long way away from that, even just considering the items in this bill alone. Probably the only place we are is half of that amount at the summit.

I agree that the Committee on Appropriations cannot itself get control of the entitlement process, but it can surely do something about discretionary spending. Unfortunately, in this bill, as in many of the others that have come before us thus far, we have not done all that we could do.

Discretionary expenditures in this bill exceed last year's level by $5.6 billion. That is an increase of 15 percent.

We all decry the big increases happening out there in the health care industry, as distinguished from what the increases are in the other segments of the economy. But we follow right along.

The bill exceeds the President's budget by $3.2 billion.

Mr. Chairman, how can we on the one hand have an ongoing summit with the task of coming up with a program to balance the budget, while on the other hand continue on our merry way with unrestrained spending of this magnitude? No wonder the public holds Congress in low esteem.

Obviously, much of the huge spending increase in the bill goes for meritorious causes. There is, for instance, a $1 billion increase for NIH. That is 14 percent.

Mr. Chairman, when I first served on this Committee on Appropriations way back when, NIH was funded at $200 million. With this increase this year it is up over $8 billion. It is hard to always have to argue against it.

The gentleman makes points about "Oh, you are voting against this, you are voting against that, you are voting against this." If you keep that up you will never make any progress.

Another $1 billion of additional moneys woud go to the education title I program, an increase of over 19 percent; $700 million of additional spending is earmarked for education for the handicapped, a 36-percent increase. That is significant. We passed an ADA bill catering to that area.

Vocational education gets a 26-percent increase. Student aid goes up by 11 percent.

Mr. Chairman, what I am saying here is that with inflation at 4 percent, yes, some of these probably ought to be increased. But I am talking about the exorbitant increases.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

(By unanimous consent, Mr. MICHEL was allowed to proceed for 2 additional minutes.)

Mr. MICHEL. Mr. Chairman, education research gets a whopping 40-percent increase. Back in the health field, the Centers for Disease Control get 13 percent.

Mr. Chairman, I am not denying that there are some legitimate needs out there.

□ 1500

But the rate of increases in a time, supposedly, when we are supposed to be restrained, causes me to raise the questions. These are just the double-digit increases that I have talked about. Most of the other programs in the bill would still receive single-digit increases, in excess of inflation or the current service level, and despite the merits of many of these programs there is no way we can provide increases of this magnitude and still move toward a balanced budget.

And if we get a summit agreement—and I emphasize "if"—all of these programs are going to have to be scaled back significantly. I think it is a serious mistake to give people false hopes of major program increases only to have them dashed in the end. Frankly, if we do not get agreement, I will tell you, brother, old sequester will do it and it will do it in spades, believe me.

Our most commonsense approach, as we have been saying for weeks, is to start at a low level and then raise spending if the funds are available, rather than do just the opposite as we have been doing.

Obviously, I would urge Members to support the distinguished gentleman from Minnesota in his effort to impose some spending restraint on this bill. I urge support for his amendment.

Mr. DURBIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the appropriations process in the U.S. Congress is an interesting exercise in spending billions of dollars. Most of these billions of dollars are spent on projects that many of us will never see, parks we will never visit, space programs we will never see, even space-based telescopes which cannot see; water projects that will never touch our lives, programs and projects that affect so very few Americans.

But this bill and the programs included in this bill touch each and every one of us.

I wish the gentleman from Minnesota, a person whom I respect, and a gentleman of great conviction, could have been with me to visit the chapter 1 program in my district, to sit in the classroom with students who had fallen behind to the point where they were about to be held back and, because of the program which Mr. NATCHER and Mr. CONTE have funded in this bill, those kids got the extra help to resume their classroom education, to start over and to look forward with a bright future.

And I wish the gentleman could come with me to town meetings and meet so many working families with worried looks on their faces, asking me, "Congressman, how in the world can I get my son and daughter into college and pay for it on my income today?" Well, part of the hope, part of the promise contained in this bill, are the Pell grants that are available to help some of these students get the chance for college education.

Let me speak for a moment to the National Institutes of Health because it means so very much to everyone within the sound of my voice.

The gentleman before me, my friend and colleague from Illinois, referred to the early days when only $200 million was spent on the health research at NIH. Those days have certainly changed.

Let me tell you what has changed over the last decade: Medical researchers across America submit their ideas and proposals to the NIH, proposals for care and treatment and cure of cancer, health disease, Alzheimer's, the things that worry each and every one of our families.

Do you know, as taxpayers, that of all those that are submitted for approval, only one out of four will get funding from the National Institutes of Health to try to find that cure, that treatment, that hope.

Why only one out of four? Because we have not put the money into the National Institutes of Health; we put the money into the Pentagon for military research for 10 years. We put billions of dollars into B-2's, into tanks that will not run, into guns that will not shoot straight, and we think that that makes for a better America.

Well, some of us have a different vision about security and hope in the future. This bill speaks to that vision.

This bill adds $1 billion to the National Institutes of Health. They will double those health research grants, they will expand the opportunities to find these cures and treatments; they will give hope to so many people.

Sadly, this amendment by the gentleman from Minnesota takes every one of those dollars away and puts us back in the dark days of ignorance when it comes to health research.

This is not a fiscally conservative bill; this is a meat ax that cuts at the heart and soul of America.

This amendment condemns thousands of children to ignorance, it denies a college education to thousands of young men and women and, even worse, this amendment closes the door of hope, hope for so many American families who worry over illness and disease.

President Bush promised us a kinder and gentler America. I would ask the gentlemen on the Republican side of the aisle to cast their votes against this amendment and for reality of a kinder and gentler America.

Mr. DORNAN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to take exception to some of those things that my friend, the gentleman from Illinois [Mr. DURBIN], just said. It is the kind of ancient rhetoric I did not think we would much hear in this Chamber after the collapse of communism in Eastern Europe. The Berlin Wall started to come down November 9, and I thought that given that event, which our military had such a large role in promoting, we would have given up beating up the military and those of us who supported a strong defense.

Mr. DURBIN is a good Congressman; he fought a good crusade to clean up the air on airplanes, and I will probably live 10 years longer because of it because I am a Californian who spends a lot of time on airplanes. But on this issue he is way out in left field, and I emphasize the left.

Mr. Chairman, I hope that 10 years is spent in this House setting the record straight on who won the cold war against communism. It wasn't the liberals, leftists, peaceniks, freeze freaks, or others of that ilk. It was mostly conservatives who had the courage to face the challenge of the Soviet Union head on.

And yet we still hear this bullstuff from my liberal colleagues about guns that don't shoot straight and planes that don't fly.

I do not know of any guns that do not shoot straight. Our guns shoot darned straight, straight enough to liberate Panama, to liberate Grenada, straight enough to hold back the Bear, the Communist monster that Gorbachev said killed more people than Hitler.

Why did communism kill more people than Hitler? They had more time. We shut down the Third Reich starting 50 years ago this year, in 12 years. Communism is still killing people in Angola; Communists are still rioting in the streets of Nicaragua, trying to tear up President Chamorro's government; Communists are still killing people in Afghanistan; Communists are still killing people on every continent on this planet.

Why attack the B-2 in this context? The B-2 is one of those technological marvels that never does serve on the line in the Strategic Air Command. It is one of those systems like strategic defense and the B-1 bomber and those missiles that we have in silos that finally taught the head Russian, Gorbachev, that they are not going to win the cold war, that this Nation does have the grit and the guts and the wherewithal with a total volunteer force, now 11-percent female, to stay the course and win the cold war.

And now we hear courageous Russians and courageous people from the other 134 ethnic groups in this strange country comprised of 15 so-called republics that are not republics at all; we hear them telling about the mass graves of hundreds of thousands of people. These are not graves exposed like the horrible graveyards left over from Hitler's six major extermination camps in Poland, but graves of hundreds of thousands of innocent men, women, and children murdered, with apartment buildings built over them.

Now, this cold war was fought by Congressmen on both sides of the aisle in this House who did not demagog defense issues, who were proud of our young men and women in uniform, whether they were drafted or not, whether they won half a victory in Korea so that there could be an Olympics in Seoul in 1988 and Hyundai cars sold all over this country, and who tried to keep half of Vietnam free. Someday those who are for a strong defense, peace through strength without apology, will see a free Vietnam and a free Angola and a free South Africa, and we will see a free Soviet Union before this century sees its close. If you want to see programs that don't work, take a look at the domestic portion of the budget that is loaded to the gills with special interest programs, corporate welfare programs, and socialistic programs that don't do what they are intended to do. This bill is chock full of them. But lay off defense.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment and in strong support of the Labor-HHS appropriation bill for fiscal year 1991.

□ 1510

Mr. Chairman, I congratulate the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE], who is the ranking member, and the members of the committee for their courage in bringing this very important legislation to the floor. In doing so, and by the statements of the chairman, the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Massachusetts [Mr. CONTE], they have sent forth a very clear message that we intend to have an appropriation bill here that recognizes that the strength of our country is measured in the health, education, and well-being of our people. That is our strength, and that is why we are a model to the world.

I want to commend the committee, particularly for adding the nearly $700 million for the expansion of basic biomedical research projects at the National Institutes of Health. This research will make a major difference in the future health of our Nation. Some of my colleagues have spoken about the $1.7 billion for AIDS research. I would like to remind my colleagues that AIDS research at the NIH is not earmarked. The exact amount of AIDS-related biomedical research will be determined by the peer review system in place at the National Institutes of Health and the Alcohol, Drug Abuse and Mental Health Administration.

Really about a half of the $1.7 billion will go to research at NIH. Some of the remaining money is spent on AIDS and primarily used by CDC, which monitors the progress of the epidemic. This epidemic differs from other diseases in that it expands with each new infection, and its priority has to be assessed in the context of this being the major epidemic of the century.

I particularly want to address the concern expressed earlier by my colleague, the gentlewoman from Ohio [Ms. OAKAR], when she spoke of the need for a higher priority for research on breast cancer and compared the number of people who are suffering from breast cancer to the number of people suffering from AIDS. I certainly agree that a higher priority should be placed on the breast cancer. I would like to make the point, however, that basic AIDS, I repeat, basic AIDS research at the National Cancer Institute, like other basic research, is leading to major breakthroughs that have the potential to lead to a complete cure for breast and cervical cancer. This basic medical research is not only for AIDS but for other diseases, and will benefit all Americans in the long run.

As far as AIDS funding is concerned, I am particularly pleased that the committee has decided to fund mental health service demonstration programs and continue the very successful National Institute of Drug Abuse outreach program for preventing HIV infection among IV drug users, and expands on the highly successful cooperative treatment between the Centers for Disease Control and heavily impacted cities for prevention services.

Again, I commend the chairman and the ranking member and the members of the committee. I would like to make

special commendation to the gentleman from Illinois [Mr. DURBIN] for his work on the Committee on the Budget for the additional funds for NIH biomedical research and all the members of the committee for their continuing leadership on health issues. I urge my colleagues to support the bill, and again thank the members of the Committee on Appropriations for their courage in bringing this very important legislation to the floor.

Mr. NATCHER. Mr. Chairman, the debate on this bill I think has been excellent. We started at 10:22 this morning. I understand we have one other amendment. The gentleman from Minnesota [Mr. PENNY] will offer a 2-percent reduction amendment, and there might be another amendment or two. However, Mr. Chairman, at this time now, in all fairness to the Members of the House, I ask unanimous consent that all debate on the bill and amendments thereto cease no later than 4:30 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. There is no objection to the request, and any amendments thereto shall be concluded by 4:30 p.m.

The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 85, noes 333, not voting 14, as follows:

[Roll No. 249]

AYES—85

Armey	Hancock	Paxon
Ballenger	Hansen	Petri
Bartlett	Hastert	Quillen
Barton	Hefley	Rhodes
Bennett	Henry	Ritter
Bentley	Herger	Roberts
Bliley	Hopkins	Rohrabacher
Broomfield	Houghton	Roth
Brown (CO)	Hunter	Schaefer
Bunning	Inhofe	Schulze
Burton	Ireland	Sensenbrenner
Callahan	Johnson (CT)	Shumway
Campbell (CA)	Kasich	Shuster
Chandler	Kolbe	Slaughter (VA)
Coble	Kyl	Smith, Denny (OR)
Combest	Lent	Smith, Robert (NH)
Cox	Lukens, Donald	Spence
Crane	Madigan	Stearns
DeLay	Marlenee	Stenholm
Dornan (CA)	McCandless	Sundquist
Douglas	McCollum	Thomas (CA)
Dreier	McEwen	Thomas (WY)
Edwards (OK)	McMillan (NC)	Upton
Fawell	Michel	Vander Jagt
Fields	Miller (OH)	Walker
Frenzel	Moorhead	Whittaker
Gekas	Nielson	Wylie
Gingrich	Oxley	
Gradison	Packard	

NOES—333

Ackerman	Gallegly	McNulty
Alexander	Gallo	Meyers
Anderson	Gaydos	Mfume
Andrews	Gejdenson	Miller (CA)
Annunzio	Gephardt	Mineta
Anthony	Geren	Moakley
Applegate	Gibbons	Molinari
Archer	Gillmor	Mollohan
Aspin	Gilman	Montgomery
Atkins	Glickman	Moody
AuCoin	Gonzalez	Morella
Barnard	Goodling	Morrison (CT)
Bateman	Gordon	Morrison (WA)
Bates	Goss	Mrazek
Beilenson	Grandy	Murphy
Bereuter	Grant	Murtha
Berman	Gray	Myers
Bevill	Green	Nagle
Bilbray	Guarini	Natcher
Bilirakis	Gunderson	Neal (MA)
Boehlert	Hall (OH)	Neal (NC)
Boggs	Hall (TX)	Nowak
Bonior	Hamilton	Oakar
Borski	Hammerschmidt	Oberstar
Bosco	Harris	Obey
Boucher	Hatcher	Olin
Boxer	Hayes (IL)	Ortiz
Brennan	Hayes (LA)	Owens (NY)
Brooks	Hefner	Owens (UT)
Browder	Hertel	Pallone
Brown (CA)	Hiler	Panetta
Bruce	Hoagland	Parker
Bryant	Hochbrueckner	Parris
Buechner	Holloway	Pashayan
Bustamante	Horton	Patterson
Byron	Hoyer	Payne (NJ)
Campbell (CO)	Hubbard	Payne (VA)
Cardin	Huckaby	Pease
Carper	Hughes	Pelosi
Carr	Hutto	Penny
Chapman	Hyde	Perkins
Clarke	Jacobs	Pickett
Clay	James	Pickle
Clement	Jenkins	Porter
Clinger	Johnson (SD)	Poshard
Coleman (MO)	Johnston	Price
Coleman (TX)	Jones (GA)	Pursell
Collins	Jones (NC)	Rahall
Condit	Jontz	Rangel
Conte	Kanjorski	Ravenel
Conyers	Kaptur	Ray
Cooper	Kastenmeier	Regula
Costello	Kennedy	Richardson
Coughlin	Kennelly	Ridge
Courter	Kildee	Rinaldo
Coyne	Kleczka	Robinson
Crockett	Kolter	Roe
Darden	Kostmayer	Rogers
Davis	LaFalce	Ros-Lehtinen
de la Garza	Lagomarsino	Rose
DeFazio	Lancaster	Rostenkowski
Dellums	Lantos	Roukema
Derrick	Laughlin	Rowland (CT)
DeWine	Leach (IA)	Rowland (GA)
Dickinson	Lehman (CA)	Roybal
Dicks	Lehman (FL)	Russo
Dingell	Levin (MI)	Sabo
Dixon	Levine (CA)	Saiki
Donnelly	Lewis (CA)	Sangmeister
Dorgan (ND)	Lewis (FL)	Sarpalius
Downey	Lewis (GA)	Savage
Duncan	Lightfoot	Sawyer
Durbin	Lipinski	Saxton
Dwyer	Livingston	Scheuer
Dyson	Lloyd	Schiff
Early	Long	Schneider
Eckart	Lowery (CA)	Schroeder
Emerson	Lowey (NY)	Schuette
Engel	Machtley	Schumer
English	Manton	Serrano
Erdreich	Markey	Sharp
Espy	Martin (IL)	Shaw
Evans	Martin (NY)	Shays
Fascell	Martinez	Sikorski
Fazio	Matsui	Sisisky
Feighan	Mavroules	Skaggs
Fish	Mazzoli	Skeen
Flake	McCloskey	Skelton
Flippo	McCrery	Slattery
Foglietta	McCurdy	Slaughter (NY)
Ford (MI)	McDermott	Smith (FL)
Ford (TN)	McGrath	Smith (IA)
Frank	McHugh	Smith (NE)
Frost	McMillen (MD)	Smith (NJ)
Smith (TX)	Tauzin	Waxman
Smith (VT)	Taylor	Weber
Smith, Robert (OR)	Thomas (GA)	Weiss
Snowe	Torres	Weldon
Solarz	Torricelli	Wheat
Spratt	Towns	Whitten
Staggers	Traficant	Williams
Stallings	Traxler	Wilson
Stangeland	Udall	Wise
Stark	Unsoeld	Wolf
Stokes	Valentine	Wolpe
Studds	Vento	Wyden
Swift	Visclosky	Yates
Synar	Volkmer	Yatron
Tallon	Vucanovich	Young (AK)
Tanner	Walgren	Young (FL)
Tauke	Walsh	
	Washington	

NOT VOTING—14

Baker	Hawkins	Nelson
Craig	Leath (TX)	Solomon
Dannemeyer	Luken, Thomas	Stump
Dymally	McDade	Watkins
Edwards (CA)	Miller (WA)	

□ 1534

The Clerk announced the following pairs:

On this vote:

Mr. Stump for, with Mr. Hawkins against.

Mr. Dannemeyer for, with Mr. Dymally against.

Messrs. SHAW, STARK, and CLINGER changed their vote from "aye" to "no."

Messrs. KASICH, MOORHEAD, and STEARNS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. PURSELL. Mr. Chairman, Congress approved an annual appropriation bill in mid-July which includes health research funding—and the process by which those research dollars are apportioned has drawn criticism.

At the heart of the debate is the level of funding provided AIDS research, currently $1.6 billion per year. The appropriation bill approved by the House calls for $1.7 billion during fiscal 1991, more than triple the fiscal 1987 level of $502 million.

In May, some 1,000 AIDS activists protested outside the National Institutes of Health [NIH] in Bethesda, MD—the umbrella agency through which most of the research dollars are channeled. The NIH demonstrators, like those outside the recent economic summit in Houston, claim Government has been inattentive to AIDS. They believe more can and should be done.

There is no question the pain caused by AIDS is enormous. As a member of the House subcommittee charged with writing the annual health care appropriation, I recognize the devastation brought on by AIDS. I also recognize the need for ongoing research.

Each year my subcommittee receives testimony from AIDS researchers, doctors treating AIDS patients, AIDS patients themselves, and the family members of AIDS patients. There is little doubt the victims deserve our attention, compassion, and a portion of our health care research dollars.

But AIDS victims are not alone in their pain. We also hear from witnesses testifying about cancer, heart disease, Alzheimer's disease, stroke, lung disease, and the list goes on.

With limited research dollars available, policymakers such as myself must focus on priorities—priorities built on a comprehensive point of view rather than political pressure. We must balance the health needs of an entire population.

Unfortunately, many fail to recognize the comprehensive approach needed for health research—viewing AIDS as the preeminent health crisis, rather than as one of the many health problems which claim lives each year.

Commenting after the NIH protest, columnist Charles Krauthammer wrote in a June edition of Time magazine:

AIDS is now riding the crest of public support, won in the rough and tumble of politics. All perfectly legitimate, and a tribute to the passion and commitment of AIDS activists. But that passion turns to mere stridency when they take to the streets to protest that * * * society has been ungenerous and stinting in its response to the tragedy of AIDS. In fact, American society is giving overwhelming and indeed disproportionate attention and resources to the fight.

Concerned about the disproportion, I raised this point a year ago during debate over fiscal 1990 health research funding.

Speaking at that time, I pointed out that while the total number of AIDS-related deaths since 1981—now about 80,000—is devastating, cardiovascular diseases claim as many lives every 4 weeks. Yet, AIDS research funding exceeds the amount spent each year on heart disease—about $1 billion.

I also pointed out that Federal AIDS research funding now equals the amount spent annually on cancer research, despite the fact cancer claims some 500,000 lives a year, while AIDS claims less than 10,000.

From a different perspective, the leading cause of death in my own State of Michigan, like many other States, continues to be heart disease. In fact, Michigan has the Nation's highest chronic disease death rate—deaths caused by illnesses such as heart disease, stroke, diabetes, lung cancer, breast cancer, cervical cancer, colorectal cancer, or cirrhosis.

The more than 500 deaths per 100,000 population in Michigan caused by these chronic diseases compares with 5 deaths per 100,000 population for AIDS. Yet, funding for AIDS in Michigan from the Center for Disease Control [CDC] is second only to immunization funding. The CDC—which is a part of the health appropriation—reports its AIDS funding in Michigan exceeds chronic disease prevention by more than 40 to 1.

Since pointing out this growing disproportion a year ago, I have heard from many members of the national health research community. Most have expressed concern about the funding trend.

Researchers in all settings are feeling the effects of the shift—as funds and personnel increasingly are moving to AIDS-related projects, leaving vulnerable the other critical health research areas. Their voices, coming from NIH, hospitals, and universities are asking to be heard.

Last month, Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases—the lead AIDS institute—went on record concerning the AIDS funding trend.

Dr. Fauci said:

There is a disproportionate amount within the framework of what we're spending on biomedical research given to AIDS when you compare cancer and heart disease.

When the full record is reviewed, I believe the need to remove politics from the health research allocation process becomes apparent. As I said at the onset, policymakers must balance the health needs of an entire population.

The momentum of AIDS has pushed other health needs to the periphery. It's time we took a step back to regain our perspective and refocus our health research efforts based on priorities rather than politics.

Mr. OXLEY. Mr. Chairman, I rise to commend the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE] for agreeing to restore the funding levels which President Bush asked for in the drug education, treatment, and prevention programs funded by this legislation.

Those of us who serve on the Select Committee on Narcotics Abuse and Control have heard a great deal of criticism regarding President Bush's drug prevention and education strategy. It has been suggested that the President's plan places too much emphasis on law enforcement and interdiction and not enough on drug treatment and prevention methods. The truth of the matter is that President Bush has requested record funding levels for drug treatment and education programs.

Unfortunately, the appropriations bill brought before the full House today would have cut over $230 million out of the President's treatment and prevention efforts. These programs are critical to the war on drugs. Without effective education, treatment, and prevention programs, an important aspect of our National Drug Control Strategy would be lost.

As approved by the Appropriations Committee, H.R. 5257 would have reduced the President's request for alcohol and drug abuse block grants by $100 million. In addition, drug treatment improvement programs, which serve adolescents, prisoners, and pregnant women, would have lost $35.5 million under this legislation, and the basic Federal program of direct aid to local communities, known as Community Partnership grants, would have received a budget slash of $41.6 million from the President's request. Finally, the Drug-Free Schools and Communities Program, one of the most beneficial drug education programs in the Nation, would have received a $54.3 million reduction from the administration budget request under the terms in H.R. 5257.

Mr. Chairman, the American people believe that the drug war is a national priority. Funding for this effort must be a priority for this Congress, so I am pleased that the President's budget request will be fully met.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 59, insert after line 20 the following new section:

SEC. 514. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is reduced by 2 percent, except that such reduction shall not apply to amounts appropriated or otherwise made available under title III for "COMPENSATORY EDUCATION FOR THE DISADVANTAGED", "EDUCATION FOR THE HANDICAPPED", "GALLAUDET UNIVERSITY", "STUDENT FINANCIAL ASSISTANCE", "HIGHER EDUCATION", "HOWARD UNIVERSITY", and "LIBRARIES".

(Mr. PENNY asked and was given permission to revise and extend his remarks.)

Mr. PENNY. Mr. Chairman, this amendment to the Labor-HHS appropriations bill calls for a 2-percent across-the-board reduction. The amendment would exempt only the following programs: Chapter 1—education programs, handicapped education, student financial aid, higher education funding, library assistance programs, and aid to two universities, Howard and Gallaudet, here in the District of Columbia.

In total, Mr. Chairman, this bill appropriates $170 billion. That represents a $17.3 billion increase over last year's spending levels. All in all, that constitutes a 12-percent increase in spending. These levels are $4.2 billion more than the budget request of the administration.

Mr. Chairman, if this amendment is agreed to, it is important to note that most programs in the bill will still receive a significant increase over current year levels. All in all, the Department of Labor is authorized for a 14-percent increase. After my amendment, they will still receive a 12-percent increase in their total budget. In this bill, the total budget for the Department of Health and Human Services is increased by 9 percent.

□ 1540

Even after my amendment of a 2-percent cut, there will be significant growth in funding for that Department.

Education programs in total increase 13 percent, but as I have indicated earlier, most of the critical educational programs have been exempted from the 2-percent cut called for in my amendment.

Let me highlight just a few other specifics within each of these Departments. Within the Department of Labor, employment and training program administrative funding would rise 8.4 percent in the bill. After my amendment, the increase would still be 6.4 percent.

Community service programs for employment of older Americans would increase 9 percent as called for in the bill, and would still rise by 7 percent after the effect of my amendment.

State unemployment services in the bill receive a 16.4-percent increase. They would still receive over 14 percent after my amendment.

Under the Department of Health and Human Services, the Centers for Disease Control are increased 13½ per-

cent in this bill. After my amendment, they will still increase 11½ percent.

The National Institutes of Health, a high-priority program certainly, they receive a 14.3-percent increase in this bill. They will still receive a significant 12.3-percent increase after my amendment is taken into account.

Just a couple more examples, Mr. Chairman. In related agencies, the Action Program for Operating Expenses is authorized a 9.1-percent increase in this bill. They will still receive a 7.1-percent increase after my amendment is adopted.

The National Labor Relations Board receives a 7.8-percent increase in this bill. After my amendment is adopted, they will still receive a 5.8-percent increase.

These increases, even after an amendment to cut, reflect the fact that this is not an amendment that cuts nearly as much as we all know we must in order to balance this Federal budget. But it is a start.

Mr. Chairman, furthermore, because the following programs are presently unauthorized, my amendment would not have an effect on funding for Head Start, vocational education, the Low-Income Energy Program, community service block grants, and certain health programs. Those are set aside. The money has been set aside for those programs. They are not affected by my amendment because they are not funded in this bill.

All in all, I have to admit that this 2-percent cut represents a very small cut out of a bill which is receiving a sizable increase, but it still represents a $540 million reduction in spending. Clearly this is $540 million we can afford to cut. This is not a hard hit. It is a soft touch, and I urge adoption of the amendment.

Mr. KASICH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the first thing I want to do is to pay tribute to the gentleman from Minnesota [Mr. PENNY], because the gentleman from Minnesota has been on the floor, he has been vigilant in his effort on all these appropriations bills to try to fashion a responsible and reasonable and I guess what you would have to define as a politically acceptable cut in all these programs to try to restore some fiscal sanity.

Now, 2 days ago we had a balanced budget amendment on the floor. Now, not all Democrats, but a great number of Democrats said, "We don't need to have this amendment because this is chicanery and trickery and what we really need to do is have the guts and the courage to stand up."

Yesterday the Republicans in the House passed a no-tax resolution, and they say we ought not to have any tax increase.

Now, yesterday we passed an agriculture bill that represents an 11½-percent increase in spending over last year's level, and there were less than 90 votes against an 11½-percent increase in spending.

Now, as a result of that, I have got to say to both sides, the Democrats who opposed the balanced budget amendment, shame on you because you did not stand for fiscal sanity and for tough choices, and shame on the Republicans who passed the no-new-taxes resolution and they vote for an 11½-percent increase in agriculture spending.

Now we have the gentleman from Minnesota [Mr. FRENZEL] offering an amendment that puts a freeze on discretionary spending for next year, and we have 83 people in the House who vote for a freeze in spending on discretionary programs that exempted all the entitlement programs, and we got 83 votes for it.

Now, for the people who are watching this proceeding today at home and here on the floor, this all has to be put into context of the fact that we are now in a budget summit where we are trying to say to the American people that we might have a little tax increase, and we are going to accompany it with spending cuts. That is like somebody who has been an alcoholic, who has been on a binge for the last month, saying, "Well, I have had all the drinking I care to do. Just pile all your booze in my house and I promise you I won't drink anymore."

Well, I would not bet the farm on the prospects of not drinking anymore, and I certainly would not bet much on the idea that Congress is going to be responsible when it comes to cuts.

We rejected the amendment of the gentleman from Minnesota, and Republicans were just as guilty as Democrats when it came to fiscal sanity.

Now the gentleman from Minnesota [Mr. PENNY] offers a 2-percent cut. I mean, come on, we can do 2 percent in discretionary programs. The gentleman has exempted half the bill under his proposal. Can we not just do one thing here that gives some people who are observing this Congress a little bit of a reason to be hopeful that maybe some day we are going to put the country ahead of our own parochial interests?

It is just a 2-percent cut, a 2-percent solution. Why not go ahead and adopt this amendment? Maybe we can leave here feeling a little better about ourselves, knowing we really failed the first time around, but maybe we did a little bit better.

Again, I want to compliment the gentleman from Minnesota. I do this because I am pleading with the House to try to live up to what our responsibilities are here.

I want to make one final comment. The New York Times wrote a story the other day after the Houston summit. The story said that Helmut Kohl had emerged from George Bush's shadow and was casting a shadow of his own because of the economic power of Germany. Do you know what that means? That means that perhaps in my lifetime America could be reduced to a second-class power because we spent ourselves into bankruptcy.

For those who see those early warnings and want to do something about it, let us support the amendment of the gentleman from Minnesota [Mr. PENNY]. Let us make just a modest savings so that we can all go home this weekend and think we are getting on the right track.

Mr. CONTE. Mr. Chairman, will the gentleman yield to me?

Mr. KASICH. I yield to the gentleman from Massachusetts [Mr. CONTE], our great baseball coach.

Mr. CONTE. Mr. Chairman, I just want to make one observation. The gentleman alluded to it. He mentioned that 83 or so voted for the last amendment, which excluded entitlements.

There lies the problem. If you look at the budget since 1981, you will find that it has gone from $150 billion in discretionary funds to a little under $200 billion in 1990. That is $35 billion below inflation in discretionary funding.

Now, entitlements have grown from over $300 billion in 1981, to more than $600 billion in 1990, $151 billion above inflation. There lies the problem.

Mr. KASICH. Mr. Chairman, I appreciate what the gentleman has pointed out.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. DOWNEY, and by unanimous consent, Mr. KASICH was allowed to proceed for 3 additional minutes.)

Mr. KASICH. Mr. Chairman, I would like to say to a guy I love, the gentleman from Massachusetts [Mr. CONTE], a fantastic person, that in one of the budgets I am trying to put together, I have got Medicare reform.

□ 1550

What does that now mean? What I think we ought to do is we ought to have some reasonable tort reform in this country. We ought to be able to lower the liability risks that people in the medical community have in an effort to lower malpractice rates to prevent the continued practicing of defensive medicine which some have told me accounts for a quarter of the cost. I mean, that is a basic effort that we ought to make that can help us to save some of our problems without taking it out of the hides of Medicare recipients and will allow providers to have relief, too, while we are making some reductions. That, I think, makes sense.

The gentleman from Massachusetts points out something that needs to be addressed. All I am trying to say though is I think this is a reasonable approach to the problem, and I hope we will go ahead and support it.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if this amendment is adopted, in the Job Corps we will have an $18 million reduction. As far as summer youth employment is concerned, in the city of Chicago, New York, Los Angeles, San Francisco; summer youth employment, we would have, Mr. Chairman, a $13 million reduction. If this amendment, Mr. Chairman, were adopted, in the older workers' employment program, we would have an $8 million reduction. Dislocated workers' assistance program would have a $10 million reduction. AIDS, one of the major problems not only in this country, but around the world, think about it, 2 percent, but on AIDS there would be a $34 million reduction, $34 million. National Institutes of Health would be a $166 million reduction. As far as the Cancer Institute is concerned, there would be a $34 million reduction.

Mr. Chairman, as I said a few moments ago, 500,000 people a year are dying of cancer, and you want to cut it $34 million. Research on heart, lung, and blood diseases, $22 million. The Aging Institute, $5 million; and the homeless program, if you adopt this amendment, it reduces it by $2 million.

Mr. Chairman, mental health research, there would be a $10 million reduction. Medicare contractors, there would be a $31 million reduction.

In the Social Security Administration, which is in this bill, we have worked diligently now for a period of 3 years to bring the number of employees up so the claims could be processed. In this bill we have a 1,500-employee increase for Social Security. If this amendment is adopted, that 1,500 would drop out and, in addition, another 1,000 would be eliminated bringing it down 2,500. That is what your 2 percent would do.

Mr. Chairman, as far as the programs for the aging are concerned, $16 million. As I said on the other amendment, here in this country in the centers are these people at noon, men and women with pride, men and women that are hungry. They need help. They go into these centers to get something to eat at noon. You take this amendment, Mr. Chairman, as far as the program for the aging is concerned, and you would cut it $16 million.

Mr. PENNY, you are one of the able young Members of this House. Down deep in your heart you do not want to cut that program by $16 million. You do not want to do it, not for these people that need help, that have pride and carry themselves erect. They go in to get something to eat. Knowing you like I do, Mr. PENNY, you are one of the good Members of this House. You do not want to cut that program $16 million.

Mr. Chairman, let us turn this amendment down.

Mr. WEISS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment and in support of the bill.

This bill is truly the stuff of America. This is a bill where we put some real meaning into the President's phrase about a kinder and gentler America.

I, for one, am pleased that the committee increased funding for several important programs. When we give money to programs such as chapter 1 Student Aid, Foster Care, Adult Literacy, Job Corps, and Summer Youth Employment we are not wasting money. We are investing it in America.

But in one particular area, the dollars invested are not keeping pace with the problem we want to solve. I am speaking of the money appropriated for AIDS.

I remind my colleagues that this disease is still of epidemic proportions in the United States. The reported number of cases of people with AIDS has risen to 140,000; 85,420 people have died of AIDS. In 1989, 22,000 people, just 1 year, 22,000 people died of AIDS. That is above the number for 1988, when almost 19,000 people died of AIDS. The epidemic is raging.

Transmission of HIV continues unabated, and there is no cure in sight.

What is even more distressing, increasing numbers of people infected with AIDS are in need of care, but AIDS prevention programs, community health care, and many other AIDS programs were funded in this bill only at the level of the President's request, and this amendment seeks to cut money for that program to an even greater extent.

Mrs. BOXER. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am happy to yield to the gentlewoman from California.

Mrs. BOXER. Mr. Chairman, I just want to support what the gentleman says. I am very hopeful that the reserve fund that the committee has set aside of $2.9 billion will be used to meet the dollar amounts that the Committee on the Budget, $2.3 billion, that we set aside, and we just want to conclude by saying to the gentleman that I want to thank him for his remarks.

Mr. Chairman, I also want to thank the chairman, the gentleman from Kentucky [Mr. NATCHER], for his remarks. When someone gets up and says: "Cut 2 percent across the board with a few exceptions," we do not really know what it means, but when the gentleman from Kentucky [Mr. NATCHER] explains what it means and when the gentleman explains what it means to the people of this country, it comes alive, and I join the gentleman in his comments on the AIDS issue.

Mr. WEISS. Mr. Chairman, I thank my colleague for her comments, and I, too, want to join in expressing appreciation to the gentleman from Kentucky [Mr. NATCHER] for the work that he has done.

Mr. Chairman, as regards AIDS, this bill does not provide sufficient resources to start with to fight what, indeed, is a forest fire of an epidemic.

Overall, this appropriation bill might be renamed the Aid-to-America bill. It helps support the elderly, the disadvantaged, the handicapped, children, the sick. Quite simply, it helps the most vulnerable citizens of our society.

More than supporters of flag burning legislation, supporters of this bill are the true patriots of this country. More than issuing political salvos about helping Americans, this bill actually does something.

Again, I want to commend the distinguished chairman, the gentleman from Kentucky [Mr. NATCHER].

Let me say one final thing about entitlements. There seems to be acceptance of the fact that entitlements have grown too high. Where do you want to cut? Do you want to cut Medicaid? Do you want to cut Medicare? Do you want to cut Social Security which is already taking in more money than it is paying out? Do you want to cut aid for students? It seems to me many of the programs that have gone up, entitlement programs, have gone up because during the course of the Reagan-Bush administration poverty levels have increased, and as poverty goes up, the entitlements go up.

Let us do something about curing poverty and maybe we will start cutting back on the entitlements automatically.

□ 1600

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as always, the gentleman from Kentucky [Mr. NATCHER] is very effective in what he has to say about the bill he brings to the floor. The gentleman is greatly admired in this body, and we know he speaks with sincerity on the cuts that he was talking about. But I think that it is important for us to let the American people know that we do understand that we deal in a never-never world when we talk about cuts of that type.

The gentleman, of course, was talking about cuts from the bill that is before us. He was not talking about cuts from the present programs. In fact, each of the present programs that he talked about will be increased

under this bill, even if we pass the Penny amendment. Every one of those programs that he talked about will go up in cost, not down, and will go up in its ability to serve the people, not down. It is a case of how much you want the programs to rise.

Mr. Chairman, when I talk about a never-never world, this is like someone out in the country who is making $20,000 a year and has a wish list that says he would like to go to $30,000 a year, but their employer only gives them $25,000, only gives them a $5,000 raise, and for them to come back and say, "You have cut me $5,000."

That is the kind of debate we are having here. They in fact got a $5,000 raise, and they consider it a $5,000 cut.

Mr. Chairman, that is how we deal in this Congress. That is the never-never world in which we operate. The cut of the gentleman from Minnesota [Mr. PENNY] allows in this bill a total of a 13-percent increase in the programs across the board. Not to support the Penny amendment is to suggest that we think we can go on forever spending at rates well beyond the ability of the economy to sustain it.

Mr. Chairman, I would hope that we could support at least a 2-percent cut.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 253, not voting 19, as follows:

[Roll No. 250]

AYES—160

Andrews	Dornan (CA)	Hutto
Armey	Douglas	Hyde
Ballenger	Dreier	Inhofe
Barnard	Duncan	Ireland
Bartlett	Edwards (OK)	Jacobs
Barton	English	Jenkins
Bateman	Fawell	Johnson (CT)
Bennett	Fields	Kasich
Bilirakis	Fish	Kolbe
Bliley	Flippo	Kyl
Broomfield	Gallegly	Lagomarsino
Brown (CO)	Gallo	Laughlin
Buechner	Gekas	Leach (IA)
Bunning	Glickman	Lent
Burton	Goss	Lewis (FL)
Byron	Gradison	Lightfoot
Callahan	Grandy	Long
Campbell (CA)	Hall (OH)	Lukens, Donald
Campbell (CO)	Hamilton	Madigan
Chandler	Hancock	Marlenee
Clinger	Hansen	Martin (IL)
Coble	Hastert	McCandless
Coleman (MO)	Hefley	McCollum
Combest	Henry	McCurdy
Condit	Herger	McEwen
Cooper	Hiler	McGrath
Cox	Hoagland	McMillan (NC)
Crane	Holloway	Meyers
Darden	Hopkins	Miller (OH)
DeLay	Houghton	Molinari
Derrick	Hubbard	Moorhead
DeWine	Huckaby	Neal (NC)
Dickinson	Hughes	Nielson
Dorgan (ND)	Hunter	Olin
Owens (UT)	Roth	Snowe
Oxley	Roukema	Solomon
Packard	Rowland (CT)	Spence
Pallone	Russo	Stearns
Parker	Saiki	Stenholm
Pashayan	Schaefer	Sundquist
Patterson	Schneider	Tauke
Paxon	Schulze	Taylor
Payne (VA)	Sensenbrenner	Thomas (CA)
Penny	Shaw	Thomas (WY)
Petri	Shays	Upton
Quillen	Shumway	Vander Jagt
Ravenel	Shuster	Walker
Regula	Slattery	Walsh
Rhodes	Slaughter (VA)	Whittaker
Ridge	Smith (TX)	Wolf
Ritter	Smith, Denny (OR)	Wylie
Roberts		Yatron
Robinson	Smith, Robert (NH)	
Rohrabacher		
Ros-Lehtinen	Smith, Robert (OR)	

NOES—253

Ackerman	Ford (TN)	McMillen (MD)
Alexander	Frank	McNulty
Anderson	Frost	Mfume
Annunzio	Gaydos	Miller (CA)
Anthony	Gejdenson	Mineta
Applegate	Geren	Moakley
Aspin	Gibbons	Mollohan
Atkins	Gillmor	Montgomery
AuCoin	Gilman	Moody
Bates	Gonzalez	Morella
Beilenson	Goodling	Morrison (CT)
Bereuter	Gordon	Morrison (WA)
Berman	Grant	Mrazek
Bevill	Gray	Murphy
Bilbray	Green	Murtha
Boehlert	Guarini	Myers
Boggs	Gunderson	Nagle
Bonior	Hall (TX)	Natcher
Borski	Hammerschmidt	Neal (MA)
Bosco	Harris	Nowak
Boucher	Hatcher	Oakar
Boxer	Hawkins	Oberstar
Brennan	Hayes (IL)	Obey
Brooks	Hayes (LA)	Ortiz
Browder	Hefner	Parris
Brown (CA)	Hertel	Payne (NJ)
Bruce	Hochbrueckner	Pease
Bryant	Horton	Pelosi
Bustamante	Hoyer	Perkins
Cardin	James	Pickett
Carper	Johnson (SD)	Pickle
Carr	Johnston	Porter
Chapman	Jones (GA)	Poshard
Clarke	Jones (NC)	Price
Clay	Jontz	Pursell
Clement	Kanjorski	Rahall
Coleman (TX)	Kaptur	Rangel
Collins	Kastenmeier	Ray
Conte	Kennedy	Richardson
Conyers	Kennelly	Rinaldo
Costello	Kildee	Roe
Coughlin	Kleczka	Rogers
Courter	Kolter	Rose
Coyne	Kostmayer	Rostenkowski
Crockett	LaFalce	Rowland (GA)
Davis	Lancaster	Roybal
de la Garza	Lantos	Sabo
DeFazio	Leath (TX)	Sangmeister
Dellums	Lehman (CA)	Sarpalius
Dicks	Lehman (FL)	Savage
Dingell	Levin (MI)	Sawyer
Dixon	Levine (CA)	Saxton
Donnelly	Lewis (CA)	Scheuer
Downey	Lewis (GA)	Schiff
Durbin	Lipinski	Schroeder
Dwyer	Livingston	Schuette
Dyson	Lloyd	Schumer
Early	Lowery (CA)	Serrano
Eckart	Lowey (NY)	Sharp
Edwards (CA)	Machtley	Sikorski
Emerson	Manton	Sisisky
Engel	Markey	Skaggs
Erdreich	Martin (NY)	Skeen
Espy	Martinez	Skelton
Evans	Matsui	Slaughter (NY)
Fascell	Mavroules	Smith (FL)
Fazio	Mazzoli	Smith (IA)
Feighan	McCloskey	Smith (NE)
Flake	McCrery	Smith (NJ)
Foglietta	McDermott	Smith (VT)
Ford (MI)	McHugh	Solarz
Spratt	Torricelli	Weiss
Staggers	Towns	Weldon
Stallings	Traficant	Wheat
Stangeland	Traxler	Whitten
Stark	Udall	Williams
Stokes	Unsoeld	Wilson
Studds	Valentine	Wise
Swift	Vento	Wolpe
Synar	Visclosky	Wyden
Tallon	Volkmer	Yates
Tanner	Vucanovich	Young (AK)
Tauzin	Walgren	Young (FL)
Thomas (GA)	Waxman	
Torres	Weber	

NOT VOTING—19

Archer	Gephardt	Owens (NY)
Baker	Gingrich	Panetta
Bentley	Luken, Thomas	Stump
Craig	McDade	Washington
Dannemeyer	Michel	Watkins
Dymally	Miller (WA)	
Frenzel	Nelson	

□ 1621

The Clerk announced the following pairs:

On this vote:

Mr. Craig for, with Mr. Dymally against.

Mr. Stump for, with Mr. Owens of New York, against.

Messrs. HAWKINS, TORRES, and ROSTENKOWSKI changed their vote from "aye" to "no."

Mr. LAUGHLIN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California:

On page 12, line 8, strike $132,788,000 and insert $130,788,000.

On page 31, line 12, strike $82,250,000 and insert $79,416,000.

On page 46, line 14, strike $331,000,000 and insert $329,000,000.

The CHAIRMAN. The Chair notes that we have 8 minutes remaining, and the time will have to be equally divided between the proponents and the opponents of the amendment.

The gentleman from California [Mr. MILLER] will be recognized for 4 minutes, and the chairman of the committee, the gentleman from Kentucky [Mr. NATCHER], will be recognized for 4 minutes.

Mr. CONTE. Mr. Chairman, I ask unanimous consent to increase the time to 15 minutes, giving 5 minutes each to the gentleman from Illinois [Mr. RUSSO] and the gentleman from California [Mr. MILLER], and 5 minutes to the gentleman from Kentucky [Mr. NATCHER]. In other words, we would be increasing the total to 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. KOSTMAYER. Mr. Chairman, I object to the request of the gentleman from Massachusetts.

The CHAIRMAN. Objection is heard.

The gentleman from California [Mr. MILLER] will be recognized for 4 minutes, and the gentleman from Kentucky [Mr. NATCHER] will be recognized for 4 minutes.

Mr. MILLER of California. Mr. Chairman, there has been a great deal of debate over the last several days as we brought appropriation bills to the floor about the level of cuts, and whether or not these appropriation bills are exorbitant, overbudget, overinflation, and various standards have been used.

In fact, I believe that the Committee on Appropriations has done a very responsible job in meeting the needs and the desires of not only this Congress but the people of the United States. This is an amendment to reduce each of the Secretaries' offices within this appropriation bill, by $2 million. These Secretaries have each come in, in some cases ask for 16-percent increases, for 20-percent increases, and in some cases for an increase even above that. The Committee on Appropriations has taken them back for 8 percent. We had a minority Member on the floor here a few minutes earlier suggesting it was outrageous that some of the programs for the poor, the handicapped, discretionary spending, was above the rate of inflation. This would take the Secretaries' offices to essentially freeze their administrative expenses at what they were last year.

I think it is fair. It does require that we cut back the programs that serve the people in need of this country. It simply reduces the rate of growth within the Secretaries' office.

Mr. Chairman, I yield to the gentleman from Illinois [Mr. RUSSO].

Mr. RUSSO. Mr. Chairman, there are two types of spending. One is for people in need, and the other is for the bureaucracy. What we are trying to do here is cut the bureaucracy. They can live on last year's level.

For example, the Secretary of HHS' budget last year was $79 million. This year they want to increase it to $82,252,000. This is the administrative side. They can live with a $2,834,000 cut. In the Department of Labor, they can live with the same number. The Department of Education got a $57 million increase, a lot of it needed, but they can afford to take a $2 million cut in the administrative costs.

This does not affect people programs at all. This affects the administrators, the bureaucrats, the bureaucracy, the redtape in this Government. Therefore, we should all join together, Democrats and Republicans alike, walk hand in hand, cutting these administrative costs.

Mr. MILLER of California. Mr. Chairman, I would hope the Members would support this effort to make these reductions.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to my distinguished friend, the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I oppose the Russo-Miller amendment. These gratuitous potshots are getting out of control. After 6 months of work, lots of testimony by the Members of the House, agency officials, and outside witnesses and hundreds of folks working countless hours to develop a good bill, this exercise now has been reduced to hit squad amendments attacking the programs that run these three agencies in the Government.

You have to be kidding, cutting the budget for the Secretary of Education, Secretary of Labor, and the Secretary of Health? What is the use of having good programs like chapter 1, Handicapped Education, Biomedical Research; and job training if there are not enough good people to administer these programs? I think we have reached the point where enough is enough. Let's quit playing games here, and get on to the business at hand; providing for the education, health, and safe employment of all Americans.

This is America's bill, as I said earlier today. Let's send it to America without any further distractions. I resent, I resent the antagonism directed to three great friends of mine, the Secretary of Labor, Mrs. Dole; the Secretary of Health, one of the finest men I have known for many years before he came to Washington, Dr. Lewis Sullivan; and Lauro Cavazos, the Secretary of Education, one of the best education leaders the United States has ever had. All are solid, committed ex-public servants, doing very difficult jobs. So what happens to them, just to get on the rollcall as being against all other cut amendments these fine people get attacked. Sure the Members get on the rollcall and can say, "I voted for a cut." But did they cut? They cut three of the finest people in Government. As any Member who knows and has worked with Dr. Sullivan, he is an outstanding medical man, an outstanding man doing a great job here at HHS. I know because I got the President's Medal from his medical college down at Georgia. Elizabeth Dole and Lauro Cavazos are wonderful persons. We are lucky to have them working for us. I think it's abominable that, just for "cover," these amendments were introduced. It is A cover against the wrong thing and against the wrong people. I resent it. Let the Members have their rollcall. I will get murdered on this thing but that is all right. At least I know I've acted responsibly.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, I just want to point out that we are not attacking the Secretaries, but when we look at their budget of $331 million, cutting them to $329 million, I do not see any crocodile tears for $329 million.

□ 1630

Mr. CONTE. Mr. Chairman, I say to the gentleman, yes, you are hitting against three good people, they are their programs so that is what you are doing.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

The gentleman from Kentucky [Mr. NATCHER] has 1 minute remaining.

Mr. NATCHER. Mr. Chairman, I yield myself my remaining time.

Mr. Chairman, for a period of 35 years I have served on this committee. I have been chairman of this subcommittee for a period of 11 years.

This bill contains a lot of money. It is money that means more to people of this country than any other bill that is presented. All down through the years, I say to the Chairman of the Committee of the Whole, you and all the other Members of this House have helped us. That is the reason we have been successful.

I am against this amendment. This amendment should be turned down. Not a single amendment has been adopted today other than the committee amendment, as far as money reductions or additions are concerned.

This is a good bill, Mr. Chairman. The gentleman from California [Mr. MILLER] is a friend of mine; the gentleman from Illinois [Mr. RUSSO] is a friend of mine also. Mr. Chairman, I say to these gentleman, let us not do that to this bill. Let us not do that to these three Departments. As my friend, the gentleman from Massachusetts [Mr. CONTE], has said, Dr. Sullivan is trying to make a good Secretary, Mrs. Dole is doing the same, and Dr. Cavazos is an outstanding man.

Mr. Chairman, this amendment should be defeated.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. MILLER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RUSSO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken; by electronic device, and there were—ayes 204, noes 212, not voting 16, as follows:

[Roll No. 251]

AYES—204

Andrews	Barnard	Bilirakis
Anthony	Barton	Billey
Archer	Bates	Borski
Armey	Beilenson	Boxer
Aspin	Bennett	Broomfield
Ballenger	Bereuter	Brown (CO)

Buechner
Bunning
Burton
Callahan
Campbell (CA)
Carr
Chandler
Clarke
Clinger
Coble
Collins
Combest
Condit
Cooper
Costello
Cox
Crane
DeFazio
DeLay
Derrick
DeWine
Dorgan (ND)
Douglas
Downey
Dreier
Duncan
Durbin
Dyson
Edwards (OK)
Engel
English
Erdreich
Fawell
Feighan
Fields
Flippo
Foglietta
Ford (TN)
Gallegly
Gejdenson
Gekas
Geren
Gibbons
Glickman
Gordon
Gradison
Grandy
Guarini
Gunderson
Hall (OH)
Hamilton
Hancock
Hansen
Harris
Hefley
Hefner
Henry
Herger
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Inhofe
Jacobs
Jenkins
Johnson (SD)
Johnston
Jontz
Kasich
Kastenmeier
Kennelly
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Lehman (CA)
Levin (MI)
Levine (CA)
Lewis (GA)
Lightfoot
Lipinski
Long
Lukens, Donald
Martin (IL)
McCandless
McCloskey
McCurdy
McDermott
McEwen
McGrath
McMillan (NC)
Meyers
Miller (CA)
Miller (OH)
Molinari
Montgomery
Moody
Moorhead
Morrison (CT)
Neal (NC)
Nielson
Oberstar
Olin
Owens (UT)
Packard
Pallone
Panetta
Parker
Patterson
Paxon
Pelosi
Penny
Petri
Poshard
Price
Ravenel
Ridge
Ritter
Roberts
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland (CT)
Russo
Sangmeister
Schaefer
Schroeder
Schuette
Schumer
Sensenbrenner
Sharp
Shays
Shumway
Shuster
Sikorski
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Studds
Sundquist
Synar
Tallon
Tanner
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (WY)
Torricelli
Traxler
Udall
Unsoeld
Upton
Vento
Visclosky
Volkmer
Walgren
Walker
Whittaker
Wolpe
Wylie
Yatron

NOES—212

Ackerman
Alexander
Anderson
Annunzio
Applegate
Atkins
AuCoin
Bartlett
Bateman
Berman
Bevill
Bilbray
Boehlert
Boggs
Bonior
Bosco
Boucher
Brennan
Brooks
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Chapman
Clay
Clement
Coleman (MO)
Coleman (TX)
Conte
Conyers
Coughlin
Courter
Coyne
Darden
Davis
de la Garza
Dellums
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan (CA)
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Emerson
Espy
Evans
Fascell
Fazio
Fish
Flake
Ford (MI)
Frank
Frost
Gallo
Gaydos
Gephardt
Gillmor
Gilman
Gonzalez
Goodling
Goss
Grant
Gray
Green
Hall (TX)
Hammerschmidt
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hertel
Horton
Houghton
Hoyer
Hunter
Hyde
Ireland
James
Johnson (CT)
Jones (GA)
Jones (NC)
Kanjorski
Kaptur
Kennedy
Kildee
Kleczka
Kolbe
Kolter
Leath (TX)
Lehman (FL)
Lent
Lewis (CA)
Lewis (FL)
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Machtley
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCollum
McCrery
McHugh
McMillen (MD)
McNulty
Mfume
Mineta
Moakley
Mollohan
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Obey
Ortiz
Oxley
Parris
Pashayan
Payne (NJ)
Payne (VA)
Pease
Perkins
Pickett
Pickle
Porter
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Rhodes
Richardson
Rinaldo
Robinson
Roe
Rogers
Rose
Rowland (GA)
Roybal
Sabo
Saiki
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schulze
Serrano
Shaw
Sisisky
Skaggs
Skeen
Skelton
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Solarz
Spence
Stangeland
Stokes
Swift
Thomas (GA)
Torres
Towns
Traficant
Valentine
Vander Jagt
Vucanovich
Walsh
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wyden
Yates
Young (AK)
Young (FL)

NOT VOTING—16

Baker
Bentley
Craig
Crockett
Dannemeyer
Frenzel
Gingrich
Luken, Thomas
McDade
Michel
Miller (WA)
Nelson
Owens (NY)
Stump
Washington
Watkins

□ 1648

Messrs. GALLO, MFUME, SAXTON, MARKEY, and DYMALLY changed their vote from "aye" to "no."

Messrs. VOLKMER, HEFNER, CLARKE, TAYLOR, NIELSON of Utah, and LAUGHLIN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1650

Mr. NATCHER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before making the motion that the Committee do now rise, I want the Chair to know that I and all the rest of the members of the committee appreciate the excellent manner in which the Chair has presided over this bill.

Mr. Chairman, I want the Chair to know that we appreciate it. The gentleman is one of the best Members of this House and we appreciate the way the gentleman has handled this bill. He is especially skilled when he presides over the House and we want him to know we appreciate his effort.

The CHAIRMAN. The gentleman is very generous, and the Chair thanks the gentleman.

Mr. NATCHER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. VENTO) having assumed the chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5257) making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1991, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection .

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them engross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

RECORDED VOTE

Mr. CONTE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 359, noes 58, not voting 15, as follows:

[Roll No. 252]

AYES—359

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins
Condit
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early

Eckart
Edwards (CA)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Machtley
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (OH)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Robinson
Roe
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Serrano
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walsh
Washington
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOES—58

Archer
Armey
Ballenger
Bartlett
Barton
Bunning
Burton
Combest
Cox
Crane
DeLay
Dornan (CA)
Douglas
Dreier
Edwards (OK)
Fawell
Fields
Frenzel
Gekas
Gingrich
Gradison
Hancock
Hansen
Hefley
Henry
Herger
Hopkins
Hunter
Johnson (CT)
Kasich
Kyl
Leach (IA)
Lightfoot
Lukens, Donald
Marlenee
Martin (IL)
McEwen
McMillan (NC)
Michel
Moorhead
Nielson
Oxley
Packard
Paxon
Petri
Roberts
Rohrabacher
Schaefer
Sensenbrenner
Shumway
Shuster
Smith, Robert (NH)
Solomon
Sundquist
Tauke
Thomas (WY)
Upton
Walker

NOT VOTING—15

Baker
Bentley
Craig
Dannemeyer
Luken, Thomas
McDade
Miller (WA)
Nelson
Owens (NY)
Ridge
Smith, Denny (OR)
Stump
Thomas (CA)
Watkins
Waxman

□ 1710

The Clerk announced the following pairs:

On this vote:

Mr. Nelson of Florida for, with Mr. Craig against.

Mr. Owens of New York for, with Mr. Dannemeyer against.

Mr. Waxman for, with Mr. Stump against.

Mr. Thomas of California for, with Mr. Denny Smith against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a detailed table showing the amounts provided for in H.R. 5257, the bill just passed, with appropriate comparisons.

The SPEAKER pro tempore (Mr. VENTO). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
SUMMARY					
Title I - Department of Labor:					
Federal Funds	6,599,016,000	7,195,325,000	7,648,593,000	+1,049,577,000	+453,268,000
Current year	(6,597,516,000)	(7,195,325,000)	(7,648,593,000)	(+1,051,077,000)	(+453,268,000)
1992 advance	(1,500,000)	.....	.....	(-1,500,000)	.....
Unauthorized, not considered by House	(11,343,000)	(11,500,000)	DEFER	DEFER	DEFER
Trust Funds	*(2,941,886,000)*	*(3,016,439,000)*	*(3,156,566,000)*	*(+214,680,000)*	*(+140,127,000)*
1991 advance	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Unauthorized, not considered by House	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*
Title II - Department of Health and Human Services:					
Federal Funds (all years)	122,510,968,000	134,476,996,000	135,926,008,000	+13,415,040,000	+1,449,012,000
Current year	(105,164,480,000)	(115,023,996,000)	(116,473,008,000)	(+11,308,528,000)	(+1,449,012,000)
1992 advance	(17,346,488,000)	(19,453,000,000)	(19,453,000,000)	(+2,106,512,000)	.....
Unauthorized, not considered by House	(4,709,923,000)	(4,333,989,000)	DEFER	DEFER	DEFER
Trust Funds	*(5,767,111,000)*	*(6,088,805,000)*	*(6,279,322,000)*	*(+512,211,000)*	*(+190,517,000)*
Title III - Department of Education:					
Federal Funds	23,012,014,000	23,549,441,000	26,082,051,000	+3,070,037,000	+2,532,610,000
Unauthorized, not considered by House	(1,118,461,000)	(1,111,540,000)	DEFER	DEFER	DEFER
Title IV - Related Agencies:					
Federal Funds (all years)	1,012,255,000	1,009,059,000	1,017,790,000	+5,535,000	+8,731,000
Current year	(684,975,000)	(702,554,000)	(711,285,000)	(+26,310,000)	(+8,731,000)
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(-20,775,000)	.....
Unauthorized, not considered by House	(48,120,000)	(47,999,000)	DEFER	DEFER	DEFER
Trust Funds	*(76,113,000)*	*(87,842,000)*	*(87,069,000)*	*(+10,956,000)*	*(-773,000)*
Total, all titles:					
Federal Funds (all years)	153,134,253,000	166,230,821,000	170,674,442,000	+17,540,189,000	+4,443,621,000
Current year	(135,458,985,000)	(146,471,316,000)	(150,914,937,000)	(+15,455,952,000)	(+4,443,621,000)
1992 advance	(17,347,988,000)	(19,453,000,000)	(19,453,000,000)	(+2,105,012,000)	.....
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(-20,775,000)	.....
Unauthorized, not considered by House	(5,887,847,000)	(5,505,028,000)	DEFER	DEFER	DEFER
Trust Funds	*(8,785,110,000)*	*(9,193,086,000)*	*(9,522,957,000)*	*(+737,847,000)*	*(+329,871,000)*
1991 advance	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Unauthorized, not considered by House	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*
TITLE I -- DEPARTMENT OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION					
PROGRAM ADMINISTRATION					
Job training programs	18,540,000	19,834,000	19,834,000	+1,294,000	.....
Trust funds	*(2,057,000)*	*(2,170,000)*	*(2,170,000)*	*(+113,000)*	.....
Employment security	442,000	464,000	464,000	+22,000	.....
Trust funds	*(13,032,000)*	*(13,406,000)*	*(13,406,000)*	*(+374,000)*	.....
Financial and administrative management	14,056,000	14,330,000	14,880,000	+824,000	+550,000
Trust funds	*(10,544,000)*	*(10,586,000)*	*(11,036,000)*	*(+492,000)*	*(+450,000)*
Executive direction and administration	3,806,000	4,283,000	4,283,000	+477,000	.....
Trust funds	*(3,097,000)*	*(3,360,000)*	*(3,360,000)*	*(+263,000)*	.....
Regional operations	12,268,000	12,962,000	15,962,000	+3,694,000	+3,000,000
Trust funds	*(24,384,000)*	*(24,779,000)*	*(24,779,000)*	*(+395,000)*	.....
Apprenticeship services	15,517,000	14,607,000	14,607,000	-910,000	.....
Total, Program Administration	117,743,000	120,781,000	124,781,000	+7,038,000	+4,000,000
Federal funds	64,629,000	66,480,000	70,030,000	+5,401,000	+3,550,000
Trust funds	*(53,114,000)*	*(54,301,000)*	*(54,751,000)*	*(+1,637,000)*	*(+450,000)*
TRAINING AND EMPLOYMENT SERVICES 1/					
Grants to States:					
Block grant	1,744,808,000	1,744,808,000	1,900,000,000	+155,192,000	+155,192,000
Summer youth employment and training program	699,777,000	699,777,000	699,777,000	.....	.....
Dislocated worker assistance 2/	463,603,000	400,000,000	513,603,000	+50,000,000	+113,603,000
Federally administered programs:					
Native Americans	58,193,000	57,579,000	58,193,000	.....	+614,000
Migrants and seasonal farmworkers	69,047,000	55,834,000	69,047,000	.....	+13,213,000

1/ Excludes $317,141,000 in legislative additions proposed for later transmittal.

2/ The Administration proposed funding this activity in a separate account, "Worker readjustment assistance".

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
Job Corps:					
Operations	752,868,000	781,281,000	837,000,000	+84,132,000	+55,719,000
Construction and renovation 3/	49,746,000	36,103,000	63,740,000	+13,994,000	+27,637,000
Subtotal, Job Corps	802,614,000	817,384,000	900,740,000	+98,126,000	+83,356,000
Veterans' employment	9,345,000	8,863,000	9,345,000	.....	+482,000
National activities:					
Pilots and demonstrations	30,467,000	27,753,000	28,753,000	-1,714,000	+1,000,000
Research, demonstration and evaluation	15,712,000	13,246,000	13,246,000	-2,466,000	.....
Other	24,045,000	13,983,000	17,983,000	-6,062,000	+4,000,000
Subtotal, National activities	70,224,000	54,982,000	59,982,000	-10,242,000	+5,000,000
Subtotal, Federal activities	1,009,423,000	994,642,000	1,097,307,000	+87,884,000	+102,665,000
Total, Job Training Partnership Act	3,917,611,000	3,839,227,000	4,210,687,000	+293,076,000	+371,460,000
Job training for the homeless	(11,343,000)	(11,500,000)	DEFER	DEFER	DEFER
Advance funding for FY 1991	1,500,000	.....	.....	-1,500,000	.....
Total, Training and Employment Services	3,919,111,000	3,839,227,000	4,210,687,000	+291,576,000	+371,460,000
Current year, FY 1990	(3,917,611,000)	(3,839,227,000)	(4,210,687,000)	(+293,076,000)	(+371,460,000)
Advance funding for FY 1991	(1,500,000)	.....	.....	(-1,500,000)	.....
Unauthorized, not considered by House	(11,343,000)	(11,500,000)	DEFER	DEFER	DEFER
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS					
National contracts	286,270,000	267,395,000	312,000,000	+25,730,000	+44,605,000
State grants	80,743,000	75,419,000	88,000,000	+7,257,000	+12,581,000
Total	367,013,000	342,814,000	400,000,000	+32,987,000	+57,186,000
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES 4/					
Trade adjustment	280,024,000	230,000,000	230,000,000	-50,024,000	.....
Other activities	.....	500,000	500,000	+500,000	.....
Total	280,024,000	230,500,000	230,500,000	-49,524,000	.....
STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS					
Unemployment Compensation (Trust Funds):					
State Operations	*(1,257,673,000)*	*(1,357,695,000)*	*(1,403,751,000)*	*(+146,078,000)*	*(+46,056,000)*
State integrity activities	*(247,517,000)*	*(285,120,000)*	*(294,474,000)*	*(+46,957,000)*	*(+9,354,000)*
National Activities	*(5,500,000)*	*(6,366,000)*	*(6,366,000)*	*(+866,000)*	.....
Contingency	*(290,385,000)*	*(281,219,000)*	*(247,509,000)*	*(-42,876,000)*	*(-33,710,000)*
Subtotal, Unemployment Compensation (trust funds)	*(1,801,075,000)*	*(1,930,400,000)*	*(1,952,100,000)*	*(+151,025,000)*	*(+21,700,000)*
Employment Service:					
Allotments to States:					
Federal funds	20,800,000	21,700,000	21,700,000	+900,000	.....
Trust funds	*(758,239,000)*	*(700,900,000)*	*(803,300,000)*	*(+45,061,000)*	*(+102,400,000)*
Subtotal	779,039,000	722,600,000	825,000,000	+45,961,000	+102,400,000
National Activities:					
Federal funds	1,200,000	1,400,000	3,900,000	+2,700,000	+2,500,000
Trust funds	*(42,799,000)*	*(45,000,000)*	*(45,000,000)*	*(+2,201,000)*	.....
Advance funding for FY 1991	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Targeted jobs tax credit	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*
Subtotal, Employment Service	835,538,000	769,000,000	873,900,000	+38,362,000	+104,900,000
Federal funds	22,000,000	23,100,000	25,600,000	+3,600,000	+2,500,000
Trust funds	*(801,038,000)*	*(745,900,000)*	*(848,300,000)*	*(+47,262,000)*	*(+102,400,000)*
Advance funding for FY 1991	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Total, State Unemployment 5/	2,636,613,000	2,699,400,000	2,826,000,000	+189,387,000	+126,600,000
Federal Funds	22,000,000	23,100,000	25,600,000	+3,600,000	+2,500,000
Trust Funds	*(2,602,113,000)*	*(2,676,300,000)*	*(2,800,400,000)*	*(+198,287,000)*	*(+124,100,000)*
Advance funding for FY 1991	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Unauthorized, not considered by House	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*
ADVANCES TO UNEMPLOYMENT TRUST FUND AND OTHER FUNDS	33,000,000	328,000,000	328,000,000	+295,000,000	.....
Total, Employment & Training Administration	7,353,504,000	7,560,722,000	8,119,968,000	+766,464,000	+559,246,000
Federal funds	4,685,777,000	4,830,121,000	5,264,817,000	+579,040,000	+434,696,000
Current year, FY 1990	(4,684,277,000)	(4,830,121,000)	(5,264,817,000)	(+580,540,000)	(+434,696,000)
Advance funding for FY 1991	(1,500,000)	.....	.....	(-1,500,000)	.....
Unauthorized, not considered by House	(11,343,000)	(11,500,000)	DEFER	DEFER	DEFER
Trust funds	*(2,655,227,000)*	*(2,730,601,000)*	*(2,855,151,000)*	*(+199,924,000)*	*(+124,550,000)*
Advance funding for FY 1991	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Unauthorized, not considered by House	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*
LABOR - MANAGEMENT SERVICES					
SALARIES AND EXPENSES					
Labor-management relations service	5,785,000	5,923,000	5,923,000	+138,000	.....
Labor-management standards enforcement	25,108,000	26,051,000	26,051,000	+943,000	.....
Pension and welfare benefit programs	43,056,000	58,077,000	58,077,000	+15,021,000	.....
Total, LMSA	73,949,000	90,051,000	90,051,000	+16,102,000	.....

3/ Reflects budget amendment proposed by the President on 4/24/90 that would reduce the original request by $637,000.

4/ Excludes $230,500,000 in legislative savings proposed for later transmittal.

5/ Includes Federal, Trust and advance Trust funds.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
PENSION BENEFIT GUARANTY CORPORATION					
Program Administration subject to limitation (Trust Funds)	*(42,301,000)*	*(42,669,000)*	*(42,669,000)*	*(+368,000)*	.....
Other contractual services not subject to limitation (Trust Funds)	*(28,053,000)*	*(28,459,000)*	*(28,459,000)*	*(+406,000)*	.....
Total, PBGC (trust funds)	*(70,354,000)*	*(71,128,000)*	*(71,128,000)*	*(+774,000)*	.....
EMPLOYMENT STANDARDS ADMINISTRATION					
SALARIES AND EXPENSES					
Enforcement of wage and hour standards	90,736,000	93,017,000	93,017,000	+2,281,000	.....
Federal contractor EEO standards enforcement	52,985,000	53,645,000	53,645,000	+660,000	.....
Federal programs for workers' compensation	58,661,000	60,639,000	61,720,000	+3,059,000	+1,081,000
Trust funds	*(1,011,000)*	*(1,016,000)*	*(1,016,000)*	*(+5,000)*	.....
Executive direction and support services	13,746,000	14,006,000	14,006,000	+260,000	.....
Total, salaries and expenses	217,139,000	222,323,000	223,404,000	+6,265,000	+1,081,000
Federal funds	216,128,000	221,307,000	222,388,000	+6,260,000	+1,081,000
Trust funds	*(1,011,000)*	*(1,016,000)*	*(1,016,000)*	*(+5,000)*	.....
SPECIAL BENEFITS					
Federal employees compensation benefits	251,000,000	318,000,000	318,000,000	+67,000,000	.....
Longshore and harbor workers' benefits	4,000,000	4,000,000	4,000,000	.....	.....
Subtotal, current appropriation	255,000,000	322,000,000	322,000,000	+67,000,000	.....
Less appropriation for prior year costs 6/	-85,975,000	-25,000,000	-25,000,000	+60,975,000	.....
Plus appropriation available from subsequent year	25,000,000	.....	.....	-25,000,000	.....
Total, Special Benefits, program level	194,025,000	297,000,000	297,000,000	+102,975,000	.....
BLACK LUNG DISABILITY TRUST FUND					
Benefit payments and interest on advances	590,486,000	866,019,000	866,019,000	+275,533,000	.....
Employment Standards Admin., salaries & expenses	28,640,000	29,051,000	29,051,000	+411,000	.....
Departmental Management, salaries and expenses	22,050,000	19,396,000	23,355,000	+1,305,000	+3,959,000
Departmental Management, inspector general	506,000	371,000	371,000	-135,000	.....
Subtotal, Black Lung Disability Trust Fund, apprn	641,682,000	914,837,000	918,796,000	+277,114,000	+3,959,000
Treasury administrative costs (indefinite)	745,000	756,000	756,000	+11,000	.....
Total, Black Lung Disability Trust Fund	642,427,000	915,593,000	919,552,000	+277,125,000	+3,959,000
Total, Employment Standards Administration	1,053,591,000	1,434,916,000	1,439,956,000	+386,365,000	+5,040,000
Federal funds	1,052,580,000	1,433,900,000	1,438,940,000	+386,360,000	+5,040,000
Trust funds	*(1,011,000)*	*(1,016,000)*	*(1,016,000)*	*(+5,000)*	.....
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION					
SALARIES AND EXPENSES					
Safety and health standards	6,864,000	7,155,000	7,155,000	+291,000	.....
Enforcement:					
Federal Enforcement	117,126,000	125,052,000	125,052,000	+7,926,000	.....
State programs	59,827,000	62,220,000	65,220,000	+5,393,000	+3,000,000
Technical Support	17,630,000	18,489,000	18,489,000	+859,000	.....
Compliance Assistance	36,874,000	38,053,000	38,403,000	+1,529,000	+350,000
Safety and health statistics	22,686,000	30,391,000	30,391,000	+7,705,000	.....
Executive direction and administration	6,012,000	6,533,000	6,533,000	+521,000	.....
Total, OSHA	267,019,000	287,893,000	291,243,000	+24,224,000	+3,350,000
MINE SAFETY AND HEALTH ADMINISTRATION					
SALARIES AND EXPENSES					
Enforcement:					
Coal	84,716,000	88,179,000	89,564,000	+4,848,000	+1,385,000
Metal/nonmetal	34,008,000	35,022,000	35,668,000	+1,660,000	+646,000
Standards development	1,306,000	1,565,000	1,629,000	+323,000	+64,000
Assessments	2,282,000	2,303,000	2,392,000	+110,000	+89,000
Educational policy and development	13,117,000	13,433,000	14,613,000	+1,496,000	+1,180,000
Technical support	20,185,000	20,555,000	21,226,000	+1,041,000	+671,000
Program administration	12,484,000	11,443,000	12,675,000	+191,000	+1,232,000
Total, Mine Safety and Health Administration	168,098,000	172,500,000	177,767,000	+9,669,000	+5,267,000
BUREAU OF LABOR STATISTICS					
SALARIES AND EXPENSES					
Employment and Unemployment Statistics	66,545,000	67,807,000	68,797,000	+2,252,000	+990,000
Labor Market Information (Trust Funds)	*(48,877,000)*	*(47,700,000)*	*(52,760,000)*	*(+3,883,000)*	*(+5,060,000)*
Prices and cost of living	72,500,000	76,159,000	76,159,000	+3,659,000	.....
Wages and industrial relations	22,030,000	23,559,000	24,159,000	+2,129,000	+600,000
Productivity and technology	5,505,000	5,887,000	5,887,000	+382,000	.....
Economic growth and employment projections	3,379,000	3,595,000	3,595,000	+216,000	.....
Executive direction and staff services	22,498,000	28,077,000	28,677,000	+6,179,000	+600,000
Total, Bureau of Labor Statistics	241,334,000	252,784,000	260,034,000	+18,700,000	+7,250,000
Federal Funds	192,457,000	205,084,000	207,274,000	+14,817,000	+2,190,000
Trust Funds	*(48,877,000)*	*(47,700,000)*	*(52,760,000)*	*(+3,883,000)*	*(+5,060,000)*

6/ Budget assumes increased "borrowing" under indefinite authority from amounts assumed in P.L. 101-166.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
DEPARTMENTAL MANAGEMENT					
SALARIES AND EXPENSES					
Executive direction	19,766,000	23,966,000	21,841,000	+2,075,000	-2,125,000
Legal services	44,997,000	51,523,000	54,523,000	+9,526,000	+3,000,000
Trust funds	*(285,000)*	*(285,000)*	*(285,000)*	.....	.....
International labor affairs	6,461,000	6,785,000	6,785,000	+324,000	.....
Administration and management	19,781,000	20,541,000	20,541,000	+760,000	.....
Adjudication	12,561,000	13,465,000	13,465,000	+904,000	.....
Promoting employment of the disabled	2,880,000	3,700,000	3,700,000	+820,000	.....
Women's Bureau	6,978,000	6,848,000	7,448,000	+470,000	+600,000
Civil Rights Activities	4,290,000	4,485,000	4,485,000	+195,000	.....
Total, Salaries and expenses	117,999,000	131,598,000	133,073,000	+15,074,000	+1,475,000
Federal funds	117,714,000	131,313,000	132,788,000	+15,074,000	+1,475,000
Trust funds	*(285,000)*	*(285,000)*	*(285,000)*	.....	.....
VETERANS EMPLOYMENT AND TRAINING					
State Administration:					
Disabled Veterans Outreach Program	*(74,389,000)*	*(74,473,000)*	*(79,076,000)*	*(+4,687,000)*	*(+4,603,000)*
Local Veterans Employment Program	*(68,532,000)*	*(68,608,000)*	*(72,851,000)*	*(+4,319,000)*	*(+4,243,000)*
Subtotal, State Administration	*(142,921,000)*	*(143,081,000)*	*(151,927,000)*	*(+9,006,000)*	*(+8,846,000)*
Federal Administration	*(15,444,000)*	*(17,604,000)*	*(17,604,000)*	*(+2,160,000)*	.....
National Veterans Training Institute	*(2,573,000)*	*(829,000)*	*(2,500,000)*	*(-73,000)*	*(+1,671,000)*
Total, Trust Funds	*(160,938,000)*	*(161,514,000)*	*(172,031,000)*	*(+11,093,000)*	*(+10,517,000)*
OFFICE OF THE INSPECTOR GENERAL					
Audit:					
Federal funds	20,408,000	21,638,000	21,638,000	+1,230,000	.....
Trust funds	*(4,127,000)*	*(3,877,000)*	*(3,877,000)*	*(-250,000)*	.....
Investigation:					
Federal funds	6,414,000	7,607,000	8,084,000	+1,670,000	+477,000
Trust funds	*(1,067,000)*	*(318,000)*	*(318,000)*	*(-749,000)*	.....
Office of Labor Racketeering	9,765,000	10,194,000	10,717,000	+952,000	+523,000
Executive Direction and Management	4,835,000	5,024,000	5,274,000	+439,000	+250,000
Total, Office of the Inspector General	46,616,000	48,658,000	49,908,000	+3,292,000	+1,250,000
Federal funds	41,422,000	44,463,000	45,713,000	+4,291,000	+1,250,000
Trust funds	*(5,194,000)*	*(4,195,000)*	*(4,195,000)*	*(-999,000)*	.....
Total, Departmental Management	325,553,000	341,770,000	355,012,000	+29,459,000	+13,242,000
Federal funds	159,136,000	175,776,000	178,501,000	+19,365,000	+2,725,000
Trust funds	*(166,417,000)*	*(165,994,000)*	*(176,511,000)*	*(+10,094,000)*	*(+10,517,000)*
Total, Labor Department 7/	9,553,402,000	10,211,764,000	10,805,159,000	+1,251,757,000	+593,395,000
Federal funds	6,599,016,000	7,195,325,000	7,648,593,000	+1,049,577,000	+453,268,000
Current year	(6,597,516,000)	(7,195,325,000)	(7,648,593,000)	(+1,051,077,000)	(+453,268,000)
Advance for FY 1991	(1,500,000)	.....	.....	(-1,500,000)	.....
Unauthorized, not considered by House	(11,343,000)	(11,500,000)	DEFER	DEFER	DEFER
Trust funds	*(2,941,886,000)*	*(3,016,439,000)*	*(3,156,566,000)*	*(+214,680,000)*	*(+140,127,000)*
Advance funding for FY 1991	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Unauthorized, not considered by House	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*
TITLE II--DEPARTMENT OF HEALTH AND HUMAN SERVICES					
HEALTH RESOURCES AND SERVICES ADMINISTRATION					
HEALTH RESOURCES AND SERVICES					
Health Care Delivery and Assistance:					
Community health centers	456,914,000	471,785,000	490,000,000	+33,086,000	+18,215,000
Migrant health	49,343,000	50,601,000	52,000,000	+2,657,000	+1,399,000
Black lung clinics	3,651,000	3,651,000	3,800,000	+149,000	+149,000
Health care for the homeless	35,967,000	33,667,000	40,000,000	+4,033,000	+6,333,000
Advance funding for FY 1991	11,885,000	.....	.....	-11,885,000	.....
Family planning 8/	(139,135,000)	(139,135,000)	DEFER	DEFER	DEFER
National Health Service Corps:					
Field placements	(41,837,000)	(42,361,000)	DEFER	DEFER	DEFER
Loan repayments including nurses	(5,921,000)	.....	DEFER	DEFER	DEFER
Scholarships	(2,961,000)	(8,882,000)	DEFER	DEFER	DEFER
Subtotal, National Health Service Corps	(50,719,000)	(51,243,000)	DEFER	DEFER	DEFER
Hansen's Disease services (Carville)	18,158,000	22,601,000	20,601,000	+2,443,000	-2,000,000
Payment to Hawaii, treatment of Hansen's Disease	3,217,000	3,217,000	3,300,000	+83,000	+83,000
Home health demonstration grants	2,961,000	.....	.....	-2,961,000	.....
Total, Health Care Delivery & Assistance	582,096,000	585,522,000	609,701,000	+27,605,000	+24,179,000
Health Professions:					
Exceptional need scholarships	6,685,000	10,000,000	10,000,000	+3,315,000	.....
Excellence in minority health education grants	9,231,000	12,000,000	12,000,000	+2,769,000	.....
Public health/health administration:					
Public Health capitation	2,948,000	.....	.....	-2,948,000	.....
Public Health special projects	834,000	.....	3,300,000	+2,466,000	+3,300,000
Health Administration grants	1,483,000	.....	1,483,000	.....	+1,483,000
Public Health traineeships	2,987,000	.....	3,500,000	+513,000	+3,500,000
Health Administration traineeships	492,000	.....	492,000	.....	+492,000
Preventive medicine residencies	1,695,000	.....	1,695,000	.....	+1,695,000

7/ Includes authorized Federal and Trust funds.

8/ President's FY 1991 budget requests Family Planning under "Public Service Management" account.

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	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
Family Medicine	32,761,000		37,000,000	+4,239,000	+37,000,000
General dentistry residencies	3,929,000		3,929,000		+3,929,000
General Internal Medicine and Pediatrics	17,682,000		17,682,000		+17,682,000
Family medicine departments	6,680,000		7,000,000	+320,000	+7,000,000
Physician assistants	4,789,000		4,789,000		+4,789,000
Area health education centers	18,125,000		18,125,000		+18,125,000
Health education and training centers	3,929,000		3,929,000		+3,929,000
Health professions data analysis	1,846,000		1,846,000		+1,846,000
Disadvantaged Assistance	26,965,000	31,578,000	31,578,000	+4,613,000	
Allied health grants and contracts	737,000		1,400,000	+663,000	+1,400,000
Interdisciplinary traineeships	2,210,000			-2,210,000	
Special Projects: (sections 788 and 301)					
Health professions spec ed initiatives	2,457,000		2,457,000		+2,457,000
Geriatric training and research	14,047,000		14,047,000		+14,047,000
Pacific Basin activities (including Medical Officer training)	1,974,000			-1,974,000	
Native Hawaiian health care	1,283,000	1,283,000	1,283,000		
Subtotal, special education initiatives	19,761,000	1,283,000	17,787,000	-1,974,000	+16,504,000
Special grants to hospitals	1,343,000			-1,343,000	
Nurse training:					
Advanced nurse education	12,771,000		12,771,000		+12,771,000
Nurse practitioners	13,432,000		13,432,000		+13,432,000
Special projects	10,283,000		10,283,000		+10,283,000
Traineeships	13,501,000		13,501,000		+13,501,000
Nurse Anesthetists	1,130,000		1,130,000		+1,130,000
Undergraduate scholarships	2,948,000		2,948,000		+2,948,000
Loan Repayment for Shortage Area Service	982,000		982,000		+982,000
Nurse disadvantaged assistance	2,571,000	4,000,000	4,000,000	+1,429,000	
Subtotal, Nurse training	57,618,000	4,000,000	59,047,000	+1,429,000	+55,047,000
Less transfers from loan revolving funds	-10,000,000		-10,000,000		-10,000,000
Total, Health professions	214,730,000	58,861,000	226,582,000	+11,852,000	+167,721,000
MCH and Resources Development:					
Maternal & child health block grant	553,627,000	578,627,000	598,627,000	+45,000,000	+20,000,000
Pediatric emergency care	3,947,000			-3,947,000	
Organ transplantation	3,948,000	3,257,000	4,257,000	+309,000	+1,000,000
Health teaching facilities interest subsidies	488,000	488,000	488,000		
Subtotal, Resources Development	562,010,000	582,372,000	603,372,000	+41,362,000	+21,000,000
Buildings and facilities	877,000		2,000,000	+1,123,000	+2,000,000
National practitioner data bank	1,974,000	1,974,000	1,974,000		
Proposed user fees		-1,974,000			+1,974,000
Rural health research	3,380,000	4,380,000	4,380,000	+1,000,000	
Minority health initiative:					
HUD health services grant		(35,000,000)	DEFER	DEFER	DEFER
National health service corps		(55,000,000)	DEFER	DEFER	DEFER
Disadvantaged min. health improvement		(17,000,000)	DEFER	DEFER	DEFER
Subtotal, Minority health initiative		(107,000,000)	DEFER	DEFER	DEFER
Acquired Immune Deficiency Syndrome (AIDS):					
Training of health personnel	14,549,000	21,000,000	17,500,000	+2,951,000	-3,500,000
Facilities renovation grants	4,342,000	4,129,000	4,129,000	-213,000	
Pediatric health care demonstrations	14,803,000	14,803,000	20,000,000	+5,197,000	+5,197,000
Adult health care demonstrations	17,209,000	19,424,000	27,200,000	+9,991,000	+7,776,000
AIDS related drugs (AZT)	(29,606,000)		DEFER	DEFER	DEFER
Community health care services	10,777,000	13,323,000	13,323,000	+2,546,000	
Home health services	19,737,000			-19,737,000	
Subacute care	1,480,000			-1,480,000	
Transfer for consolidated administration	-4,786,000	-4,786,000	-4,786,000		
Subtotal, AIDS	78,111,000	67,893,000	77,366,000	-745,000	+9,473,000
Program management including AIDS	98,170,000	99,551,000	102,000,000	+3,830,000	+2,449,000
Total, Health resources and services	1,541,348,000	1,398,579,000	1,627,375,000	+86,027,000	+228,796,000
Unauthorized, not considered by House	(219,460,000)	(297,378,000)	DEFER	DEFER	DEFER
MEDICAL FACILITIES GUARANTEE AND LOAN FUND:					
Interest subsidy program	21,000,000	20,000,000	20,000,000	-1,000,000	
HEALTH PROFESSIONS GRADUATE STUDENT LOAN FUND (HEAL): 9/					
General funds	24,870,000			-24,870,000	
VACCINE INJURY COMPENSATION:					
Pre - FY89 claims (appropriation)	74,500,000		62,920,000	-11,580,000	+62,920,000
FY89 / FY90 claims (trust fund)	139,700,000	221,500,000	154,080,000	+14,380,000	-67,420,000
HRSA administration (trust fund)			1,500,000	+1,500,000	+1,500,000
Subtotal, Vaccine injury compensation	214,200,000	221,500,000	218,500,000	+4,300,000	-3,000,000
Total, Health Resources and Services Administration	1,801,418,000	1,640,079,000	1,865,875,000	+64,457,000	+225,796,000
Current year	(1,789,533,000)	(1,640,079,000)	(1,865,875,000)	(+76,342,000)	(+225,796,000)
Advance funding for FY 1991	(11,885,000)			(-11,885,000)	
Unauthorized, not considered by House	(219,460,000)	(297,378,000)	DEFER	DEFER	DEFER

9/ President's budget requests authority to transfer $15 million in other Health Resources and Services unobligated balances to this account.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
CENTERS FOR DISEASE CONTROL					
DISEASE CONTROL					
Preventive Health Services Block Grant	84,113,000	84,119,000	84,119,000	+6,000	
Prevention centers	3,949,000	3,949,000	3,949,000		
Lead poisoning prevention	3,949,000	3,949,000	8,000,000	+4,051,000	+4,051,000
Sexually transmitted diseases:					
Grants	70,666,000	70,666,000	77,246,000	+6,580,000	+6,580,000
Direct operations	10,640,000	10,754,000	12,754,000	+2,114,000	+2,000,000
Subtotal, Sexually transmitted diseases	81,306,000	81,420,000	90,000,000	+8,694,000	+8,580,000
Immunization:					
Grants	(161,980,000)	(130,862,000)	DEFER	DEFER	DEFER
Direct operations	(19,211,000)	(19,329,000)	DEFER	DEFER	DEFER
Vaccine stockpile	(2,961,000)		DEFER	DEFER	DEFER
Adverse events reporting	(2,531,000)	(2,531,000)	DEFER	DEFER	DEFER
Subtotal, Immunization programs	(186,683,000)	(152,722,000)	DEFER	DEFER	DEFER
Infectious disease excluding AIDS/TB	39,752,000	40,621,000	45,016,000	+5,264,000	+4,395,000
Tuberculosis grants	(8,334,000)	(8,334,000)	DEFER	DEFER	DEFER
Chronic & environmental disease prevention	50,554,000	52,364,000	63,738,000	+13,184,000	+11,374,000
Injury control	22,660,000	22,660,000	25,000,000	+2,340,000	+2,340,000
Occupational Safety and Health (NIOSH):					
Research	74,204,000	74,675,000	76,559,000	+2,355,000	+1,884,000
Training	10,461,000	10,461,000	10,461,000		
Subtotal, NIOSH	84,665,000	85,136,000	87,020,000	+2,355,000	+1,884,000
National Center for Health Statistics:					
Program operations	(43,871,000)	(44,884,000)	DEFER	DEFER	DEFER
Program support	(3,206,000)	(3,244,000)	DEFER	DEFER	DEFER
Subtotal, health statistics	(47,077,000)	(48,128,000)	DEFER	DEFER	DEFER
Epidemic services	55,388,000	68,180,000	70,846,000	+15,458,000	+2,666,000
Buildings and facilities 10/	6,910,000	7,740,000	7,740,000	+830,000	
Program management	3,123,000	3,170,000	3,170,000	+47,000	
Acquired Immune Deficiency Syndrome (AIDS)	442,826,000	509,103,000	509,103,000	+66,277,000	
Total, Disease Control	879,195,000	962,411,000	997,701,000	+118,506,000	+35,290,000
Unauthorized, not considered by House	(242,094,000)	(209,184,000)	DEFER	DEFER	DEFER
NATIONAL INSTITUTES OF HEALTH (INCLUDES AIDS)					
National Cancer Institute:					
Regular program	1,598,501,000	1,658,266,000	1,749,392,000	+150,891,000	+91,126,000
Research training	(35,793,000)	(35,793,000)	DEFER	DEFER	DEFER
National Heart, Lung, and Blood Institute:					
Regular program	1,027,861,000	1,068,026,000	1,135,589,000	+107,728,000	+67,563,000
Research training	(44,474,000)	(44,476,000)	DEFER	DEFER	DEFER
National Institute of Dental Research:					
Regular program	129,851,000	134,627,000	149,592,000	+19,741,000	+14,965,000
Research training	(5,893,000)	(5,893,000)	DEFER	DEFER	DEFER
National Institute of Diabetes, Digestive, and Kidney Diseases:					
Regular program	557,594,000	581,477,000	613,686,000	+56,092,000	+32,209,000
Research training	(23,872,000)	(23,872,000)	DEFER	DEFER	DEFER
National Institute of Neurological Disorders and Stroke:					
Regular program	477,380,000	499,196,000	545,225,000	+67,845,000	+46,029,000
Research training	(13,016,000)	(13,016,000)	DEFER	DEFER	DEFER
National Institute of Allergy and Infectious Diseases:					
Regular program	815,412,000	869,382,000	944,965,000	+129,553,000	+75,583,000
Research training	(17,548,000)	(17,493,000)	DEFER	DEFER	DEFER
National Institute of General Medical Sciences:					
Regular program	629,239,000	659,844,000	693,499,000	+64,260,000	+33,655,000
Research training	(82,791,000)	(85,650,000)	DEFER	DEFER	DEFER
National Institute of Child Health and Human Development:					
Regular program	426,350,000	444,911,000	488,282,000	+61,932,000	+43,371,000
Research training	(16,556,000)	(16,562,000)	DEFER	DEFER	DEFER
National Eye Institute:					
Regular program	229,419,000	240,287,000	254,887,000	+25,468,000	+14,600,000
Research training	(7,110,000)	(7,105,000)	DEFER	DEFER	DEFER
National Institute of Environmental Health Sciences:					
Regular program	218,647,000	225,206,000	244,832,000	+26,185,000	+19,626,000
Research training	(10,586,000)	(10,586,000)	DEFER	DEFER	DEFER
National Institute on Aging:					
Regular program	229,932,000	239,418,000	278,311,000	+48,379,000	+38,893,000
Research training	(9,520,000)	(9,520,000)	DEFER	DEFER	DEFER
National Institute of Arthritis and Musculoskeletal and Skin Diseases:					
Regular program	162,185,000	169,338,000	191,397,000	+29,212,000	+22,059,000
Research training	(6,742,000)	(6,742,000)	DEFER	DEFER	DEFER

10/ Reflects budget amendment proposed by the President on 4/24/90 which would reduce the original request by $160,000.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
National Institute on Deafness and Other Communication Disorders:					
Regular program	114,459,000	119,724,000	125,623,000	+11,164,000	+5,899,000
Research training	(3,123,000)	(3,123,000)	DEFER	DEFER	DEFER
National Center for Research Resources:					
Regular program	334,612,000	316,658,000	353,469,000	+18,857,000	+36,811,000
Research training	(2,493,000)	(2,493,000)	DEFER	DEFER	DEFER
National Center for Nursing Research:					
Regular program	29,293,000	30,894,000	37,289,000	+7,996,000	+6,395,000
Research training	(4,220,000)	(4,233,000)	DEFER	DEFER	DEFER
National Center for Human Genome Research:					
Regular program	56,558,000	102,963,000	66,131,000	+9,573,000	-36,832,000
Research training	(2,980,000)	(5,066,000)	DEFER	DEFER	DEFER
John E. Fogarty International Center	15,656,000	16,355,000	18,682,000	+3,026,000	+2,327,000
National Library of Medicine:					
Regular program	72,876,000	76,725,000	80,725,000	+7,849,000	+4,000,000
Medical library assistance	(12,852,000)	(13,191,000)	DEFER	DEFER	DEFER
Office of the Director	89,916,000	82,975,000	106,175,000	+16,259,000	+23,200,000
Buildings and facilities 11/	61,042,000	86,903,000	239,903,000	+178,861,000	+153,000,000
Total, N.I.H. funding including AIDS	7,276,783,000	7,623,175,000	8,317,654,000	+1,040,871,000	+694,479,000
Unauthorized, not considered by House	(299,569,000)	(304,814,000)	DEFER	DEFER	DEFER
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION					
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH					
National Institute of Mental Health:					
Research 12/	389,539,000	413,491,000	430,000,000	+40,461,000	+16,509,000
Research training	(24,249,000)	(25,801,000)	DEFER	DEFER	DEFER
Clinical training	13,534,000	5,000,000	13,534,000	.....	+8,534,000
Community Support Demonstrations	(28,303,000)	(26,862,000)	DEFER	DEFER	DEFER
Homeless Services Demonstrations	6,038,000	6,006,000	6,006,000	-32,000	.....
Protection and advocacy	14,001,000	8,000,000	14,001,000	.....	+6,001,000
Direct operations 12/	40,118,000	42,626,000	42,626,000	+2,508,000	.....
Subtotal, mental health	463,230,000	475,123,000	506,167,000	+42,937,000	+31,044,000
National Institute on Drug Abuse:					
Research 12/	220,594,000	258,852,000	265,852,000	+45,258,000	+7,000,000
Research training	(3,926,000)	(4,950,000)	DEFER	DEFER	DEFER
Treatment demonstrations	46,597,000	46,588,000	48,500,000	+1,903,000	+1,912,000
AIDS demonstrations	81,555,000	63,346,000	75,000,000	-6,555,000	+11,654,000
Direct operations 12/	27,062,000	33,338,000	33,338,000	+6,276,000	.....
Subtotal, drug abuse	375,808,000	402,124,000	422,690,000	+46,882,000	+20,566,000
National Institute on Alcoholism and Alcohol Abuse:					
Research 12/	131,606,000	137,620,000	143,000,000	+11,394,000	+5,380,000
Research training	(3,172,000)	(3,387,000)	DEFER	DEFER	DEFER
Substance abuse homeless demonstrations	16,378,000	9,043,000	16,378,000	.....	+7,335,000
Advance funding for FY 1991	455,000	.....	.....	-455,000	.....
Direct operations 12/	11,114,000	12,217,000	12,217,000	+1,103,000	.....
Subtotal, alcoholism	159,553,000	158,880,000	171,595,000	+12,042,000	+12,715,000
Office for Treatment Improvement:					
Alcohol, Drug Abuse and Mental Health block grant	1,192,851,000	1,292,775,000	1,292,775,000	+99,924,000	.....
Grants to States for the homeless	27,813,000	26,799,000	22,100,000	-5,713,000	-4,699,000
Advance funding for FY 1991	6,904,000	.....	.....	-6,904,000	.....
Waiting period reduction	64,345,000	.....	.....	-64,345,000	.....
Treatment grants to crisis areas	29,698,000	32,085,000	35,000,000	+5,302,000	+2,915,000
Treatment improvement grants	39,597,000	85,569,000	85,569,000	+45,972,000	.....
Direct operations	2,138,000	4,055,000	4,775,000	+2,637,000	+720,000
Subtotal, Treatment improvement	1,363,346,000	1,441,283,000	1,440,219,000	+76,873,000	-1,064,000
Office for Substance Abuse Prevention:					
Prevention programs	86,314,000	97,943,000	99,000,000	+12,686,000	+1,057,000
Community youth activity program	19,798,000	20,660,000	20,660,000	+862,000	.....
Community prevention grants	49,496,000	101,650,000	101,650,000	+52,154,000	.....
Training	26,035,000	26,894,000	26,035,000	.....	-859,000
Direct operations	11,794,000	14,745,000	14,745,000	+2,951,000	.....
Subtotal, Substance Abuse Prevention	193,437,000	261,892,000	262,090,000	+68,653,000	+198,000
Treatment outcome evaluations	7,803,000	8,335,000	8,335,000	+532,000	.....
Buildings and facilities	196,000	3,126,000	3,126,000	+2,930,000	.....
Office of the Administrator	10,274,000	12,389,000	11,669,000	+1,395,000	-720,000
Total, Alcohol, Drug Abuse & Mental Health	2,573,647,000	2,763,152,000	2,825,891,000	+252,244,000	+62,739,000
Current year	(2,566,288,000)	(2,763,152,000)	(2,825,891,000)	(+259,603,000)	(+62,739,000)
Advance funding for FY 1991	(7,359,000)	.....	.....	(-7,359,000)	.....
Unauthorized, not considered by House	(59,650,000)	(61,000,000)	DEFER	DEFER	DEFER
ST. ELIZABETHS HOSPITAL	18,000,000	12,000,000	12,000,000	-6,000,000	.....
Total, Alcohol, Drug Abuse & Mental Health Admin.	2,591,647,000	2,775,152,000	2,837,891,000	+246,244,000	+62,739,000
Unauthorized, not considered by House	(59,650,000)	(61,000,000)	DEFER	DEFER	DEFER

11/ Reflects budget amendment proposed by the President on 4/24/90 which would reduce the original request by $1,697,000.

12/ Includes AIDS.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
ASSISTANT SECRETARY FOR HEALTH					
OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH					
Population affairs: 13/					
Adolescent family life	(9,421,000)	(9,431,000)	DEFER	DEFER	DEFER
Health Initiatives :					
Office of Disease Prevention and Health Promotion	4,440,000	4,461,000	4,461,000	+21,000	.....
Physical fitness and sports	2,468,000	1,499,000	1,499,000	-969,000	.....
Minority health	3,946,000	14,962,000	14,962,000	+11,016,000	.....
National vaccine program	5,895,000	6,914,000	10,000,000	+4,105,000	+3,086,000
Health Service Management	19,376,000	21,075,000	21,825,000	+2,449,000	+750,000
Acquired Immune Deficiency Syndrome (AIDS)	7,676,000	8,523,000	8,523,000	+847,000	.....
Total, PHS management	43,801,000	57,434,000	61,270,000	+17,469,000	+3,836,000
Unauthorized, not considered by House	(9,421,000)	(9,431,000)	DEFER	DEFER	DEFER
RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS 14/					
Retirement payments	87,249,000	91,046,000	91,046,000	+3,797,000	.....
Survivors benefits	5,279,000	5,683,000	5,683,000	+404,000	.....
Dependent's medical care	16,986,000	17,988,000	17,988,000	+1,002,000	.....
Military Services Credits	3,090,000	3,399,000	3,399,000	+309,000	.....
Total, Retirement pay and medical benefits	112,604,000	118,116,000	118,116,000	+5,512,000	.....
AGENCY FOR HEALTH CARE POLICY AND RESEARCH					
Health services research: 15/					
Research	12,161,000	12,226,000	12,226,000	+65,000	.....
Trust funds	*(1,037,000)*	*(1,037,000)*	*(1,037,000)*	.....	.....
AIDS	8,474,000	10,505,000	10,505,000	+2,031,000	.....
Program support	2,295,000	2,330,000	2,330,000	+35,000	.....
Subtotal including trust funds	23,967,000	26,098,000	26,098,000	+2,131,000	.....
1% evaluation funding (non-add)	(35,745,000)	(34,323,000)	(13,776,000)	(-21,969,000)	(-20,547,000)
Medical treatment effectiveness: 16/					
Federal funds	26,838,000	14,065,000	43,518,000	+16,680,000	+29,453,000
Trust funds	*(5,000,000)*	*(28,000,000)*	*(5,000,000)*	.....	*(-23,000,000)*
Subtotal, Medical treatment effectiveness	31,838,000	42,065,000	48,518,000	+16,680,000	+6,453,000
1% evaluation funding (non-add)	(5,698,000)	(6,453,000)	.....	(-5,698,000)	(-6,453,000)
Total, Health Care Policy and Research:					
Federal Funds	49,768,000	39,126,000	68,579,000	+18,811,000	+29,453,000
Trust funds	*(6,037,000)*	*(29,037,000)*	*(6,037,000)*	.....	*(-23,000,000)*
Total, 1% evaluation funding (non-add)	(41,443,000)	(40,776,000)	(13,776,000)	(-27,667,000)	(-27,000,000)
Total, Health Care Policy and Research (non-add)	(98,838,000)	(110,239,000)	(89,692,000)	(-9,146,000)	(-20,547,000)
Total, Public Health Service:					
Federal Funds	12,755,216,000	13,215,493,000	14,267,086,000	+1,511,870,000	+1,051,593,000
Current year	(12,735,972,000)	(13,215,493,000)	(14,267,086,000)	(+1,531,114,000)	(+1,051,593,000)
Advance funding for FY 1991	(19,244,000)	.....	.....	(-19,244,000)	.....
Unauthorized, not considered by House	(830,194,000)	(881,807,000)	DEFER	DEFER	DEFER
Trust funds	*(6,037,000)*	*(29,037,000)*	*(6,037,000)*	.....	*(-23,000,000)*
HEALTH CARE FINANCING ADMINISTRATION					
GRANTS TO STATES FOR MEDICAID 17/					
Medicaid current law benefits	38,214,759,000	42,868,526,000	42,868,526,000	+4,653,767,000	.....
State and local administration	2,014,743,000	2,146,440,000	2,146,440,000	+131,697,000	.....
Proposed legislation, user fees	.....	-113,457,000	.....	.....	+113,457,000
Subtotal, Medicaid program level, FY 1991	40,229,502,000	44,901,509,000	45,014,966,000	+4,785,464,000	+113,457,000
Less funds advanced in prior year	-9,000,000,000	-10,400,000,000	-10,400,000,000	-1,400,000,000	.....
Total, current request, FY 1991	31,229,502,000	34,501,509,000	34,614,966,000	+3,385,464,000	+113,457,000
New advance, 1st quarter, FY 1992	10,400,000,000	12,400,000,000	12,400,000,000	+2,000,000,000	.....
PAYMENTS TO HEALTH CARE TRUST FUNDS					
Supplemental medical insurance	35,925,500,000	36,451,000,000	36,451,000,000	+525,500,000	.....
Hospital insurance for uninsured	378,000,000	559,000,000	559,000,000	+181,000,000	.....
Federal uninsured payment	35,000,000	46,000,000	46,000,000	+11,000,000	.....
Total, Payment to Trust Funds 18/	36,338,500,000	37,056,000,000	37,056,000,000	+717,500,000	.....

13/ The request of $139,135,000 for Family Planning is displayed in the Health Resources and Services account.

14/ Excludes legislative additions of $86,100,000 proposed for later transmittal.

15/ Previously funded under the Office of the Assistant Secretary for Health account.

16/ Previously funded as a separate account.

17/ Excludes $25,000,000 in legislative additions proposed for later transmittal.

18/ Excludes legislative savings of $1,981 million proposed for later transmittal.

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	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
PROGRAM MANAGEMENT					
Research, demonstration, and evaluation:					
Regular program:					
Federal funds	12,857,000	13,000,000	13,000,000	+143,000	.....
Trust funds	*(19,382,000)*	*(23,000,000)*	*(23,000,000)*	*(+3,618,000)*	.....
Rural hospital transition demonstrations, trust funds	*(17,761,000)*	.....	*(23,000,000)*	*(+5,239,000)*	*(+23,000,000)*
Essential access community hospitals, trust funds	.....	.....	*(10,000,000)*	*(+10,000,000)*	*(+10,000,000)*
Subtotal, research, demonstration, & evaluation	(50,000,000)	(36,000,000)	(69,000,000)	(+19,000,000)	(+33,000,000)
Medicare Contractors (Trust Funds):					
Operating funds, current	*(1,355,342,000)*	*(1,410,000,000)*	*(1,446,500,000)*	*(+91,158,000)*	*(+36,500,000)*
Contingency reserve fund	*(98,672,000)*	*(173,000,000)*	*(136,500,000)*	*(+37,828,000)*	*(-36,500,000)*
Subtotal, Contractors	*(1,454,014,000)*	*(1,583,000,000)*	*(1,583,000,000)*	*(+128,986,000)*	.....
State Certification:					
Medicare certification, trust funds	*(91,214,000)*	*(155,100,000)*	*(155,100,000)*	*(+63,886,000)*	.....
General program support, federal funds	6,469,000	8,336,000	8,336,000	+1,867,000	.....
Proposed legislation, user fees, trust funds	.....	*(-155,100,000)*	.....	.....	*(+155,100,000)*
Proposed legislation, user fees, federal funds	.....	-8,336,000	.....	.....	+8,336,000
Subtotal, State certification	(97,683,000)	.....	(163,436,000)	(+65,753,000)	(+163,436,000)
Federal Administration:					
Federal funds	81,509,000	83,878,000	83,878,000	+2,369,000	.....
Less current law user fees	-263,000	-248,000	-248,000	+35,000	.....
Trust funds	*(262,491,000)*	*(232,538,000)*	*(232,538,000)*	*(-29,953,000)*	.....
Proposed legislation, user fees, trust funds	.....	*(-24,567,000)*	.....	.....	*(+24,567,000)*
Proposed legislation, user fees, federal funds	.....	-6,551,000	.....	.....	+6,551,000
Subtotal, Federal Administration	(343,717,000)	(285,050,000)	(316,168,000)	(-27,549,000)	(+31,118,000)
Total, Program management	1,945,414,000	1,904,050,000	2,131,604,000	+186,190,000	+227,554,000
Federal funds	100,552,000	90,079,000	104,966,000	+4,414,000	+14,887,000
Trust funds	*(1,844,862,000)*	*(1,813,971,000)*	*(2,026,638,000)*	*(+181,776,000)*	*(+212,667,000)*
HMO LOAN AND LOAN GUARANTEE FUND **19/**	4,930,000	.....	.....	-4,930,000	.....
Total, Health Care Financing Administration:					
Federal funds	78,073,484,000	84,047,588,000	84,175,932,000	+6,102,448,000	+128,344,000
Current year, FY 1991	(67,673,484,000)	(71,647,588,000)	(71,775,932,000)	(+4,102,448,000)	(+128,344,000)
New advance, 1st quarter, FY 1992	(10,400,000,000)	(12,400,000,000)	(12,400,000,000)	(+2,000,000,000)	.....
Trust funds	*(1,844,862,000)*	*(1,813,971,000)*	*(2,026,638,000)*	*(+181,776,000)*	*(+212,667,000)*
SOCIAL SECURITY ADMINISTRATION					
PAYMENTS TO SOCIAL SECURITY TRUST FUNDS	191,968,000	46,958,000	46,958,000	-145,010,000	.....
SPECIAL BENEFITS FOR DISABLED COAL MINERS					
Benefit payments	863,422,000	834,000,000	834,000,000	-29,422,000	.....
Administration	6,831,000	7,081,000	7,081,000	+250,000	.....
Subtotal, Black Lung, FY 1991 program level	870,253,000	841,081,000	841,081,000	-29,172,000	.....
Less funds advanced in prior year	-211,000,000	-215,000,000	-215,000,000	-4,000,000	.....
Total, Black Lung, current request, FY 1991	659,253,000	626,081,000	626,081,000	-33,172,000	.....
New advance, 1st quarter, FY 1992	215,000,000	203,000,000	203,000,000	-12,000,000	.....
SUPPLEMENTAL SECURITY INCOME **20/**					
Federal benefit payments	11,185,613,000	13,913,000,000	13,913,000,000	+2,727,387,000	.....
Beneficiary services	13,739,000	27,717,000	27,717,000	+13,978,000	.....
Research demonstration	5,275,000	2,275,000	5,275,000	.....	+3,000,000
Administration	1,090,131,000	1,212,602,000	1,212,602,000	+122,471,000	.....
Subtotal, SSI FY 1991 program level	12,294,758,000	15,155,594,000	15,158,594,000	+2,863,836,000	+3,000,000
Less funds advanced in prior year	-2,936,000,000	-3,157,000,000	-3,157,000,000	-221,000,000	.....
Total, SSI, current request, FY 1991	9,358,758,000	11,998,594,000	12,001,594,000	+2,642,836,000	+3,000,000
New advance, 1st quarter, FY 1992	3,157,000,000	3,550,000,000	3,550,000,000	+393,000,000	.....
LIMITATION ON ADMINISTRATIVE EXPENSES (Trust Funds)	*(3,837,389,000)*	*(4,166,974,000)*	*(4,166,974,000)*	*(+329,585,000)*	.....
(Contingency reserve, non-add)	*(50,000,000)*	*(50,000,000)*	*(50,000,000)*	.....	.....
Total, Social Security Administration:					
Federal funds	13,581,979,000	16,424,633,000	16,427,633,000	+2,845,654,000	+3,000,000
Current year FY 1991	(10,209,979,000)	(12,671,633,000)	(12,674,633,000)	(+2,464,654,000)	(+3,000,000)
New advances, 1st quarter FY 1992	(3,372,000,000)	(3,753,000,000)	(3,753,000,000)	(+381,000,000)	.....
Trust funds	*(3,837,389,000)*	*(4,166,974,000)*	*(4,166,974,000)*	*(+329,585,000)*	.....

19/ Sequester amount not reflected correctly in President's budget.

20/ Excludes $55,000,000 in legislative savings proposed for later transmittal.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
FAMILY SUPPORT ADMINISTRATION **21/**					
FAMILY SUPPORT PAYMENTS TO STATES **22/**					
Aid to Families with Dependent Children (AFDC)	9,261,706,000	9,999,000,000	9,999,000,000	+737,294,000	
Payments to territories	16,346,000	16,346,000	16,346,000		
Emergency assistance, incl. welfare hotel demos	204,000,000	194,000,000	194,000,000	-10,000,000	
Repatriation	1,000,000	1,000,000	1,000,000		
State and local welfare administration	1,504,500,000	1,471,900,000	1,471,900,000	-32,600,000	
Work activities / child care	206,000,000	489,000,000	489,000,000	+283,000,000	
Regulatory savings		-35,000,000	-35,000,000	-35,000,000	
Subtotal, Welfare payments	11,193,552,000	12,136,246,000	12,136,246,000	+942,694,000	
Child Support Enforcement:					
State and local administration	1,059,000,000	1,197,000,000	1,197,000,000	+138,000,000	
Federal incentive payments	276,000,000	332,000,000	332,000,000	+56,000,000	
Less federal share collections	-836,000,000	-1,008,000,000	-1,008,000,000	-172,000,000	
Subtotal, Child support	499,000,000	521,000,000	521,000,000	+22,000,000	
Total, Payments, FY 1991 program level	11,692,552,000	12,657,246,000	12,657,246,000	+964,694,000	
Less funds advanced in previous years	-2,700,000,000	-3,000,000,000	-3,000,000,000	-300,000,000	
Total, Payments, current request, FY 1991	8,992,552,000	9,657,246,000	9,657,246,000	+664,694,000	
New advance, 1st quarter, FY 1992	3,000,000,000	3,300,000,000	3,300,000,000	+300,000,000	
PAYMENTS TO STATES FOR AFDC WORK PROGRAMS **23/**					
New Jobs Activities program	443,038,000	1,000,000,000	1,000,000,000	+556,962,000	
WIN Phaseout	31,200,000			-31,200,000	
Total, AFDC work programs	474,238,000	1,000,000,000	1,000,000,000	+525,762,000	
LOW INCOME HOME ENERGY ASSISTANCE					
Energy Assistance Block Grant	(1,393,000,000)	(1,050,000,000)	DEFER	DEFER	DEFER
Dire emergency supplemental	(50,000,000)		DEFER	DEFER	DEFER
Total, Low income home energy assistance	(1,443,000,000)	(1,050,000,000)	DEFER	DEFER	DEFER
REFUGEE AND ENTRANT ASSISTANCE					
Cash and medical assistance **24/**	(210,000,000)	(210,000,000)	DEFER	DEFER	DEFER
Social services	(75,000,000)	(75,000,000)	DEFER	DEFER	DEFER
Voluntary agency program	(40,000,000)	(40,000,000)	DEFER	DEFER	DEFER
Preventive health	(5,770,000)	(5,770,000)	DEFER	DEFER	DEFER
Targeted assistance	(44,052,000)	(38,052,000)	DEFER	DEFER	DEFER
Total, Refugee Resettlement	(374,822,000)	(368,822,000)	DEFER	DEFER	DEFER
STATE LEGALIZATION IMPACT ASSISTANCE GRANTS					
FY 1990 enacted	-567,424,000			+567,424,000	
FY 1991 request (non-add) **25/**		*(-537,403,000)*			*(+537,403,000)*
FY 1990 enacted for FY 1992	555,244,000			-555,244,000	
FY 1992 request (non-add) **25/**		*(-555,244,000)*			*(+555,244,000)*
COMMUNITY SERVICES BLOCK GRANT					
Grants to States for Community Services	(323,085,000)		DEFER	DEFER	DEFER
Homeless services grants	(21,855,000)	(33,959,000)	DEFER	DEFER	DEFER
Advance funding for FY 1991	(8,041,000)		DEFER	DEFER	DEFER
Discretionary funds:					
Community economic development	(20,158,000)		DEFER	DEFER	DEFER
Rural housing	(3,994,000)		DEFER	DEFER	DEFER
Farmworker assistance	(2,934,000)		DEFER	DEFER	DEFER
National youth sports, regular activities	(10,618,000)		DEFER	DEFER	DEFER
Technical assistance	(235,000)		DEFER	DEFER	DEFER
Subtotal, discretionary funds	(37,939,000)		DEFER	DEFER	DEFER
Community Partnerships	(3,495,000)		DEFER	DEFER	DEFER
Community Food and Nutrition	(2,406,000)		DEFER	DEFER	DEFER
Total, Community services	(396,821,000)	(33,959,000)	DEFER	DEFER	DEFER

21/ Excludes Administration proposal to shift USDA Fiscal Assistance to Puerto Rico Program to FSA.

22/ Excludes legislative savings of $32.4 million proposed for later transmittal.

23/ Reflects reprogramming approved 4/11/90.

24/ Includes State administrative costs.

25/ Proposal to change permanent appropriation in FY 1991 is under the jurisdiction of the Judiciary Committee.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
PROGRAM ADMINISTRATION					
Federal Administration	75,628,000	74,950,000	74,950,000	-678,000	.....
Proposed user fees	.....	-2,000,000	-1,000,000	-1,000,000	+1,000,000
Research & evaluation	9,825,000	4,250,000	6,250,000	-3,575,000	+2,000,000
Total, program administration	85,453,000	77,200,000	80,200,000	-5,253,000	+3,000,000
Total, Family Support Administration	12,540,063,000	14,034,446,000	14,037,446,000	+1,497,383,000	+3,000,000
Current year	(8,984,819,000)	(10,734,446,000)	(10,737,446,000)	(+1,752,627,000)	(+3,000,000)
FY 1992	(3,555,244,000)	(3,300,000,000)	(3,300,000,000)	(-255,244,000)	.....
Unauthorized, not considered by House	(2,214,643,000)	(1,452,781,000)	DEFER	DEFER	DEFER
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES					
SOCIAL SERVICES BLOCK GRANT (TITLE XX)	2,762,200,000	2,800,000,000	2,800,000,000	+37,800,000	.....
HUMAN DEVELOPMENT SERVICES					
Programs for Children, Youth, and Families:					
Head start	(1,552,000,000)	(1,886,315,000)	DEFER	DEFER	DEFER
Child development associate scholarships	(1,431,000)	(1,431,000)	DEFER	DEFER	DEFER
Family crisis program:					
Child abuse state grants	11,567,000	11,523,000	20,000,000	+8,433,000	+8,477,000
Child abuse challenge grants	4,934,000	4,934,000	5,000,000	+66,000	+66,000
Runaway and homeless youth	28,785,000	28,785,000	36,000,000	+7,215,000	+7,215,000
Family violence	8,273,000	8,273,000	13,273,000	+5,000,000	+5,000,000
Abandoned infants assistance	9,867,000	9,867,000	9,867,000	.....	.....
Emergency protection grants - substance abuse	.....	.....	20,000,000	+20,000,000	+20,000,000
Subtotal, family crisis	63,426,000	63,382,000	104,140,000	+40,714,000	+40,758,000
Dependent care planning and development	(13,178,000)	(13,178,000)	DEFER	DEFER	DEFER
Child welfare assistance	252,648,000	252,648,000	280,000,000	+27,352,000	+27,352,000
Proposed legislation	.....	47,352,000	.....	.....	-47,352,000
Subtotal	316,074,000	363,382,000	384,140,000	+68,066,000	+20,758,000
Programs for the Aging:					
Grants to States:					
Supportive services and centers	271,987,000	272,961,000	298,000,000	+26,013,000	+25,039,000
Ombudsman activities	973,000	.....	3,000,000	+2,027,000	+3,000,000
Nutrition:					
Congregate meals	351,925,000	351,925,000	370,000,000	+18,075,000	+18,075,000
Home-delivered meals	78,981,000	78,981,000	90,000,000	+11,019,000	+11,019,000
Federal Council on Aging 26/	.....	.....	185,000	+185,000	+185,000
Grants to Indians	12,541,000	12,541,000	14,000,000	+1,459,000	+1,459,000
Frail elderly in-home services	5,756,000	5,756,000	5,756,000	.....	.....
Subtotal, Aging programs	722,163,000	722,164,000	780,941,000	+58,778,000	+58,777,000
Developmental disabilities program:					
State grants	(61,939,000)	(61,939,000)	DEFER	DEFER	DEFER
Protection and advocacy	(20,484,000)	(20,484,000)	DEFER	DEFER	DEFER
Subtotal, Developmental disabilities	(82,423,000)	(82,423,000)	DEFER	DEFER	DEFER
Native American Programs	31,711,000	31,711,000	34,200,000	+2,489,000	+2,489,000
Human services research, training & demonstration:					
Comprehensive child development centers	24,668,000	24,668,000	24,668,000	.....	.....
Child abuse discretionary activities	13,478,000	13,523,000	15,000,000	+1,522,000	+1,477,000
Runaway youth - transitional living	9,867,000	9,867,000	9,867,000	.....	.....
Runaway youth activities - drugs	14,801,000	14,801,000	14,801,000	.....	.....
Youth gang substance abuse	14,801,000	14,801,000	14,801,000	.....	.....
Temporary childcare/crisis nurseries	8,328,000	8,328,000	8,328,000	.....	.....
Child welfare training	3,647,000	3,647,000	3,647,000	.....	.....
Child welfare research	7,517,000	13,517,000	13,517,000	+6,000,000	.....
Adoption opportunities	6,736,000	6,736,000	13,000,000	+6,264,000	+6,264,000
Aging research, training and special projects	25,332,000	26,332,000	27,332,000	+2,000,000	+1,000,000
Social services research	3,475,000	3,475,000	3,975,000	+500,000	+500,000
Developmental disabilities special projects	(2,862,000)	(2,862,000)	DEFER	DEFER	DEFER
Developmental disabilities university affiliated programs	(13,192,000)	(13,192,000)	DEFER	DEFER	DEFER
Total, Human services research, training & demonstration	132,650,000	139,695,000	148,936,000	+16,286,000	+9,241,000
Program direction	68,313,000	71,149,000	75,000,000	+6,687,000	+3,851,000
Total, Human Development Services	1,270,911,000	1,328,101,000	1,423,217,000	+152,306,000	+95,116,000
Unauthorized, not considered by House	(1,665,086,000)	(1,999,401,000)	DEFER	DEFER	DEFER
PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE					
Foster care	1,200,061,000	1,877,712,000	1,877,712,000	+677,651,000	.....
Proposed legislation	.....	-160,909,000	.....	.....	+160,909,000
Adoption assistance	124,855,000	150,480,000	150,480,000	+25,625,000	.....
Independent living	50,000,000	60,000,000	60,000,000	+10,000,000	.....
Prior year claims	.....	544,000,000	544,000,000	+544,000,000	.....
Total, Payments to States	1,374,916,000	2,471,283,000	2,632,192,000	+1,257,276,000	+160,909,000
Total, Asst. Sec. for Human Development	5,408,027,000	6,599,384,000	6,855,409,000	+1,447,382,000	+256,025,000
Unauthorized, not considered by House	(1,665,086,000)	(1,999,401,000)	DEFER	DEFER	DEFER

26/ President's budget proposes to fund under Program Direction.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
DEPARTMENTAL MANAGEMENT					
GENERAL DEPARTMENTAL MANAGEMENT:					
Federal funds	79,416,000	81,350,000	82,250,000	+2,834,000	+900,000
Trust funds	*(31,100,000)*	*(31,100,000)*	*(31,950,000)*	*(+850,000)*	*(+850,000)*
Total, Departmental management	110,516,000	112,450,000	114,200,000	+3,684,000	+1,750,000
OFFICE OF THE INSPECTOR GENERAL:					
Federal funds	50,488,000	51,500,000	53,500,000	+3,012,000	+2,000,000
Trust funds	*(43,723,000)*	*(43,723,000)*	*(43,723,000)*	.....	.....
Total, Inspector General	94,211,000	95,223,000	97,223,000	+3,012,000	+2,000,000
OFFICE FOR CIVIL RIGHTS:					
Federal funds	17,294,000	17,585,000	17,585,000	+291,000	.....
Trust funds	*(4,000,000)*	*(4,000,000)*	*(4,000,000)*	.....	.....
Total, Civil Rights	21,294,000	21,585,000	21,585,000	+291,000	.....
POLICY RESEARCH	5,001,000	5,017,000	9,167,000	+4,166,000	+4,150,000
Total, Departmental management:					
Federal funds	152,199,000	155,452,000	162,502,000	+10,303,000	+7,050,000
Trust funds	*(78,823,000)*	*(78,823,000)*	*(79,673,000)*	*(+850,000)*	*(+850,000)*
Total, Departmental management	(231,022,000)	(234,275,000)	(242,175,000)	(+11,153,000)	(+7,900,000)
Total, Department of Health and Human Services:					
Federal Funds	122,510,968,000	134,476,996,000	135,926,008,000	+13,415,040,000	+1,449,012,000
Current year FY 1991	(105,164,480,000)	(115,023,996,000)	(116,473,008,000)	(+11,308,528,000)	(+1,449,012,000)
FY 1992	(17,346,488,000)	(19,453,000,000)	(19,453,000,000)	(+2,106,512,000)	.....
Unauthorized, not considered by House	(4,709,923,000)	(4,333,989,000)	DEFER	DEFER	DEFER
Trust funds	*(5,767,111,000)*	*(6,088,805,000)*	*(6,279,322,000)*	*(+512,211,000)*	*(+190,517,000)*
TITLE III--DEPARTMENT OF EDUCATION					
COMPENSATORY EDUCATION FOR THE DISADVANTAGED					
Grants for the Disadvantaged (Chapter 1):					
Grants to local educational agencies:					
Basic grants	4,373,146,000	4,463,100,000	5,121,000,000	+747,854,000	+657,900,000
Concentration grants	395,112,000	495,900,000	569,000,000	+173,888,000	+73,100,000
Subtotal, grants to LEA's	4,768,258,000	4,959,000,000	5,690,000,000	+921,742,000	+731,000,000
Capital expenses for private school children	25,682,000	25,682,000	26,000,000	+318,000	+318,000
Even start	24,201,000	48,000,000	60,000,000	+35,799,000	+12,000,000
State agency programs: 27/					
Migrant	282,444,000	293,742,000	310,000,000	+27,556,000	+16,258,000
Neglected and delinquent	32,791,000	34,103,000	34,000,000	+1,209,000	-103,000
State administration	50,176,000	54,000,000	60,600,000	+10,424,000	+6,600,000
State program improvement grants	12,544,000	24,000,000	15,150,000	+2,606,000	-8,850,000
Evaluation and technical assistance	11,853,000	15,000,000	15,000,000	+3,147,000	.....
Rural technical assistance centers	4,445,000	4,445,000	4,500,000	+55,000	+55,000
Total, Chapter 1	5,212,394,000	5,457,972,000	6,215,250,000	+1,002,856,000	+757,278,000
Migrant education:					
High school equivalency program	7,858,000	7,858,000	8,000,000	+142,000	+142,000
College assistance migrant program	1,720,000	1,720,000	2,000,000	+280,000	+280,000
Subtotal, migrant education	9,578,000	9,578,000	10,000,000	+422,000	+422,000
Presidential merit schools, proposed legislation 28/	.....	225,000,000	.....	.....	-225,000,000
Total, Compensatory Education programs 27/	5,221,972,000	5,692,550,000	6,225,250,000	+1,003,278,000	+532,700,000
IMPACT AID					
Maintenance and operations:					
Payments for "a" children	578,500,000	578,500,000	600,000,000	+21,500,000	+21,500,000
Payments for "b" children	123,500,000	25,000,000	140,000,000	+16,500,000	+115,000,000
Payments for Federal property (Section 2)	15,354,000	15,354,000	17,000,000	+1,646,000	+1,646,000
Payments related to base closings (Section 3e)	.....	.....	2,000,000	+2,000,000	+2,000,000
Subtotal	717,354,000	618,854,000	759,000,000	+41,646,000	+140,146,000
Disaster assistance (Section 7)	.....	15,000,000	14,000,000	+14,000,000	-1,000,000
Construction	14,998,000	27,000,000	27,000,000	+12,002,000	.....
Total, Impact aid	732,352,000	660,854,000	800,000,000	+67,648,000	+139,146,000
SCHOOL IMPROVEMENT PROGRAMS					
Educational improvement (Chapter 2):					
State and Local Programs:					
State block grants 29/	455,717,000	474,405,000	456,000,000	+283,000	-18,405,000
Evaluation	1,481,000	1,000,000	1,000,000	-481,000	.....
Subtotal	457,198,000	475,405,000	457,000,000	-198,000	-18,405,000

27/ Excludes $146,389,000, for FY 1990 and for FY 1991 request, considered under Education for the Handicapped.

28/ Provides authority to transfer $100 million if authorized from Grants to LEA's.

29/ Forward funded.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
National programs:					
National Diffusion Network	12,837,000	12,632,000	14,000,000	+1,163,000	+1,368,000
Inexpensive book distribution (RIF)	8,576,000	8,914,000	9,500,000	+924,000	+586,000
Arts in education	3,851,000	3,972,000	4,500,000	+649,000	+528,000
Law - related education	4,938,000	4,824,000	5,000,000	+62,000	+176,000
Blue ribbon schools	494,000	873,000	900,000	+406,000	+27,000
Subtotal, National programs	30,696,000	31,215,000	33,900,000	+3,204,000	+2,685,000
Total, Chapter 2	487,894,000	506,620,000	490,900,000	+3,006,000	-15,720,000
Drug-free schools and communities:					
State grants 30/	437,881,000	487,619,000	487,619,000	+49,738,000	
School personnel training	14,554,000	14,554,000	14,554,000		
National programs:					
Regular programs	61,127,000	66,127,000	66,127,000	+5,000,000	
Emergency grants	24,688,000	25,000,000	25,000,000	+312,000	
National Commission on Drug-Free Schools	988,000			-988,000	
Subtotal, drug-free schools and communities	539,238,000	593,300,000	593,300,000	+54,062,000	
Strengthening teaching and administration:					
Eisenhower mathematics and science education:					
State grants 30/	126,837,000	220,800,000	192,000,000	+65,163,000	-28,800,000
National programs	8,781,000	9,200,000	8,000,000	-781,000	-1,200,000
Subtotal, Math & science education	135,618,000	230,000,000	200,000,000	+64,382,000	-30,000,000
Fund for the improvement and reform of schools and teaching:					
Grants for schools and teachers	3,915,000	3,915,000	6,000,000	+2,085,000	+2,085,000
Family-school partnerships	4,443,000	4,443,000	3,000,000	-1,443,000	-1,443,000
Subtotal, FIRST	8,358,000	8,358,000	9,000,000	+642,000	+642,000
Alternative teacher/principal certification, proposed legislation		25,000,000			-25,000,000
Presidential awards for excellence in education, proposed legislation		7,600,000			-7,600,000
Territorial teacher training	1,762,000	1,762,000	1,800,000	+38,000	+38,000
Leadership in Educational Administration (LEAD) 30/	3,845,000	4,215,000	3,845,000		-370,000
Christa McAuliffe fellowships	1,932,000	2,013,000	2,000,000	+68,000	-13,000
Mid-career teacher training	987,000	987,000	1,000,000	+13,000	+13,000
Other school improvement programs:					
Magnet schools, desegregation program	113,189,000	113,189,000	113,000,000	-189,000	-189,000
Magnet schools of excellence, proposed legislation		100,000,000			-100,000,000
Fund for Innovation in Education	18,939,000	18,939,000	25,000,000	+6,061,000	+6,061,000
Javits gifted and talented student education	9,888,000	8,888,000	10,000,000	+112,000	+1,112,000
Education for homeless children & youth:					
State activities 30/	4,935,000	5,000,000	5,000,000	+65,000	
Exemplary programs	2,469,000	2,500,000	2,500,000	+31,000	
Subtotal, homeless activities	7,404,000	7,500,000	7,500,000	+96,000	
Women's educational equity	2,098,000	1,000,000	2,000,000	-98,000	+1,000,000
Training and advisory services (Civil Rights IV-A)	21,451,000	21,451,000	21,500,000	+49,000	+49,000
Dropout prevention demonstrations 31/	19,945,000	45,000,000	30,000,000	+10,055,000	-15,000,000
Secondary school basic skills demonstrations	4,938,000			-4,938,000	
Educational partnerships	3,703,000	3,703,000	3,700,000	-3,000	-3,000
General assistance to the Virgin Islands	4,391,000	4,391,000	4,400,000	+9,000	+9,000
Ellender fellowships/Close up 30/	3,703,000	1,000,000	3,700,000	-3,000	+2,700,000
Follow through	(7,171,000)		DEFER	DEFER	DEFER
Star schools	14,813,000			-14,813,000	
Native Hawaiian Education	6,419,000		6,400,000	-19,000	+6,400,000
Subtotal, other school improvement programs	230,881,000	325,061,000	227,200,000	-3,681,000	-97,861,000
Total, School improvement programs	1,410,515,000	1,704,916,000	1,529,045,000	+118,530,000	-175,871,000
Unauthorized, not considered by House	(7,171,000)		DEFER	DEFER	DEFER
Subtotal, forward funded	(1,032,918,000)	(1,193,039,000)	(1,148,164,000)	(+115,246,000)	(-44,875,000)
BILINGUAL AND IMMIGRANT EDUCATION					
Bilingual education:					
Bilingual programs	115,779,000	132,642,000	120,000,000	+4,221,000	-12,642,000
Support services	10,838,000	10,838,000	13,000,000	+2,162,000	+2,162,000
Training grants	31,913,000	31,913,000	42,000,000	+10,087,000	+10,087,000
Immigrant education	30,144,000	30,144,000	30,000,000	-144,000	-144,000
Total	188,674,000	205,537,000	205,000,000	+16,326,000	-537,000
EDUCATION FOR THE HANDICAPPED					
State grants:					
Grants to States 32/	1,542,610,000	1,615,125,000	2,400,000,000	+857,390,000	+784,875,000
Chapter 1, handicapped State grants	146,389,000	146,389,000		-146,389,000	-146,389,000
Preschool grants	251,510,000	257,730,000	257,730,000	+6,220,000	
Grants for infants and families	79,520,000	82,701,000	90,000,000	+10,480,000	+7,299,000
Subtotal, State grants	2,020,029,000	2,101,945,000	2,747,730,000	+727,701,000	+645,785,000

30/ Forward funded.

31/ FY 1991 includes $3 million for research.

32/ Recommendation includes funding originally requested under Compensatory Education for handicapped State grants.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
Special purpose funds:					
Deaf-blind projects	(14,555,000)	.....	DEFER	DEFER	DEFER
Severely handicapped projects	(5,819,000)	.....	DEFER	DEFER	DEFER
Early childhood education	(23,766,000)	.....	DEFER	DEFER	DEFER
Secondary and transitional services	(7,989,000)	.....	DEFER	DEFER	DEFER
Postsecondary programs	(6,510,000)	.....	DEFER	DEFER	DEFER
Innovation and development	(19,825,000)	.....	DEFER	DEFER	DEFER
Media and captioning services	(15,192,000)	.....	DEFER	DEFER	DEFER
Special education technology	(5,425,000)	.....	DEFER	DEFER	DEFER
Special studies	(3,545,000)	.....	DEFER	DEFER	DEFER
Special education personnel development	(71,000,000)	.....	DEFER	DEFER	DEFER
Recruitment and information clearinghouses	(1,479,000)	.....	DEFER	DEFER	DEFER
Regional resource centers	(6,510,000)	.....	DEFER	DEFER	DEFER
Consolidated request	.....	(181,865,000)	DEFER	DEFER	DEFER
Subtotal, Special purpose funds	(181,615,000)	(181,865,000)	DEFER	DEFER	DEFER
Total, Education for the handicapped	2,020,029,000	2,101,945,000	2,747,730,000	+727,701,000	+645,785,000
Unauthorized, not considered by House	(181,615,000)	(181,865,000)	DEFER	DEFER	DEFER
REHABILITATION SERVICES AND HANDICAPPED RESEARCH					
Vocational rehabilitation State grants:					
Grants to States	1,528,498,000	1,597,280,000	1,597,280,000	+68,782,000	.....
Supported employment State grants	27,630,000	28,790,000	28,790,000	+1,160,000	.....
Client assistance	7,901,000	8,233,000	8,233,000	+332,000	.....
Subtotal, State grants	1,564,029,000	1,634,303,000	1,634,303,000	+70,274,000	.....
Special purpose funds:					
Special demonstration programs:					
Regular grants	17,455,000	17,455,000	17,455,000	.....	.....
Comprehensive head injury grants	14,814,000	.....	.....	-14,814,000	.....
Supported employment projects	9,876,000	9,876,000	10,271,000	+395,000	+395,000
Recreational programs	2,588,000	.....	2,588,000	.....	+2,588,000
Migratory workers	1,086,000	1,086,000	1,086,000	.....	.....
Projects with industry	18,765,000	18,765,000	19,516,000	+751,000	+751,000
Helen Keller National Center	4,938,000	5,198,000	5,198,000	+260,000	.....
Independent living:					
Comprehensive services	12,938,000	13,481,000	13,481,000	+543,000	.....
Centers	26,666,000	26,666,000	27,733,000	+1,067,000	+1,067,000
Services for older blind	5,827,000	5,827,000	6,060,000	+233,000	+233,000
Subtotal, Independent living	45,431,000	45,974,000	47,274,000	+1,843,000	+1,300,000
Training	31,110,000	31,110,000	32,354,000	+1,244,000	+1,244,000
National Institute on Disability & Rehabilitation Research	54,318,000	54,318,000	60,378,000	+6,060,000	+6,060,000
Technology assistance	14,814,000	20,000,000	20,000,000	+5,186,000	.....
Evaluation 33/	988,000	988,000	1,488,000	+500,000	+500,000
Subtotal, Special purpose funds	216,183,000	204,770,000	217,608,000	+1,425,000	+12,838,000
Total, Rehabilitation services	1,780,212,000	1,839,073,000	1,851,911,000	+71,699,000	+12,838,000
SPECIAL INSTITUTIONS FOR THE HANDICAPPED					
AMERICAN PRINTING HOUSE FOR THE BLIND	5,663,000	5,901,000	6,076,000	+413,000	+175,000
NATIONAL TECHNICAL INSTITUTE FOR THE DEAF:					
Operations	34,384,000	37,195,000	37,195,000	+2,811,000	.....
Endowment grant	322,000	336,000	336,000	+14,000	.....
Construction	476,000	.....	.....	-476,000	.....
Consortium	888,000	.....	.....	-888,000	.....
Subtotal, NTID	36,070,000	37,531,000	37,531,000	+1,461,000	.....
GALLAUDET UNIVERSITY:					
University programs	45,899,000	48,799,000	48,799,000	+2,900,000	.....
Model secondary school for the deaf	13,368,000	14,005,000	14,005,000	+637,000	.....
Kendall demonstration elementary school	7,390,000	7,743,000	7,743,000	+353,000	.....
Endowment grant	986,000	1,000,000	1,000,000	+14,000	.....
Construction	.....	2,500,000	2,500,000	+2,500,000	.....
Subtotal, Gallaudet University	67,643,000	74,047,000	74,047,000	+6,404,000	.....
EVALUATION STUDIES	.....	500,000	.....	.....	-500,000
Total, Special Institutions for the Handicapped	109,376,000	117,979,000	117,654,000	+8,278,000	-325,000
VOCATIONAL AND ADULT EDUCATION 34/					
Vocational education:					
New program, proposed legislation	.....	(929,675,000)	DEFER	DEFER	DEFER
Basic grants	(850,734,000)	.....	DEFER	DEFER	DEFER
Community - based organizations	(10,850,000)	.....	DEFER	DEFER	DEFER
Consumer and homemaking education	(34,176,000)	.....	DEFER	DEFER	DEFER
State councils	(7,942,000)	.....	DEFER	DEFER	DEFER
National programs:					
Research	(6,986,000)	.....	DEFER	DEFER	DEFER
Demonstrations	(11,096,000)	.....	DEFER	DEFER	DEFER
Data systems including NOICC/SOICC	(4,932,000)	.....	DEFER	DEFER	DEFER
Subtotal, national programs	(23,014,000)	.....	DEFER	DEFER	DEFER
Bilingual vocational training	(2,959,000)	.....	DEFER	DEFER	DEFER
Subtotal, Vocational education 34/	(929,675,000)	(929,675,000)	DEFER	DEFER	DEFER

33/ Recommendation includes $500,000 for evaluation studies requested under Special Institutions consolidated account.

34/ Excludes FY91 permanent appropriation of $7,148,000.

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	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
Adult education:					
State Programs	157,811,000	200,000,000	200,000,000	+42,189,000	.....
National programs	1,973,000	8,000,000	8,000,000	+6,027,000	.....
Literacy training for homeless adults	7,397,000	10,000,000	10,000,000	+2,603,000	.....
Workplace literacy partnerships	19,726,000	19,726,000	20,000,000	+274,000	+274,000
English literacy grants	5,888,000	1,000,000	6,000,000	+112,000	+5,000,000
Subtotal, adult education	192,795,000	238,726,000	244,000,000	+51,205,000	+5,274,000
Technology education demonstrations	988,000	988,000	1,000,000	+12,000	+12,000
Total, Vocational & adult education	193,783,000	239,714,000	245,000,000	+51,217,000	+5,286,000
Unauthorized, not considered by House	(929,675,000)	(929,675,000)	DEFER	DEFER	DEFER
STUDENT FINANCIAL ASSISTANCE					
Pell Grants: 35/					
Academic year 1991 - 1992	4,804,478,000	4,906,000,000	4,930,000,000	+125,522,000	+24,000,000
FY 1991 - 1992 contingency	.....	.....	113,000,000	+113,000,000	+113,000,000
Subtotal, 1991 - 1992	4,804,478,000	4,906,000,000	5,043,000,000	+238,522,000	+137,000,000
Prior year shortfall, 1989 - 90	.....	265,000,000	265,000,000	+265,000,000	.....
Prior year shortfall, 1990 - 91	.....	106,000,000	106,000,000	+106,000,000	.....
Subtotal, Pell grants	4,804,478,000	5,277,000,000	5,414,000,000	+609,522,000	+137,000,000
Supplemental educational opportunity grants	458,650,000	458,650,000	533,000,000	+74,350,000	+74,350,000
Work-study	601,765,000	601,765,000	600,000,000	-1,765,000	-1,765,000
Income contingent loans	9,863,000	15,000,000	10,000,000	+137,000	-5,000,000
Perkins loans:					
Federal capital contributions	135,129,000	.....	160,000,000	+24,871,000	+160,000,000
(Total estimated loans from revolving fund) (non-add)	(860,000,000)	(744,000,000)	(911,000,000)	(+51,000,000)	(+167,000,000)
Loan cancellations	15,700,000	.....	.....	-15,700,000	.....
State student incentive grants	59,181,000	.....	60,000,000	+819,000	+60,000,000
Total, Student Financial Assistance	6,084,766,000	6,352,415,000	6,777,000,000	+692,234,000	+424,585,000
GUARANTEED STUDENT LOANS 36/					
Contract authority	3,856,344,000	3,157,427,000	3,900,000,000	+43,656,000	+742,573,000
Appropriation, including shortfalls (non-add)	(3,826,314,000)	(3,417,806,000)	(4,474,000,000)	(+647,686,000)	(+1,056,194,000)
HIGHER EDUCATION					
Aid for institutional development:					
Strengthening institutions	82,911,000	86,631,000	87,500,000	+4,589,000	+869,000
Strengthening historically black colleges & univ	83,898,000	83,898,000	87,500,000	+3,602,000	+3,602,000
Strengthening historically black grad institutions	11,468,000	11,468,000	12,000,000	+532,000	+532,000
Endowment grants:					
Current law	17,893,000	17,893,000	27,500,000	+9,607,000	+9,607,000
Proposed legislation	.....	15,000,000	.....	.....	-15,000,000
Subtotal, Institutional development	196,170,000	214,890,000	214,500,000	+18,330,000	-390,000
Program development:					
Fund for the Improvement of Postsec. Education	11,702,000	11,702,000	15,000,000	+3,298,000	+3,298,000
Minority science improvement	5,416,000	5,633,000	6,000,000	+584,000	+367,000
Innovative projects for community services	1,481,000	.....	.....	-1,481,000	.....
International education and foreign language studies:					
Domestic programs 37/	34,658,000	34,658,000	40,000,000	+5,342,000	+5,342,000
Overseas programs	5,136,000	5,136,000	6,000,000	+864,000	+864,000
Subtotal, International education	39,794,000	39,794,000	46,000,000	+6,206,000	+6,206,000
Cooperative education	13,445,000	.....	13,500,000	+55,000	+13,500,000
Law school clinical experience	4,935,000	.....	5,000,000	+65,000	+5,000,000
Student Literacy Corps	5,042,000	5,042,000	5,000,000	-42,000	-42,000
Interest subsidy grants, prior year construction	22,449,000	20,900,000	20,900,000	-1,549,000	.....
Special grants:					
Assistance to Guam	494,000	.....	500,000	+6,000	+500,000
Margaret Chase Smith Library	2,468,000	.....	.....	-2,468,000	.....
John McCormack Institute	.....	.....	3,000,000	+3,000,000	+3,000,000
Aid for Students:					
Special program for disadvantaged (TRIO)	241,822,000	269,739,000	342,000,000	+100,178,000	+72,261,000
Support services:					
Veterans' education outreach	2,801,000	.....	2,800,000	-1,000	+2,800,000
Legal training for the disadvantaged (CLEO)	2,468,000	2,468,000	3,000,000	+532,000	+532,000
School, college & university partnerships	2,961,000	2,961,000	4,000,000	+1,039,000	+1,039,000
Scholarships and fellowships:					
Byrd honors scholarships	8,627,000	8,627,000	8,627,000	.....	.....
National Science Scholars, proposed legislat'n	.....	5,000,000	.....	.....	-5,000,000
Douglas Teacher Scholarships	14,922,000	14,922,000	15,000,000	+78,000	+78,000
Harris graduate fellowships	16,034,000	17,780,000	18,000,000	+1,966,000	+220,000
Harris public service fellowships	3,277,000	1,189,000	1,189,000	-2,088,000	.....
Javits Fellowships	7,896,000	5,424,000	8,000,000	+104,000	+2,576,000
Minority participation in graduate education	3,547,000	6,094,000	6,100,000	+2,553,000	+6,000
Graduate assistance in areas of national need	15,793,000	25,483,000	25,500,000	+9,707,000	+17,000
Total, Higher education	623,544,000	657,648,000	763,616,000	+140,072,000	+105,968,000

35/ Includes legislative savings.

36/ Excludes $49,470,000 in legislative savings proposed for later transmittal.

37/ Includes funds for international business education.

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	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
HOWARD UNIVERSITY					
Academic program	155,306,000	155,306,000	157,306,000	+2,000,000	+2,000,000
Endowment grant	1,500,000	4,500,000	3,000,000	+1,500,000	-1,500,000
Research	4,730,000	4,730,000	4,730,000	.....	.....
Howard University Hospital	20,910,000	20,910,000	29,000,000	+8,090,000	+8,090,000
Emergency construction	.....	.....	6,000,000	+6,000,000	+6,000,000
Total, Howard University	182,446,000	185,446,000	200,036,000	+17,590,000	+14,590,000
COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS					
LOAN LIMITATION:					
Borrowing authority	30,000,000	5,000,000	30,000,000	.....	+25,000,000
Interest subsidy payments	5,129,000	8,449,000	8,449,000	+3,320,000	.....
Total, College Housing	35,129,000	13,449,000	38,449,000	+3,320,000	+25,000,000
RESEARCH, STATISTICS AND IMPROVEMENT OF PRACTICE					
Research, evaluation and demonstrations	50,557,000	61,322,000	61,322,000	+10,765,000	.....
Statistics	22,655,000	41,538,000	41,538,000	+18,883,000	.....
Assessment (NAEP)	17,084,000	18,866,000	18,000,000	+916,000	-866,000
National board for professional teacher standards	4,945,000	.....	.....	-4,945,000	.....
Educational reform evaluation	.....	3,000,000	3,000,000	+3,000,000	.....
Research on dropout prevention demonstrations	.....	5,000,000	.....	.....	-5,000,000
Principal training	.....	25,000,000	.....	.....	-25,000,000
Education Summit followup	.....	20,000,000	10,000,000	+10,000,000	-10,000,000
Total, Education research and statistics	95,241,000	174,726,000	133,860,000	+38,619,000	-40,866,000
LIBRARIES					
Public libraries:					
Services	82,505,000	.....	82,500,000	-5,000	+82,500,000
Construction	18,900,000	.....	18,900,000	.....	+18,900,000
Interlibrary cooperation	19,551,000	20,372,000	20,400,000	+849,000	+28,000
Training and demonstrations	855,000	855,000	1,000,000	+145,000	+145,000
Research libraries	5,738,000	5,738,000	6,000,000	+262,000	+262,000
Library literacy programs	5,365,000	8,365,000	7,000,000	+1,635,000	-1,365,000
College library technology	3,732,000	3,732,000	4,000,000	+268,000	+268,000
Foreign language materials (Title V)	.....	.....	1,000,000	+1,000,000	+1,000,000
Total, Libraries	136,646,000	39,062,000	140,800,000	+4,154,000	+101,738,000
DEPARTMENTAL MANAGEMENT					
PROGRAM ADMINISTRATION	273,303,000	331,000,000	331,000,000	+57,697,000	.....
OFFICE FOR CIVIL RIGHTS, SALARIES AND EXPENSES	44,572,000	49,900,000	49,900,000	+5,328,000	.....
OFFICE OF THE INSPECTOR GENERAL, SALARIES AND EXPENSES	23,110,000	25,800,000	25,800,000	+2,690,000	.....
Total, Departmental management	340,985,000	406,700,000	406,700,000	+65,715,000	.....
Total, Department of Education	23,012,014,000	23,549,441,000	26,082,051,000	+3,070,037,000	+2,532,610,000
Unauthorized, not considered by House	(1,118,461,000)	(1,111,540,000)	DEFER	DEFER	DEFER
TITLE IV - RELATED AGENCIES					
Action (Domestic Programs):					
Volunteers in Service to America:					
VISTA operations	25,062,000	31,569,000	30,500,000	+5,438,000	-1,069,000
VISTA Literacy Corps	3,053,000	6,050,000	3,420,000	+367,000	-2,630,000
Student Community Service	893,000	1,765,000	893,000	.....	-872,000
Subtotal	29,008,000	39,384,000	34,813,000	+5,805,000	-4,571,000
Special Volunteer Programs: Drug programs	2,645,000	2,245,000	2,245,000	-400,000	.....
Older Americans Volunteer Programs:					
Foster Grandparents Program	59,463,000	62,079,000	64,000,000	+4,537,000	+1,921,000
Senior Companion Program	26,567,000	26,925,000	27,500,000	+933,000	+575,000
Retired Senior Volunteer Program	31,469,000	31,519,000	33,500,000	+2,031,000	+1,981,000
Subtotal, Older Volunteers	117,499,000	120,523,000	125,000,000	+7,501,000	+4,477,000
Inspector General	893,000	1,101,000	981,000	+88,000	-120,000
Program Support	25,620,000	29,171,000	28,620,000	+3,000,000	-551,000
Total, Action	175,665,000	192,424,000	191,659,000	+15,994,000	-765,000
Corporation for Public Broadcasting: 38/					
FY 1993 (current request)	251,030,000	259,565,000	259,565,000	+8,535,000	.....
FY 1993 satellite replacement	76,250,000	46,940,000	46,940,000	-29,310,000	.....
Subtotal, Corporation for Public Broadcasting	327,280,000	306,505,000	306,505,000	-20,775,000	.....
Federal Mediation and Conciliation Service	26,554,000	26,312,000	27,705,000	+1,151,000	+1,393,000
Federal Mine Safety and Health Review Commission	4,030,000	4,292,000	4,292,000	+262,000	.....
National Commission on Acquired Immune Deficiency Syndrome	1,000,000	3,000,000	3,000,000	+2,000,000	.....
National Commission on Children	1,329,000	.....	.....	-1,329,000	.....
National Commission on Libraries and Information Science	750,000	777,000	750,000	.....	-27,000
National Commission to Prevent Infant Mortality	400,000	.....	400,000	.....	+400,000
National Council on Disability	1,540,000	1,200,000	1,200,000	-340,000	.....
National Labor Relations Board	140,111,000	151,103,000	151,103,000	+10,992,000	.....
National Mediation Board	6,384,000	6,675,000	6,675,000	+291,000	.....
Occupational Safety and Health Review Commission	5,970,000	6,401,000	6,401,000	+431,000	.....
Physician Payment Review Commission (trust funds)	*(3,806,000)*	*(3,871,000)*	*(3,871,000)*	*(+65,000)*	.....
Prescription Drug Payment Review Commission (trust funds) 39/	*(1,500,000)*	.....	.....	*(-1,500,000)*	.....
Prospective Payment Assessment Commission (trust funds)	*(3,869,000)*	*(4,073,000)*	*(4,073,000)*	*(+204,000)*	.....

38/ FY 1990 appropriation advanced in FY88 is $229,391,000.
FY 1991 appropriation advanced in FY89 is $298,870,000.
FY 1992 appropriation advanced in FY90 is $327,280,000.

39/ Funding repealed by P.L. 101-234.

H.R. 5257—FISCAL YEAR 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Request	FY 1991 Bill	Bill vs FY 1990 Comparable	Bill vs FY 1991 Request
Railroad Retirement Board:					
Dual benefits payments account 40/	340,000,000	321,000,000	328,000,000	-12,000,000	+7,000,000
Less income tax receipts on dual benefits	-30,000,000	-18,000,000	-18,000,000	+12,000,000	.....
Subtotal, dual benefits	310,000,000	303,000,000	310,000,000	.....	+7,000,000
Federal payment to the Railroad Retirement Account 41/	.....	100,000	100,000	+100,000	.....
(Limitation on administration, retirement)	*(63,035,000)*	*(72,200,000)*	*(73,125,000)*	*(+10,090,000)*	*(+925,000)*
(Limitation on administration, unemployment) (non-add)	*(14,100,000)*	*(16,457,000)*	*(15,909,000)*	*(+1,809,000)*	*(-548,000)*
(Limitation on administration, review activity)	*(3,903,000)*	*(7,698,000)*	*(6,000,000)*	*(+2,097,000)*	*(-1,698,000)*
Soldiers' and Airmen's Home (trust fund limitation):					
Operation and maintenance	(38,745,000)	(38,249,000)	DEFER	DEFER	DEFER
Capital outlay	(9,375,000)	(9,750,000)	DEFER	DEFER	DEFER
United States Bipartisan Commission on Comprehensive Health Care	467,000	.....	.....	-467,000	.....
United States Institute of Peace	7,550,000	7,270,000	8,000,000	+450,000	+730,000
White House Conference on Library and Information Services	3,225,000	.....	.....	-3,225,000	.....
Total, Title IV, Related Agencies:					
Federal Funds (all years)	1,012,255,000	1,009,059,000	1,017,790,000	+5,535,000	+8,731,000
Current year, FY 1991	(684,975,000)	(702,554,000)	(711,285,000)	(+26,310,000)	(+8,731,000)
FY 1993	(327,280,000)	(306,505,000)	(306,505,000)	(-20,775,000)	.....
Unauthorized, not considered by House	(48,120,000)	(47,999,000)	DEFER	DEFER	DEFER
Trust funds	*(76,113,000)*	*(87,842,000)*	*(87,069,000)*	*(+10,956,000)*	*(-773,000)*

SUMMARY

Title I - Department of Labor:					
Federal Funds	6,599,016,000	7,195,325,000	7,648,593,000	+1,049,577,000	+453,268,000
Current year	(6,597,516,000)	(7,195,325,000)	(7,648,593,000)	(+1,051,077,000)	(+453,268,000)
1992 advance	(1,500,000)	.....	.....	(-1,500,000)	.....
Unauthorized, not considered by House	(11,343,000)	(11,500,000)	DEFER	DEFER	DEFER
Trust Funds	*(2,941,886,000)*	*(3,016,439,000)*	*(3,156,566,000)*	*(+214,680,000)*	*(+140,127,000)*
1991 advance	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Unauthorized, not considered by House	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*
Title II - Department of Health and Human Services:					
Federal Funds (all years)	122,510,968,000	134,476,996,000	135,926,008,000	+13,415,040,000	+1,449,012,000
Current year	(105,164,480,000)	(115,023,996,000)	(116,473,008,000)	(+11,308,528,000)	(+1,449,012,000)
1992 advance	(17,346,488,000)	(19,453,000,000)	(19,453,000,000)	(+2,106,512,000)	.....
Unauthorized, not considered by House	(4,709,923,000)	(4,333,989,000)	DEFER	DEFER	DEFER
Trust Funds	*(5,767,111,000)*	*(6,088,805,000)*	*(6,279,322,000)*	*(+512,211,000)*	*(+190,517,000)*
Title III - Department of Education:					
Federal Funds	23,012,014,000	23,549,441,000	26,082,051,000	+3,070,037,000	+2,532,610,000
Unauthorized, not considered by House	(1,118,461,000)	(1,111,540,000)	DEFER	DEFER	DEFER
Title IV - Related Agencies:					
Federal Funds (all years)	1,012,255,000	1,009,059,000	1,017,790,000	+5,535,000	+8,731,000
Current year	(684,975,000)	(702,554,000)	(711,285,000)	(+26,310,000)	(+8,731,000)
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(-20,775,000)	.....
Unauthorized, not considered by House	(48,120,000)	(47,999,000)	DEFER	DEFER	DEFER
Trust Funds	*(76,113,000)*	*(87,842,000)*	*(87,069,000)*	*(+10,956,000)*	*(-773,000)*
Total, all titles:					
Federal Funds (all years)	153,134,253,000	166,230,821,000	170,674,442,000	+17,540,189,000	+4,443,621,000
Current year	(135,458,985,000)	(146,471,316,000)	(150,914,937,000)	(+15,455,952,000)	(+4,443,621,000)
1992 advance	(17,347,988,000)	(19,453,000,000)	(19,453,000,000)	(+2,105,012,000)	.....
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(-20,775,000)	.....
Unauthorized, not considered by House	(5,887,847,000)	(5,505,028,000)	DEFER	DEFER	DEFER
Trust Funds	*(8,785,110,000)*	*(9,193,086,000)*	*(9,522,957,000)*	*(+737,847,000)*	*(+329,871,000)*
1991 advance	*(12,500,000)*	.....	.....	*(-12,500,000)*	.....
Unauthorized, not considered by House	*(24,653,000)*	.....	*DEFER*	*DEFER*	*DEFER*

40/ Excludes $80,250,000 in legislative savings proposed for later transmittal.

41/ Excludes $58,300,000 in legislative savings proposed for later transmittal.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present I would have voted "nay" on rollcall No. 247, No. 248, No. 249, No. 250, and No. 251.

PERSONAL EXPLANATION

Mr. McDADE. Mr. Speaker, I was unavoidably absent due to a family illness, I did not vote on rollcall votes 247 to 252. Had I been present, I would have voted for final passage of H.R. 5257, the Labor, Health, Human Services, Education appropriations for 1991.

PERSONAL EXPLANATION

Mr. MILLER of Washington. Mr. Speaker, I was unable to be on the House floor when the House voted on H.R. 5257, the Labor-Health and Human Services-Education appropriation for fiscal year 1991. Had I been Here, I would have voted:

"Yea," on the Natcher en bloc amendment;

"Nay," on the Brown amendment;

"Nay," on the Walker amendment;

"Nay," on the second Walker amendment;

"Nay," on the third Walker amendment (rollcall No. 247);

"Nay," on the fourth Walker amendment (rollcall No. 248);

"Nay," on the Frenzel amendment (rollcall No. 249);

"Yea," on the Penny amendment (rollcall No. 250);

"Yea," on the Miller of California amendment (rollcall No. 251); and

"Yea," on final passage for the fiscal year 1991 Labor-Health and Human Services-Education appropriation, H.R. 5257 (rollcall No. 252).

PROVIDING FOR CONSIDERATION OF H.R. 5170, AVIATION SAFETY AND CAPACITY EXPANSION ACT OF 1990

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 428 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 428

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5170) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1991 and 1992, to improve aviation safety and capacity, to reduce the surplus in the Airport and Airway Trust Fund, to authorize the Secretary of Transportation to grant authority for the imposition of airport passenger facility charges, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider an amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered by titles instead of sections and each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived. It shall be in order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Roe of New Jersey, or his designee. Said amendment shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science, Space, and Technology, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 428 is an open rule providing for the consideration of H.R. 5170, the Aviation Safety and Capacity Expansion Act of 1990. The rule waives clause 2(l)(6) of Rule XI, the 3-day layover requirement, against the consideration of the bill and provides 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation.

The rule also provides that when the bill is considered for amendment under the 5-minute rule, that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation, which is printed in the bill, as original text for the purpose of amendment. House Resolution 428 also provides that the substitute shall be considered by titles instead of by sections and that each title shall be considered as having been read. To remedy a technical rule violation in the substitute, the Committee on Rules has included in the rule a waiver of all points of order against the substitute for failure to comply with the provisions of clause 5(a) of rule XXI which prohibits the inclusion of appropriations in an authorization bill.

House Resolution 428 provides for the consideration, if offered, of an amendment by Mr. ROE of New Jersey, or his designee. All points of order against the Roe amendment for failure to comply with clause 7, rule XVI, the germaneness rule, are waived in the rule and the rule provides that the Roe amendment shall be debatable for 30 minutes with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Science, Space, and Technology. The text of the Roe amendment is printed in the report accompanying House Resolution 428.

Finally, Mr. Speaker, the rule provides that at the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and that any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. Speaker, H.R. 5170 seeks to address the crowded conditions of the Nation's airways by allowing increased spending of new revenues from the unspent balances in the airport and airways trust fund. The bill authorizes a total of $13.2 billion in trust fund spending over the next 2 fiscal years. Of this amount, the bill authorizes $1.8 billion for the Airport Improvement Program in fiscal year 1991 and $1.9 billion in fiscal year 1992; and $2.5 billion in fiscal year 1991 and $3 billion in fiscal year 1992 for modernizing the air traffic control system. The bill also authorizes airports to charge a new passenger facility charge. The funds raised from the new PFC must be used for purposes which are certified as enhancing the air transportation system or promoting competition.

Mr. Speaker, House Resolution 428 is an open rule which will allow the offering of any germane amendment to the substitute and to the Roe amendment. Because the reported bill does contain an agreement to increase spending from the trust fund, the Committee on Rules did not, however, make in order an amendment which would remove the trust fund from the unified budget. The committee believes this rule is a fair rule and will present the House with the opportunity to fully debate the concerns we all share about the current state of our airways and airports. For that reason,

I urge my colleagues to adopt this resolution.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Texas [Mr. FROST] has explained the provisions of the rule in a very expert manner, and I shall not repeat that.

I would like to commend the chairman and ranking Republican member of the Committee on Public Works and Transportation, the gentleman from California [Mr. ANDERSON] and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] for their leadership in producing this legislation. The number of airline passengers has increased from 276 million in 1978 to 480 million in 1989, and we need to expand the facilities in order to accommodate the increasing passenger load.

There is a large surplus in the airport and airway trust fund, and under the provisions of this bill new revenues coming into the fund can be fully spent and the surplus gradually drawn down to meet the needs of the traveling public.

During the Rules Committee meeting on this legislation the gentleman from California [Mr. MINETA] and the gentleman from Ohio [Mr. MCEWEN] sought a waiver of points of order to allow them to offer an amendment to take the airport and airway trust fund off budget, so that the accumulated funds could be used for the improvement of airports. This is the purpose for which the funds were collected in the first place. I think the House should have had an opportunity to consider this issue, but the votes were not there.

Even so, this legislation contains many provisions which will improve our air transportation system. The administration has sent a statement of policy in support of the bill.

□ 1720

The rule before us now is an open rule which will allow the House to make any necessary improvements in the bill. Therefore, I support this rule so that the House can get down to business and complete action on the Aviation Safety and Capacity Expansion Act.

Mr. Speaker, I would like to call attention to one important provision in the bill, which is the auxiliary flight service station program. It provides as follows:

> The Secretary of Transportation shall develop and implement a system of manned auxiliary flight service stations. The auxiliary flight service stations shall supplement the services of the planned consolidation to 61 automated flight service stations under the flight service station modernization program. Auxiliary flight service stations shall be located in areas of unique weather or operational conditions which are critical to the safety of flight.

Mr. Speaker, that is a very important provision and the flight service station in my district fits into the category described.

Mr. Speaker, I urge adoption of the rule and the bill when it is debated.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. I thank the gentleman for yielding.

Mr. Speaker, let me say that I rise a little bit disappointed in this bill here today because my colleague from California and I appeared before the Committee on Rules to request an amendment to protect the aviation trust fund would be ruled in order during consideration of this legislation. As you know, this request was denied, and we cannot offer the amendment here today. I know many of you are disappointed here—and I share that disappointment—that you will not have the opportunity to vote on this amendment.

However, I am hopeful that sometime in the near future the House will be permitted to work its will and take the proposed amendment under consideration.

The amendment to which I referred was an effort to take the aviation trust fund out of the unified budget. I believe this currently is unfair when it suffers under the limitations placed by the Committee on the Budget and the Committee on Appropriations to deny the use of those funds that have already been committed for the purpose of improving our airports and airways. This is the right thing to do. It is what we need to do in order to ensure a safe and effective air travel system for the future. And we need to take this action as soon as possible.

Be assured that at every opportunity, the very next chance that I will have to make this amendment, that I will do it again. I will be here making the same speeches and asking for your support once again.

In the meantime, I wanted to take this opportunity to thank all of the Members of Congress, the national associations, industry representatives and individuals who care about the fate of air travel for their support and their commitment to this issue. Your efforts were terrific, and I am grateful for all you have done.

In particular, I would like to say a special thanks to those groups that made the countless phone calls and letters to congressional offices, such as the National Conference of State Legislatures, the Associated General Contractors, the Associated Builders and Contractors, the American Road and Transportation Builders Association, Aircraft Owners and Pilots Association, the National Stone Association, the American Association of State Highway and Transportation Officials, the Association of Consulting Engineers, the American Trucking Association, and all the others who were so invaluable in our trust fund education effort, but which are simply too numerous to name.

Let me also, if I may, Mr. Speaker, submit copies of a few of the many letters of support which have been mailed in recent days in support of our amendment, which as I said would take the trust fund out of the unified budget, which they were added into in 1969 in an effort to camouflage the total amount of money flowing into the Federal budget as opposed to that which is flowing out, a very disastrous mistake for all of these dedicated trust funds.

Mr. Speaker, as you know, when a person purchases an airline ticket, 8 percent of the cost of that ticket goes into the airway and airport trust fund.

When a person buys gasoline, 9 cents goes into the surface transportation trust fund. Ostensibly, these funds are to be used to build airports, to keep our airways safe, to build highways to keep our highways safe. However, in recent years, the Congress has refused to use those moneys that have been available.

There is now over $14 billion in the airway trust fund. This bill, while it will attempt to spend it down somewhat, will not really begin to touch that reserve that is available.

Mr. Speaker, I believe this is a travesty, this is a mistake, a denial of the trust for which we established the trust funds.

I believe the time has come for us to do what we know is right and that is to release these funds because they are sorely needed.

One need not be a rocket scientist to understand the condition of our highways and our bridges; 40 percent of our bridges which are unsafe and in need of repair. We could go on and discuss the fact that the number of the traveling public for airways, air passenger travel has more than doubled in the last 12 years. Yet we have not built a single new airport in that time, while this money is sitting there accumulating, gathering moss, sitting there unused for the purpose for which the taxpayers paid it.

I believe we should, at the first opportunity, allow those funds to be released. My amendment would have done that. I was joined by my distinguished colleague, the gentleman from California, the former chairman of the Subcommittee on Aviation, Mr. MINETA. As I said, we were denied that opportunity.

So I thank my colleagues for their expressions of support. I do believe we have the numbers that at the time that the bill is permitted to come to the floor it will pass.

Now, in discussion of the bill, H.R. 5170, I think it is appropriate to congratulate the chairman of the Sub-

committee on Aviation and the ranking member from Pennsylvania. Much will be said during general debate on that. I will take the floor again to express the great work that has been done.

In that regard, this bill is appropriate, but I do rise to express my disappointment that the people of this House were not permitted this excellent opportunity to release the trust funds to keep our airways safe.

There may come a time very shortly in which we will see, because of antiquated FAA equipment, because of air traffic controllers using outdated equipment which has long since been surpassed by improvements in technology, because they were denied access to the funds already there, that we will have an air tragedy. And when we do that, I think we will regret this moment.

I submit the following letters for the RECORD:

AIRCRAFT OWNERS AND PILOTS ASSOCIATION,
Frederick, MD, July 11, 1990.

Hon. BOB MCEWEN,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MCEWEN: The Aircraft Owners and Pilots Association represents 300,000 general aviation pilots who pay substantial fuel taxes into the Aviation Trust Fund. Our members pay these taxes with the understanding that they will be used for the capital improvement of this country's airport and airway system—not to offset the federal budget deficit. We urge you to keep faith with users by supporting the Mineta/McEwen off budget amendment to H.R. 5170, the Aviation Safety and Capacity Expansion Act of 1990.

Congress created the Aviation Trust Fund in 1970 as a dedicated fund intended to pay for the capital development needs of the aviation system. Since that time, however, the Aviation Trust Fund has been held hostage to the nation's rising deficit. In fact, an assistant secretary of DOT recently admitted to Congress that spending down the trust fund was impossible because "we could not ensure that we will meet our deficit reduction targets." Seven billion dollars now sits unobligated in the Aviation Trust Fund, and the total balance exceeds $14 billion. Yet the Administration proposes to increase aviation fuel taxes by another 25% with no hope of spending down the unobligated balance. AOPA finds that action unconscionable!

The Mineta/McEwen amendment will help restore faith with the taxpayers. Taking the Aviation Trust Fund off budget will allow the fund to be spent for its intended purpose, the improvement of this nation's aviation infrastructure. The need clearly exists. It's time to apply a little "truth in budgeting" and free the Aviation Trust Fund.

Thank you for considering our views.

Sincerely,

JOHN L. BAKER,
President.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, July 3, 1990.

Hon. BOB MCEWEN,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MCEWEN: On behalf of the National Conference of State Legislatures (NCSL), I strongly urge you to support efforts to remove the Airport and Airway Trust Fund from the unified federal budget. NCSL is joined in this endeavor by those organizations cosigning the attached Joint Statement.

NCSL has consistently supported taking trust funds off-budget as a means of safeguarding dedicated user fees. When the House considers H.R. 5170, legislation reauthorizing the aviation programs, Congressmen McEwen and Mineta hope to offer an off-budget amendment. While the legislation goes a long way toward reducing the $7.6 billion surplus, the fact remains that authorization levels have not been a good indicator of actual spending levels.

As a part of the unified federal budget, trust fund authorizations are annually subjected to reductions in appropriations, GRH requirements, as well as any deficit reduction agreements. Trust funds are based on a "user fee" concept. Aviation users, who are asked to pay these additional taxes for specific services and facilities, have a right to expect these taxes to be used to improve the safety and efficiency of the system.

The deficiencies in the nation's aviation system can be addressed to a large extent by removing the arbitrary spending restraints inherent in the budgetary treatment of the Airport and Airway Trust Fund. While NCSL supports provisions in H.R. 5170 to provide for increased revenue through the imposition of passenger facility charges, this is qualified restoration of state and local revenue raising authority and in no way substitutes for adequate trust fund expenditures.

Again, I urge you to restore integrity to the Congressional budget process by removing this trust fund from artificial spending limitations. House action on the McEwen-Mineta amendment will be a critical barometer of likely budgetary treatment of other trust funds.

Sincerely,

LEE DANIELS,
President.

JOINT STATEMENT ON TRUST FUND ACCOUNTING REFORM

Action must be taken to remove trust fund balances from the annual calculation of the federal budget deficit.

Serious consideration is now being given to removal of the Social Security Trust Fund from the Gramm-Rudman-Hollings process in order to more accurately account for the size of the deficit. Equal consideration must also be given to the Highway Trust Fund, the Airport and Airway Trust Fund, and the Unemployment Trust Fund. Like the Social Security fund, these funds are financed by dedicated revenue sources and have been used to mask the deficit.

Trust fund accounting reform would ensure that appropriation decisions rest on merit and are not biased toward accumulating trust fund reserves to meet budget targets. Trust fund programs must be treated equitably in the appropriations process.

The nation's transportation and aviation infrastructure is deteriorating. Federal appropriations and obligation ceilings have been restricted at a time when our highways, mass transit systems, and airports and air traffic control system are overwhelmed by traffic. The taxes have already been raised for the specific purpose of addressing transportation needs, but these funds are being withheld.

In the same way, the employment security system has been underfunded even though taxes have already been raised and large trust fund surpluses have accumulated. Employment security offices are being closed, staff are being laid off, and services are being reduced because unemployment trust fund monies are being used to offset other federal spending.

The time for trust fund accounting reform has come. True reform will take all major trust funds out of deficit calculations and reveal the size of the federal deficit. Appropriations for unemployment, highways, airports and the air traffic control system will be placed on a rational basis. Public trust and confidence will be restored when the deficit problem is addressed forthrightly.

The undersigned organizations urge immediate action to remove highway, airport, and unemployment trust funds from the deficit calculation process.

Air Transport Association.
Airline Owners and Pilots Association.
American Automobile Association.
Highway Users Federation.
International Association of Personnel in Employment Security.
Interstate Conference of Employment Security Agencies.
National Association of Towns and Townships.
National Conference of State Legislatures.
National Private Truck Council.
Partnership for Improved Air Travel.
UBA, Inc.

ASSOCIATED BUILDERS AND CONTRACTORS, INC.,
Washington, DC, July 6, 1990.

Hon. BOB MCEWEN,
U.S. House of Representatives,
Washington, DC.

DEAR BOB: On Wednesday, July 11, 1990, the full House of Representatives will consider H.R. 5170, reauthorization of the Airport and Airway Improvement Act. Congressmen Mineta and McEwen intend to offer an amendment to remove the Airport and Airway Trust Fund from calculations under the Unified Federal Budget. The Associated Builders and Contractors urge you to support their effort to preserve aviation user fees as the dedicated revenue source for airport safety and expansion.

Since 1970, aviation user fees and the Airport and Airway Trust Fund they support have been used to fund air transportation safety and capacity improvements. Subject to the annual appropriations process and arbitrary expenditure ceilings, the trust fund has accrued a $7 billion surplus. While remaining on budget, there is an incentive to withhold the user fees so the accumulated trust fund balance can be used to mask the size of the federal deficit.

It is important to note that while the amendment would take the trust fund off-budget, it does not remove the funds from under the appropriations process. In addition, the amendment includes a deficit control mechanism to ensure the solvency of the trust fund and the future viability of the program.

With the tremendous aviation capacity problems facing the nation, we cannot afford to withhold funds from urgent air-

line safety and capacity improvements simply to mask the size of the federal deficit.

On behalf of ABC's 18,000 corporate members, I thank you for your consideration and urge you to support the Mineta/McEwen amendment.

Sincerely,

CHARLES E. HAWKINS III, CAE,
Vice President, Government Affairs.

AIRPORT TRUST FUND VOTE

(Scheduled for Wednesday, July 11, 1990)

On Wednesday, July 11, 1990 the U.S. House of Representatives will take up H.R. *4986* to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1991 and 1992. At that time Congressmen Norman Mineta (D-CA) and Bob McEwen (R-OH) plan to offer an amendment to the bill which would remove the Airport Trust Fund from the unified budget.

The last time this amendment was offered it only lost by five votes 197 to 202. Every vote counts, there it is imperative that you and your associates call your congressman today in support of the Mineta-McEwen amendment to H.R. *4986*.

The telephone number of the U.S. Capitol is 1-202-224-3121, just ask for your Congressman's office and ask him or her to vote "yes" for the Mineta-McEwen Airport Trust Fund Amendment to H.R. *4986*!!! Remember every vote counts and one (1) vote could make the difference this time.

THE ASSOCIATED GENERAL
CONTRACTORS OF AMERICA,
Washington, DC, July 5, 1990.

DEAR REPRESENTATIVE: The Associated General Contractors of America represents more than 32,500 firms, including 8,000 of America's leading general contracting companies, which are responsible for the employment of more than 3,500,000 individuals. These member contractors perform more than 80 percent of America's contract construction of highways, airports, commercial buildings, and individual and municipal-utility facilities.

During House consideration of H.R. 5170—the Aviation Safety and Capacity Expansion Act of 1990, it is expected that Representative Mineta and Representative McEwen will offer an amendment to take the Airport and Airway Trust Fund out of the Federal Unified Budget. The AGC strongly supports their amendment.

Over the past several years, user fees paid into the Trust Fund have increased the uncommitted balance to nearly $7.6 billion. At the same time, air travel has grown dramatically, causing congestion, delay and safety problems. These uncommitted funds are desperately needed for airport and airway system improvements to enhance safety. Since the funds cannot be used for other than aviation purposes, we need to restore trust with the aviation user and free up the $7.6 billion balance for its intended purpose; we must stop trying to balance the Federal budget on the backs of the users of our aviation system.

The AGC respectfully urges your favorable consideration of the Mineta-McEwen amendment.

Sincerely,

SUSAN J. LOOMIS,
Executive Director,
Congressional Relations.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I support this bill, but I oppose the rule.

I want to explain to my colleagues why I do that. I came to the Committee on Rules and asked for the opportunity to offer an amendment to repeal what is called the Wright amendment, named after our former Speaker, Jim Wright, an amendment that basically gave a sweetheart deal to a couple of airports in Texas, Love Field in Dallas-Fort Worth. The net effect of it is to raise air fares everywhere in the country except in the areas that can be served from Dallas Love Field, which is the four-State area.

I will explain the amendment a little further. It is the most incredibly obtuse and unfair statutory language I have ever seen in my life. And when I explain it, people cannot believe we could have allowed a statute like this to be in effect. But we have, for about 11 years.

Anyway, the Committee on Rules determined that my amendment was not germane to this bill, and I respect their judgment. I disagree with them. I worked with my friend and colleague, the gentleman from Texas [Mr. FROST], and others on it. I intend to oppose the rule.

During the debate on the 5-minute rule, I intend to and hope to get into a colloquy with my friend, the gentleman from Minnesota [Mr. OBERSTAR], the chairman of the subcommittee. Perhaps we can work out at least some understandings about this.

Let me tell you what this crazy law does. In 1979, our former Speaker, Jim Wright, and others worked a deal by which Dallas Love Field, the prime airport that serves downtown Dallas, could no longer serve in interstate commerce except within the State of Texas and the four States around Texas. The theory was that we did not want to hurt the new airport called Dallas-Fort Worth Airport, with several billion dollars of new construction.

So what we did in that law, and I admit I was here when it passed, did not know what it meant, and I am not sure very many of our colleagues knew what it meant.

We said this little airport in downtown Dallas that was the main airport for all of Dallas, you could fly out of that airport but only to points within the State of Texas, the States of Louisiana, Arkansas, Oklahoma, and New Mexico. It is the only airport in the country by which you are restricted from flying to, based on point of origin. There are airports that you are restricted to by mileage, but they fly wherever our great Founding Fathers of this country drew the State lines to. But in this case, you can only fly within the State of Texas and the four contiguous States, patently unfair.

A little airline called Southwest Airlines, out of Dallas, springs up, it is the only genuine low-cost carrier left in the United States. Guess where they hub out of, Dallas Love Field. So everywhere they fly, they offer fares substantially lower than their competitors.

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However, they can only fly under the statute from Love Field into the State of Texas and the four contiguous States. I live in Wichita, KS, 51 miles north of the Oklahoma line. If our airport was across that line, my fares would be 80 percent less, not only in the State of Texas, but many places around the State.

Memphis, TN, the home of our distinguished ranking member from the Committee on Rules, the Memphis Airport is on the east side of the Mississippi River. If that airport were 7 miles to the west in the State of Arkansas, fares there would be about 75 to 80 percent lower, but because of this crazy amendment restricting interstate commerce, we are forced to pay much higher air fares. Every town in America outside the four-State area, the cities of Kansas City, Omaha, Denver, St. Louis, Birmingham, Atlanta, even New York City, even Chicago, even in Los Angeles, are paying higher fares because of the restrictions at Love Field.

Now, this has been an issue obviously that Members can see troubles me very much. It has hurt my town a lot. People drive to Oklahoma City and Tulsa just to fly out from there because they can get substantially lower air fares driving 100 miles, because then they can fly Southwest Airlines into Love Field, and out of Love Field they can get much cheaper fares. This is an inherent restraint on interstate commerce. It is the only airport in America that has this kind of sweetheart deal. I do not know who is the sweetheart in this deal, but it is not my town. We are paying 3 times the air fares because of this amendment.

Do Members know who else is paying higher air fares? The people who live in Dallas and Fort Worth, they are paying higher air fares. This probably is complicated because of deregulation. In deregulation we have the hub and spoke system. In the hub and spoke system, airlines dominate airports. In the case of Dallas-Fort Worth, American Airlines, one of the greatest carriers in America, dominates the airport and have made it more difficult for others to get rid of this amendment or to make changes in it.

I bring this to Members today because the Love Field gets Federal funds to the airport trust fund, and I thought, gee, this would be a germane bill to offer my amendment to. After

all, these airports get all the Federal tax dollars, and it is not fair. They are not allowing my citizens, the citizens of Omaha and Kansas City, Birmingham, Denver, Chicago, St. Louis, just name it, any town outside of the four-State area, to fly at lower rates. I was not successful in terms of the Committee on Rules. I respect the judgment of the Committee on Rules. I disagree with it. I will vote against the rule.

I hope this can be changed. It is a travesty in America that we have something this anticompetitive on the books and have not done anything to change it.

Mr. MINETA. Mr. Speaker, I rise in opposition to the rule for H.R. 5170, the Aviation Safety and Capacity Expansion Act.

I am very disappointed that this rule will not allow for the consideration of an amendment to remove the airport and airways trust fund from inclusion in the totals of the President's and congressional budget calculations.

The Congress created the airport and airways trust fund in 1970 as a dedicated fund intended to finance the capital improvement needs of the Nation's aviation system.

During the last several years, there has been vigorous debate about taking the aviation trust fund off budget. The intensity of this debate continues today.

In fact, it is even more timely as the administration proposes additional aviation related tax increases.

For the debate on this important and controversial aviation legislation to be complete, we must have the opportunity to consider an off-budget amendment. Taking the aviation trust fund off-budget is one of the most important in aviation policy today.

Additionally, I am concerned about the waiver granted for the 3-Day rule.

The committee report on this legislation was filed yesterday, and I do not believe that the Members of the House have had adequate time to review some of the more complex provisions of this bill.

Some of the more controversial proposals include the establishment of a major, new tax called a passenger facility charge and the removal of a penalty clause designed to maintain the integrity of the aviation trust fund.

Mr. Speaker, I urge my colleagues to vote against the rule.

Mr. SMITH of New Jersey. Mr. Chairman, as a cosponsor of Mr. RINALDO'S legislation, I rise in strong support of the amendment being offered today by my friend and colleague from New Jersey. For several years now, Mr. RINALDO, myself, and other Members of the New Jersey delegation, have worked relentlessly to correct the errors which were made when the FAA instituted the expanded east coast plan in 1987.

Since its inception, the EECP has disrupted the peace and quiet of communities throughout New Jersey. Constituents of mine located in Marlboro, Colts Neck, Manalapan, Freehold and many other communities throughout Monmouth and Middlesex Counties, some living up to 60 miles from the nearest major airport, now have hundreds of planes flying over their homes at low altitudes. Although the goal was to reduce air traffic delays on the east coast, the most noticeable result has been that once quiet neighborhoods are now bombarded with airplane noise all day and half the night. Despite some small attempts to modify the plan, the Federal Aviation Administration has been unable and unwilling to make any real changes to the EECP in order to reduce airplane noise for the vast majority of New Jersey residents.

Mr. Chairman, study after study has confirmed that the FAA erred when the route changes associated with the EECP were implemented without regard to the environmental effects of increased aircraft noise. For example, a 1988 General Accounting Office study on the impact of the implementation of the expanded east coast plan concluded that the FAA should have "* * * anticipated that its plan would have had enough of an effect that an environmental assessment would be warranted." In fact, they formally recommended that the FAA immediately prepare an environmental assessment, the first step in issuing an environmental impact statement.

Mr. Chairman, the amendment before us today will require the FAA to conduct a full environmental investigation of the aircraft noise problems and issue an environmental impact statement on the effects of changes in aircraft flight patterns caused by the implementation of the EECP. The amendment also calls on the FAA to conduct an air safety investigation of the flight pattern changes. Both studies must be completed within 6 months and reported to Congress, along with recommendations for modifications to the EECP.

Mr. Chairman, this amendment simply requires the FAA to do what it should have done in the first place. Had the FAA conducted an environmental study before making the route changes, they could have prevented many of the problems facing New Jersey residents today. I urge all of my colleagues to support this amendment.

Mr. QUILLEN. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONNECTICUT COASTAL PROTECTION ACT OF 1990

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to call up from the speaker's table the bill (H.R. 3468) to amend the act entitled "An Act to extend the Wetlands Loan Act", to provide for the expansion of the Stewart B. McKinney National Wildlife Refuge, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. VENTO). Is there objection to the request of the gentleman from Massachusetts?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I do so to yield to the gentleman from Massachusetts [Mr. STUDDS] for an explanation of the bill.

Mr. STUDDS. Mr. Speaker, H.R. 3468 is a bill to expand the McKinney National Wildlife Refuge in Connecticut. The bill was introduced last year by Mr. MORRISON along with the entire Connecticut delegation.

As amended by the Committee on Merchant Marine and Fisheries, H.R. 3468 would authorize the acquisition of 1,000 acres of lands to be added to the McKinney National Wildlife Refuge. The refuge protects important migratory bird habitat in the coastal marshes of Connecticut and on nearby islands in Long Island Sound. The Fish and Wildlife Service has recommended that the additional lands—which are under substantial and increasing development pressure—be added to the refuge. These lands include salt marshes, barrier beaches, freshwater wetlands, and several coastal islands used extensively by shorebirds, songbirds, and waterfowl.

H.R. 3468 was reported by our committee with strong bipartisan support; it was endorsed by the administration; and I urge Members to support it.

Mr. Speaker, I know the House is pressed for time, and because I know of the enormous importance of this to the Connecticut delegation and the principal author, I ask that the gentleman yield to the gentleman from Connecticut [Mr. MORRISON].

Mr. RIDGE. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Speaker, I will speak briefly, this is the Connecticut Coastal Protection Act of 1990. The provisions of this bill expand the authorized limits of the Stewart B. McKinney National Wildlife Refuge. It does so in order to protect additional endangered properties on the coast of Long Island Sound. It makes a permanent authorization that will allow for appropriated funds to be used for the protection of additional coastal areas in the McKinney Wildlife.

In particular, it makes provisions for the protection of Great Meadows in Stratford, CT, which is the largest piece of unditched high salt marsh left in Connecticut and is significant as a nesting ground and stopover on migration routes.

This is legislation which will provide for important expansions in the wildlife refuge system in Connecticut. I thank the chairman of the subcommittee, the gentleman from Massachusetts [Mr. STUDDS] for his help in bringing this bill to the floor.

Mr. SHAYS. Mr. Speaker, today I rise in support of H.R. 3468, the Connecticut Coastal Protection Act, which would facilitate expansion of the Stewart B. McKinney National Wildlife Refuge.

As you may know, Congressman McKinney, a tireless conservationist, led the Connecticut congressional delegation in sponsoring legislation to establish the 150-acre Connecticut

Coastal Wildlife Refuge. The 1984 law culminated a 20-year effort to preserve the area.

Just days after his death in 1987, the Connecticut delegation paid tribute to Congressman McKinney by sponsoring legislation that redesignated the refuge to bear his name. At the dedication ceremony, his widow, Lucie McKinney, said: "This is a day of celebration. As Stewart said, we have something that will always be here."

Indeed, the McKinney Refuge is now preserved in perpetuity as the only national wildlife refuge in Connecticut. We are grateful for the House's support in this effort over the years. And now I am asking my colleagues to consider preserving additional land off the Connecticut coast for inclusion in the McKinney refuge.

I support the legislation before the House today, the Connecticut Coastal protection Act, which will allow the Federal Government to enter into negotiations for the expansion of the McKinney Wildlife Refuge to include: 650 acres of land known as the Great Salt Marsh Meadow in Stratford; 150 acres in the Menunketesuck River Marsh and on the Menunketesuck Island in Westbrook; and 150 acres on Grassy and Shea Islands off the coast of Norwalk.

These additions to the refuge, which would include a tidal salt marsh and barrier beach, provide important habitats to a variety of migratory birds. In addition, the Great Salt Marsh Meadow is an important nursery area for both shellfish and finfish. Many rare species listed with the State and Federal Governments also inhabit these areas.

Although protection of these lands and wildlife is the primary purpose of this legislation, I want to ensure the areas will still be accessible to the public for appropriate wildlife-oriented recreational and educational activities.

Concern has particularly been raised about the use of Shea and Grassy islands, which are owned by the city of Norwalk. It is my hope the Fish and Wildlife Service can enter into a cooperative agreement with the city which will be mutually acceptable to both parties.

I think it is possible to allow both for preservation and protection of wildlife as well as public access to the islands for recreational use. It is, however, ultimately up to the city of Norwalk to decide whether these islands should become part of the Stewart McKinney National Wildlife Refuge.

I am gravely concerned about the destruction of marshes and wetlands throughout our Nation. We in Congress must be committed to saving our Nation's dwindling supply of these precious areas, which are tremendously fertile, vibrantly productive ecological systems. The protection and preservation of our natural resources, especially our wetlands, marshes and wildlife refuges, must be made a top national priority.

I urge my colleagues to act favorably on this important environmental legislation.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The clerk read the bill as follows:

H.R. 3468

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Connecticut Coastal Protection Act of 1989".

SEC. 2 EXPANSION OF REFUGE.

The Act entitled "An Act to extend the Wetlands Loan Act" (Public Law 98-548; 98 Stat. 2774) is amended—

(1) in section 205 by striking "$2,500,000" and inserting in lieu thereof "such sums as may be necessary";

(2) by redesignating section 205 (as amended by paragraph (1)) as section 208; and

(3) inserting after section 204 the following:

"EXPANSION

"SEC. 205. The Secretary may acquire for addition to the refuge—

"(1) approximately 650 acres of land and water known as the Great Meadows Marsh, in Stratford, Connecticut;

"(2) approximately 150 acres of land and water at the Menunketesuck River marsh and Menunketesuck Island, in Westbrook, Connecticut; and

"(3) approximately 150 acres of land and water in the vicinity of Norwalk Harbor, Connecticut; as such lands and waters are depicted on the map entitled 'Stewart B. McKinney NWR Expansion', dated September 1989 and on file with the United States Fish and Wildlife Service.

"TRANSFER

"SEC. 206. After the date of the enactment of the Connecticut Coastal Protection Act of 1989, the Secretary shall manage the Salt Meadow National Wildlife Refuge as an element of the Stewart B. McKinney National Wildlife Refuge.

"FUTURE EXPANSION

"SEC. 207. (a) Subject to the availability of appropriations, the Secretary may acquire such additional lands for the refuge as the secretary considers appropriate, and may adjust the boundaries of the refuge accordingly. Any such acquisition shall be carried out in accordance withs all applicable laws and without regard to section 203 of this Act.

"(b) All lands acquired within the vicinity of Long Island Sound in the State of Connecticut after the date of the enactment of the Connecticut Coastal Protection Act of 1989 for addition to the National Wildlife Refuge System shall be managed as part of the Stewart B. McKinney National Wildlife Refuge.".

COMMITTEE AMENDMENTS

The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 2, line 3, delete "1989" and insert in lieu thereof "1990".

On page 2, line 16, delete "650 acres" and insert in lieu thereof "690 acres".

On page 2, line 19, delete "150 acres" and insert in lieu thereof "230 acres".

On page 2, line 22, delete "150 acres" and insert in lieu thereof "80 acres".

Mr. STUDDS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 3468, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONNECTICUT COASTAL PROTECTION ACT

(Mr. GEJDENSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, I rise today to join my colleague Mr. MORRISON of Connecticut in strong support for H.R. 3468, the Connecticut Coastal Protection Act. This legislation extends the "Stewart B. McKinney National Refuge" allowing the Fish and Wildlife Service to acquire coastal lands and islands for inclusion into the McKinney refuge.

First, Mr. Speaker, I would like to commend Mr. MORRISON for his hard work on this important bill and would like to commend the chairman of the Merchant Marine and Fisheries Committee, Mr. JONES and Mr. STUDDS, chairman of the Subcommittee on Fisheries, Wildlife Conservation and the Environment, for bringing this bill to the floor and working so closely with the State of Connecticut, the Connecticut Nature Conservancy and the coastal towns that have such a strong interest and stake in the passage of this legislation.

Mr. Speaker, in 1987, the Congress of the United States decided to rename the Connecticut Coastal National Wildlife Refuge to commemorate the work and vision of our former colleague and friend, Stewart B. McKinney, to protect some of the most critical wildlife habitats on Connecticut's shoreline. The legislation we are considering today will take that one important step further.

For the past several decades, coastal Connecticut along the Long Island Sound has faced a great deal of devel-

opment pressure. Of the initial 23,000 acres of tidal wetlands in Connecticut, 30 percent have disappeared, leaving only 16,000 acres according to the U.S. Fish and Wildlife Service. In 1984, the Connecticut Coastal Wildlife Refuge, which was renamed the McKinney Wildlife Refuge in 1987, was established to: protect and enhance the populations of shore birds including herons, egrets, and terns; to encourage the natural diversity of fish and wildlife species that are indigenous to our coasts and which use the Connecticut coast as a migratory stopover point; to provide for the conservation and management of all fish and wildlife within the refuge; and to provide opportunities for scientific research and environmental education and fish and wildlife-oriented recreation.

And though it has been relatively successful, passage of this legislation provides us with an opportunity to take important steps toward protecting the habitat of many important and potentially endangered migratory birds and species of fish and wildlife. According to the Northeast Coastal areas study prepared by the Fish and Wildlife Service, the three coastal properties proposed for inclusion by this bill are integral additions to the refuge and are listed as high priority areas for further protection. In addition, these sites are listed as critical coastal habitats of the North Atlantic flyway and are listed as critical coastal habitats by the Connecticut Department of Environmental Protection.

Mr. Speaker, in addition to allowing the Secretary of the Interior to acquire the Great Meadows marsh in Stratford, and acreage in the vicinity of the Norwalk Harbor, this legislation allows for the acquisition of the Menunketesuck River marsh and Menunketesuck Island in Westbrook, CT which is adjacent to the Salt Meadow Marsh National Wildlife Refuge, also in Westbrook. This 150 acre parcel is one of the most important migratory waterfowl and bird sites along the coast. The Menunketesuck Island contains one of the two largest nesting colonies of least terns in the region, a species that has suffered greatly from human disturbances and development and the tidal salt marsh area provides migration habitat for waterfowl, wading birds and songbirds and offers crucial wintering habitat for a variety of waterfowl.

Finally, Mr. Speaker, this bill will allow the Secretary of Interior to manage the Salt Meadow National Wildlife Refuge [NWR] located in Westbrook, CT as an element of the Stewart B. McKinney Wildlife Refuge. This will enable the Fish and Wildlife Service to manage all of the wildlife refuge resources in Connecticut together as a single unit, allowing the most efficient use of their staff and other resources and it allows the Salt Meadow marsh to receive the attention that it deserves since the 187-acre parcel was donated and established as a refuge in 1971.

Since the Salt Meadow National Wildlife Refuge was created, it has been neglected. It has been managed as a satellite refuge within the Ninigret National Wildlife Refuge complex from Rhode Island. It has operated without clearly defined objectives and with limited capability to conduct wildlife, or public use management activities. In addition, the resources that need upkeep have been neglected since minimal maintenance is conducted by Fish and Wildlife staff or by volunteers. By managing the Salt Meadow NWR as an element of the McKinney Refuge, this resource can be protected in a way that is consistent with the protection of the McKinney refuge and the Salt Meadow marsh can finally get the attention that it deserves.

Mr. Speaker, this legislation has broad support. It is cosponsored by the entire Connecticut Delegation of both political parties, it is supported by the State of Connecticut, it is supported by the affected coastal towns, the Audubon Society and Les Corey of the Nature Conservancy of Connecticut called H.R. 3468 "the most important piece of pending conservation legislation that would protect the most threatened and irreplaceable biological components remaining in the southwestern section of the Long Island Sound."

Again, Mr. Speaker, I am pleased to support this measure that will allow us in Connecticut to protect some of the coastal resources that are in danger and that are so important to many species of birds and other wildlife. I urge my colleague to join me in support and I again, commend Mr. MORRISON, Mr. STUDDS, and Mr. JONES for their hard work in bringing this important legislation to the floor.

AVIATION SAFETY AND CAPACITY EXPANSION ACT OF 1990

The SPEAKER pro tempore. Pursuant to House Resolution 428 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for consideration of the bill, H.R. 5170.

The Chair designates the gentleman from Texas [Mr. LEATH] as Chairman of the Committee of the Whole, and requests the gentleman from Virginia [Mr. PICKETT] to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5170) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1991 and 1992, to improve aviation safety and capacity, to reduce the surplus in the airport and airway trust fund, to authorize the Secretary of Transportation to grant authority for the imposition of airport passenger facility charges, and for other purposes, with Mr. PICKETT [Chairman pro tempore] in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California [Mr. ANDERSON] will be recognized for 30 minutes, and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, before I discuss this important bill which is before us, let me first explain our intent on consideration tonight.

Following general debate, we will then consider amendments which we believe will not require a rollcall vote.

We will proceed as far as we can go with no votes. When we get to that point, we will ask the Committee to rise. We will complete consideration as soon as we can be rescheduled.

There will be no rollcall votes tonight.

Mr. Chairman, the bill we are considering today, the Aviation Safety and Capacity Expansion Act of 1990, establishes a comprehensive program to permit us to develop our aviation system to meet the needs of the 1990's.

There is an urgent need for this legislation, and Subcommittee Chairman JIM OBERSTAR is to be commended for his yeoman efforts in its development. The increases in passenger traffic which have resulted from the low fares permitted by airline deregulation have stretched the airport and airway systems beyond their capacity. In 1987, there were 21 airports at which air carrier flights were delayed by a total of more than 20,000 hours. Unless action is taken, the number of severely congested airports will increase to 39 by 1997. The congestion and delays which have resulted from inadequate aviation capacity are costing the travelling public billions of dollars in added costs and lost productive time.

To complete the extensive capital development required to improve our aviation system, we will have to undertake a massive combined effort on the Federal, State, and local levels. The bill before us today creates the framework under which the necessary development can be accomplished.

First, the bill provides for an extensive commitment to develop our aviation system through the airport and airway trust fund. It establishes a pro-

gram under which the new revenues coming into the trust fund from taxes on aviation users will be fully spent. In addition, the bill will permit us to draw down on the surplus which has accumulated in the trust fund as the unfortunate result of efforts to balance the general budget by having the trust fund spend less than users have contributed.

Under the reported bill, there will be trust fund spending of $13.2 billion in the next 2 years. The bill authorizes $5.5 billion for modernization of the air traffic control system. This represents a 59-percent increase over current levels of spending. The bill further authorizes $3.7 billion for airport development, a 29-percent increase over current levels. If aviation programs continued to be funded at these and anticipated levels through 1995, the surplus in the trust fund will be reduced from $7.6 billion to $1.1 billion in fiscal 1995. Of great importance, this 5-year funding program can be carried out without any increase in Federal taxes.

I am pleased to note that the Budget and Appropriations Committees are in agreement with the program levels we have established. Last week the House passed appropriations legislation which for the first time in recent years funds the Federal program for airport development at the level established in the authorizing legislation, $1.8 billion. This action has been taken in response to our committee's effort to modify provisions in the trust fund, particularly the so-called penalty clauses, to meet concerns which have been raised by the Appropriations Committee. We are extremely hopeful that the authorizing and appropriations processes will continue to go forward together and develop a program which will permit the trust fund to realize its full potential.

The reported bill also recognizes that the capital development of our airports requires an extensive effort by State and local governments and airport authorities. Indeed in the past, 66 percent of the capital needed to develop our airports has been raised at the local level.

To facilitate the ability of local authorities to raise the necessary capital, the bill authorizes a new local source of funding, a passenger facility charge. These charges have been prohibited by Federal law since 1973. In the bill we have carefully limited the authorization to collect PFC's to ensure that the problems which led to a ban in 1973 will not be repeated and also to ensure that there will be consistency and coordination between airport development undertaken under the Federal airport improvement program, and development undertaken through passenger facility charges.

The bill limits PFC's to $3 and to two charges on a one-way trip. Each PFC must be specifically approved by the Department of Transportation. To grant approval, the Department must find that a PFC is needed to support projects eligible for PFC's. Eligibility is limited to projects which meet Federal standards for the Airport Improvement Program or the Noise Abatement Program. Also eligible are the development of terminal gates to facilitate new competition. Before allowing a PFC, the Secretary must affirmatively find that the specific projects approved will enhance the national aviation system or promote airline competition.

Including gates as an eligible item will permit PFC's to be used to build facilities which are necessary for new competition, particularly at hub airports where a single carrier controls most of the gates. In addition, we have structured our PFC legislation so that the imposition of PFC's by the larger airports will result in increased Federal assistance for smaller airports. Under the bill, large airports imposing PFC's will give up half their AIP formula funds. Most of this money will go into a new fund for grants for general aviation and smaller commercial service airports. We estimate that as a result of this adjustment small commercial service airports will get as much as $114 million in extra funding and general aviation airports will get as much as $57 million in additional funding.

In sum, the legislation now before us will permit us to develop the aviation system which the American public needs and deserves. I urge my colleagues to join me in enthusiastically supporting this legislation.

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Mr. Chairman, I reserve the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in strong support of this bill. I would like to express my appreciation to Chairman ANDERSON, to the subcommittee chairman, Mr. OBERSTAR, and to the ranking member, Mr. CLINGER, for the excellent work they have all done on this bill.

There is much in this bill that is worthy of support. For example: The bill authorizes increased funding for badly needed improvements in our Nation's airport and air traffic control infrastructure; it directs the FAA to develop a system of auxiliary flight service stations to complement the automated stations that the FAA is now putting into place; and it revises the FAA's procurement rules to give that agency more flexibility in its procurement processes.

I support these provisions. In addition, there are two other provisions in the bill that are of particular interest to me.

The first is, the new passenger facility charge, commonly referred to as a PFC.

Adoption of this new PFC would give us a chance to finally do something significant to address the problems caused by airport congestion and delays.

By approving this PFC legislation, we will enable large airports to raise significant amounts of money to finance aiport expansion and improvements. At the same time, we will be freeing up money for small airports so that these airports can improve their facilities as well.

I know that many of my colleagues are concerned that this PFC will raise the cost of airline travel. I share that concern. However, one advantage of the PFC is that the money will actually go to airport improvements; unlike the current system where much of our aviation tax revenues gets stuck in the trust fund.

Money raised by the PFC will not be going into that fund. Rather, it will go directly to the airports themselves to be used as the airports see fit, subject to approval by DOT.

Airport and DOT control of PFC spending is crucial to the success of this program. Too often we hear about airlines trying to block expansion projects at their fortress hubs because they do not want to provide room for new competition there. With a PFC, airports could move ahead with necessary expansion projects without having to rely on the support of the major airline there.

As a result, while PFC's may temporarily raise round-trip fares by as much as $12 in the short run, they should lead to increased capacity, increased competition, and thus lower fares in the long run. Therefore, I view PFC's as being in the long-term interests of our national air transportation system.

For those who say we should spend down the trust fund first before enacting a PFC, I would point out that this reauthorization bill would do that. Unfortunately, to a large extent, it would do this by spending more on FAA operations. However, it also increases spending on airport improvements and air traffic control facilities and equipment by more than 20 percent.

So it seems that we are on track toward our goal of spending down the trust fund. And if we get off that track, this bill contains a trigger mechanism which terminates the authority to levy a PFC.

In this regard, I am very disappointed that we will not have an opportunity to consider the McEwen-Mineta amendment to take the airport and airway trust fund off-budget. This amendment would have ensured that the trust fund surplus was spent down. Given all the talk in this Congress

about infrastructure, I am very surprised that the House leadership and Rules Committee did not see fit to make this amendment in order. There is also another reason why I favor this legislation. That is because it includes a provision of essential air service [EAS]. This provision is very important to people in small communities and rural areas.

The EAS Program was enacted as part of the Airline Deregulation Act of 1978. It was designed to ensure that small communities did not lose their air service as a result of the new freedom for airlines to change their route structure under deregulation.

While the EAS Program was successful in ensuring that some air service remained at small communities, the service in many cases was poor. As a result, many passengers abandoned their local airport and chose to drive instead.

In order to improve air service at small communities, we added a provision to the 1987 aviation reauthorization bill that was designed to upgrade the EAS Program. However, this provision was never adequately funded. Instead, the program has been cut to such an extent that 26 communities recently lost all their air service.

In order to prevent the continued erosion of the program and to ensure full funding for the remaining communities, this bill includes a provision that would make EAS a contract authority program and pay the EAS subsidies out of the aviation trust fund. A provision is also included that would prevent any more communities from being eliminated from the program.

I am pleased to report that the administration has agreed to fund the EAS Program at the levels authorized in this bill.

Therefore, Mr. Chairman, for all these reasons, I support H.R. 5170 and urge my colleagues to do the same.

□ 1750

Mr. ANDERSON. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. BORSKI].

Mr. BORSKI. Mr. Chairman, I rise to give my strong support to H.R. 5170, which authorizes appropriations for aviation programs for the 1991 and 1992 fiscal years

H.R. 5170 authorizes $18.3 billion for fiscal 1991 and 1992 to enlarge existing airport capacities improve the safety and security of passengers, modernize the air traffic control system and for noise abatement.

One landmark feature of this bill, thanks to the tireless work of our distinguished subcommittee chairman Mr. OBERSTAR, is authorizing the expenditure of the aviation trust fund surpluses.

These surpluses are supposed to fund our air transportation system, and now, thanks to the work of Chairman OBERSTAR, that is exactly what they will do.

It is expected that under this bill, the surplus will drop from $7.6 billion at the end of fiscal year 1990, to $1.2 billion in fiscal year 1995.

Since 1978, air travel passengers have jumped from 266 million to 480 million.

The Federal Aviation Administration estimates that close to 775 million Americans will be carried across this country, through our skies by the year 2000.

The tremendous increase in passengers and in air freight activities has stretched our airports and airway systems beyond their capacities.

Congestion at major American airports is causing substantial delays, increased travel costs and serious safety concerns. What is at stake here, however, is not a matter of convenience, but a matter of economic development and survival.

In decades past, cities and nations relied on good roads and railroads to grow and to move people and services swiftly and efficiently across their nation.

Now airports and our air transportation system play an increasingly vital role in our transportation system.

Unless we continue to expand our air transportation system dramatically, our economy cannot continue to grow, allowing us to compete internationally as a great economic power.

That is true for Philadelphia for Pennsylvania and for America.

That is why I support this bill and that is why it is such a crucial step forward in ensuring that America has the air system it needs to sustain and energize our economy.

A vital feature of this legislation is the authorization of passenger facility charges.

This bill allows airports to impose direct charges on airline passengers who use their facilities, to fund improvements in the safety, swiftness and security of our air transportation system.

To use the Philadelphia Airport as an example, passenger facility charges will provide the airport with an estimated increase of $20 million per year.

Those funds will support a bond program which will provide an estimated $200 million toward the Philadelphia International Airport's massive, $1 billion capital program.

That program will build terminals, facilities and roads toward the goal of expanding the airport's capacity by 50 percent.

Remember that air passengers have increased over 50 percent in the last 10 years, and are projected to increase another 50 percent over the next decade.

The funds raised by the PFC's will allow Philadelphia and other airports across this Nation to meet the air transportation demands of our citizens and our economy.

Expanding the Delaware Valley's Regional Air Transportation System makes it more able to join with other rapidly expanding air hubs from across America to lead our economy forward by transporting our goods and citizens across this Nation as swiftly, safely, and economically as possible.

Our job as representatives is to lead the Nation into its economic future.

This bill gives America's airports the funds they need to meet America's future economic and travel needs.

Mr. Chairman, I strongly support this legislation and urge my colleagues to do the same.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Pennsylvania [Mr. CLINGER] the ranking member of the Subcommittee on Aviation.

Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. CLINGER] be allowed to control the balance of the time on the general debate and under the 5-minute rule this evening on the minority side.

The CHAIRMAN pro tempore (Mr. PICKETT). Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. CLINGER. Mr. Chairman, I rise in strong support of H.R. 5170.

Mr. Chairman, last week I spent about 1 hour and 40 minutes sitting on the runway in Pittsburgh, PA, waiting to take off. The week before that, or 2 weeks before that, I spent a comparable amount of time sitting on a runway in Buffalo, NY, waiting to take off. Both times I was late for appointments and meetings that I had, and I would suspect, Mr. Chairman, that my experience is not unique. In fact, I know it is not unique.

Mr. Chairman, my guess is that just about every Member of this House is in the same boat, or in this case I might say in the same airplane. We have all had tremendous delays. This has resulted in missed meetings, lost opportunities, et cetera, and we are not alone because in fact this problem is endemic throughout our society.

As my colleagues have heard mentioned earlier before, the number of delays, the amount of delays, have risen since 1987. In 1987, there were 21 airports that had 20,000 hours of delays. That number is going to rise to 39 airports.

Mr. Chairman, this is a serious problem, and it is getting worse. I think that what we offer to our colleagues today is a meanse to seriously address this problem. It is a bill that is going to significantly begin to address the capacity problems we face.

The delays are plaguing. One of the chief culprits clearly is the limited capacity of suitable runway terminals

and gates. All too often, as I have just indicated and as, I know, all of my colleagues can agree, aircraft are either held on the ground or in the air, not because of any failings or inadequacy of the air traffic control system to manage the aircraft in the air, but due to the lack of adequate runway capacity or terminal capacity to accommodate the ever-increasing number of commercial aircraft, and we have heard talk about the exponential growth that we have seen in commercial air travel over the last 10 years. That is going to continue into the next decade.

The airport improvement program is the FAA's principal airport construction program. It is responsible for building the new runways, the terminals, the taxiways, the aprons and other brick and mortar projects fundamental to our Nation's infrastructure.

Mr. Chairman, this legislation takes extraordinary strides, in my view, to help alleviate the congestion caused by the inadequate ground facilities by providing, and this is a very key thing and to which the chairman, the gentleman from Minnesota [Mr. OBERSTAR], deserves enormous credit in getting agreement to have an authorization which was followed by appropriation of $1.8 billion for 1990 and $1.9 billion for fiscal year 1991, 1992 respectively.

Just as important, this legislation removes the prohibition which has existed since 1974 against the levying of passenger facility charges by airport authorities giving airports an important new source of revenue. This is controversial, and I say to my colleagues, "You're going to hear a lot of discussion about that by colleagues both pro and con." There were, I would certainly agree, real abuses of the passenger facility charge which was imposed in years past.

I think that what we have done in this bill is hit those abuses head on. We have addressed them very directly, and I think we can assure colleagues that the abuses will no longer exist once a passenger facility charges goes into place.

Some have categorized this to a new Federal tax. It is not a new Federal tax, and that should be understood right up front.

□ 1800

The passenger facility charge, if assessed, and they are assessed on an individual case-by-case basis, will be local user fees imposed by local airport authorities. Revenues will be collected by local airports and stay at the local level. This is a targeted rifleshot approach to the serious capacity problems we have. They will not flow to U.S. Treasury, nor will they be subject to the usual congressional budget process, but they will be subject to Federal approval, so that we do maintain control, so that the abuses we have had in the past will not be repeated.

Protections have been included in this legislation to prevent local government from using the PFC revenue for purposes other than for airport construction. That is where the crying need is.

The Transportation Secretary has ultimate control over the approval of the PFC. He approves the proposed project before the airport can assess the PFC, and once the project is completed the PFC is terminated. It is not an open-ended thing, as you may hear down the road. This is a very specific authorization with a time certain. Once the project is done, the PFC authorization ends.

The Secretary, before he can approve a passenger facility charge, must find that the specific project that is applied for will enhance either the safety, the capacity, the security of the airport, or it will enhance airport competition.

It eliminates, I will tell you, the so-called majority-in-interest clauses by which one airline with a commanding position at a given airport can basically veto any development at that airport or ensure that any development at that airport only goes to the benefit of the majority-in-interest airline there.

From my point of view, and I suspect for many of my colleagues who represent rural districts and smaller regional airports, we will reap tremendous benefits from this legislation, because the large airports, and many of them will, who opt to assess the PFC will forego up to one-half of their annual entitlement from the AIP fund. Those entitlements, that which they forego, will be turned back and will be redistributed to general aviation and nonhub airports as an additional source of funds supplementing their regular entitlements. This is going to be a boon for the smaller regional airports.

There is one final point, Mr. Chairman. I want to underscore that the user fee concept inherent in the PFC is a user fee concept, not a tax. For many years we in Congress challenged local governments to assume a larger responsibility in building and maintaining their infrastructure. This PFC is the only source of funds local governments can reasonably turn to; so I would urge support of this legislation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CLINGER. Mr. Chairman, I yield myself 1 additional minute.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I appreciate the gentleman yielding to me.

I have asked for this time only to take this moment publicly on the record to acknowledge the splendid work of the gentleman in the well, the gentleman from Pennsylvania, in crafting this legislation.

Together we have worked since last October to bring the aviation community together, the Department of Transportation, the Office of Management and Budget, the Appropriations Committee, our colleagues on the committee on a bipartisan basis, to work out something that is in the overall good and best interests of aviation. We have had disagreements with each other and with others along the way. We had more agreements than disagreements. We worked them out. We never had anything on which there was a personal disagreement. We worked out something that is really going to be in the best long-term interests of aviation.

The gentleman from Pennsylvania has spent enormous amounts of time on this, and I want his constituents to know that, in crafting something that is of lasting, durable benefit for the whole country. The gentleman has been a real statesman and I appreciate his partnership.

Mr. CLINGER. Mr. Chairman, I thank the gentleman very much. I can only say that we have had great leadership and it has been a marvelous working partnership that I have enjoyed enormously.

Mr. ANDERSON. Mr. Chairman, I yield 1½ minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I rise to engage the chairman of the Aviation Subcommittee in a colloquy.

As the chairman knows, we have discussed in great detail the planned consolidation of the North Bend Flight Service Station into the McMinnville Automated Flight Service Station. The chairman has included language in this bill directing the Secretary of Transportation to implement a system of manned auxiliary flight service stations in areas of unique weather or operational conditions. The North Bend Flight Service Station on the south Oregon coast operates in an area where the weather can change very rapidly and frequently includes thick fog.

Is this the type of situation that deserves consideration for auxiliary status?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. In the testimony in the course of our hearings on the flight service station portion of the program, we found that there were

unique areas of the country where special weather conditions obtained and where there ought to be a continuation of existing flight service station service.

The situation the gentleman has described is one of those types of circumstances, the very type of atmospheric and geographic conditions intended to be protected by the language in our bill.

Mr. DEFAZIO. Mr. Chairman, if the committee chairman would answer one other question. The North Bend Station is proposed to be closed or consolidated before the new system is put in place. Would the committee chairman find that North Bend and other stations of these unique characteristics should be considered regardless of whether or not they have already been consolidated?

Mr. OBERSTAR. Mr. Chairman, if the gentleman will yield further, I believe the North Bend Station is one of those that should be a candidate for retention, and I will join the gentleman in making an appeal to the FAA to keep it open.

The FAA will have the ultimate authority on a case-by-case basis to make these determinations, but the gentleman's situation is unique and deserves consideration to be retained.

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman.

Mr. CLINGER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. MCEWEN], who has been a very diligent and constructive member of the subcommittee.

Mr. MCEWEN. Mr. Chairman, I thank the gentleman for yielding me this time, and wish to join in the expressions of support, not only for this legislation, but particularly for the drafters.

This is a compilation of many interests, many people who have a concern about the future of aviation for our country. I did not wish to let the debate pass any further without acknowledging the work of the chairman and his cooperation. I had the opportunity this morning to open the National U.S. Air and Trade Show in Dayton, OH, and in conversation with the Administrator of the FAA, I discussed the work on this particular legislation both by the ranking member, the gentleman from Pennsylvania [Mr. CLINGER] and the chairman of our subcommittee, the gentleman from Minnesota [Mr. OBERSTAR].

I share the admiration that the gentleman has and those throughout the aviation industry have for the work that they have done to bring this bill to the floor and to consider the needs of all segments of the traveling public, and I wish them success.

Mr. ANDERSON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I regret that I must rise in opposition to H.R. 5170, the Aviation Safety and Capacity Expansion Act of 1990.

The Aviation Safety and Capacity Expansion Act is without doubt the cornerstone of Federal aviation policy and will affect issues which promise to be some of the most important transportation issues of the decade.

I commend the Public Works and Transportation Committee leadership on both sides of the aisle and the Chair and the ranking minority member of the Aviation Subcommittee for their efforts on this behalf.

I applaud the aviation spending levels authorized in the committee bill. It is vitally important that we begin to spend trust fund moneys if we are to adequately provide for much needed modernization of our air traffic control system and airport development.

However, I am very concerned about several provisions in this legislation.

I have serious reservations about the removal of the trust fund penalty clause. The penalty clause served as an incentive to encourage the full funding of capital development projects from moneys in the trust fund. No penalty clause means no real guarantees.

Additionally, I am disappointed that I was not able to offer an amendment to take the airport and airways trust fund off-budget.

The Congress created the airport and airways trust fund in 1970 as a dedicated fund intended to finance the capital improvement needs of the nation's aviation system.

The American people are being led to believe that they are paying for airport improvements, but the truth is that the administration is putting that money, currently $7 billion in unobligated funds, in its back pocket.

When the American people pay taxes, they don't expect that money to sit for years in OMB's equivalent of a Swiss bank account—an account that no one can touch but OMB.

Mr. Chairman, we must put the trust back into the aviation trust fund.

Finally, H.R. 5170 contains a provision which will allow airport operators to impose their own taxes, or passenger facility charges, on passengers passing through their airports. I cannot condone the imposition of an entirely new tax while the trust fund balance remains unspent.

A nationwide Federal ticket tax is already being imposed on these same passengers. Mr. Chairman, passengers should not be subject to double taxation.

Mr. Chairman, the United States needs and deserves an aviation system that can bring us safely and smoothly into the 21st century. I believe that we must spend the trust fund moneys to achieve this goal before we, once again, reach into the pockets of our Nation's passengers.

□ 1810

Mr. CLINGER. Mr. Chairman, I yield 4 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the distinguished gentleman for his time. Mr. Chairman, I rise for the purpose of entering into a colloquy with the distinguished chairman of the Aviation Subcommittee, Mr. OBERSTAR.

Mr. Chairman, I first want to acknowledge the work of my colleague, Mr. MILLER of Washington, who unfortunately could not be here with me to join in this colloquy. I commend his efforts. The issue I speak of today is the persistent and growing problem of excessive noise created by aircraft near our airports and over our neighborhoods. Toward solving this problem, Mr. MILLER and I have introduced the Aviation Noise Abatement Policy Act of 1990.

As you know from our many discussions over the past number of months, air noise over northern New Jersey is a pervasive problem. When the FAA implemented its expanded east coast plan in 1987, it had two purposes: to reduce delay and inconvenience to passengers, and to ensure the safety of all air travelers. Unfortunately, the expanded east coast plan increased the number of air routes and traffic over the most densely populated section of the most densely populated State in the country. In my opinion, this has raised significant safety questions.

As you know, I have attempted to work with the FAA directly, but have encountered indifference and stonewalling.

I understand my distinguished colleague from New Jersey, Mr. RINALDO, may offer an amendment today seeking an FAA environmental impact statement on New Jersey air routes. I support Mr. RINALDO's effort—in fact, such a provision is included in my bill—but we must do more. Mr. Chairman, the track record of the FAA on the air noise issue leaves me more than skeptical. The FAA should have conducted a full environmental assessment before forcing the expanded east coast plan on the residents and businesses of northern New Jersey.

This is not solely a problem for northern New Jersey, or the tristate area or even the east coast. My purpose in rising today is to seek your commitment to hold comprehensive hearings on the air noise issue and the safety questions the expanded east coast plan has raised. I would urge that the committee seriously consider holding field hearings on this issue as well.

Mr. OBERSTAR. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I am happy to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I appreciate the genuine, deep concern that the gentlewoman has expressed and raised. She has been a vigorous advocate for action on behalf of her constituents.

Recently I received a letter on this noise issue initiated by the gentleman from New Jersey [Mr. RINALDO], signed by the gentlewoman, and the entire New Jersey congressional delegation, advocating and asking for hearings that the gentlewoman has just referred to. We will be holding hearings in September.

The gentleman from Pennsylvania [Mr. CLINGER] and I have agreed, and the date is still being worked out, but it is just a matter of timing, but we will have it in September, a major hearing.

Noise is not just a local problem, as the gentlewoman has acknowledged. It is a national issue. It needs to be addressed. This will be the first step in attempting to formulate, if we can, a national policy on noise.

In the interim, there is a unique New Jersey problem which we expect to deal with in the Rinaldo amendment, and the gentlewoman's support on this issue has been most encouraging for members of the committee.

I assure the gentlewoman those hearings will be held, and the voice of the New Jerseyites will be heard.

We appreciate the interest of the gentlewoman and her support.

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman specifically for the September date.

Mr. ANDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. NOWAK].

Mr. NOWAK. Mr. Chairman, I rise in strong support of the Aviation Safety and Capacity Expansion Act of 1990.

First, however, I would like to commend the leadership of our Committee on Public Works and Transportation in crafting this important legislation.

In particular, I would like to thank our chairman, Mr. ANDERSON, and the ranking minority member, Mr. HAMMERSCHMIDT, along with the chairman of the Subcommittee on Aviation, Mr. OBERSTAR, and the ranking member on that subcommittee, Mr. CLINGER.

Infrastructure has become a household word in America. The legislation before us today seeks to address the needs of a critical part of our Nation's infrastructure—out civil airports and airway system.

Massive increases in domestic airline passenger traffic have placed tremendous pressure on the capacity of our airports and airway systems. This legislation seeks to expand our efforts to meet the airport infrastructure improvements needed to guarantee safe and expeditious travel, which is so important, to our economic well being.

An important step this bill would take is to provide additional resources for these vitally needed improvements by insuring that user fees deposited in the airport and airway trust fund would be spent in a timely fashion.

For example, it is estimated that by the end of this fiscal year the trust fund will have accumulated a surplus of $7.6 billion. Changes made by this legislation would result in reducing the trust fund's surplus to $1.1 billion in fiscal year 1995.

Another new feature of this bill is an amendment I offered in committee, aimed at encouraging greater civilian use of former and current domestic military airfields.

This provision would direct the Secretary of Transportation to designate eight such underutilized airports, to participate in a new Federal aid grant program, aimed at upgrading their use for commercial or joint civil-military purposes.

I will be offering a clarifying amendment tomorrow to make it clear that the former or current military airports eligible for designation for these special improvement grants would include airports seeking conversion for either commercial service or designation as reliever airports.

Given passenger growth projections, budget restraints, costs of new airports and public opposition to new airport construction, this concept of recycling military bases would be a step toward addressing airport capacity needs, in congested metropolitan areas.

Mr. Chairman, I strongly support passage of the bill.

Mr. ANDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Chairman, the Public Works and Transportation Committee has worked hard to craft this important piece of transportation legislation, this important policy statement. The chairmen and ranking members of the committee and the Subcommittee on Aviation have worked together toward a groundbreaking aviation program which will result in unprecedented improvements to the national aviation system, to American aviation competitiveness, and to great service improvements for the flying public. I especially would like to thank Chairman OBERSTAR's vigilant work on this issue of funding aviation safety and capacity needs.

It is important to point out that H.R. 5170 is not merely a reauthorization bill, indicating that national aviation policy will remain on the same track of the past 4 years or 8 years. Rather H.R. 5170 includes several major measures which will improve the airspace system. The bill includes increased spending levels, most importantly $1.8 and $1.9 billion in the next 2 years for the Airport Improvement Program. The greatest initiative of this committee for many years—spending down the trust fund surplus—is finally addressed in this bill. Due to Chairman OBERSTAR's vigilant leadership, an agreement has been reached with Transportation Secretary Sam Skinner, the Public Works and Transportation Committee, the Appropriations Committee, and the administration to spend down the trust fund by 1995. H.R. 5170 also includes the vital step forward of allowing passenger facility charges in order to fund projects for capacity and safety improvements.

The lifting of the Federal prohibition on PFC's is due to the realization that the needs of the national aviation system are reaching crisis proportion and demand a response now. The need for an additional revenue source, above and beyond available Airport Improvement Program [AIP] funds, mandates a new funding mechanism, or airport delays and congestion will continue unabated. The PFC was careful examined by the committee, and this final version reflects the close scrutiny and changes made to the measure. The PFC provisions guarantee responsible use of those funds, and guarantees that full utilization of the aviation trust fund will not subside in the wake of PFC's. The PFC is the answer to the long-time question of how can the Government act to create a more efficient aviation system, with decreased delays, increased competition, and greater efficiency. In short, everybody wins.

H.R. 5071 looks toward the future of commercial aviation in this country and prepares the system with the ability to address existing needs as well as future growth. It also achieves the all-important spend down of the aviation trust fund. The bill is the result of cooperation between the Democratic and Republican committee leadership, the administration, Members from big cities and rural Members, authorizers, and appropriators. I commend the Public Works leadership for this important step toward a better aviation system and urge the support of every Member in the House.

□ 1820

Mr. ANDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Chairman, I am very proud of the Committee on Public Works and Transportation and the quality of the bill that that committee presents today before the House. I think in almost every respect it is an excellent measure, one that will greatly improve our Nation's airports and airways.

I am here, however, to raise a storm warning of sorts, because buried deep within this bill is the "T" word. Not

only the "T" word, but the "NT" word, the new tax word.

Mr. Chairman, I am sorry that I will not be able to offer my amendment tonight. My amendment would remove new taxes from this bill. I will be offering it at some point in the future when discussion on this bill resumes. However, I want to make it clear to every Member listening that this bill contains a major new tax, a $1 billion new tax that will be paid by every man, woman, and child each time he or she steps foot onto an airplane.

There is a lot of discussion here over what a new tax is. I was pleased to see the Republican caucus yesterday vote overwhelmingly that they will not accept any new taxes. Well, I intend in the very near future to give them the chance to make that pledge a little more concrete, because when my amendment comes up it will be the first chance that every Member has to look at a brandnew $1 billion tax square in the face and vote against it.

It has been so long around here since we have imposed big new taxes that we have developed sort of an amnesia. When a tax comes up and faces us, we act like we do not recognize it. We say, "Oh, you must be a user fee," or, "You must be a charge."

I am going to introduce Members face to face with a brandnew big tax when my amendment is able to be taken up, hopefully this week or the beginning of next week.

Mr. ANDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Chairman, I want to commend the leadership of the Public Works and Transportation Committee and, particularly, Chairmen ANDERSON and OBERSTAR and Congressmen HAMMERSCHMIDT and CLINGER for the many hours that they and their staffs spent in preparing and drafting this legislation that we are considering today.

The Aviation Safety and Capacity Expansion Act is an important and necessary piece of legislation that provides for authorization of vital Federal Aviation Administration programs. With the explosive growth in the number of passengers using our national airway system as a result of deregulation of the airline industry has come the need to ensure that aviation safety and capacity needs are met. H.R. 5170 takes a giant step toward meeting those needs.

Included in this legislation is language that will permit large- and medium-hub airports to impose passenger facility charges for the purpose of raising additional funds for airport improvements. I support the ability of these airports to raise these much needed additional funds. At the same time, I share the concern of my colleagues who point to the $7.6 billion that currently sits unused in the aviation trust fund.

The Aviation Safety and Capacity Expansion Act will increase spending from the aviation trust fund. The additional money will go for such purposes as grants to local airport operators for capacity, safety, and security needs, and modernization of the FAA's air traffic control system. The aviation trust fund should be spent for airport capacity and safety improvements. Under the terms of this legislation, that objective will be achieved.

I am also pleased that this legislation will extend the State Block Grant Demonstration Program for an additional year. The State of North Carolina is one of three States that was selected to participate in this demonstration program. Because of problems that the FAA encountered in initiating the program, however, serious delays in project programming occurred in all three States. A 1-year extention will give the participating States an opportunity to demonstrate their capabilities more thoroughly.

I urge my colleagues to support the Aviation Safety and Capacity Expansion Act.

Mr. CLINGER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to respond very briefly to the gentleman from California [Mr. Bosco], who is absolutely right when he points out the American people are very much opposed to new taxes being imposed on them. I think it is also true we have learned that the American people are supportive of user fees which are directed to the purpose for which they are collected, in this event the proposed airport passenger facility charge. That is a user fee that will be directed specifically at the airport they use, and they will benefit from having the capacity increase so they will not be delayed. I continue to make that distinction between a general tax increase, which this clearly is not, and a local user fee which is going to be a direct benefit to the airport from the people who will be paying that airport passenger facility charge.

Mr. ANDERSON. Mr. Chairman, I yield 6½ minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, last year I introduced legislation to repeal a section of law, commonly known as the Wright amendment, which prohibits commercial air carriers from providing service between Dallas Love Field and points located outside of Texas or its surrounding States.

The statute was originally passed in 1980 to protect then relatively new Dallas/Fort Worth International Airport [DFW], and ensure that commercial air carriers moved from the older Love Field to the new primary airport serving the metropolitan Dallas/Fort Worth area. However, DFW is now the second busiest airport in the world. Its gates are full and its runways are jammed with planes waiting to take off. DFW no longer needs protection from Love Field's competition. Now the Wright amendment is nothing more than an egregious, anticompetitive, unconstitutional section of the law that must be eliminated.

A recent study by KPMG Peat Marwick concluded that additional airport capacity is needed in the area, and even the proposed $3.5 billion expansion at DFW will not solve the problem. The capacity issue could be greatly improved if the now-underutilized Love Field in downtown Dallas were given the opportunity to provide commercial service to points outside Texas and its contiguous States.

The Wright amendment is unreasonable. By allowing travel to Love Field only from points in Texas, as well as points in Louisiana, Oklahoma, Arkansas, and New Mexico, it arbitrarily permits direct service from cities such as Albuquerque to Dallas Love Field—595 miles—but does not allow such service from Wichita—330 miles—to Love Field. The amendment does not even permit connecting, or through, service.

Airfares are inflated because the one carrier which serves Love Field happens to be the low-cost carrier in the market. Because that carrier cannot quote fares from Love Field to cities outside of the five-State area there is no competition for the full-price carriers, and they charge outrageous fares to Dallas. Under current law, a passenger traveling from Kansas City to Love Field would be required to purchase two round-trip tickets—one to a connecting city, such as Tulsa, and a second round-trip ticket from Tulsa to Dallas. Not even luggage can be checked all the way through to Love Field. The Wright amendment requires the Kansas City passenger to claim his luggage in Tulsa, and then check it back in for his flight to Love Field.

Another example of the restrictions the Wright amendment places on travelers involves a plane that flies a two-stop route from New Orleans to Dallas Love Field to Albuquerque to Phoenix. A passenger traveling to Phoenix who boards the plane in New Orleans may travel on one ticket and does not need to claim his bags and reboard at any stop along the route. However, a Phoenix-bound passenger boarding that same plane at Love Field must deplane in Albuquerque, claim his bags, purchase another ticket to Phoenix, and board a different plane. In other words, passengers on the same plane are treated differently based on their original boarding city.

Under this restrictive, anticompetitive law, it is not possible for American consumers to have access to the advantages of deregulation and fully competitive airfares. Therefore, it was my intention to repeal this wornout law by offering an amendment to H.R. 5170, legislation which addresses aviation enhancement and capacity issues. Afterall, the Wright amendment is a key component in determining routes and fares in the Midwest, Southeast, and Southwest parts of the United States. My amendment would repeal the Wright amendment by amending the International Air Transportation Competition Act of 1980. That Act amends the FAA Authorization Act of 1958. Therefore, it appeared to me that my amendment was both relevant and ger-

mane. However, I was advised that my amendment would not be considered germane to H.R. 5170.

I also attempted to gain a waiver from the Rules Committee, but that request was declined. Therefore, I will not be offering this amendment today unless H.R. 5170 is amended in such a way as my amendment became germane. But let me notify my colleagues that until my last day as a Member of Congress, I will pursue a remedy to this inequity to allow open airfare and service competition in all markets.

I believe this issue which has sparked such emotional debate, deserves a hearing by the Public Works Committee to fully explore all the intricacies of the law. My colleagues that oppose me have raised concerns about the effects of repeal, such as airport noise. While these concerns are valid, they are also solvable. I proposed compromise positions to address their concerns but these were summarily dismissed without discussion. I can only say if those on the other side of this issue are so convinced that their approach is correct, why then are they unwilling to allow the chairman of the Aviation Subcommittee to hold a hearing on this matter? Rather than throw idle criticism at each other's point of view, let's take a comprehensive look at the problem through the appropriate hearing process and work to develop a solution suitable to all parties.

Repealing the Wright amendment will open up competition, reduce airfares to competitive levels, and substantially increase business between markets. That, after all, is what Congress intended to accomplish by passing the Airline Deregulation Act of 1978. It's time to eliminate this special interest section of law, so that the people of this Nation have competitive access to interstate travel as protected by the Constitution. It's time to repeal the Wright amendment.

Mr. Chairman, some of my colleagues heard me down here getting a little emotional about an issue called the Wright amendment, having to do with restricted air travel and higher airfares out of the Dallas market into my own area of Wichita, but also many other areas around this country.

Mr. Chairman, I would like to indicate my great concern about the statute known as the Wright amendment, named after former Speaker Wright, which in my judgment is an inherent restraint on trade and acts as an anticompetitive device during this period of deregulation. My statement will talk about how much more people pay in airfares if they are within the four-State area permitted for flights in the Wright amendment than if they are outside that four-State area, how this is hurting consumers all over the country, particularly the Dallas-Ft. Worth area, paying much more for their airfares as a result of that amendment.

Mr. Chairman, I am aware that I probably will not be able to offer an amendment to this bill because it is probably not going to be germane.

Mr. Chairman, my distinguished friend and the chairman of the Aviation Subcommittee and I have talked about this issue in the past, what I can do to get rid of this anticompetitive thing to bring airfares down, because if I cannot get rid of it legislatively, then the only alternative is massive litigation. I believe we will be successful if a lawsuit is filed in Federal court to break this crazy statute.

Mr. Chairman, I want to know what the gentleman from Minnesota [Mr. OBERSTAR] can give me in terms of assurances to try to remedy my problem, both legislatively as well as the holding of hearings and further review of this situation, in order that I can go home and tell the people in Kansas and all over this country that there is hope for them, there is a light at the end of the tunnel, as a result of these very high airfares that are particularly hurting to us because we are not in the area protected under the Wright amendment.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, the gentleman from Kansas [Mr. GLICKMAN] has been a vigorous advocate for his community, which, indeed, as he has pointed out many times, has been stifled in its efforts at economic growth and development because of lack of competition and high airfares, driving, as the gentleman has said, businessmen and people seeking air travel for pleasure to other locations than his home community. Mr. Chairman, I have been very deeply concerned about that.

First of all, Southwest Airlines is a big competitor. We are not talking about a "mom and pop" operation. This is not a little shoestring air carrier, the Ferguson Airline and Storm Door Co. It is a billion dollar air carrier. It operates to 148 U.S. destinations and 40 points overseas. They are in the big leagues. They are a real "go get 'em" airline.

Mr. Chairman, I have talked to the Dallas-Fort Worth Airport, which is only 9 miles away from Love Field. There will be some real serious congestion problems and air safety problems if you have big operations at Love Field, so close to DFW. The Dallas-Fort Worth Airport Authority has given me its commitment, which I make here on the public record, to immediately make available 7 gates for Southwest Airlines at DFW, and within 12 weeks to provide 15 modular gates to serve Southwest Airlines on an interim basis until within 15 to 18 months they would build permanently 15 gates additional to the 7, a total of 22 gates, for Southwest Airlines to operate at DFW to serve anywhere in America, not limited to the 4 States. Of course, they would have to give up their Love Field four States to serve there.

□ 1830

Mr. GLICKMAN. They would not have to cease their operations at Love Field in order to do this?

Mr. OBERSTAR. No.

Mr. GLICKMAN. They would not, that is clear. Let me ask this: Southwest Airlines, I have talked to them about the situation, and they are not at this stage terribly interested in operating out of DFW and, of course, that upsets me. But at the same time, I am trying to figure out what I can do to deal with the situation so they at least have the opportunity to operate at DFW

What the gentleman is saying is you have the absolute commitment from DFW Airport that they will be able to do that and they will not be restricted from their gates.

Mr. OBERSTAR. They will build these gates next week if Southwest simply makes the application, the request. It will be handled within the week, seven gates available. That is the deal, 22 gates. I do not think any other air carrier in the country would get a deal like this, that quick action as we are proposing here.

You know, if Southwest wants to hide behind the protectionist environment of Love Field and not complete in the big league, then it is their problem. They should not be able to hide behind the protectionist environment of sweet little Love Field and pretend that they are just a little struggling shoestring operation. They are being competitors. They ought to jump on that opportunity to serve out of DFW, go into Wichita and get in the mix with the big boys.

Mr. GLICKMAN. I would say that that is a useful commitment. And if this exercise has done more than to get that commitment, that is great. But I would make the following point: The Love Field thing still remains a problem because it is the only airport in America where you are restricted from going someplace based upon what State you live in as the point of origin.

So the problem for me is if Southwest decides not to do this for whatever reason—and I can sit and blame them all the way to China although they cannot fly there from Love Field or any place else, for that matter—I may have no other option except to either try to move legislation collaterally or else encourage people to go into the courts to challenge the basic statute.

That is one of the reasons why I thought the gentleman would give me some assurance on hearings.

Mr. OBERSTAR. I would invite the gentleman to bring any of his business community and any representative of the carrier to Washington. We will arrange a forum, an appropriate forum under the auspices of the Subcommit-

tee on Aviation in which to discuss this issue and have a thorough airing of it and to explore options.

Mr. GLICKMAN. I thank the gentleman.

I am not totally satisfied, but I am at least satisfied that he is trying to help me, and I appreciate his courtesy.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. I thank the gentleman for yielding.

Mr. Chairman, I only rise because I do not want the record to be bare in response to the characterization of this issue during the debate on the rule and during the discussion just a moment ago with the gentleman from Minnesota [Mr. OBERSTAR], which was rendered by the gentleman from Kansas [Mr. GLICKMAN], with regard to Love Field.

Let me make something very, very clear: There is no sweetheart deal in my city with regard to airports. I regret that Mr. GLICKMAN has utilized his very well-earned reputation for credibility and good judgment in this House to make an impassioned plea for his own city with phrases that I think are quite misleading.

The fact of the matter is that Love Field today has a restricted access rule for one simple reason. About 22 years ago the cities of Dallas and Fort Worth decided to build a regional airport and agreed that they would not operate airports within their own city limits but instead would join to build a regional airport, which they did, and it has now become the second largest airport in the United States.

The fact of the matter is that one interstate airline continues to operate out of Love Field and the agreement is that it will operate on a restricted basis, serving only 4 contiguous States. It is a reasonable effort by two cities to go together to build a big regional airport, the Dallas-Fort Worth Airport, and not operate full-blown international airports within their city limits.

That agreement was the agreement that gave birth to our regional airport. It is a reasonable agreement, and no one, I think, can fairly characterize it as any kind of a sweetheart deal, a phrase which suggests that someone somewhere is profiting from it. No one is profiting from it. If Mr. Glickman's city wants to have more air service out of Wichita, KS, God bless them, I will join Mr. OBERSTAR in trying to help Mr. GLICKMAN get that service.

But the fact of the matter is that lack of service to Wichita has nothing to do with Love Field. We have the right in Dallas to protect an agreement made in good faith with the city of Fort Worth and also to worry about the noise impact in the middle of the inner city. That is all that we have done.

I would simply conclude by saying that, as Mr. OBERSTAR just stated, the Dallas-Fort Worth Airport, which is only 14 miles away, is ready to receive Southwest Airlines. If they want to fly to Wichita, KS, they can do so. I hope that they will. But the problem is not Love Field.

Mr. CLINGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Chairman, I rise in strong support of H.R. 5170, the Aviation Safety and Capacity Expansion Act of 1990. While I continue to have some concerns about passenger facility charges [PFC's], I believe H.R. 5170 as a whole has important provisions on trust fund reauthorization, rural airports and passengers, and essential air service [EAS].

H.R. 5170 combines several aviation bills and initiatives. Proposals on passenger facility charges or [PFC's] and essential air service [EAS] are particularly important components. I want to thank Chairman GLENN ANDERSON, ranking minority of the full Committee, JOHN PAUL HAMMERSCHMIDT, subcommittee Chairman JIM OBERSTAR, ranking minority member BILL CLINGER, and others. With their leadership and cooperaiton, committee colleagues and I included provisions to help significantly in addressing concerns about unfair PFC's, adverse impacts on rural passengers and airports, and inadequate funding for the EAS Program.

Mr. Chairman, I continue to have some reservations about PFC proposals. The concept may be hard to defend in light of the existing $7.6 billion surplus in the trust fund, the perception of being another new tax, and the potential impact on rural passengers and small airports. Many of my colleagues, particularly members on the Agriculture Committee, shared my concerns and were prepared to actively oppose the bill if it did not contain adequate safeguards.

In recent weeks, however, the subcommittee leadership, Congressman HAMMERSCHMIDT, and the administration worked very hard to address my concerns. The result of our negotiations is a compromise bill [H.R. 5170] which, among other things, establishes a new small airport fund based on foregone AIP entitlement money from PFC airports and strengthens the EAS Program by establishing a new account within the trust fund and with contract authority.

Without these protections, I would not have supported a PFC provision. These modifications emphasize the critical needs facing small airports, rural passengers, and the EAS program generally. And I would remind my colleagues we should not pass any PFC proposal without these guarantees.

Mr. Chairman, let me also thank the committee for including my amendment to guarantee that small airports not be forced to forego AIP money in return for additional funds made available under this act. The provision expresses the sense of the Congress that the Secretary should not reduce any funding for small airports because of expected funding as a result of the PFC proposal and the new small airport trust fund.

I also appreciate the committee's willingness to include in the committee report language regarding the EAS program and the funding of newly eligible points. The committee included $38.6 million in the bill for the new EAS account with the specific understanding this would allow Fergus Falls, MN or other newly eligible points to participate in the program.

Fergus Falls has had to wait far too long to become eligible for the EAS program and to receive the necessary funding. The community has worked diligently to obtain limited funding and support under section 419(d)(2)(B) of the 1987 act. Today's bill signals an important and critical step forward in making the Federal Government's commitment a reality.

Mr. Chairman, H.R. 5170 is also critically important to the entire Nation. This 2-year, $17.7 billion bill funds development of the Nation's airports and air traffic control system, as well as operations of the Federal Aviation Administration. It will help keep our aviation industry on track by meeting current and future safety, capacity, and infrastructure needs.

For these and other reasons, I urge my colleagues to support the bill.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR], the chairman of the subcommittee.

Mr. OBERSTAR. I thank the gentleman for yielding this time.

Mr. Chairman and colleagues, we bring to the House floor a monumental bill that will serve the interests of aviation, the interests of economic growth in America for a $620 billion sector of the national economy well into the next century.

This legislation is pro-capacity, it is pro-safety, it is pro-small airports, it is pro-rural development, it is pro-consumer.

It is monumental legislation that this House ought to adopt, and we ought to defeat the amendment that would take the heart of this bill out, the pro-consumer part of this bill which allows, through the medium of the passenger facility charge, airports to reintroduce competition into this era of deregulation.

I will have more to say on that during the discussion of the so-called Bosco amendment.

For now, I want to say that we have crafted on a bipartisan basis with the participation of the entire aviation community, with the support of the Department of Transportation, the Office of Management and Budget, a piece of legislation of which all of us in this Chamber can be proud.

Mr. Chairman, I urge support of the legislation.

Mr. CLINGER. Mr. Chairman, I yield myself 1 minute in closing.

Mr. Chairman, I do this just to reiterate what Chairman OBERSTAR has said. That is, this bill does have the strong support of the administration and Secretary Skinner, who was a partner in developing this legislation.

But also I want to commend the gentleman from California, Chairman ANDERSON, and the gentleman from Arkansas, the ranking member, Mr. HAMMERSCHMIDT, for the work and cooperation they have given in fashioning this bill, but especially to the gentleman from Minnesota [Mr. OBERSTAR] who has really been the driving force behind bringing very disparate parties together with many differing agendas to the table and sticking with it through the long hours necessary to reach the kind of compromise and the kind of negotiated settlement that we have reached.

The result, I think you will find, is absolutely marvelous in terms of what it is going to mean for aviation in the next century. I think the gentleman from Minnesota deserves enormous credit for getting us to this point.

Mr. GEPHARDT. Mr. Chairman, I rise today to support the legislation of the Public Works and Transportation Committee and to commend the members of both the full committee and specifically the efforts of the Subcommittee on Aviation for the legislation we have before us today. Chairman OBERSTAR and Chairman ANDERSON have done a fine job of crafting legislation which will set the stage for expansion of America's aviation system into the 1990's.

The Aviation Safety and Expansion Act of 1990 is a critical component in our National Air Transportation System. It provides much needed resources to relieve capacity problems at our Nation's airports and to upgrade our air safety system. According to a recent industry study, the price tag for improving airport capacity to keep pace with demand is over $50 billion over the next 5 years. The authorization of spending in this legislation can only provide some of the additional resources needed to keep pace with growing air travel demands. As always, local authorities will have to finance the lion's share of their capacity expansion and safety upgrades.

Efforts by local planners to meet the demands of mushrooming air traffic have been undermined. Major expansion projects have been made impossible because of limited ability to tap into capital financing sources. This has caused major delay problems.

Today 21 airports, including my hometown airport, Lambert Field in St. Louis, experience an average of 55 hours of aircraft delay every single day of the year. Without major capital improvements in the next few years, the Federal Aviation Administration expects chronic delay problems in over 40 percent of the Nation's commercial airports. This would affect 8 out of 10 people who fly in and out of U.S. airports.

Expansion projects which are now underway at major facilities are literally in a holding pattern pending the outcome of this legislation. St. Louis Lambert Field currently has a proposal pending before FAA to add 4 new runways and 60 new gates. Without these improvements, the airport will choke on a capacity problem that is expected to almost double in volume within 20 years. This would seriously undermine the viability of the airport. And there are situations like this at airports across the country.

Mr. Chairman, an important component of this legislation will free up an additional funding source to help local authorities finance capital improvements. Chairman OBERSTAR has designed a measured and responsible mechanism for allowing local airport authorities the opportunity to levy fees which would remain at the local level to finance specific projects approved by the Department of Transportation.

Passenger facillity charges [PFC's] will supplement grant money received by airports from the Airport Improvement Program. The legislation will phase out grant money as a condition for accepting PFC money, so that smaller airports which may not be able to levy PFC's, will have more grant money available to them.

As we all know, the Federal financing system for transportation infrastructure has been criticized in the last few years because of unspent reserves in the trust funds. I have been one of those critics. Spending down the reserves in the trust fund is crucial. Nevertheless, I am enthusiastic about this new financing system because the design of the provision suspends PFC authority if certain levels of capital improvements are not adequately funded through the trust fund.

Everyone in this Chamber understands what it is like to deal with a congested airport, waiting for clearance to land, and fearing technical problems which endanger the safety of the passengers. Travelers in the air transportation system need to know that the facilities in which they entrust passage are able to accommodate them in a timely and safe manner. I support the legislation and ask my colleagues to join me by voting for it.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of H.R. 5170, which authorizes airports to impose passenger facility charges on airline passengers using those airports. This legislation creates a substantial new source of funding for the major capital needs of our Nation's airports, which are faced with enormous costs of needed capacity expansion and safety improvements.

In this time of large Federal budget deficits, it makes very good sense to permit our airports to pay more of their own way when they want to. This bill will mean reduced demand upon our limited Federal resources. It will permit airports to leverage their receipts from these passenger facility charges to borrow in a cost-effective manner to meet their capital needs. That means that fewer airports will need to wait for Federal airport improvement grants.

I am also pleased that H.R. 5170 makes a significant change to the use of tax revenues deposited in the airport and airway trust fund by eliminating the so-called "penalty clause." The penalty clause has made the availability of trust fund revenues for operation and maintenance costs contingent upon the use of certain trust fund revenues for capital improvements and equipment. This limitation has placed an unfair burden upon the general taxpaying public, while trust fund tax revenues have been allowed to accumulate. Mr. Speaker, this was an important issue that was debated during last year's budget reconciliation bill, and I am glad that the position taken by the Committee on Ways and Means last year has prevailed.

I urge my colleagues to support this important legislation.

Mr. CRAIG. Mr. Chairman, I rise today during consideration of H.R. 5170, amending the Airport and Airway Improvement Act of 1982, because I am concerned that some airports—especially small airports—will continue to go wanting for discretionary funds, despite the fact that several billion unspent dollars are sitting in the aviation trust fund. This is certainly the case for the Idaho Falls Municipal Airport in my own State of Idaho. For the record, I would like to detail the situation at that airport.

On June 28, 1990, I was prepared to offer an amendment to H.R. 5170, concerning the Idaho Falls Municipal Airport, in the Committee on Public Works and Transportation. However, after consulting with staff and various members of the committee, and considering the committee's tradition of not earmarking discretionary funds to a specific airport, I did not offer my amendment. Neither did I feel it was appropriate to pursue report language before all possible administrative routes had been explored and exhausted.

Nevertheless, I remain concerned that the Idaho Falls Airport is facing some critical safety-related problems which need to be resolved. I have appreciated the indulgence of the chairman, Mr. HAMMERSCHMIDT and Mr. CLINGER in listening to my concerns and thank them for their encouragement in looking for administrative solutions to address these dire needs.

The first safety problem is that the Idaho Falls Airport's Crash, Fire, and Rescue Station is not in compliance with FAA's response time requirements, as set forth in the new interpretation of the 3-minute response time requirement. FAA has indicated that only a portion of the relocated station which is necessary for aircraft rescue and firefighting would be eligible for 90 percent Federal participation. FAA has refused to consider the backup fire truck and ambulance as necessary and eligible for entitlement funds. I disagree with the FAA on this issue and believe the entire crash, fire and rescue station should be funded out of the entitlement program.

Second, the clear zone of the main runway, runway 2–20, and the associated taxiway also fail to comply with requirements. The main runway is the only one used by major carriers. The clear zone is bisected by a railroad, Interstate Highway 15 and a blast fence required by the proximity of the highway. The instrument approach light system is nonstandard. There are currently waivers from standard FAA safety criteria. The parallel taxiway is nonstandard in its separation from the main runway. Aircraft on the taxiway are a safety hazard to aircraft attempting to land, and capacity is reduced. The FAA has restricted the airport so that no planes can land or take off while an airplane is on the taxiway. FAA has refused to fund a taxiway lighting system due to the nonstandard separation. In poor weather, aircraft such as American's MD–80's and Delta's B–737's must taxi using only reflectors for guidance. The FAA has also refused to

provide discretionary funds to extend the main runway in order to bring the clear zone into safety compliance or to separate the taxiway to avoid the existing safety hazard.

The total cost of both safety projects is estimated at $5 million. Idaho Falls' AIP entitlements over the next 2 years are estimated at $1.4 million, with the total airport share at $500,000. This means that about $3.1 million in discretionary funding is needed to resolve the problems over the next 2 years. Unfortunately, Idaho Falls has received no discretionary money in the past and, considering the current trend of moneys going to much larger airports, is highly unlikely to receive any in the future.

Mr. Chairman, the whole airport, the second largest in my State and rapidly growing, is not in compliance. In addition, inclement weather conditions in nearby Salt Lake City and Jackson Hole cause traffic to be rerouted to the Idaho Falls, compounding the safety problems.

I am happy to say that last week I met with the Idaho Falls Director of Aviation, James Thorsen, and Leonard Griggs, FAA Assistant Administrator for Airports, to discuss the safety needs at the Idaho Falls Municipal Airport. As a result of that meeting and the amendment I had originally planned to offer, the FAA has agreed to work with the airport. They will be putting together a new master plan and performing the necessary environmental assessment work during the coming months. They will work to bring the present crash, fire, and rescue station into compliance or build a new one. In addition, they will possibly break ground on the runway extension, taxiway, and associated lights and navigational aids as early as next spring, depending on the availability of discretionary money. This certainly is an improvement from only a few weeks ago. I am confident that the FAA is now fully aware of the safety problems associated with the growth in Idaho Falls and has received some guidance with which to respond to those concerns.

Mr. Chairman, I would like to recognize my fellow Public Works and Transportation Committee members for their hard work on H.R. 5170 and thank them for their continued attention to the Idaho Falls Municipal Airport and other smaller facilities around the Nation.

Mr. BALLENGER. Mr. Chairman, I rise today in support of H.R. 5170, the Aviation Safety and Capacity Expansion Act of 1990.

This legislation is the product of months of hearings and thoughtful consideration. H.R. 5170 authorizes $17.7 billion for development of the Nation's airports, modernizations of the Air Traffic Control System, and operations of the Federal Aviation Administration [FAA].

This measure contains one of the Bush administration's highest transportation priorities the repeal of the prohibition that prevents airports from raising revenues by levying a passenger facility charge [PFC].

The legislation also provides a 1-year extension for the State Block Grant Pilot Program in which participating States administer a grant of Federal AIP funds to general aviation airports. North Carolina is one of the three States selected to participate in this program.

North Carolina is fortunate to have an exceptional aviation director in the North Carolina Department of Transportation who has worked well with the FAA in spearheading this new effort. I am confident the 1-year extension will make a difference in what can be accomplished under the program.

Finally, the Auxiliary Flight Service Station Program language found in H.R. 5170 is a giant step forward in air safety. I commend Mr. OBERSTAR and Mr. CLINGER for including this provison in the bill.

Many areas of the country have unique weather conditions which require local expertise to properly interpret and convey information to pilots. In the mountainous terrain of western North Carolina, the weather conditions can change in a matter of minutes. Having personnel who are knowledgeable of these local conditions will make the critical difference for all who fly in these areas.

At this point, I would like to insert into the RECORD a letter in support of H.R. 5170 from the Aircraft Owners and Pilots Association [AOPA]. AOPA should be commended for its diligent efforts on behalf of the Auxiliary Flight Service Station Program.

I urge my colleagues to support H.R. 5170:

AIRCRAFT OWNERS & PILOTS, ASSOCIATION,
Frederick, MD, July 11, 1990.

Hon. T. CASS BALLENGER,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE BALLENGER: As the House of Representatives prepares to consider H.R. 5170, the Aviation Safety and Capacity Expansion Act of 1990, we are writing to you to request your support for the Auxiliary Flight Service Station program mandated under Section 113 of the legislation.

This important provision was included by Chairman Oberstar and Mr. Clinger, and it has the full support of AOPA and our 300,000 members nationwide. The program would ensure that some of the nation's remaining flight service stations, located in areas of unique weather or operating conditions, would be kept open to supplement the services of the FAA's 61 automated flight service stations.

During his tenure as FAA Administrator, Admiral Donald Engen expressed support for the concept several times in Congressional testimony. We view the program as merely a codification of the concept originally advanced by Admiral Engen when he was Administrator of the FAA.

Admiral Engen testified before the Senate Appropriations Subcommittee on Transportation in January of 1985. He told the Subcommittee, "I am looking at the United States across the board, to look at specific places which have specific weather phenomena, or perhaps operating conditions which indicate a need that local knowledge be expressed. . . . I am looking at keeping some of these flight service stations as adjuncts to the automated flight service stations . . . I would hope that in 1990, for instance, that I will have 52 flight service stations in addition to my 61 automated flight service stations still remaining."

During hearings in April of 1985 before the House Appropriations Subcommittee on Transportation, Admiral Engen stated, "I do believe that there are some existing flight service stations out there that serve a singular purpose. These flight service stations are in the areas such as mountains, valleys, seacoasts, odd places that have very strange meteorological conditions. And I am looking critically at those."

The track record for FAA's flight service modernization program is scandalous. FAA has evidenced bad faith on this issue for years, playing an ongoing shell game with Congress and the users. The Auxiliary Flight Service Station program mandated under Section 113 of the pending reauthorization would be a decisive step to help ensure safety by maintaining a network of flight service stations in areas of unique weather.

Thank you for considering our views.

Sincerely,

JOHN L. BAKER,
President.

Mr. LIGHTFOOT. Mr. Chairman, I rise in support of H.R. 5170, legislation to amend the Airport and Airway Improvement Act of 1982.

I commend the chairman and ranking member of the House Public Works and Transportation Subcommittee on Aviation, Mr. OBERSTAR and Mr. CLINGER for their diligence and hard work to ensure generous authorization levels were included in this bill. I also appreciate the inclusion of the Auxiliary Flight Service Station Program language as part of H.R. 5170. As a pilot and flight instructor, I know my flying constituents stand to gain a great deal of enhanced flying safety from that program.

Mr. Chairman, the Auxiliary Flight Service Station Program is not about saving all of the remaining 143 flight service stations that are awaiting consolidation. However, as we have heard in past testimony to the House Committee on Public Works and Transportation from previous Federal aviation administrators, there are locations in the country—seacoasts and mountain areas for example—where we need on hand more than a piece of automated equipment or an hourly weather observation—we need expertise.

That expertise is provided by the trained professionals who are familiar with the weather in the location they are working.

The Auxiliary Flight Service Station Program language requires the Secretary of the Department of Transportation to report to Congress within 6 months with the plan and schedule for implementation. I look forward to that report and the speedy implementation of the Auxiliary Flight Service Station Program.

I urge my colleagues to support H.R. 5170 and commend the leadership of the committee for a job well done.

Mr. CLINGER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. PICKETT). All time has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title is considered as read.

It is in order to consider the amendment printed in House Report 101-582 by and if offered by the gentleman from New Jersey [Mr. ROE], or his designee. Said amendment is debatable for 30 minutes, equally divided and controlled by the gentleman from New Jersey [Mr. ROE], and the gentleman from Pennsylvania [Mr. WALKER].

The Clerk will designate section 1.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 5170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Aviation Safety and Capacity Expansion Act of 1990".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—AVIATION SAFETY AND CAPACITY EXPANSION

Sec. 101. Declaration of policy.
Sec. 102. Airport improvement program.
Sec. 103. Airway improvement program.
Sec. 104. FAA operations.
Sec. 105. Operation and maintenance of aviation system.
Sec. 106. Weather service.
Sec. 107. Military airport program.
Sec. 108. Passenger facility charges.
Sec. 109. Reduction in airport improvement program apportionments for large and medium hub airports imposing passenger facility charges.
Sec. 110. Use of PFC reduced apportionment funds.
Sec. 111. Small community air service program.
Sec. 112. State block grant pilot program.
Sec. 113. Auxiliary flight service station program.
Sec. 114. Airport and airway improvements for the Virgin Islands.
Sec. 115. Severability.

TITLE II—FEDERAL AVIATION ADMINISTRATION PROCUREMENT REFORM

Sec. 201. Procurement authority.

TITLE I—AVIATION SAFETY AND CAPACITY EXPANSION

SEC. 101. DECLARATION OF POLICY.

Section 502(a) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2201(a)) is amended—

(1) in paragraph (5) by inserting ", including as they may be applied between category and class of aircraft" after "discriminatory practices"; and

(2) in paragraph (13) by inserting "and should not unjustly discriminate between categories and classes of aircraft" after "attempted".

SEC. 102. AIRPORT IMPROVEMENT PROGRAM.

Section 505 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2204) is amended—

(1) in subsection (a) by striking "'13,816,700,000" and inserting '$13,916,700,000"; and

(2) in subsection (b) by striking "September 30, 1987" and inserting "September 30, 1992".

SEC. 103. AIRWAY IMPROVEMENT PROGRAM.

(a) RENAMING OF AIRWAY PLAN.—Section 504(b)(1) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2203(b)(1)) is amended by inserting after the second sentence the following new sentence: "For fiscal year 1991 and thereafter, the revised plan shall be known as the 'Airway Capital Investment Plan'.".

(b) AIRWAY FACILITIES AND EQUIPMENT.—The first sentence of section 506(a)(1) of such Act (49 U.S.C. App. 2205(a)(1)) is amended by striking "September 30, 1981," and all that follows through the period and inserting the following: "September 30, 1990, aggregate amounts not to exceed $2,500,000,000 for fiscal year 1991 and $5,500,000,000 for the fiscal years ending before October 1, 1992.".

SEC. 104. FAA OPERATIONS.

Section 106 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(k) AUTHORIZATION OF APPROPRIATIONS FOR OPERATIONS.—There is authorized to be appropriated for operations of the Administration $4,088,000,000 for fiscal year 1991 and $4,412,600,000 for fiscal year 1992.".

SEC. 105. OPERATION AND MAINTENANCE OF AVIATION SYSTEM.

(a) ELIMINATION OF PENALTY.—Section 506(c)(3)(B)(i) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2205(c)(3)(B)(i)) is amended—

(1) by inserting "and" after "1989"; and

(2) by striking "$3,770,000,000" and all that follows through "1992,".

(b) FUNDING.—Section 506(c) of such Act (49 U.S.C. App. 2205(c)) is amended by adding at the end the following new paragraph:

"(4) FISCAL YEARS 1991–1992.—The amount appropriated from the Trust Fund for the purposes of clauses (A) and (B) of paragraph (1) of this subsection for each of fiscal years 1991 and 1992 may not exceed—

"(A) 75 percent of the amount of funds made available under section 505, subsections (a) and (b) of this section, and section 106(k) of title 49, United States Code, for such fiscal year; less

"(B) the amount of funds made available under section 505 and subsections (a) and (b) of this section for such fiscal year.".

SEC. 106. WEATHER SERVICE.

The second sentence of section 506(d) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2205(d)) is amended—

(1) by striking "and" the first place it appears and inserting a comma; and

(2) by inserting before the period the following: ", $34,521,000 for fiscal year 1991, and $35,389,000 for fiscal year 1992".

SEC. 107. MILITARY AIRPORT PROGRAM.

(a) DECLARATION OF POLICY.—Section 502(a) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2201(a)) is further amended—

(1) by striking "and" at the end of paragraph (12);

(2) by striking the period at the end of paragraph (13) and inserting "; and"; and

(3) by adding at the end the following:

"(14) special emphasis should be placed on the conversion of appropriate former military air bases to civil use and on the identification and improvement of additional joint-use facilities.".

(b) SET-ASIDE.—Section 508(d) of such Act (49 U.S.C. App. 2204(d)) is amended by striking paragraph (5) and inserting the following:

"(5) MILITARY AIRPORT SET-ASIDE.—Not less than 1.5 percent of the funds made available under section 505 in each of fiscal years 1991 and 1992 shall be distributed during such fiscal year to sponsors of current or former military airports designated by the Secretary under subsection (f) for the purpose of developing current and former military airports to improve the capacity of the national air transportation system.

"(6) REALLOCATION.—If the Secretary determines that he will not be able to distribute the amount of funds required to be distributed under paragraph (1), (2), (3), (4), or (5) of this subsection for any fiscal year because the number of qualified applications submitted in compliance with this title is insufficient to meet such amount, the portion of such amount the Secretary determines will not be distributed shall be available for obligation during such fiscal year for other airports and for other purposes authorized by section 505 of this title.".

(c) DESIGNATION OF FORMER MILITARY AIRPORTS.—Section 508 of such Act is further amended by adding at the end the following new subsection:

"(f) DESIGNATION OF CURRENT OR FORMER MILITARY AIRPORTS.—

"(1) DESIGNATION.—The Secretary shall designate not more than 8 current or former military airports for participation in the grant program established under subsection (d)(5) and this subsection. At least 2 such airports shall be designated within 6 months after the date of the enactment of this subsection and the remaining airports shall be designated for participation no later than September 30, 1992.

"(2) SURVEY.—The Secretary shall conduct a survey of current and former military airports to identify which ones have the greatest potential to improve the capacity of the national air transportation system. The survey shall also identify the capital development needs of such airports in order to make them part of the national air transportation system and shall identify which capital development needs are eligible for grants under section 505. The survey shall be completed by September 30, 1991.

"(3) LIMITATION.—In selecting airports for participation in the program established under subsection (d)(5) and this subsection and in conducting the survey under paragraph (2), the Secretary shall consider only those current or former military airports whose conversion in whole or in part to civilian commercial use as part of the national air transportation system would enhance airport and air traffic control system capacity in major metropolitan areas and reduce current and projected flight delays.

"(4) PERIOD OF ELIGIBILITY.—An airport designated by the Secretary under this subsection shall remain eligible to participate in the program under subsection (d)(5) and this subsection for the 5 fiscal years following such designation. An airport that does not attain a level of enplaned passengers during such 5 fiscal year period which qualifies it as a small hub airport as defined as of January 1, 1990, may be redesignated by the Secretary for participation in the program for such additional fiscal years as may be determined by the Secretary.

"(5) ADDITIONAL FUNDING.—Notwithstanding the provisions of section 513(b), not to exceed $5,000,000 per airport of the sums to be distributed at the discretion of the Secretary under section 507(c) for any fiscal year may be used by the sponsor of a current or former military airport designated by the Secretary under this subsection for construction, improvement, or repair of terminal building facilities, including terminal gates used by aircraft for enplaning and deplaning revenue passengers. Under no circumstances shall any gates constructed, improved, or repaired with Federal funding under this paragraph be subject to long-term

leases for periods exceeding 10 years or majority in interest clauses.".

SEC. 108. PASSENGER FACILITY CHARGES.

Section 1113 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1513) is amended—

(1) in subsection (a) by inserting "except as provided in subsection (e) and" before "except that"; and

(2) by adding at the end the following new subsection:

"(e) AUTHORITY FOR IMPOSITION OF PASSENGER FACILITY CHARGES.—

"(1) IN GENERAL.—Subject to the provisions of this subsection, the Secretary may grant a public agency which controls a commercial service airport authority to impose a fee of $1.00, $2.00, or $3.00 for each paying passenger of an air carrier enplaned at such airport to finance eligible airport-related projects to be carried out in connection with such airport or any other airport which such agency controls. For purposes of this subsection, financing an eligible airport-related project includes making payments for debt service on bonds and other indebtedness incurred to carry out such project.

"(2) USE OF REVENUES AND RELATIONSHIP BETWEEN FEES AND REVENUES.—The Secretary may grant a public agency which controls a commercial service airport authority to impose a fee under this subsection to finance specific projects only if the Secretary finds, on the basis of an application submitted for such authority—

"(A) that the amount and duration of the proposed fee will result in revenues (including interest and other returns on such revenues) which do not exceed amounts necessary to finance the specific projects; and

"(B) that each of the specific projects is an eligible airport-related project which will—

"(i) preserve or enhance capacity, safety, or security of the national air transportation system,

"(ii) reduce noise resulting from an airport which is part of such system, or

"(iii) furnish opportunities for enhanced competition between or among air carriers.

"(3) LIMITATION REGARDING PASSENGERS OF AIR CARRIERS RECEIVING ESSENTIAL AIR SERVICE COMPENSATION.—If a passenger of an air carrier is being provided air service to an eligible point under section 419 for which compensation is being paid under such section, a public agency which controls any other airport may not impose a fee pursuant to this subsection for enplanement of such passenger with respect to such air service.

"(4) LIMITATION REGARDING OBLIGATIONS.—No fee may be imposed pursuant to this subsection for a project which is not approved by the Secretary under this subsection on or before September 30, 1992—

"(A) if, during fiscal years 1991 and 1992, the amount available for obligation, in the aggregate, under section 505 of Airport and Airway Improvement Act of 1982 is less than $3,700,000,000; or

"(B)(i) if, during fiscal year 1991, the amount available for obligation, in the aggregate, under section 419 is less than $26,600,000; or

"(ii) if, during fiscal year 1992, the amount available for obligation, in the aggregate, under section 419 is less than $38,600,000.

"(5) TWO ENPLANEMENTS PER TRIP LIMITATION.—Enplaned passengers on whom a fee may be imposed by a public agency pursuant to this subsection include passengers of air carriers originating or connecting at the commercial service airport which the agency controls. A fee may not be collected pursuant to this subsection from a passenger with respect to any enplanement of such passenger, on a one-way trip and on a trip in each direction of a round trip, after the second enplanement for which a fee has been collected pursuant to this subsection from such passenger.

"(6) TREATMENT OF REVENUES.—Revenues derived from collection of a fee by a public agency pursuant to this subsection shall not be treated as airport revenues for the purposes of any contract between such agency and an air carrier.

"(7) EXCLUSIVITY OF AUTHORITY.—No State or political subdivision or agency thereof which is not a public agency controlling a commercial service airport shall prohibit, limit, or regulate the imposition of fees by the public agency pursuant to this subsection, collection of such fees, or use of revenues derived therefrom. No contract between an air carrier and a public agency which controls a commercial service airport entered into before, on, or after the date of the enactment of this subsection shall affect the authority of the public agency to impose fees pursuant to this subsection and to use the revenues derived from such fees in accordance with this subsection.

"(8) NONEXCLUSIVITY OF CONTRACTUAL AGREEMENTS.—No project carried out through the use of a fee collected pursuant to this subsection may be subject to an exclusive long-term lease or use agreement of an air carrier, as defined by the Secretary by regulation. Any lease or use agreement of an air carrier with respect to a facility constructed or expanded through the use of such fee may not contain or be subject to any term or condition which restricts the public agency which controls the airport from funding, developing, or assigning new capacity at the airport.

"(9) COLLECTION AND HANDLING OF FEES BY AIR CARRIERS.—The regulations issued by the Secretary to carry out this subsection shall—

"(A) require air carriers and their agents to collect fees imposed by public agencies pursuant to this subsection;

"(B) establish procedures regarding handling and remittance of the amounts so collected;

"(C) ensure that such amounts are promptly paid to the public agency for which they are collected less a uniform amount determined by the Secretary as reflecting average necessary and reasonable expenses (net of interest accruing to the air carrier and agent after collection and prior to remittance) incurred in the collection and handling of such fees; and

"(D) require that the amount of fees collected pursuant to this subsection with respect to any air transportation be noted on the ticket for such air transportation.

"(10) APPLICATION PROCESS.—

"(A) SUBMISSION.—A public agency which controls a commercial service airport and is interested in imposing a fee pursuant to this subsection shall submit to the Secretary an application for authority to impose such fee.

"(B) CONTENT.—An application submitted under this paragraph shall contain such information and be in such form as the Secretary may require by regulation.

"(C) OPPORTUNITY FOR CONSULTATION.—Before submission of an application under this paragraph, the public agency must provide reasonable notice to, and an opportunity for consultation with, air carriers operating at the airport.

"(D) NOTICE AND OPPORTUNITY FOR COMMENT.—After receiving an application under this paragraph, the Secretary shall provide notice and an opportunity for comment by air carriers and other interested persons concerning such application.

"(E) APPROVAL.—A fee may only be imposed pursuant to this subsection if the Secretary approves an application granting authority for the imposition of such fee. Not later than 120 days after the date of receipt of such an application, the Secretary shall make a final decision regarding approval of such application.

"(11) RECORDKEEPING AND AUDITS.—

"(A) WITH RESPECT TO COLLECTION OF FEES.—The Secretary shall issue regulations requiring such recordkeeping and auditing of accounts maintained by an air carrier and any agency thereof which is collecting a fee imposed pursuant to this subsection and by the public agency which is imposing such fee as may be necessary to ensure compliance with this subsection.

"(B) WITH RESPECT TO USE OF REVENUES.—The Secretary shall periodically audit and review the use by a public agency which controls an airport of revenues derived from a fee imposed pursuant to this subsection. Upon such review and after a public hearing, the Secretary may terminate the authority of such agency to impose such fee, in whole or in part, to the extent the Secretary determines that revenues derived therefrom are not being used in accordance with this subsection.

"(C) SET-OFF.—If the Secretary determines that a fee imposed pursuant to this subsection is excessive or that the revenues derived from such fee are not being used in accordance with this subsection, the Secretary may set off such amounts as may be necessary to ensure compliance with this subsection against amounts otherwise payable to the public agency under the Airport and Airway Improvement Act of 1982.

"(12) TERMS AND CONDITIONS.—Authority granted to impose a fee pursuant to this subsection shall be subject to such terms and conditions as the Secretary may establish to carry out the objectives of this subsection.

"(13) ISSUANCE OF REGULATIONS.—Not later than 180 days after the date of the enactment of this subsection, the Secretary shall issue such regulations as may be necessary to carry out this subsection. Such regulations may prescribe the time and form by which a fee imposed pursuant to this subsection shall take effect.

"(14) DEFINITIONS.—For purposes of this subsection, the following definitions apply:

"(A) AIR CARRIER.—The term 'air carrier' includes a foreign air carrier.

"(B) AIRPORT, COMMERCIAL SERVICE AIRPORT, AND PUBLIC AGENCY.—The terms 'airport', 'commercial service airport', and 'public agency' have the meaning such terms have under section 503 of the Airport and Airway Improvement Act of 1982.

"(C) ELIGIBLE AIRPORT-RELATED PROJECT.—The term 'eligible airport-related project' means—

"(i) a project for airport development under the Airport and Airway Improvement Act of 1982;

"(ii) a project for airport planning under such Act;

"(iii) a project for terminal development described in section 513(b) of such Act;

"(iv) a project for airport noise capability planning under section 103(b) of the Aviation Safety and Noise Abatement Act of 1979;

"(v) a project to carry out noise compatibility measures which are eligible for assistance under section 104 of the Aviation Safety and Noise Abatement Act of 1979 without regard to whether or not a program

has been approved for such measures under such section; and

"(vi) a project for construction of gates and related areas at which passengers are enplaned or deplaned.

"(D) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.".

SEC. 109. REDUCTION IN AIRPORT IMPROVEMENT PROGRAM APPORTIONMENTS FOR LARGE AND MEDIUM HUB AIRPORTS IMPOSING PASSENGER FACILITY CHARGES.

Section 507(b) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2206(b)) is amended by adding at the end the following new paragraph:

"(7) REDUCTION IN APPORTIONMENTS TO CERTAIN LARGE AND MEDIUM HUBS.—

"(A) GENERAL RULE.—The amount which, but for this paragraph, would be apportioned under this section for a fiscal year to a sponsor of an airport that annually has 0.25 percent or more of the total annual enplanements in the United States and for which a fee is imposed in such fiscal year pursuant to section 1113(e) of the Federal Aviation Act of 1958 shall be reduced by an amount equal to 50 percent of the projected revenues derived from such fee in such fiscal year.

"(B) LIMITATION.—The maximum reduction in an apportionment to a sponsor of an airport as a result of this paragraph in a fiscal year shall be 50 percent of the amount which, but for this paragraph, would be apportioned to such airport under this section.".

SEC. 110. USE OF PFC REDUCED APPORTIONMENT FUNDS.

(a) ADDITION OF FUNDS TO EXISTING DISCRETIONARY FUND.—Section 507(c)(1) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2206(c)(1)) is amended by inserting after the first sentence the following new sentence: "Twenty-five percent of the amounts which are not apportioned under this section as a result of subsection (b)(7) shall be added to such discretionary fund.".

(b) SMALL AIRPORT FUND.—Section 507 of such Act is amended by redesignating subsections (d) and (e), and any references thereto, as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

"(d) SMALL AIRPORT FUND.—

"(1) ESTABLISHMENT.—Seventy-five percent of the amounts which are not apportioned under this section as a result of subsection (b)(7) shall constitute a small airport fund to be distributed at the discretion of the Secretary.

"(2) SET-ASIDE FOR GENERAL AVIATION AIRPORTS.—One-third of the amounts in the small airport fund established by this subsection and distributed by the Secretary under this subsection in a fiscal year shall be used for making grants to sponsors of public-use airports (other than commercial service airports) for any purpose for which funds are made available under section 505.

"(3) SET-ASIDE FOR NONHUB AIRPORTS.—Two-thirds of the amounts in the small airport fund established by this subsection and distributed by the Secretary under this subsection in a fiscal year shall be used for making grants to sponsors of commercial service airports each of which annually has less than 0.05 percent of the total annual enplanements in the United States for any purpose for which funds are made available under section 505.".

(c) PROHIBITION ON REDUCED FUNDING.—It is the sense of Congress that the Secretary should not reduce funding under the discretionary fund established under section 507(c) of the Airport and Airway Improvement Act of 1982 for small commercial service and general aviation airports as a result of additional funds made available to such airports under this section, including amendments made by this section.

SEC. 111. SMALL COMMUNITY AIR SERVICE PROGRAM.

(a) DEFINITION OF ELIGIBLE POINT.—Section 419(a) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1389(a)) is amended to read as follows:

"(a) ELIGIBLE POINT DEFINED.—

"(1) GENERAL RULE.—For purposes of this section, the term 'eligible point' means any point in the United States—

"(A) which was defined as an eligible point under this section as in effect before October 1, 1988;

"(B) which received scheduled air transportation at any time after January 1, 1990; and

"(C) which is not listed in the Department of Transportation Orders 89-9-37 and 89-12-52 as being a point no longer eligible for compensation under this section.

"(2) LIMITATION ON USE OF PER PASSENGER SUBSIDY.—The Secretary may not determine that a point described in paragraph (1) is not an eligible point on the basis of the per passenger subsidy at the point or on any other basis not specifically set forth in this section.".

(b) FUNDING.—

(1) IN GENERAL.—Section 419 of such Act is amended by redesignating subsection (l), and any reference thereto, as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) FUNDING.—

"(1) CONTRACT AUTHORITY.—The Secretary is authorized to enter into agreements and to incur obligations from the Airport and Airway Trut Fund for the payment of compensation under this section. Approval by the Secretary of such an agreement shall be deemed a contractual obligation of the United States for payment of the Federal share of such compensation.

"(2) AMOUNTS AVAILABLE.—There shall be available to the Secretary from the Airport and Airway Trust Fund to incur obligations under this section $38,600,000 per fiscal year for each of fiscal years 1992, 1993, 1994, 1995, 1996, 1997, and 1998. Such amounts shall remain available until expended.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect October 1, 1991.

(c) CONFORMING AMENDMENTS.—Section 333 of Public Law 100-457 and section 325(a) of Public Law 101-164 are repealed.

SEC. 112. STATE BLOCK GRANT PILOT PROGRAM.

Section 534 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2227) is amended—

(1) in subsection (a) by striking "1991" and inserting "1992"; and

(2) in subsection (d) by striking "not later than 90 days before its scheduled termination" and inserting "not later than January 31, 1992".

SEC. 113. AUXILIARY FLIGHT SERVICE STATION PROGRAM.

(a) GENERAL RULE.—The Secretary of Transportation shall develop and implement a system of manned auxiliary flight service stations. The auxiliary flight service stations shall supplement the services of the planned consolidation to 61 automated flight service stations under the flight service station modernization program. Auxiliary flight service stations shall be located in areas of unique weather or operational conditions which are critical to the safety of flight.

(b) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Transportation shall report to Congress with the plan and schedule for implementation of this section.

SEC. 114. AIRPORT AND AIRWAY IMPROVEMENTS FOR THE VIRGIN ISLANDS.

(a) AIR SPACE STUDY.—The Administrator of the Federal Aviation Administration shall conduct an air space study of the Caribbean and Miami air traffic control regions for the purpose of determining methods of improving air safety and report to Congress the results of such study.

(b) OPERATIONS OF AIRPORT TOWERS FOR ST. THOMAS AND ST. CROIX.—The Administrator may not enter into contracts with private persons for operation of the airport control towers for St. Thomas and St. Croix, Virgin Islands, before the 30th day following the date on which a report is submitted to Congress under subsection (a).

(c) REPLACEMENT OF RADAR FACILITIES FOR ST. THOMAS.—The Administrator shall take such action as may be necessary to ensure that the radar facilities for the airport on St. Thomas, Virgin Islands, which were destroyed by Hurricane Hugo are replaced and operational by the 120th day following the date of the enactment of this Act.

SEC. 115. SEVERABILITY.

If any provision of this Act (including an amendment made by this Act), or the application thereof to any person or circumstance, is held invalid, the remainder of this Act and the application of such provision to other persons of circumstances shall not be affected thereby.

TITLE II—FEDERAL AVIATION ADMINISTRATION PROCUREMENT REFORM

SEC. 201. PROCUREMENT AUTHORITY.

(a) IN GENERAL.—Section 303 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1344) is amended to read as follows:

"SEC. 303. PROCUREMENT AUTHORITY.

"(A) ACQUISITION AND DISPOSAL OF PROPERTY.—Subject to subsection (b), the Administrator, on behalf of the United States, is authorized, where appropriate—

"(1) within the limits of available appropriations made by the Congress therefor, to acquire by purchase, condemnation, lease for a term not to exceed 20 years, or otherwise, personal property or services and real property or interests therein, including, in the case of air navigation facilities (including airports) owned by the United States and operated under the direction of the Administrator, easements through or other interests in airspace immediately adjacent thereto and needed in connection therewith;

"(2) for adequate compensation, by sale, lease, or otherwise, to dispose of any real or personal property or interest therein; except that, other than for airport and airway property and technical equipment used for the special purposes of the Federal Aviation Administration, such disposition shall be made in accordance with the Federal Property and Administrative Services Act of 1949; and

"(3) to construct, improve, or renovate laboratories and other test facilities and to purchase or otherwise acquire real property required therefor.

"(b) SPECIAL RULES FOR CERTAIN ACQUISITIONS.—

"(1) ACQUISITIONS BY CONDEMNATION.—Any acquisition by condemnation under subsection (a) may be made in accordance with

the provision of the Act of August 1, 1888 (40 U.S.C. 257; 25 Stat. 357), the Act of February 26, 1931 (40 U.S.C. 258a-258e-1; 46 Stat. 1421), or any other applicable Act; except that, in the case of condemnations of easements through or other interests in airspace, in fixing condemnation awards, consideration may be given to the reasonable probably future use of the underlying land.

"(2) ACQUISITIONS OF PUBLIC BUILDINGS.—The Administrator may, under subsection (a) construct or acquire by purchase, condemnation, or lease a public building, or interest in a public building (as defined in section 13 of the Public Buildings Act of 1959 (40 U.S.C. 612)) only under a delegation of authority from the Administrator of General Services.

"(c) PROCUREMENT PROCEDURES.—In procuring personal property or services and real property and interests therein under subsection (a), the Administrator may use procedures other than competitive procedures in circumstances which are set forth in section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)).

"(d) SOLE SOURCE APPROVAL BY ADMINISTRATOR.—For procurements by the Federal Aviation Administration, the Administrator shall be the senior procurement executive referred to in paragraph (3) of section 16 of Office of Federal Procurement Policy Act (41 U.S.C. 414) for the purposes of approving the justification for the use of noncompetitive procedures required under section 303(f)(1)(B)(iii) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)(B)(iii)).

"(e) MULTIYEAR SERVICE CONTRACTS.—

"(1) IN GENERAL.—Notwithstanding section 1341(a)(1)(B) of title 31, United States Code, the Administrator may enter into contracts for periods of not more than 5 years for the following types of services (and items of supply related to such services) for which funds would otherwise be available for obligation only within the fiscal year for which appropriated—

"(A) operation, maintenance, and support of facilities and installations;

"(B) operation, maintenance, or modification of aircraft, vehicles, and other highly complex equipment;

"(C) specialized training necessitating high quality instructor skills (for example, pilot and aircrew members; foreign language training); and

"(D) base services (for example, ground maintenance, in-plane refueling; bus transportation; refuse collection and disposal).

"(2) FINDINGS.—The Administrator may enter into a contract described in paragraph (1) only if the Administrator finds that—

"(A) there will be a continuing requirement for the services consonant with current plans for the proposed contract period;

"(B) the furnishing of such services will require a substantial initial investment in plant or equipment, or the incurrence of substantial contingent liabilities for the assembly, training, or transportation of a specialized workforce; and

"(C) the use of such a contract will promote the best interests of the United States by encouraging effective competition and promoting economies in operation.

"(3) GUIDANCE PRINCIPLES.—In entering into contracts described in paragraph (1), the Administrator shall be guided by the following principles:

"(A) The portion of the cost of any plant or equipment amortized as a cost of contract performance should not exceed the ratio between the period of contract performance and the anticipated useful commercial life of such plant or equipment. Useful commercial life, for this purpose, means the commercial utility of the facilities rather than the physical life thereof, the due consideration given to such factors as location of facilities, specialized nature thereof, and obsolescence.

"(B) Consideration shall be given to the desirability of obtaining an option to renew the contract for a reasonable period not to exceed 3 years, at prices not to include charges for plant, equipment, and other nonrecurring costs, already amortized.

"(C) Consideration shall be given to the desirability of reserving in the Federal Aviation Administration the right, upon payment of the unamortized portion of the cost of the plant or equipment, to take title thereto under appropriate circumstances.

"(4) TERMINATION.—In the event funds are not made available for the continuation of a contract described in paragraph (1) into a subsequent fiscal year, the contract shall be canceled or terminated, and the costs of cancellation or termination may be paid from—

"(A) appropriations originally available for the performance of the contract concerned;

"(B) appropriations currently available for procurement of the type of services concerned, and not otherwise obligated; or

"(C) funds appropriated for those payments.

"(f) MULTIYEAR PROPERTY ACQUISITION CONTRACTS.—

"(1) IN GENERAL.—Notwithstanding section 1341(a)(1)(B) of title 31, United States Code, to the extent that funds are otherwise available for obligation, the Administrator may make multiyear contracts (other than contracts described in paragraph (6)) for the purchase of property, whenever the Administrator finds—

"(A) that the use of such a contract will promote the safety or efficiency of the National Airspace System and will result in reduced total costs under the contract;

"(B) that the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities;

"(C) that there is a reasonable expectation that throughout the contemplated contract period the Administrator will request funding for the contract at the level required to avoid contract cancellation;

"(D) that there is a stable design for the property to be acquired and that the technical risks associated with such property are not excessive; and

"(E) that the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

"(2) REGULATIONS.—

"(A) GENERAL RULE.—The Administrator shall issue regulations for acquisition of property under this subsection to promote the use of multiyear contracting as authorized by paragraph (1) in a manner that will allow the most efficient use of multiyear contracting.

"(B) CANCELLATION PROVISIONS.—The regulations issued under this paragraph may provide for cancellation provisions in multiyear contracts described in paragraph (1) to the extent that such provisions are necessary and in the best interests of the United States. Such cancellation provisions may include consideration of both recurring and nonrecurring costs of the contractor associated with the production of the items to be delivered under the contract.

"(C) BROADENING INDUSTRIAL BASE.—In order to broaden the aviation industrial base, the regulations issued under this paragraph shall provide that, to the extent practicable—

"(i) multiyear contracting under paragraph (1) shall be used in such a manner as to seek, retain, and promote the use under such contracts of companies that are subcontractors, vendors, or suppliers; and

"(ii) upon accrual of any payment or other benefit under such a multiyear contract to any subcontract, vendor, or supplier company participating in such contractor, such payment or benefit shall be delivered to such company in the most expeditious manner practicable.

"(D) PROTECTION OF FEDERAL INTERESTS.—The regulations issued under this paragraph shall also provide that, to the extent practicable, the administration of this subsection, and of the regulations issued under this subsection, shall not be carried out in a manner to preclude or curtail the existing ability of the Federal Aviation Administration to—

"(i) provide for competition in the production of items to be delivered under such a contract; or

"(ii) provide for termination of a prime contract the performance of which is deficient with respect to cost, quality, or schedule.

"(3) SPECIAL RULE FOR CONTRACTS WITH HIGH CANCELLATION CEILING.—Before any contract described in paragraph (1) that contains a clause setting forth a cancellation ceiling in excess of $100,000,000 may be awarded, the Administrator shall give written notification of the proposed contract and of the proposed cancellation ceiling for that contract to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives, and such contract may not then be awarded until the end of a period of 30 days beginning on the date of such notification.

"(4) ADVANCE PROCUREMENT.—Contracts made under this subsection may be used for the advance procurement of components, parts, and materials necessary to the manufacture of equipment to be used in the National Airspace System, and contracts may be made under this subsection for such advance procurement, if feasible and practicable, in order to achieve economic-lot purchases and more efficient production rates.

"(5) TERMINATION.—In the event funds are not made available for the continuation of a contract made under this subsection into a subsequent fiscal year, the contract shall be canceled or terminated, and the costs of cancellation or termination may be paid from—

"(A) appropriations originally available for the performance of the contract concerned;

"(B) appropriations currently available for procurement of the type of property concerned, and not otherwise obligated; or

"(C) funds appropriated for those payments.

"(6) LIMITATION ON APPLICABILITY.—This subsection does not apply to contracts for the construction, alteration, or major repair or improvements to real property or contracts for the purchase of property to which section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) applies.

"(7) MULTIYEAR CONTRACT DEFINED.—For the purposes of this subsection, a multiyear con-

tract is a contract for the purchase of property or services for more than 1, but not more than 5, fiscal years. Such a contract may provide that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds and (if it does so provide) may provide for a cancellation payment to be made to the contractor if such appropriations are not made.

"(8) PRICE OPTIONS.—The Administrator may incorporate into a proposed multiyear contract negotiated priced options for varying the quantities of end items to be procured over the period of the contract.".

(b) CONFORMING AMENDMENT.—The portion of the table of contents contained in the first section of such Act relating to section 303 is amended to read as follows:

Sec. 303. Procurement authority.
"(a) Acquisition and disposal of property.
"(b) Special rules for acquisitions.
"(c) Procurement procedures.
"(d) Sole source approval by Administrator.
"(e) Multiyear service contracts.
"(f) Multiyear property acquisition contracts.".

□ 1840

The CHAIRMAN pro tempore (Mr. PICKETT). Are there amendments?

AMENDMENT OFFERED BY MR. NOWAK

Mr. NOWAK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NOWAK: In the matter proposed to be added by section 107(c) of the bill to section 508 of the Airport and Airway Improvement Act of 1982 as subsection (f)(3), strike "use" and insert "or relieve airport".

In the matter proposed to be added by section 107(c) of the bill to section 508 of the Airport and Airway Improvement Act of 1982 as subsection (f)(4), after "1990," insert "or reliever airport".

Mr. NOWAK. Mr. Chairman, during markup before the Public Works Committee, I sponsored an amendment concerning joint use and reuse of military airports. That provision requires that not less than 1.5 percent of annual AIP funding allocations in fiscal year 1991 and 1992 be designated for the purposes of developing current and former military airports into civil airports in order to improve the capacity of the national air transportation system. Under the legislation, the Secretary is directed to designate eight current or former militatry airports for participation in this program.

Since the adoption of my amendment, there has been concern expressed that as the language is written, that only those military airports to be converted to civilian commercial use could be considered for funding. Potential reliever airports could not be considered.

To clarify definitions, a reliever airport is a viable alternative airport for business jets, turboprops, and other light aircraft in metropolitan areas. A specific reliever airport is always associated with a specific major commercial airport. In fact, for planning and development purposes, the FAA considers the reliever an extension of the larger airport.

Today I am offering language that will clarify that potential reliever airports should be considered when the Secretary designates his list of eight airports. Potential reliever airports should be eligible under this new grant program for the following reasons:

First, relievers effectively add capacity to commercial service airports by drawing away general aviation traffic.

Second, adding a reliever airport may be the most cost-effective way—or the only way—of adding capacity to a commercial service airport.

Third, reliever airports of today often become the commercial airports of tomorrow. Thus, it is imperative that we not lose any potential relievers from the lists of closing military airfields. These airfields cannot wait for funding. There must be timely and adequate funding or they may become shopping centers or other nonaviation facilities.

Potential reliever airports would only be eligible for funding under this program if the Secretary determined their capacity potential outweighed the potential of directly converting a military airfield to a commercial use airport.

I urge my colleagues to support this amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. NOWAK. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I want to commend the gentleman for this amendment. I think he has recognized a use that can and should be made of the military airport that otherwise might be totally decommissioned and not used for a very useful purpose. When we have the capacity problems that we have in this country, it would be a crime not to make this dual use of these already existing facilities. We have examined the amendment and think this is an excellent amendment and support it.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. NOWAK. I yield to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I too support the amendment. This represents a minor, but constructive, adjustment to the new program established by the bill for civil development of former or current military airports. The amendment will give the Administrator discretion to select military airfields that could serve as reliever airports, in addition to those that would serve as commercial service airports. Reliever airports are very critical to enhancing the Nation's airport capacity, and including this concept in this new program will certainly benefit airport capacity. I urge support of the amendment.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. NOWAK. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, the gentleman has done a great service in bringing to the committee this amendment which was adopted in committee consideration, and the further refinement to clarify and make sure at least one or more of the eight military airports could be designated as a reliever airport is a necessary refinement, clarifies what the committee intended to do in supporting the gentleman's amendment.

I am happy to support this amendment.

Mr. NOWAK. Mr. Chairman, I ask passage of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. NOWAK].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROE

Mr. ROE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE: At the end of the bill, insert the following new title:

TITLE —FEDERAL AVIATION ADMINISTRATION RESEARCH, ENGINEERING, AND DEVELOPMENT AUTHORIZATION ACT OF 1990

SECTION . SHORT TITLE.

This act may be cited as the "Federal Aviation Administration Research, Engineering, and Development Authorization Act of 1990".

SEC. . AVIATION RESEARCH AUTHORIZATION OF APPROPRIATIONS.

Paragraph (2) of section 506(b) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2205(b)(2)) is amended by striking subparagraph (A) and all that follows through the period at the end of such paragraph and inserting the following:

"(A) for fiscal year 1991—

"(i) $131,800,000 solely for air traffic control projects and activities;

"(ii) $19,100,000 solely for air traffic control advanced computer projects and activities;

"(iii) $3,400,000 solely for navigation projects and activities;

"(iv) $9,700,000 solely for aviation weather projects and activities;

"(v) $16,500,000 solely for aviation medicine projects and activities;

"(vi) $70,100,000 solely for aircraft safety projects and activities; and

"(vii) $4,400,000 solely for environmental projects and activities; and

"(B) for fiscal year 1992—

"(i) $137,800,000 solely for air traffic control projects and activities;

"(ii) $19,100,000 solely for air traffic control advanced computer projects and activities;

"(iii) $3,400,000 solely for navigation projects and activities;

"(iv) $9,700,000 solely for aviation weather projects and activities;

"(v) $16,500,000 solely for aviation medicine projects and activities;

"(vi) $76,100,000 solely for aircraft safety projects and activities; and

"(vii) $5,400,000 solely for environmental projects and activities.

Not less than 3 percent of the funds made available under this paragraph for a fiscal year shall be available to the Administrator for making grants under section 312(g) of the Federal Aviation Act of 1958.".

SEC. . WEATHER SERVICES.

Section 506(d) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2205(d)) is amended by striking the second sentence and inserting the following: "Expenditures for the purposes of carrying out this subsection shall be limited to $34,521,000 for fiscal year 1991 and $35,389,000 for fiscal year 1992.".

SEC. . AVIATION RESEARCH GRANT AND CONSORTIUM PROGRAM.

(a) IN GENERAL.—Section 312 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1353) is amended by adding at the end thereof the following new subsection:

"(g) RESEARCH GRANT AND CONSORTIUM PROGRAM.—

"(1) GENERAL AUTHORITY.—The Administrator may make grants to colleges, universities, and nonprofit research organizations (A) to conduct aviation research, and (B) to establish a research consortium, consisting of regional centers of excellence for continuing research into areas deemed by the administrator to be required for the long-term growth of civil aviation.

"(2) APPLICATIONS.—A university, college, or nonprofit organization interested in receiving a grant under this subsection may submit to the Administrator an application for such grant. Such application shall be in such form and contain such information as the Administrator may require.

"(3) SELECTION.—The Administrator shall establish a solicitation, review, and evaluation process that ensures (A) the funding under this subsection of proposals having adequate merit and relevancy to the mission of the Federal Aviation Administration, (B) an equitable geographical distribution of grant funds under this subsection, and (C) the inclusion of historically black colleges and universities and other minority institutions for funding consideration under this subsection.

"(4) RECORDS.—Each person awarded a grant under this subsection shall maintain such records as the Administrator may require as being necessary to facilitate an effective audit and evaluation of the use of grant funds.

"(5) REPORTS.—The Administrator shall make an annual report to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the research grant program conducted under this subsection.".

"(b) CONFORMING AMENDMENT.—That portion of the table of contents contained in the first section of such Act which appears under the heading:

"Sec. 312. Development planning."

is amended by adding at the end the following:

"(g) Research grant and consortium program.".

SEC. . STUDY BY THE GENERAL ACCOUNTING OFFICE OF MULTIYEAR CONTRACTING AUTHORITY.

The Comptroller General of the United States shall conduct a study of the advisability of granting to the Administrator of the Federal Aviation Administration specific statutory authority—

(1) to lease real property or interests therein for terms not to exceed 20 years, including, in the case of air navigation facilities and airports (as such terms are defined in section 101 (8) and (9) of the Federal Aviation Act of 1958) owned by the United States and operated under the direction of the Administrator, easements through or other interests in airspace immediately adjacent thereto and in connection therewith;

(2) to procure personal property or services and real property and interests therein with procedures other than competitive procedures under section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c));

(3) to serve as the senior procurement executive under section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. 414) for the purpose of approving the justification for the use of noncompetitive procedures required under section 303(f)(1)(B)(iii) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)(B)(iii));

(4) to let multiyear contracts for services, including the operation, maintenance, and support of facilities and installations; the operation, maintenance, and modification of aircraft, vehicles, and other highly complex equipment; specialized training necessitating high quality instructor skills; and base services; and

(5) to let multiyear contracts for the purchase of property.

The study also shall examine the implementation of section 2306 (g) and (h) of title 10, United States Code, by the Department of Defense, and shall assess the usefulness of granting similiar authority to the Federal Aviation Administration. The Comptroller General shall submit a report on the results of the study, along with any comments of the Administrator of the Federal Aviation Administration, to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate within 6 months after the date of enactment of this Act.

SEC. . BUY-AMERICAN REQUIREMENT.

(a) DETERMINATION BY ADMINISTRATOR.—If the Federal Aviation Administration, with the concurrence of the Secretary of Commerce and the United States Trade Representative, determines that the public interest so requires, the Administration is authorized to award to a domestic firm a contract made pursuant to the issuance of any grant made under this Act that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 51 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent.

In determining under this subsection whether the public interest so requires, the Administration shall take into account United States international obligations and trade relations.

(b) LIMITED APPLICATION.—This section shall not apply to the extent to which—

(1) such applicability would not be in the public interest;

(2) compelling national security considerations require otherwise; or

(3) the United States Trade Representative determines that such an award would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(c) LIMITATION.—This section shall apply only to contracts made related to the issuance of any grant made under this Act for which—

(1) amounts are authorized by this Act (including the amendments made by this Act) to be made available; and

(2) solicitations for bids are issued after the date of the enactment of this Act.

(d) REPORT TO CONGRESS.—The Administration shall report to the Congress on contracts covered under this section and entered into with foreign entities in fiscal years 1990 and 1991 and shall report to the Congress on the number of contracts that meet the requirements of subsection (a) but which are determined by the United States Trade Representative to be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party. The Administration shall also report to the Congress on the number of contracts covered under this Act (including the amendments made by this Act) and awarded based upon the parameters of this section.

(e) DEFINITIONS—For purposes of this section—

(1) the term "Administrator" means the Administrator of the Federal Aviation Administration;

(2) the term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States; and

(3) the term "foreign firm" means a business entity not described in paragraph (2).

Mr. ROE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from New Jersey [Mr. ROE] will be recognized for 15 minutes, and the gentleman from Florida [Mr. LEWIS] will be recognized for 15 minutes.

The Chair recognized the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset, let me say I rise in very strong support of this legislation, and I want to give my regards and compliments both to the gentleman from California [Mr. ANDERSON] and the gentleman from Minnesota [Mr. OBERSTAR] and all the others who have worked so hard, as well as the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from Arkansas [Mr. HAMMERSCHMIDT], our ranking member.

Mr. Chairman, the language I propose adding to H.R. 5170, as title 3, is the text of H.R. 4949, the Federal Aviation Administration Research, Engineering and Development Authoriza-

tion Act of 1990, a bill ordered reported by the Science, Space, and Technology Committee last month. The amendment, drafted as a stand alone act, contains our recommendations for those parts of the Federal Aviation Administration that fall within the jurisdiction of the Science, Space, and Technology Committee, namely, its research, engineering, and development activities.

In offering this amendment I would like to acknowledge the efforts of several members of the Committee on Science, Space, and Technology whose efforts were instrumental in bringing this amendment to the floor today. Mr. TORRICELLI, chairman of the Transportation, Aviation and Materials Subcommittee has been an articulate and effective spokesman for aviation research since assuming that chair earlier this year. This amendment reflects his leadership. Also, Mr. WALKER and Mr. LEWIS, ranking Republicans on the full committee and the Transportation Subcommittee, respectively, contributed their longstanding concern and dedication to air safety in fashioning this amendment.

The amendment contains authorization for appropriation from the trust fund of $255 and $268 million for fiscal years 1991 and 1992 respectively, amounts that are fully justified by the critical long-term needs for improved safety and enhanced capacity in the air transportation system.

The committee found unmet research needs across a wide spectrum of the FAA's activities. I will cite just one example.

Exactly 1 year ago today a United Airlines DC-10 suffered a catastrophic failure of its aft engine, leading to a crash landing at Sioux City, IA. While the majority of the passengers survived the crash, due to the skill of the pilot, 112 people lost their lives in this tragedy.

Subsequent investigation determined that the cause had been an undetected flaw in a vital part of the ill-fated engine. That flaw had existed since the part was manufactured 18 years earlier and had grown slowly over the years, continuing to escape detection, until it caused the engine to explode in flight.

The explosion severed all three of the redundant hydraulic lines which allowed the pilot to control the airplane and led directly to the crash.

This accident pointed out—in a tragic way—the need for expanded research in two areas. First, we clearly need better methods to detect the kind of material flaws that existed in the United DC-10, as well as to understand the effects of age on such flaws. Second, we clearly need better techniques to predict design errors such as this one where all backup capability was wiped away by the same failure that destroyed the primary system.

The amendment I am offering directs expanded research—from $.5 to $15 million—into both of these areas.

Elsewhere in the amendment we also included a modified version of the text of H.R. 2581, a bill that passed the House last year. That bill authorized the FAA to issue grants directly to universities for research projects in areas of interest to the agency. Currently, the only method available for dealing with academic institutions is the lengthy and formal process of awarding a competitive contract.

The new authority would ease this unnecessary burden and would encourage the FAA to make greater use of the talent at our research universities.

Finally, the amendment contains a buy America provision, relating to the FAA Research, Engineering and Development Act of 1990.

Mr. Chairman, the amendment I bring to the floor today represents a bipartisan consensus that the future needs of our air transportation system are important. All indicators point to increased congestion and reduced safety if we do not respond to those needs.

Happily, we have the resources—contributed by the traveling public—to do something before we have a series of additional tragedies.

All we need is the resolve to apply them. The Science Committee amendment is a realistic, long-term plan for doing that.

I strongly urge its adoption.

□ 1850

The CHAIRMAN. The gentleman from Florida (Mr. LEWIS) is recognized for 15 minutes.

Mr. LEWIS OF FLORIDA. Mr. Chairman, I yield myself such time as I may consume.

The pending amendment adding FAA R&D authorization to H.R. 5170 is one of the most far reaching and ambitious ever. It represents a bipartisan effort with strong support from both sides of the aisle.

I congratulate Chairman ROE and ranking member WALKER for their leadership and support in bringing this legislation before the House. I also thank Mr. TORRICELLI, subcommittee chairman, for his work and efforts to produce H.R. 4949, which is the text of this amendment, authorizing the Federal Aviation Administration research, engineering, and development programs for 1991 and 1992.

Contained within the FAA R&D Budget are several new research programs. One is the funding for H.R. 4887, the Aircraft Catastrophic Failure Prevention Research Act of 1990. The act recently passed the House unanimously. The program mandates FAA research to prevent accidents like Sioux City in 1989, and Aloha Airlines in 1988. Both occurred because of undetected cracks two decades old.

The second new program is research in drug and alcohol testing. The incident earlier this year in which Northwest Airline pilots were allowed to fly while intoxicated, as later tests showed, is intolerable.

The flying public is placed at risk because FAA has no research program to scientifically determine and detect safe levels of alcohol, drugs or other substances in pilots and air traffic controllers.

I do not know what the safe levels are but my own analysis of the problem leads me to believe that the only safe level of blood alcohol content for pilots is zero. But only scientific research mandated in this bill, will determine this.

This legislation establishes a research program to accomplish these critical tasks. The flying public must be protected from pilots and air traffic controllers who abuse alcohol and drugs. This research is the first step in providing that protection. The next step will be to enact standards by FAA.

There are other excellent programs and policy direction contained in the bill before us including long-term research programs, enhanced airport security, and new efforts in human factors research.

As you know, the staff are responsible for much of the detailed work necessary to bring this legislation before the House. I would like to recognize the efforts of Steven Alvania, John Doyle, and Tony Taylor on the majority side, and Dave Clement and Gail Giedzinski (pronounced ge-zin-ski) of the minority staff.

I urge my colleagues to support this very good legislation.

Mr. Chairman I reserve the balance of my time.

Mr. ROE. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I thank the gentleman for yielding me this time. Mr. Chairman, my colleague who chairs the Science, Space, and Technology Committee—and who also sits next to me on the Public Works and Transportation Committee—is to be commended, along with Mr. TORRICELLI, Mr. WALKER, AND Mr. LEWIS, for developing the Federal Aviation Administration Research and Development authorization. The amendment offered represents a comprehensive package to continue the R&D programs necessary to further improve the safety and efficiency of our Nation's aviation system.

I want to particularly note the funds dedicated to noise research, aging aircraft, and air traffic control training research. These are all programs of vital interest to the Committee on

Public Works and Transportation, and I applaud the Science and Technology Committee's efforts. I urge adoption of the amendment.

Mr. LEWIS of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of Florida. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I rise in support of the amendment and commend the gentleman from New Jersey [Mr. ROE] and the gentleman from Florida [Mr. LEWIS] and all who had a hand in crafting this amendment. It basically adds a dimension to the bill that we have before us, which is an essential one, that is, the reauthorization of research and development.

I think this also addresses some specific activities which our committee has been very interested in and in which it has similar concerns, such as noise research, tiltrotor technology, aging aircraft, aviation security, human factors, aviation weather, accident prevention research, satellite technology, applications, and a whole host of things which I know the gentleman from New Jersey agrees are mutual concerns of our two committees.

So, Mr. Chairman, I think this is a very excellent addition to the bill, and we certainly support the amendment.

Mr. LEWIS of Florida. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ROE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Jersey [Mr. TORRICELLI], chairman of our Subcommittee on Transportation, Aviation, and Materials.

Mr. TORRICELLI. Mr. Chairman, I rise in support of the amendment offered by my chairman, the gentleman from New Jersey [Mr. ROE].

I would like to thank all those whose hard work brought us to this point, especially Mr. ROE for his leadership. I would also like to commend Mr. WALKER and Mr. LEWIS, ranking Republicans of the full committee and the Transportation, Aviation, and Materials Subcommittee, respectively for their longstanding concern and active involvement with air safety issues.

The Transportation Subcommittee, which I chair, found the administration's request for FAA research failed to address some of the most serious long-range issues facing the public generally and the aviation community in particular.

For example, many Members of Congress face the justifiable and continuing outrage of their constituents who have the misfortune of living in a neighborhood near an airport. Those people would most certainly not judge as adequate an FAA noise program, consisting largely of producing a pamphlet to describe its intricate and confusing method of measuring aircraft noise. Clearly aircraft noise is an unresolved problem, and much more is needed.

This bill directs the FAA to conduct research and to devise supplementary noise prediction techniques so that airport planners and airport communities can work together to reach reasoned agreements. We have also asked FAA to develop models that can simulate the effect of contemplated changes in approach and departure patterns.

The committee is also concerned that the FAA is lagging behind in developing the concepts, air traffic control procedures, and infrastructure needed for a civil version of the tiltrotor aircraft. The bill provides for expanded research on the civilian use of tiltrotor aircraft, a step that will increase system capacity by allowing flights directly from city center to city center. This research will also include determination of the system infrastructure required to support an economically viable tiltrotor fleet.

Other areas where we recommend additional research include alternatives to the thermal neutron analysis [TNA] airport security devices for detecting explosives in checked baggage. The present technology is expensive, heavy, slow, and not able to find small amounts of explosive, such as the bomb used in the Pan Am tragedy.

The bill also requires expanded research into:

Applications of satellite technology, aimed at improving air traffic control functions in the next century.

Advanced ATC automation that could greatly increase system capacity by lessening the current dependence on human controllers.

New controller training technologies and methods that can streamline the current labor intensive system.

Scientifically credible standards for alcohol and drug levels in pilots and controllers.

Human factors—meaning the design of advanced systems that make the best possible use of both human and machine abilities, when integrated together.

Improved dissemination of weather data to enhance safety, and aging aircraft nondestructive inspection technologies.

Mr. Chairman, these are minimum needs if we are to accommodate the expected growth in demand for air travel and the same time maintain, let along improve, the level of safety.

The amendment also authorizes the FAA, for the first time, to award research grants to colleges and universities and to establish centers of excellence for continuing research in areas deemed to be beneficial to the long-term growth of aviation. Currently the FAA, in dealing with academic institutions must award a competitive contract, a much more cumbersome method.

Finally, the amendment calls on the General Accounting Office to evaluate certain proposals for procurement reform—such as multiyear contracting—and to report its findings to the committee.

Mr. Chairman, reporting H.R. 4949 was a bipartisan effort to ensure that the FAA can be appropriated adequate funding to perform the research we all feel is absolutely essential for sustaining and improving our aviation system and its technological infrastructure. Without adequate research, the aviation system will not be able to cope with the forecast traffic demands, will not be able to accommodate the airborne technologies that will be introduced with next generation of aircraft, and will not be able to compete with the rapidly evolving air traffic control systems of many other countries.

We cannot allow that to happen. I urge Members to support adoption of this amendment.

□ 1900

Mr. ROE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. ROE].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer three amendments.

The Clerk read as follows:

Amendments offered by Mr. TRAFICANT: At the end of title I of the bill, add the following new section:

SEC. 116. BUY AMERICA.

(a) GENERAL RULE.—Notwithstanding any other provision of law, the Secretary of Transportation shall not obligate, after the date of enactment of this Act, any funds authorized to be appropriated to carry out this Act, section 106(k) of title 49, United States Code, or the Airport and Airway Improvement Act of 1982 (other than section 506(b)) for any project unless steel and manufactured products used in such project are produced in the United States.

(b) LIMITATIONS ON APPLICABILITY.—The provisions of subsection (a) of this section shall not apply where the Secretary finds—

(1) that their application would be inconsistent with the public interest;

(2) that such materials and products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality;

(3) in the case of the procurement of facilities and equipment under the Airport and Airway Improvement Act of 1982 that (A) the cost of components and subcomponents which are produced in the United States is more than 60 percent of the cost of all components of the facility or equipment described in this paragraph, and (B) final assembly of the facility or equipment described in this paragraph has taken place in the United States; or

(4) that inclusion of domestic material will increase the cost of the overall project contract by more than 25 percent.

(c) CALCULATION OF COMPONENTS COSTS.—For purposes of this section, in calculating components' costs, labor costs involved in final assembly shall not be included in the calculation.

Conform the table of contents of the bill accordingly.

At the end of title I of the bill, add the following new section:

SEC. . PROHIBITION AGAINST FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—If the Secretary of Transportation determines that any person intentionally affixes a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall declare that person ineligible to receive a Federal Contract or Grant in conjunction with the issuance of any contract made under this Act for a period of not less than 3 years and not more than 5 years. The Secretary may bring action against such person to enforce this subsection in any United States district court.

At the end of title I of the bill, add the following new section:

( ) RESTRICTIONS ON CONTRACT AWARDS.—No person or enterprise domiciled or operating under the laws of a foreign government may enter into a contract or subcontract made pursuant to this Act if that government unfairly maintains, in government procurement, a significant and persistent pattern or practice of discrimination against United States products or services which results in identifiable harm to United States businesses, as identified by the President pursuant to section 305(g)(1)(A) of the Trade Agreements Act of 1979.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, these are Buy American amendments that have been approved by both the majority and minority, staff and chairman respectively, and I appreciate that very much in an effort to maintain a Buy American Program within reason.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from California.

Mr. ANDERSON. Mr. Chairman, I rise in support of the amendment. This amendment applies Buy America provisions to the Federal Aviation Administration programs very similar to the provisions that apply to our surface transportation programs. The surface transportation Buy America provisions have worked well since adopted by the Congress in 1982. There is no reason why we should not apply these provisions to the aviation programs.

I urge that the amendment be adopted and I commend the gentleman for his effort.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I thank the gentleman from Ohio [Mr. TRAFICANT] for yielding, and I would indicate that we in the minority support the amendment.

Mr. Chairman, we have just had an opportunity to see two out of the three amendments for a very brief time this evening, so I have not studied the details, but we have the assurance of the gentleman from Ohio that, if there are problems with these, we will have his support in correcting them in conference.

Mr. TRAFICANT. The gentleman from Pennsylvania is correct.

Mr. CLINGER. With that assurance, Mr. Chairman, we support the gentleman from Ohio [Mr. TRAFICANT], and I commend him.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman from Ohio [Mr. TRAFICANT] for yielding.

Mr. Chairman, one of the amendments offered by the gentleman from Ohio is now law and has been statutory law in the Federal Highway Program since 1982. It has been tremendously successful in assuring that all of the steel that goes into the Federal Highway Program is American steel. All of the rebar, all of the I-beams on bridge construction, all of the guardrails, and fencing and fenceposts along the entire Federal highway system in America is American steel.

Mr. Chairman, it saved 50,000 jobs in the steel industry, as was demonstrated by the hearings the gentleman from Pennsylvania [Mr. CLINGER] and I held a few years ago in the Investigation and Oversight Committee on the effect of the buy-America language, so this is a tremendously successful program.

In addition, Mr. Chairman, the other two provisions the gentleman from Ohio [Mr. TRAFICANT] has offered will strengthen an already important program of our Federal Government which is included, as the gentleman has indicated, in other legislation adopted by the House earlier this year.

Just for further clarification I wanted to point out that the subcommittee checked with the FAA logistics office on how procurements are conducted, and we found from 1968 to the present time the FAA has acquired for air traffic control and other technology equipment some $3 billion in contracts. Of that procurement number only two contracts for a value of $270,000 involved procurement of foreign products.

Mr. Chairman, the language of the gentleman from Ohio [Mr. TRAFICANT] will strengthen an already effective program, and I commend him for offering it. He is a vigilant surveyor for the landscape of American jobs.

Mr. TRAFICANT. Mr. Chairman, I appreciate those comments, and I want to thank the minority, the minority staff, and our side of the aisle for support on this particular legislation.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. RINALDO

Mr. RINALDO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RINALDO: At the end of the bill, add the following new title:

TITLE III—ENVIRONMENTAL IMPACT AND SAFETY IMPLICATIONS OF CHANGES IN AIRCRAFT FLIGHT PATTERNS

SEC. 301. EXPANDED EAST COAST PLAN.

(a) ENVIRONMENTAL IMPACT STATEMENT.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall issue an environmental impact statement pursuant to the National Environmental Policy Act of 1969 on the effects of changes in aircraft flight patterns over the State of New Jersey caused by implementation of the Expanded East Coast Plan.

(b) AIR SAFETY INVESTIGATION.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall conduct an investigation to determine the effects on air safety of changes in aircraft flight patterns over the State of New Jersey caused by implementation of the Expanded East Coast Plan.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall transmit to Congress a report containing the results of the environmental impact statement and investigation conducted pursuant to this section. Such report shall also contain such recommendations for modification of the Expanded East Coast Plan as the Administrator considers appropriate or an explanation of why modification of such plan is not appropriate.

(d) IMPLEMENTATION OF MODIFICATIONS.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall implement modifications to the Expanded East Coast Plan recommended under subsection (c).

Conform the table of contents of the bill accordingly.

Mr. RINALDO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be consid-

ered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RINALDO. Mr. Chairman, my amendment will require the FAA to issue an environmental impact statement and to conduct an air safety investigation of the effects of the expanded east coast plan on the State of New Jersey. The amendment will help thousands of people on the east coast who have been bombarded with aircraft noise since the implementation of the expanded east coast plan [ECCP] in early 1987. Hopefully, it will also ensure that the FAA does not repeat its mistakes and create another environmental nightmare in other regions of the country.

The FAA devised the EECP to address the growing problems of congestion and delays at major metropolitan airports along the east coast. Under the EECP, the FAA created new flight paths that were intended to disperse aircraft safely and efficiently. The plan has resulted in widespread noise pollution without carrying out its stated purpose.

In fact, the EECP has caused a barrage of loud jet noise over communities which never before experienced such problems. The residents of my district are particularly hard hit by these changes. Many of my constituents are awakened in the middle of the night by incredibly loud, low flying aircraft.

The General Accounting Office issued a report on the expanded east coast plan in August 1988. The report criticized the FAA for not anticipating the environmental impact of the plan. In addition, the GAO recommended that the FAA utilize special use airspace more efficiently. In my judgment, no persuasive reasons have been offered by the FAA on why air traffic in our region cannot bypass heavily populated areas to a greater degree.

The amendment would address the severe air noise problem caused by the expanded east coast plan. It would require the FAA to go back and issue an environmental impact statement based on an analysis of flight path changes it should have undertaken in the first place. Under current policy, the FAA does not issue an environmental impact statement for flight path changes over 3,000 feet in altitude. I feel strongly that this policy must be changed. As originally drafted, my amendment stipulated that, in the future, the FAA should issue an environmental impact statement for all major flight path changes over urbanized areas to an altitude of 10,000 feet. However, I have deleted the section and limited the scope of the amendment to an environmental impact statement of the expanded east coast plan over the State of New Jersey.

We should at the very least provide some relief to those people who are still suffering because the FAA failed to conduct an environmental review of the expanded east coast plan, and send a message to the FAA that environmental considerations demand more attention when major air route changes are proposed.

My amendment would also require an investigation of air safety over New Jersey since the implementation of the EECP. Air travel safety is not confined to the skies. It also applies to the millions of people whose homes are under the new flight paths of the expanded east coast plan. People living in the affected areas deserve assurances that new flight paths designed to expedite air traffic actually enhance, to the greatest degree possible, the safe passage of these aircraft over their communites. It is clear that far too many air traffic routes converge over New Jersey. A safety investigation is definitely needed to determine whether these new flight paths are safe. Mr. Chairman. I urge adoption of my amendment.

Mr. Chairman, I want to certainly commend the gentleman from California [Mr. ANDERSON] and the gentleman from Minnesota [Mr. OBERSTAR] in particular for his hard work in getting the entire bill to the floor, and I also want to commend the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking member, and certainly the gentleman from Pennsylvania [Mr. CLINGER] for their cooperation in working with me on this amendment. I can say without any equivocation or hesitation that it has the support of the entire New Jersey congressional delegation, other elected officials in our State, concerned citizens organizations who have been pressing the FAA and the Department of Transportation to take steps to rectify the air noise problem caused by the EECP. Nothing meaningful has been done by the FAA to date, and this will get that ball moving forward, and I want to commend my colleagues in the delegation on both sides of the aisle.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from California [Mr. ANDERSON], the very distinguished chairman of the full committee.

Mr. ANDERSON. Mr. Chairman, I rise in support of the amendment. It is clear that FAA should have done an environmental impact statement on the air route changes made 2 years ago, known as the east coast plan. The EIS wasn't done at that time, but the need for one continues. An EIS will go a long way toward trying to resolve the difficult issues created by the east coast plan.

I urge adoption of the amendment.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Minnesota.

□ 1910

Mr. OBERSTAR. Mr. Chairman, I compliment the gentleman from New Jersey on his persistence in pursuing this issue. The gentleman has been vigorous in advocating action on the noise issue. He has been a very effective spokesman for his constituents on this matter.

As I said in an earlier exchange with the gentlewoman from New Jersey, it was the gentleman's letter signed by all Members of the New Jersey delegation that brought home this issue very forcefully to the committee.

We are going to have hearings, as I indicated earlier, in September in general on the noise issue and specifically with respect to the New Jersey problem.

With respect to this issue, the FAA, I think, made a serious mistake in not undertaking at least an environmental assessment and surely an environmental impact statement on the east coast plan. They claim that one was not needed on flights above 3,000 feet.

The gentleman's amendment will require that environmental impact statement to be undertaken. It is one that will require a forum for the resolution of the issues that he and his constituents have brought to our attention, and other Members of the New Jersey delegation, including the gentleman from New Jersey [Mr. TORRICELLI] and the gentleman from New Jersey [Mr. ROE], who have been vigorous advocates on this issue as well, and have a deep and genuine concern for this issue, so I am happy to accept the amendment.

Mr. RINALDO. Mr. Chairman, I want to thank the committee chairman for his very kind comments and for the cooperation that he accorded me in this matter.

Mr. TORRICELLI. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to my very distinguished friend, the gentleman from New Jersery [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding to me.

I, too, want to offer my compliments for the gentleman's initiative. After years of frustration, this is a day when our citizens in our State and elsewhere can begin to see some real progress.

The committee bill is now going to develop the technologies to anticipate the noise impact by establishing models so this does not happen again, and now with the gentleman's very significant leadership in requiring environmental impact statements. If the FAA thinks such statements are now required for aircraft, such as we are

experiencing in New Jersey, then the FAA does not understand the impact of aircraft noise after this long debate.

We have asked, we have been patient, but now it is time for us to assume leadership ourselves. By the gentleman's amendment, he is providing exactly that leadership.

Mr. Chairman, I urge adoption of the amendment, and more than that, I thank the gentleman for taking the leadership in doing this.

Mr. RINALDO. Mr. Chairman, I certainly want to thank the gentleman for his cooperation and all the help the gentleman has afforded. The gentleman has worked with the delegation on every matter involving the FAA and this particular problem.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Pennsylvania, the ranking minority member of the subcommittee.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding to me.

We are pleased on the minority side to support the gentleman's amendment. I want to commend him indeed for the very strong leadership that he has provided. I can assure the gentleman that the members of the subcommittee are very sensitive to the very real concerns which the gentleman has brought to our attention with regard to the noise problems that they are beset with in the State of New Jersey. I think this is a very appropriate amendment to begin to focus the attention of the FAA on what is a continuing problem, and for that reason we are very pleased to support the amendment.

Mr. RINALDO. Mr. Chairman, I want to thank the gentleman once again for his cooperation, and yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey [Mr. RINALDO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BUSTAMANTE

Mr. BUSTAMANTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUSTAMANTE: After section 114 of the bill, insert the following new section:

SEC. 115. ENGINE CONDITION MONITORING SYSTEMS.

(a) STUDY.—The Administrator of the Federal Aviation Administration shall conduct a study of the potential use of engine condition monitoring systems on aircraft. In conducting such study, the Administrator shall evaluate—

(1) the availability of technology for such systems;

(2) the capabilities of such systems in terms of enhancing safety and reducing maintenance costs associated with civil and military aircraft;

(3) the commercial viability of developing computer software to enable maintenance workers to efficiently use data gathered by such systems;

(4) the costs and benefits of using such systems as compared to engine fault detection methods which rely on the use of data relating to historical performance and statistical failure;

(5) the types of aircraft engine failures which may be prevented by using such systems; and

(6) the operational reliability of such systems.

(b) REPORT TO CONGRESS.—Not later than 12 months after the date of the enactment of this Act, the Administrator shall transmit to Congress a report containing the results of the study conducted pursuant to this section together with such legislative and administrative recommendations as the Administrator considers appropriate.

Redesignate section 115 of the bill as section 116.

Mr. BUSTAMANTE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUSTAMANTE. Mr. Chairman, this amendment is noncontroversial. It would authorize an FAA study of commercial applications of engine condition monitoring systems, or EMS for short. The U.S. Air Force has found EMS to be, and I quote, "instrumental in detecting impending engine failure."

This technology's potential safety value to civilian aviation warrants its further study. I urge the adoption of my admendment.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. BUSTAMANTE. I yield to the gentleman from California.

Mr. ANDERSON. Mr. Chairman, I thank the gentleman very much for yielding to me.

Mr. Chairman, we have reviewed the amendment and we support it. It is my understanding that engine condition monitoring systems are used in military aircraft and this technology may have some beneficial application in the civil sector. This amendment simply directs an FAA study of the issues involved. I urge adoption of the amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. BUSTAMANTE. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding to me. We have had an opportunity to examine the gentleman's amendment. We think it makes a very constructive addition to the bill and we are pleased to support it.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. BUSTAMANTE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for offering the amendment. He has brought to the committee a very important advance in the cause of safety aboard aircraft, especially in monitoring engines. I think a great deal of benefit can inure to civil aviation from the initiative the gentleman has offered here.

We will accept the amendment and follow the FAA very carefully in carrying out this study, and if necessary, hold appropriate hearings upon the conclusion, or at least a committee discussion on the conclusion of that study.

Mr. BUSTAMANTE. Mr. Chairman, I thank the gentleman very much, and I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. BUSTAMANTE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TORRICELLI

Mr. TORRICELLI. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. TORRICELLI:

After the heading for title I of the bill, insert the following new section:

SEC. 101. CONSTRUCTION OF FIREFIGHTING TRAINING FACILITIES.

Section 503(a)(2) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2202(a)(2)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by inserting after subparagraph (C) the following new subparagraph.

"(D) any acquisition of land for, or work involved to construct, a burn area training structure on or off the airport for the purpose of providing live fire drill training for aircraft rescue and firefighting personnel required to receive such training by regulations of the Department of Transportation, including basic equipment and minimum structures to support such training in accordance with standards of the Federal Aviation Administration.".

Redesignate subsequent sections of title I of the bill accordingly.

Mr. TORRICELLI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TORRICELLI. My amendment seeks to facilitate the training of aircraft rescue and firefighting personnel by allowing for the establishment of regional centers for this purpose.

Training facilities must have the capability of providing safe, repetitive, and realistic aircraft-oriented fire experiences to reinforce basic and advanced techniques for rescue and firefighting.

However, the use of actual jet fuel as the trainer burn medium is not a viable alternative, due to its contribution to unacceptable pollution levels, always risking a shutdown by the EPA.

Fortunately, we have an alternative. The technology exists to provide accurate fire simulation with clean-burning fuels, such as propane.

New simulators are capable of simulating various types of exterior and interior aircraft fires such as wheel-well, engine, fuel spill, passenger cabin, and the galley. They can satisfy the FAA's training requirements in an environmentally acceptable manner.

Of course, training facility equipment is not cheap. A firefighting trainer can cost between $2 million and $5 million. Thus, it is impractical to install one of these simulators at each of our Nation's approximately 650 certified airports.

A better plan, which would result in substantial cost savings, is to establish regional centers for the training of airport rescue and firefighting personnel.

In addition, regional training centers would prevent training-related activities, such as horns and truck sirens, from interfering with airport operations, thereby reducing noise pollution at airports. Within about 10 years, it is believed that regional centers could be in operation to serve all major American airport areas.

But under current law, airport and airway improvement funds [AIP] can only be used for certain on-site improvements at airports.

My amendment would authorize these funds for land acquisition, construction, and equipment for regional burn area training structures to provide live fire drill training for aircraft rescue and firefighting personnel which are required to receive such training by DOT regulation.

This amendment has the support of Chairman OBERSTAR, Chairman ROE, and the FAA.

I also want to mention that this amendment has the strong support of the American Association of Airport Executives, which conducts educational schools to enhance the skills of airport rescue and firefighting personnel.

Many of these schools are cosponsored with the FAA and I would expect the FAA to continue to work closely with AAAE and other groups so that they may expand their programs to even more airport personnel.

For the safety of the flying public, the protection of air and water quality, and substantial cost savings to the taxpayer, I urge my colleagues to support this amendment, and to allow us to begin to provide the benefits of simulation for airport safety and fire prevention as we have in so many other areas.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. TORRICELLI. I am happy to yield to the distinguished committee chairman, the gentleman from California.

Mr. ANDERSON. Mr. Chairman, I thank the gentleman for yielding to me.

I support the amendment of the gentleman from New Jersey. This amendment will make eligible for Airport Improvement Program grants the acquisition of land and construction of airport firefighter training facilities on or off the airport. By making grants for off-airport facilities, the possibility of facilities being constructed for the use by numerous airports becomes much more likely. This could result in substantial savings to the Federal Government.

I urge adoption of the amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. TORRICELLI. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I just want to ask the gentleman from New Jersey a couple questions about the amendment for clarification.

I note that in certain correspondence which we received concerning the gentleman's amendment, the gentleman estimates the facilities would cost approximately $2 million to $5 million each and that approximately 100 such centers could be in operation over a span of years. If we multiply that out, it comes to a rather expensive price tag of between $200 million to $500 million for these training facilities.

□ 1920

Is that what the gentleman intends with respect to making this type of training facility eligible for AIP funds?

Mr. TORRICELLI. Actually the concept is to be able to reduce the amount to be spent on training rather than to increase it. What we envision is the idea that on a regional basis around America these centers could be established rather than to have them on hundreds of airports or even 100 airports, instead, it could be a far smaller number and have them centered around the country so they would be available to the firefighting personnel of airports in that entire region in combinations of States.

Mr. CLINGER. If the gentleman will yield further, we are really looking at in the neighborhood of 10 to 12 perhaps?

Mr. TORRICELLI. We are looking at a far smaller number, not anywhere near what was estimated.

Mr. CLINGER. I think that the other point that I wanted to make with regard to the amendment, I think we should try, in striving to implement this amendment, to make maximum use of the existing firefighting academies for airport firefighters rather than to undertake the construction of new facilities, particularly at a cost of $2 to $5 million

Mr. TORRICELLI. This in no way is intended to replace or lessen the role of firefighting academies. They are still an integral part of the process. It is simply to expand what we are now limited in doing on actual airport property.

Mr. CLINGER. I thank the gentleman very much for that explanation. I think our concern obviously is that we do have limited funds for developing capacity. We would hope and anticipate that this amendment would not result in a serious erosion of that ability or capacity.

Mr. TORRICELLI. I thank the gentleman for his support for the amendment.

The CHAIRMAN pro tempore (Mr. PICKETT). The time of the gentleman from New Jersey [Mr. TORRICELLI] has expired.

(At the request of Mr. OBERSTAR and by unanimous consent, Mr. TORRICELLI was allowed to proceed for 1 additional minute.)

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. TORRICELLI. I am happy to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, the gentleman has brought to the committee's attention a new technology for training firefighters that would result in less smoke, less environmental impact than current methods that use standard fuels, the addition of propane fuel, that would mean a greatly reduced environmental impact which is a valuable contribution.

The idea of regional training centers, I think, is very important. I support the concept. We already do have a National Fire Academy at Emmitsburg to serve the whole Nation. What we understand with the gentleman's amendment, though, is there will be a relatively small number of these training centers strategically located. I would not want to put a number around that, but the idea is to serve perhaps the east coast and the west coast and perhaps something in the center of the United States.

Mr. TORRICELLI. I actually have avoided citing a number, because I am not sure.

The CHAIRMAN pro tempore. The time of the gentleman from New Jersey [Mr. TORRICELLI] has again expired.

(At the request of Mr. OBERSTAR and by unanimous consent, Mr. TORRICELLI was allowed to proceed for 1 additional minute.)

Mr. TORRICELLI. Mr. Chairman, I am not certain that I or Members of this body are prepared to say what that number might be, but it is our intention and, indeed, the FAA would be frustrating that intention if they du-

plicated what we are now providing in training at individual airports by now providing off-airport sites on an equal basis. The hope, rather, is that airports can operate regionally and save those funds and have these common facilities. That is very much the intention.

Mr. OBERSTAR. If the gentleman will yield further, the judgment and the flexibility as to the designation of these centers would be within the FAA?

Mr. TORRICELLI. It would entirely.

Mr. OBERSTAR. I thank the gentleman, and in that spirit, I accept the amendment.

Mr. TORRICELLI. I thank the gentleman for his support.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: At the end of the bill, add the following new title:

TITLE III—GEODETIC NAVIGATION INFORMATION

SEC. 301. TRANSFER OF FORMAT OF GEODETIC NAVIGATION INFORMATION.

Not later than 2 years after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration and the Administrator of the National Oceanic and Atmospheric Administration shall complete the transfer of geodetic coordinate navigation information from NAD-27 format to NAD-83 format.

Conform the table of contents of the bill accordingly.

Mr. CLINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CLINGER. Mr. Chairman, I am offering this amendment on behalf of our colleague, the gentleman from Oregon [Mr. SMITH], who was unable to be with us this afternoon. I am including in the RECORD his statement.

Mr. Chairman, very briefly, this amendment directs the FAA Administrator and the Administrator of the National Oceanic and Atmospheric Administration to complete the transfer of coordinate navigation data to provide more accurate information to airmen.

The present navigation charts are based on data which is more than 60 years old. We think this is a very essential amendment as we are moving into where we need more precise navigational equipment. There is state-of-the-art equipment available. This greater reliance on precision navigational approaches to airports makes it all the more important that navigational charts by updated.

The estimated cost of this amendment would be $1.7 million to complete the effort and, frankly, Mr. Chairman, the effort is to encourage the FAA to complete a project that has been underway for some time.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I am happy to yield to the gentleman from California.

Mr. ANDERSON. Mr. Chairman, I support the amendment. It directs the FAA to update its navigation data to conform to the latest sophisticated information. This is a program to which the FAA is committed. The amendment serves to give this program visibility so that it can be accomplished on a timely basis.

I urge adoption of the amendment.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I am happy to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I take this opportunity to compliment the gentleman from Oregon on his amendment which the gentleman has offered on his behalf on aeronautical mapping. It is really a needed service and something that we ought to have, the updating of maps. They have not been updated since the 1930's.

The gentleman from Oregon has been very vigorous in pursuit of this objective. I am happy to see the amendment offered and happy to accept the amendment.

Mr. CLINGER. I thank the gentleman for his support.

Mr. DENNY SMITH. Mr. Chairman, this amendment would direct the Federal Aviation Administration and the National Oceanic and Atmospheric Administration to complete the update of geodetic navigation information. The current navigation data is over 60 years old, and is off by nearly 350 feet in some places in the continental United States. Completing this transition is important because as extremely accurate Earth-referenced navigation systems such as Loran–C and GPS continue to grow, they will demand the higher accuracy available with the updated charts.

This amendment is small and technical in nature, but it is vital to the development of Earth-referenced navigation. The FAA recently announced that they will soon publish the first 20 nonprecision Loran–C approaches, which will provide the spark to ignite an explosion in the use of Loran–C for aviation navigation. This project needs to be finished before this happens, so that we can prevent having to republish approaches in the future, and avoid the confusion of changing maps after the approaches are already in use.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLINGER].

The amendment was agreed to.

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to take this opportunity to compliment our colleagues on the Transportation Appropriation Subcommittee, particularly Chairman LEHMAN, with whom I have spent many, many hours discussing the Airport Improvement Program, the F and E Program, the Operations and Maintenance Program, and how we could together work out a way to draw down the surplus of the trust fund, increase funding for operations and maintenance, and increase funding to serve the needs of airport capacity.

We have worked out that formula. It was included in our subcommittee version of the bill and then in the Transportation Appropriation Subcommittee version of the bill, then in our full committee version of the bill, and then the appropriation full committee version of the bill, and now the transportation appropriation bill has passed the House. We had intended our bill should come first, but by a glitch in the House schedule we were not able to come up prior to the appropriation bill.

The chairman and the ranking member, the gentleman from Pennsylvania [Mr. COUGHLIN], have been very cooperative in helping us to attack this issue of increasing the funding to address the needs of airport capacity and the facilities and equipment account as well as the problem of funding operations and maintenance out of the trust fund. We have found a way to do that. We have worked out comity between our two committees. It all inures to the benefit of civil aviation as a very important economic sector, which it is.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I am happy to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I know I speak on behalf of Chairman LEHMAN and certainly I speak on behalf of myself when I just say thank you and congratulations to the distinguished chairman and to the distinguished ranking member, my colleague and friend, the gentleman from Pennsylvania [Mr. CLINGER], for a bill that, indeed, moves us into the 21st century, and we are moving into the 21st century, and the foresight, the vision that our chairman, the gentleman from Minnesota [Mr. OBERSTAR], has had, and the distinguished ranking member has had, in moving us in that direction and moving our aviation transportation system into the 21st century which is one that we appreciate and admire.

I would also want to congratulate the chairman of the full committee, the gentleman from California, and the gentleman from Arkansas for their efforts in accomplishing this and

hope for the speedy enactment of the legislation.

□ 1930

Mr. OBERSTAR. Mr. Chairman, reclaiming my time, I thank the gentleman from Pennsylvania [Mr. COUGHLIN] for those kind remarks. I want to compliment the Committee on Appropriations' Subcommittee on Transportation on its crafting of the aviation section of the appropriation bill. I was not able to be here on the floor the day the bill was considered because I was chairing a hearing on passenger safety along with the gentleman from Pennsylvania [Mr. CLINGER]. In the Committee on Appropriations report, the Administrator of the FAA is directed to issue a final rule in 270 days on whether commuter aircraft slots at O'Hare Airport should be made available for service with large aircraft, jet aircraft. The language in the committee report does not direct the Department to take particular action, other than to issue a final rule.

Behind that is a larger story and a larger issue, a major economic issue. I cannot let this opportunity pass to clarify the record and to express my concern that the Department of Transportation might overreact and take this language as a directive to adopt a proposal of American Airlines to make commuter aircraft slots available for service with small jets with 100 seats.

Mr. Chairman, there are a number of problems with this proposal. It is an attempt to convert the $20,000 value into up to a $400,000 value without directly addressing it in legislative language, and attempting through language in this report to achieve something that they have not even attempted to accomplish through the ordinary and standard procedure of submitting to the Department of Transportation the appropriate application for conversion of those commuter slots to jet aircraft slots.

I have gone to the Department of Transportation and discussed this with the Secretary. The Department is prepared to act with dispatch, with vigor, as soon as the application is made, but they should not be allowed to have their cake without baking it first.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, we are aware of the problem the gentleman from Minnesota [Mr. OBERSTAR] is discussing. It is one I think we can resolve.

The CHAIRMAN pro tempore (Mr. PICKETT). The time of the gentleman from Minnesota [Mr. OBERSTAR] has expired.

(By unanimous consent, Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. OBERSTAR. Mr. Chairman, I yield further to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, this is a problem which I think can be resolved in conference. We certainly want to work with the distinguished chairman to do that, and pledge to do that.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. COUGHLIN] for that observation.

Mr. Chairman, I have previously discussed the strong cooperative effort between our committee and the Appropriations Committee to develop a program which will make the trust fund work. In this regard I deeply appreciate the cooperation of the Appropriations Committee, in particular subcommittee Chairman BILL LEHMAN and ranking minority member LARRY COUGHLIN, in crafting the aviation sections of the DOT appropriations bill. Without in any way detracting from my appreciation, I am taking this opportunity to express my reservations about one matter covered in the Appropriations Committee report on the DOT appropriation bill.

In the Appropriations Committee report, the Administrator of the Federal Aviation Administration is directed to issue a final rule in 270 days on whether commuter aircraft slots at O'Hare Airport should be available for service with large aircraft. I note with approval that the language in the committee report does not direct the Department to take any particular action, other than to issue a final rule. However, I am concerned that DOT may overreact and take the language as a directive to adopt a proposal of American Airlines to make commuter aircraft slots available for service with small jets with 100 seats. There are a number of problems with this proposal, and I would like to call these problems to the attention of the Department and my colleagues.

First and foremost, enacting American's proposal would vindicate American in thumbing its nose at the regulatory process. If American wants changes in the DOT regulations on what type of aircraft may be used for commuter slots at O'Hare Airport, American should file a petition for rulemaking with the Department proposing these changes. To date American has not filed a petition, even though it has been specifically told by the Department that this is the proper approach to follow. Instead American has followed the back door route of lobbying assistants to the Secretary of Transportation and also trying to get congressional committees to put pressure on the Department to adopt American's proposal. I know, because they asked me to have a directive to DOT included in the committee report on the authorizing bill. I refused to do so, and suggest that American follow regular procedures and file a petition for rulemaking.

Asking American to follow normal procedures is not just a formality. There are a number of serious problems with American's proposals which need to be thoroughly aired, as they would be in the regular rulemaking process.

First, the proposal would give American windfall profits by increasing the value of its commuter slots from approximately $20,000 to $400,000 or more.

Second, under American's proposal, commuter slots which are currently used for service with piston aircraft of 75 or fewer seats could be used for service with 100-seat jet aircraft. This jet service would have to use one of O'Hare's two parallel jet runways, unlike the current piston aircraft service which uses separate commuter runways. An increase in operations on jet runways could create serious congestion and delay at O'Hare which already has one of the worst congestion problems in the Nation.

In addition, if the commuter slots become available for service with jet aircraft, American may choose to abandon the small cities currently served with these slots and use the slots for more lucrative jet service to larger cities.

My point in raising these issues is not to suggest a final decision but to point out that there are complex issues. Had American proceeded in the regular manner, these issues could have been thoroughly considered in a DOT rulemaking proceeding. I expect the Department to undertake the necessary review and that the Department will not take the Appropriations Committee's report language as a directive to enact American's proposal.

Mr. ANDERSON. Mr. Chairman, it is my understanding that there is at least one additional amendment that would require a rollcall vote. Recognizing that, Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. SLAUGHTER of New York) having assumed the chair, Mr. PICKETT, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5170) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1991 and 1992, to improve aviation safety and capacity, to reduce the surplus in the airport and airway trust fund, to authorize the Secretary of Transportation to grant authority for

the imposition of airport passenger facility charges, and for other purposes, had come to no resolution thereon.

ORDER OF BUSINESS

Mr. AuCOIN. Madam Speaker, I ask unanimous consent that my 60-minute special order for today and that of the gentleman from California [Mr. DELLUMS] be reversed.

The SPEAKER pro tempore (Ms. SLAUGHTER of New York). Is there objection to the request of the gentleman from Oregon?

There was no objection.

CALVIN KING: WORKING TO HELP OTHERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 5 minutes.

Mr. ALEXANDER. Madam Speaker, the decade of the 1980's was characterized as the "me generation." It was a time when greed and personal aggrandizement nearly became a national virtue.

But even in these times, there were people who looked beyond themselves—who reached out to their fellow men and sought to help make things better.

Calvin King is one of those people.

He lives in Fargo, a small community in my district.

In recognition of his efforts, Calvin King has just received a $240,000 fellowship grant from the John D. and Catherine T. MacArthur Foundation of Chicago.

This man has spent years helping minority and disadvantaged farmers stay in business.

It is a well-known fact that black farmers have been losing their land at an alarming rate. Working mostly small plots, they were unable to compete growing traditional crops.

Calvin decided that the best chance these farmers had was to grow nontraditional crops, including vegetables, and to participate in the marketing of those commodities.

He founded the nonprofit Arkansas Land and Farm Development Corp. at Fargo in 1980 and directs its today.

Calvin and his organization have helped hundreds of farmers directly by debt restructuring, gaining access to credit,and referrals to legal services. He has also developed and administers training programs to help farmers convert to nontraditional crops and improve their management skills.

Through his efforts two vegetable cooperatives have been started to help farmers increase their cash flow and to aid market distribution.

Many of the farmers Calvin King has assisted would not be living on their land today if he and his organization had not been there to assist them.

Recently, I traveled to Fargo to participate in a ceremony honoring Calvin King on the occasion of his receiving the Agriculture Department's prestigious Partnership Award of outstanding contributions to rural development, minority communities, limited resource farmers,and historically black colleges and universities.

It is gratifying to see Calvin's work recognized by USDA and now by the MacArthur Foundation.

Calvin has been quoted as saying he would use the money from the MacArthur Foundation to establish an educational trust for his children and to continue his work supporting small family farms and minority family farms.

Even in this, his concern for others shows through.

I offer congratulations to Calvin King and those who have worked with him to make the Arkansas Land and Farm Development Corp., such a success. And, I know I am joined by those farmers and farm families whose lives Calvin King has touched.

FEDERAL JUDGESHIP ACT OF 1990

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

Mr. BROOKS. Madam Speaker, today I am introducing the Federal Judgeship Act of 1990, legislation to authorize 54 additional Federal judgeships—nine for the circuit court of appeals and 45 for the district courts. The bill would also convert to permanent status six district court judgeships currently classified as "temporary."

Congress last addressed this issue in 1984, when it created 85 new appellate and district court judgeships. Changes in the courts' caseload since then require careful examination. According to statistics compiled by the U.S. Judicial Conference, the total annual number of cases filed in Federal district courts actually declined slightly between 1985 and 1989. At the same time, however, there has been a significant increase in some districts—particularly those with a high concentration of drug prosecutions. Indeed, in some districts the soaring number of drug cases has produced a staggering workload that threatens to undermine our efforts to bring drug criminals to justice.

My home State of Texas vividly illustrates the dramatic impact of drug prosecutions on Federal courts. Last year, the western district of Texas was flooded with 77 drug case filings per judgeship—4½ times the national average. The situation was nearly as bad in the southern district, with 73 drug case filings per judgeship. By comparison, in fiscal year 1985, the western and southern districts were faced with only about 26 and 28 drug case filings, respectively.

And mounting drug caseloads result in more than just long hours for judges. Civil cases in such districts can languish on the court's docket for years as criminal cases consume more and more of the judges' time. The bottom line is that without additional judgeships, the courts in these districts could soon lapse into a state of judicial gridlock.

The Federal Judgeship Act provides much needed relief to these courts. Among the high drug caseload areas receiving additional judgeships under the bill are districts in Florida, New York, New Mexico, Oregon, West Virginia, and Texas. The bill also authorizes new judgeships for districts that have been spared the worst of the drug case onslaught, but are in need of additional resources because of significant growth in their nondrug caseload.

The judicial conference periodically sends to Congress recommendations for the creation of new Federal judgeships. These recommendations are based, in part, on complicated statistical formulas intended to reflect the workload of the circuit and district courts. The Federal Judgeship Act draws upon the work of the judicial conference. While the bill proposes a smaller number of additional judgeships than recommended by the judicial conference, it targets these new positions to the circuits and districts most in need of reinforcements.

I urge my colleagues to join the effort to assure prompt passage of this important legislation.

UNDER PAYMENT OF TAXES BY FOREIGN-OWNED SUBSIDIARIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Madam Speaker, I was very disturbed to hear the findings of the staff of the Ways and Means Subcommittee on Oversight regarding the taxes paid by many U.S. subsidiaries of foreign corporations, and to hear those findings corroborated in 2 days of oversight hearings last week.

At a time that the Congress and President of the United States are spending many hours in a budget summit to identify ways to get through the budget crisis, we are told that one segment of the corporate community is almost free of taxation. Further, we are told that this segment should be paying somewhere in the neighborhood of $13 to $50 billion a year in taxes. That would go a long, long way to reducing the deficit.

Further, it seems that those foreign-owned subsidiaries that are paying their fair share are doing so out of the goodness of their hearts, rather than because our laws lead them to it. There is something terribly wrong with this system.

The subcommittee heard both IRS and Treasury say that the laws are adequate and that operational adjustments would take care of the deficiencies in the system. The Commissioner stated that locality-based pay would allow IRS to hire and retain qualified staff. With all due respect, I doubt that U.S. Government pay can ever compete with private sector pay. It is for this reason that I think we must develop legislative proposals which would be easier to administer. I'd suggest that we look to those employees who testified before the subcommittee for their ideas; they did not seem quite as certain that the current law could, in fact, be adequately administered.

For starters, I think we should consider the following:

First, do we need to legislate a separate appropriation of funds to the audit of foreign-owned firms operating in the United States? IRS said no, but if we did, it would ensure adequate audit coverage of this potentially abusive area.

Second, do we need to legislate interagency cooperation? Testimony presented in last week's hearings indicated that IRS, Customs, and Commerce don't coordinate very much in these cases. At the very least, perhaps we need to amend some disclosure provision of existing law to allow full coordination between agencies.

Third, do we need to simplify the law? This is where I think we need to involve those employees who testified before the subcommittee who work with this law every day. It's obvious that we need to do something drastic: Do we need to implement a system of unitary tax? Do we need to design penalties with teeth, perhaps even 100 percent of any underpayment? Should we stop allowing companies who make purchases from related foreign corporations to deduct those purchases or limit them according to a prearranged formula? I honestly don't know, but I'm going to find out.

I do know that any changes in the law need to be made with the goal of developing a law that does not require the services of squads and platoons of economists and tax lawyers to determine whether the taxpayer is paying their fair share of taxes to the United States.

Madam Speaker, I thank the subcommittee for bringing this issue to our attention and for so thoroughly defining the problem for us. This is the time for the Congress of the United States to develop a solution. I hope that those who agree with me and who have suggestions for dealing with the complex problem will get in touch with me to discuss their suggestions.

ST. JUDE, MAN OF THE YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. OAKAR] is recognized for 5 minutes.

Ms. OAKAR. Madam Speaker, today I rise to salute a great humanitarian and philanthropist, Mr. Gilbert R. Chagoury.

Gilbert Chagoury was born of Lebanese parents in Nigeria. Mr. Chagoury's generosity is well known, especially in Lebanon, providing care, food, and shelter for the children and orphans affected by the war.

Madam Speaker, on July 21, Gilbert Chagoury will be honored in Los Angeles at the Century Plaza Hotel by the St. Jude Children's Research Hospital. Mr. Chagoury will be named Man of the Year for his many generous financial gifts to that important institution. Such gifts are necessary to further the important and lifesaving research being done by that institution for stricken children all over the world. The hospital was founded by the great entertainer and humanitarian, Danny Thomas.

Madam Speaker, Gilbert Chagoury is also a dedicated family man. For him, performing good works for the St. Jude Children's Research Hospital was a way of thanking God for the health of his own children and his brothers and sisters and their families.

Several days ago Mr. Chagoury was honored by His Holiness Pope John Paul II with the honor bestowed upon him by Papal Nuncio Archbishop Paul Tabet as the commander of St. Gregory the Great.

We salute him as a successful businessman with a kind and generous heart.

TRIBUTE TO DR. KARL MENNINGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. SLATTERY], is recognized for 5 minutes.

Mr. SLATTERY. Madam Speaker, Dr. Karl Menninger, long considered the elder statesman and dean of American Psychiatry, died yesterday in a Topeka, KS, hospital. Dr. Menninger played a major role in bringing the practice of psychiatry into the mainstream of modern medicine.

For over 40 years Dr. Karl was the guiding genius of the Menninger Clinic in Topeka, one of the world's leading psychiatric research, teaching, and treatment facilities, which he founded with his father and brother.

Karl Augustus Menninger was born July 22, 1893, in Topeka, KS. His higher education began with Topeka's Washburn College, then the University of Wisconsin. He graduated from Harvard Medical School in 1917, then completed his internship at Kansas City General Hospital.

Dr. Menninger's career began with teaching at Tufts and Harvard medical schools. While teaching he worked at the Boston Psychopathic Hospital and continued his studies at Harvard under one of the eminent psychologists of that period Earnest Southard.

After Southard's death, Karl Menninger returned to Topeka, KS, where he practiced medicine with his father. In 1925, modeling after the Mayo Clinic in Rochester, MN, Karl's father, Dr. C.F. Menniger, and Karl's brother, Dr. Will Menninger, established their clinic on a farm just outside Topeka's city limits.

The Menninger Clinic was based on what was then a revolutionary concept. Previously, psychiatric treatment had been conducted one-on-one over long period—perhaps 5 to 7 years. The Menninger idea was to provide a total environment for its clinic patients in which there would be a family atmosphere, physical exercise, and medical doctors from various disciplines who could give patients comprehensive care.

The first clinic building was an old farmhouse with beds for 13 patients. Although the institution expanded to 39 buildings, set on 2 campuses totaling 430 acres, and to a staff of 900, the mixture of treatment and kindness persists to this day as a therapeutic tool.

The clinic also became a teaching center, drawing hundreds of would-be psychiatrists from around the world. Morever, it was adopted as the model for scores of private and public psychiatric hospitals.

It was in this environment that Dr. Karl began a career in writing and lecturing, which was launched with his first book, "The Human Mind," in 1930. Although written for medical students, its style appealed to thousands of lay readers for whom it explained psychiatry in clear and understandable terms. By the end of his career, he had written 13 books including: "The Crime of Punishment" in 1968; "Man Against Himself"; "Love Against Hate"; and one of my favorites, "Whatever Became of Sin."

During World War II, the Government asked Dr. Menninger for help in assessing the need for psychiatric care for servicemen. In 1945, he agreed to help establish the Winter Veterans' Administration Hospital in Topeka as a psychiatric teaching center and a pilot hospital for the VA. He organized the psychiatric staff and later became senior consultant in psychiatry. The hospital became the VA's premier psychiatric facility.

In 1965, he resigned as operating director of the Menninger Foundation, but he stayed on as chairman of the board. He continued to keep an ambitious writing and lecture schedule and to arrive at the office at 8:30 each morning until an operation for a brain tumor in 1976, and two subsequent strokes forced a reduction in his workload.

In his eighties and even into his nineties, he was outspoken on the dangers of a nuclear holocaust. He described the fighting among nations as "the single greatest mental health problem in the world." And Dr. Menninger, throughout his life, was an outspoken proponent of prison reform.

As a humanist, Dr. Menninger's interests were wide and ranging. In fact for him, psychiatry had a role in all human endeavors. He was convinced that psychiatry could not divorce itself from the problems of the world. As a result of this passionate belief, he was involved in a variety of issues.

At one time be belonged to: the American Indian Defense Association, the Kansas State Historical Society, the American League to Abolish Capital Punishment, the Planned Parenthood Federation and the Council on Freedom From Censorship.

Noting the trends in American society in his final few years, Dr. Menninger became a sharper critic. Speaking in New York he was to say:

> Most of my life has been spent in treating persons one by one. But as I become increasingly aware of the extent of misery and hopelessness in our society, I think more of preventing unnecessary suffering at the source—which is society—before individuals are forced to take the wrong road.

Dr. Menninger was held in great esteem by his colleagues. Noted psychoanalyst Erik Erikson once said of Dr. Menninger's writings that "Karl Menninger translates Freud into American literature." Others said Dr. Menninger was "more Freudian than Freud." And the American Psychiatric Association called him "America's greatest living psychiatrist."

In 1981, Dr. Menninger received the Medal of Freedom, the Nation's highest civilian award, from President Carter. With his father and his brother, he was represented in the Wilson Memorial Window of the Healing Arts, dedicated in 1979 at Washington Cathedral. With the exception of Albert Schweitzer, Dr. Menninger was the only living subject to have been represented in a window of the cathedral.

Dr. Karl challenged me, he encouraged me, and as a good friend must, he never hesitated to let me know when he thought I was wrong.

I will miss him deeply. As a world famous psychiatrist, author, and humanitarian, Dr. Karl Menninger was truly a giant of his era.

I extend my deepest sympathy to Jean, Dr. Karl's wife of 49 years and the entire Menninger family.

Our State, our Nation, and people around the world share your loss and mourn the passing of a great American.

□ 1940

THE B-2 BOMBER: NOT TO BE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. AUCOIN] is recognized for 60 minutes.

Mr. AUCOIN. Madam Speaker, over the past decade I have actively supported the B-2 bomber. I have spoken for it in my district, in the Defense Appropriations Subcommittee, and on the floor of this House.

But the world has changed.

Our relations with the other superpower, thanks to Mr. Gorbachev, are far better than anyone would have predicted when the B-2 program began. And they continue to improve.

The Soviet defense budget is shrinking where we had expected it to grow. And so is ours.

It was the growing Soviet military machine that we thought would produce a massive high-technology air defense in the 1990's. And it was this new Soviet defense we thought would nullify our existing bombers and create the need for the B-2. Now it seems most likely that the new Soviet air defense won't happen.

Here at home, we're desperately trying to dig ourselves out of the deficit created by the past decade of economic mismanagement. So we have to squeeze every cent we can find out of the defense budget. We simply can't affort to build tomorrow's forces to meet yesterday's requirements.

In light of all this, we don't need the B-2 to meet a threat that most likely won't exist. In addition, investigation has convinced me that we can perform the air-breathing deterrent mission cheaper and better, against any level of threat. We can do that with a standoff cruise missile carrier, evolved from a wide-body transport aircraft.

And so Madam Speaker, today I announce my active support for the Kasich-Dellums amendment to end the B-2 program.

In one sense, there's nothing new about the idea of the standoff cruise missile carrier that I suggest. For more than 20 years, strategic analysts have understood that it can do the penetrating bomber's job cheaper and better. This was true in 1970, it was true in 1980, and it's true in 1990.

Ten or twenty years ago, the standoff bomber got a 10 on strategy but a 1 on politics. It was a good idea that wasn't going to happen. But to things have changed.

First, the manned bomber has lost its masculine mystique. It's been unmanned. In earlier years, the macho sex appeal of the manned penetrator was politically invincible. Who would vote to kill a sleek penetrator and substitute a fat widebody that looks just like the plane that carried Aunt Minnie and her kids to Dubuque? Only about a hundred or so members of this body, mainly liberal Democrats.

But now we have been joined by large numbers of conservative Republicans, led by the gentleman from Ohio [Mr. KASICH]. Because of their courage and intellectual independence, the cost-effective bomber force that was once a pipe dream may now be achievable.

Second, the terrible budget crunch in which we find ourselves greatly increases the importance of the standoff bomber's unique budgetary flexibility. The standoff bomber puts us at a three-pronged fork in the road. It lets us take whichever road goes where we need to go, whenever we need to go there.

If the Soviets don't upgrade their air defenses, that would let us take road one. On this road, we needn't do anything with our bomber force. Our present B-52's and B-1's will work fine.

If the Soviets improve their defenses moderately, we switch to road two. We convert our existing B-1B's to an all-standoff role, equipping them with advanced cruise missiles. [ACM's].

I've never been wild about the B-1. But the fact is we have it. We've paid for it, and it makes a first class cruise missile carrier. Its problems with electronic countermeasurements, birds flying into the engines at low altitude, and so forth don't matter much for the standoff mission.

Putting advanced cruise missiles on the present B-1B fleet would give us about half the additional capability of a B-2 of widebody standoff force.

If the cold war resumes, or for some other reason the Soviets go all-out for air defense, we can switch to road three. This means a modern standoff cruise missile carrier, which I suppose we'll call the "B-3." It can give us B-2 capability at one third the cost.

The unique virtue of the widebody cruise missile carrier is that it lets us start down the lowest-cost road. And at the same time it lets us keep the option of hopping across to one of the other roads wherever the situation requires it. We don't have to take a high-cost road unless there's a clear and compelling need for it—which today there is not.

We have the choice because neither wide-body airliners nor cruise missiles are going away. They'll both be in production for many years, for other purposes. We can now begin to leisurely research program to put them together. And if we later see international developments that tell us we need to put the pedal to the metal, we can do that at the time.

The B-2 also has us at a fork in the road. But from the B-2 fork, all the roads lead to bad places. The problem is the B-2 is an ongoing high-cost program we can't use for anything else. So the B-2 doesn't let us wait and see.

On B-2 road one, we go ahead as planned. But the cost of ths trip is more than we can afford, and more than the American people want to pay.

On the second B-2 road, we stretch the program out. But then both the program cost and the unit cost go still higher. We can't afford that either.

On B-2 road three, we reduce the number of airplanes we buy. But the cost per airplane goes way up and the sticker shock gets worse.

The B-2 might have been better named the B-22, after the novel catch 22. Whichever road we take with the B-2, the American taxpayer loses. The only cost-effective solution is to finish the research and development, turn out the planes already contracted for, and stop. That's what the Kasich-Dellums amendment does, and why it should pass.

Let us now turn to specific comparisons of the B-2 against a B-3 standoff bomber. We need to look at four questions.

First, from what aircraft should the B-3 be derived?

Second, how does its cost compare with that of the B-2?

Third, how does its effectiveness compare with that of the B-2?

Fourth, what are its arms control ramifications?

1. AIRCRAFT SELECTION

I turn first to the question of which widebody aircraft is best suited to the standoff bomber role.

A standoff carrier needs large lift and internal volume, combined with long range and endurance at low life cycle cost. For survivability, it needs to be hardened against nuclear effects. It needs to be able to take off quickly if its base comes under first strike attack from submarine-launched ballistic missiles.

In 1979, the Air Force's Aeronautical Systems Division [ASD] at Wright-Patterson Air Force Base did a thorough and capable study of the question.

At the time, the plan was to carry large numbers of air launched cruise missiles [ALCM's] in large rotary launchers filling the body of the airplane. The DC-10 didn't compete well; it had a structural floor cutting through the fuselage that left no room for a large rotary launcher. The 747 carrying 80 missiles and the L-1011-500 carrying 44 missiles were about equally attractive. For base escape, either aircraft would have been built with the most powerful engines available and hardened to B-1A standards or better.

Now, more than a decade later, technology has moved on and a number of key aspects have changed:

First, the ALCM has been replaced by the advanced cruise missile, the ACM. This missile, which is just now entering deployment on B-52's, has much longer range, better stealth, and better accuracy than the ALCM. But it is also larger and heavier.

Second, the L-1011 is out of production, so it is no longer a candidate.

Third, the civilian world is producing a new generation of magnificent wide-body transports. These airplanes are more reliable and fuel efficient, need less maintenance, have longer range, and fly with smaller crews than their older brothers from 1979. They include the 747-400, the MD-11, and the 767.

The C-17 military transport might also be considered. It costs more to buy, but it has the advantage of being able to disperse to a larger number of fields. This adds to its survivability.

Fourth, a large rotary launcher probably is no longer the best way to carry cruise missiles in a wide body aircraft. A better solution is a rectangular "stack pack" with a conveyor system to take missiles to a single launch port in the rear of the aircraft. This is a good thing, because for civilian safety the new generation of transports has been required to have structural floors. These would have needed expensive redesign to accommodate a large rotary launcher.

Fifth, the KC-10 program has shown that we can save a great deal of money in adapting a civilian aircraft to military use. We can do this by not making changes unless we really have to. Much of what we call military specification isn't necessarily better than commercial specification; it's just different. If we don't change anything that doesn't need to be changed, we can get an airplane that's just as good but cheaper.

At this point I see no compelling case for one wide body candidate over the others. In the cost comparison that follows, I will use the 747 as a notional B-3 standoff cruise missile carrier only because this is the only strong candidate from the 1979 ASD study that is still in production. We know more about it.

2. COST COMPARISON OF B-2 VS. B-3/747

I turn now to the cost comparison between the B-2 and a notional standoff B-3 based on the 747-400. I estimate that the standoff carrier can give us comparable capability at one third the cost, saving 19 billion current dollars.

At the end of this discussion I will insert in the RECORD a table that lays out the cost comparison in full detail.

My cost analysis follows three ground rules:

First, I state all costs in today's dollars. This avoids confusion from differing schedules.

Second, I have done a decision cost analysis of the Kasich-Dellums amendment. That is, I don't ask whether it would be cheaper to build the B-2 from scratch or a standoff B-3 from scratch; we don't have that option. Instead, I write off all the R&D cost on the B-2, as well as the production cost of the first 14 aircraft. I then ask how much it will cost us to buy the rest of the B-2 fleet—that is, the aircraft Kasich-Dellums would cancel. I compare that with the cost of a B-3 fleet of comparable capability. This is the real decision Congress must make.

Third, when in doubt I have chosen assumptions which favor the B-2. So my conclusion, that we can save $19 billion by switching to the standoff bomber, is very conservative. The real number is likely to be higher.

Let's first calculate the cost of the remaining B-2 force: the fleet which would be canceled by the Kasich-Dellums amendment.

According to the U.S. Air Force as reestimated by the Congressional Budget Office, remaining B-2 acquisition cost is $37.4 billion. From that I subtract $4.7 billion for the remaining research and development, which will still be needed under Kasich-Dellums. This leaves $32.7 billion.

If we cancel the B-2, obviously we will have cancellation costs. The procurement specialist on the Defense Appropriations Committee staff tells us these have already been paid for under the terms of the B-2 contract. On the other hand, B-2 advocates are floating staggeringly high cancellation cost projections, running up to $4.5 billion. Giving the B-2 the benefit of the doubt, I allow $4 billion for cancellation.

This brings the B-2 decision cost to $28.7 billion, or $470 million for each of the 61 bombers left to buy.

Each B-2 would carry 20 SRAM II missiles. A SRAM II costs $590,000 each, according to the Air Force. Weapons for these B-2's would therefore cost a total of $720 million.

This means the weaponized additional B-2 force would cost $29.4 billion, carrying 1,220 weapons. Alert rate for the B-2 is projected at 55 percent, which would give us 671 weapons on alert.

Cost per alert weapon is thus $44 million. This is the key bottom line figure.

Now let's compare that with a B-3/747 standoff cruise missile carrier.

The first step is to calculate how many 747's we would need to carry the same number of alert weapons as 61 B-2's.

I have been unable to obtain an official estimate of the alert rate which could be economically maintained with a 747-based B-3. But Boeing tells me their 747 fleet spends about 55 percent of its life in flight. From that I set a notional ground alert rate of 70 percent, based on the high reliability of the basic airplane and on the fact that the standoff mission doesn't need as many training flight hours as the penetrator mission. I admit this is very rough and somewhat arbitrary, but I have no choice other than to give it my best shot. When a more authoritative estimate becomes available, I will be happy to use it.

In order to maintain 671 weapons on alert with a 70 percent alert rate, the B-3/747 force would need 959 nominal weapons. According to Northrop, the maker of the B-2, a 747 would carry 48 advanced cruise missiles per aircraft. So we would need 20 B-3/747's, of which 14 would be on alert at any given time.

Basic price of a 747-400 is $125 million. This includes some commercial equipment which wouldn't be needed and could be deleted, reducing the cost. But since I've not been able to obtain cost figures on this equipment, I make no allowance for it.

In support of the ASD study of the late 1970's, the aircraft manufacturers estimated the cost to turn their aircraft into cruise missile carriers. For reference I have used Lockheed's estimate of its L-1011-500 conversion, only because I happen to have detailed original records of that estimate in my files.

This estimate includes research, development, and production cost of nuclear hardening to B-1A levels for electro magnetic pulse [EMP], gust, overpressure, thermal effects, and transient electrical effects [TREE]. It includes high power engines with simultaneous quick start for quick takeoff. It includes development and production of weapon launchers, installed offensive avionics, and provisions for defensive avionics. It includes missile integration and nonrecurring tooling.

But it does not include defensive avionics because it was not—and still is not—clear what role defensive avionics would play in a standoff carrier. In

fact it isn't clear that defensive avionics will be needed at all.

The Lockheed L-1011-500 estimate was for a planned force of 117 aircraft. Adjusting that to a 20-aircraft buy, the cost of modifying a transport for the cruise missile bomber role is 115 percent of the basic aircraft cost. For the 747, that is $144 million modification cost per aircraft.

We are now up to $247 million per aircraft.

Is this 1978 modification plan a sound basis for a 1990 projection? In most respects, it appears to be. But there is some uncertainty regarding the cost of nuclear hardening.

On the one hand, modern airliners are inherently harder than their older counterparts. This is because of improved design for resisting lighting strike and so forth. And if we chose the 747, we would gain from having already developed and built two nuclear-hardened versions: the E-4B airborne command post and the new Air Force One. Both of these factors should lower the cost of hardening. But I have been unable to get any offical estimate of how much. So I have arbitrarily assumed that the two 747 nuclear hardening programs already flying will only reduce the R&D cost of nuclear hardening a 747 cruise missile carrier by 20 percent.

On the other hand, it is now possible to harden to higher than the B-1A levels envisioned in 1979. If we do this, it will run up the cost. I have no magic answer to the question of exactly how hard a cruise missile carrier should be. But I think this is a good place to err on the side of moderation. I have yet to see a piece of military equipment that could not be made 10 percent better for twice the cost; we'd all like to have that extra 10 percent but there has to be a place to stop.

Somewhat arbitrarily, I assume that increased hardening and other factors would require another $2 billion for research and development, or $100 million per aircraft.

Let me stress the extreme high-cost assumption I am making here. For modifications above and beyond those the Air Force decided were necessary in 1979—that is, for modifications which may not be needed at all—I assume an R&D cost equal to 80 percent of the price of the basic aircraft.

After charging the B-3 with this very steep slush fund, we have a total modification cost of $244 million per aircraft. Adding the $125 million for the basic 747, we have $369 million per aircraft.

To this we must add 48 advanced cruise missiles at $2.8 million each. That is an official Air Force cost. This adds $134 million per 747, bringing the cost for a weaponized airplane to $503 million, slightly above the B-2's $482 million.

But to any B-2 advocates who may be listening, don't start jumping for joy just yet. Your case is about to crumble.

We get a lot for our money with the standoff B-3. We get more alert and more weapons per aircraft.

Adjusting for the difference in alert rates, the cost per weaponized alert bomber is $711 million for the B-3/747: well below the B-2's $877 million. That's step one.

Step two is adjusting for the fact that it only takes 20 B-3/747's to carry as many weapons as 61 B-2's. So the B-3/747 weaponized force would cost only $9.9 billion versus $29.4 billion for the remaining B-2's. That's a ratio of 3 to 1 in favor of the widebody.

Adding it all up, the B-3/747 force would cost $19 billion less than the remaining B-2 force.

On a per alert weapon basis, the B-3/747 is $13 million, versus $44 million for the B-2. Again, a 3 to 1 cheapness advantage for the widebody.

3. MISSION COMPARISON

Let us now ask whether a standoff bomber can do the job. The nine issues most commonly raised here are man in the loop, crisis stability, nonnuclear mission, recallability, yield, accuracy, aircraft quantity, arms control verifiability, and barrier defense.

Need for a man in the loop is the traditional argument for a penetrating bomber as opposed to a standoff carrier. Some say we need to have a man riding all the way to the target, to make the last-minute decisions only a human can make.

I'm not convinced. In the F-117A bombing of Panama, and the *Vincennes* tragedy, we had men in the loop and we'd have been better off if we hadn't. The machinery worked fine, but at the last minute the men on the spot made major wrong decisions. I know they were under pressure; it's not my purpose today to criticize them. But B-2 pilots in a global nuclear war will be under even greater pressure.

I don't say there won't be times when a man in the loop would be good. But there's no persuasive case that it's a net asset, much less worth $19 billion.

Crisis stability is always a question we should take seriously. Any air-breathing weapon, penetrating bombers and cruise missile carriers alike, is more stabilizing that a ballistic missile.

The air-breathing weapons are too slow for a Pearl Harbor type surprise attack. They take perhaps 8 hours to reach their targets, where ballistic missiles take 5 to 30 minutes. Moving away from ballistic weapons and into air-breathing weapons would be one of the best ways to back off the the nuclear hair trigger.

One of Northrop's top executives, a very capable gentleman, argued to me that there's a secondary difference among air-breathing weapons. He argued that a penetrating bomber force is more stabilizing than a standoff force. His reasoning went like this:

Both the B-2 and the advanced cruise missile are so stealthy that, even though they would take hours to reach target they might do it completely undetected. If they could do that, they could attack by surprise. A cruise missile force could theoretically attack all its targets at the same instant, thus doing the entire attack by surprise.

But a penetrating bomber couldn't do that, because it has to hit its targets one at a time in series, spread over several hours. The nuclear explosion on its first target would make further surprise attack impossible.

I was happy to hear that industry is thinking about such subtle points of crisis stability. But I believe the basic premise in implausible. Both the B-2 and the ACM are easily detectable by low-frequency radar, which both sides already have. This radar lacks the precision for tracking or interception, but it works fine for detection. So neither the B-2 nor the ACM can be used for surprise attack.

Nonnuclear attack is not a relevant question on the Kasich-Dellums amendment.

It seems implausible that we would risk both the cost and technological security of a B-2 just to rattle the poles on Qadhafi's tent. There is no reason why this or any other conventional mission can't be done from standoff with the long-range conventional cruise missiles we are developing.

But to whatever extent B-2's would be genuinely useful and desirable for nonnuclear bombing, the limited force of 14 airplanes provided by Kasich-Dellums would be more than enough to do it.

Recallability is another long-standing argument for a manned penetrator. According to this argument, the President can call back a manned bomber right up to the time it reaches target. But a cruise missile can't be recalled after launch.

I see no reason why this need to true. Presumably the penetrating bomber recall signal is an encrypted computer message. If we can send that message to a penetrating bomber, I don't know why we can't send an encrypted self-destruct message to a cruise missile.

More importantly, this scenario misstates the fundamental nature of recallability.

The advantage of a recallable deterrent is that it gives the President options in a crisis. He can flush his bombers—whether they're standoff or penetrators—safely airborne and hold them at the fail-safe point while he

negotiates to end the crisis. So the question is how long can an aircraft endure at the fail-safe point before the President has to decide to recall it, send it on to its target, or lose it.

The time from launch to decision is the useful measure of recallability. The time from decision to impact is much less important; it's not time the President can do anything with.

Assuming a strategic nuclear shooting war hasn't begun, tankers are available and fuel isn't the problem. Engine oil is the problem. Today, the airborne endurance of our bombers is about 24 hours. After that, they run our of engine oil. but the weight and space needed for more engine oil is small. Any large airplace can easily carry enough oil for half a week in the air. The real limiting factor is crew endurance.

Here's where the wide-body standoff bomber does much better than the penetrator. The standoff bomber has space for crew bunks, and even a spare crew. There's no way a penetrating bomber can match that.

Large explosive yield is sometimes cited as a bomber requirement. B-2 advocates argue that there are some targets against which a megaton weapons, which cannot be carried by a cruise missile, is the most effective way to attack. This may well be true, but its a secondary question, not essential to deterrence or retaliation. It's not worth $19 billion. Deterrence doesn't require us to take out every target anybody can dream up.

Accuracy has also been cited to me as a B-2 advantage. At one point, the Air Force B-2 advocates tried to tell me the B-2 is more accurate than the ACM. But when I got the numbers I found this not to be the case.

Aircraft quantity is a point that seems intuitively unsettling. Do we want to concentrate our air-breathing deterrent in only 14 alert airplanes? Isn't that too vulnerable?

In fact, it's no more vulnerable than the B-2. Vulnerability doesn't depend on the number of aircraft. It depends on the number of bases. One 747 at a base has about the same number of alert weapons as three B-2's at a base. In either case, one quick-striking enemy nuclear warhead on the base would cost us that number of weapons.

Here the 747 has an advantage. If we have three or four B-2's on alert at a given base, they have to queue for takeoff. This increases the risk to the last B-2's A single-based 747 doesn't have this problem.

Arms control verifiability is kind of a silly point, but B-2 advocates bring it up so I'll deal with it. According to this argument, the Soviets would never believe us if we told them we had only 20 747 standoff bombers. They fear that any commercial 747 could be a standoff bomber in disguise.

This is nonsense, for two reasons.

First, because a 747 would be the largest strategic weapon in history. Monitoring the factory gate, and tagging each airplane that came out, would be far easier than the portal monitoring we do now under the INF treaty.

Second, because challenging the number of deployed standoff bombers would be the easiest verification task in the world. If a Soviet inspector saw a commercial 747 he believed to be a secret cruise missile launcher, he could satisfy his anxiety but just buying a ticket and and walking onto the plane's next fight.

Barrier defense is probably the most complex issue for any standoff bomber, so I've saved it for last.

A barrier defense is a "picket line in the sky." It consists of AWACS-type radar aircraft, combined with long range fighter-interceptor aircraft using air-to-air missiles. These aircraft would be refueled in air and kept aloft as long as possible in a crisis.

The purpose of a barrier defense is not just to shoot down the enemy's offense; it is also to reduce his target coverage. A penetrating bomber is relatively vulnerable during refueling, so it must refuel outside the reach of the barrier defense. And a cruise missile carrier is neither fast nor stealthy; it has to stand back out of harm's way, and launch its missiles from outside the reach of the barrier defense. Therefore, if the barrier defense can reach out far enough, it can place some of its nation's assets out of range of the offense.

B-2 advocates say an all-standoff force would let the Soviets forget about defense in depth, and concentrate all their assets on setting up a northern barrier.

This is actually an admission of weakness on the part of the B-2.

The Soviets could shoot at the B-2 during its entire flight. They could use both barrier defense and defense in depth. But defense in depth against advanced cruise missiles is hopeless. Once launched, the ACM's are so stealthy and numerous, the defense would have no hope. So the defense would rely on a barrier because it had no choice.

The 1979 ASD study examined the question of cruise missile carrier versus bomber defense in a highly constructive and competent way. But that was more than a decade ago, and some of their findings may be obsolete.

So I asked the Air Force for an update briefing. To my astonishment, they told me they couldn't provide any such briefing because they hadn't examined the question.

The Air Force did give me an intelligence briefing on the nature and probable future of Soviet barrier defense. But on the key issue of what we could do to counter the barrier, and how well the possible countermeasures might work, the Air Force could tell me nothing.

Madam Speaker, think of it. Here the Department of Defense is asking the taxpayers to buy the B-2 bomber, the second biggest program in the budget after SDI. And it hasn't even looked at the alternatives.

My colleagues, I don't know how you feel about this. For my part, as a member of the Defense Appropriations Subcommittee, I find it categorically unacceptable.

But calling an atrocity by name doesn't make it go away. I found myself with no updated executive branch analysis. I had to take the 1979 study and update it on my own as best I could. My conclusion is that a cruise missile carrier force, properly planned, will give any barrier defense fits.

We don't need to bring all our cruise missiles in over the North Pole. Some cruise missile carriers can fly out over the Mediterranean, or use other routes. Certainly, these routes are longer and less desirable. But as long as we present some threat of coming through them, the Soviet defense will have to disperse itself over a large perimeter.

The barrier defense aircraft the Soviets will have in the foreseeable future don't have enough range and endurance to degrade an American standoff system with ACM's.

A Soviet barrier defense would use what NATO calls Mainstay AWACS-type aircraft, combined with MiG-31 and SU-27 interceptors. The specific data on these Soviet aircraft are classified. But I can say here that I am satisfied that such a barrier defense would not significantly reduce our target coverage. Neither would it, as B-2 advocates have claimed, cause the ACM to stand so far back over the water that it misses its first navigation point and gets lost.

It may be that, at some point in the more distant future, the Soviets might develop and deploy a more far-reaching barrier defense. I find that unlikely for a government that's threatened with disintegration because it can't put basic consumer necessities on the store shelves. But if I'm wrong, at that point we would have several countermoves available.

One would be to extend the range of the cruise missile. After all, we won't be frozen at the present design forever.

A second option would be self-contained AWACS suppression. The ACM has generous range and payload; there seems no reason why we could not make an AWACS-killing ACM variant, using radar-seeking guidance. Of course this would sacrifice some B-3 payload and it would cost money; it would be better if we didn't have to do it. It is also true that the defense could defeat our AWACS suppression

by turning off or pulling back. But if he does that, we come forward and launch our missiles and we win.

This raises a point sometimes overlooked in discussions of barrier defense. An air-defense barrier is not like a wrought-iron fence that you put up and forget about. It needs constant active support from tankers and so forth, and by its radiation it must constantly advertise its position. In contrast, the offense needs only a temporary opening to come forward. If the defense pulls back even briefly, the offense sees that happening, comes forward, and launches.

Another offensive option would be to equip the small Kasich-Dellums B-2 force for counter-air and use it as an AWACS-killer or interceptor-killer, escorting the large-payload standoff bombers. The B-2's stealth and range would make it well suited to this mission.

In sum, barrier defense is a significant problem, but not an insurmountable one.

ARMS CONTROL CONSIDERATIONS

I turn now to the question of force levels in a START environment. Essentially, START counts a strategic air-launched cruise missile as one-half of a ballistic missile warhead against the limit of 6,000 warheads. but if counts a bomber-carried weapon as only one-twentieth of a ballistic missile warhead. This means we can have more weapons if we put them on penetrating bombers. B-2 advocates say this means we must go with their airplane.

I find this argument underwhelming, for three reasons:

First, it goes against the basic philosophy of START. This is supposed to be a Strategic Arms Reduction Treaty. Does it make sense, then, to insis on using it for strategic arms maximization?

Second, the number of weapons involved is small. Under the START formulation, shifting from B-2 to B-3 would cost us 537 ballistic missile warheads, which is 9 percent of our total permitted wareheads. Considering that we all know we have more warheads than need, that our target list is inflated beyond all reason, this does not seem an intolerable penalty.

Third, START was not handed to Moses on stone tablets. If we really need to, we can renegotiate it. True, this may involve delay in completing the treaty. I support START and our distinguished and capable negotiator Richard Burt. But I must also say that the benefit of START, as is now drawn, is not so overwhelming that delay would be unacceptable. On the contrary and apart from the bomber issue, a persuasive case can be made that START's crisis stabilizing benefit is so thin it needs time-consuming strengthening in any case.

In sum, the B-2 is idea whose time is past. We now need to adjust the defense program accordingly.

The Kasich-Dellums amendment is the way to do it. I urge members to support this amendment when the House takes up the Defense authorization bill in September.

DECISION COST FOR RECALLABLE DETERRENT

Millions of fiscal year 1991 dollars for acquisition, Bush vs. Kasich-Dellums w/B-3/747. Comparison of unprocured B-2 forces vs. B-3/747 with equal number of alert warheads.

Summary of findings: For equal number of alert warheads, a B-3/747 fleet is more cost-effective than B-2 completion by a factor of 2.96; in fiscal year 1991 dollars the B-3/747 is cheaper than the B-2 by $19 billion.

Program decision cost	B-2 decision	B-3 747	B-2/B-3 ratio
Remaining acquisition (USAF estimate)	$35,800	$7,255	
CBO non-inflation adjustment	1,600		
Adjust for remaining R&D for B-2	−4,700		
Adjust for B-2 cancellation cost (nominal)	−4,000		
Decision cost for bomber force	28,700	7,255	3.96
Add cost of weapons	720	2,684	
Decision cost for weaponized force	29,420	9,939	2.96
Decision cost per alert warhead	44	15	2.96
How many B-3/747's do we need to match the unprocured B-2's?			
Weapon	SRAM	ACM	
Warheads/bomber	20	48	.42
B-2's remaining to be procured	61		
Warheads on those B-2's	1220		
Bomber alert rate	55%	70%	.79
Alert warheads (B-3 set to equal B-2)	671	671	1.00
B-3/747 warheads needed		959	
B-3/747s to provide that No. of warheads		20	
Weapon cost:			
Cost per bare weapon (USAF figure)	.59	2.80	.21
Weapon cost per aircraft	12	134	.09
Bomber cost:			
Non-sunk cost per aircraft (DoD, Boeing figures; no credit for deleted commercial equipment)	613	125	4.90
CMCA mod cost factor from 1979 study		111%	
CMCA mod unit cost from 1979 study		138	
Additional R&D		2,000	
R&D per aircraft		100	
Total mod cost per bomber		238	
Decision cost per bomber	613	363	1.69
Adjust for remaining B-2 R&D cancellation costs	−143	0	
Adjusted for decision cost per bomber	470	363	1.30
Weaponized alert bomber cost			
Adj. decision cost per weaponized bomber	482	498	.97
Ajd. decision cost per deployed warhead	24	10	2.33
Bomber alert rate	55%	70%	
Adj. decision cost per alert weaponized bomber	877	711	1.23
Adj. decision cost per alert warhead	44	15	2.96

START allows	150	ALCM carriers.
Carrying	20	ALCMs each.
Counted as	10	ACLMS each.
A B-3/747 would thus count as	3	ACLM carriers.
The proposed force would count as.	598	warheads against the 6,000 ceiling.
And would count as	60	ALCM carriers.
Which would leave space for	30	additional B-3/747s.
Or space for	90	B-1 or B-2 ALCM carriers.
Alternatively, a force of	61	B-2 bombers.
would count as	61	against the 6,000 warhead ceiling.
So changing to the B-3/747 would count.	537	additional warheads against the ceiling.
lowering our BM warhead quota by.	9%	
B-1B Alternative		
No. of available aircraft	97	
ACMs per aircraft	12	
Total ACM carriage	1,164	
Alert rate	30%	
Alert ACMS	349	
Percentage of B-2 alert weapons.	52%	

Program decision cost	B-2 decision	B-3 747	B-2/B-3 ratio
Derivation of Aircraft Mod Cost Factor—Based on Lockheed estimates of converting L-1011-500 to CMCA; fiscal year 1978 dollars in millions:			
Mod cost factor for 747-quantity buy.	110.5%		
Total L-1011-500 CMCA cost	$111		
Basic aircraft unit cost	$53		
(For production run of	117	L-1011-500 CMCA aircraft.)	
Airframe	$30		
Engines	$11		
Support, initial spares, profit, etc.	$12		

	Dollars for L-1011	Percent add to 747-quantity aircraft	Percent of 747-quantity cost	Dollars for L-1011	Percent add to 747-quantity aircraft
Unit cost of all specified CMCA modifications	$58	111%	52%		
Unit cost of nuclear hardening to B-1A standards; Total	14.67	28%			
(Development cost to be spread over 20 B-3/747 aircraft)					
Discounted hardening development cost	9.67				
(Hardening discount for E-4B/Airborn CP development already done: 20%)				79.28	
Development subtotal	12.09	23%	10.9%		
EMP				$.33	.6%
GUST				4.78	4.1%
Overpressure				6.53	12.4%
Thermal				.26	.5%
TREE				.20	.4%
Production subtotal	5.000	9%	4.5%		
EMP				.30	.6%
Gust				1.70	3.2%
Overpressure				2.30	4.4%
Thermal				.40	.8%
TREE				.20	.6%
Procurement and paramentrically estimated development combined:					
Unit cost of offensive avionics	$22.67	43.0%	[1] 20.4%	[1] $6.63	
Unit cost of provisions for defensive avionics	11.19	21.2%	[1] 10.1%	[1] 3.27	
Unit cost of launcher	7.30	13.9%	[1] 6.6%	[1] 2.14	
Unit cost of missile integration	.26	.5%	[1] .2%	[1] .08	
Unit cost of non-recurring tooling	2.16	4.1%	[1] 1.9%	[1] .63	
Cost of defensive avionics, if any, not included					
CMCA mod development/production cost ratio for 747-quantity based on L-1011 study 2.42.					

[1] Production only.

□ 2000

Madam Speaker, I see my friend, the gentleman from Ohio [Mr. KASICH] is on his feet, and I would be pleased to yield to him at this point.

Mr. KASICH. Madam Speaker, there is a point I would like to make. I do not want to interrupt the gentleman's statement, because it is incredibly thorough, but I think that is a very important statement the gentleman just made about the conventional mission of this plane. No. 1, we are building all these conventional systems now that cost megabucks, and those are designed to be used in a conventional role.

□ 2010

Mr. Speaker, I never understood the argument of using a strategic weapon in a conventional role unless the people who advocate it want to cancel all the other systems that we are going to use conventionally, but, in addition to that, to me the future is

smart standoff capability which gave us greater precision, as the gentleman pointed out, in Panama and during the *Vincennes* crisis. And this is the new direction that I would hope that people on both sides of the aisle would begin to look and think about, and that is the standoff smart weapon that provides great accuracy, and does not risk our pilots and accomplishes the same goal.

Mr. Speaker, this has been a very difficult point to communicate to people, but one that I think is critical as we look at the threats into the next century.

Mr. AUCOIN. Mr. Speaker, I appreciate the contribution of the gentleman from Ohio [Mr. KASICH], and I also appreciate his contribution on this issue, and it has been an example of leadership and independent thinking that is all too rare in this House. I think not only his constituents, but taxpayers everywhere in America, will be grateful to the gentleman for the leadership he has shown.

Mr. Speaker, I yield again to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I would just like to make a quick comment on the point the gentleman makes on the issue of the accuracy of the advanced cruise missile versus the B-2, and of course we cannot discuss this here because of its highly classified nature. It is one of the frustrations that I have had with my colleagues, like the gentleman from Kansas [Mr. SLATTERY], have had in being able to communicate this information to the membership here so that no one could doubt that we have a very accurate, highly reliable, effective deterrent that we are developing now that has accuracy that was beyond our real understanding, and I think it is a critical point the gentleman makes.

Mr. AUCOIN. Mr. Speaker, I appreciate the gentleman from Ohio [Mr. KASICH] underscoring that point. I urge all Members who may read this RECORD to take upon themselves to get a classified briefing on that question of accuracy. I think, if they do, they will see that on accuracy that is a nonissue.

I yield to the gentleman from Kansas [Mr. SLATTERY] who is also a leader in this issue.

Mr. SLATTERY. Mr. Speaker, one point that I would make is that, as we move into the 1990's, this question of accuracy becomes even more tilted toward the advanced cruise missile, and we are going to be making enormous advances in that area that are going to make that alternative even more attractive than it is today.

Mr. Speaker, I would just really like to commend the gentleman from Oregon [Mr. AUCOIN] for a tremendous effort which he has made in really thoroughly analyzing this whole question. I know personally what an agonizing decision this has been for him, and I am very impressed with the thoughtful analysis that he is presenting here this evening, and I just commend the gentleman for his work on it.

Mr. AUCOIN. Mr. Speaker, I thank the gentleman from Kansas [Mr. SLATTERY]. I thank him for the leadership he has given on this issue from a very early point.

□ 2020

Mr. KASICH. Mr. Speaker, will the gentleman yield?

Mr. AUCOIN. I am happy to yield to my friend, the gentleman from Ohio.

Mr. KASICH. Mr. Speaker, I know the gentleman will be interested to learn that Senator MCCAIN and I have made a request of the GAO to do an independent analysis of the targeting strategy of the Pentagon, and that is designed to take a look at how many weapons they think we need to use.

It is interesting to note that when General Chain came to Capitol Hill and about within 60 days after his testimony the Secretary of Defense talked about a change in the number of targets. It is a constantly changing number.

I think the point the gentleman makes here is very good.

Mr. AUCOIN. The gentleman is on a subject that I have given a lot of thought to as well. The truth is that when we debate these issues we frequently hear that, well, we have to have this weapons system with its warheads or whatever in order to meet the requirement.

□ 2030

Sometimes Members just take it for granted that, "By gosh, we have got to do that then; that is the requirement." But what people do not seem to remember and what seems to be absent in a lot of these discussions, on the floor and in the committee, is that no one has has ever debated what the requirement is.

What we have are uniformed officers and civilian national security advisers who decide, looking at the map of some adversary, how many targets we are going to finger in our arsenal, and then that becomes the requirements. That is never debated on the floor. No one knows what these targets are. They are decided in that fashion.

We are then served up the requirement, and Members of Congress have often marched in good faith lockstep forward in this endless insane spiral of borrowed-money spending, funding weapons systems that meet the requirement, never really realizing what it is that we are targeting in meeting that requirement, and never discussing the basic assumptions behind that targeting plan.

That is all done behind closed doors. Few Members of Congress even have an idea what those targets are. But with the number that we do have today, I cannot imagine many barns in the Soviet Union that would be exempt from the targeters in the American military establishment.

I yield to my friend, the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. I thank the gentleman very much.

I just commend my friend, the gentleman from Oregon, for his thoughtful analysis of this. I deeply appreciate the time that he has spent in compiling all of this information, and I think it is going to add tremendously to the debate that we will have either in late July or in early September as we take up the armed services appropriation bill or the defense authorization bill.

You know, as a member of the Committee on the Budget, I got involved in this debate this year, and I commend our friend, the gentleman from Ohio, and our friend, the gentleman from California [Mr. DELLUMS], for their leadership last year in really raising at the first stage the very thought-provoking questions about this weapons system, and this year when the Committee on the Budget reconvened and we were looking at these incredible deficits that we are now really seeing the administration acknowledge and say they are just out of control, it became very clear to this gentleman that we were going to have to make some significant changes in our defense budget.

It is one thing to say you are going to bring down the defense budget sort of in the abstract. It is another thing when you have to start looking at it and saying what it is that you are going to change, what is it that you are going to terminate. And in doing that, as a member of the Committee on the Budget, I looked at this B-2 and concluded, as the gentleman has concluded, the bottom line, it just was not worth what the American taxpayers were being asked to pay for it.

I just hope that we are going to find 218 colleagues who are going to agree with us that we can serve at least $35 billion over the life of this aircraft, computing from the number now that the Pentagon is talking about, and put it in the bank, apply it to the deficit reduction.

I find it really interesting that here we are the day after we have debated in a rather emotional manner the constitutional amendment requiring a balanced budget. It will be interesting to see how many of our colleagues are really prepared to come down now and start making some of these tough choices and about a weapon system like this that, in my opinion, just simply is not needed.

So, again, I commend the gentleman for taking this time this evening, and I am glad I listened to all of what he said. I appreciate again his thoughtful analysis of this.

Mr. KASICH. If the gentleman will yield further, let me say a couple of things.

First of all, the gentleman from Kansas [Mr. SLATTERY], who we just heard from, has been absolutely invaluable in this whole debate. In fact, I think, as the gentleman from Oregon would admit, if the gentleman from Kansas [Mr. SLATTERY] asked him one more time about his position on the B-2 bomber, he would probably slug the gentleman from Kansas [Mr. SLATTERY]. It is persistence beyond belief.

Mr. SLATTERY. I hope it was not that bad.

Mr. KASICH. We were aggressive on it, and I would say the pickup and momentum of our fight this time can be attributed to the gentleman from Kansas [Mr. SLATTERY] and the gentleman from Pennsylvania [Mr. RIDGE].

Mr. SLATTERY. If the gentleman will yield further, my friend from Pennsylvania and I just had to make up here in the last half of this effort in vigor what we lacked in foresight perhaps a year ago when the gentleman from Ohio and our friend from California originally offered this proposal.

Mr. KASICH. The reason why I think this analysis is so important and the position of the gentleman from Oregon is so important is that I have been in the House for 8 years. The gentleman from Oregon knows that he and I have been on the opposite side of defense issues a number of times, but what I really wanted to say is I always maintained to my conservative colleagues on this side of the aisle that the gentleman from Oregon [Mr. AUCOIN] was the most formidable opponent that we ever had in these defense debates, and this analysis, I mean, I know that people who are watching probably are saying, "I do not understand all the things he is talking about," but this is an incredible analysis, and the gentleman, of course, wants to compliment the staff that worked on this, because these numbers are amazing, and the charts are just excellent. And that is why the gentleman from Oregon [Mr. AUCOIN] is one of the most formidable debaters on defense issues. It is because of the kind of extensive analysis that he always does.

I think, to the gentleman from Kansas, that his support in this debate is critical to getting those 218 votes, because he carries with him so many people who say, "Well, I do not know quite what to do. LES, what do you think?" And it is because he has such a fine reputation.

I can imagine that we are going to be on the other side of defense issues again in the future just like we have in the past.

Mr. AUCOIN. Well, when we are, I will remind you of your remarks tonight.

I appreciate the gentleman from Ohio's mention of staff effort that went into the analysis I have presented tonight. Each of us in the House owes a great deal to the efforts of our staff. I am fortunate to have many talented and tireless professionals on my own staff.

But I am particularly fortunate to have Mr. Robert Sherman as my Appropriations Committee associate staff member. Bob is, in the judgment of many Members, one of the very best defense analysts on Capitol Hill. He worked with me for the better part of 2 months—doing the computer runs, interviewing specialists, thinking through strategic arguments—to make the analysis possible.

The tables accompanying my remarks are his work. I am indebted to him for his loyalty, his intellectual honesty, his acumen—and his dedication to a secure and peaceful world.

Mr. KASICH. I have told the gentleman this before about what a formidable debater he is. It kills me to get up here and have to debate him, because he is a tough guy.

The thing that is so amazing as we stand here tonight is last year here was the gentleman from Oregon [Mr. AUCOIN] on the left, and here I was on the right, and I am trying to kill a weapon, and he is saying, "JOHN, you cannot do that yet." So I am glad that we are both here in 1990, working together and plugging away. What I think this represents is, you know, the world is turned upside down, and alliances and positions of people in this House have changed.

I hope that this debate is really going to represent the first truly bipartisan debate that is going to yield some very positive things for a critical view of defense. I think we have lacked that in the House.

I think that this may set the stage in the 1990's for some intelligent decisions made on defense based on policy, not based on port-barrel and parochial interests.

But I have the highest regard for the gentleman from Oregon, and I deeply appreciate his statement tonight, because it is a very powerful one.

□ 2040

Mr. AUCOIN. I want to thank the gentleman for his very generous words and tell him how much I respect the work he does. I think he knows that.

Mr. SLATTERY. I do not know that I can add to his eloquent compliment of the gentleman's work, but needless to say I would like to associate myself with the remarks of the gentleman from Ohio [Mr. KASICH].

There are a lot of Members that I think are struggling with this question of having once supported the B-2, as I did when I first came to Congress in 1983, when at that time we were looking at a cost of approximately $250 million per airplane. It compared quite favorably with the cost of the B-1 at that time.

At that time there was a school of thought that we ought to forego production of the B-1 and go immediately to the B-2.

Mr. AUCOIN. Which in fact was my position.

Mr. SLATTERY. I was sympathetic to that position also.

Mr. AUCOIN. That was then; this is now.

Mr. SLATTERY. There are three big things that have happened since then. One of them is the changes in the world, which really on the list of importance I would say ranks third.

The other point that I would make is the cost of this thing has obviously gone up dramatically. Depending on what kind of numbers you are looking at, it has at least doubled, tripled, or quadrupled, again depending on the numbers you are looking at.

In addition to that, again in 1983, there were a lot of people that thought we were going to have a balanced budget by 1985, 1986; we passed the Gramm-Rudman, and we thought we were going to have a balanced budget by 1990.

The reality is we are not making much progress on the deficit, to make a long story short.

So those factors all come together to really justify a reexamination of this initial decision that we made. I hope that Members will acknowledge that and say the world has changed, the cost of this plane has gone up dramatically, the deficit is not coming down. In fact, it is going up, if we are honest about the savings and loan mess and honest about Social Security, and we have to acknowledge that. We have to make some of these kinds of hard choices now.

Again, I look forward to working with the gentleman from Oregon [Mr. AUCOIN] as this measure comes to the floor probably in early September. The gentleman has added tremendously to the debate here this evening with his very thoughtful analysis.

Mr. AUCOIN. I want to thank the gentleman from Kansas [Mr. SLATTERY]. There are three points I would like to highlight that the gentleman has touched on, just to bring them into focus.

No. 1, my focus tonight was to explain to Members that it is possible to have a conversion on an issue, based on new information and changing events and new analysis. I have gone through that.

A year ago, as the gentleman from Kansas [Mr. SLATTERY] indicated, I felt and stated it was premature to cut funds or to kill the B-2 bomber. My message tonight is that it is not premature any longer, and a combination of circumstances and further analysis makes it possible to say there are better, less costly alternatives to the B-2. That is point No. 1.

The second point is that by taking the time tonight, and I have seldom done this in the 16 years I have served in this House, to spread over the pages of the RECORDS in this way the analysis I have done, I hope I can show the Members that will refer to this that there are military security arguments that are powerful, that lead one from a security standpoint, irrespective of the budget, to a cruise missile carrier as opposed to a penetrating bomber.

The third point is the point the gentleman is making, and I would embellish it by saying, the budget issue, our security more than ever before is going to be based on the economic foundations of this country.

If we continue on this borrowing binge that we have been on in which we have this disinvestment in the United States because of Government borrowing, sucking up funds that are saved for investment, we are going to find ourselves at this point in world history on the short end of the stick and become a second-rate economic power.

From that economic base, all other power is derived. With the emergence of a united Germany, with the enormous force of that economic entity emerging in Europe, and with the force that we have seen in the Japanese economy, I think it is time for a wakeup call for the American Government, for our partners on the other side of Pennsylvania Avenue, the executive branch, and the membership of this House, because we need to get serious about getting our deficit under control and to invest in our economic base.

SAVINGS AND LOAN CRISIS: THE OTHER HALF OF THE PROBLEM

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. KANJORSKI] is recognized for 60 minutes.

Mr. KANJORSKI. Madam Speaker, after hearing the presentation of the prior speaker I am not sure that he set the flavor for what I will address today, because I will hardly discuss the B-2 bomber or the nuclear defense of the United States. But I am not at all uncertain that what I intend to discuss is not at least as important in the long-term to the American people and American taxpayers.

Madam Speaker, I am a novelty in the House of Representatives. I did not hold office as a State legislator, State senator, councilman, mayor, Governor, or other elected office. I came originally to the House of Representatives as a person who had never held elected office before just three short terms ago, in January 1985.

I ran for the Congress of the United States because I believed, and still do believe, that the United States is the only nation on the Earth that has proven its ability to govern ourselves rationally, reasonably, and with the highest amount of individual freedom, of any nation on Earth.

It is because I recognize the importance of this quality in the American experiment of democracy that I rise here today. I do not normally make extensions of remarks nor closing speeches at the end of the day, such as this, but something disturbs me very deeply, and I want to deliver a message to the American people.

When I came to the Congress in January 1985, and took my oath of office, I was assigned to the Committee on Banking, Finance and Urban Affairs of the House of Representatives. Little did I know in 1985 that by the year 1988, that committee would have jurisdiction over one of the largest financial scandals America would ever see, and that by 1990, that scandal and that expense has grown to proportions that has affected the very confidence of the Government of the American people in their elected representatives, even as high as their respect, honor, and question of the man who occupies the highest office in this Nation.

I guess I want to speak to a few of those issues. I think what has happened in the savings and loan crisis is indeed scandalous. I would hope I could spend a few moments analyzing what I see has happened, what some potential responses should be of this body, this Government, and the American people, and third, I would hope that I could put to rest some of the things that have happened in this House and are appearing on a daily basis in the newspapers of our Nation; and that is a compulsion, and almost an insane desire to find some one person at fault for an entire problem that defines one's singular responsibility, and two, is not by a longshot, a singular problem.

Let me say that in the course of sitting on the Banking Committee I have traveled across America, up and down, north and south, east and west, and gone through numerous hearings that have exposed the Lincoln Savings & Loan disaster and the machinations of a man named Charles Keating. I have sat through the hearings in the Rayburn Building that have exposed the Silverado disaster and the unscrupulous activity of insiders, as well as the naivete of outside directors, and most certainly disastrous conclusions and judgments that have led to a billion dollar cost to the American taxpayer.

□ 2050

I have attended countless hearings and have heard people cry up and down, "It wasn't our fault. We had nothing to do with it. It just happened." Or, "It just grew like Topsy."

At the time, other people came before us who were either regulators, sometimes senior executive branch officials like Mr. Gray, or Mr. Wall, sometimes their top attorneys and assistants who have indicated that they knew all along there was some problem and that they could show us that somewhere in Nebraska or somewhere in Idaho they made a speech 3, 4, or 5 years ago indicating there would be something wrong in the savings and loan industry and because now that that prediction has come, about anyone who failed to act on it is responsible for some sort of negligent malfeasance or misfeasance in office or, worse than that, criminal activity.

Oh, that life were so simple; oh, that we would foresee the future so well.

I think I have a slight potential of seeing what may be over the horizon, and it scares the hell out of me, and that is the reason I rise here today. This is not just an S&L scandal or an S&L bailout. Regardless of how we would like to believe that this is all attributable to conspiracy, criminality, mismanagement or what-have-you, a portion, perhaps too great a portion—certainly too great a portion is due to that. But no one of credibility has indicated it is anywhere beyond 50 percent attributable to that.

So I stand here today and pose the question: Well, if we could attribute 50 percent of this disaster and all of this activity to mismanagement, fraud, abuse, criminality, what accounts for the other half of this problem? I think that is the serious element that is missing in the entire S&L debate today. No one seems to be asking that question.

Madam Speaker, I am a member of the committee, and I am not sure that we have had sufficient information given to us, developed or analyzed, to indicate that we still know what is responsible for the other reasons.

But most people seem to categorize them as economic reasons. I think that is a fairly decent categorization.

Why did we lose, whether it is $50, $75, $100, $150, $200 or $300 billion in the S&L scandal? If half of that is attributable to fraud, why did we lose that other 50 percent of that huge figure to economic reasons? And have we stopped the hemorrhaging?

I submit, Madam Speaker, that we have not. As a matter of fact, I had the occasion to meet with bankers in Pennsylvania several weeks ago in my home district, and I met with bankers in California about a week after that. It caused me to ask the question about something that disturbed me about 3,

4, 5 years ago at the height of the S&L problem. If you all remember back then we used to read those tremendous ads in all the newspapers across the land, "Send your $5,000, send your $10,000 or send your $100,000 and get 'this astronomically high interest rate.'" And, "Don't worry, because it is Federally insured."

We did not pay an awful lot of attention to it as individuals, the banking community did not pay a lot of attention to it, certainly the Congress did not pay sufficient attention to it.

The regulators obviously did not read the newspapers or watch television, because literally hundreds of billions of dollars were attracted by this exceptionally high interest rate into certain institutions in this country, most of them in the Southwest and in the West and in the South. But by far most of them, in the State of Texas.

And they were paying exorbitant fees where anyone who had anything to do with the banking business could very easily have asked the question: What does it take to operate a financial institution? What can you get for money you lend out? And that sets the amount you can afford to pay for the money you take in. In other words, I am talking about the economic spread between what a bank takes in as deposits, what it costs to manage those funds and what it has to pay to depositors in interest, and what it can charge borrowers who borrow those same funds.

Well, in those go-go days of 3 or 4 years ago in Texas and California, they were often paying 9, 10, 11, sometimes as high as 12 and 13 percent for money. They were turning right around when the prime rate was not significantly higher than that and they were lending that money out. There is little reason as to why there was a debacle or failure, because the spread, the difference between what they could get on the money they loaned out and what they were paying for it to come in was not sufficient to cover banking and financial costs.

Having had the pleasure in my other life, before serving in Congress, of being on the board of a small bank in Pennsylvania, it was our understanding that if you were going to make money in a bank, you had to get at least 2 to 2¼ percentage points more than for the money when you lent it out than you paid for it, when you borrowed from the depositors.

So, as an example, if you were to pay 5-percent interest to depositors, you had to lend it out at at least 7¼ percent to break even. If you did not get that 2¼ percentage point spread, you did not have enough money to pay for the bank, pay for the taxes, pay for the lighting, and pay for the salaries.

Madam Speaker, life has not changed a great deal since then. Some banks operated a little more efficiently, some a little less efficiently. But the spread is around that figure of 2 percentage points to 2½ percentage points, generally. That is where it sits. That is the spread you have to have.

The thing that made me rise today to talk about this is that in reading the New York Times, we all know that the prime rate in America right now is about 10 percent, some areas as low as 9½ percent. But the New York Times runs an ad today, not for a go-go savings and loan in Texas but a conservative Yankee bank in Connecticut, and that bank wants to pay 8.65 annual interest rate to attract money, when we know the prime rate is at best 10 percent. So they have discovered a new way of doing business, that they can have a spread of only 1.45 percent, less than 1½ percentage points, take money in and lend it out at that spread and apparently still make money.

Well, if they have come up with that, they should patent it and let it be sold across America, because that alone would make them a fortune.

The fact of the matter is what this advertisement indicates to me is there is a bank in trouble, sinking funds to cover its position that it needs in the marketplace, and it is paying a premium price above what it can afford to pay on those funds.

I would not worry about this if it were only a single Connecticut bank in the New York Times, but if you pick up any Philadelphia paper, if you pick up any New York paper, if you pick up any California paper, you will see the same type of ad, advertising 8.5, 8.7, 8.75 percent for money that can only be loaned out at a prime rate of about 10 percent; money that the banks know that they are taking in today and will lose money on tomorrow but they are doing it to have equity, to have a position to meet the demands for the money already in the marketplace.

It is reminiscent of just 3, 4 years ago in the savings-and-loan crisis, where the savings-and-loans were running out and paying 1 or 1½ percentage points more for money than they could possibly lend it out for and were in fact losing money on every dollar taken in.

Now, this does not subject the depositor to a problem. When you read an ad like this in the New York Times or any other newspaper and you have $100,000 or less to invest, you do not have to worry about whether the bank is a shrewd business bank, whether it knows what it is doing, whether it has good loans or bad loans, because you are not depending on this bank's business ability or business acumen, you are relying on the insurance fund known as BIF, Bank Insurance Fund, which used to be called the FDIC.

□ 2100

We are relying on their support and their insurance fund, and knowing full well if that fund is not enough, that the full faith and credit of the U.S. Government is guaranteed to support those deposits as they go belly up.

I suggest that there is a possibility that we may have bank difficulty. I would call to the attention of the Members of the House and the American people, that the front page of the Washington Post just this morning indicated one of the oldest banks in the city of Washington today is in an insolvent position, and does not know whether it will be able to survive as an institution. That was the headline on the bottom half of the first page.

If we look across the country we have had more failures in banking institutions in the last 2 years than at any other time in our history since the creation of Federal deposit insurance, and yet day in and day out we are hearing Members from both sides of this aisle trying to place blame on the savings and loan bailout like it was a conspiracy of elected officials to cause that to occur, or that there is something that they could have done to prevent the economic reason for the failure. That is what I am addressing.

There is enough blame to go around, and it would be an analysis that would consume for more than my hour to find out who is at fault for the fraud, abuse, or corruption, the ill-fated regulation, the failure to inspect, the concept of deregulation, and all those things. That must be left for another day. That issue certainly will be, and has been, addressed.

Instead, I raise the question tonight of who knows why the economic failure occurred in the savings and loan? Have we really found out? Do we know why the FDIC isurance fund is now in its weakest position since its inception 50 years ago? On a proportional basis, it has less money in the fund today to protect more dollars than at any time in its history. Yet, what are we doing to prevent the potential of a banking crisis in this country? That the banks would start to fail, fail for liquidity, and would have to go to the fund and exhaust the fund, and would have to come to the taxpayers? Do we have any idea of what the cost of such a sequence of events would be? Again, do we have any idea what would cause that?

Certainly, somewhere in America tonight there is fraud, there is corruption, there is abuse in the banking as in any other industry. However, if there is a failure, could we stay here tonight and say that it is fraud, abuse, failure, and mismanagement that caused it, or is there an economic virus within our system that may potentially cause that failure, may have caused part of the S&L failure, and could it

cause a part of any other failure in our system?

I submit Madam Speaker, in fact, there is a virus in our land, and that virus is something we have ignored too long. We have had a tendency to watch the American financial system and gauge whether it is healthy or unhealthy by indicators that no longer may be proper thermometers of our temperature. We are looking at the stock market and what we do not realize, that the stock market in New York is no longer a national market. It is a world market. It does not necessarily reflect good or bad financial conditions just in the United States, but reflects financial conditions worldwide and is impacted by events worldwide. However, I do suggest that there is a market that is screaming out for notification, that is in trouble, and all Members are sitting back and not paying attention to it.

That market is the domestic real estate market, both commercial, multifamily, and residential. It is not uniform across the land yet. But clearly it has been in place and started in New England more than 18 months ago. I have talked with people who tell me that there are some homes for sale in the New England area, on the beaches of Cape Code, and other places, that there is no reasonable price that can be obtained for the purchase of those homes. The fact is that people are taking half, and sometimes as low as a quarter of the original asking price because there is no market for the sale. I recently have been in New York City, and I have talked with some of the financial leaders of New York, and they tell me the real estate market in New York has dropped by 10 percent in just the last year. If that is the case, that would have already consumed most of the equity put up by investors when they started to build those properties 1 year or 2 years ago. I have been to California, and I get the same reports in some sections of California, I received the same report in some sections, particulary the large populated areas of Pennsylvania. I get the same reports from areas in Midwest, and I certainly know for a fact that in Arizona and in Florida, where the S&L's have had a disaster, real estate is very soft.

Madam Speaker, right here in Washington, DC, which has been on a real estate kick for a number of years, we have seen this problem. For the first time, we are reading of real estate developers that are insolvent, unable to perform, and foreclosures. I suggest we potentially may be in the clutches of a financial disaster the likes of which we have not seen in many years as the result of a free fall in the domestic real estate market of the United States. No one can prove that. Certainly I do not suggest that I have the empirical evidence to prove it. I merely have very strong indicators from all the industry.

I had the occasion just 2 days ago to speak to a combined group of insurance company executives. I made this very same proposition to them. It was my feeling and my analysis that we are, in fact, in a crash situation in the real estate market in this country, and that as it went to every one of our institutions, it could cause problems not only in the S&L's, which it has, but in the banks and the pension funds and in the insurance companies. After about 15 or 20 minutes of this discussion, we stopped, and the question was posed to the executives present, is there anyone in this room that would like to refute that argument or even challenge the validity of that argument? Most people admitted it was their perception, from their limited view of where they were doing business that, indeed, real estate as a market has fallen and fallen precipitously in the last 6 months to a year. If that is the case, if even the outside potential of that exists, what could it mean to America? I tell Members one thing, Madam Speaker, it could make the S&L bailout look like kid's play. Because we are talking about something now that could go to the Federal banking institutions and wipe out a fund that has already been depleted down to $14 billion. If we had to run in and take care of the portfolios of the commercial banks in this country that are heavily invested in this point in risky real estate, we could be talking another taxpayer payout to support the banking institution of hundreds of billions, perhaps as high as trillions of dollars. If only it would stop there.

But how many Americans realize that their pension funds are highly invested in supporting mortgages and investments in real estate across America? And that their pension funds are only so secure, and gain such income as those real estate investments are secure? How many people realize that insurance companies are major investors in mortgaged money to build buildings, and major owners of real estate in this country? And that their insurance policy would not be very secure if, indeed, the insurance companies were not able to get the liquidity necessary or to sell the real estate that they are now invested in, if they needed that money? Madam Speaker, we are talking potential of trillions of dollars of loss and an economic catastrophe in the country that could make the Great Depression seem like nothing. I do not want to predict that that is absolutely going to happen, and certainly do not. I am not here to suggest that I have the absolute empirical evidence or factors that it is happening. God forbid. I hope it is not. However, I will tell Members this, Madam Speaker, that although I am firmly convinced that neither the President, his son, nor the Members of this Congress on either side caused the total S&L debacle, because I was there, perhaps we did not take certain perceptive actions sometimes we did not see the right thing, but there were huge economic causes for that disaster. I can see that over the years, I can see now there are economic factors awake in the land that could cause the same disaster to occur in the banking industry, the pension fund industry, and the insurance industry. What is the Congress of the United States and the President of the United States doing about it to prevent this potential eventuality?

□ 2110

Well, I will tell you as a member of the Banking Committee what I think. I do not think we are doing anything, and certainly not nearly enough.

I do not want to criticize my committee, and I certainly do not. Chairman GONZALEZ has worked harder and put in more hours than any man in the House that I know of. He has held hearings in Texas, in California, in Washington, and all across our Nation. You name the city and he has been there with his committee. I have been there many of the times with him. He holds untold hearings in the House when we are in regular session to try and find out the facts.

Is it the subcommittee chairman, Mr. ANNUNZIO, who is responsible? Certainly not. He, too, is holding extensive hearings with his subcommittee, both here in Washington and throughout the country. Then who is at fault?

Madam Speaker, we are at fault. We are all at fault, because to my knowledge there is not a Member of the House of Representatives who would be classified as a financial expert of the highest order, who could sell his services as a consultant to the major financial institutions of this country and be worth a great deal of money.

We are generalists, Madam Speaker. We are farmers, we are lawyers, we are businessmen, we are engineers. We even have a doctor or two. But we are not financial experts, and what this crisis, whether we look at the savings and loan crisis or we look at the potential bank crisis, demands of this country today is the best minds America could assemble.

First, we should assemble all the data we have and find out where we are weak and what more we need. We need to analyze that data as critically as possible, with the best case scenario and the worst case scenario, to determine whether or not there is a virus loose in the land and whether it has anything to do with the economic difficulty that is being reflected in the real estate market across the country and whether or not that market of natural forces will turn around. Or

could it precipitate an economic disaster in the short or interim period that would be so catastrophic as to set off the whole economic force and direction of the United States?

If there is even a small likelihood or possibility that that could occur, we are being less than diligent in not assembling in this country today the finest financial minds to determine what the facts are, what alternative positions this Congress and this Government could take and this country could take, and make the people aware of those facts.

It is going to be too late, Madam Speaker, when pensioners a year from now or 2 years from now come and ask me why they no longer get their pension checks when they thought they were guaranteed a pension because they contributed all their lives. It would not help for me to tell them, "We are very sorry, but insurance companies aren't insured and they went bankrupt," or "the pension funds aren't fully insured and they went bankrupt," or "yes, your investment was insured, but it was insured with billions of dollars of other investments that are tied up in the bank crash," the bank crash that may occur.

If we think the American people are dissatisfied today with the discovery that there is a savings and loan debacle, if we think they are awfully annoyed because they do not understand all the ramifications and the reasons and the causes of it, if they are not satisfied that we have not put all the crooks in jail, I say to you that we can forget all those things, because now we would know there are other causes for the savings and loan disaster that may be still out in the land and may be eating away at our financial fabric, and we are sitting like the three monkeys, hearing no evil, seeing no evil, and speaking no evil.

Well, I have decided to be the third monkey and take the tape off my mouth and speak some evil, even if it shakes up some financial markets in this country or disturbs some influential industrial people in this country who are in the financial institutions and part of the monied interests of this country, because somebody has got to tell the American people that it would be, oh, so simple to say that the losses we suffered in the S&L's were only due to some crooks and those crooks got away with it because regulators did not do their job.

In fact, that did happen. We lost billions of dollars because there were dishonest people performing dishonest functions and the regulators who were supposed to catch them either were not hired or were not qualified or were not inplace and did not catch them, and now the disaster has occurred that is going to cost the taxpayers of America billions of dollars. That did happen, but that does not satisfy the American people as to why they should pay that loss. And further, it is not going to satisfy the American people to find out that if we had an anticipation that this could occur in other industries and there were certain preventive activities we could have undertaken now to prevent any of the loss from occurring, certainly to prevent a major part of the loss from occurring, we did not do it, just as we know that when we passed the FIRREA, the support bill to provide the bailout for savings and loan depositors, that we needed other provisions in that bill to have a softer landing for the American taxpayer, but we could not get the consensus to do that. We could not get the bailout on budget, so we paid more interest money to borrow the money so the President and his administration would not be embarrassed.

Some of us, myself included, voted against the bill for that reason alone. But we had other reasons as well. We knew that the American people had not been told the full truth about the savings and loan disaster, just as they have not been told the full truth today about other industries.

How many of the American people know that the majority of the savings and loan losses that occurred in this country in 1987, 1988, 1989, and 1990 were not from federally chartered savings and loans? They were not like the savings and loans that do business in my little district in Pennsylvania. There were State-chartered savings and loans that were given powers by legislators in the individual States, particularly Texas, that were regulated by the regulators employed in Texas and working for the Texas State government, not the Federal Government, regulators who were not adequately prepared and did not make audits or examinations sometimes for as long as 5 or 6 years.

But we did have some Federal involvement. In order to try to protect depositors, we extended Federal deposit insurance so if those depositors went down there and put their money in those S&L's, even though they were State-chartered, State-regulated, and State-controlled, if there was a loss there, the Federal Government and the Federal Deposit Insurance Corporation would pay the loss. And indeed we are, to the tune of hundreds of billions of dollars, depending on whether we say it is $100 billion, $200 billion, or $300 billion.

The fact is that for the 4 years I mentioned, about 75 percent of the institutions and 75 percent of the loss is losses that occurred in State-chartered, State-regulated institutions, most of them in the State of Texas.

What happened in Texas? Texas is a phenomenal story. Everybody was a "go-go." They found out you could go down and get a charter in Texas and have little regulation, and if you wanted to have your own investment bank or, as some people called it, your own piggybank, they went down to Texas. They built billions of dollars worth of highrise apartment buildings, billions of dollars worth of hotels, and billions of dollars worth of highrise apartments and shopping centers. They only missed one thing—they did not have the billions of dollars to pay for them.

So they went belly up, and Uncle Sam guaranteed to support the depositors' money that was acquired from all over this country as a result of these ads: "Send your money to Texas and get 10 to 11 percent." And people from Pennsylvania and New York and all over this country did exactly that.

Then when the savings and loans ran out of money and could not pay the depositors' money back, it became the responsibility of the insurance fund to do it. When the insurance fund was wiped out in 1988, and they had no further funds, because of the full faith and credit of the U.S. Government, it became the responsibility of the U.S. Government to pay the funds, which we did.

It is interesting, however, when we look at the story, because Texas had more money injected in it as a result of savings and loan activity in 1987, 1988, and 1989, three times more money than the United States invested in all Europe under the Marshall plan. Over $60 billion from all over this Union, from 37 States, went in to help just 13 States, but primarily Texas. About 60 percent of the loss was in Texas alone.

It sounds like I am Texas-bashing. I am really not. It just seems to me that way back in 1988, 1987, and 1986 I sat as a member of the Banking Committee and I had the officials of the U.S. Government, Mr. Wall and Mr. Gray, come before my committee and they told us, "Congress we've got a problem, but our problem isn't that much."

□ 2120

They said, "If you could come up with a bill that would give us $2 billion over a period of 7 years for each of those 7 years, about $14 billion, have no problem."

We met on it. We cogitated about it. We said, "We don't understand the regulation, and we don't micromanage these things, but they are the executives that do." They needed the money; they got it. We passed the bill.

We passed a different bill than they asked for though. We said, "Let's not stretch this over 7 years. We're going to give you $5 billion a year for the next 2 years, and come back and tell us what the need is then."

Mr. Speaker, we gave them that $10 billion, and they went about closing some savings and loans in Texas, and

the Southwest and other areas of the country.

Then in the summer, about this time of year, of 1988, if my colleagues will recall, about 3 months before a Presidential election, the administrators and the regulators came back to the Congress and testified, and they said, "We underestimated the bailout. That $10.8 billion that you gave us 2 years ago is not going to be enough. We're going to need about $12 to $15 billion more, and if you could put that together, it solves the whole problem."

Needless to say, Mr. Speaker, a lot of us were not too happy about that, but recognizing that we and the American people, to protect the savings of average Americans and that average savings, of about $8,000 a person, that put their money in these institutions and did not study the responsibility or the ability to invest this money because at the door we said, "If you put your savings in this institution, you're insured up to a hundred thousand dollars." We had to honor the commitment to put additional funds in the insurance fund to protect these savers.

Mr. Speaker, we set about preparing to do that, but we were hearing other stories. Regulators were calling us up on the telephone and saying, "Mr. Congressman, what those people in Washington are telling you is not the truth. There are savings and loans out here in the West and in the Southwest that are literally losing a billion dollars an institution. Check it out."

We did, and we took our hearings to California, and we took them to Arizona, and we looked into it, and we found out those people out there in the field were not altogether wrong.

So, we called the head of the responsible regulatory agency of the U.S. Government under the President of the United States before the committees of Congress, and he told us, now in October, 30 days before the election, "It probably was slightly underestimated. Instead of $12 to $15 billion"; I think he remembered the figure exactly, Mr. Wall said that they recalculated it; "$22 billion." That is the figure. "If you come up with $22 billion in October of 1988," 30 days before the election for the presidency of the United States, "the problem will be solved."

Quite frankly, Mr. Speaker, we thought that was a little high on the committee, but we were willing and able, and we wanted to make our commitment. We set about again structuring the legislation to accomplish this constantly urging the President of the United States at that time, who was the deregulator of all deregulators, Mr. Reagan; we said, "Send up legislation. Let us give you the authority and let us give you the funding to move."

They did not want to do that. They did not want to propose any legislation. I suspect why. I could be wrong.

Mr. Speaker, I suspect that Mr. Reagan did not want to admit that deregulation, lax regulation, and lax supervision were starting to cause what appeared to be a great financial disaster, and 30 days before a Presidential election he did not want to have anything to do with it, and, since he only had 3 more months to serve as President, he did not want to have anything to do with it, and, as is custom with a President, if something good is said about a President and the bad facts of a situation are ignored, they tend to disappear because, after all, he had spent 8 years as President of the United States, and he got elected to balance the budget, and he failed to balance the budget every year for 8 years and had taken the debt of the United States from $900 billion, when he took office, to over $3 trillion when he was leaving office, three times the accumulated debt, and nobody held him responsible for that. So, why talk about the S&L scandal?

Mr. Speaker, he was right. He did not talk about it. The American people went and elected a President. President George Bush was elected.

Just 4 weeks ago in testimony before the Banking Committee a regulator of the Silverado Savings and Loan in Denver, CO, told us that the State wanted to exercise closure in the end of October 1988, and they received a telephone call from Washington, DC, a highly placed official with the authority to give direction, but conveniently forgot who that individual was who told them not to take action to close the Silverado Savings and Loan prior to the November election. In response to that order and request they took no further action and let Silverado continue to exist for at least another 36 days, until early December.

Mr. Speaker, as all my colleagues know, when they eventually closed Silverado, after the election, it cost the American taxpayer more than $1 billion.

Now, even if it was nobody's fault, in order to not have that issue presented to the American people before the election there had to be a loss between the time they actually closed the institution and the time the local regulators who knew it best wanted to close it, of at least an additional $30 to $40 to $50 million lost in that 36-day period that was lost through no other reason than not to have a negative impact on the Presidential election.

Anyway, the election was held on November 4, and in America we only have two candidates. One wins, and, when he does, he becomes President of the United States; not a Republican President, not a Democratic President, but a President of all the people, and, Mr. Speaker, the President of the United States is my President, too.

In response to that President I want to say this: That I was most impressed that, when he came to office, he took certain action, but I do want to end this story. There is another date here.

Mr. Speaker, the Banking Committee met a month after the election, in December 1988. Mr. Wall then comes before the committee and said, Gentlemen, I don't know how it happened, but I was only here 60 days ago. I remember being here in July, 4 months ago, and I said it was $15 billion, and then I was here 2 months ago in October, and I said it was $22 billion, and I don't know how we made this mistake, but now we calculate that it's probably $35 billion.

Mr. Speaker, I was starting to lose faith in the regulators' capacity to add, and subtract and to multiply. I could not understand how in a period of 4 months or 5 months anybody could miss the books by three times, going from $15 billion to $40 or $45 billion in 6 months.

Well, now to give credit: Mr. Bush came into office. He was not going to cook the books. He could not cook the books really. He looked at it and knew how bad it was. His first or second order was to send a program up to Congress to get the S&L's bailed out, and he did it, and within weeks a proposal came up to the Congress, and we went full steam ahead with hearings, and meetings and discussions, amd we put together an extensive piece of legislation that has subsequently become known as the S&L bailout.

Mr. Speaker, that is an unfortunate misnomer of terms because it is not a savings and loan bailout. It is a depositors' bailout. The U.S. taxpayers, through their Government, gave their full faith and credit to support the insurance fund that insures the depositors that put their money in the savings and loans across the country.

□ 2130

But needless to say, the press had a field day. It was a bailout, and if you call something a bailout, people get the misconception that it is the owners who are getting bailed out. And they can get mighty annoyed; but still they did not understand the full impact of the amount; but when the administration came up in January and February with its proposal, it now recognized that it was no longer the $15 billion as it estimated in July, the $22 billion that it estimated in October, the $30 billion that it estimated in December, but in fact it was a full-blown $100 to $200 billion disaster.

And do you know what? The administration convinced me. I turned to my colleagues on the committee and I said, "I know it is underestimating this."

You know the saying, "Lie to me once, shame on you; lie to me twice, shame on me." This was the fourth time, and I was not going to have

shame on me this time. I knew they were lying. Not only did I know they were lying, but by that time we had extensive hearings. We had them in. We were going over the books. It was not unusual to see Vernon losing $2 billion, Silverado losing $1 billion, Lincoln losing $2½ billion. That is $5 billion right there, just those three. We knew there were over 4,000 savings and loans. We knew there were more than 1,000 who were in trouble and there could be as many as 1,500.

So the underestimations were very clear. We did not know what the outside amount was going to be because we did not know how fast we could clear it. We did not know a couple other things. We did not know how the real estate market would hold up. We did not know what kind of people we could get in place and in what time to manage the disaster, and we were not at all certain that the executive branch had its house in order to do any better on this job than it did for the last 8 years in regulating and supervising the job; but we did try to work in a bipartisan way and we put a bill together. That bill has been in action, and now we have heard all the criticism, everything from the failure to prosecute, to people who have walked away with fortunes; but most recently and most disturbing, Madam Speaker, Senator METZENBAUM in the Senate just this last week discovered a savings and loan buyer from Arizona who owned a company and had pled guilty for that company of fraud in securities, and he was able to buy 15 failed S&L's in Texas with only $1,000 dollars of his own money. He borrowed $70 million from two companies, one of which he owned and the other he had influence in.

Now that the picture has been examined and we guaranteed him $1,700,000,000 of the taxpayers' money for this deal. Who is we? The Chairman of the Federal Home Loan Bank Board. He did it at the 11th hour in December before the law changed. He wanted to get rid of as many of these institutions as they could and so he wrote in a deal for as many institutions as they could.

What did they do? They did not have regard for the American people. They did not even want to tell us, and would not disclose to the Congress of the United States or the taxpayers, the details of deals they made. To this day, we still do not know all of the ramifications of the deals that they made. We are just starting to look at those deals, and let me tell you, some of them are frightening. We will be uncovering skeletons for many years to come.

Why did we not know about those deals? First, we did not have cooperation; second, when we started to have oversight who did we call before our committee for oversight? The same officials who had come up before in many instances who had lied to us, misled us, given us the wrong facts over and over again. They appeared before us all year.

I do not know about you, my fellow Members, Madam Speaker, usually a person only gets to lie to me once. He certainly does not get to lie to me twice, but for us to sit here in Congress and allow these officials to tell us anything they want, to not disclose the information to us we need, and for the Congress to lack the resources and ability to make the examination ourselves, I think that is grossly negligent on our part. I think it is foolhardy on our part to think that these officials would now turn around after a pattern of lying for years and tell the Congress or the American people the truth, and I think as Representatives of the American people in Congress assembled it is our responsibility to find out what the facts are, get to the truth; and most of all, to publish that truth openly to the American people.

It is not a national security secret why this money was lost. It is important for every voter and every American to know what happened, whether it was an economic disaster, and if so, what portion was attributable to that; if it was fraud and corruption, and if so what portion is attributable to that, who was responsible, who was paid, how were they paid, how are these people now living, are they going to pay the money back, have they been able to hide this money and buy million-dollar homes and escape with that wealth that the taxpayer will have to pay?

Should we change the rules? Are our rules too lenient? Do we have enough investigators in the field? Are we doing sufficient auditing? Is the real estate market going to fall and cause collapse of other institutions unrelated to fraud, corruption, and abuse?

How will we know these facts? Well, we are not going to know these facts by being penny-wise and pound-foolish, by thinking that we could appropriate in one crime bill the Senate passed, I think last week, $300 million to the Attorney General to prosecute, when we have already given him $75 million to prosecute, and he has not spent that.

We had testimony before our committee by his Assistant Attorney General that, well, Congressman, he answered my question, he said, "We haven't done that because don't you know how long it takes to hire investigators, how long it takes to hire Federal attorneys?"

I said, "Mr. Attorney General, we gave you the money 9 months ago."

He said, "Well, it takes 3 months to advertise."

I said, "Have you ever thought about the fact that when the President asked for this 1½ years ago, and we told the President we were going to provide it, why didn't they start lining up the FBI agents and investigators and attorneys general across the country and Federal attorneys to prosecute 1 year ago, 1½ year ago?" He could not even assure me we had enough prisons to house all the S&L criminals.

They did not do it because they were disorganized. They did not want to do it for one reason or another. They were not prepared to do it, or maybe it is just plain old bureaucratic governmental malaise. I do not know what it is, but I can tell you this, Madam Speaker. Just throwing money at this disaster, whether it is for criminal prosecution, regulation, or for the bailout, is not going to solve the problem, no more than we won the war on poverty by just throwing money at it.

It is going to take informed, rational minds, with a willingness to find out what the true problems are, unrelated and independent of whether they are positive or negative to your own personal interests, political interests, or otherwise, and then work out a scheme and a plan that is bipartisan in nature, not blame-finding or fault-finding, but to save money for the American people; but most of all, to prevent a potential catastrophe, that if that virus is out there in the land and does exist, it could be just around the corner. Then it will not be important who was at fault or whose son was a director or who was the prosecutor. We will be in the throes of a gigantic economic depression in this country at the very time that the world has changed over and the American institutions and the American system seems to have won out, and we will not be able to have the money for the activity, to be the players. It will be most ironic.

I was a boy of 4 years old when the Second World War occurred. I remember having the measles on December 7, 1941, listening to a radio and the announcement of the callup of the National Guard and the Reserves. They were first reporting the deaths that occurred at Pearl Harbor.

□ 2140

I did not know what war was at 4 years of age, but I did remember that for the 4 years after that it was pretty rough, pretty tough. A lot of the kids that used to live around me went off and they did not come home to play ball anymore or anything else. They came home in boxes.

We fought, interestingly enough, two nations, the Empire of Japan and Nazi Germany, and we literally in 5 years rendered those two nations senseless and economically barren. We leveled Nagasaki and Hiroshima with atomic bombs and killed over 100,000 people. We bombed and fire-bombed Dresden and other German cities

where there was not a building standing or the capacity for any industrialization, and most of us that saw that aftermath of the Second World War said that never again will these two powers ever be able to rise up and be world powers for good or for bad in our lifetime.

Lo and behold, here we are in 1990, and the two strongest economic powers in the world today are our adversaries of the Second World War. They seem to be getting along so well that when the Soviet Union has asked for aid, the President indicates that he cannot provide any for political reasons, but not only for political reasons, for economic reasons. When you have a deficit of $230 billion a year and you have a national debt of $3.2 trillion, you are not in a very good mode to pull out your checkbook and start writing checks for your recent enemy or potential enemy, and certainly we cannot expect to do that.

But worse than that, we cannot play in the world economic ballgame. We do not have enough money to develop the technology to do the research that our own scientists are doing. The nation of Japan now purchases 90 percent of the American patents every year, the strongest developer of American patents. The nation of Japan educates five times as many engineers as the United States even though their population is less than half of the United States.

The anticipated income of the Japanese worker at the year 2000 is expected to be $90,000 a year. The anticipated income of the West German worker in the year 2000 is expected to be $70,000 a year, and the anticipated income of the average American worker is anticipated to be $35,000 a year, about half as much as our enemy of 45 years ago, West Germany, and even less than half as much as the Empire of Japan, our enemy of 45 years ago.

Madam Speaker, these are the reasons I had to come down tonight. I am a lawyer by profession, I am not an economist, but I think I have the ability to perceive problems when I see them, and all of my life I have been involved in watching economic trends and financial trends and investments.

Speaking for myself alone, not just as a Congressman, I am damn worried. I think we have problems in this country that go far beyond the S&L crisis or a need for a little adjustment of income and cutting of the budget. We have got deep economic problems that are affecting the real estate market of this country, that are putting in jeopardy not only the savings and loan institutions but the banks, the insurance companies, and the pension funds, and if we do not do something mighty damn quick, we may just have the strongest, heaviest, worst, and hardest financial disaster this country has ever seen.

I am here to say to my colleagues tonight, I am here to say to the President of the United States and anybody else who will listen to me, that if there is even a slight chance of this analysis being correct, it is the obligation now of this Congress and of this Government to put together the greatest minds we have financially in this country, to open up and study the disaster in the savings and loan industry and expand it to the entire financial sector of our economy and to determine what the strengths, the weaknesses are, and if there is any legislation that is necessary to change what may potentially occur and to anticipate the worst that could occur and to try and put into effect the measures that could shore up our system if a catastrophe should occur, whether it be a reconstruction finance corporation to hold real estate assets until they recover, and there is a need for that, or other actions. But something has to be done. Ignoring the problem, not financing the study of the problem, walking out and saying, "Well, we are doing what we think should be done," or worse than that, to try and find blame, whether it is on either side of the aisle in this House or whether it is in the executive branch, the regulatory agencies, and the supervisors, or even attacking the son of the President of the United States, when all is said and done, we will vent oursleves of a lot of annoyance, a lot of frustration.

But what will we have accomplished? We will have been talking about something that is already history.

What I am suggesting is we not only stop talking about history but start studying history. Use the S&L scandal and the debacle that occurred as a laboratory. Let us find out if it could spread. Let us find out if it has spread. Let us find out what the ramifications to our entire economic system would be if, indeed, it has spread, and what, if anything, we as the Government of this country can do about it.

I do not think there is a nobler cause than we are called to in the year 1990 to perform.

Mr. President and members of the Republican Party and the Democratic Party of this House, this is not the time to point fingers and to be fancy about who is at fault for what, when, and where. It is not the time to excite and frighten the American taxpayer or scare the living hell out of them. It is the time to be firm, steady as you go, analytical, executive. It is a time to be real American individuals and solve our own problems in our own way by facing up to them and finding what the end result should be.

I thank the Speaker for her indulgence.

PERSONAL EXPLANATION

Mr. MINETA. Madam Speaker, on July 18, I was called away by an unexpected personal emergency.

I ask unanimous consent to enter into the RECORD how I would have voted on yesterday's House business if I was present.

No on the Frenzel amendment to H.R. 5268, appropriations for rural development, agriculture, and related programs.

No on the Dannemeyer amendment to H.R. 5268.

No on the Penny amendment to H.R. 5268.

No on the Walker amendment to H.R. 5268.

Yes on final passage of H.R. 5268.

Yes on House Resolution 433, providing for the consideration of H.R. 5258, the Balanced Budget Act of 1990.

No on the motion to recommit H.R. 5258.

Yes on final passage of H.R. 5258, the Balanced Budget Act of 1990.

The SPEAKER pro tempore (Ms. SLAUGHTER of New York). Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. BENTLEY (at the request of Mr. MICHEL) for after 1 p.m. today and Friday, July 20, on account of official business.

Mr. DANNEMEYER (at the request of Mr. MICHEL) for today and tomorrow, on account of official business.

Mr. BAKER (at the request of Mr. MICHEL) for today and tomorrow, on account of illness in the immediate family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KASICH) to revise and extend their remarks and include extraneous material:)

Mr. WOLF, for 30 minutes, on July 20.

(The following Members (at the request of Mr. AUCOIN) and to include extraneous matter:)

Mr. SLATTERY, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. STARKE, for 5 minutes, today.

Ms. OAKAR, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 60 minutes, on July 20.

Mr. LAUGHLIN, for 60 minutes, on July 25.

Mr. KANJORSKI, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GILMAN, on Natcher/Conte amendment, today, in the Committee of the Whole, on H.R. 5257.

(The following Members (at the request of Mr. KASICH) to revise and extend their remarks and include extraneous material:)

Ms. SCHNEIDER.
Mrs. ROUKEMA.
Mr. STEARNS.
Mr. GREEN.
Mr. IRELAND.
Mr. BLILEY.
Mr. ROTH.
Mr. DANNEMEYER.
Mr. DREIER of California.
Mr. WEBER.
Mr. GUNDERSON.
Mr. PORTER.
Mr. LIGHTFOOT.

(The following Members (at the request of Mr. AUCOIN) and to include extraneous matter:)

Mr. ROSE.
Mr. DE LUGO.
Mr. MCMILLEN of Maryland.
Ms. OAKAR.
Mr. CAMPBELL of Colorado.
Mr. EDWARDS of California.
Mr. UDALL.
Mr. STARK.
Mr. VOLKMER.
Mr. LANTOS.
Mr. KANJORSKI.
Mr. MORRISON of Connecticut in two instances.
Mr. SOLARZ.
Mr. MAZZOLI.
Mr. MINETA.
Mr. RICHARDSON.
Mr. HUBBARD.
Mr. STOKES.
Mr. ORTIZ.
Mr. LEHMAN of Florida.
Mr. ALEXANDER.

ADJOURNMENT

Mr. MINETA. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 48 minutes p.m.), the House adjourned until tomorrow, Friday, July 20, 1990, at 10 a.m.

SENATE ENROLLED JOINT RESOLUTIONS

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 276. Joint resolution designating the week beginning July 22, 1990, as "Lyme Disease Awareness Week."

S.J. Res. 281. Joint resolution designating September 13, 1990, as "National D.A.R.E. Day."

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3587. A letter form the Assistant Secretary for Territories and International Affairs, Department of the Interior, transmitting a draft of proposed legislation to eliminate "substantial documentary evidence" requirement for minimum wage determination for American Samoa; to the Committee on Education and Labor.

3588. A letter from the Administrator, General Services Administration, transmitting an informational copy of a report of Building Project Survey for Beaver County, PA, pursuant ot 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIV, reports of committees were delivered to the Clerk for printing and reference to the proper calender, as follows:

Mr. ROE: Committee on Science, Space, and Technology. H.R. 3533. A bill to amend the Earthquake Hazards Reductions Act of 1977 to improve the Federal effort to reduce earthquake hazards, and for other purposes; with an amendment (Rept. 101-464, Pt. 2). Referred to the Committee of the Whole House on the State of Union.

Mr. DIXON: Committee on Appropriations. H.R. 5311. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1991, and for other purposes (Rept. 101-607). Referred to the Committee of the Whole House on the State of the Union.

Mr. HEFNER: Committee on Appropriations. H.R. 5313. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes (Rept. 101-608). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIXON:

H.R. 5311. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1991, and for other purposes; committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

By Mr. ROE:

H.R. 5312. A bill to establish a uniform Federal system for the review and authorization of releases into the environment of genetically modified organisms, to promote research into and collection of data regarding the effects of such releases, and for other purposes; jointly, to the Committees on Science, Space, and Technology, Energy and Commerce, and Agriculture.

By Mr. HEFNER:

H.R. 5313. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes; committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

By Mr. ANDERSON (for himself, Mr. HAMMERSCHMIDT, Mr. NOWAK, and Mr. STANGELAND):

H.R. 5314. A bill to provide for the conservative and development of water and related resources, to authorize the U.S. Army Corps of Engineers civil works program to construct various projects for improvements to the Nation's infrastructure, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ANDERSON (for himself, Mr. MINETA, Mr. BORSKI, and Mr. WISE):

H.R. 5315. A bill to provide off-budget treatment for the highway trust fund and the airport and airway trust fund, if such treatment is provided for the Social Security trust fund; jointly, to the Committees on Public Works and Transportation, Government Operations, and Rules.

By Mr. BROOKS:

H.R. 5316. A bill to provide for the appointment of additional Federal circuit and district judges, and for other purposes; to the Committee on the Judiciary.

By Mr. IRELAND (for himself, Mr. FASCELL, Mr. YOUNG of Florida, Mr. LEHMAN of Florida, Mr. BILIRAKIS, Mr. BENNETT, Mr. GRANT, Mr. HUTTO, Mr. GOSS, Mr. NELSON of Florida, Mr. SHAW, Mr. GIBBONS, Mr. MCCOLLUM, Mr. SMITH of Florida, Mr. LEWIS of Florida, Mr. JOHNSTON of Florida, Mr. JAMES, Ms. ROS-LEHTINEN, and Mr. STEARNS):

H.R. 5317. A bill to prohibit the Secretary of the Interior from issuing oil and gas leases on certain portions of the Outer Continental Shelf off the State of Florida; to the Committee on Interior and Insular Affairs.

By Mrs. KENNELLY:

H.R. 5318. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of charitable contributions of appreciated property by S corporations; to the Committee on Ways and Means.

By Mr. ORTIZ:

H.R. 5319. A bill to establish in the State of Texas the Palo Alto Battlefield National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEASE (for himself, Mr. CARDIN, Mr. COYNE, Mrs. JOHNSON of Connecticut, Mrs. KENNELLY, Mr. MATSUI, and Mr. RUSSO):

H.R. 5320. A bill to improve the administration of the antidumping duty and countervailing duty laws: to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 5321. A bill to amend the Job Training Partnership Act to encourage the establishment of business-education compacts to reduce student dropout rates, increase productivity, and improve worker skills and job opportunities; to the Committee on Education and Labor.

By Mr. SIKORSKI (for himself and Mrs. MORELLA):

H.R. 5322. A bill amending certain provisions of title 5, United States Code, relating to the Senior Executive Service; to the Committee on Post Office and Civil Service.

By Mr. WOLPE (for himself, Mr. HORTON, Ms. KAPTUR, Mr. KANJORSKI, Mr. LAFALCE, Mr. LEACH of Iowa, Mrs. KENNELLY, Mr. CONTE, Mr. ECKART, Mr. OBERSTAR, Mr. GALLO, Mr. KLECZKA, Mr. GEJDENSON, Mr. OBEY, Mr. VANDER JAGT, Mr. STUDDS, Ms. SNOWE, Mr. BOEHLERT, Mr. ROTH, Mr. HAMILTON, Mr. JONTZ, Mr. SOLOMON, Mr. HENRY, Mr. KASTENMEIER, Mr. VISCLOSKY, Mr. MOODY, Mr. FORD of Michigan, Mr. HERTEL, Mr. SAWYER, Mr. NEAL of North Carolina, Mr. BONIOR, Mr. ENGEL, Mr. LIPINSKI, Mr. CARR, Mr. MCNULTY, Ms. LONG, Mr. WEISS, Mr. CLARKE, Mr. HEFNER, Mr. MCCLOSKEY, Mr. SOLARZ, and Mr. SHAYS):

H.R. 5323. A bill to amend the Federal Deposit Insurance Act to require States in which the failure of State-chartered savings associations has involved a disproportionately large share of the thrift resolution costs to pay a State thrift deposit insurance premium as a condition of future Federal deposit insurance; to the Committee on Banking, Finance and Urban Affairs.

By Mr. YATES:

H.R. 5324. A bill authorizing appropriations for the U.S. Holocaust Memorial Council; jointly, to the Committees on Interior and Insular Affairs, House Administration, and Post Office and Civil Service.

By Mr. APPLEGATE:

H.J. Res. 624. Joint resolution proposing an amendment to the Constitution of the United States to permit the States to propose or ratify an amendment to the Constitution by referendum; to the Committee on the Judiciary.

By Mr. GEPHARDT (for himself, Mr. GRAY, Mr. BONIOR, Mr. HOYER, Mr. FAZIO, and Mr. DELLUMS):

H.J. Res. 625. Joint resolution designating August 6, 1990, as "Voting Rights Celebration Day"; to the Committee on Post Office and Civil Service.

By Mr. MARTINEZ (for himself, Ms. PELOSI, Mr. FUSTER, Mr. LANTOS, Mr. PORTER, Mr. BERMAN, Mr. APPLEGATE, Mr. LANCASTER, Mr. MACHTLEY, Mr. EVANS, Mr. FAUNTROY, Mr. MANTON, Mr. BROWN of California, Mr. BATEMAN, Mr. HALL of Ohio, Mr. ORTIZ, Mr. WAXMAN, Mr. DE LUGO, Mr. BUSTAMANTE, Mr. LEHMAN of Florida, Mr. LAGOMARSINO, Mr. PARRIS, Mr. HYDE, Mr. BLAZ, Mr. PANETTA, Mr. RICHARDSON, Mr. LEVINE of California, Mr. FISH, Mr. MATSUI, Mr. STOKES, Mr. PALLONE, Mr. FEIGHAN, Mr. CONTE, Mr. GALLEGLY, Mr. RANGEL, Mrs. UNSOELD, Mr. NCNULTY, and Mrs. MORELLA):

H.J. Res. 626. Joint resolution designating June 3, 1991, as "Democracy Day"; to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. ANDERSON, Mr. HAMMERSCHMIDT, and Mr. SHUSTER):

H.J. Res. 627. Joint resolution designating Labor Day weekend, September 1 through September 3, 1990, as "National Drive for Life Weekend"; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 41: Mr. SLATTERY, Mr. MCMILLEN of Maryland, and Mr. LEVIN of Michigan.

H.R. 446: Mr. SMITH of Iowa, Mr. HUBBARD, Mr. VOLKMER, Mr. WOLPE, Mr. LEACH of Iowa, and Mr. ROHRABACHER.

H.R. 733: Mr. BURTON of Indiana, Mr. EMERSON, Mr. GORDON, Mr. HUBBARD, Mr. JENKINS, Mrs. JOHNSON of Connecticut, Ms. KAPTUR, Mr. LANCASTER, Mr. MCMILLEN of Maryland, Mr. MADIGAN, Mr. PANETTA, Mr. PAYNE of Virginia, Mr. SCHUETTE, Mr. SKEEN, Mr. SLATTERY, Mr. VALENTINE, and Mr. WHITTAKER.

H.R. 1804: Mr. BILIRAKIS.

H.R. 2188: Mr. DEWINE, Mr. DURBIN, and Mr. SERRANO.

H.R. 2437: Mr. HAMILTON and Mr. QUILLEN.

H.R. 2460: Mr. DWYER of New Jersey, Ms. KAPTUR, and Mr. CHAPMAN.

H.R. 2816: Mr. OBERSTAR.

H.R. 2853: Mr. DARDEN, Mr. GUARINI, and Mr. TORRES.

H.R. 3050: Mr. SIKORSKI.

H.R. 3129: Mr. QUILLEN, Mr. RITTER, Mr. SABO, Mr. DENNY SMITH, Mr. TAYLOR, Mr. VOLKMER, Mr. WHEAT, Mr. WISE, Mr. BILIRAKIS, Mr. CALLAHAN, Mr. COLEMAN of Missouri, Mr. CLAY, Mr. CLINGER, Mr. ENGLISH, Mr. FUSTER, Mr. GORDON, Mr. GRANT, Mr. HERGER, Mr. JACOBS, Mr. LAGOMARSINO, Mr. LEWIS of Florida, Mr. MCCLOSKEY, Mr. MCEWEN, Mr. MCNULTY, Mr. MILLER of Ohio, Mr. MURTHA, and Mr. PASHAYAN.

H.R. 3212: Mr. JOHNSTON of Florida.

H.R. 3252: Mr. GORDON, Mrs. SAIKI, Mrs. BOXER, Ms. PELOSI, and Mrs. KENNELLY.

H.R. 3643: Mr. OWENS of Utah.

H.R. 3799: Mr. OWENS of Utah.

H.R. 3831: Mr. MCNULTY and Mrs. KENNELLY.

H.R. 3930: Mr. MANTON.

H.R. 3978: Mr. WISE, Mr. WEISS, and Mr. VENTO.

H.R. 3998: Mr. FISH.

H.R. 4026: Ms. SCHNEIDER.

H.R. 4121: Mr. SAXTON.

H.R. 4223: Mr. BARNARD and Mr. SLAUGHTER of Virginia.

H.R. 4224: Mr. BARNARD, Mr. BEILENSON, Mr. CAMPBELL of Colorado, Ms. MOLINARI, Mr. PAYNE of New Jersey, Mr. RAHALL, and Mr. ROYBALL.

H.R. 4274: Mr. CAMPBELL of Colorado.

H.R. 4389: Mr. GUARINI, Mrs. JOHNSON of Connecticut, and Mr. KOSTMAYER.

H.R. 4518: Mr. MILLER of California.

H.R. 4670: Mrs. BOXER.

H.R. 4690: Mr. LAGOMARSINO, Mr. QUILLEN, Mr. SYNAR, and Mr. GILLMOR.

H.R. 4714: Mr. WALGREN, Mr. HUGHES, and Mr. MARTINEZ.

H.R. 4755: Mr. EDWARDS of California.

H.R. 4772: Mr. LAGOMARSINO, Mr. STENHOLM, Mr. RAVENEL, Mr. RINALDO, and Mr. JOHNSTON of Florida.

H.R. 4824: Mr. OWENS of Utah.

H.R. 4840: Mr. SOLARZ, Mr. RAVENEL, Mr. SOLOMON, Mr. POSHARD, and Mr. CHAPMAN.

H.R. 4930: Mr. CRAIG, and Mr. SHUMWAY.

H.R. 4958: Ms. KAPTUR, Mr. GEJDENSON, and Mr. EMERSON.

H.R. 4962: Mr. JONES of North Carolina, Mr. OWENS of Utah, Mr. SKELTON, Mr. THOMAS of Georgia, Mr. HALL of Ohio, Mr. JOHNSTON of Florida, Mr. COURTER, Mr. SARPALIUS, Mr. DICKS, Mr. CARPER, Mr. STOKES, Mr. DORNAN of California, Mr. RAY, Mr. JONES of Georgia, Mr. CALLAHAN, Mr. FISH, Mr. MARTINEZ, Mr. NEAL of North Carolina, Mr. DICKINSON, Mr. BENNETT, Mr. KOSTMAYER, Mr. CLARKE, Mr. LIPINSKI, Mr. HUTTO, Mr. MILLER of Ohio, Mr. COLEMAN of Texas, Mr. TRAXLER, Mr. SIKORSKI, Mr. HUGHES, Mr. SLATTERY, Mr. TAUZIN, Mr. TALLON, Mr. HATCHER, Mr. JENKINS, Mr. DARDEN, Mr. LEWIS of Georgia, Mr. MONTGOMERY, Mr. STUMP, Mr. SHAYS, Mr. ROWLAND of Georgia, Mr. BATEMAN, Mr. FROST, Mr. BROOMFIELD, Mr. MCHUGH, Mr. MCNULTY, Mr. SOLOMON, Mr. CHANDLER, and Mr. RUSSO.

H.R. 4992: Mr. SOLARZ and Mr. EDWARDS of California.

H.R. 5007: Mr. MCGRATH, Mr. BOEHLERT, Mr. ROGERS, Mr. WYLIE, Mr. FAZIO, Mr. GIBBONS, Mr. BILIRAKIS, Mr. BUECHNER, Mr. KLECZKA, and Mr. WEISS.

H.R. 5044: Mr. SCHIFF, Mr. TANNER, and Mr. TAUZIN.

H.R. 5082: Ms. SLAUGHTER of New York, Mr. SPRATT, Mr. NEAL of North Carolina, Mr. PENNY, Mr. OLIN, and Mr. VALENTINE.

H.R. 5127: Mr. MURTHA.

H.R. 5191: Ms. KAPTUR.

H.R. 5202: Mr. DYSON.

H.R. 5217: Mr. TOWNS.

H.R. 5247: Mr. MCMILLEN of Maryland, Mr. THOMAS A. LUKEN, Mr. MRAZEK, and Mr. VISCLOSKY.

H.R. 5260: Mr. APPLEGATE.

H.R. 5266: Mr. DARDEN, Mr. DERRICK, Mr. DUNCAN, Mr. HUCKABY, Mr. NEAL of Massachusetts, Mr. OBERSTAR, Mr. OWENS of Utah, Mr. PASHAYAN, Mr. PAYNE of Virginia, Mr. ROBINSON, Mr. SCHAEFER, Mr. STAGGERS, Mr. YATRON, Mr. GRANT, and Mr. OBEY.

H.J. Res. 156: Mr. CAMPBELL of California and Mr. STAGGERS.

H.J. Res. 459: Mr. WEISS, Mr. TRAFICANT, Mr. HAWKINS, Mr. DE LA GARZA, Mr. LANTOS, Mr. LIVINGSTON, Mr. GEJDENSON, Mr. HUNTER, Mrs. UNSOELD, and Mr. GILMAN.

H.J. Res. 482: Mr. ROYBAL, Mr. RAY, Ms. MOLINARI, Mr. HAMMERSCHMIDT, Mr. SMITH of Texas, Mr. SPENCE, Mr. BILBRAY, Mr. DUNCAN, Mr. PRICE, Mr. QUILLEN, Mr. YOUNG of Florida, Mr. BOEHLERT, Mr. HARRIS, Mr. COX, MR. LAFALCE, and Mr. GEJDENSON.

H.J. Res. 486: Mr. COBLE, Mr. YOUNG of Florida, and Mr. SCHIFF.

H.J. Res. 509: Mr. LEVIN of Michigan, Mr. BOUCHER, Mr. HARRIS, Mr. TAUKE, Mr. RANGEL, Mr. WHEAT, and Mr. BILIRAKIS.

H.J. Res. 552: Mr. DEWINE, Mr. PRICE, Mr. SERRANO, Mr. RAHALL, Mr. AUCOIN, Mr. WHEAT, Mr. KLECZKA, Mr. BOUCHER, Mr. YOUNG of Florida, Mr. TRAFICANT, Mr. HENRY, Mr. STALLINGS, Mr. LEVIN of Michigan, Mr. LAUGHLIN, Mr. IRELAND, Mr. HAYES of Illinois, and Mr. TAYLOR.

H.J. Res. 557: Mr. MCCOLLUM, Mr. MCDERMOTT, Mr. KENNEDY, Mr. PAYNE of New Jersey, Mr. THOMAS A. LUKEN, Mr. GEKAS, Mr. HARRIS, Mrs. LLOYD, Mr. CLEMENT, Mr. MFUME, Mr. SARPALIUS, Mr. DENNY SMITH, Mr. RAHALL, Mr. AUCOIN, Mr. SAVAGE, Mr. KASICH, Mr. HEFNER, Mrs. JOHNSON of Connecticut, Mr. YOUNG of Florida, Mr. GUARINI, Mr. TAUKE, Mr. CAMPBELL of Colorado, Mr. ROSE, Mr. TOWNS, Mrs. PATTERSON, Mr. FOGLIETTA, Mr. CONYERS, Mr. WHEAT, Mr. DARDEN, and Mr. PASHAYAN.

H.J. Res. 568: Mr. CARPER, Mr. CARDIN, Mr. CLEMENT, Mr. CHANDLER, Mr. COLEMAN of Texas, Mr. CONYERS, Mr. DELLUMS, Mr. DE LUGO, Mr. DONNELLY, Mr. DORNAN of California, Mr. DYMALLY, Mr. EMERSON, Mr. ESPY, Mr. EVANS, Mr. FROST, Mr. HASTERT, Mr. HATCHER, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. JONES of North Carolina, Mr. JONTZ, Mr. KASICH, Mr. KLECZKA, Mr. KOLTER, Mr. KOSTMAYER, Mr. LAGOMARSINO, Mr. LEWIS of Florida, Mr. THOMAS A. LUKEN, Mr. MCCOLLUM, Mr. MCGRATH, Mr. MARTIN of New York, Mr. MOAKLEY, Mr. MOLLOHAN, Ms. MOLINARI, Mr. MARTINEZ, Mr. MURPHY, Mr. NIELSON of Utah, Mr. OWENS of New York, Mr. PALLONE, Mr. PARRIS, Mr. PASHAYAN, Mr. PAXON, Mr. SERRANO, Mr. SLAT-

TERY, Ms. SLAUGHTER of New York, Mr. STANGELAND, Mr. THOMAS of Wyoming, Mr. VOLKMER, and Mr. YOUNG of Florida.

H.J. Res. 570: Mr. NEAL of North Carolina, Mr. NEAL of Massachusetts, Ms. SNOWE, Mr. WEISS, Mr. LAGOMARSINO, Mr. FROST, Mr. STALLINGS, Mr. NCNULTY, Mr. ECKART, Mr. MATSUI, Mr. YOUNG of Florida, Mr. CLEMENT.

H.J. Res. 585: Mr. ENGLISH, Mr. YOUNG of Florida, Mr. DENNY SMITH, Mr. STANGELAND, Mr. PARKER, and Mr. COURTER.

H.J. Res. 595: Mr. GEREN, Mr. GALLO, Mr. KASICH, Mr. KASTENMEIER, Mr. MCCOLLUM, Mr. RICHARDSON, Mr. MCDERMOTT, Mr. MCEWEN, Mr. LEWIS of Florida, Mr. GINGRICH, Mr. ASPIN, Mr. WILSON, Mr. WALSH, Mr. DELLUMS, Mr. DWYER of New Jersey, Mr. ENGEL, Mr. MAVROULES, Mr. MFUME, Mr. SMITH of Texas, Mr. TALLON, Mr. FORD of Tennessee, Mr. SARPALIUS, Mr. LEWIS of California, and Mr. EMERSON.

H.J. Res. 602: Mr. GALLO, Mr. GRANDY, Mr. GINGRICH, and Mr. HUBBARD.

H.J. Res. 616: Mr. FALEOMAVAEGA, Mr. CLEMENT, Mr. BOSCO, and Mr. LEWIS of California.

H.J. Res. 618: Mr. BLILEY, Mr. ROWLAND of Georgia, Mr. BILIRAKIS, Mr. FALEOMAVAEGA, Mr. DWYER of New Jersey, Mr. KASTENMEIER, Mr. KASICH, Mr. JENKINS, Mr. TAUKE, Mrs. BENTLEY, Mr. COSTELLO, Mr. PAYNE of New Jersey, Mr. MCMILLEN of Maryland, Mr. LANTOS, Mr. WAXMAN, Mr. LENT, Mr. KANJORSKI, Mr. LEHMAN of Florida, Mr. THOMAS A. LUKEN, Mr. MCDADE, Mr. MCCLOSKEY, Mr. TAUZIN, Mr. MARKEY, Mr. CLEMENT, Mr. MAVROULES, Mr. MFUME, Mrs. COLLINS, Mr. MOAKLEY, Mr. SMITH of Florida, Mr. ERDREICH, Mrs. MARTIN of Illinois, Mr. HAYES of Louisiana, Mr. HAWKINS, Mr. HARRIS, Mr. SLATTERY, Mr. UDALL, Mr. MANTON, Mr. MRAZEK, Mr. HEFNER, Mr. MURPHY, Mr. NELSON of Florida, Mr. OWENS of New York, Mr. PARRIS, Mr. POSHARD, Mr. DORGAN of North Dakota, Mr. RINALDO, Mr. RITTER, Mr. RANGEL, Mr. NATCHER, Mr. NOWAK, Mr. RAHALL, Mr. ESPY, Mr. HUGHES, Mr. MACHTLEY, Mr. KLECZKA, Mr. SAXTON, Mr. ROE, Ms. SLAUGHTER of New York, Mr. SARPALIUS, Mr. SERRANO, Mr. STENHOLM, Mr. RAVENEL, Mr. FROST, Mr. SPRATT, Mr. LAGOMARSINO, Mr. PANETTA, Mr. ROYBAL, Mr. BATES, Mr. HOCHBRUECKNER, Mr. JONTZ, Mr. SAVAGE, Ms. OAKAR, Mr. MCNULTY, Mr. MARTIN of New York, Mr. EMERSON, Mr. LAUGHLIN, Mr. TRAFICANT, Mr. DE LA GARZA, Mr. STANGELAND, and Mr. SKEEN.

H.J. Res. 620: Mr. YOUNG of Florida, Mr. RANGEL, Mr. MCMILLEN of Maryland, Mr. WEISS, Mr. WALSH, Mr. GALLO, Mr. SMITH of Florida, Mr. KOSTMAYER, Mr. LIPINSKI, Mr. HAMILTON, Mr. YATRON, Mr. LANCASTER, Mrs. MEYERS of Kansas, Mr. SPRATT, Mr. LANTOS, and Mr. DEWINE.

H. Con. Res. 62: Mr. LEWIS of Georgia, Mr. MURPHY, Ms. PELOSI, Mr. LANTOS, Mr. MARTINEZ, Mr. FORD of Tennessee, and Mr. FEIGHAN.

H. Con. Res. 259: Mr. GOODLING, Mr. PAYNE of New Jersey, Mr. COSTELLO, Mr. HERTEL, Mr. WAXMAN, Mr. ACKERMAN, Mr. HOAGLAND, Mr. KOLTER, Mr. CARR, Mr. HAYES of Illinois, and Mr. PRICE.

H. Con. Res. 276: Mr. GONZALEZ, Mrs. LOWEY of New York, Mr. YOUNG of Florida, and Mr. THOMAS of Georgia.

H. Res. 414: Mr. SMITH of New Jersey and Mr. QUILLEN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3950

By Mr. BOEHLERT:

—In section 201(e)(4)(C)(i) of the Agricultural Act of 1949, as added by section 402 of the bill, strike "7 billion" and insert "6 billion".

—Strike section 403 and insert the following:

SEC. 403. MILK MANUFACTURING MARGIN ADJUSTMENT.

No State may use a greater allowance than that provided for in Federal programs to establish a Grade A price for milk for manufacturing butter, nonfat dry milk, or cheese.

By Mr. KOSTMAYER:

—At the end of title XVI, insert the following new section:

SEC. 1618. AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION PROGRAM.

(a) DEFINITIONS.—As used in this section:

(1) ELIGIBLE LOAN.—The term "eligible loan" means loans with terms of not less than 10 years made by lending institutions to State trust funds to further the purposes of this section. No principal payments shall be due on such loans for the first 10 years after each is made and the principal amount shall be paid by the State trust fund at the end of the tenth year. For each such eligible loan, each State trust fund shall be entitled to receive an interest rate subsidy from the Secretary as provided in subsection (b)(2).

(2) ELIGIBLE STATE.—The term "eligible State" means any State which, on or before August 1, 1991—

(A) operates or administers a land preservation fund which invests funds in the protection or preservation of farmland for agricultural purposes; and

(B) works in coordination with the governing bodies of counties, towns, townships, villages, or other units of general government below the State level, or with private nonprofit or public organizations, to assist in the preservation of farmland for agricultural purposes.

(3) LENDING INSTITUTION.—The term "lending institution" means any Federal or State chartered bank, savings association, cooperative lending agency, or other legally organized lending agency.

(4) PROGRAM.—The term "program" means the farmland preservation program established under this section.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(6) STATE.—The term "State" means any State of the United States, the Commonwealth of Puerto Rico, and the Virgin Islands of the United States.

(7) STATE TRUST FUND.—The term "State trust fund" means a trust fund or an account established by an eligible State, approved by the Secretary to participate in the program, in which Federal funds received under this section are deposited for use by such trust fund.

(8) ALLOWABLE INTEREST RATE.—The term "allowable interest rate" refers to an interest rate which shall be the current average rate of interest which each State pays on 10-year notes or other similar obligations of the State, or a comparable interest rate as determined by the Secretary.

(b) ESTABLISHMENT OF PROGRAM BY THE SECRETARY.—

(1) IN GENERAL.—The Secretary shall establish and administer a program, which shall be known as the "Agricultural Resource Conservation Demonstration Program", to provide Federal guarantees and interest rate assistance for loans made by lending institutions to State trust funds. Under the program, the Secretary shall guarantee the timely payment of the principal amount and interest due on eligible loans made by lending institutions to State trust funds and shall subsidize the interest on such loans at the allowable interest rate for the first 5 years in accordance with regulations set forth under paragraph (2). Each State trust fund shall pay the rate of interest, and the principal at the end of the tenth year, as set forth in the loan agreement regarding each eligible loan.

(2) MANDATORY ASSISTANCE TO EACH STATE TRUST FUND.—The Secretary shall—

(A) fully insure or guarantee each eligible loan made by lending institutions to each State trust fund under regulations issued by the Secretary; and

(B) subject to the availability of funds for such purpose, annually pay to each State trust fund an amount calculated by applying the allowable interest rate to the amount of each loan the State trust fund receives, as determined under regulations issued by the Secretary, during each of the first 5 years after each such loan is made.

(3) REGULATIONS.—The Secretary shall issue proposed and final regulations, under the prior public comment provisions of section 553 of title 5, United States Code, setting forth—

(A) the application procedures for eligible States;

(B) the factors to be used in approving applications;

(C) procedures for the prompt payment of the obligations of the Secretary under paragraph (2);

(D) recordkeeping requirements for approved State trust funds;

(E) requirements to prevent program abuse and procedures to recover improperly obtained funds;

(F) rules permitting State trust funds to act as revolving funds or to otherwise accumulate additional capital, based on investments, to be subsequently used to promote the purposes of this section; and

(G) any other rules necessary and appropriate to carry out this program.

(d) APPLICATIONS.—In applying for assistance under this section an eligible State shall—

(1) prepare and submit, to the Secretary, an application at such time, in such manner, and containing such information as the Secretary shall require;

(2) agree that the State trust fund will use any funds provided by the Secretary under this section in a manner which is consistent with this section and the regulations issued by the Secretary; and

(3) agree to comply with any other requirements set forth in agreements with the Secretary or as the Secretary may prescribe by regulation.

(e) ADMINISTRATION.—

(1) ANNUAL APPLICATIONS.—Eligible States may apply for Federal assistance under this section on an annual basis.

(2) MATCH AND MAXIMUM AMOUNT.—The total amount of any guarantees provided by the Secretary under this program shall not exceed an amount that is equal to double the amount that each eligible State makes available for acquiring interests in land to protect and preserve important farmlands for future agricultural use but in no event

shall the total Federal share exceed $10,000,000 in any fiscal year for any State.

(f) REPORT.—Not later than September 30, 1992, and annually thereafter, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Argiculture, Nutrition, and Forestry of the Senate a report concerning the operation of the program created under this section.

(g) DURATION OF PROGRAM.—The program established under this section shall expire on September 30, 1996, except that any financial obligations of the Secretary entered into under this section on or before such date shall continue to be met as required by this section.

(h) IMPLEMENTATION AND EFFECTIVE DATE.—The Secretary shall issue final regulations to implement this section within 160 days after enactment of this section. This section shall take effect on October 1, 1990.

By Mr. LIGHTFOOT:

—Page 829, line 2, strike the closing quotation marks and period; and after line 2, insert the following:

"(i) BID-BACK PROGRAM.—

"(1) ESTABLISHMENT.—The Secretary may establish and implement a bid-back program to remove the least highly erodible cropland from the conservation reserve established under this subtitle if the net result of such bid-back program is at least the same total level of erosion reduction of lands currently enrolled in the program at a cost to the Federal Government that is equal to or less than the cost to the Federal Government of maintaining such land in the reserve.

"(2) LIMITATION.—The program established under paragraph (1) shall be effective in only those counties that have 20 percent or more of their cropland enrolled in the conservation reserve under this subtitle.

"(3) APPLICATION PERIOD.—During the 60-day period beginning on the date which is 6 months after the date of enactment of this subsection, the Secretary shall accept applications to enroll highly erodible lands in or remove lands from the conservation reserve. After the 60-day period, the Secretary shall determine, on a county-by-county basis, which lands to enroll and which lands to remove from the conservation reserve in order to achieve the purposes of paragraph (1).

"(4) NOTICE.—Before the 60-day period referred to in paragraph (3), the Secretary shall notify, by general public notice, farmers and ranchers who have highly erodible land of the bid-back program established under this subsection.".

By Mr. MILLER of California:

—At the end of Part I of Subtitle I of Title XIII, add the following new section 1371A:

SEC. 1330. COMMUNITY RIGHT TO KNOW ACT.

(a) REQUIREMENTS.—(1) Any person using pesticides for agricultural production, including postharvest treatment of agricultural products, or other commercial purposes shall maintain records of each pesticide application. Such records shall include at least the product name, amount and rate of application, method of application, target pest, crop or site treated, date and approximate time of application, and location of application of each pesticide used for at least a 2-year period after such use.

(2) A commercial applicator shall provide a copy of records maintained under subsection (a)(1) to the person for whom the pesticide application was provided within 15 days of the application.

(b) ACCESS.—Information maintained under subsections (a) and (f) shall be made available to any Federal, State, or local agencies that deal with pesticide use or any health or environmental issues related to the use of pesticides, on the request of such agencies. Information maintained under this section by any government agency shall be subject to public disclosure under section 552 of title 5, United States Code.

(c) HEALTH CARE PERSONNEL.—When a health professional determines that pesticide information maintained under this section is necessary to provide medical treatment or first aid to an individual who may have been exposed to such pesticides, upon request persons covered by this section shall immediately provide record and label information to that health professional.

(d) PENALTY.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall be responsible for the enforcement of subsections (a), (b), and (c). Violation of these subsections shall be subject to a penalty not to exceed $500.

(e) FEDERAL OR STATE PROVISIONS.—The requirements of this section shall not affect provisions of other Federal or State laws.

(f) SURVEYS AND REPORTS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall survey the records maintained under this section to develop and maintain a data base that is sufficient to enable the Secretary and the Administrator to publish annual comprehensive reports concerning agricultural and nonagricultural pesticide use. Such reports shall be filed April 1 of each year.

(g) REGULATIONS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall promulgate regulations implementing this section within 180 days after enactment of this provision.

(h) SHORT TITLE.—This section may be cited as the "Community Right to Know Act of 1990".

By Mr. SMITH of Iowa:

—Page 824, after line 18, insert the following:

"(4) Section 1232 (a)(6) of the Act is further amended by inserting before 'agrees with the Secretary' the phrase 'is the United States, a State or local government or an agency of the United States, a State or local government, or'."

By Mr. RAVENEL:

—Page 273, after line 10, insert the following new section:

SEC. 1105A. AMENDMENTS TO THE DISASTER ASSISTANCE ACT OF 1989.

(a) DOUBLE CROPPING OF NONPROGRAM CROPS GROWN IN A PRESIDENTIAL DISASTER AREA.—Section 104(a) of the Disaster Assistance Act of 1989 (Public Law 101-82; 103 Stat. 570) is amended by adding at the end the following new paragraph:

"(5) DOUBLE CROPPING.—

"(A) TREATED SEPARATELY.—In the case of a 1989 nonprogram crop that is historically double cropped by the producers on a farm, the Secretary shall treat each cropping separately for purposes of determining under paragraph (1)—

"(i) whether the crop was affected by damaging weather or related conditions in 1989; and

"(ii) the total quantity of the crop that the producers are able to harvest.

"(B) APPLICATION OF PARAGRAPH.—This paragraph shall—

"(i) apply only in the case of a 1989 nonprogram crop that is grown in a county declared to be a Presidential disaster area for that crop; and

"(ii) not apply in the case of a replacement crop described in section 110.".

(b) EXCLUSIONS FROM HARVESTED QUANTITIES.—Section 104(a)(4) of that Act is amended by adding at the end the following new sentence:

"For a 1989 nonprogram crop that is grown in a county declared to be a Presidential disaster area for that crop, the exclusion required by the preceding sentence shall be 100 percent.".

(c) APPLICATION OF AMENDMENTS.—Section 152(a) of that Act is amended by adding at the end the following new paragraph:

"(3) EXTENDED APPLICATION PERIOD.—In the case of producers of a nonprogram crop affected by the amendments made to section 104(a) of subtitle A by section 1105A of the Food and Agricultural Resources Act of 1990, the Secretary shall—

"(A) allow such producers to submit applications for payments under section 104 until December 31, 1990; and

"(B) in the case of applications submitted by such producers before the date of the enactment of that Act, recompute (not later than 90 days after such date) the payment to such producers under section 104 in light of those amendments.".

By Mr. ROTH:

—At the end of title XVIII, insert the following:

Subtitle E—Animal Protection

SEC. 1861. SANCTIONS.

(a) The last sentence of section 16(c) of the Animal Welfare Act (7 U.S.C. 2164) is amended by inserting immediately after "Act" where it first appears the following: "and the regulations and standards promulgated thereunder".

(b) The Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended by adding at the end the following new section:

"SEC. 28. Whenever the secretary has reason to believe that any dealer, carrier, exhibitor, or intermediate handler is dealing in stolen animals, or is placing the health of any animal in serious danger in violation of this Act or the regulations or standards promulgated thereunder, the Secretary shall notify the Attorney General, who may apply to the United States district court in which such dealer, carrier, exhibitor, or intermediate handler resides or conducts business for a temporary restraining order or injunction to prevent any such person from operating in violation of the Act or the regulations and standards. The court shall, upon a proper showing, issue a temporary restraining order or injunction without bond. Such injunction or order shall remain in effect until a complaint pursuant to section 19 is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective or is set aside on appellate review. Attorneys of the United States Department of Agriculture may, with the approval of the Attorney General, appear in the United States district court representing the Secretary in any action brought under this section.".

EXTENSIONS OF REMARKS

TRIBUTE TO THE U.S. COAST GUARD BICENTENNIAL CELEBRATION

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to pay tribute to the U.S. Coast Guard bicentennial celebration. The State of Maryland, the city of Baltimore and the friends of the Baltimore Maritime Museum are hosting this celebration, providing the citizens of Maryland with an opportunity to appreciate the dedicated work of the Coast Guard. On hand will be the cutter *Taney,* the only remaining warship afloat from Pearl Harbor, the Coast Guard tall ship *Eagle,* and a flotilla or ardent supporters.

Indeed the people of Maryland understand full well the role that the Coast Guard plays in their lives, protecting fisheries, ports and waterways, fighting pollution, instructing the people in boating safety, deploying in search and rescue missions, and in drug interdiction. In 1790 the U.S. Congress authorized the beginning of this invaluable organization with the Revenue Cutter Service. Today, the Coast Guard is a multifaceted service which epitomizes its 200 year motto, "Semper Paratus." "Always Ready."

I urge my colleagues to stand with me and recognize the brilliant achievements of the women and men in the Coast Guard who are involved daily in law enforcement, military readiness and maritime safety activities. Congratulations to native Marylander, Adm. J. William Kime, who assumed command in May, and the whole of the Coast Guard on their bicentennial celebration.

A TRIBUTE TO MR. HARRY FORDEN

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. ROSE. Mr. Speaker, I rise to pay tribute to Mr. Harry Forden, Sr., a civic leader and humanitarian who has touched the lives of many individuals in Wilmington, NC. General Electric recently honored Harry with its Phillippe Award, an honor that is bestowed to General Electric employees who have been instrumental in heading projects that aid the handicapped, elderly or disadvantaged communities. A recent edition of a General Electric newsletter, the Fuels & Flight News, highlights the work and life of Harry. I would like to submit this article, which is entitled "NF&CM's Harry Forden receives GE's Phillippe Award," to the RECORD:

NF&CM'S HARRY FORDEN RECEIVES GE'S PHILLIPPE AWARD

The Phillippe Award is a fitting memorial to the late Gerald L. Phillippe, former Chairman of the Board of General Electric. Phillippe encouraged voluntarism in meeting problems of our society and personally exemplified its importance and effectiveness.

The Phillippe Award began in 1970 and has since become a coveted honor bestowed to GE employees who have been instrumental in heading projects that aide the disadvantaged, handicapped, elderly, and minorities—to name a few.

One such recipient is our own Harry Forden. Harry is currently a Material Operator and has been employed with GE for 20 years. Harry was nominated for the Phillippe by several coworkers for his 25 years of work in the Wilmington community.

Harry, just three years ago, led the development of an organization called 'Citizens for Progress'. It is now an integral part of the Wilmington community—feeding senior citizens and the less fortunate of our area. The program is in conjunction with Harry's church, St. Phillips AME, located in downtown Wilmington. Harry has held many positions and presently is a Sunday School teacher with the church. As part of receiving the Phillippe, Harry was able to designate $1000 to qualifying charitable organizations of his choice.

Harry's civic accomplishments include serving for 25 years as the Democratic Party's precinct chairman (Ward 1). During his tenure, he was instrumental in registering scores of voters and making sure they got to the polls.

Harry was once very much like the people he is dedicated to serving. Said Harry, "I was born in poverty and my parents couldn't afford to give me the things they would have liked. So I've worked all my life. I started work at age 8, in a local corner grocery store. I was basically raised by a German couple who owned the store. While working there, and for many years thereafter, I couldn't help but notice all the less-fortunate people who live in our area. Just seeing all the need, I got involved whenever and wherever I could." Concluded Harry, "Knowing I might have helped in some small way makes me feel good."

Harry has two children, a son (Harry, Jr.) who runs a dry goods store in downtown Wilmington and a daughter (Wanda) who works with a computer business in New York City. He has three grandchildren.

CONGRATULATION TO JESSICA PATI RANDALL

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Ms. SCHNEIDER. Mr. Speaker, today, I rise to congratulate Jessica Pati Randall of Harrisville, RI, as my State's winner of the Veterans of Foreign Wars "Voice of Democracy" Scholarship Program.

The Voice of America Scholarship Program has been growing steadily since it began 43 years ago. This past year, more than 137,000 students in over 8,000 schools participated.

The VOA has long served as a beacon of hope for those who have been oppressed. Communication and an awareness of the liberty others enjoy were critical in the Eastern European revolutions of 1989. It has truly been an amazing year for the world and for this country.

As Jessica's representative in Congress, it is my distinct honor to include her speech, entitled "Why I Am Proud of America," in today's proceedings of the U.S. House of Representatives:

WHY I AM PROUD OF AMERICA

(By Jessica Randall, Rhode Island winner, 1989/90 VFW Voice of Democracy Scholarship Program)

Why am I proud of America? I'm proud of its cultural diversity and tolerance of differences. Wherever one goes from town to town, each place has its own identity, yet each is also very "American". From the largest, booming cities to the smallest, slowest towns, every community and region is different.

For instance, the city of Goldville, California is a thriving, new community with condominiums and Corvettes, and the people, for the most part, are rich. The warm, beautiful climate makes this city a wonderful vacation area. In contrast, the town of Villevielle, Louisiana is an old, traditional Cajun town with dusty roads and wet marshes, and the families have been situated there for several generations. An easy going atmosphere is evident in the way people act. Although these are two very different communities in two very different regions, both are American. Although daily customs are bound to be different for the inhabitants of each place, the people of these two communities all will identify themselves as Americans.

Why is every region different? Because the original settlers of each region came from different parts of the world, and, in many cases, their traditions have lived on. Recently, however, smaller regions have changed culturally due to many people who have immigrated here from foreign countries. All the new customs, habits, traditions and perspectives are mixed together in what is often called the "melting pot" or, America.

Sometimes the mix blends favorably, and cultural tolerance is immediate. Sometimes the mix clashes and separates, leaving a bad taste in everyone's mouth. But we all keep trying to sweeten the ingredients, and eventually the mixture will blend.

This mixture is the embodiment of the famous quotation associated with the Statue of Liberty which reads ". . . Give me your poor, your tired, your huddled masses, yearning to breath free . . . " According to

these words, America welcomes those people who wish to come live their lives here. Most people from foreign countries live very differently from the "American way". Even though they live in this country, many retain their traditional identities and each helps to cut another facet in the gem that we call American Culture.

I know that the pride I feel for my country comes from the freedom of ethnic expression and individuality we Americans have. I may, if I wish, sit next to someone wearing the traditional costume of his or her homeland on the bus. I may stop and talk to my neighbor, even if she happens to talk to her family in a language I don't know.

Here in America one finds a diversity in nationalities, whether they be from immigration or generation. Mexicans, Indians, American Indians, Italians, Irish and French are just a few of the many nationalities that come to mind. This self-identification is still another form of cultural distinction that a majority of Americans use today, as well as being proud to call themselves Americans.

This freedom to practice one's traditional values and cultural individuality is a wonderful privilege given to us as Americans. That's what America is all about. That's why I'm proud to be an American, and that's why I'm proud of America.

THE STUDENT LOAN DEFAULT SCANDAL WILL NOT FIX ITSELF—WE NEED ACTION

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mrs. ROUKEMA. Mr. Speaker, the special interests are at it again. They want you to believe that action is not necessary this year on student loan defaults. Others will say that the Roukema amendment to H.R. 5115, the Excellence in Education Act, is designed to eliminate career schools from the Federal student aid programs. That is ridiculous. These same people voted in 1988 to accept the default measures contained in my amendment.

I will be the first one to tell you that most career schools are reputable and do a good job of training students for needed occupations. The good trade schools have no basic objection to my amendment. They say it will help get rid of the bad apples that tarnish the image of career schools.

Ask yourself this question: Why would anyone not want to get rid of the schools that are abusing the Student Loan Program and costing the Treasury and taxpayers billions of dollars every year?

The plain trust is that if Congress does not take swift action to bring down the rate of student loan defaults, public and congressional support for the program may evaporate. Before voting on the Roukema amendment, every Member ought to read the committee report on the labor, HHS, education appropriations bill. In the section of the report dealing with student loans, the committee clearly states that neither students nor taxpayers are well served by the current system of student aid. The Appropriations Committee says that the authorizing committee should be working on proposals to restore integrity and efficiency to the Federal aid programs. My amendment contains those proposals.

In addition, the Appropriations Committee says that the critical problem of student loan defaults unduly burdens the Treasury and undermines basic support for Federal student aid programs and orders the Department of Education to report to Congress twice-yearly on student loan defaults.

The Department of Education estimates that the total amount of outstanding student loan defaults will reach $7.8 billion in 1990. The estimate for 1991 is $8.7 billion. We need to pass the Roukema amendment this year to restore integrity to student loans and cut out another source of waste in Government spending. Vote "yes" for fiscal responsibility. Vote "yes" on the Roukema amendment.

COMMENDING MYRA CASHION FOR HER PERFECT ATTENDANCE RECORD

HON. W.G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. HEFNER. Mr. Speaker, I recently came before the House to congratulate and commend two young men from my district who graduated from high school this year with perfect attendance records.

It has just come to my attention that there is another young citizen of my district who has also made that remarkable achievement, and I am very proud to come before the House today to recognize her.

Myra Cashion of Woodleaf graduated in June from West Rowan High School having not missed a single day of school in 13 years. The drive and determination Myra demonstrated in the classroom also extended to a host of school activities, including the Octagon and Monogram Clubs, the Future Homemakers of America, and team sports such as basketball and softball.

I am very proud of young people like Myra who recognize the value and importance of education and who truly commit themselves to learning.

I want to share with my colleagues an article about Myra that appeared in her local newspaper the Salisbury Post. I know I speak for all of us when I congratulate this fine young woman for her achievement and wish her well as she continues her education:

WEST STUDENT ENDS 13 PERFECT YEARS

Myra Cashion knows for sure why she's never missed a day in 13 years of school. Her mother, Peggy, is a bus driver.

"She took me," Myra laughs.

Miss Cashion will graduate today from West Rowan High School with perfect attendance. Today is also her 18th birthday.

She never missed a day of school at Woodleaf Elementary, West Rowan Junior High or West High.

That meant going to school sick once in a while, but being in school every day paid off, Miss Cashion says.

"It helped this year because I got to exempt exams," she says.

Miss Cashion lives with her mother and father, Houston, on Cool Springs Road in Woodleaf.

She plans to study business and computer programming at Mitchell Community College in Statesville.

Miss Cashion played on the basketball and softball teams in high school. She was a member of the Octagon and Monogram clubs and the Future Homemakers of America. She played tennis and softball in junior high. She was selected the most valuable softball player.

She is one of three students reported to achieve perfect attendance for 13 years. Jonathan Partee of Salisbury High and Stephen Sloan of South Rowan were featured in The Post in May.

WHAT THE JOB CORPS MEANS TO ME

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. SMITH of Texas. Mr. Speaker, at this time I would like to insert a memo for the RECORD. Eighteen-year old Kenneth Having, a resident of San Antonio, TX, was recently announced as the first-place winner of a national essay writing contest on the theme "What Job Corps Means to Me." Mr. Having was a high school drop-out until Job Corps turned his life around. He has recently been accepted as a full-time student at San Antonio Community College, where he will start in the fall.

This is a copy of his essay:

WHAT JOB CORPS MEANS TO ME

It was extremely cold that night in October. The same night that drop-out kid with no home and almost no hope for a future decided that something must be done with his life. He had been without money or food for days and with no home for months. The teen shelters, church organizations, and Salvation Army already had more than the maximum amount of occupants. With no hope of support or help from his family, what was this scared adolescent to do? He had disappointed his family. His own brother was ashamed of him. The situation seemed hopeless. It was back to the bus bench on a busy street corner for a night's sleep, if the passerby would not awaken or torment him which happened routinely.

The next morning, the boy tried feverishly, everything he could think of to get help. Through the Texas Employment Commission, he learned of the Job Corps. This was a chance for a new beginning. The boy's spirits were raised and for the first time in years, he felt good about himself. The next step was to talk to his family. When his mother found that he had actually tried to do something legal, logical, and good for his life, she was so proud of her son that she cried. His brother once again looked up to him.

The boy went to the Job Corps and received a vocational skill, diploma, studies in a foreign language, music classes, and more! Most of all, however, he learned to respect himself and others. Soon, this was not enough. He joined clubs, extra classes, the school newspaper, and had high hopes and plans for a college education. This kid had friends, too; real friends. The kind of friends a mother would approve of. No longer did

he run with the bad crowd. You are known by the company you keep, and it was time this young man be known as a hard working, honest, contributive human being. He even made friends with teachers, instructors, and others who had authority over him, which was extremely odd considering someone who had always despised authority and would never listen to anything others would ask of him.

The young man established discipline for himself, too. He learned that appointments were to be met, dates were to be kept, and work was to be done. If he wanted to make things happen, he would need to have discipline for himself. If he wanted his life to change, then he, too, would have to change. This was indeed the time to grow up. There would now be many opportunities and more open doors for this young adult who now wanted so much to be successful in life and to be the best he could possibly be in anything that he did.

This young man finally became what I am today. I am proud of myself. Words cannot express the way I feel every morning when I see my face in that mirror. I feel totally different and physically, I look different. I have a haircut, clean shave, nice-looking clothes, and I am no longer as thin as I was before. Now, I can give someone a good first impression; the same impression I have of myself. I am no longer the person I was before and have absolutely no desire to become that person again.

Admittedly, I must say it is very hard work, but nothing in this world is free. You must come to a turning point in your life when you grow up. To me, Job Corps is the best place to do this. Without the help of the Job Corps I cannot tell exactly where I would be right now. My best guess would be jail, dead, or still living on the streets. Thanks to the Job Corps, that night in October will never exist for me again. The bench will never again be what I call my bed. The Job Corps has taught me to let my best come out and to strive for my goals; to make a new, better life and a good living. It is truly a way out and a way up.

TIME TO EXPLORE NEW LAB MISSIONS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. EDWARDS of California. Mr. Speaker, our colleague PETE STARK, has initiated legislation that calls for a feasibility study of a peacetime conversion at the Lawrence Livermore Laboratory. According to a Valley Times July 15 editorial, "There is no need for these valuable reservoirs of scientific knowledge and resources to be devoted so fully to national defense."

Changes in the world are taking place that should facilitate the movement toward a peace-oriented economy. Clearly, it is time to bring our research facilities up to date, and see that our research efforts reflect the decreasing need for military buildups. As the Valley Times editorial points out, the Stark bill would help out in this needed process of conversion by providing a valuable model for how we can "apply our scientific resources to the Nation's most pressing needs."

I commend the Valley Times editorial to the attention of my colleagues, and encourage their consideration of the far-sighted proposal offered by the gentleman from California.

The editorial follows:

TIME TO EXPLORE NEW LAB MISSIONS

Rep. Pete Stark's bill to study "new missions" for Lawrence Livermore Laboratory is a positive step that should help ensure the laboratory a place of prominence among national research facilities well into the 21st century.

Stark's proposed legislation would create a 15-member panel of scientists to examine and priortize the nation's most pressing non-military scientific challenges.

They would report their findings to the president and Congress by Jan. 1, 1992.

Although Stark's bill specifies only Lawrence Livermore Lab, the panel's laundry list of national research needs could easily be applied to other labs and facilities whose major emphasis is currently defense-related work.

With the rapid and far-reaching changes in the Soviet Union and Eastern Europe, there is no reason for these valuable reservoirs of scientific knowledge and resources to be devoted so fully to national defense.

We can understand if lab officials react with skepticism to Stark's measure. The Livermore Democrat has never been viewed as a friend of the lab, a reputation he has earned through his opposition of numerous defense programs undertaken by lab personnel.

He astounded and angered many Valley residents last year when he suggested that the lab be closed for safety and economic reasons.

With this proposal, however, Stark is initiating a positive and responsible move that will benefit the lab and its employees by preparing for the brave new world we are entering.

Rather than simply reacting to budgetary changes that Congress is certain to mandate in the next few years, Stark's panel will allow leaders in Washington and Livermore to seize the opportunity to apply our scientific resources to the nation's most pressing needs.

It is important to understand that Stark's measure was not conceived in a vaccuum. Secretary of Energy James Watkins appointed a blue-ribbon panel in April that will advise him on the future mission of the nation's laboratories. He said that panel's job is to "sustain the department's national laboratory complex as an intellectual resource."

Stark's commission would simply focus on the specific circumstances in Livermore.

Criticism that this bill is a recycled version of Alameda County's Measure A, a nuclear-free zone initiative that was soundly defeated by the voters in June, completely misses the mark.

The Times opposed that ballot measure because of its severe economic impact on the county and its presumptuous and dangerous contention that a group of Alameda County residents was qualified to establish national defense policies.

Stark's bill would empower 15 eminent scientists to recommend program changes at Lawrence Livermore lab.

Although his proposal says that the panel must include suggestions for converting the lab from military to civilian purposes, the important decisions on implementation of these suggestions will be made by other government officials.

Defense-related research, including nuclear weapons work, now comprises approximately 75 percent of the lab's programs. Although some of this work will continue to be necessary for many years to come, it is just as certain that Congress is going to shift large amounts of money into energy, medical and environmental research.

Diversification on a greater scale than currently exists at Livermore will be essential.

Stark's bill should not be seen as a threat to the lab, its employees or the Valley. Instead, it represents an opportunity to enhance the worth of one of the nation's most valuable research facilities.

SUSPEND ALL AMERICAN AID TO KENYA FOR HUMAN RIGHTS VIOLATIONS—STATEMENT OF RANDALL ROBINSON OF TRANSAFRICA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. LANTOS. Mr. Speaker, the wave of democracy that has swept from Warsaw, Prague, and Budapest to Beijing, is moving inexorably across the African continent. This tide of popular sentiment for free market economies, fair multiparty elections and individual liberties cannot be held back, despite the best efforts of the region's dictators.

We welcomed Nelson Mandella to the Congress as a genuine hero, a man of integrity and candor. We look forward to the inevitable liberation of the black South African majority from the bondage of apartheid. The South African experience shows us that withholding economic aid sends a clear and powerful message that the United States will not tolerate the denial of internationally recognized human rights.

We are now faced with another nation laboring under the yoke of political repression. Kenya, is sinking into the morass of single party rule, police-state disregard for individual liberties and economic stagnation under President Daniel T. arap Moi. The people of Kenya yearn for freedom and the United States Government must respond.

Today, the distinguished Senator from Massachusetts [TED KENNEDY] and I are introducing legislation to suspend United States Government aid to Kenya until human rights and democracy are restored. TransAfrica has also called for suspension of United States aid.

Mr. Speaker, I would like to enter the statement of Randall Robinson, executive director of TransAfrica, and TransAfrica's letter to President Bush regarding Kenya into the CONGRESSIONAL RECORD. I encourage my colleagues to study this reasonable agenda for change in Kenya and to support the fight for democracy throughout the world.

STATEMENT OF RANDALL ROBINSON, EXECUTIVE DIRECTOR, TRANSAFRICA, JULY 19, 1990

For many years, TransAfrica and other national black organizations have beseeched the Congress and the Administration to impose sanctions against South Africa.

As we undertook that effort, we always believed that human rights observance must be measured by a single yardstick. African American organizations believe that repression is repugnant and intolerable notwithstanding the race of the regressors or those repressed.

Hence we call upon the Administration and Congress now to suspend all American aid to the government of Kenya until:

(1) All political prisoners have been released;

(2) The operation of a free press is permitted;

(3) The exercise of individual rights and freedoms are guaranteed;

(4) multiparty democracy is allowed;

(5) The Preservation of Public Security Act (allowing indefinite detention) is repealed.

You have before you the letter we have sent to the President to this effect:

TRANSAFRICA,
Washington, DC, July 18, 1990

President GEORGE BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to you to express our grave concern about the deteriorating situation in Kenya. As you know, Kenya, a country with a long history of friendship with the United States, has been traumatized by the arrests of key members of its young pro-democracy movement. Subsequent protests have led to at least 28 deaths (an unofficial tally puts it at 63) with scores injured. From all indications, President Moi is determined to crush the movement by any means possible—including the unrestrained use of force. We cannot stand by while these human rights abuses continue.

As African-American leaders, we strongly support the people of Kenya in their quest for justice and a pluralist democracy with freedom of association and expression. They are looking to the United States for moral support through example, and we urge you to provide it.

We are aware of the steps already taken by your administration. We, however, believe that more should be done urgently. Specifically, we request that you call on the Moi regime to do the following:

1. Release all political prisoners immediately and unconditionally;

2. Guarantee the security of the proponents for a pluralist democracy;

3. Guarantee the exercise of internationally recognized human rights for all Kenyans;

4. End the harassment of the press; and

5. Move toward multi-party politics.

WHY I AM PROUD OF AMERICA

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. MORRISON of Connecticut. Mr. Speaker, I am proud to submit for the RECORD the text of the winning script, from the VFW Voice of America Broadcast Scriptwriting Contest, entitled "Why I am Proud of America." The Connecticut winner is Ms. Amanda K. McKenna of Woodbridge. Ms. McKenna is a senior at Amity Regional Senior High School, which is in my district. I would like to extend my sincere congratulations to Ms. McKenna for a well-written, thoughful piece and wish her the best in her college career. Mr. Speaker, I would also like to commend VFW for sponsoring this contest, which has been in existence for over 40 years. This year over 137,000 students competed for 12 scholarships:

WHY I AM PROUD OF AMERICA

(By Amanda K. McKenna, Connecticut winner, 1989/90. VFW Voice of Democracy Scholarship Program)

As we ran out of the school driveway I felt the familiar sense of release that cross-country practice always brings. School, teachers, confining skirts were paces behind. We were a team of girls running down the road, talking and laughing, as the crisp fall air smacked our cheeks. There was a shared feeling of contentment, of ambition, of happiness. Stretching our legs until they could extend no further, we were free.

Today, running down the road, I felt the sensation that has been simultaneously haunting and comforting me over the last few months. I am becoming a patriot. The word pauses before it rolls off my tongue. I struggle for a moment, not sure if it is the term I am looking for. It seems so definite, so extreme. Falling in love with one's country is an individual experience. One is not born a patriot. One does not become a patriot subconsciously, as one becomes a chocolate addict or a football fan. Rather, becoming a patriot is a gradual process. For me, pride in my nation is new. What has caused it? It has come partly, from taking a small moment to look around, and recognize the gifts that being an American has given me. And partly it has come from the patriotism I have found in others, particularly my grandfather.

Last spring I wrote a lengthy term paper about the American Prisoners of War in World War II. I chose this subject because my grandfather, while serving as a tail gunner on a B-17 Bomber was taken prisoner by the Germans. As I learned about his thirteen months of captivity, and other prisoners' experiences, I was shocked by the horrors they endured, and amazed by their strength. Poor food, terrible living conditions, and inhumane treatment were all part of the prisoners' daily lives. And these sufferings, though immense, did not include the prisoners' greatest torture; their loss of freedom. It was this that made them prisoners, and this that made prison life so difficult to bear, and this that made them not bitter, but incredibly faithful Americans. My grandfather states (and I quote) ". . . how we take for granted our freedoms of speech, religion, and press. When suddenly these rights are taken from you, you are left at the mercy of the enemy . . ." His words have left an indelible impression on my mind.

As a prisoner my grandfather was denied his most fundamental rights. The Constitution and the Bill of Rights guarantee that we shall never be involuntarily ruled. The violation of freedom is the violation of an individual's control of his or her existence. Our lives are filled with choice. Where to live, what to believe in, who to associate with. Freedom is like the oxygen in the air we breathe. Ingrained in each moment, its existence is forgotten. Taken away for an instant, its significance is immediately clear.

As a prisoner my grandfather never lost hope. Removed from his country physically, he held onto the nation's spirit. America is a land of success, of holding on to the bitter end and achieving victory. In prison camp, determination kept my grandfather alive. In freedom, it must make us push beyond what has been given us, to achieve our fullest potential. The "American dream" may be cliche. But its basic meaning, that through hard work a goal can be achieved, is, and forever shall be, applicable to every American's life. Being born in this country, one is born into the "land of the free, and the home of the brave". And with that first blessing, comes great responsibility to seize opportunities, to find dreams, and to embrace freedom . . . utilizing it to the fullest, making it one's own.

I look at my teammates. Smiling faces, buoyant steps, and steady, long strides. On this beautiful day we are light-hearted and carefree. Our running is regulated by our own legs, our own hearts. The speed, the distance, they are in our control. Similarly we, as Americans, control our destiny. I want to be President of the United States. It is my dream. Hard work, careful thinking and a little bit of luck will be necessary to realize it. But nothing stands in my way. Imagine that. As I run down the road, my mind clicks over what it means to be an American, America's stable government, prosperous economy, and advanced technology, make me comfortable. But it is freedom that makes me proud. Freedom, for all its far-stretching influence, is an individual thing. It lets each of us choose, prosper, and dream. I am proud of my dream. Proud of the nation that someday I want to lead. And proud that nothing, at all, can stop me.

LET THE PAST SPEAK TO THE FUTURE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. SOLARZ. Mr. Speaker, momentous events are, even as we speak, transforming the face of Europe and fundamentally altering the way in which we think about our military security, about the future of democracy, and about international peace. To take just the latest example, the West German chancellor has recently returned from the Soviet Union, where he secured President Gorbachev's agreement to the inclusion of a united Germany within the North Atlantic Alliance. Not even the most visionary would have dared, a year ago, to predict this extraordinary development, or any of a dozen other dramatic events of the past year.

Surrounded by epic transformation, it is essential that we stop to consider exactly what has changed, and what remains the same. It is necessary to ask ourselves how we and our friends around the world ought to respond to the succession of surprises that history has thrown our way.

I recently had an opportunity to read a speech by Edgar Bronfman, the president of the World Jewish Congress and an individual known far and wide for his understanding of world affairs and his ability to separate the peripheral from the fundamental.

Mr. Bronfman's address, delivered in Berlin 2 months ago on the 45th anniversary of the allied victory over nazism, offered precisely the sort of insightful, reasoned analysis of the underlying meaning of events, and the interconnections between the past and the future,

that the world needs. And so, Mr. Speaker, because I believe that my colleagues would benefit from reading the words of this wise and compassionate man, I ask leave to place Mr. Bronfman's speech into the RECORD.

We are gathered together in Berlin on the anniversary of the defeat of Nazism, a victory for all mankind. We also recognize the defeat of another form of totalitariansim, the Stalinist dictatorship of East Germany. This victory, too, is a victory for all mankind, and we salute the people of East Germany for having broken their own chains.

We are in Berlin, a city of historic significance which may become the capital of a unified Germany, a Germany now able to build on its best traditions and to build from the lessons of its worst traditions. A Germany dedicated not to the enslavement, but to the betterment of mankind. But we must all remember that Berlin was also the capital of the Third Reich, the womb of Hitler, a Satan whose name is associated forever with unspeakable horror. And we must never forget that as the Allied armies advanced from the East and from the West, they saw with their own eyes the remnants of the concentration camps, the horrors of the Holocaust.

We will visit Wannsee, the place where eleven despicable men and a woman decided to exterminate every Jew in the world. The site of the formulation of the "Final Solution."

We have memories. We have tears and there is anguish. We have hopes and fears and uncertainties. There are many Jews who could not bring themselves to be in this city because of the anguish, the pain that Berlin signifies. I speak with great empathy when I tell you that I understand the intensity of their anger and their bitterness. But, we are here for a reason. We are here because we have something to say to the new Germany.

I should like to be able to put the past behind, to go on to the future, but I cannot. I must, just as all of us must, contemplate what happened, deal with the past. The Jewish people cannot forget. And the German people must not forget. Nor can you and we allow the world to forget. Inevitably, the questions of forgiveness and of reconciliation arise. Reconciliation is possible if we speak the truth. And, the truth is that only the six million Jews who were murdered can forgive. But they are dead. The pain of that memory—yours because it is part of your history, ours because it is the worst thing that ever happened to us—is the only real bridge between us, the only road to reconciliation.

Forty-five years have gone by; you are another generation of Germans, just as we are another generation of Jews. I stand before you as President of the World Jewish Congress full of mixed emotions. Let us now talk of the future and let me tell you what the Jewish people now ask—no demand—of the new Germany.

We Jews have always believed that we have a special mission—"To be a light unto the Nations." Germany almost destroyed European Jewry, and with it, that special light. Now you have a special obligation to us.

It is not that we speak of collective guilt. Nor do we say that this generation be blamed for that which was done by another. We do demand, nonetheless, an admission of collective responsibility. The new Germany must forever teach what happened, so the lowest point ever reached in man's inhumanity to man, can never occur again.

The Jewish people recognize the Federal Republic has become a true democracy. But democracy not only means free elections and governance by the majority. It must mean first and foremost the freedom of every man, woman and child. It must mean that all minorities are guaranteed protection under the law. The new Germany must forever be a true democracy, for the world has learned that free peoples cannot tolerate fascist monsters. Socialism has failed, as an economic system for sure. But its real ignominy lies in the fact that it robbed mankind of freedom. So, of course, did fascism. Only democracy can guarantee freedom to everyone.

The new Germany must always have a special relationship with the State of Israel. Israel was born out of the ashes of the Holocaust. The Jewish people remember today the plight of those who craved shelter from the Nazi slaughterhouses, and were refused entry in country after country around the world. We remember that an unbelieving and perhaps uncaring world did nothing, not even would it bomb Auschwitz.

An ashamed world sanctioned the State of Israel, and as the Federal Republic of Germany rebuilt itself, it gave great substance to the building of the Jewish State. When East Germany threw off the shackles of communism, its first freely elected parliament unanimously apologized for their part in the Holocaust, and vowed to compensate the victims, as had the Federal Republic.

The German people must always support Israel. You must never help those who would destroy the Jewish State. The new Germany must adhere to the Federal Republic's stance on nuclear arms proliferation. Germany must never be a nuclear power, nor must any German help another who should desire to become a nuclear power. Germany must never have chemical or biological warfare capability, nor other means of mass killing and destruction nor help any third party attain such a capability. Let us remember the poison gas plant in Libya, and let us again insist that Germany enact strong legislation to prevent such threats against mankind and against Israel, and vigilantly enforce that legislation. Never, never strengthen the enemies of Israel!

A unified Germany will at first have great difficulties. It will be hard to erase the stagnation of socialism quickly. But we know that what will eventually emerge is a strong and powerful nation state, the most economically powerful in Europe, and an economic leader of the world. The Jewish people are concerned for the use of that strength and that power.

German history is aggressive and nationalistic. A strong and powerful Germany invokes fear. Not just Jewish fear, but fear from all your neighbors, all who suffered during the fascist period. The history of German aggression makes it critical that the new Germany guarantee again and again the sanctity of borders.

Just as there will soon be a unified Germany, there will be a unified Europe. Germany must commit itself to being a part of that Europe. You must willingly cast off forever your aggressive nationalism and become truly European. You must help rebuild much of what was destroyed during the Nazi period. Eastern Europe, having thrown off the bonds of socialism, now struggles to make its new democracy work. You must help. There can be no backsliding to totalitarianism.

When in the past you put aside that aggressive nationalism, you produced culture that is still envied. In German history there is Beethoven and Bach, Hegel and Schiller, Durer and Bechmann. Great musicians and great philosophers, great poets and great artists. This is the time, then, when the world would wish a new German renaissance.

As I stand here, before the German people, before the Jewish people, and the world, I acknowledge that which the Federal Republic has accomplished. A democratic society has been established on a strong educational base, the nation has signed the non-proliferation treaty and has become a strong ally integrated into Europe, with a system of laws which forbid xenophobia and other extremes of political behavior. Not only has the Federal Republic paid reparations to the Jewish people, it has frankly admitted the unspeakable crimes of the past.

The path for the new Germany should be clear. The Jewish people pray that you will prove that the world has nothing to fear; that you will follow that path away from your worst traditions and towards the best traditions of which you are so capable. The great challenge is to build a Germany firmly rooted in peace and respect for universal human values.

THE TIME IS RIGHT FOR A SOLUTION TO THE CYPRUS DISPUTE

HON. OWEN B. PICKETT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. PICKETT. Mr. Speaker, at a time when the wall that divides Germany has come down, and when so many people all over the world are emerging from oppression for the first time, it is indeed tragic that we will this week mark yet another anniversary of the Turkish invasion and occupation of Cyprus.

For the residents of this small and beautiful island, the invasion has meant nothing but hardship and broken dreams.

Some 200,000 Greek Cypriots were displaced from their homes, and many have never resettled. Another 1,500 Greek Cypriots were killed or remain missing. And today—16 years after the invasion—25,000 Turkish troops remain on the island, giving Turkey the dubious distinction of being the only democracy that occupies a foreign nation.

For 16 years, Greek Cypriots and their friends around the world have been forced to accept this intolerable situation. Negotiations conducted under the good offices of the Secretary General of the United Nations and supported by the United States have bogged down and been disrupted by the thoughtless and provocative action of Turkish Cypriots and their leader, Mr. Denktash.

It was Mr. Denktash who in 1983 unilaterally declared the Turkish Republic of Northern Cyprus. And it was Mr. Denktash who last year shocked the world when he invited Turkish residents of Bulgaria to resettle on the island. Obviously, these moves have not been helpful.

With the rest of the world coming quickly to realize the futility of using armed might to suppress freedom loving people, the time is right for a renewed effort by the United States to

press for a diplomatic solution to this longstanding problem. I urge the Bush administration and Secretary of State Baker to do just that. And I will certainly do everything in my power to support their efforts.

CONGRATULATIONS, UNION VOLUNTEER FIRE DEPARTMENT

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. VOLKMER. Mr. Speaker, on April 16 of this year, a tragic accident occurred in my district when a tanker truck collided with a pickup truck on Route 44, killing 4 men. This horrible accident would have been much worse had it not been for the quick response of the Union Volunteer Fire Department in Union, MO.

Today, the Union VFD is celebrating 100 years of service to the citizens in and around Union. It was on July 19, 1890, that the Union Board of Aldermen established a fire company for the city of Union.

Over the last century, the Union Volunteer Fire Department has been there for the citizens on numerous occasions: When fires occurred at the Bouebeuse Shoe Factory in 1941, and at the gas bulk plant in 1949. The Union Fire Department responded to the fires at William's Theater in 1971 and at the Triple D Laundry in 1980. They were there in 1982, when V.J. Kent's warehouse caught on fire and exploded.

It was also in 1982, when the town of Union flooded, that the Union Volunteer Fire Department helped the local citizens to sandbag the town, tied down propane tanks to keep them from floating away, and after the floodwaters receded, helped the citizens pump the water out of their basements.

Mr. Speaker, I am proud that the Union Volunteer Fire Department is a part of my district. I ask my colleagues to join me in wishing the Union VFD a happy 100th birthday.

CONGRATULATIONS TO JOSE ARREDONDO, THE RECIPIENT OF THE 1990 HISPANIC CHAMBER OF COMMERCE PROFESSIONAL COMMUNITY SERVICE AWARD

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. STARK. Mr. Speaker, I rise today to congratulate Mr. Jose Arredondo for his outstanding contribution to the Hispanic community of Alameda County in California's Ninth Congressional District. Mr. Arredondo is the recipient of the 1990 Hispanic Chamber of Commerce Professional Community Service Award.

Mr. Arredondo was born and raised in Oakland, CA. He attended Oakland public schools and received a B.A. in sociology in 1974 and a M.S. in counseling in 1976 from California State University, Hayward. Mr. Arredondo has been with the Spanish Speaking Citizen's Foundation for the past 10 years and currently serves as the executive director. Mr. Arredondo's duties include the implementation of foundation policies and procedures; program development; planning, and overall management of the foundation. His other responsibilities include representing the foundation at community events and presentations to funding sources; acting as liaison with other nonprofit agencies; fiscal control and management of the foundation; personnel/consultant recruitment and hiring; overall supervision of staff and fundraising activities; proposal writing; grants management; labor/employee relations, including contract negotiations; and, finally, public relations.

The Spanish Speaking Citizen's Foundation is a nonprofit, multiservice organization incorporated in 1965. The mission of the foundation is to empower the individual and the community to improve the quality of life while enhancing the community's Hispanic cultural heritage. The foundation provides a number of comprehensive bilingual programs including employment services; career development; educational enrichment; counseling; recreation and special activities; and information and referrals.

Mr. Arredondo is responsible for the establishment of a number of innovative programs. These include the SSCF After-School Year Round Tutorial Program, the Annual Summer School for Hispanics, the Azteca Baseball Team, the Educational Run for High School Scholarships, and, the Aztec Run and Summer Job Programs for Youth. Through these programs, hundreds of youths between the ages of 10 and 21 receive tutoring in math and English; career and work experience; cultural and arts programs; and leadership skills. In addition, Mr. Arredondo is also responsible for the implementation of a new subtutorial and counseling unit that focuses specifically on high risk youth and youths that are on or have been on probation.

Mr. Speaker, I would like to take this opportunity to commend Mr. Jose Arredondo for his dedication to the Hispanic community and, to congratulate him on receiving the 1990 Hispanic Chamber of Commerce Professional Community Service Award. He certainly deserves our respect and admiration.

OFFSHORE OIL DRILLING REVISITED

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. IRELAND. Mr. Speaker, today, I am introducing, with the support of the entire Florida delegation, my second bill related to a ban on offshore oil drilling south of 26 degrees north latitude in the Eastern Gulf of Mexico off the coast of Florida. The proposal is the same as one I sponsored last year at this time which simply banned offshore oil drilling in this area. Because of certain developments since last July, it is necessary to take this proposal one step further.

President Bush recently issued his decision relative to the offshore oil and gas development program in the Gulf of Mexico south of Naples. His conclusions were based on more than a year of study by a special task force set up by the President to carefully consider the environmental, social and economic issues involved with oil and/or gas drilling off the Florida coast. I, among others applauded the President's decision to cancel Lease Sale 116, Part II—covering the area south of 26 degrees north latitude—and excluded the area from consideration for any lease sale until after the year 2000.

It is unfortunate that despite years of arguing about the environmental sensitivity of this area the Department of the Interior had in the past sold leases in this area. This lack of foresight on the part of the Department has created a situation whereby oil companies were encouraged to spend and the Department was happy to collect, funds for leases which they cannot now explore. Consequently, as part of the President's decision, he directed that the Department of the Interior begin the process of canceling the existing leases off Florida and called the discussion with the State of Florida concerning its participation in a joint Federal-State buy back of the leases.

Why, I ask, Mr. President, should the State of Florida participate in buying back leases it did not sell nor gain any revenue from? In my mind, it amounts to a unique brand of extortion, with our Federal Government putting the squeeze on the State for something Florida had no part in and did not want.

The bill I am introducing today is the same as H.R. 2945, but adds one provision. That is, "it is the sole responsibility of the United States to buy back such leases."

My bill will assure that Florida will not be forced to pay what amounts to ransom in order to protect the precious natural resources of our coastal waters. Mr. Speaker, the United States adheres to a policy which says it does not succumb to and pay the extortion demands of terrorists—neither will the State of Florida.

TRIBUTE TO OPERATION RELEAF FOR THE VIRGIN ISLANDS

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. DE LUGO. Mr. Speaker, recently a St. Croix news reporter asked her fellow islanders: "What can regulate the climate, absorb noise, give shade and oxygen, cut carbon dioxide and provide a God-given, solar-powered air conditioner?"

Her answer. "Trees." You see, Mr. Speaker, when Hurricane Hugo's 200-miles-per-hour-plus winds hit the island of St. Croix last September 17–18, what was once lush-green tropical vegetation was—within a matter of hours—turned into thousands of leafless, twisted, black/brown hulks of tree trunks and broken tree limbs. Our army of nature-given regulators of climate, noise, shade, and oxygen had been almost totally destroyed.

But today, I am paying tribute to a unique plan to restore those storm-battered trees and have entire neighborhoods become responsi-

ble for the replanting, pruning, and pouring of loving care on the entire island's native trees, flowers, and bushes. This flora restoration program is being sponsored by the St. Croix Environmental Association; a group commonly referred to on the island as "S-E-A."

They call their effort "Virgin Islands ReLeaf." It is patterned after the 2-year old global reLeaf project which attempts to get communities around the world to plant trees to combat the effects of global warming and the "Greenhouse Effect."

Virgin Islands ReLeaf was officially initiated on April 15, the 20th anniversary of Earth Day, under the leadership of Joan Eltman, SEA's program director. According to Eltman, the idea for a tree restoration program was fueled by the fact that persons initially came to her offering her cash donations and checks on the street with the explanation that they had heard she was "doing something with trees."

Virgin Islands ReLeaf is emphasizing first the planting of native species of trees. But with few native seeds available after the hurricane SEA has organized tree-recognition workshops so that residents of the island can find the trees and tree seeds themselves. One of the local tree nurseries has even agreed to donate a pot and some soil to each child that brings native seeds to the nursery. A team of 10 tree experts—all volunteers—advises residents on how they can rescue and replant trees they find.

Under the ReLeaf Community Planting Program church and school groups, tenant associations, neighborhood block associations and social clubs and groups are collectively learning the fundamentals of the planting and care of trees. Householders are encouraged to plant young tree saplings in their yards next to dead trees in order that their lawns not continue to have that bare, just-struck-by-hurricane look.

There are plans to take the ReLeaf Program into the schools, with teachers' booklets containing lessons explaining to students the importance of trees.

Mr. Speaker, the focus of the ReLeaf efforts extends far, far beyond the island of St. Croix, however, for, beyond the very admirable and necessary efforts being made to reLeaf the island on the local level, the Virgin Islands ReLeaf participants are well aware that, by planting more trees and lowering the soil temperature, ordinary citizens can help fight global warming; one of the phenomena that scientists have told us is linked to the growing intensity of hurricanes.

CHILDRESS PRISON GROUNDBREAKING

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. SARPALIUS. Mr. Speaker, today a group of State, county, and local officials will gather in Childress, TX, to break ground and begin construction of a new State prison in Childress. For the people of that fine city, it will represent the culmination of many years of hard, dedicated work.

A prison a cause for celebration? You bet. To understand just what this means to the people of Childress, you must understand the circumstances that led them to petition the Texas Department of Criminal Justice to construct a prison in their community.

The 1980's, Mr. Speaker, dawned full of promise for the people of Childress and all of Texas. We were coming off the most prosperous decade in the State's history, and there was no reason to believe the next 10 years would be any less fulfilling.

As we all know now, the 1980's were a disappointment for those of us in the Lone Star State. The serious downturns in both the agriculture and the energy sectors dealt us a severe blow. At the height of our economic problems, in the mid-1980's, unemployment statewide soared to more than 10 percent and communities everywhere saw their services, their very standards of living strained to the limit.

We could have wallowed in self-pity, but that is not the Texas way. As the old saying goes, we had no choice but to pull ourselves up by our bootstraps. We needed to diversify, to bring in new industries that would supplement agriculture and energy. The people of Childress are very resourceful, and they realized a prison would fit the bill perfectly.

A correctional facility like the one being built in Childress will employ 300 people with an annual payroll of $7 million. That translates into a significant economic impact on Childress and Childress County. This economic impact is not transitory either. A prison is not subject to the same market forces that affect other industries because the need for space to house prisoners will remain high for the foreseeable future.

It was, then, with this wisdom, foresight and commitment that Childress began to petition the Department of Criminal Justice to build this prison in their home. Last year, in receiving TDCJ approval, they realized their goal. Today, that abstract goal begins to take concrete shape.

Mr. Speaker, I ask my colleagues in the House to join with me in congratulating the people of Childress on their hard work and wishing them the best as they begin to build a brighter economic future for themselves and their children.

THE REFUGEE PROBLEM IN THE MIDDLE EAST

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. GREEN of New York. Mr. Speaker, I should like to address an issue raised during the House debate of the fiscal year 1991 foreign operations appropriations bill last month. With regard to the United States policy in the Middle East, I wish to make the following point.

I am concerned because much of the debate currently surrounding Israel excessively focuses on the West Bank and Gaza, ignoring the historical problems which have resulted from the Arab world's failure to resettle its refugees.

As many recall, when the Arab nations rejected the 1947 U.N. Partition Resolution, two refugee populations were created, one Arab and one Jewish. At that time, some 800,000 Jewish refugees fled from the Arab States, fearing an uncertain future. The majority of those refugees were absorbed by fellow Jews and ultimately became citizens of Israel. Others found sanctuary in the United States, Canada, and Europe.

In contrast, nearly 600,000 Arab refugees remained homeless, because the Arab nations refused them sanctuary. Arab governments throughout the Middle East left the task of caring for the refugees to the world community. Since that time, Arab governments have, with the exception of Jordan, denied those refugees the opportunity to participate in the political and economic lives of the countries where they have come to rest. They have been repeatedly told that they will be returned to Tel Aviv, Haifa, or wherever their families had lived in Israel—and today we are speaking of children, grandchildren, even great-grandchildren, still left isolated by their Arab hosts in the lands where they have come to live.

Those refugees are not going back to Israel. The West Bank and Gaza cannot viably support most of them. The oil rich Arab States can. There can be no Mideast solution until the Arab States deal with their refugee problem the way the Israelis did with theirs.

If the PLO is truly serious about recognizing Israel, we must insist that their representatives are asked the question, "How do you and the Arab nations that support you propose to resettle your refugees just as Israel resettled Jewish refugees from the Arab countries?" That question must be answered before there is ever going to be any settlement of the Mideast dispute.

THE 50TH ANNUAL FOURTH OF JULY FESTIVAL OF FREEDOM

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Ms. OAKAR. Mr. Speaker, I am pleased today to call attention to the upcoming 50th annual Fourth of July celebration in my hometown of Cleveland, OH. The origin of what is now known as the "Festival of Freedom," can be traced to the year 1938 when 260,000 persons, 80,000 of whom packed Cleveland Municipal Stadium, gathered for a "Festival of Beauty and Fire," culminating in a $4,000 fireworks display, "* * * the greatest ever seen in Cleveland," according to the Plain Dealer.

The festivals continued through the years of the Second World War, helping to stimulate Cleveland's "Win the War" spirit. Through the 1940's, the Festival of Freedom became a Cleveland tradition, growing into what the Plain Dealer called, "the largest mass observance of Independence Day in the Nation."

Larger fireworks shows and music accompaniment have helped attract record crowds in recent years—375,000 in 1988—including 2,500 boats which anchor in Lake Erie off Edgewater Park. This year, a 30-minute fire-

works show costing approximately $60,000 will entertain the hundreds of thousands of festivalgoers.

The festival has proven to be an enduring celebration. Neither world wars nor major construction could force the cancellation of the pageant. In fact, the festival has been forced to cancel only twice in its history, both times due to heavy rains.

Mr. Speaker, I am pleased to note that after half a century the Festival of Freedom is still totally underwritten by Greater Cleveland businesses, organizations, and individuals—a ringing testimonial to the pride of my community. A volunteer group of Cleveland business people, the Cleveland Independence Day Association remains as the event's sponsor; the State of Ohio and the city of Cleveland are cosponsors.

This year's festival promises to be bigger and better than any of the preceding events. It is truly family fun in the best tradition of America and I look forward to taking part in my hometown's celebration of my country's independence.

THE MONEY IS THERE

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. CAMPBELL of Colorado. Mr. Speaker, it is my understanding the military, in particular the Army Materiel Command [AMC], is considering giving a 21-day furlough to many of its employees, some of whom live in my district, because of a budget shortfall for the rest of this fiscal year of $108 million.

The AMC is threatening that, unless Congress appropriates more money, those layoffs will take place.

I have a suggestion where to find the money to make up this shortfall. The Pentagon is sitting on a $50 billion plus slush fund. This fund is made up of money appropriated but squirreled away to be spent on what it wants to spend the money on, not what Congress legislates. The argument we constantly hear from the military about lack of money seems pretty hollow in light of the exposure of this slush fund; $108 million shortfall? Come on, the money is there, it is just not being spent. Spend it on the personnel and not play games with their lives, Pentagon.

THE 100TH ANNIVERSARY OF SWISHER COUNTY, TX

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. SARPALIUS. Mr. Speaker, I rise to commemorate the 100th anniversary of Swisher County, TX. A celebration will be held on Saturday, July 21, in Tulia to recognize that anniversary. The festivities that day will include the Prairie to Pride Parade and a barbecue for more than 5,000 people. Later that day a memorial will be dedicated to the centennial celebration of Swisher County.

I am always proud to recognize the achievements of my friends in Swisher County, and I am looking forward to being able to participate in their centennial celebration.

The 100th anniversary of Swisher County is all the more impressive when you look at how the county began. The first building in Swisher County was a log cabin constructed by Col. Charles Goodnight in 1883. The cabin was used as a line camp and headquarters for the colonel's new Tule Ranch. In December 1886 J.H. Parrish became the first actual settler in Swisher County. The J.H. Settle family settled nearby shortly thereafter.

The first commissioner's court was established on July 17, 1890, and the first county election was held on November 4 of that year. J.H. Settle was elected as the first county judge and Frank Scott was elected sheriff and tax collector. The county's first courthouse was completed in September 1890 at a cost of $2,000.

The Panhandle of Texas was a true frontier during the 1880's. It took a lot of courage and dedication to settle the land in those days. The settlers who came to the area were willing to sacrifice and work hard in the hope of one day making a better life for themselves and their families.

The 9,500 people who live in Swisher County today still possess many of the qualities of those pioneers. They grow wheat, grain, sorghum, cotton, soy beans, corn, and cattle, and they have developed Swisher County into one of the richest agricultural counties in the State.

Mr. Speaker, I urge the other Members of this House to join with me and all the residents of the 13th District of Texas in congratulating Swisher County on its 100th birthday.

SUSPEND ALL AMERICAN AID TO KENYA FOR HUMAN RIGHTS VIOLATIONS—STATEMENT OF SENATOR EDWARD M. KENNEDY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. LANTOS. Mr. Speaker, the cause for human rights throughout the world has precious few heroes. I would like to take this opportunity to pay tribute to two genuine leaders in the field: Gibson Kuria, a prominent human rights attorney in Kenya, and our distinguished colleague from the other body, Senator EDWARD M. KENNEDY.

Mr. Kuria, an important leader of those seeking to reestablish democratic institutions and respect for human rights throughout Kenya. His outspokenness has resulted in physical attacks upon him, his wife, and young daughter, and in his imprisonment and torture. Mr. Kuria has fled to the United States to plead for our aid in restoring fundamental human rights in his homeland.

Mr. Speaker, Senator EDWARD M. KENNEDY, true to a long and lasting family tradition of support for human rights, has taken up the Kenyan cause. I would like to insert his statement introducing legislation calling for a suspension of United States economic and military aid to the Government of Kenya until there is a restoration of human rights and democratic institutions. I encourage my colleagues in both Houses of Congress to study Senator KENNEDY'S eloquent and insightful comments:

STATEMENT OF EDWARD M. KENNEDY

During the past few weeks, government security forces in Kenya arrested, detained, assaulted, and killed peaceful advocates of human rights and democratic reforms. This escalating cycle of violence and repression in Kenya is a deep concern to all friends of democracy.

The United States should not be backing governments that deny the most basic rights to their citizens. If we are true to our heritage, we should stand with the forces of freedom, not those who deny it.

Therefore, I am introducing legislation calling on the Administration to suspend military and economic assistance to the Government of Kenya. The resumption of this assistance would be conditioned on the restoration of democratic freedoms and the release of all persons arrested and detained for the peaceful expression of their views.

Kenya was once a model of political stability in Africa. But today, its constitution and its democratic tradition are threatened by the government's repression of the rights of its citizens.

President Moi has mounted a harsh compaign against those who speak out against the government, who oppose the nation's single-party system, or who call for free expression. The President has emphasized his opposition to a pluralistic democracy. He has vowed to hunt down political dissidents "like rats."

In recent weeks, the repression has intensified. Security forces have arrested and detained more than 1,500 people. Hundreds of people were injured, and at least 22 were killed, when security forces fired into crowds and used clubs against demonstrators protesting the government crackdown.

Among those detained are former Cabinet Ministers Kenneth Matiba and Charles Rubia. Gitobu Imanyara, the editor of a publication that criticized President Moi, has also been taken into custody.

The government crackdown compelled Gibson Kuria, one of the world's most courageous champions of human rights, to seek refuge in the U.S. Embassy in Nairobi. Although the Kenyan government permitted Mr. Kuria to leave the country after a few days, his leadership is needed by his fellow countrymen. His forced exile is a distressing commentary on the tragic situation in his native land. We look forward to working with him to bring about the day when he can return home to a free and democratic Kenya.

Kenya is the largest recipient of U.S. aid in sub-Saharan Africa. It is scheduled to receive $46 million in aid this year, including $11 million in military assistance. The Administration has requested $42 million in aid for Kenya in 1991, $16 million of which is in military aid and economic assistance.

Americans should not send these tax dollars to a government that denies its citizens their basic rights. It is time to suspend all military and economic assistance to the Government of Kenya, until it restores fundamental civil and human rights

Gibson Kuria and other brave Kenyans at the forefront of democratic and human

rights reforms are entitled to the individual freedoms guaranteed under the Constitution of Kenya. I urge Congress to ask the Administration to support them in their cause.

ALICE K. ROMERO

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. RICHARDSON. Mr. Speaker, today many people in northern New Mexico remember Alice Kelley Romero, who died recently in Santa Fe at age 84. Alice Romero was not a person of financial wealth, power, or position, but she deeply touched the lives of many rural children, many now highly successful adults who credit her with directing them toward their goals.

Born and raised in Bloomington, MN, Alice Kelley's pioneering spirit led her to Truchas, NM, at the age of 26 to teach at the Presbyterian Day School. The school drew youngsters from many of the nearby villages because of the dedication and enthusiasm of Miss Kelley and other staff members. Many of them still have fond memories of that time and of the kindness and high expectations shown by their young teacher from such a different culture and background.

In time, Alice Kelley married Rev. Epifanio Romero, of Truchas, and dedicated most of her time to the raising of their three children, but she was continuously active in Christian education and other church and community work. Until shortly before she suffered a disabling stroke earlier this year, she was always among the first to volunteer her help to those in need. In an area where vastly different cultures live in relative harmony, she claimed to have no memory of a single incident of prejudice or hostilty. In all likelihood, she did not see what was incomprehensible to her.

Mr. Speaker, I ask my colleagues to join me today in honoring Alice Kelley Romero as a kind, courageous woman who did her best for the children of her community. History will not remember her name, but those children will never forget her.

STATE THRIFT DEPOSIT INSURANCE ACT

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. ROTH. Mr. Speaker, there are many tough issues in the savings and loan mess, but none is more important to the American taxpayer than who will pay the bill. Today, I am joining with several of my colleagues to propose a critically important change in the cleanup, which will inject a much-needed element of fairness for the taxpayers of Wisconsin and some 36 other States.

The reality is that most of the thrift failures are concentrated in a handful of States. But the $500 billion cost is being thrust on the taxpayer. That means that the cost is distributed in line with Federal tax payments around the country, with no relation to who caused the problem.

This is unfair. Wisconsin and 17 other Midwest and Northeast States account for nearly half of Federal tax revenues each year. But 90 percent of the failures have occurred in the South and West. In short, our States are footing the bill for a problem they did not create.

A study last month by Cleveland State University, clearly demonstrates that as presently operating, the Government's cleanup will produce a massive transfer of taxpayer funds from the Midwest and Northeast to the South and West. The study estimates that $592 for each Wisconsin citizen will go to the cleanup, while Texas will receive some $4,775 per person. Yet, Texas is responsible for 72 percent of the problem. That is not fair, and our bill will help rectify this injustice.

The American people understand this situation. Everywhere I go in northeast Wisconsin, people ask me why we have to pay for the crimes and mismanagement in Texas, Arizona, California, and the other States which let their S&L's run wild. It is only fair for them to take some of the burden off our constitutents. This bill is my first step toward that goal.

One of the most articulate arguments for our bill was written in an editorial in the Green Bay Press Gazette, which I am inserting in the CONGRESSIONAL RECORD for my colleagues to read.

Last year, a group of us tried to offer a similar plan, but our amendment was blocked. However, in a few months, Congress will be asked to approve more rescue funds. Our message to the House is: You will have to deal with our bill if you want any more taxpayer money. The American people understand issues of fairness, and fairness is on our side.

[From the Green Bay Press Gazette, Apr. 12, 1990]

STRAINING—WISCONSIN HANDED AN UNFAIR BURDEN IN FEDERAL S&L BAILOUT

The savings and loan bailout strains the limits of sharing and fairness that are essential parts of being a nation.

The latest estimate of the cost of cleaning up the fouled nest of amoral highrollers in the southwestern United States is $326 billion through the 1990s. The total could go even higher—to an estimated $500 billion—if a slow economy devalues real estate held by defunct S&Ls.

But even at the lower figure, the cost to Wisconsin taxpayers will be about $3.5 billion—or roughly $750 for every person in the state. We can all dream about what that much money could buy for us as either state or private spending.

Wisconsin residents have to pay their share of the S&L bill. This state is part of the United States and the federal government has guaranteed all the people that money deposited in banks and savings and loans is safe.

But this mess is not Wisconsin's fault. Savings and loan institutions here are well-managed. Only two of them are part of the still-rising total of 400 institutions taken over by the U.S. government.

There are three groups at fault:

Wheeler-dealers in Arizona, California, Florida and Texas—particularly Texas—steered S&Ls away from home mortgages and other safe investments in search of quick riches. Those people should be hunted down and prosecuted.

Federal officials acted too slowly to diagnose and treat the mess. The S&L episode is convincing evidence of the need for strict federal regulation of those who handle money that does not belong to them.

The nation's top elected officials erred twice. Following President Reagan's lead, Congress rushed to deregulate financial institutions without providing ample safeguards against the quick-buck crowd. Officials then refused to act on a serious problem until it turned into a multi-billion-dollar disaster.

We have no desire to promote factionalism, to pit one region of the country against another. But those suntanned cynics in Texas and a few other states owe the rest of us.

They owe us better understanding than they have shown in the past that this is one nation. Their politicians—especially those in Congress—owe an apology for stripping Wisconsin and other states of tax resources that could be used to solve local problems. They owe the nation better, less greedy, behavior.

FIFTIETH ANNIVERSARY OF THE DICKENS ELECTRIC COOPERATIVE, INC.

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. SARPALIUS. Mr. Speaker, I rise to commemorate the 50th anniversary of the Dickens Electric Cooperative, Inc. Today, members from parts of seven counties will meet and hold festivities to celebrate that anniversary.

The cooperative was granted a corporate charter by the Texas Secretary of State on February 10, 1940. Five years later the Dickens Electric Cooperative energized its first 17 miles of line. Mr. Joe Rose and Mr. John Sharp, along with many others, helped develop a power system which enabled the area to pull away from the effects of the Great Depression and World War II.

Don't underestimate for a minute what the founders of that cooperative were trying to do. Think about the times. This country, and especially rural America, was trying to recover from the economic devastation of the 1930's.

Rural electric cooperatives were organized to modernize rural areas, and to provide them with the tools to grow economically. Those cooperatives played a major role in making rural America what it is today.

The celebration today is evidence of how well rural electrification has worked. The Dickens Electric Cooperative, Inc. has grown to serve more than 2,800 customers and has improved the way of life for its members. The cooperative has also helped to grease the wheels of modern industry by providing power for west Texas oil fields.

Mr. Speaker, I urge the other Members of this House to join with me and all the residents of the 13th District of Texas in congratulating the Dickens Electric Cooperative, Inc. on its 50th anniversary.

NOT ONE PENNY MORE FOR WASHINGTON

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. HUBBARD. Mr. Speaker, I would like to share with my colleagues an outstanding editorial which recently appeared in the Paducah Sun written by the newspaper's editor, Jim Paxton of Paducah, KY.

Jim Paxton has written the best article I have read describing the savings and loan fiasco and reflecting the popular views of the American public.

There have been several editorials in the Washington Post, the New York Times, Chicago Tribune, and other daily newspapers, but Jim Paxton's editorial is the best I've read.

One thing for sure, the headline of the editorial reflects the views of my western Kentucky constituents—"Not One Penny More for Washington." My constituents do not want higher Federal taxes.

I urge my colleagues to read and consider Jim Paxton's editorial. It follows in its entirety:

NOT ONE PENNY MORE FOR WASHINGTON

(By Jim Paxton)

It was not so long ago that I was fit to be tied over the fact that the saying "I won't raise taxes" was not merely a popular campaign slogan in Kentucky—it was a prerequisite for even being a candidate.

This was despite the fact that Kentucky had not had a significant revenue increase in 20 years, its teachers were among the worst paid in the nation, its prisons had been or were in danger of being taken over by various court systems, and counties were closing jails and landfills left and right with no money to replace them.

In Kentucky, the time had arrived for a tax increase—how big an increase is something that could well be debated to the end of time but we definitely had to do something.

So if I feel that way about money for state government, I obviously am understanding about President Bush's statements last week that the federal government also needs more money and has to raise taxes, right?

Wrong. At the risk of sounding like the populist rhetoricians I have so freely bashed on the state level in recent years, my position on a federal tax increase is this:

Not one penny more for Washington.

As one congressman I heard on the radio deftly put it:

"Offering the federal government more tax money is like asking an alcoholic if he wants another drink."

His point is that although new taxes would in theory be applied to shrink the budget deficit, Congress's abysmal record of pouring new monies into so-called entitlements and other pet projects makes it highly doubtful how much, if any, new tax money would actually go towards deficit reduction.

If we could be assured every penny would go toward permanent deficit reduction, things might be different, but the fact is, the federal government has forfeited the public trust. It has behaved like children who skipped school, went to the mall and maxed out their parents' credit cards while they were at work. Not only should it have its credit cards taken away, it should be locked in its room until it comes up with a way to make good.

When it comes to federal taxes, we are not undertaxed. Almost all of us pay between a fourth and a third of our income to the federal government, and that doesn't even include Social Security. That's enough, don't you think?

When I was a reporter in Lexington some dozen years ago, I was sent to cover a most unusual meeting. It was an assembly of a political group whose goal it was to abolish the federal government. I was somewhat taken aback at the time, because the gentleman who was the main speaker was one of those people who sort of foamed at the mouth—literally—once he got going, and at the end of his speech, he asked the crowd, which included a good number of elderly folks, for money.

And although I have in no way come around now to that gentleman's way of thinking, I have come to this conclusion:

Where the federal government is concerned, less is better.

That's part of my thinking in the debate concerning the National Endowment for the Arts, and whether or not the government should fund it. Of late, that debate has centered around the sometimes murky line between art and pornography, and whether creators of the former should be punished for misdeeds by purveyors of the latter.

I see it differently. I see the NEA as a nonessential government service. Granted, it's a nice thing to have, but it's not up there with highways and airports and locks and dams. The country could survive without it. And the fact is, the government is paying for it with money it literally does not have.

The federal government also has proven time and again that it is a lousy administrator of our monies. That's not rhetoric; that's a fact.

Consider a recent Baltimore Sun article about the government's efforts to cut taxpayers' losses by selling off properties seized from failed S&Ls in the ongoing "bailout." As part of it, the government recently sold Stonebridge Ranch in Texas to a Japanese investor. That foreign buyer got a going concern—an office, housing and recreational complex with golf courses and the works—that an S&L had paid $330 million to build—for $61 million. We, the taxpayers, will pay the $270 million difference (81.5 percent of the total cost).

You, I, everyone in your family, in fact everyone in the United States will pay about $1 each to retire just this one debt against this one project that now is owned by a foreigner. And there are a couple of thousand like it.

And all because Congress and the S&L regulators got together in the last decade and decided to let the S&L's take a lot more risks, with a lot less supervision.

It is time to put this type of fiscal irresponsibility to an end. It is time to put the federal government on a diet—a cash diet—to teach it that it cannot simply keep turning around and looking to the tax coffers to remedy its bungling. And it is time to get the government out of the business of being all things to all people and back to the basics of providing transportation systems, a federal court system, an army, and not much else.

The people in Washington have been slow to perceive public sentiment of late, it seems, but I believe there is a message enroute from the taxpayers, and the message is this:

The money you are getting is all that you are going to get; make do with it, or else you're fired.

A SALUTE TO JUDGE PAUL R. DONALDSON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. STOKES. Mr. Speaker, on July 25, 1990, friends of Judge Paul R. Donaldson will gather to pay tribute to him for over 40 years of public service. This affair will be held at Landerhaven and an overflowing crowd is expected to come out on that occasion.

Judge Donaldson, who has presided in the Shaker Heights Municipal Court since 1982, has made many friends across the spectrum of political parties, race, and religion. He is highly respected throughout our community. As a judge he has earned respect for his professionalism, knowledge of the law, and his evenhanded administration of justice. A major part of his successful and distinguished career is his beloved wife, Kathleen, who also serves as his bailiff.

Mr. Speaker, I request that all of the Members of the House join me in a special tribute to an outstanding jurist on this occasion. I include herewith a copy of Judge Donaldson's personal profile.

PERSONAL PROFILE OF JUDGE PAUL R. DONALDSON

Born: February 11, 1926, Shaker Heights, Ohio.

PROFESSIONAL EXPERIENCE

Judge, Shaker Heights Municipal Court (1982-Present).

Admitted to practice before the United States Supreme Court, Sixth Circuit Court of Appeals, Federal District Court for Northern Ohio, and all Ohio Courts.

Director of Law, City of Shaker Heights (1973-1981).

Chief Prosecutor, City of Shaker Heights (1957-1981).

Assistant Director of Law, City of Shaker Heights (1957-1973).

Legal Counsel, Shaker Heights Board of Education, Library Board, and Recreation Board (1973-1981).

Assistant Legal Counsel, Shaker Heights Board of Education, Library Board, and Recreation Board (1957-1973).

Police Officer and Sergeant, Shaker Heights Police Department (1950-1957).

Instructor, Ohio Peace Officer Training Council, Courthouse Security, Bailiffs, Basic Police Course, Criminal Law, Search and Seizure, etc.

Instructor, Supreme Court of Ohio, Courthouse Security.

PROFESSIONAL AFFILIATIONS (FORMER AND PRESENT)

American Bar Association, Housing and Urban Renewal Committee, Liaison Committee with National Institute of Municipal Law Officers (NIMLO), Transportation, Traffic and Parking Committee.

American Judges Association, Member, Board of Governors.

American Judicature Society, Chairman, Court Security Committee.

Association of Trial Lawyers in Criminal Cases.
Bar Association of Greater Cleveland.
Case Western Reserve University Law-Medicine Center Instructor in Criminal Law.
Cleveland-Marshall Law School Alumni Association of Cleveland State University.
Cuyahoga County Bar Association, Municipal Courts Committee.
Cuyahoga County Law Directors' Association, Treasurer and Past President.
Cuyahoga Regional Information System (CRIS).
Delta Theta Phi Law Fraternity.
Kent State University, Lecturer in Municipal Law.
Legal Aid Society of Cleveland.
Metropolitan Crime Bureau of Cuyahoga County.
National Committee on Uniform Traffic Laws and Ordinances.
National Institute of Municipal Law Officers (NIMLO), Regional Vice-President; Chairman, Committee on Traffic, Parking and Transportation.
Northern Ohio Municipal Judges Association, Secretary-Treasurer.
Ohio Association of Municipal/County Judges, Inc.
Ohio Municipal Attorneys' Association, Past President; Contributing Author, Municipal Attorneys' Desk Book.
Ohio State Bar Association, Supreme Court Committee on Uniform Practice and Procedure in Traffic Courts.
Suburban East Bar Association.

CIVIC AND PUBLIC ACTIVITIES (FORMER AND PRESENT)

Christ Episcopal Church.
Citizens League of Greater Cleveland.
Cleveland-Marshall Law Alumni Association, Honorary Trustee.
Family Service Association District Committee, Former Chairman.
Fernway Association.
Lomond Association.
Ludlow Community Association.
Moreland Community Association.
National Municipal League.
Ohio Municipal League.
Shaker Heights Kiwanis Club, Past President.
Shaker Heights Fraternal Order of Police Associates (FOPA), Past President.
Shaker Heights Youth Center, Board of Trustees.
Suburban Community Hospital, Board of Trustees.
The Shaker One Hundred, Inc., Executive Director.
United Appeal of Greater Cleveland, Former Area Director.
Veterans of Foreign Wars.

AWARDS

Superior Judicial Award, Ohio Supreme Court 1982, 1983, 1984, 1985, 1986 (No awards given to any court since 1986).
Hall of Fame, Shaker Heights High School, inducted 10-9-86.

EDUCATION

Cleveland-Marshall College of Law, Cleveland State University, Juris Doctor Degree.
Wittenberg College, Springfield, Ohio.
John Carroll University, University Heights, Ohio.
Northwestern University, Evanston, Illinois.
Shaker Heights Public Schools.

MILITARY SERVICE

U.S. Air Force, South Pacific Theater of Operations (1943-46).

BIOGRAPHICAL LISTING

Who's Who in American Law, 2nd and 3rd editions.

THE FLIGHT ATTENDANTS

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. LIGHTFOOT. Mr. Speaker, some of you may have glanced in the Washington Post this morning or watched the morning news before coming to work only to see a reminder that 1 year ago today the tragic accident of United flight 232 from Denver to Chicago occurred in Sioux City, IA. Many lives were lost tragically in this crash; however, many lives were saved through the combined efforts of the captain, flight attendants, ground crew, hospital personnel, Sioux City residents, and passengers themselves.

On this particular day, I would like to bring attention to one special group of people involved with flight 232 whose efforts and qualifications go unnoticed on a daily basis—the flight attendants. This extends not only to those of the Sioux City accident but to all who make each and every flight as enjoyable and comfortable as possible. It was because of their professionalism and safety consciousness that so many people survived the accident of 1 year ago today.

In light of the accident, by congressional appointment the date of July 19 was reserved for those flight attendants who attend to, care for, and direct their passengers in the many different, and often dangerous situations confronting them. It is for this reason that I would like to make notice today that the flight attendants' services are sincerely valued.

I know my colleagues join me today in thanking you, the flight attendants, for the job you do, and the job you do well.

INTRODUCTION OF THE COUNTERVAILING AND ANTIDUMPING DUTY ACT OF 1990

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. PEASE. Mr. Speaker, on behalf of Representatives CARDIN, COYNE, NANCY JOHNSON, KENNELLY, MATSUI, RUSSO, and myself, I am introducing the Countervailing and Antidumping Duty Act of 1990. Our bill responds to the complaint that our trade laws are too cumbersome and costly for our domestic industries to use effectively.

To remedy this situation, we are proposing a number of small modifications to our antidumping and countervailing duty laws. The combination of these technical changes will give our trade laws the tune-up they need.

Besides making key improvements to our trade laws, our bill would also send a strong message to our trading partners that we are serious about maintaining a strong set of antidumping and countervailing duty laws.

I urge you to give our bill serious consideration. The text follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Countervailing and Antidumping Duty Amendment Act of 1990".

SEC. 2. PETITION INITIATION AND DETERMINATION.

Sections 702 and 732 of the Tariff Act of 1930 (19 U.S.C. 1671a and 1673a) are each amended—

(1) by striking out ", and which is accompanied by information reasonably available to the petitioner supporting those allegations" in subsection (b)(1); and

(2) by striking out "and contains information reasonably available to the petitioner supporting the allegations" in subsection (c)(1).

SEC. 3. ADMINISTRATIVE REVIEW OF DETERMINATIONS.

Section 751 of the Tariff Act of 1930 (19 U.S.C. 1675) is amended—

(1) by inserting at the end of subsection (a)(1) the following: "The review must be completed by the 180th day after the day on which the request for the review was received by the administering authority.";

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following:

"(f) SUSPENSION OF ANTIDUMPING DUTY ORDER IF NO DOMESTIC SUPPLY OF MERCHANDISE AVAILABLE.—

"(1) IN GENERAL.—The administering authority may, after appropriate notice, suspend the application of an antidumping duty order (if the order is not based on a determination referred to in section 731(2)(B)) to merchandise covered by the order if the administering authority determines that—

"(A) merchandise of that class or kind is not produced in the United States;

"(B) the need in the United States for merchandise of that class or kind is real and reasonable;

"(C) the specifications for merchandise of that class or kind is reasonable; and

"(D) no producer in the United States is capable of producing, or willing to produce, merchandise of that class or kind.

"(2) PROCEDURES.—The administering authority shall establish procedures—

"(A) governing the form and content of requests for determinations under paragraph (1); and

"(B) providing opportunity for the annual review of any suspension placed in effect under paragraph (1) to determine if the reasons on which the suspension is based still pertain.".

SEC. 4. MATERIAL INJURY.

(a) LONG LEAD TIME FACTOR.—The last sentence of section 771(7)(C)(iii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iii)) is amended by inserting ", including contracts with long lead time," after "competition".

(b) DETERMINATION OF THREAT OF INJURY.—Subparagraph (7) of such section 771(7) is amended—

(1) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively, and

(2) by inserting after clause (ii) the following:

"(iii) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under

this subparagraph shall not necessarily give decisive guidance with respect to the determination by the Commission of the threat of material injury.".

SEC. 5. DUAL PRICING OF IMPORTS.

Section 773(a)(4) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(4)) is amended by adding at the end the following new sentence: "No allowance shall be made to account for differences in import costs that are based on whether the end product made from the import is sold in the home market or exported.".

SEC. 6. REPORT, AND ACCESS TO DATA, REGARDING COUNTERVAILING AND ANTIDUMPING DUTY COLLECTIONS.

Section 777(a) of the Tariff Act of 1930 (19 U.S.C. 1677f(a)) is amended by adding at the end thereof the following:

"(5) REPORT, AND ACCESS TO DATE, REGARDING COLLECTIONS.—

"(A) ANNUAL REPORT ON COLLECTIONS.—Not later than__days after the close of each calendar year, the administering authority shall prepare, and make publicly available, a report setting forth the amount of duties collected during that calendar year under each countervailing duty order and antidumping duty order.

"(B) ACCESS TO COLLECTION DATA.—Upon receipt of an application from an interested party that initiated a petition that resulted in a countervailing duty order or antidumping duty order, the administering authority shall make available the data regarding the payment of duties under the order. Subsection (c) applies to the disclosure of any such data that is proprietary information.".

SEC. 7. COMPENSATION AWARDS.

(a) DEFINITIONS.—As used in this section:

(1) The term "affected domestic producer" means any manufacturer or producer within the domestic industry with respect to which an affirmative injury determination was made in connection with an antidumping order.

(2) The term "antidumping order" means an antidumping duty order published under section 736 of the Tariff Act of 1930.

(3) The term "Commission" means the United States International Trade Commission.

(4) The term "dumped merchandise" means merchandise with respect to which an antidumping duty is imposed under an antidumping order.

(5) The term "dumping period" means the period of time during which foreign merchandise subject to an antidumping order was sold, or offered for sale in the United States at less than fair value and applied by the Commission for purposes of making a determination under section 735(b) of the Tariff Act of 1930 with respect to the domestic industry that produced a like or directly competitive products.

(b) APPLICATION PROCEDURES.—The Commission shall prescribe procedures governing when and the form and manner in which affected domestic producers may apply to the Commission for compensation under this section.

(c) COMPENSATION DETERMINATION.—

(1) Upon receiving a timely application under subsection (b), the Commission shall determine if the applicant—

(A) is an effected domestic producer; and

(B) suffered economic injury during the dumping period as a result of the sale, or offer for sale, in the United States of the dumped merchandise.

(2) If the Commission makes affirmative determinations under paragraph (1) (A) and (B), it shall—

(A) determine the monetary value of the economic injury that was suffered by the applicant; and

(B) issue to the applicant a compensation award stating the amount of money which is payable to the applicant from the appropriate special compensation account established under subsection (d).

(d) SPECIAL COMPENSATION ACCOUNTS.—

(1) On the date an antidumping order takes effect, the Secretary shall establish in the Treasury of the United States a special compensation account with respect to that order.

(2) The Secretary shall deposit into a special compensation account one-half of all antidumping duties that are collected under the antidumping order with respect to which the account was established.

(3) The monies in a special compensation account shall be available, to the extent provided for in advance in appropriation Acts, for the payment of compensation awards issued under subsection (c)(2) in conjunction with the antidumping order with respect to which the account was established.

(4) The Secretary shall by regulation prescribe the time and manner in which payment of compensation awards from special compensation accounts will be made. If the amount of compensation award claims made at any time exceed the amount of monies in the special compensation account, the Secretary shall make pro rata payments of the claims. After all compensation awards have been paid from a special compensation account, the Secretary shall terminate the account, and any monies remaining therein deposited into the general fund as miscellaneous receipts.

(5) Upon the termination of a special compensation account, all antidumping duties collected under the antidumping order with respect to which the account was established shall be deposited into the general fund of the Treasury as miscellaneous receipts.

DEDICATION OF THE NIXON LIBRARY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. DANNEMEYER. Mr. Speaker, today marks the dedication of the Nixon Library in Yorba Linda, CA, a city which I am privileged to represent and which is, of course, the birthplace of the 37th President of the United States.

This will be the first time since 1981—the funeral for Anwar Sadat—that four living U.S. Presidents are appearing together.

It has been 16 years since Richard Nixon left the White House in disgrace. In the years to come, the memory of Watergate will fade and it is the international achievements of President Nixon which will be remembered.

I have been honored to address the gathering in Yorba Linda and am attaching my statement at the dedication.

REMARKS BY HON. WILLIAM E. DANNEMEYER

Honored guests, we gather at an historic juncture along our nations path of destiny.

The greatness of a civilization rests not so much upon its conquests as with the chronicles of its people. As history is the narrative of human events, libraries are the repositories where knowledge of those events are preserved for the education of future generations.

Today we honor one of only forty men who have led the United States from fragile infancy to international preeminence. Each one has variably contributed to the development of our political, economic, and social institutions. Some have exercised ascendant abilities to steer our nation around dangers and exploit unique opportunities for progress. A few, possessed of superior intellect and acute vision, have helped forge our nation's destiny at critical points in time.

History will record that Richard Nixon has left a profound imprint on world affairs, one which has indeed altered the course of history and led us to where we are today in the international community. This library, then, does more than commemorate the life and service of the man; it memorializes his accomplishments and commends them to the children of tomorrow with the hope that they may gain from them an understanding of the history of this nation, and share in the knowledge that monuments of learning are more durable than monuments of power.

A CONGRESSIONAL SALUTE TO COACH STAN SMITH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute and acknowledge my respect for an outstanding citizen and leader of the South Bay Community. On July 21, 1990, Coach Stan Smith will be honored by friends and former players for his many years of dedicated service to the Gardena High School sports program. This occasion gives me the opportunity to express my sincere appreciation for all that he has done for South Bay youth.

Coach Stan Smith, a graduate of Loyola University and the University of Southern California, first joined the staff at Gardena High School in 1950. During the early 1970's, I had the distinguished pleasure of representing Stan Smith and Gardena High School, in the House of Representatives. I can attest to the outstanding program, and the many successful individuals that came out of Gardena as a result of Coach Smith's leadership. His extraordinary career at Gardena, included two city football championships, and numerous league championships. Coach Smith was a man, however, who focused on much more than teaching just athletic skills.

To most who have coached athletics, success is measured in wins and losses. In the case of Stan Smith, however, success has always been viewed as a player's performance both on and off the field. Throughout his coaching career at Gardena High School, Coach Smith prided himself on developing players for successful careers beyond high school. Among his many outstanding players were Doc Ellis of the Pittsburgh Pirates; Enis Cabell, who played for both the Houston Astros and the Los Angeles Dodgers; Charlie Evans, who played for both the Washington Redskins and the New York Giants; Winland

Hall of the San Francisco 49er's; and Don Horn of the Green Bay Packers. While these are names that many of us recognize in the world of professional athletics, there are many other unrecognized names that now enjoy successful careers, aided by Coach Smith.

Stan Smith ended his coaching career in 1977, but he is still remembered and respected by all who know him. The fact that his family, friends, and former players have gathered to honor Coach Smith, serves as a testimonial to the devotion so many have for him. On this special and most deserving occasion, my wife, Lee, joins me in extending our heartfelt thanks and congratulations to him. We wish Coach Smith, his wife Connie, their children, Louise, Bruce, Craig, Sally, Jacqueline, Mark, and Ellen, all the best in the years to come.

DON'T VOTE, LET ME MAKE THE DECISIONS ABOUT YOUR FUTURE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. UDALL. Mr. Speaker, I have always been most proud of my home State, Arizona, for several dozen reasons, which for sake of brevity and budget, I will not enumerate here today. However, like many Arizonans, I was hard pressed to gloat when it was announced that our State ranked 41st in voter turnout in the Nation.

There is no simple answer to the problem: the House has addressed motor voter and same day registration proposals, and directed that Federal and State agencies provide registration opportunities. Like many of my colleagues, I've taped radio and TV spots encouraging people to register and vote, often hoping people would do so just to keep me off the air. Still, Arizona and at least nine other States, saw more than 1 in 3 residents over 18 years of age fail to register to vote. This is a tragedy.

A political writer from the Arizona Republic recently devoted her column to the problem. Keven Willey took the time to debunk many myths about voter registration. She noted over a dozen different locations where an individual can register. Ms. Willey advised her readers how simple it is to register to vote. In short, many of the excuses most commonly given by those not registered were refuted.

I ask that Ms. Willey's column be made part of the CONGRESSIONAL RECORD. I believe that it is a substantial contribution to Arizona's effort to move away from the ranks of the disenfranchised.

DON'T VOTE, LET ME MAKE THE DECISIONS ABOUT YOUR FUTURE

(By Keven Willey)

Everybody seems all upset about how Arizona ranks ninth-worst in the nation in voter turnout. Sounds like a big to-do over nothing to me.

I don't care that more than one out of every three Arizonans over 18 fails to register to vote. That voter turnout in the United States is nearly the lowest of any democracy worldwide.

Having so few people involved just makes my vote more important.

I like that.

That means the causes I think are important (light rail, a King holiday, campaign-finance reform) are more likely to get attention. And the causes I don't like (the Grand Prix, limits on politicians' terms and legalizing concealed weapons) will bite the dust.

It means that the candidates I like (actually there aren't too many of these: sometimes Sam Steiger, sometimes Fife Symington) are more likely to win. And the candidates I don't like (Evan Mecham) are less likely to win.

If enough people don't register to vote, I could have my way on just about everything. I would like that just fine. You might not, but if you don't care enough to register to vote, why should anybody care?

NO COMPLAINING

Are you worried that by registering to vote you might be tapped for jury duty? That the whole world will have access to your unlisted phone number?

Can't find your birth certificate or some other proof of identification? Too busy to register? You don't understand politics and find it all too confusing to even try?

Fine. I'll do all the deciding for you. I'll take care of everything. I promise. Trust me.

But don't blame me if things go wrong. If you are careless enough to believe any one of the excuses offered above justifies your abandon, don't come complaining to me about how things worked out.

No vote, no voice. That's my motto. That goes especially for complaining. Don't want to hear it.

EXCUSES EXPLODED

Am I sounding a bit strident? Good. Guess what:

You don't have to list your phone number when you register to vote. There's a space for it on the form, but if you don't want the number to become part of the public record, you can just leave it blank.

And while you might get tapped for jury duty if you register to vote, you are just as likely to get tapped if you drive. Most counties pull names from both registration rolls and driver's license records for juries. So if you drive but haven't registered to protect yourself from jury duty, forget it. Chances are they've already got your number.

Besides, I've been registered to vote for more than 14 years, and I have never been called for jury duty. (Now I'll get summoned tomorrow.) My mother has been registered to vote in one county for 28 years, and she's never been called either.

As for that birth certificate, you don't need it. In fact, you don't need any proof of identification when you register to vote. All you do is sign a line at the bottom of the form swearing that all the information is true.

If it's not, and elections officials find out about it, it's a felony. So don't get creative. But don't use the old birth-certificate excuse as a reason for not voting either.

LOTS OF OPPORTUNITIES

And this too busy/too confusing stuff is bunk. You can register to vote at any justice court, state Motor Vehicle Division licensing office (if you need a license), the county election office or at either major party's headquarters.

In some areas, you can even register at libraries and city halls. Chances are if you call either party and ask them, they will send somebody to your home to register you.

You can register to vote the day you move into the state. In some counties, if you've just moved across town, you can call the recorder's office and they will send you a special change-of-address card that you can return, postage-paid, in the mail.

Sure, politics sometimes is confusing. In fact, it almost always is. But we all have opinions. You can start small. Vote first on the issues you feel strongest about. Taxes, transportation. The more attention you pay to those issues, the more you will learn about others.

It's really easier than you think. All it takes is glancing through the newspaper. Or listening to the news on TV or radio. Better yet: Attend a candidate's forum. It might take an hour, but you would be surprised how much you can learn simply by seeing a candidate in action in person.

But hey, don't lose any sleep over this. If you don't want to register to vote, that's fine by me. I'm happy to do your work for you.

My way.

OTIS PITTS: WELL-DESERVED RECOGNITION FOR A JOB WELL DONE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. LEHMAN of Florida. Mr. Speaker, we in North Dade have long known the value of Tacolcy Economic Development Corp. and its dedicated, effective leader, Otis Pitts.

Now the entire Nation has been made aware of the contribution that Otis Pitts has made to our community, because the MacArthur Foundation has named him a fellow this year. The honor places Otis Pitts in the company of some of the most creative and productive individuals in our country.

My own experiences working with Otis on transportation and housing issues in Dade County confirm the wisdom of the MacArthur board of directors. I know how concerned he has been and how hard he has worked to solve the problems of those in our community who need help the most. I also know what a big difference his intelligence, drive and vision have made in the lives of our people. Characteristically, Otis Pitts shares the credit for his achievements, but there can be no doubt that he is a special person who has made special contributions.

Mr. Speaker, I would like to share with my colleagues an article and editorial from the Miami Herald which provide additional information about Otis Pitts. I know my colleagues join me in offering him our warmest congratulations and best wishes for continued success.

LIBERTY CITY DEVELOPER WINS GRANT

(By Kimberly Crockett)

Otis Pitts, the former Miami policeman turned developer who helped bring new shopping and housing to Liberty City after the devastating 1980 riots, has won a $295,000 MacArthur Foundation Fellowship.

The prestigious award recognizes "people with promise" who have made significant

contributions to society, said Ken Hope, the MacArthur Foundation program director.

Pitts, president of the Tacolcy Economic Development Corp., learned that he was one of 36 recipients this year during a phone call from Hope Friday.

"He was very quiet, then he took a breath and said, "You're kidding," recalled Hope. "It does change their lives."

"I was flabbergasted," Pitts said Monday from Chicago, where the awards will be formally announced today. "The hair was standing up on my back."

The fellowships are unique because recipients are nominated by anonymous individuals designated by the MacArthur board of directors. Fellowship winners, selected by the foundation board are free to use the awards as they wish, Hope said.

"It's a gift and gifts tend to keep giving." Hope said. "They will give it back to society in different ways."

The MacArthur Foundation is the legacy of Chicago banker and philanthropists John D. and Catherine T. MacArthur, who left the bulk of their estate to help exceptionally talented individuals.

Awards usually range between $150,000 and $375,000. Several poets, literary critics and academicians, including Stanford University population studies professor Paul Ehrlich and writer Susan Sontag were among this year's winners.

Fellows were selected for their proven ability and future potential in improving society, Hope said, All the winners have illustrated a track record of commitment and success.

Pitts, 48 grew up in Liberty City and patrolled its streets as a Miami police officer. In 1974 he joined the Tacolcy Community Center, which provides social services to the black community, but it was the McDuffie riots in 1980 that changed his life.

In the aftermath of the violence, Liberty City didn't need any more social service handouts, Pitts felt. It needed economic opportunities. Two years later, Pitts founded the Tacolcy Economic Development Corp., mostly to revitalize the commercial area near Northwest 62nd Street and Seventh Avenue, hard hit by the riots.

"Once we got started, if the efforts were to be successful, we had to address other problems like why people were leaving the area and the housing problems," Pitts said.

Though the corporation Pitts has expanded the job market, increased the level of entrepreneurial activities and built low-income housing.

Pitts said he is uncertain how he will use the money. However, he hopes to produce informational brochures about the corporation and aid others in setting up similar corporations.

"I'm overwhelmed by it all," Pitts said. "I feel it is something you never earn by yourself, It's a challenge to rededicate myself."

REWARD AND "CHALLENGE"—THE GRANT TO OTIS PITTS

Independence has been a hallmark of Otis Pitts' career as a community developer and activist. That characteristic, which is the key to his success in bringing retail and residential development back to Liberty City after the 1980 riots, has cost him the support of some politicized factions in the black community.

Now, however, thanks to an enlightened grant of a $295,000 MacArthur Foundation Fellowship, Mr. Pitts' independence is secured. So is his ability to continue to explore ways for low-income black neighborhoods to work their way out of poverty with jobs and growth instead of trying to beg their way out with handouts.

Mr. Pitts, 48, a lifetime resident of Liberty City, is one of 36 fellows selected nationwide this year by the MacArthur Foundation. The estate of Chicago banker and philanthropists John D. and Catherine T. MacArthur also rewarded such varied talents as writer Susan Sontag and Stanford University Prof. Paul Ehrlich. Otis Pitts is in prestigious company.

As well he deserves to be. The former policeman has made a difference in Liberty City, where many failed and most declined even to try. His Tacolcy Economic Development Corp. has built low-income housing and commercial projects, both expanding the area's job base and enhancing the quality of life for residents. (Tacolcy stands for The Advisory Committee Of Liberty City Youth.) And he has done it his own way.

Mr. Pitts says he doesn't know yet what he'll do with the money. That's understandable, considering that the award was a gift out of the blue for which other, anonymous, parties nominated him. There are no strings; he may do with it as he wishes.

Eager to share credit with the many others who have participated in his projects, Mr. Pitts commented: "I feel it is something you never earn by yourself. It's a challenge to rededicate myself." Whatever he decides, you can be sure that poor, black Miamians' lives will be the better for it.

TRIBUTE TO CHAIRMAN HENRY GONZALEZ

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. DREIER of California. Mr. Speaker, on July 15, the Los Angeles Times ran the following insightful article about our illustrious chairman of the Banking Committee, HENRY GONZALEZ. The article highlights a number of attributes that have made Chairman GONZALEZ one of the most interesting Members of Congress. At a time when many members of the Banking Committee receive less than favorable treatment from the press, this positive commentary is a tribute to the chairman's independence and fairness.

REPRESENTATIVE GONZALEZ: HE PACKS A PUNCH WHEN IT GETS TENSE

(By Paul Houston)

SAN ANTONIO.—When Rep. Henry B. Gonzalez slugged a knife-carrying man who called him a communist four years ago, it was nothing new.

The Texas Democrat once swatted a Republican House colleague for suggesting the same thing. And when Gonzalez's second grade teacher tried to wash his mouth out with soap for something he didn't do—angrily declaring that she was "getting tired of little Mexicans"—he smacked her too.

"I'm not prone to violence," the 74-year-old, barrel-chested Gonzalez insisted the other night over a dinner of chicken, beans, squash and tortillas served by his wife, Bertha. "But I came up the hard way. I've had to face a tense situation time and time again."

Though he hasn't thrown any punches lately, Gonzales is proving to be a tough fighter and key player as Congress grapples with a tense situation of a different sort trying to clean up the savings and loan mess, while starving off a similar collapse of banks.

Since becoming chairman of the House Banking, Finance and Urban Affairs Committee last year, Gonzalez has directed an extraordinary probe of the politically charged S&L scandal—including one brouhaha that led to the resignation of a top regulator and others that badly bruised five senators and Neil Bush, President Bush's son.

He also was a leader in toughening legislation that is now being used to close failed thrifts and bail out depositors. Currently, he is working on an emergency overhaul of federal deposit insurance, aimed at keeping the multibillion-dollar thrift crisis from spreading. And he is managing a massive housing bill whose scope and expense are sure to provoke battles with both the President and the Senate.

In all of this, Gonzalez's performance has confounded his many critics and delighted his friends. For most of his 29 years in Congress, Gonzalez was widely dismissed as a liberal loner with a quixotic taste for pursuing hopeless causes—a buffoon who couldn't control an assassination inquiry, an Uncle Tomas who was out of step with Latino militants and an eccentric who sometimes wore garish suits, made rambling speeches, told endless stories and—yes—even punched out an occasional critic.

So far was he from being a member of the congressional insiders club that he twice had to overcome campaigns to deny him House committee chairmanships, first of a housing subcommittee and then of the full Banking Committee. Capitol Hill-watchers say the moves were inspired partly by lobbyists, who were worried that Gonzalez's independent streak would make him difficult to deal with.

Today, however, while losing none of his distinctive character or style, Gonzalez has begun to win the grudging respect of the critics. Which merely proves, say longtime friends, how much he was underestimated and misunderstood in the past.

Friends remember his days as a San Antonio city councilman and Texas state senator, when they saw him as an eloquent, filibustering populist who throttled segregation measures and battled tax benefits for the rich. They recall him as a patently honest congressman who once stood alone among Texans in support of civil rights legislation and the New Frontier programs drafted by President John F. Kennedy.

They also revere him as a visionary, an insatiable reader and student of history whose warnings of German resurgence and allegations of illegal U.S. military interventions may be validated over time.

Many in the westside barrios here worship Gonzalez as an inspirational man of the people—the American-born son of Mexican immigrants who clawed past discrimination barriers to a law degree and lawmaking; a big-shot who lives modestly, mixes warmly with common folk and heaps affection on his eight children and 20 grandchildren.

"In a number of homes, there are pictures of John Kennedy in one corner and Henry Gonzalez in the other, and in the middle is the Vision of Guadalupe with a candle," said Frank Herrera, chairman of the Mexican-American Legal Defense Fund. "Henry B. has almost saint-like status."

Above all, Gonzalez is admired for his fighting spirit in the political arena.

"He'll take on a Mexican-American or an Anglo indiscriminately, and he'll pull you out into the middle of the street in full sunshine," said Maury Maverick Jr., a liberal San Antonio newspaper columnist and former state legislator who once competed with Gonzalez in a run for governor. "He's meaner than a riled cat when he goes after you."

As chairman of the Banking Committee, Gonzalez is credited with displaying fairness as well as toughness, in sharp contrast with his autocratic predecessor, Fernand J. St Germain (D-R.I.), who was defeated for reelection in 1988 amid charges that he maintained improper financial ties to the savings and loan industry.

"He started out as chairman saying he wanted to operate in a fair, bipartisan way as much as he could, and he certainly did that with the [S&L bailout] legislation and also the housing bill," said Rep. Chalmers P. Wylie of Ohio, the top-ranking Republican on the 49-member committee. "He's kind of a let-the-chips-fall-where-they-may individual."

Another Republican panel member, Rep. David Dreier of La Verne, agreed. "Philosophically, we rarely see eye to eye, but Henry has always allowed me the opportunity to offer amendments," Dreier said. "He is very kind and generous."

But the good feeling is not universal. Gonzalez has a feud going with Rep. Joseph Kennedy (D-Mass.) that began with his refusal to use the proxies of absent Democrats in favor of a Kennedy-sponsored amendment to an international banking bill.

"I lost my cool," Gonzalez conceded, referring to the run-in with the son of the late Robert F. Kennedy. But, he added: "Little Kennedy has a tendency to get excited."

Meanwhile, some Democrats complain that Gonzalez is too even-handed. They have pushed for the creation of a special committee that their colleagues could use during the election campaign to pile blame for the S&L scandals on the Republicans.

"How are you going to get those damn Republicans?" Gonzalez said he was asked by Rep. Paul E. Kanjorski (D-Pa.) at one point. His answer: "I think you have to be down-the-middle and patient."

With pressure mounting to contain the financial crisis, Gonzalez is mulling options to revamp the system under which deposits are federally insured up to $100,000. That system has been widely cited as a major factor in causing the S&L crisis. He has not yet proposed a remedy, but he has decried the way the insurance limit was raised from $40,000 in 1980.

"There was never one minute's consideration or hearing on that increase," Gonzalez says. "It took minutes. There was no debate."

As part of his own study of the matter, Gonzalez flew home over the Fourth of July congressional recess to solicit views from constituents. He makes such trips frequently, usually presiding at sessions in restaurants. His image is underscored by his unforgettable head: a magnificent landscape of cavernous eyes and mouth, mountainous nose, bushy eyebrows and deep, undulating facial creases.

Over lunch with members of a business establishment that once virulently opposed him, Gonzalez heard warm words of support for his S&L work. But the businessmen expressed concern that land values were being depressed and that credit is drying up because of new federal regulatory actions involved in the cleanup. "The backbone of the country"—small business—"is being crushed," developer Jack Rich said.

Gonzalez responded quietly that "the S&L crisis is really a symptom of a larger problem. Everybody is yelling: 'Pass a law, get the crooks.' But it's not that simplistic. The big issue is the insurance fund. We've simply got to find out how we got to the point we are today." He offered no immediate solutions, saying action probably would have to wait until a new Congress convenes in January.

In conversations later, the businessmen praised Gonzalez's work and integrity. "He's done a good job establishing a forum in which everyone can be heard," said Gerry Solcher, a former S&L president who lives near Gonzalez and often spots his neighbor mowing the lawn.

Added real estate executive Cliff Morton: "He damn sure researches his position before he jumps out on something. And you might be one of his closest friends, but if you are involved in something wrong, he is not going to cover for you. His ethics are impeccable."

Gonzalez accepts relatively little campaign money from special-interest political action committees. The $215,000 that he has received over the last eight years is only one-seventh as much as Senate Banking Committee Chairman Donald W. Riegle Jr. (D-Mich.) accepted.

Gonzalez's assets are modest: a two-story brick house and a savings account with less than $2,500 in it, according to his financial disclosure report.

Gonzalez cements the support that he gains on issues by paying close attention to local problems.

"He's always fighting to get jobs here, especially at Kelly [Air Force Base] and Ft. Sam [Houston]," said Martin Trevino, a bus driver. Tito Chavarria, president of Alamo Technology, a defense contractor, lauded Gonzalez for swiftly helping his firm resolve a dispute with government auditors. And grocery wholesaler Wilson Toudouze said the congressman has "uncovered a lot of scandals" in Texas and Washington, and "we're hoping he gets some more big fish in the S&L mess."

There are dissenters, of course. Businesswoman Barbara Maras, suggesting that Gonzalez should be replaced, said: "With new blood comes new ideas. a few radical ideas couldn't hurt at this point."

But Gonzalez has proved unbeatable, waltzing off with 71% of the vote two years ago. When he first ran for the House in a 1961 special election, though, he scraped by with only 55%. But it was an extraordinary victory: Gonzalez figures that less than 10% of the total came from Latino and black voters, who faced severe barriers at the polls.

A colorful storyteller with near-total recall, Gonzalez relishes describing how Republicans tried to defeat him in that first race by bringing in former President Dwight D. Eisenhower to campaign at rallies where free tamales and beer were served.

Ignoring cries of panic from his family and staff, Gonzalez decided to "store my energy for a last push." Without telling anyone, he took a blanket, pillow, loaf of bread and book of poems to a hill north of town and camped out for two days while Ike created a sensation.

When he returned, Gonzalez produced his friend, then Vice President Lyndon B. Johnson, to endorse him for the congressional seat, declaring: "I'd rather have a live and kicking vice president campaign for me than a has-been President."

And when he learned that Ike had flown into San Antonio on an oil-company plane and was staying at the home of an oil millionaire, the fiery populist had just the issue he needed.

Gonzalez, who proudly recalls his first grade teacher telling him he was "an American, not a Mexican," attributes to his broad voter appeal in part to refusing to run on ethnic issues. He alienated Latino militants by opposing creation of a separate La Raza Unida party, and he stirred up friction by dropping out of the congressional Hispanic Caucus—ostensibly in protest of the organization's fund-raising and dues-paying practices.

Actually, it was more than that. "Isolating oneself in the tribe means strangulation," Gonzalez said in declaring his belief that Latinos should seek opportunity within the general framework of American society.

In that context, Gonzalez's image has come a long way from the day in 1963 when he punched then-Rep. Ed Foreman (R-Tex.) for accusing him of being a "pinko" supporter of communist causes. Today, another conservative, Rep. Wylie of Ohio, considers Gonzalez a solid American.

"He talks about his family a lot and that has a lot of appeal to me," Wylie said. "I think he has his head screwed on right as far as the values which make our country great are concerned."

THE SENIOR EXECUTIVE SERVICE IMPROVEMENTS ACT OF 1990

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. SIKORSKI. Mr. Speaker, in recent years, reports and surveys, hearings and conferences have all documented a "pending crisis," a "looming crisis," a "quiet crisis," in the Federal Civil Service. It threatens the ability of the Federal Government to function effectively—from neighborhoods across the country where entry level employees directly serve our citizens, to the top rung of the Senior Executive Service [SES] ladder. It will come if we are unable to attract and retain qualified top level senior executives. Without the expertise and leadership of America's best and brightest, it will be very difficult to manage the Government's 3 million workers and handle our Nation's $1½ trillion operation—now and in the 21st century.

Over a decade ago, the Senior Executive Service was created so that the U.S. Government would have a corps of top management leaders to provide the most highly motivated and highly competent Federal service leadership in the world. Unfortunately, due to political constraints, unfriendly administrations, budget cuts, and salary caps, we have failed to match the promise of the Civil Service Reform Act of 1978 with the reality of the Senior Executive Service in 1990.

In a recent Merit Systems Protection Board survey, 70 percent of former Federal executives believed that the Government has not established, as the law provides, a compensation system to attract and retain highly competent executives. Additionally, many former ex-

ecutives also believe that we have failed to achieve important nonmonetary objectives governing the operation of the Senior Executive Service.

Last November, we tried to address some of the compensation concerns of senior executives with the passage of the Ethics in Government Act of 1989. Today, I am introducing legislation, the Senior Executive Service Improvements Act of 1990, that addresses several of the nonmonetary concerns raised about the Senior Executive Service.

The legislation aims to reinforce the "rank in person" concept, the idea that an SES member's rank is related directly to their experience, capabilities, and performance, rather than the specific position they hold. The legislation will prohibit Federal agencies from forcing SES members to accept a reduced grade or pay level in order to fill a different position or to participate in sabbaticals.

The legislation will require general schedule employees, when promoted to the SES, to be placed in a SES pay level that is at least equivalent to the pay they were receiving before promotion to the SES.

Currently, only 3 percent of the entire career SES payroll is available for bonuses. In a recent Merit Systems Protections Board survey, 67 percent of former senior executives felt that not enough performance bonuses were available for career senior executives. This bill will boost the amount available to 10 percent, and up to 40 percent of this bonus pool can be used to combat recruitment and retention problems. Bonuses will also be made available to ease geographic relocation for career Federal executives. Additionally, the legislation will change statutory dollar amounts of SES rank awards to percentages of a career appointee's annual pay. The percentages used—20 and 40 percent—correspond to the percentages of annual salary represented by the dollar amounts originally legislated.

The legislation will also assure the career senior executive that they will have 120 days to work under a new noncareer supervisor who has the responsibilty for the careerist's performance evaluation. Currently, an employee may have little contact with a new noncareer supervisor and thus does not have a fair oppotrunity to prove their value in the position held.

The legislation will also require the Office of Personnel Management to determine a minimum number of hours for continuing professional education for both career and noncareer members of the SES. Today, continuing education is critical to the improvement of productivity, management ability and department morale. Additionally, it is vital to require continuing education due to the recently proposed regulations for recertification taking into consideration continuing education and training for executives to be recertified.

Finally, the legislation will allow the Merit Systems Protection Board to mitigate unreasonable penalties taken against SES employees. The legislation gives MSPB jurisdiction to mitigate penalties in conduct cases involving members of the SES just as they have for actions against other Federal employees in the Civil Service.

Mr. Speaker, as we rapidly approach the 21st century, the demands placed on senior executives will become greater and greater. With every new law passed, every new computer installed, every iron curtain falling, and every foreign purchase of American land and resources, the demand for an American Senior Executive Service that is increasingly flexible, talented, and knowledgeable itself increases.

Americans rightfully demand and expect a dedicated, talented, and competent corps of senior executives who will faithfully discharge the responsibilities of our democratic society. However, it is absolutely critical that we provide our Nation's senior executives with the tools necessary to achieve this goal. As we have seen and heard in reports and surveys, task forces and conferences, our original goals of the Civil Service Reform Act have not been met. This Senior Executive Service Improvements Act is intended to provide the Government with the tools necessary to make the original promises of the Senior Executive Service a reality.

ACHIEVEMENT AGAINST THE ODDS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. PORTER. Mr. Speaker, I want to call Members' attention to a unique and inspirational program held recently in Washington. On May 4, 1990, the Allstate Foundation and National Center for Neighborhood Enterprise sponsored the First Annual Achievement Against the Odds Awards Program. The program recognized low-income Americans who overcame social, economic, and physical barriers to establish productive lives within their communities. The program sponsors sought to counter the myth that low-income Americans have no chance for success.

This year's award recipients came from a wide range of backgrounds, and each has risen above adversity through his own individual self/help approach. The honorees were Charles Ballard from Cleveland Heights, OH; Bobby Drayton from Washington, DC; Alfredo Garcia from San Antonio, TX; Cheryl Hayes from Milwaukee, WI; Kathleen Johnson from Montclair, NJ; Vivienne Thomson from Jamaica Plain, MA; and Brad Linnenkamp from Shawnee, KS. These outstanding individuals have demonstrated that hard work and perseverance can overcome daunting obstacles in their quest for success.

The Allstate Foundation proudly sponsored "Achievement Against the Odds." Established in 1952, the Allstate Foundation is the philanthropic branch of the Allstate Insurance Co. which funds national and local programs in three focus areas of health, neighborhood revitalization, and education. The foundation is one of the largest corporate foundations in the Chicago area and an active participant in national grantmaking.

The National Center for Neighborhood Enterprise [NCNE] developed the awards program in order to give low-income people the support they deserve and need. The NCNE is a research, demonstration, and development organization dedicated to the idea that communities must use their own strengths to successfully deal with economic and social problems.

The Achievement Against the Odds Program featured Secretary of Housing and Urban Development [HUD] Jack Kemp and the chairman and CEO of Allstate, Wayne Hedien. Mr. Hedien's remarks captured the spirit of the evening and I am proud to have them reprinted here for your consideration.

The remarks follow:

ACHIEVEMENT AGAINST THE ODDS

(Remarks by Wayne E. Hedien, Chairman and Chief Executive Officer, Allstate Insurance Co.)

When we talk about achievement against the odds, we probably have to include this program itself.

When Bob Woodson told me last July about his concept for these awards, the whole plan seemed a little ambitious.

He said there would be a national search for exceptional, but unheralded, people who had overcome adversity and gone on to help others. There would be a ceremony at the White House, and a big banquet honoring individuals chosen by a blue ribbon panel.

And the whole thing would happen within nine months.

Well, we at Allstate knew Bob Woodson and the National Center for Neighborhood Enterprise. We have worked together on various programs. We know how effective, and persuasive, Bob and his people can be.

Besides, from the beginning we liked the idea of honoring real people for their real and inspiring stories of extraordinary accomplishment. So the Allstate Foundation signed on right away.

Before long, other organizations were involved. Important people were lending their support. Tonight's program is really a tribute to them, and to literally hundreds of others who offered their help and encouragement.

But above all, tonight is a tribute to the seven exceptional people you will meet in a few minutes.

Their stories are different. They come from different cities, and they have overcome different kinds of obstacles.

But in learning a little about their lives, and again in meeting them tonight, I was struck by something they all have in common.

They all seem to have a wonderful "blind spot." When these achievers look at a situation, they simply refuse to see what others regard as overwhelming obstacles.

There is a telling story about Jackie Robinson—definitely a man who achieved greatness despite the odds. On the morning he became the first black baseball player in Major League history, Jackie kissed his wife goodbye at their hotel.

"When you come to the game, you won't have any trouble spotting me," he said. "My number's 42."

Now, I think it's safe to say that his uniform number was not the first thing most people saw when Jackie Robinson took the field that day. But it was how Jackie saw himself.

He was a ballplayer. A Brooklyn Dodger. Number 42. If other players, the fans or the press wanted to focus on something else, that was their concern.

Tonight's achievers have pursued their own goals with that same disregard for the doubts of others.

Like Jackie Robinson, who went 0 for 20 his first week in the majors, they've also shown uncommon persistence.

And once they've achieved their dreams, they've been equally determined to help others do the same.

In the epilogue to his autobiography, Jackie Robinson wrote, "A life is not important, except in the impact it has on other lives."

Because they believe in that idea wholeheartedly, tonight's achievers have become role models in their own right.

They have given much to their communities. But the most significant contributions they've made are the examples they've set.

The message of their lives, and of this award, is that perseverance still pays.

That caring is still contagious.

And that success still means more when it's shared with others.

NATIONAL DRIVE FOR LIFE WEEKEND RESOLUTION

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. MINETA. Mr. Speaker, today I introduce a resolution which asks all Americans to pledge to be responsible for driving sober during the Labor Day weekend, September 1 through 3, 1990, and throughout the year.

Drunk-driving related crashes are traditionally at their peak during the Labor Day weekend. This resolution, by bringing to the public's attention the need for a commitment not to drink and drive, can have a significant effect on reducing fatalities on our Nation's highways.

The National Drive for Life campaigns in previous years have proved to be a great success for all Americans: fatalities in drunk-driving-related crashes on Labor Day weekend have been reduced around 30 percent.

We in Congress can support grassroots efforts to save the lives of more Americans again this year by the adoption of this resolution.

Labor Day weekend is just around the corner, and I urge all Members to cosponsor this resolution.

THE PALO ALTO BATTLEFIELD SITE

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. ORTIZ. Mr. Speaker, I rise in strong support of a bill I am introducing today that would expand the boundaries of the Palo Alto Battlefield National Historic Site.

The Palo Alto Battlefield is the site of one of the two most important battles of the Mexican-American War fought on American soil in 1846. The historical significance of this war was great, as it led to the signing of the Treaty of Guadalupe-Hidalgo in 1848, granting the United States the land from the Gulf of Mexico to the Pacific Ocean. This caused the retreat of Mexican sovereignty from the territories they occupied in the West, and encouraged the expansion of United States settlement in that direction.

The commemoration and interpretation of the battle of Palo Alto and the Mexican-American War is strongly supported by individuals and groups within the Brownsville, TX area and within Mexico.

I would like to especially recognize the vision and leadership shown by Albert Alfonso Champion, without whose historical research and documentation the actual battlefield may have been forever lost to future generations.

It is fitting to commemorate the bravery of all who fought there by preserving this landmark in the spirit of international amity with the United States of Mexico. The battle fought on this field represents the rupture of relations between the United States and Mexico, which are still in the process of healing today, and remind us that we must strive for brotherhood, unity and peace with our neighbors to the south.

Two future Presidents served in this campaign: Gen. Zachary Taylor was in charge at the time of this battle and Lieut. Ulysses S. Grant gained valuable experience during this war that he would later use to lead the Union Forces in the American Civil War.

This war served as a test case for the first West Point-trained soliders, and the U.S. Army's success assured the Academy's continued funding.

It was during this battle that the U.S. Army explored the use of light and heavy artillery rather than large cavalry and infantry maneuvers, and explosive shells against the Mexican Army's solid shot; these new battle techniques contributed to the development of American warfare.

The Mexican-American War was the first to be reported by telegraph. Also, this was the first war in which railroads and steamboats were used to transport troops and war supplies. U.S. Army surgeons introduced ether as an anesthetic for the wounded, and combat photography made its debut. Samuel Colt's new revolver was introduced into the fight, resulting in a major contract for his company with the War Department. The occupation of Matamoros, Mexico during the war led to the development of nearby Brownsville as an important military/economic center.

There has been a great desire on the part of Mexico to preserve this area in order to commemorate the site in honor of those Mexicans who perished in the battle of Palo Alto. It is probable that both Mexican and American remains are buried on this site. Anthropological exploration of the area indicates that many artifacts dating from the battle still remain undiscovered. As a benefit for historic research purposes, the landscape, setting, and ground cover remain largely undisturbed, and alteration of the terrain has been minimal. It would be desirable to protect this historic area in light of the archaeological evidence that in all probability lies below the battle site.

Presently, there is an upright cannon that memorializes the site, set up in 1914 by Gen. James Parker of the First Cavalry Brigade at Fort Sam Houston. In 1893, a local Brownsville patriotic group erected a marble marker which later disappeared. It was reported that two Mexican survivors of the battle were in attendance at the ceremonies.

It is my hope that necessary funding will soon be provided to implement proposed activities at the site which will enhance visitorship.

I urge my colleagues to join me in supporting this important legislation.

CHARLES H. BUDDEKE III: "KEEPING THE PEACE"

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1990

Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues the following article, entitled "Keeping the Peace," written by Charles H. Buddeke III, which appeared in the July 1990 edition of Louisville Magazine.

Mr. Buddeke reviews America's current defense posture based on his observations as a participant in the U.S. Defense Department's Joint Civilian Orientation Conference. Then, he offers some suggestions for a future U.S. defense posture.

I would also like to brief my colleagues about the author. At the end of October, Charles Buddeke will step down as the president of the Louisville Chamber of Commerce, a position he has held for nearly 2 years. He also served as executive vice president of the Greater Louisville Economic Partnership and executive director of the Louisville-Jefferson County Office for Economic Development.

After many years helping Louisville and Jefferson County existing businesses and in the field of attracting new businesses, Charles Buddeke is returning to private life, but I am pleased he will remain active in our locality's economic activities.

KEEPING THE PEACE

(By Charles H. Buddeke III)

This month's story about Fort Knox and the Naval Ordinance Station, by Eric George, may be labeled a history column, but it touches almost as much on current events as it does on the past. While it's interesting to look back at how these military facilities developed, it's equally important to look at what the future will hold for them.

Recently I had the opportunity to participate as one of 50 people in the U.S. Department of Defense's Joint Civilian Orientation Conference (JCOC). The purpose of JCOC is to give civilians a comprehensive review of Department of Defense issues and a firsthand look at the people and equipment in today's armed forces.

One thing the trip accomplished was to illustrate how the recent chain of events in Europe has affected the United States and how, in turn, the Louisville area may be affected. The tone was set the first day by Secretary of Defense Dick Cheney, by members of the Joint Chief's of Staff and by Department of Defense officials. All are keenly aware that the world is changing and appear to be trying to change with it.

While visiting Air Force, Navy, Marine and Army installations all across the country over the course of a week, I came to realize that there are two key elements essential to the defense of this nation. One is high technology; the other is the high quality all-

volunteer personnel. We've spent enormous amounts of money on both. Recent events in Eastern Europe indicate that the money spent has been a wise investment in promoting peace and democracy. The question becomes: Is the world now safe enough to reduce our multi-billion-dollar military budget and our two-million-person armed forces?

To answer this question, let's first look at the Soviet Union. We've fought an economic war with the Russians for the past 40 years. It's too soon to tell if we've won or if there's just a cease-fire in effect. The Soviets still have thousands of nuclear weapons pointed at us; that alone makes them a superpower threat. And their economy is in shambles, so they should be watched very carefully. We don't want history to repeat itself. No one wants another post-World War I German debacle. That economy fell apart, allowing a facist dictator to seize control. If, on the other hand, the Soviets withdraw their troops from Eastern Europe, and newly elected governments and decentralized market-based economies are allowed to develop, we may be able to breathe a sigh of relief.

The other threats to watch are what the Department of Defense calls 'low-intensity conflicts.' It's estimated that before too much longer, 15 countries will have cruise missiles. What type of deterrence is needed to counter such dangers?

CUTTING AND KEEPING

At the Pentagon and at the bases we toured, we heard time and time again about plans for a manageable reduction of our military forces. The trick is cutting back while still retaining enough trained, experienced people to maintain our readiness should something upset the balance of peace. We also need to examine whether or not we have some obligation to the men and women who stepped up to volunteer for a career when the draft was eliminated. Obviously they didn't do it just for the money. The ranks are full of well-trained, dedicated noncommissioned and commissioned officers who will be hard to replace quickly in a time of crisis. Allowing some of our state-of-the-art equipment to become obsolete would be equally risky.

Locally, we need to keep a close eye on what happens in Washington because, as mentioned in George's column, an estimated 7,200 jobs in the Louisville area are at stake. The fact is that Fort Knox and the Naval Ordnance Station can be proud: They haven't been living in the past; they've kept up with the present and are looking to the future by utilizing the latest technology to maximize the efficiency of their operations. The United States needs these facilities as much—if not more—than our local economy needs them.

The key to the free world and our country's future defenses lies in the decisions made in the next few years. Let's hope they are made with wisdom, by applying our best knowledge and hard-won experience. Congress needs to give the president and the secretary of defense time to analyze what's happened in history and what's happening now so they can adjust our forces accordingly.

In the meantime, while looking at the bigger picture, we should remember a quote from Secretary Cheney: "The peace dividend is peace."

SENATE—*July 20, 1990*

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. As we reverence our Heavenly Father, the Senate will be led in prayer by the Reverend Richard C. Halverson.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Who can find a virtuous woman? For her price is far above rubies. The heart of her husband doth safely trust in her * * *. Her children arise up, and call her blessed; * * * a woman that feareth the Lord, she shall be praised.*—Proverbs 31:10, 11, 28, 30.

Gracious God, "Giver of every good and perfect gift," with gratitude we praise Thee for a remarkable lady, Mrs. Rose Kennedy, as she with her family celebrates her 100th birthday Sunday. We thank Thee for the strength of her Catholic faith and conviction—for her life of dedication and tough love which sustained her and strengthened family in adversity and tragedy. Thank Thee for her faithfulness, perseverance, resilience in the loss of three sons, Joseph by war, John and Robert by assassination. With family, a multitude of friends and admirers we rise up to call her blessed and express our appreciation for the inspiration of the life of one of the truly great women of the century. May Thy richest blessing abide upon her and her loved ones. In the name of Jesus her Lord whose Mother she cherished. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. The Chair understands that the leadership time has been reserved by previous order.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business.

THE 1990 MID YEAR REPORT

The mailing and filing date of the 1989 Mid Year Report required by the Federal Election Campaign Act, as amended, is Tuesday, July 31, 1990. All principal campaign committees supporting Senate candidates in an election year other than 1990 must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records Office will be open from 8 a.m. until 9 p.m. on the filing date for the purpose of receiving these filings. In general, reports will be available 24 hours after receipt. For further information, please do not hesitate to contact the Office of Public Records on (202) 224-0322.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBUTE TO WILLIAM PETERSON

Mr. DURENBERGER. Mr. President, I was saddened to note the passing of William Peterson, a reporter on the national staff of the Washington Post.

I had the pleasure of knowing Mr. Peterson. He ably covered health issues, and my 1982 election campaign in Minnesota.

Mr. Peterson was born in San Luis Obispo, CA, but called Osakis, MN, his hometown. He was a 1965 graduate of Hamline University in St. Paul. William Peterson was the Post's Chicago correspondent and, as such, covered a variety of stories in Minnesota. He is remembered by many friends and family in Osakis, Alexandria, and St. Paul. I extend condolences to them, his wife, Linda Peterson of Chicago, and his sons, Chad and Mark.

Mr. President, I ask unanimous consent that the following article, the obituary for William Peterson which appeared in the July 19 edition of the Washington Post, appear at this point in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 19, 1990]

POST NATIONAL REPORTER WILLIAM PETERSON DIES

(By J.Y. Smith)

William R. Peterson, 47, a reporter on the national staff of The Washington Post who had been the newspaper's Chicago correspondent since 1987, died of cancer yesterday at Georgetown University Hospital.

Mr. Peterson joined The Post in 1975. Whether he was writing about politics, which was his main subject, or poverty in the Third World or small towns in the Midwest or some subject that just caught his attention in passing, his chief interest was how things worked and how people lived—how the different parts of the world were related to the whole.

In announcing his death to the staff, Managing Editor Leonard Downie Jr. said, "Behind his uncommonly graceful writing style and engaging professional manner was a hard-digging reporter and sharp analytical mind, all of which we will miss. But, most of all, we will miss one of the nicest guys anyone had ever met in this business."

Characteristic of Mr. Peterson's work was his account, in the spring of 1980, of the end of George Bush's two-year quest for the Republican presidential nomination, when Bush conceded to Ronald Reagan:

"He was the comeback candidate. No one took more beatings. No one went to the mat more often. No one bounced back with more tenacity and grace. Even in the end, he didn't want to quit. He agonized over it for days. But finally, he accepted what the numbers told him—that he was finished. . . .

"Always there were those who doubted his motives. First he was accused of being a stalking horse among moderates for former president Gerald R. Ford. Then he was accused of being interested only in the vice presidency. Bush steadfastly denied interest in the vice presidency and repeated it yesterday in his press conference. But his name can be expected to be more frequently mentioned as a possible Reagan running mate."

Mr. Peterson's coverage of the 1986 Florida campaign between Gov. Bob Graham (D) and Sen. Paula Hawkins (R) for the U.S. Senate was an important examination of politics of the 1980s and perhaps of the 1990s. What emerged was a profile of the politics of image, in which the determining factors are the 30-second television spots, sound bites, media consultants and enormous sums of money, and in which constituents almost never speak to candidates, except through polls, and in which substantive issues often seem to be ignored.

In January 1988, Mr. Peterson reported from Osakis, Minn., a town 120 miles northwest of Minneapolis, where the prairie meets the lake country, and where he had grown up:

"Jesse Jackson came to my hometown yesterday. It was, Mayor C.J. Moore proclaimed, 'the biggest thing that had ever happened' in this snow-covered town of 1,326. No one knew what to expect. A presidential candidate had never visited Osakis

(pronounced O-say-kiss) before, and the last time some residents saw a famous black man up close was in 1963 when the 'Inkspots' performed at the local high school.

"But this resort and farming town went wild over Jackson. The Community Center was filled to its capacity of 310 a full hour before Jackson arrived. . . . The Republicans jostled with Democrats when [Jackson] arrived in the 8-degree-below weather. . . . And insurance agent Mike Mathews placed his son Steve—wearing heavy leg braces—in the front row at the Community Center. He beamed when Jackson embraced the boy."

In 1978, Mr. Peterson traveled for two months in India, Pakistan, Indonesia, Guatemala and Tanzania to report on poverty in the Third World. He had never before been outside the United States, and this seemed to give a special freshness to his observations of the disadvantaged who make up "The Global Majority," the title of the articles he wrote.

Mr. Peterson was born on April 24, 1943, in San Luis Obispo, Calif. He graduated from Hamline University in St. Paul in 1965. He studied at American University, and in 1967 received a masters' degree in journalism from Northwestern University.

He then joined the Louisville Courier-Journal, where he covered politics. He also wrote a book, "Coaltown Revisited: An Appalachian Notebook" (1972).

At The Post, he began as a reporter on the Metro weekly staff and then covered Maryland. He joined the national reporting staff in June 1977.

Throughout his career, Mr. Peterson enjoyed writing topical pieces just because they were interesting, and his assignment in Chicago provided many opportunities for this kind of story.

So he reported on the introduction of riverboat gambling in Iowa, a radical departure dictated by the lagging economy in that normally strait-laced state; about a French restaurant and bowling alley in the farming community of Arcola, Ill., where some people go for the food and not the bowling, some people go for the bowling and not the food, and some people go for both.

Mr. Peterson was found to have lung cancer in the autumn of 1988. In March, just before undergoing surgery, he told a colleague that if he did not survive the procedure he wished it to be noted that his last story, a profile on Rep. Gus Savage, a Chicago Democrat, had appeared on Page 1 of that day's Post. In fact, his last story, about Chicago Mayor Richard M. Daley, appeared last month.

Mr. Peterson lived in Chicago and flew to Washington Monday to see friends and colleagues. He also had a home in Alexandria.

Survivors include his wife, Linda Peterson of Chicago; two sons, Chad Peterson of Washington and Mark Peterson of Chicago; his mother, Jeanette Susens of Osakis; three brothers, Kenneth, Michael and Timothy Peterson, all of St. Paul; and a sister, Helen Ann Wagner of Alexandria, Minn.

IN SYMPATHY FOR JESS STUMP, FATHER OF CONGRESSMAN BOB STUMP

Mr. DECONCINI. Mr. President, I would like to express my sincere sympathy to Congressman BOB STUMP on the death of his father, Jess, on July 18, 1990. Having lost my own father not many years ago, I can personally empathize with the sorrow one experiences on the loss of a loved parent. My wife Susie and I send our heartfelt condolences and our prayers to the Stump family.

Jess Stump was born in Nebraska in 1900, but moved to Arizona in 1908 when the family transferred its cotton farming operations to Phoenix. He was one of seven brothers and one sister.

Jess Stump, who attended Phoenix College, served on the Murphy School Board. He was elected to the 21st and 22d Arizona Legislatures, serving in the House of Representatives. During his tenure, Jess served as chairman of the House Agriculture and Irrigation Committee and on the Rules and Education Committees. In addition to being an active member of the Seventh Day Adventist Church, Jess was a member of the Lions, the Arizona Farm Bureau, and the Arizona Cotton Growers.

Jess Stump was married to Floy B. Field (1925-61) and Olive M Lewis (1961-89). He is survived by one brother, Judge Alfred Stump of Lodi, CA, two children, my colleague from Arizona, Congressman BOB STUMP, and Patricia Stump, six children and eight great-grandchildren.

In the early 1900's, Arizona was not yet a State and had not been discovered as an idyllic place to live by the rest of the country. At that point in Arizona's history, virtually everyone in Arizona was considered a neighbor. And the Stumps, the Hurleys, and the DeConcinis have been neighbors and friends for the better portion of this century.

My wife's family, the Hurleys, and my family have known the Stump family for many years. Susie's family had the longer relationship, both families having pursued their livelihoods in agriculture when Arizona was truly a frontier. The DeConcini family relationship extends back to the late forties when my father, Evo DeConcini, served as a justice on the Arizona Supreme Court and Jess Stump served as a member of the Arizona State Legislature. The Stump/DeConcini political relationship has continued to today with BOB STUMP and I serving as colleagues in the Arizona congressional delegation since 1976. More important, however, is that our family relationships have endured throughout the ensuing years.

The Hurleys and DeConcinis, who were enriched for having known Jess and his family, all mourn his passing. Jess Stump epitomized the best in the West—from his rugged individualism to his deep sense of caring for his family, his State, and his country. We shall all miss him. Once again, Susie and I express our sincerest sympathy to the entire Stump family in this hour of sorrow and loss.

CYPRUS GREEN LINE MUST FALL

Mr. PRESSLER. Mr. President, I rise today to speak on the tragic division of Cyprus, a country that has been illegally occupied for the past 16 years by Turkish troops.

The opening of the Berlin Wall and the shifting political situation in Eastern Europe have raised hopes for a freer, more democratic world. Nobody predicted the swiftness of these dramatic and significant changes. Yet the strong winds of freedom that toppled the Berlin Wall are but a faint breeze in parts of the Eastern Mediterranean island of Cyprus.

On Cyprus, the U.N.-controlled Green Line, a line of barbed wire, mines, and heavily armed Turkish troops has separated the Greek Cypriot community from the Turkish Cypriot community since 1974, when troops from Turkey invaded the island. Today, 35,000 Turkish troops remain in Cyprus patrolling the Green Line and ensuring the continued division of Cyprus. The Turkish Government blatantly ignores the rule of law by continuing the occupation, despite the international community's numerous calls for the troops' removal.

The Green Line runs through the center of Cyprus, but unlike the Berliners, the Cypriots are still prohibited from moving freely in their own country. Two hundred thousand Greek Cypriots are unable to cross the Green Line to return to their homes and businesses which were seized during the invasion. The Greek Cypriots wonder about the fate of 1,619 persons—including American citizens—who have been missing since the invasion. The Green Line is odious to the Turkish Cypriot community as well. It deprives them of economic exchange with their fellow Cypriots and with other nations—except Turkey, which subsidizes 60 percent of the occupied zone's economy. This is the tragedy of Cyprus.

There is hope. Like the East and West Germans, the Greek and Turkish Cypriots desire an end to the partition of their island; the status quo of division is unacceptable. This is especially true considering that the two communities have lived side by side for more than 400 years. Further, the United Nations recognizes only one Cyprus.

Unnatural boundaries and walls are intolerable and unacceptable. Foreign occupation troops have been withdrawn from Afghanistan, Angola, and Cambodia while Cyprus tragically stands alone as the only European country occupied by foreign troops. The presence of 35,000 heavily armed Turkish troops on Cyprus is a barrier to freedom.

Since August 1988, Cyprus President George Vassilious and Turkish Cypriot

leader Rauf Denktash have been negotiating under the auspices of the U.N. Secretary General, Mr. Javier Perez de Cuellar, in an effort to reunite the two sides. In July 1989, the Secretary General introduced a document containing concrete ideas as food for thought to help the two sides arrive at a framework agreement for a federal solution. The proposed constitution of a united Cyprus would provide for freedom of movement, freedom of settlement and freedom to own property within a framework agreed upon by the two sides.

Unfortunately, the Cyprus talks collapsed last March when the Secretary General was forced to declare an impasse because Mr. Denktash's insistence on using terminology that was contrary to the framework that all the parties had previously accepted. In contrast, President Vassiliou is anxious to resolve the conflict and is sincere in his belief to reach a just and lasting solution to the Cyprus problem.

For United States policy reasons, a solution to the Cyprus division is imperative. Although it is a small country about the size of Rhode Island, with a population equal to that of New Hampshire, Cyprus is strategically located in the Eastern Mediterranean—just 50 miles from the coast of Lebanon. Ending the partition would stabilize the entire region and end a major source of conflict between our NATO allies, Greece and Turkey.

To facilitate the goal of a unified Cyprus, the United States must continue to support U.N. Secretary General Perez de Cuellar in his efforts to reach a just and lasting solution to the Cyprus problem. With the beginning of this new decade, we must continue to find solutions and resolve difficult world problems. I urge the two communities to put the past aside and work in harmony for a brighter future for Cyprus. With encouragement from the United States, and the entire international community, the winds of change that toppled the Berlin Wall will sweep across Cyprus and heal the division there. The continuation of talks between President Vassiliou and Mr. Denktash would be a necessary and constructive step toward this goal.

RESOLUTION OF THE CYPRUS CONFLICT

Mr. PELL. Mr. President, it has been 16 years since the Turkish invasion of the island of Cyprus. As we have witnessed peace and cooperation triumph in all parts of the world, one cannot help but be struck by the glaring exception in the Eastern Mediterranean.

On July 20, 1974, the Republic of Cyprus was invaded by Turkey. Today, some 35,000 Turkish troops continue to occupy almost 40 percent of the territory of the republic. The occupation has been expanded by the transfer of some 82,000 settlers from mainland Turkey. United Nations' talks, once hailed as promising, have been shattered by the Turkish Cypriot leader's unacceptable demands.

Mr. President, as we remember today the 4,000 Greek Cypriots who lost their lives in the invasion and the 200,000 Greek Cypriots who became refugees in their own land, we must intensify our efforts to resolve the Cyprus question. I am deeply disappointed that the administration is either unwilling or unable to bring to bear the diplomatic, political and economic tools at our disposal to help resolve the Cyprus conflict. On March 23, I and four of my colleagues wrote to Secretary Baker asking that he personally take steps to elevate the Cyprus issue on the United States foreign policy agenda and that the administration begin utilizing our substantial leverage with the Turkish Government to bring about constructive negotiations on the issue of Cyprus. On April 2, I, along with 22 of my colleagues, wrote to President Bush urging that he make it clear to all parties that a Cyprus settlement is important to United States policy in the region. To date, there is little evidence that the administration is doing all it can to further a negotiated settlement.

In fact, there are disturbing indications that the administration may be wavering in its stated policy toward the illegal Turkish occupation of northern Cyprus. Both the tone and content of President Bush's June 22 report on the situation in Cyprus, required by law, and the apparent acquiescence of the administration to transferring responsibility for the security of Famagusta to Turkish Cypriot troops leave the unfortunate impression that the United States Government is conferring some level of legitimacy to the self-proclaimed, pseudo-state in northern Cyprus.

Mr. President, the international community has taken a strong stand against Turkey's armed occupation of Cyprus. The U.N. Security Council, the U.N. General Assembly, the European Parliament, and the International Parliamentary Union are all on record in support of a peaceful settlement that will preserve the unity and the territorial integrity of the Republic of Cyprus. Most recently, the European Council explicitly linked a resolution of the Cyprus question to the Council's relations with Turkey.

The executive and legislative branches of our Government must join together to send a strong, unambiguous message to Turkey that the Cyprus crisis must be resolved. President Bush has stated that the status quo is not an acceptable solution to the Cyprus problem. It's time he backed up those words with deeds. It's time to seek not only to limit aid to Turkey, but to give serious consideration to cutting aid to Turkey entirely, until Turkey commits itself to a peaceful solution on Cyprus.

THE 16TH ANNIVERSARY OF THE INVASION OF CYPRUS

Mr. SARBANES. Mr. President, it is with deep regret that we find it necessary to observe another anniversary of the brutal invasion of the Republic of Cyprus. On July 20, 1974, heavily armed Turkish troops stormed the island, causing hundreds of thousands to flee their homes and bringing an abrupt end to Cyprus' brief history as an independent, democratic and unified republic. Since that date, Turkish forces have maintained the country's division by enforcing the illegal Turkish occupation of nearly 40 percent of the island.

This story is rendered even more tragic by the fact that, to this day, the consequences of the invasion continue unabated. Some 200,000 Greek Cypriots who were forced to flee their homes in the north remain refugees in their own country, an entire generation having now nearly reached maturity with no memories of the towns and communities where generations of their ancestors were born. The beautiful coastal city of Famagusta remains off-limits to its former inhabitants, a ghost town under military control; 2,000 persons who disappeared during the invasion are still missing and unaccounted for, their relatives' prayers and pleas for any evidence or information as to their fate unanswered. Turkey still maintains a large occupation force on the island, heavily armed. Rather than having the possibility of devoting themselves to the challenge of building a democratic and prosperous society, the citizens of Cyprus are condemned to the task of coping with the grievous damage of the 1974 invasion.

The experience of the people of Cyprus has been particularly embittered by events of the past few months, as U.N.-sponsored efforts to achieve a just resolution to the Cyprus problem have collapsed due to intransigence on the part of Turkish Cypriot leader Rauf Denktash. Hopes that President Vassiliou's bold initiatives would bring new vitality to the negotiating process have been heavily dampened by Denktash's refusal to remain within the established conceptual framework of the talks. Important opportunities for progress have been squandered through the failure of Turkish Cypriots to reciprocate President Vassiliou's efforts to demonstrate flexibility and openness to new approaches.

Mr. President, I urge the Bush administration to make it clear beyond

any doubt that neither the status quo nor partition of the island can be considered an acceptable solution to the Cyprus problem, and I continue to urge that achievement of a negotiated settlement on Cyprus be made an even higher priority on our national agenda. As we recall the tragic events of 1974, our thoughts turn to the people of Cyprus, who must struggle on a daily basis to live with the invasion's bitter legacy. In an era of unprecedented change around the world, with successful examples of peacemaking evident in so many different regions, we must do everything in our power to bring new hope for peace and justice on the island of Cyprus.

WE MUST END THE DIVISION OF CYPRUS

Mr. DECONCINI. Mr. President, today is an unfortunate one for it marks the 16th anniversary of the invasion of Cyprus by Turkish troops, and nearly two decades of suffering and anguish for the original citizens of Cyprus. Today 35,000 Turkish troops and 82,000 Anatolian settlers illegally occupy almost 40 percent of Cyprus, preventing more than 80 percent of the ethnic Greek residents of the island from returning to their ancestral homes on the eastern side of the island. This cruel isolation and division have created nearly 200,000 Cypriot refugees in their own land, forcing them to leave behind land, homes, and personal property worth millions. In addition, the Turks have tried to completely rid their occupied areas of all items of Greek-Cypriot cultural and religious heritage, including the desecration of ancient Greek Orthodox Churches.

Currently, the United States provides Turkey with half a billion dollars annually in foreign assistance. Some of this aid may be being used by the troops occupying Cyprus contrary to the expressed direction of Congress. I strongly oppose this occupation that both the United States and the United Nations have called illegal and morally unjustifiable. Our aid, however, gives us great leverage with the Turkish leadership as we try to encourage a peaceful settlement to their military occupation of this island nation.

At the present time the talks between President Vassiliou of the Republic of Cyprus and Rauf Denktash, the Turkish-Cypriot leader, have stalled. We in the United States need to call upon President Vassiliou and Mr. Denktash to begin a new round of negotiations to bring about a peaceful resolution to this needless conflict between two U.S. allies. The Secretary General of the United Nations, Perez de Cuellar, has been actively using his good offices in attempting to resolve this issue. I applaud these efforts and urge President Bush to use his power and influence to revive these negotiations so that we will see that the basic rights of freedom, justice, and democracy are guaranteed to each and every Cypriot. It is my hope that this will be the last year that we will have to bring world attention to this sad division of territory in Cyprus.

VISIT BY KOREAN OFFICIALS

Mr. BOND. Mr. President, Monday, June 25 marked the 40th anniversary of the Korean war. Thus it was timely to have a group of distinguished Korean parliamentarians in Washington to meet with Members of Congress during that week.

The group included two former trade ministers, a senior foreign policy advisor to ruling party coleader Kim Young Sam and a lawmaker representing Korea's main opposition party which is led by Kim Dae Jung.

The Korean officials came to Washington to expand the communication channel between our parliaments and exchange views on a variety of economic and trade issues with key policy-makers in the House and Senate. In addition, they met with U.S. Trade Representative Carla Hills and other administration officials.

Mr. President, 40 years after the end of the Korean war, the United States-Korean relationship remains vital and strong. We in Congress have a keen interest in a secure, democratic, and economically vibrant Korea. This visit of the Korean parliamentarians along with past visits of similar delegations demonstrates that relations between our countries remain close. We should commend these political leaders for taking the time to come to the United States to open a channel of communication between our two legislative bodies, and we in the Congress should make similar efforts to ensure that the dialog remains open.

I ask unanimous consent that a list of the members of the delegation be inserted into the RECORD immediately following my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The Honorable Rah, Woong-Bae—Mr. Rah is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Economy and Science Committee. In the past, Mr. Rah has served as his nation's Deputy Prime Minister, Finance Minister and Trade and Industry Minister. He has a Ph.D. in economics from the University of California at Berkeley and, before entering government, taught at Seoul National University.

The Honorable Han, Seung-Soo—Mr. Han is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Economy and Science Committee. His previous experience includes his work as Trade and Industry Minister, Chairman of the Korea Trade Commission and professor of economics at Seoul National University. Mr. Han has a Ph.D. from the University of York in England.

The Honorable Hwang, Byung-Tai—Mr. Hwang is a member of the ruling Democratic Liberal Party and sits on the Central Executive Committee of the National Assembly. In the past, he has served as President of the Hankuk University and a senior official at the Economic Planning Board. Mr. Hwang received his Ph.D. in political science from the University of California at Berkeley.

The Honorable Yoo, Joon-Sang—Mr. Yoo is a member of the opposition Party for Peace and Democracy and is Chairman of the National Assembly's Economy and Science Committee. His past experience includes service as Chairman of his party's Discipline and Presidential Election Campaign Committees and Spokesman for the Democratic Human Rights Association. Mr. Yoo has a B.A. in Economics from Korea University.

The Honorable Suh, Sang-Mok—Mr. Suh is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Finance Committee. He is also his party's Director-General for Policy Coordination. His experience includes work as Vice President of the Korea Development Institute and Economist at the World Bank. Mr. Suh has a Ph.D. in economics from Stanford University.

The Honorable Cho, Kyung-Mok—Mr. Cho is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Economy and Science Committee. His previous posts include Deputy Secretary General of his party and Vice Minister of Science and Technology. Mr. Cho did his graduate work at the School of Business Administration of Victoria University in New Zealand.

SAVINGS AND LOAN COMMISSION

Mr. BOSCHWITZ. Mr. President, over the weekend I am going to be considering the introduction of a bill that would establish a national commission which would be charged with considering causes and failures of the savings and loan system and to consider proposals to prevent future failures of this nature.

I understand there may be some other Senators who are offering a similar type of legislation and I will try to coordinate my activities with them. But this is certainly an important thing to do, to look back to see what caused these problems, and to try to establish some kind of a path so that in the future we will be able to gain from the experience so that we do not have such failure in the future either with banking systems or with other segments of the economy.

So, I simply wanted to say to my colleagues that I do have this in mind, and those who are interested in it should give me a call and I would enjoy their participation.

HOUSE REPUBLICANS AND THE NO-NEW-TAXES PLEDGE

Mr. KASTEN. Mr. President, 2 days ago, our House Republican colleagues sent a clear—and meaningful—message to the negotiators in the budget summit: New taxes would hurt the economy and, therefore, will be opposed by the Republican Party.

By a 2-to-1 margin, the House Republican Conference passed a resolution which states that the conference "opposes new taxes and all tax rate increases as a means of reducing the Federal budget deficit."

I ask unanimous consent that the text of the resolution be printed at this point in the RECORD:

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

REPUBLICAN CONFERENCE RESOLUTION

Whereas new taxes or tax rate increases would have a detrimental impact on families, business, and the American economy as a whole; and

Whereas, Republicans have bargained in good faith on previous balanced deficit reduction attempts and were consistently denied by the Democrat-controlled Congress the promised spending reductions to accompany tax increases; and

Whereas, the Conference endorsed the President's call for deficit reduction through spending cuts, growth incentives and process reform; and

Whereas, Republicans in the House of Representatives have the numbers to sustain a Presidential veto of legislation imposing new taxes or raising existing tax rates; and

Whereas, Senate Majority Leader Mitchell has abandoned the summit goals and emerged as a consistent roadblock to real spending cuts or growth incentives, and championed tax increases at every turn;

Whereas, the Democrats in Congress have consistently refused to approach deficit reduction in any way other than by raising taxes; and therefore, be it

Resolved, That the Republican Conference opposes new taxes and all tax rate increases [1] as a means of reducing the federal budget deficit, and instructs its leaders to represent this position to the President and the public.

Mr. KASTEN. This resolution reaffirms the Republican Party's commitment to economic growth, opportunity and job creation. While the budget deficit is a problem, it is not a crisis that requires a major tax increase. The Congressional Budget Office estimates that the 1991 deficit—including the cost of the S&L bailout—will be 2.7 percent of GNP. As recently as 1983, the deficit was 6 percent of GNP—and our economy was growing.

I think President George Bush put it best when he said, "There's no quicker way to kill prosperity than to raise taxes." He was right. I think he still believes it. But he's being forced to accept new revenues because the Members on the other side of the aisle will not consider any restraints on the $1.2 trillion Federal budget.

In a recent opinion poll, 45 percent of the public agreed that the Democrats are too quick to raise taxes.

Mr. President, if we simply set more reasonable deficit goals, I think we can achieve a meaningful bipartisan deficit reduction plan in the range of $30 to $40 billion without tax revenue increases beyond what the President proposed in his budget. Let's put an end to this manufactured hysteria over a $100 billion sequester. We all know that a sequester of this size is not going to happen.

Let's adjust the Gramm-Rudman targets and limit the potential sequester to $50 billion. In this way, if the budget talks fall apart, we can guarantee real deficit reduction without a tax increase.

[1] Tax rate increases include not only income tax rates but all rates on all existing taxes under federal jurisdiction.

CIVIL RIGHTS ACT OF 1990

Mr. DOLE. Mr. President, this past Wednesday, for the first time during my nearly 30 years in Congress, I voted against a bill that wore the civil rights label.

QUOTA JUSTICE

Despite my record of support for civil rights legislation, a record about which I am very proud, Wednesday's vote was an easy one for me.

It was easy because when you take the time to look behind the label and at the actual text of the so-called Civil Rights Act, you'll see that this bill has very little to do with civil rights, or racial justice, or equal opportunity. You'll see that it has more to do with forcing employers to "hire by the numbers." With quota justice. And with distorting not restoring, the civil rights vision that has served this Nation well for more than 25 years.

The so-called Civil Rights Act of 1990 alters the careful balance of title VII by allowing sky's-the-limit jury awards—unlimited compensatory damages, unlimited punitive damages, and unlimited opportunities for the plaintiffs' bar to make a killing in the courtroom.

This approach doesn't promote conciliation and settlement, one of the core principles underlying title VII and the Civil Rights Act of 1964. This promotes needless, time-consuming and often very expensive litigation that will break the backs of many small businesses in this country.

That's not fair. And that's not what this Senator means by "civil rights and equal opportunity."

WALK THE EXTRA MILE

Prior to the vote on Wednesday, President Bush and his advisers walked the extra mile in an effort to negotiate a compromise with Senator KENNEDY and with the Washington civil rights lobby.

Faxes were exchanged. New legislative language was proposed—it seems almost on an hourly basis. And very lengthy meetings were held between the bill's proponents here in Congress and the President's top advisers, including Chief of Staff John Sununu, White House Counsel Boyden Gray, and Attorney General Dick Thornburgh.

So, even though no agreement was ever reached, President Bush can hold his head high. He gave it his best shot. And he did not back down and run for the hills simply because the bill's sponsors were crafty enough to bless their legislative child with a wonderful-sounding name.

STILL HOPEFUL FOR A COMPROMISE

Mr. President, the House Judiciary Committee is scheduled to take up the Civil Rights Act of 1990 early next week. And the full House will probably consider the bill sometime in late August or early September.

So there seems to be enough time for both the administration and the bill's proponents to get together and give a negotiated agreement one last shot.

But the bill's proponents here in Congress must realize that Pennsylvania Avenue is a two-way street. There has to be give on both sides. They must understand that a deal's a deal, and that what may be perceived as the rhetorical upper hand doesn't justify reneging on agreements that have been made in good faith.

I know that President Bush wants to sign a civil rights bill, and he wants to sign it this year.

And I, as Senate Republican leader, have always wanted to help put that bill on the President's desk.

There's still time. And I still remain hopeful that agreement can be reached on a balanced and responsible civil rights bill for the 1990's.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,952d day that Terry Anderson has been held in captivity in Beirut.

COMMEMORATING THE CENTENNIAL OF THE SHERMAN ANTITRUST ACT

Mr. METZENBAUM. Mr. President, I rise today to commemorate the 100th anniversary of the enactment of the Sherman Antitrust Act, signed into law on July 2, 1890. I take a special interest in this occasion, not merely because I share common roots with the great Senator SHERMAN of Ohio, but because I share his vision of the rules of fair play and free competition that should guide our country. Today we celebrate not only 100 years of anti-

trust law, but also a continuing belief in a free market economy and the wealth of opportunity that economic freedom brings.

I am glad to be joined today by Senators from both parties to mark this anniversary. Antitrust is not a partisan issue—it is not a Democratic idea or a Republican idea. John Sherman was a Republican. Teddy Roosevelt—the great trustbuster of his time—was a Republican. In fact, it would appear that the Republican Party has long stood for a strong antitrust policy—until recently.

Under Ronald Reagan, the Republican Party became associated with "anti-antitrust." In fact, we came close to abandoning the principles of competition during the 1980's. So-called free market economists preached their theory of hands-off regulation—and the Government responded with an "anything goes" attitude. The merger mania of the 1980's created huge mega-corporations like Phillip Morris-Kraft, Chevron-Gulf and Time-Warner—companies that rival the size of the oil and steel trusts of the late 1800's. It is ironic that on the 100th anniversary of the Sherman Act we are once again faced with economic concentration of unprecedented proportions.

In fact, antitrust enforcement has not been consistent over the last 100 years. At certain times, proponents of big business have argued that cooperation, not competition, would help the American economy. Thus the history of antitrust enforcement is more one of ebbs and flows rather than an unwavering commitment to vigorous competition.

For instance, very few cases were brought during the first 10 years of the Sherman Act, until in 1901, Teddy Roosevelt created the antitrust division within the Department of Justice. This precipitated a number of important investigations which firmly imbedded principles of competition into American law. In 1914, Congress enacted the second antitrust law, the Clayton Act. Under the Clayton Act, Congress sought to prevent mergers and interlocks between corporations where such arrangements would "substantially lessen competition or tend to create a monopoly." In that same year, Congress created the Federal Trade Commission and gave it broad authority to police "unfair methods of competition."

During both world wars, antitrust enforcement declined as the Government tried to rationalize supply and stabilize markets to help the war effort. Not until the 1940's did antitrust see a revival when a series of Supreme Court decisions established several important principles of antitrust law, among them the per se rule against price fixing. This revival was short-lived, however, and antitrust cases again fell of until the much-celebrated cases against IBM and AT&T begun by the Justice Department in the early 1970's. Then antitrust entered some of its darkest hours under the Reagan administration. Federal resources devoted to antitrust enforcement were cut in half during the 1980's.

One might ask why there is any controversy about enforcing the antitrust laws. These laws merely establish the rules for free competition and prevent companies from using any unfair advantage against their competitors. Listen to this warning about the dangers of monopoly spoken by John Sherman during Senate debate on his legislation:

> The sole object of such a combination is to make competition impossible. It can control the market, raise or lower prices, as will best promote its selfish interests, reduce prices in a particular locality and break down competition and advance prices at will where competition does not exist.* * * the law of selfishness, uncontrolled by competition, compels it to disregard the interest of the consumer.

These words are as true today as they were 100 years ago. More importantly, this statement confirms that the Sherman Act was the original Consumer Protection Act. The antitrust laws do not protect any particular business; they protect consumers from abuse by huge companies. Competition brings more goods and services from fewer resources at the lower cost. That is what American consumers expect and that is what the antitrust laws protect. This is hardly controversial as an economic principle.

Moreover, belief in a free market economy is vital to our democratic form of government. We believe that concentration of political power threatens our political freedom as much as concentration of economic power threatens our economic freedom. For Americans, freedom means both freedom of expression and freedom of opportunity. Thus, a belief in competition is as much a part of our political history as it is a part of our economic history.

No one doubts the basic principle that competition is the mainstay of America's economic and political strength. Countries of Eastern Europe are reaching out to embrace the American ideal of personal freedom and a market-based economy. And yet, here at home, we continue to hear complaints that America is falling behind other countries because we are not longer competitive in world markets. Critics argue that we are being beaten at our own game. They argue that America is falling behind because our antitrust laws are too strict. These critics seem to believe that we have not had enough of mergers and buyouts during the last 10 years.

I am frank to say that I am disturbed by these arguments. I believe it is ludicrous to blame competition for the failings of a few American industries—ones that were perhaps indifferent, or even hostile, to the forces of competition. One needs only look at the history of the U.S. automobile industry to see that it was the lack of competition that led to its demise. At one time, we had more than a dozen domestic automakers. By the 1970's, we had only three. And then they became lazy. They ignored American consumers and they lost sales. They found out too late that you have to earn customers by building a better car. And I'll just bet that the critics of out antitrust policy who bemoan America's competitive failures drive foreign cars.

So I say to those critics who blame the antitrust laws for America's decline—competition is the solution, not the problem. When we have failed over the past 100 years of antitrust enforcement, it was when we were too lenient, not when we were too tough. Cooperation, joint ventures, consortium, efficiency—these words sound nice, but they are buzzwords for those who don't believe in the antitrust laws. It's time for America to get back to doing what we do best—competing our way to the top. That is our heritage which is best expressed in the Sherman Act.

THE 100TH ANNIVERSARY OF THE SHERMAN ACT

Mr. THURMOND. Mr. President, I am pleased to rise today, with my other colleagues, to commemorate the 100th anniversary of the Sherman Antitrust Act, which was adopted on July 2, 1890. Although we are late in our celebration, the importance of this occasion is in no way diminished.

Mr. President, Justice Black, in his opinion in *Northern Pacific Railway Co.* v. *United States,* 356 U.S. 1, 4 (1958), best, and most succinctly, captured the spirit and purpose of the Sherman Act. In that opinion, and I would like to quote, he stated that:

> The Sherman Act was designed to be a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade. It rests on the premise that the unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress, while at the same time providing an environment conducive to the preservation of our democratic political and social institutions. * * * [T]he policy unequivocally laid down by the Act is competition.

Although the Northern Pacific opinion is more than 30 years old, it remains an eloquent statement of the purpose of an act which has become the cornerstone of American antitrust policy.

As all of my colleagues will recall, the Sherman Act came about because of increasing concern about the economic and monopolistic power of the business trusts and other business combinations. In fact, concern was so great that President Grover Cleveland addressed this issue in his third annual message to Congress in 1887, and in his final message in 1888. In the Presidential election of 1888, both parties included antitrust planks in their platforms, and when Benjamin Harrison, the Republican nominee, was elected President, he again urged Congress to enact some form of antitrust legislation. It is interesting to note that although 15 antitrust bills were introduced in the House in the 50th Congress, and 18 were introduced in the 51st Congress, it was the Senate that ultimately produced the legislation as we know it today.

However, it should be remembered that the Sherman Act was not the first antitrust legislation to be enacted. Between 1885 and 1890, 14 states and territories, including Arkansas, Connecticut, Georgia, Indiana, Kentucky, Maryland, Montana, North Carolina, North Dakota, South Dakota, Tennessee, Texas, Washington, and Wyoming, adopted constitutional prohibitions against monopolies. In addition, 13 States, including Iowa, Kansas, Kentucky, Maine, Michigan, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, South Dakota, Tennessee, and Texas, enacted statutory antitrust provisions.

Mr. President, we cannot pay tribute to this monumental legislation, without paying tribute to the individual behind its enactment. Senator John Sherman, a Republican from Ohio, played a major role in the shaping of this legislation in both the 50th and 51st Congresses. Described by some as the preeminent Republican Member of the 51st Congress, Senator Sherman had a distinguished career in public service. He served 6 years in the House of Representatives, and ultimately, 32 years in the Senate. During his public career, Senator Sherman also served as Secretary of the Treasury under President Rutherford B. Hayes, and as Secretary of State for President William McKinley.

In conclusion, Mr. President, I would note that one of the most compelling points about the Sherman Act is its endurance and flexibility. Although enacted over 100 years ago, it has rarely been amended and serves us as well today as it did then. Over the years, its broad principles have provided the courts with the appropriate framework in which to determine the competitiveness of practices engaged in 100 years ago, and in our more economically sophisticated markets of 1990. In fact, Senator Sherman himself remarked on the wisdom of keeping the act general:

I admit that it is difficult to define in legal language the precise line between lawful and unlawful combinations. This must be left for the courts to determine in each particular case. All that we, as lawmakers, can do is to declare general principles, and we can be assured that the courts will apply them so as to carry out the meaning of the law, as the courts of England and the United States have done for centuries.

Mr. President, several weeks ago the Department of Justice commemorated the 100th anniversary of the Sherman Act, at which time several noteworthy individuals, including the Attorney General of the United States, offered their reflections on the Sherman Act. They were kind enough to provide their remarks to me, and at this time I ask unanimous consent that these remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY DICK THORNBURGH, ATTORNEY GENERAL

Like so much other legislation, the Sherman Anti-Trust Act started as a trade-off.

In 1890, Congress wished to pass a very high tariff, but popular feeling was running even higher against the so-called "Trusts." A pamphleteer of the day argued that an American citizen was born to drink the milk of the milk trust, eat the beef of the beef trust, read by lamps lit by the oil trust, then die and be carried off by the coffin trust. Worse, political outcry against monopoly complained that "the tariff held the people down while the Trusts went through their pockets."

So, as a sop to such discontent, Senator John Sherman of Ohio—General William Tecumseh Sherman's brother—reported out of his finance committee a vague, peremptory, and some said "impenetrable" statute that covered everything in a few sentences, made law on July 2, 1890. The key sentence provided that every "contract, combination or conspiracy in restraint of trade, or commerce among the several states or foreign nations is hereby declared to be illegal."

The tariff passed handily, and the Sherman Anti-Trust Act harmlessly—without legal definition of the offenses it penalized, or any legal mechanism for enforcing its provisions. The next two Presidents—Cleveland and McKinley—scorned and ignored its anti-monopolistic intent. In fact, the key sentence was so construed that the first "conspiracy in restraint of trade" to be prosecuted was * * * the Knights of Labor!

The act was used in 1894 to break Eugene Debs' railroad strike.

It was Theodore Roosevelt—and even more so, William Howard Taft—who turned the act into a truly trust-busting instrument during the early years of this century. You will hear more about its subsequent history from others, but let me offer you here a slight twist on an old truism. The brevity of the Sherman Anti-Trust Act proves that unlike a little learning, a little legislating need not be a dangerous thing.

In fact, what counts—when the letter of the law is so sparse—it highlights the importance of the spirit of the law that is abroad. And about the present spirit of that law, I am more than ready to say a word or two.

You are well aware of the importance we place upon the prosecution of White-Collar Crime—especially the fraud, bribery, and corruption lately revealed in the Savings & Loan Rip-Offs. But we have an even longer-standing obligation to fight White-Collar Crime that undermines competition—to protect the greatest free marketplace in the world from the depredations of price-fixing, monopoly control, and other collusive and predatory acts.

Though there have been pauses—even lapses—in anti-trust prosecutions over one hundred years, the curve is surely upward, and on a steep climb today. Since 1974, violations of the Sherman Anti-trust Act—beyond any civil action for triple damages—can be prosecuted as a criminal felony. And we are hopeful that Congress will significantly raise the criminal penalties this year from $1 million to $10 million.

More importantly, our Anti-trust Division, under Assistant Attorney General Jim Rill, has greatly broadened the scope of its investigations, as well as the thrust of its prosecutions. Within our own borders, everybody from the airlines to the Ivy League have lately faced scrutiny—on what they are charging for tickets or tuition. But restraint of trade has been even more sharply scrutinized abroad. Japanese businessmen have been taken to court for Sherman Act violations. In a late but very positive reaction to such actions, the Japanese government has agreed to look to its own anti-trust laws. As part of the Structural Impediments Initiative, Japan has agreed to step up enforcement against restraint of trade and increase penalties for anti-trust violations.

In fact, that seems to sound a large warning for commerce the world over. Soviet president Gorbachev has discussed the desirability of adopting new antitrust laws—should the shaky Soviet economy ever produce something to collude over. Jim Rill's lawyers, along with our colleagues at the FTC, are already working with the new governments of Eastern Europe to develop antitrust laws for Czechoslovakia, Hungary, and Poland. Even Nelson Mandela—speaking out for many future freedoms—has offered his hand to South African businessmen, suggesting an expansion of economic freedom based on our American antitrust laws.

He might have been echoing the words of Justice Thurgood Marshall, who said, speaking for the Supreme Court: "Antitrust laws in general, and the Sherman Act in particular, are the Magna Carta of free enterprise. They are as important to the preservation of economic freedom and our free-enterprise system as the Bill of Rights is to the protection of our fundamental personal freedoms."

Nothing must impede the full force of free market competition—especially as that competition increases globally—and in that bold, free economic spirit, I am presenting to the Antitrust Division this bronze plaque to commemorate the brief directive that Congress gave the trust-busters back in the Gilded Age. It reads: "1890-1990. 100th Anniversary of the Passage of the Sherman Act. July 2, 1990. A Comprehensive Charter of Economic Liberty."

I trust Jim Rill's lawyers to stick by both the few words—and the ever-broadening spirit—of that law. And may this charter for economic liberty—like the widening jurisdiction of so many Americans—soon take in the whole world.

REMARKS BY JAMES F. RILL, ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION

It is a privilege to serve the Department of Justice during the one-hundredth anni-

versary of the Sherman Act, and I am particularly honored to be here today to welcome Attorney General Thornburgh and our other distinguished speakers. On behalf of the Attorney General and the Department I also wish to extend a warm welcome to the former Assistant Attorneys General of the Antitrust Division who are with us today to help celebrate 100 years of antitrust enforcement.

In drafting the Sherman Act, Congress chose to provide fundamental competition principles rather than delineate every type of business conduct it found anticompetitive. It created an elastic statute—one that resembles a constitutional provision more than an ordinary statute. Its flexibility has allowed antitrust enforcement to benefit from new learning about the nature of business and economics. The statute has a rich and varied enforcement history—the highlights of which I will touch upon today.

Between 1890 and 1904, the Justice Department brought less than two Sherman Act cases a year. As General Thornburgh observed in his remarks, there was not a great deal of early enthusiasm for the Act at the Department of Justice. In those early days, resources were scarce at the Department, even by today's standard. Congress provided no specific appropriation for antitrust enforcement, and, consequently, there was no antitrust division within the Department. In fact, there were no lawyers assigned full-time to antitrust matters.

Despite scarce resources, in 1898 the Department successfully prosecuted the *Addyston Pipe and Steel Co.* case, charging six manufacturers of iron pipe with price-fixing and market allocation. Judge William Howard Taft's opinion for the Sixth Circuit established the basis of a per se rule of illegality for "naked restraints" of trade and the comparative ground work for the doctrine of ancillary restraints. The opinion in *Addyston* is recognized as a landmark in antitrust jurisprudence, and Judge Taft's accomplishment is hailed as particularly noteworthy given the time at which he was writing and the lack of Sherman Act precedent and antitrust jurisprudence.

The level of antitrust activity at the Department did not increase until 1904 when President Theodore Roosevelt and Attorney General Philander Knox persuaded Congress to appropriate the grand sum of $500,000 for antitrust enforcement over a five year period. This funding led to the creation of an antitrust division staffed by five lawyers.

By 1904 President Roosevelt's famed "big stick" had landed on J.P. Morgan's Northern Securities Company. Despite Roosevelt's reputation as our nation's foremost trustbuster, the Supreme Court's decision in the *Northern Securities* case actually set a troublesome precedent that could have greatly limited the utility of the Sherman Act. The holding of the Court amounts to the proposition that any elimination of substantial competition between two competitors constitutes a combination in restraint of trade without regard to its impact in the marketplace. Equally troubling was the dissent of Mr. Justice Holmes who contended that the Act prohibited only "external" restraints and did not apply to "an arrangement by which competition is ended through community of interest."

One ironic note—Justice Holmes was nominated to the bench by Roosevelt on the assumption that he would be an ardent trustbuster. His dissent in *Northern Securities* caused an antagonism between the two giants which never disappeared.

During the years 1910 through 1914, the Department brought an average of thirty-one cases per year—a remarkably high level of activity given the size of the Department as a whole at that time. Also during that period, the Supreme Court announced its decisions in *Standard Oil* and *American Tobacco*. Judge White's opinion in both cases not only corrected the overly literalistic reading of the Sherman Act in *Northern Securities*, but it also set the course for application of a rule of reason analysis to most forms of challenged conduct. The formal adoption of a rule of reason analysis resulted in a widespread public furor that may be hard to fathom in this era where the rule is well accepted: the popular press accused the Court of being soft on trusts; business complained bitterly about antitrust uncertainty; and Congress passed the Clayton Act and, as companion legislation, the FTC Act.

Ten years later, the Supreme Court's decision in *United States v. United States Steel Corp.* marked a big loss for the government, but a victory for the quality and integrity of future Sherman Act enforcement. The Department's complaint, filed in 1911, sought dissolution of U.S. Steel, which had been organized in 1901 to acquire and hold the stock of twelve independent operating companies. By 1911, however, the company's market share had actually decreased from 50 percent to about 41 percent, and the business of certain competitors had grown at a healthy pace. This trend continued through 1921 when the Supreme Court found that U.S. Steel had not engaged in predatory practices, had not attempted to oppress competitors, had encountered substantial competition, and had abandoned certain price-fixing agreements before the government's suit was filed. The Court concluded that U.S. Steel had neither the purpose nor the power to control prices, thus reducing the government's case to the proposition that size alone constituted a Sherman Act violation. The Court concluded: "the law does not make mere size an offense, or the existence of unexerted power an offense."

Following the *U.S. Steel* decision, the Department dismissed its appeals in several cases and shifted its focus to the prosecution of price-fixing cases. No significant monopoly cases were instituted until the *Alcoa* case was filed in 1937. Even the level of the Department's criminal antitrust enforcement had declined.

The downward trend was reversed abruptly when President Franklin Roosevelt turned to antitrust enforcement—and to Thurmond Arnold—to control big business. General Arnold became the new assistant attorney general in charge of the Antitrust Division in 1938 and served in the post until 1943, the longest term of any Antitrust Division chief. Upon his arrival, the division's legal staff increased from 59 to 144 and a small staff of economists was added. Procedures and policy changes were instituted that meant more enforcement, fewer settlements and more criminal prosecutions. General Arnold placed a premium on the detection of nationwide conspiracies. He encouraged his legal staff to think of antitrust enforcement in objective, systematic and economic terms. If a local complaint looked like a potential case, the staff was instructed to request nationwide investigations of the entire industry by the economics section and the FBI.

My comments on General Arnold should not overshadow the contributions of the other Assistant Attorneys General who have served the Department. The Division's leadership has been consistently excellent. Many of the former Assistants went on to distinguish themselves further in government service—Justice Robert Jackson, Justice Tom Clark and Wild Bill Donovan being the most notable examples.

The mood for enforcement at mid-century was further buoyed by two important Supreme Court decisions favorable to the government. *Alcoa* and the second *American Tobacco* case marked the rebirth of Section 2 of the Sherman Act. In *Alcoa*, Judge Learned Hand (the case was certified to the Second Circuit after the Supreme Court failed to assemble a quorum) made the important observation that "the successful competitor, having been urged to compete, must not be turned upon when he wins." Judge Hand maintained, however, that size is a determinant of monopolization when it is accompanied by the power to exclude competitors and the intent and purpose to do so.

Alcoa and *American Tobacco* signaled the start of a winning streak for the government that reached its peak during the years of the Warren Court. *Brown Shoe* (1952) and *Philadelphia Bank* (1963) ignited a firestorm of merger enforcement which culminated in Justice Stewart's dissenting observation in *Von's* that the only cognizable standard was that the government always wins.

During the modern era of Sherman Act enforcement the federal government has refined its approach to merger enforcement and invigorated its emphasis on criminal enforcement. The Department's prosecution of electrical contracting company price-fixing conspiracies during the 1960's gained national attention and helped our effort to deter *per se* illegal activity through vigorous prosecution. Cases like the electrical contracting cases were instrumental in persuading Congress to upgrade Sherman Act criminal violations from misdemeanor to felony crimes.

Recent years have been defined by the Department's continued emphasis on criminal enforcement, by the monumental AT&T case—which was filed on Tom Kauper's watch and since then has occupied the attention of no less than eight Antitrust Division chiefs, by our support of Congress' deregulation of the airline and railroad industries, and by the institution of Hart-Scott-Rodino premerger notification procedures and guidelines for merger analysis. Premerger notification and the Department's 1982 and 1984 Merger Guidelines virtually transformed the Department's approach to merger enforcement, affording us the framework for consistent and objective analysis based on current legal principles and economic theory.

Today, criminal and merger enforcement are the Department's top priorities, and we are placing renewed emphasis on our role as competition advocates. In recent months the Department has responded to requests of countries such as Canada, the Soviet Union, Hungary, Poland and Czechoslovakia for advice on competition policy. We have played a major role in the Administration's SII talks with Japan—with an emphasis on enhanced antitrust enforcement in that country. But our purpose today is more to take a retrospective, not so much a programmatic, look.

After one hundred years the Sherman Act has emerged with its essential character unchanged: it remains a great charter for the courts to develop the law of competition

within the framework of Congress' two overriding concerns: anticompetitive agreements and abusive behavior by firms that are dominant or are seeking to become so.

The generality of the charter has allowed courts and enforcement agencies to learn from experience and adapt the law to new needs and conditions. Indeed, it would be rash, if not irrational, to argue that the period of learning is over and the current doctrine is necessarily the last work. There is room, as well, for careful calibrated amendments, such as the Administration's recent joint production venture legislative proposal.

But the endurance and success of the Sherman Act should give us solid confidence in the soundness of its basic prescriptions. It should make us pause and reflect when major changes are proposed to exempt whole industries from the Sherman Act or to freeze the growth of the law by enacting current doctrine into statutory formulas. It should also make us proud—and this applies to practically everyone here—to have devoted some or all of our career in helping to assure that the great promise of the statute is fulfilled.

REMARKS BY JUDGE KIMBA M. WOOD, U.S. DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK

I was asked to say a few words about the significance of the Sherman Act and competition generally in our society from my perspective as a member of the Judiciary. To me, one of the most remarkable [things] about the Sherman Act is that while many in this country question whether our ways of doing business are outmoded, our antitrust rules are being emulated today in other countries. Many Western and Eastern European countries agree that our antitrust model (rooted in the Sherman Act) is the one to adopt. (As you know, many of your colleagues have gone abroad recently to help other governments create antitrust systems like ours.)

As I reflected on this, I wondered what was it that caused *this* country to take the lead in developing antitrust? Antitrust law is, after all, something we imported from *Britain*. It has roots dating back at least as early as 1602, when an English court voided a monopoly granted by Queen Elizabeth to Edward Darcy, groom of the Privy Chamber, to be the only maker and importer of playing cards in Great Britain. What was it that caused our American forbears to be so impassioned by antitrust issues that in the Presidential election of 1884 a party called the Anti-Monopoly party came in third, with 175,000 votes, beating out even the Prohibition Party? (While on the subject of linking the past to the present, I note that the Anti-Monopoly Party's birthplace was *Chicago*, and one of its planks was that we should pay off the nation debt.)

What was it that caused *this* country to adopt *national* antitrust legislation and [*stick* with it] for the past 100 years? Although it can be argued that the Sherman Act and our early antitrust policy is attributable in large part, to the self-interested anger of farm and labor groups at trusts, it also is attributable to more idealistic leanings, deeply ingrained in this country from its earliest days—a belief that in our egalitarian, democratic society freedom to contract must be restricted at times in order to permit all men (and, of course, later, all women) to be free to use their talents to better themselves economically, and to permit everyone to benefit from an efficiently operated market.

Both Britain and the U.S. recognized the tension between the freedom to contract—which was relied upon by courts to, for example, justify agreements among competitors to fix prices and allocate territories, and maximizing everyone else's economic welfare and opportunity. But in Britain, where family-owned firms dominated business, the tension among these divergent interests was resolved in the 1800's more in favor of freedom of contract, which had the effect of fostering a climate where the old guard could, and did, perpetuate itself. The British, consequently, have been until quite recently much more tolerant of consensual anticompetitive restrictions than are Americans. In the U.S., our desire to provide economic opportunity and benefits to all was instrumental in causing us to scrutinize restraints of trade more carefully, and—[to overgeneralize]—eventually, to permit them only where they promote desirable economic efficiencies.

This, of course, suggests a more orderly progression of the law than actually occurred. Even after passage of the Sherman Act, freedom of contract received more deference at some times than at others. This happened in part because the Sherman Act itself did little to guide judges in choosing among conflicting strands in the common law—judges *themselves* were left to sort out when freedom of contract should give way to the amorphous social and economic goals of maximizing opportunity and consumer welfare.

Little by little the courts developed what is today a remarkably sophisticated body of law that resolves these tensions admirably. For lack of time, I will pass over the low points, when judges tried to import into antitrust/legal rules designed for different purposes, and I will jump from an early high point of judicial perspicacity to today. In 1911, Chief Justice White's seminal *Standard Oil* and *American Tobacco* opinions decided that the Sherman Act's goal was maximization of consumer welfare and created a Rule of Reason that left room for changes in the law as our understanding of market operations advanced. These opinions gave the Sherman Act a sorely-needed content and structure that was essential as courts worked at reconciling the common law's conflicting goals. Although there were many judicial mis-steps between then and modern times, there are also many judges who increased our understanding of how to promote efficiency and opportunities. To take just one example, in 1977 Justice Powell in *Continental TV* v. *GTE Sylvania* performed a modern equipment of Justice White's 1911 shaping of the law—he turned his back on a confused body of law condemning vertical restraints, and refocussed the judicial lens on business efficiency, and the need to carefully assess whether restraints, as they operate in the real business world, further that efficiency.

With the benefit of hindsight, we can say that the genius of the Sherman Act is that it did not attempt to resolve, in 1890, the contradictory strands in the common law that reflected the tension between the freedom of businessmen to contract and the benefit everyone else derives when economic efficiency and opportunity are maximized. By simply outlawing restraints of trade, the Sherman Act laid a framework within which the Judiciary and the Department of Justice were able to develop a *flexible, dynamic* antitrust policy that could accommodate competing economic goals and incorporate, progressively, new economic thinking concerning what maximizes efficiency and opportunity.

If anyone wonders whether the Sherman Act is outmoded, or, rather, whether we are on the right course in antitrust policy and enforcement for this time in history, I think that two signs suggest that indeed, we are on the right course: the first, I mentioned at the outset—countries with a full range of options concerning how to modernize their economies are choosing our antitrust model. Second, our own country has experienced unprecedented growth in the past few years—and while even the hyperbole common at centennials would not lead me to attribute *all* of that growth to the *Sherman* Act, that growth is as good a sign as any that today's antitrust policy is serving the country well.

REMARKS OF RICHARD W. POGUE, PARTNER, JONES, DAY, REAVIS & POGUE

As I look out on the audience this afternoon and see all the outstanding prosecutors there, I become *very* nervous. And as I see this wonderful group of former Assistant Attorneys General who have gathered here, I am mentally revisited by the sins of the past on the part of myself or my clients.

It is a great honor to be asked to speak on this occasion—the celebration of the Centennial of the Sherman Act. I thank Assistant Attorney General Rill for his thoughtfulness in inviting me to participate with such a distinguished group of antitrusters. I am not sure that all my *clients* would applaud this celebration today, but for those of us in the private bar who have made a good living off the venerable statute, a hearty cry of congratulations seems to be in order.

I have been a practitioning lawyer (and primarily an antitrust lawyer) for more than one-third of the life of the Sherman Act—a shocking discovery which I stumbled upon in preparing these brief remarks—and thus I have witnessed and to a very, very minor extent participated in a considerable part of the development of the body of jurisprudence which we call antitrust. No one who has had that kind of experience can fail to be impressed with the durability and flexibility of this simple but elegant statute—legislation the principal substantive language of which has not been amended at any time during the past 100 years.

It would have been difficult in 1890 to predict that we would be celebrating this event today. What we know as the Sherman Act was the product of a legislative compromise. The political process that produced it was driven by a combination of forces: agrarian depression and outrage over the impact of a changing economy; a sense of hopelessness as industrial and financial organizations become larger and the popular sense was that the individual was losing the kinds of personal relationships which had frequently characterized business transactions in the past; the beginning of muckraking journalism; and a heavy element of relatively unfocused populism, filled with conspiracy theories, colorful rhetoric and a nostalgia for a different and simpler time.

Most of those forces have little relevance to antitrust enforcement today. But in 1990, perhaps more so than ever again, the impetus for antitrust legislation came from general popular unrest. It was democracy in action, for better or worse. As things turned out, it was very much for the better—be-

cause the Sherman Act legislated the basic principle of competition as the law of the land, and that economic principle has led America to prosperity and greatness. It is indeed astonishing that today even the Soviet bloc of nations and other countries in various parts of the world are beginning to recognize the fundamental soundness of the elemental doctrine of competition which was codified by the Sherman Act.

The Act as passed would probably not have survived without considerable help from the judiciary. It was, by its terms, absolutist; it gained its all-important flexibility by what today would probably be viewed as unacceptable judicial activism. In fact, until the *Standard Oil* decision of 1911 which "interpreted" the Act to prohibit only "unreasonable" restraints of trade, the statute was seldom used by either the government or private plaintiffs. Before Theodore Roosevelt became President in 1901, only one private case had been adjudicated on the merits, and in that case the successful plaintiff received $1,500, plus $750 in attorneys' fees—a ratio which, as a lawyer, I must regretably note, has deteriorated over time.

The public perception of the *Standard Oil* decision was quite negative at the time. Many believed that big business had just found a giant loophole; and so the Senate of the day requested its Interstate Commerce Committee to investigate what changes might be necessary in the antitrust area. The Committee investigated with a vengeance, and its hearings provided much grist for the 1912 Presidential campaign mill.

The results were Woodrow Wilson's election, the subsequent creation of the Federal Trade Commission as a regulator of business, and the end of the Sherman Act's exclusive franchise on American antitrust policy. Whether, in retrospect, those developments were wise is a debate for another day.

In any event, the Sherman Act remained, and over the years it has become increasingly more important. Constitutional jurisprudence has expanded the reach of the statute, while the elasticity of its legal standards has provided ample room for advocacy in any particular circumstance. In many ways, the Sherman Act illustrates perfectly the awkward balance between rhetoric and pragmatism which characterizes American antitrust.

I was asked to speak today as a member of the private bar. This is a special privilege, for I believe that it has been the private practitioner, at times as much as or even more than the government enforcer, who has shaped Sherman Act jurisprudence and competitive behavior over the years. This influence has been brought to bear in two principal ways—as advocate in antitrust litigation, and as counselor to business on how to comply with the law.

The "private attorney general" concept is both a blessing and a curse of antitrust. The opportunity to obtain treble damage awards, attorneys' fees, and injunctions through private litigation has provided remedies for those injured by anticompetitive conduct. But at times this same opportunity has also allowed some who were less than scrupulous to use the antitrust laws to extort and to inflict competitive harm. Different analysts would strike the balance in different ways, but there can be no doubt that private activity has been extremely influential in the development of antitrust, both in many seminal litigated cases in the field, and as a significant deterrent effect.

Further, the mere *threat* of treble damage actions has clearly had a significant effect on American business. Reasonable people may differ as to whether this effect has been, on balance, good or bad, but no one can deny the impact. Many would argue today that automatic trebling is far too blunt an instrument to be apropriate; it can deter competitive conduct as well as cartel behavior. But regardless of your views on this point, no one who has been a private practitioner will disagree that the possibility of treble damage attack has significantly affected the behavior of American business.

Treble damage litigation, big mergers or criminal cases are what the public sees under the Sherman Act and other antitrust laws, but *counseling* is what most antitrust practitioners really do. The most effective private attorneys general are not those who make their living bringing private actions, but the many thousands of lawyers who, day after day over the years have guided their clients through the nebulous scope of the Sherman Act and the other supplementary antitrust legislation.

Antitrust counseling is challenging work.

First, there are few hard and fast rules to learn; any discipline in which the guiding principle is the "rule of reason" leaves considerable room for judgment.

Second, all the antitrust knowledge in the world is useless if you do not understand the business arrangement and its business context. The facts are critical; knowing the case law is merely useful.

Third, you need to know how the relevant federal and state enforcement agencies work: What are their priorities? What is their bias? In this sense, antitrust is like a regulatory practice, where the agencies have considerable discretion and your job is to persuade them that public policy and your client's interests are congruent. Fortunately there are many volunteers, such as those in the 12,000 member Antitrust Law Section of the American Bar Association, who try to provide education in these areas—often in collaboration with the Antitrust Division.

Then of course the advice and its underlying reasoning have tc be communicated to the client in such a way that it can be understood, accepted, and implemented. This is difficult enough, given the ambiguity of the legal rules and the wide discretion given to the enforcement agencies, but it is further complicated by the responsiveness of antitrust to political trends. Antitrust is quite clearly subject to enforcement and attitude cycles; while the century-long trend lines are fairly constant, there have been some rather large spikes on the graph.

For example, in the 1950's and 1960's, it was the traditional American fear of size and concentration of power coming back after a World War in which all the rules had been suspended. The 1970's were an ambivalent decade for antitrust and politics: the enforcement program changed after *General Dynamics*, although we also saw shared monopoly investigations and a criminal resale price maintenance case. The 1980's were a re-expression of the American growth model, designed to regain world prominence; antitrust followed, with the emphasis on economic efficiency and virtual abandonment of the populist vocabulary that had always been a part of—and sometimes a problem for—antitrust.

But through it all, at least since the end of World War II, the Department of Justice has conducted its antitrust work with integrity. The private bar has felt that the *process* of the Antitrust Division has been fair, and that the Division has almost always been willing to *listen* and *consider* before acting. That is a wonderful reputation to have.

If I were presumptuous enough to offer some modest advice to the assembled enforcers, I would say that common sense and knowledge of the facts are more likely to produce sound enforcement decisions than is any ideological formula. Economic theory provides a critical analytical framework for antitrust, but economic doctrine does not by itself produce sensible enforcement decisions. No regression analysis can include all the relevant variables in an antitrust enforcement decision.

But if economics is not the complete answer, populist bias against size and efficiency is even worse. In our global economy, we must be competitive or we will fail. We have been, and in many respects still are, the strongest competitor in the world. We cannot retreat back to nostalgia about the family grocer and small merchants. Thus, we need as antitrust enforcers and decisionmakers people who believe in preserving competition, not just competitors; people who can apply common sense to a good understanding of the facts of a particular problem.

Today, on the Centennial of the Sherman Act, it is particularly gratifying to find people at the helm of both federal enforcement agencies who exemplify these characteristics.

On behalf of the literally tens of thousands of private lawyers who have participated in the antitrust experience during these first hundred years, I would like to express our appreciation for the Department's soundness and fairness, and for its recognition of the important role which we in the private bar have played, and will continue to play, in the development and enforcement of the Sherman Act.

As for the Sherman Act itself, let us hope that its second hundred years will be marked by as much vitality and significance as was its first Century.

Thank you.

REMARKS BY THOMAS E. KAUPER, HENRY M. BUTZEL PROFESSOR OF LAW, UNIVERSITY OF MICHIGAN LAW SCHOOL

I was asked to speak today on the significance of the Sherman Act and competition generally in American society—with a peculiar caveat, namely from my "special perspective as a professor of law." There is a clear implication that academics don't think like everyone else. That, I am afraid, is all too often true, as I shall undoubtedly demonstrate.

I was also struck by the pairing in my assigned subject of the Sherman Act with "competition generally," a pairing which suggest that the two somehow go hand in hand. Certainly we like to believe this is so. Yet there have been times in the history of the Sherman Act that the two have seemed to diverge, where unless one gives to competition a strange meaning the Act itself has been used to reach what seem to be anticompetitive results. The significance of competition may be one thing; the significance of the Sherman Act may be quite another. As I reflected on the impact of the Act, I was tempted to give the simple—and I believe scientifically correct—answer. It has spawned a bureaucracy, and put the children of antitrust lawyers through college. Beyond that, who knows? For in the end, we

can but speculate on how society would have differed in its absence.

The thought of standing here today and simply saying "who knows?" is not very appealing, particularly to an academic who is never supposed to make such professions of ignorance. So I thought that I might take you on a brief tour of the great moments of the Sherman Act and let you draw your own conclusions. I gave such a speech four years ago, although I then covered only the past twenty years. In searching for the significance of the Sherman Act in that speech, I noted two effects felt by every American consumer—telephones that don't always work and more televised college football games than anyone can possibly tolerate. Among the highlights I picked out in that speech were the Von's and Schwinn cases, the Herfindahl-Hirschman Index, and, as the crowning highlight of all, the Antitrust Division's Vertical Restraints Guidelines. As you may have gathered, it was a speech that poked fun.

As I reread that speech, I was struck by the way it trivialized the impact of the Sherman Act. It was intended to do so, for in such trivialization was much of its humor. But in recent years trivialization of the Act has become common sport, particularly in academic circles. It has been done not in humor, but as a means of suggesting either that the Act has served no social purpose or, in the worst case scenario, has been counterproductive, impairing the operations of American enterprises without any benefit to consumers, business enterprises, or anyone else for that matter. The Act, in these eyes, can do only harm. Its enforcement is a silly, trivial, and expensive exercise. Such critics' evaluations cannot simply be answered by a "who knows?" response.

What has been the significance of competition to society as a whole (a question which seems easier to deal with than the Sherman Act itself)? To antitrust lawyers, competition means rivalry among economic enterprises in a market. But competition is far more pervasive in American society than that. Individuals compete for jobs, for schools, for grades. Churches compete for parishioners. Bureaucracies compete for funds. Through competition we believe the best come to the top. In the market sense, resources are properly allocated. Throughout society competition preserves choice, and demands accountability. It is the result of economic liberty, a system of economic choices valued in its own right, but perhaps more important, because it is an integral part of the political and social liberty we cherish.

Do we know that competition works as advertised? Can we actually prove the virtues of competition, or is all of this simply an act of faith? After all, there have been both economic and social systems which do not rest on competition as the regulator and stimulus of achievement. Indeed, even in the United States the value of competition has been questioned. Competition results in both success and failure, and failure is often unacceptable. It presupposes an equality of opportunity which is often lacking. Competition, particularly at the individual level, suggests a kind of social Darwinism which many consider destructive and runs counter to a democratic notion of egalitarianism. The tension between individual liberty, on the one hand, and equality of individuals, on the other, has been a central feature of democracy from the beginning. This same tension has spilled over in antitrust decisions, particularly in the 1960s, when in words reminiscent of the civil rights cases of that same period the Sherman Act seemed to reflect a restraint on the consequences of unbridled competition in the name of equality. We have, in other words, occasionally decided that too much competition is a bad thing, and have made the decision to temper it. We cannot simply assume that competition always produces the outcomes society seeks.

During the Depression, competition itself was seen as a destructive process, a causative element in the Nation's economic difficulties. In more recent years, a growing body of critics suggests that greater cooperation among enterprises and the government would improve the position of American firms in the market place. The government, and not competition, would choose winners and losers. While suggestions that competition is inherently destructive or destabilizing have passed from the scene, the contention that competition alone will not lead to optimal technological development and efficiency has been more difficult to counter, particularly when other players in world markets don't abide by the same rules. As markets become truly international, competition as a market regulator becomes suspect. Some of the players may win by stacking the deck. But there are dangers to responding in kind, not the least of which is the erosion of the economic liberty upon which our political liberty in part depends.

Clearly our belief in the value of competition rests in part in theory, in part on the success of American economy and the material gains it has produced, and in part on faith. The empirical measure may best be seen in the events of the past year. Communism, and to a significant extent socialism, have failed. The Soviet Union and nations of Eastern Europe have turned in the direction of market economies, driven by the engine of competition. They are not all likely to be wrong. Competition is valued in part because it has provided greater prosperity and economic progress. But let us not forget that it also *tolerated*, and I use that word advisedly, as the price of *political* freedom. The Chinese learned, to their regret, that political freedom and economic liberty go hand in hand. The results of competition may be harsh. They often need tempering. But no one has yet devised a system which works better.

But let us take the virtues of competition and a capitalistic and free market as given. What has been the significance of the Sherman Act? Has it done what it was meant to do, or does it represent a promise unfulfilled? Has it done more good than harm? In the academic world, at least, there is strong disagreement on these questions. Views on the Act are mixed, to say the least.

To some, the Act may be seen as a futile gesture—indeed, an intentionally futile gesture—meant only to deflect the growing interest in Marxism, Socialism and other measures intended to curb the use of corporate power coming into vogue in the last three decades of the 19th Century. In these terms, the Act was a success at the moment of its enactment, and has caused some degree of harm with every subsequent action to enforce it. There is little historically to support this cynical view; clearly the Act was meant to have some continuing impact. But what was it to be?

Much of the disagreement over the impact of the Act—and the disagreement is considerable—arises out of uncertainty over what the Act's purpose actually is (or was). While the Congress of 1890 did not like the trusts, it was inarticulate about why. "Restraint of trade" is a remarkably loose term. Analyses of legislative history and the common law have not been terribly helpful. Debate has been more over what the Sherman Act's goals should be as a policy matter than on what Congress originally meant. At various times, and to various observers, the Sherman Act's purpose has been described as including consumer welfare, protection of small business, the control of corporate and social political power, redistribution of wealth, and simple fairness. Each of these goals has appeared in antitrust decisions under the Act, at different periods of time.

The difficulty in evaluating the Sherman Act rests in part, then, on our inability to state its purpose, or at least in the inconsistency of purpose underlying enforcement over a 100 year span. Shifts in enforcement and judicial philosophy (and, indeed, abandonment of the Act altogether in crisis), have meant that the Act has not over time fulfilled what some at any given moment expected of it. For example, the Sherman Act of the 1960s may in fact have aided small business (although this seems unlikely). As small business ceased to be a direct concern, the protection, if any, was lost. From a perspective of 1990, the Sherman Act seems to have done little to forestall the demise of small entrepreneurs.

Those who would impart to the Sherman Act lofty social and political ambitions, who perceive it as a bulwark against the oppression of economic and political liberty through the centralization of private economic power, may from the perspective of today to characterize it as a failure, a failure resulting from the inability or unwillingness of agencies and courts to carry out its mandate. Economic concentration has increased steadily. Corporate America seems larger, and sometimes beyond control. The individual seems lost in the marketplace. Conversely, to those who view the Act's purpose as protection of consumer welfare, the Act is at best a mixed blessing, all too often leading to enforcement actions that have been both inappropriate and costly, actions which have impaired efficiency and caused the loss of sales and jobs to foreign competitors.

The values and beliefs at issue go far beyond the boundaries of antitrust, encompassing broad issues of political and economic power which transcend the narrow issues with which antitrust must deal. Fear of economic concentration, faith in the ability of government to act responsibly and intelligently, and skepticism about the equation of private and public good, will lead some to seek a highly interventionist antitrust program which is, in turn, anathema to those whose major fear is the government and whose faith in free markets is unshaken. These values, however articulated, are born out of tradition, and the economic and political philosophies which we all hold. They are as much a matter of faith as demonstrable truth, however hard we may try to wrap antitrust in the trappings of science. Disagreements on these broad issues, which are central to the evaluation of the Sherman Act, the body of antitrust doctrine which it has spawned, and the performance of the institutions involved in its interpretation and enforcement, will not and cannot be resolved simply through the exercise of reason.

It would be a mistake, however, to conclude that the Sherman Act has been an exercise in futility, for it has in fact accomplished a great deal. It has deterred cartels,

preserved freedom of entry and set the stage for the control of market dominating mergers. It is very easy to lose these truly major accomplishments by arguing over the peripheries. Without the Act, there can be little doubt that cartels would be commonplace, and single firm monopoly would be more persistent. Perhaps cartels and monopoly would erode over time, even without the Sherman Act (although those of us burnt by the economists' notion of contestable markets during the airline deregulation battle remain very nervous over assertions of ease of entry). Perhaps the amount saved has not been worth the cost. How much in costs cartels have (or would have) imposed is unclear. The Sherman Act has imposed direct enforcement costs in terms of attorneys' fees, court time, litigation expenses and so on, and indirect costs in competitive conduct foregone from a fear of liability, and inefficiencies imposed by rules perceived to be misguided (although some such costs and inefficiencies may be viewed as resulting in social benefits by those who do believe the Act's sole purpose is the protection of consumer welfare). But efforts at cost-benefit analysis are necessarily doomed to failure; there is little agreement over what the costs of monopoly are even in purely economic terms (*i.e.*, monopoly profits or only deadweight loss), those costs cannot be measured in any event (particularly with respect to cartels which never occurred because of the deterrent effects of the Act), and much of what some describe as indirect costs of enforcement were the result of the conformity of the Act to what society perceived its purpose to be, costs which we were prepared to incur to achieve "benefits" not included in this equation.

The Act has deterred cartels and the development of monopoly power through enforcement actions, public and private. Perhaps it needs no further justification. But in my own view, the Act has had a significance far beyond the cartels and monopolies it has directly deterred. The Act, and the institutions it has spawned and supported, have been a steady force moving the economy in the direction of competitive outcomes. The Sherman Act is a symbol of commitment to a capitalistic market economy, and to the propriety of government action to check abuses of it. It has been the counterpoint to direct economic regulation and the tendency of government to create and nurture monopoly power. Without the Sherman Act and those involved in its enforcement, there may have been no significant check on this tendency. Deregulation and the introduction of competitive considerations into a variety of government policies may have saved the American consumer as much as all of the Sherman Act's direct enforcement combined. It is, after all, government which creates the most enduring market power. In totalling the benefits of the Sherman Act, this indirect effect must be given its due.

Finally, the symbolism of the Sherman Act—its commitment to a market economy, its assumption that competition is the best regulator of markets and its profession that government can control abuse—has had a dramatic impact outside the United States. The Sherman Act was not the first national antitrust legislation, but it has been the most influential. The world has moved in our direction. The examples are obvious—Germany, the EEC, and so on. No country has fully imitated the Act, and perhaps their antitrust systems are the better for it. The Act, after all, is hardly perfect.

But if we as a nation are best served when free market economies predominate throughout the world, in part because economic and political liberty go hand in hand, then we have also been well served by the Sherman Act, which perhaps more than anything else has been the symbol of our commitment to such an economy.

In June, 1989, I attended a small conference of American and Chinese scholars who were experts in something broadly called "economic law." It was in many ways an astonishing event. Among other things under discussion were drafts of Chinese bankruptcy, commercial, banking and, yes, antitrust legislation. The antitrust discussion sounded very familiar to one with a background in the Sherman Act. My observation during the euphoria of that conference that "I never thought I'd live to see the day when China had an antitrust law" turned out, I am afraid, to be tragically prophetic. Several hours after our Chinese colleagues boarded aircraft to begin their long journey home, government troops entered Tiananmen Square. The ideas we discussed died that night along with the gallant young Chinese who sought only a degree of freedom. But the point of our discussions was clear. Antitrust was necessary to preserve competition, according to our Chinese friends; otherwise plant managers, unwilling to bear the risks a free market imposes, would simply collaborate among themselves. But antitrust was seen as something more. It was a powerful symbol of commitment to a market economy, and to the principle that society must keep some check on accretions of private power.

I do not know how the benefit of such symbolism can be measured. But it is real, and an important part of the benefits of the Sherman Act.

Has the Act been worth the costs of enforcement and errors along the way? Surely it has, although its benefits cannot be quantified. What of the future? The impulse to cartels won't go away. Nor will the urge of government toward monoploy. Entry will not always be free, and cartels will not inevitably fail. The Act is still needed, and can accommodate new learning in the next century just as it has in the past if we are smart enough just to leave it alone.

REMARKS BY RICHARD SCHMALENSEE, MEMBER, COUNCIL OF ECONOMIC ADVISERS

It is an extraordinary honor and privilege to appear before you today with such distinguished speakers on this historic occasion. When Jim Rill invited me to speak today, he told me that my task was to represent an important antitrust constituency—economists. I am happy to do this for two reasons.

First, as any economist will be more than happy to tell you we are an underepresented—and in this town sometimes persecuted—minority. This is one of the very few Washington settings in which we could actually be described as an *important* constituency with a straight face.

Second, since we try to address issues from an economy-wide perspective at CEA, we sometimes think that the members of the American Economic Association are in fact our only constituents. And on our bad days, even they desert us.

I think I represent the views of most of my constituents correctly when I join the chorus and assert that this centennial does indeed call for a celebration. Some laws stay on the books for a long time because they are forgotten; the Sherman Act has endured because in some important senses, it has worked. The Act has had a long and productive life, one that has made our economy better than it would have been. And it has been a fruitful life; the Sherman Act has given birth to a broader antitrust policy that has many good years added ahead of it.

Some of you may expect me to support the assertion that antitrust deserves an economist's praise with numbers, but I cannot do this. This is in part because antitrust has had two very different sorts of effects on the U.S. economy. First, it has had direct effects: antitrust enforcement—and the fear of antitrust enforcement—have directly affected the economy's performance. Second, antitrust has had indirect effects: it has affected the formulation and evolution of public policies in other areas.

While I, personally, have little doubt that antitrust's direct effects have been positive, I cannot imagine how to quantify them. I have no doubt whatever that Section 1's prohibition against cartel behavior has made the U.S. economy more competitive, internationally as well as domestically. I also think that anti-merger policy has prevented a good deal of monopolization by merger—though in some periods it has also stopped more than a few efficiency-enhancing mergers. The economic effects of the other provisions of the antitrust laws, including every economist's favorite, the Robinson-Patman Act, are surely more problematic: some monopoly abuses may have been prevented, but so has some efficiency-enhancing conduct.

Thus, while the record is—inevitably—mixed, I agree with Tom Kauper that the Sherman Act's clear signal that the monopoly road to profit is closed—or at least intentionally rough—has surely increased competition and thus enhanced economic performance and consumer welfare.

The positive indirect effects of antitrust on the economy via other public policies may be more important; they are certainly even harder to measure. The antitrust laws are an expression of faith that competitive markets will generally serve the public interest well—faith that Adam Smith's seminal insight was correct. This faith is widely-shared these days—particularly in Chicago, Warsaw, and Prague—but it has not always been.

The presence of the antitrust laws has offered an alternative to public ownership and intrusive regulation that has remained viable through a century's dramatic political and economic changes. While the frequent calls for "more vigorous antitrust enforcement" in platforms of both parties have brought smiles to the lips of many cynics—including mine—it is interesting to think what else might have been prescribed if antitrust medicine were not available. And even in my short stay in Washington, I have more than once been able to use "the antitrust laws can handle that" as a winning argument against heavy-handed "fixes" to alleged competitive imperfections.

I don't want to overstate the case here: the Sherman Act surely did not create Americans' faith in competition, but I do think it has helped to sustain that faith through both tough times and many small temptations.

Let me now represent my constituents in a second way—by reflecting briefly first on what antitrust has done for economists and then on what economists have done for antitrust.

When I first took courses in industrial organization economics in the mid-1960s, I learned that a central goal of the field was to inform antitrust policy. This view began, I think, with the work of Chamberlin, Mason and others at Harvard in the 1930s;

it was certainly widely-held by the 1950s. In England, where industrial organization as a distinct field dates back to the earlier work of Alfred Marshall, competition policy was rarely if ever viewed as the object of the exercise. I think the historically greater and highly productive stress in the U.S. on general rules—empirical and, more recently, the theoretical—than on the details of particular industries flows in part from this difference in goals.

While this argument may be disputed by some of my constituents, there can be no dispute at all that antitrust has served U.S. industrial organization well as an exceptional data source. One of the great frustrations of this field is the difficulty of getting good information on firms' costs, policies, and objectives. Antitrust cases, particularly the big ones that produce large public records, have long been a rich source of well-documented examples of business behavior and market processes. Many of the classic works in industrial organization have been closely besed on particular antitrust cases. Thus, from an academic, if not a policy viewpoint, I would urge Jim Rill to bring Section 2 cases in two or three interesting industries.

I cannot quantify these two effects, but I would argue that they are not unrelated to the fact that U.S. has long dominated the world market in industrial organization.

Let me turn, finally—and with a good deal more humility—to what economists have done for antitrust. I must admit at the outset that we, as a profession, were not present at the creation. American economists in 1890 tended to be Darwinists; those few who cared about the Sherman Act viewed it as a potential negative force that might hinder the natural evolution of big business. From today's vantage point, it is interesting to note that this attitude of semi-benign neglect persisted for almost half of the Sherman Act's first century.

Some observers suggest that economists assumed the lead in the antitrust play in the 1980s, but I would dispute this—for two very different reasons. On the one hand, as long as lawyers decided cases presented by other lawyers, economists cannot be the stars—though we can occasionally turn in good supporting performances as consultants, expert witnesses, and commentators.

On the other hand, I think economists began to plan an important role in antitrust well before the 1980s. Economists have been present in the Antitrust Division since the late 1930s. The mention the cross-price elasticities of demand in the 1956 *Cellophane* decision used to be discussed in undergraduate economics classes with the sort of reverence normally reserved for passages from scripture. For better, or worse, the anticoncentration thrust of antitrust policy in the 1960s received considerable support from what was then the mainstream of industrial organization, as well as from populist sentiments. And, finally, the Antitrust Division's Economic Policy Office was founded in 1974, the year *General Dynamics* was decided.

Since the mid-1970s, I think the role of economists in the antitrust play has changed in two importants ways. First, their script has changed: the Chicago school's influence grew enormously, and antitrust policy heeded economists' growing calls for restraint and for greater concern with efficiency. Second, lawyers have begun reading from the same script as economists: the language of antitrust has changed, and there is more explicit use of economic terminology and economic reasoning. My constituents naturally think this is a good thing.

These developments illustrate a key strength of antitrust in general and of the Sherman Act in particular: its remarkable flexibility. Whatever Senator Sherman's intentions, he and his colleague drafted a "charter of economic freedom" that could not only survive the invasion of antitrust by economists, but could also change when economics changed. This achievement—and its positive effects on both the U.S. economy and U.S. economics—richly deserve today's tribute.

REMARKS BY GARY R. SPRATLING, CHIEF, SAN FRANCISCO OFFICE, ANTITRUST DIVISION

I. INTRODUCTION

When I first saw an advance copy of the program for today's ceremony, I immediately was struck by two thoughts:

First, I thought (and I'm sure most of you also thought): Someone has put together, for the most part, a great lineup of speakers for the occasion . . . but what is Spratling doing on the program with the heavy hitters?

Second, I thought: Since I am on the program, what in the world am I going to talk about, especially since I am batting at the bottom of the order?

There were a number of subjects I knew I could not plan to talk about, given who the other speakers were and the likelihood that they would cover certain areas. I knew I couldn't plan to talk about "government enforcement of the Sherman Act"—not with Attorney General Thornburgh and the country's chief antitrust enforcer, Assistant Attorney General Rill, leading off the program. I assumed that "judicial interpretation of the Act" was off limits, with Judge Wood on the program. I had the same thought with respect to "private antitrust enforcement," "development of antitrust theory," and "economic effects of the Sherman Act," with Dick Pogue, Professor Kauper, and Dr. Schmalensee as speakers.

Well, what was left? . . . Everybody's favorite subject: "Highlights from the legislative history of the Sherman Act." Now, I know that the prospect of hearing about that subject excites all of you about as much as speaking on the subject did me at first. But, before you all head for the doors to get an early start on the reception, you should know that the debates on the Sherman Act are very engaging and provocative. Although I have introduced the subject jokingly, I was amazed to discover how interesting and instructive the Sherman Act debates are; how accurately the debates foreshadowed the enforcement issues of the first 100 years, up to and including today; and how fervently everyone approached the debates.

There is no doubt that the senators and representatives who debated the Sherman Act felt real passion for or against it, and that the conduct targeted by the Act was regarded by its proponents as one of the most critical economic and legal problems facing the country.

Let me give you the flavor.

II. THE DEBATES

On March 21, 1890, Senator John Sherman, a Republican senator from Ohio, who two years earlier had narrowly lost his party's nomination for President of the United States, rose from his senate chair, and said in support of his proposed Bill:

"Mr. President:

"[A]ssociated enterprise and capital are not satisfied with partnerships and corporations competing with each other, and have invented a new form of combination, commonly called "trusts," that seeks to avoid competition. . . .

"The . . . object[s] of such a combination [are] to make competition impossible[;] . . . [to] raise or lower prices, as will best promote its selfish interests[;] . . . [and] to increase the profits of the parties composing it. . . . Such a combination . . . tends to advance the price to the consumer . . . [;] and in some cases should be denounced as a crime, and the individuals engaged in it should be punished as criminals. . . .

"If we will not endure a king as a political power, we should not endure a king over the production, transportation and sale of any of the necessaries of life."

But Democratic Senator James George, a former Chief Justice of the Mississippi Supreme Court, had grave doubts about the constitutionality and effectiveness of Senator Sherman's Bill. In a blistering attack on the bill, denouncing its scope and purpose, he concluded:

"Mr. President, I have shown that this bill is utterly unconstitutional, and, even if constitutional, utterly worthless. If we pass it we do not only a vain and useless thing; we do a wicked thing. We give to a suffering people as a remedy for a great wrong, that which will not only prove utterly inefficient, but will prove an aggravation of the evils.

". . . [The bill is] a sham, a snare, and a delusion. And that is just a sample of Senator George's lengthy, detailed, and vitriolic rebuke. What does one say in response to such a strident critique? Well, I suppose one of the late actress Gilda Radner's characters probably would have said: 'Oh, picky, picky, picky. . . . You know, it's always something.'"

But Senator Sherman, the preeminent advocate of the 51st Congress, and every bit the match of Senator George, responded:

"[The purpose of the bill] is to arm the Federal courts . . . in checking, curbing, and controlling the most dangerous combinations that now threaten the business, property, and trade of the people of the United States. And for one I do not intend to be turned from this course by fine-spun constitutional quibbles or by the plausible pretexts of associated or corporate wealth and power."

After the Judiciary Committee substantially revised the Bill and issued a report that allayed many concerns as to the Bill's constitutionality, the revised Sherman Act passed the Senate by a vote of 52 to 1. It went to the House, where the debates continued. On the one hand, Representative Heard from Ohio, in a passionate appeal, argued:

"[It is] our duty to the people who are being robbed, who . . . rely upon us for protection . . . [to] decide whether . . . by acquiescence in the continuation of the wrongs become parties to the wrongdoing . . . [or whether to] uproot and utterly destroy these evils. . . ."

On the other hand, Representative Bland from Missouri said: "The bill is not worth a copper. . . ."

III. ISSUES FORESHADOWED

A. A striking number of the issues confronted by, and debated in connection with, the Sherman Act foreshadowed current issues. For example, at one point in the debates, Senator Sherman summarized one argument against the Bill as follows:

"[Opponents of the bill] say, competition is open to all; if you do not like our prices, establish another combination or trust."

Recently I heard a not dissimilar argument from an economist making a presentation on behalf of parties whose merger was under review—admittedly a Clayton Act, not a Sherman Act question. But the argument—a barriers to entry argument—in today's vocabulary ran something like: "high supply elasticity of the competitive fringe should negate any inference of market power based on market share or the Herfindals alone."

And I'm sure some of you in the room even know—or think you know—what that means.

B. Another example of an issue that was debated in 1890, and is still very much with us, is what we today call "efficiency arguments." Senator Sherman observed during the debates:

"It is sometimes said of these combinations that they reduce prices to the consumer by better methods of production. . . ."

The same arguments are still made, of course, but with far more esoteric vocabulary and sophisticated language. In the context of a Clayton Act merger review, the 1890 argument might be articulated in today's language—some might even say today's "code"—as: "the reduction in costs to the merging firms, due to economies of scale, offsets any deadweight loss created by any possible resulting supracompetitive pricing."

The economists in the audience are thinking, "Sure, that sounds right." But, of course, nobody talked that way in 1890, not even economists.

In the analysis of a resale price maintenance program, the 1890 argument might be expressed in today's phraseology as: "the practice increases distributive efficiency by eliminating 'free rider' problems and ensuring the optimal amount of point-of-sale serices."

You know, this new jargon doesn't come cheap, and that the debaters did not predict. But then, how could the drafters possibly have foreseen how complex and sophisticated the arguments surrounding many issues would become; or how few individuals in the economic and legal disciplines would be qualified to formulate them; or how much money some of you would charge to make them.

C. Another issue clearly foreseen by the Sherman Act's drafters was that cartel-like behavior is a serious crime that would undermine the workings of a free market. In 1890, the proponents of the Sherman Act referred to cartel behavior as "conscienceless fraud" and "robbery." In 1990, Assistant Attorney General Rill, in very similar language, has referred to it as a "crime of deceit and fraud, no different in effect than outright theft."

In the area of criminal prosecutions, which has been the subject of very little change over the last 100 years, besides the increase in penalties, the vocabulary and language trend has been in the opposite direction—away from flowery and high-sounding, toward ordinary and mundane. Today, the charges in antitrust indictments typically end in the phrase, "All in violation of Title 15, United States Code, Section 1." In our first successful criminal antitrust prosecution, brought against the Federal Salt Company in 1903 in San Francisco, the indictment concluded, "All against the peace and dignity of the said United States, and contrary to the form of the statute in such case made and provided."

IV. SOME PREDICTIONS WRONG

A. A reading of the legislative history will convince anyone that the senators and representatives debating the Sherman Act were remarkably astute and foresightful. These were really smart guys. But "smart" doesn't mean "right all the time," and on some points the proponents and opponents were dead wrong in their predictions. For example, Senator Sherman, in arguing the importance of corporate penalties over individual penalties, declared:

"These corporations do not care about your criminal statutes aimed at their servants. They could give up at once one or two or three of their servants to bear this penalty for them. But when you strike at their powers, * * * when you deal with them directly, then they begin to feel the power of the Government."

However, the reality of criminal antitrust enforcement explodes that prediction. Those of us who prosecute criminal cases know that corporations readily offer—indeed, go to great lengths to get us to consider—payments of huge sums of money by the corporation in fines, restitution, and/or damages in exchange for keeping their executive from spending even one night in jail.

B. Similarly, the legislators of 1890 were wrong in their skepticism of the efficiency of private rights of action under the Sherman Act. The previously mentioned Senator George predicted:

"I do not hesitate to say that few, if any, of such [private antitrust] suits will ever be instituted, and not one will ever be successful."

Even Senator Sherman conceded that:

Very few [of these] actions will probably be brought.

Obviously, Senators Sherman and George did not count among their acquaintances the likes of Harold Kohn, Joe Alioto, Max Blecher, Steve Sussman, Harry Reasoner, Fred Furth, David Shapiro, and a good number of you. Nor did their predictions even contemplate the possibility that over 33,000 private antitrust suits would be instituted under the Act in its first 100 years.

C. Finally, on at least one issue Senator Sherman was half-right and half-wrong. He made the following statement in defense of his Bill's provision conferring a right of action by the federal government.

". . . [E]ven the United States is scarcely the equal of a powerful corporation in a suit where a single officer with insufficient pay is required to compete with the ablest lawyers encouraged with compensation far beyond the limits allowed to the highest government officer."

Well, while Sherman was sure right in saying that government officials are underpaid, he was just as wrong in predicting that government prosecutors would not be the "equal" of corporate defense attorneys. The Antitrust Division's long record of victories, and of convictions as a percentage of cases brought, repudiates that pessimistic prediction.

V. CONCLUSION: ONE OF THE MOST INFLUENTIAL PIECES OF LEGISLATION IN THE WORLD

In conclusion, those who debated the Sherman Act's passage foresaw many of the issues regarding its enforcement and gave us legislation of great vision and vitality. There remains no debate regarding the soundness of the Act's underlying premise that free and open competition must be preserved. The underlying concept has proven itself in the marketplace of ideas, and the Act drafted by a senator from Ohio 100 years ago has become one of the most influential pieces of legislation in the world. The Act has effectively maintained competition in the American economy during the first 100 years of its life, and its vital signs give every indication of continued good health for the next 100 years. Moreover, this magna carta of free enterprise has now spawned imitators around the world, becoming the model for modern and developing economies.

It seems appropriate to now turn the program back, for the purpose of its conclusion, to the person who will lead us into the second century of enforcement under the Sherman Act, the person who has been chosen by the President to consult with foreign countries contemplating privatization and a transition from state owned to free market economies. Thank you, and I give to you Assistant Attorney General Jim Rill.

Mr. INOUYE. Mr. President, I am pleased to join with my colleagues in commemorating the 100th anniversary of the Sherman Antitrust Act.

Prior to 1890, monopolists had a controlling force on the marketplace that drove small enterprises out of business and prevented other companies from even entering the market. Their power was so destructive that the demand for legislative relief was met with great unanimity.

Legislative relief occurred on July 2, 1890, with the enactment of the Sherman Antitrust Act. Associated with the name of Senator John Sherman of Ohio, its original authors were members of the Senate Judiciary Committee—George F. Edmunds of Vermont and George F. Hoar of Massachusetts.

The legislation was entitled: "An act to protect trade and commerce against unlawful restraints and monopolies." It marked the beginning of the attack on monopolies in the marketplace and the ending of unreasonable combinations and conspiracies. It was effective in restoring and maintaining a free and undirected market and in restricting collusion, price fixing, agreements not to compete, agreements to divide markets and group boycotts.

The Sherman Antitrust Act helped to foster the development of our present economic system—the notion of competition and freedom of trade directed by consumer demand.

Mr. President, I am pleased to join my colleagues in commemorating the 100th anniversary of the enactment of the Sherman Antitrust Act.

TOWARD PEACE IN CENTRAL AMERICA

Mr. KENNEDY. Mr. President, developments in Central America over the past several months, particularly in Nicaragua, have held out hope, for the first time in a decade, that a process for peace may replace years of violence and conflict. Peace initiatives and negotiations have secured this hope in Nicaragua, and hold out this prospect for El Salvador. But many obstacles remain.

Fundamental to the peace process is the ability of the governments in the region, with the support of the international community, to resolve the many refugee, humanitarian, and human rights issues that threaten peace and stability.

In order to assess progress on these issues, and to determine what further the United States should do to assist, the Subcommittee on Immigration and Refugee Affairs, which I chair, sent last month a staff mission to the area. In cooperation with my colleague, Senator SIMPSON, the ranking member on the subcommittee, we asked Jerry Tinker, the subcommittee's staff director, Michael Myers, counsel, Richard Day, minority chief counsel and staff director, and Gare Smith of my staff, to visit El Salvador, Nicaragua, Honduras, and Panama.

Some weeks ago they made their report to us and in internal memoranda to the subcommittee. But I would like to share with my colleagues, and for readers of the RECORD, a summary of the overview of their findings and observations.

Mr. President, the countries of Central America, especially Nicaragua and El Salvador, are at a critical juncture in the peace process. Central to this effort is resolving the many refugee, displaced persons and human rights problems in the region. Some progress has been achieved, but as our staff report suggests, much more remains to be done. This means rethinking our current programs of assistance, to assure that they will contribute to the removal of the obstacles to the peace process, and not maintain the existing status quo.

Mr. President, I ask that a summary of the subcommittee's staff report be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

TOWARDS PEACE IN CENTRAL AMERICA: RESOLVING REFUGEE AND HUMANITARIAN PROBLEMS

(Summary—Staff Report prepared for the use of the Subcomittee on Immigration and Refugee Affairs, Committee on the Judiciary, U.S. Senate, July 1990)

After a decade of escalating war and conflict throughout Central America—with civil wars spilling violence and instability into neighboring countries along with tens of thousands of refugees—the countries of the region are finally seeking peace and negotiated settlements. The parties to the conflicts, both governments and insurgents, are exhausted from years of endless war, of deteriorating economies, mindless bloodshed and human rights violations on all sides. With the assistance of the United Nations and neighboring Central and Latin American countries, as well as the humanitarian intervention of many nations, the prospects for peaceful change in Central America have never been brighter than today. In the case of Nicaragua, this process is well underway; in El Salvador it is just beginning.

The over-riding goal of United States foreign policy must be to advance this process, and all our diplomatic efforts and foreign assistance programs should be designed in support of this objective. This means rethinking our current economic and military assistance policies, so that they will contribute to the removal of the obstacles to the peace process, rather than simply maintaining the status quo.

Particularly critical at this stage is helping to resolve the many refugee, displaced persons and human rights problems in the region. They remain one of the principal obstacles to peace and stability.

The focal point today is Nicaragua, where—after a shaky start—the peace process as proceeded apace, but still faces significant obstacles. But thanks to the role of the United Nations, the Organization of American States, and several outside countries, the demobilization and disarmament of the contras has now been completed, following the negotiated and internationally supervised election of Mrs. Violetta Chamorro and her government. Serious hurdles remain, however, in the effort of President Chamorro go gain political, economic and security control of the country, (as the recent strikes in Managua illustrate).

In El Salvador the conflict continues, but both sides seem ready to begin serious negotiations. However, the path to peace in El Salvador will likely be far more difficult and dangerous, and must overcome deep-seated fears and the scars of many years of insurgent terrorism and military death squads.

1. NICARAGUA

Repatriation of the resistance

Second only to the elections, the demobilization of the Nicaraguan Resistance (the "contras"), was the most critical step in the peace process. Once the leadership of the Nicaraguan Resistance was persuaded by United Nations and international guarantees to commit their lives and security to the demobilization process, it moved forward only slightly behind the negotiated schedule. But the continuing needs, and fears, of the contras are genuine, and they need to be addressed in the months ahead.

First, there is obviously a need for a continued role of the United Nations and the OAS for protection and assistance in the field. There will be additional need for funding for immediate relief as well as for longer-term resettlement and integration programs.

The current test of the peace process rests with the Government of Nicaragua and its still "Sandinista-controlled" security forces—whether they will abide by the strict terms, as well as the spirit, of the negotiated agreements for the protection and reintegration of the contras. The United States should support a continued United Nations observer role in the field, and the involvement and monitoring of the Church both have played critical roles to date in the demobilization process.

Humanitarian needs of the Miskito Indians

The repatriation of the Miskito refugees from Honduras is well underway. But with the growing economic crisis affecting the eastern provinces to which they are returning, will require an emergency assistance program to assist the Miskito Indian community. There are urgent food and medical needs which a USAID disaster assessment team should survey in the short-run while a longer-term aid program is specifically designed to address the special needs of the Indian community in eastern Nicaragua.

Refugee/displaced persons assistance

With tens of thousands of refugees returning to Nicaragua from Costa Rica and Honduras, and the demobilization of the contras—all on top of an already existing 40% unemployment rate—requires that employment generating programs be established. An example would be a USAID food-for-work program, using P.L. 480 food, targeted to voluntary agency programs—and specific employment generating projects.

Economic stabilization

Finally, the over-riding issue before Nicaragua today is the need to achieve economic stability—to end the years of rampant inflation and economic stagnation caused by the conflict, the U.S. embargo, and the gross mismanagement and corruption of the former Sandinista government. Urgent commodity support has been provided by the United States, and following a donors conference in Rome in June, additional economic assistance and credit support has been offered by a number of European nations and Japan. But these are economic "band aids" while longer-term programs of economic reform and restructuring take place.

The largest share of the current U.S. aid package is for basic commodity support. But in programming this assistance, we must not lose sight of programs targeted for the most needy in rural and urban areas, such as maternal/child health, basic public health programs, and small scale agricultural projects and income generating schemes.

2. EL SALVADOR

Removing the obstacles to peace

Although a new peace process has begun in El Salvador, with negotiations underway and future meetings scheduled—and there is a genuine desire for dialogue by both parties—still serious obstacles to peace remain. Unless as many of these obstacles are removed as possible, the peace process will be in danger.

The first is to the control of violence. For the government this means control of death squads, vigilantism, and the protection of basic human rights. This task is most graphically symbolized in the senseless killing of the Jesuit Priests and what that case says about human rights and the judicial process in El Salvador. For the FMLN this means accepting a defacto, if not negotiated, cease-fire in place and a cessation of further terrorist attacks on the population. The FMLN has a serious obligation to reduce violence and maintain a climate of peace so that good-faith negotiations can proceed.

Second, is meeting the basic human needs of refugees and displaced persons. Unless this festering problem is addressed, it could become a source of conflict. The government must finally deal with the residual population of displaced persons, many thousands of whom have lived in squalid camps for nearly a decade—since the civil war escalated in the early 1980's. Programs for their resettlement and integration should be accelerated as well as those which are directed to meeting the basic human needs of the general population. USAID funds should be re-directed to this end.

Also, both the government and the FMLN must cooperate to assist those refugees who have returned from Honduras, to reintegrate into their communities in peace and security. This means the government must permit free access and allow genuine humanitarian assistance to reach those per-

sons in conflicted areas, and for the FMLN to honor this commitment by not misusing this assistance.

Conditioning U.S. assistance

To promote the peace process—to help assure that all segments of the government have a strake in its success (particularly the Salvadoran military)—the U.S. should condition continued military assistance on good faith efforts by the government to advance the peace process, and redirect economic assistance to removing the obstacles to peace rather than simply maintaining the status quo. Our commodity support programs are akin to a respirator which has kept ailing El Salvador's economy alive while war has bled its people.

Conditioning of U.S. assistance should be positive in nature, not punitive—to provide incentives for all sides to pursue peace instead of conflict. And humanitarian assistance should remain the most important priority of our overall assistance package.

3. REGIONAL HUMANITARIAN ISSUES

Nicaraguan repatriation: The Honduran government has given the Resistance until November 1 to return, and most are likely to do so long before that deadline, despite concerns about their personal security and economic support in Nicaragua. However, failure to clarify these issues may cause some members of the Resistance, as well as refugees, to seek to remain in Honduras.

A major complaint of the Resistance has been the reduction in the levels of humanitarian assistance that occurred when responsibility for that assistance shifted from USAID to the U.N. High Commissioner for Refugees. USAID had been providing food and other assistance at levels appropriate for combat units. Now, however, UNHCR is providing food at levels slightly above the normal U.N. requirements for refugee assistance.

In addition, the abrupt transition from AID to UNHCR assistance presented some immediate administrative obstacles to the UN. And the task was further complicated by the fact that the early groups of Resistance members to return to Nicaragua took with them much of the physical infrastructure and health care network that had sustained the Resistance in Honduras for the past eight years.

While the current program is sufficient for a brief transition, if the return of Resistance members and refugees is delayed, then adjustments in camp accommodations and assistance will be necessary.

Coordination: Given the complexities and multiple components of the repatriation and reintegration picture, the international community must continue its regional coordination role. This includes not only the major issues, such as the demobilization of the Resistance and assurances for their security, but also such smaller programs as the re-integration of disabled veterans of the Nicaraguan Resistance, the return to Nicaragua of former prisoners of the Resistance who had been reluctant to go home, and more.

In this context, special attention must be given not just to the efforts of the United Nations and the Organization of American States, but the United States should also join with other governments in supporting the continuing efforts of the International Conference on Central American Refugees (CIREFCA). Governments in the region, through the CIREFCA process, have proposed a number of realistic projects for meeting humanitarian and developmental needs in the region, and these are worthy of U.S. support.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. The hour of 9 a.m. having arrived, under the order, morning business is closed.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

The PRESIDENT pro tempore. Under the order, the hour of 9 a.m. having arrived, Mr. BRADLEY is recognized to offer an amendment on which there will be 1 hour of debate to be equally divided and controlled in the usual form, which means that Mr. BRADLEY will control half the time and the manager of the bill, Mr. LEAHY, if he opposes the amendment, will control half the time. If he agrees to the amendment, then the time in opposition to the amendment will be in the control of the minority leader or his designee.

The clerk will report the bill, S. 2830.

The legislative clerk read as follows:

A bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDENT pro tempore. Has the Senator offered his amendment?

Mr. BRADLEY. The Senator is prepared to offer his amendment at this time.

AMENDMENT NO. 2314

(Purpose: To provide a substitute amendment for the sugar title)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. ROTH, Mr. MOYNIHAN, Mr. CHAFEE, Mr. REID, Mr. RUDMAN Mr. LAUTENBERG, Mr. PELL, Mr. BRYAN, and Mr. KERRY, proposes an amendment numbered 2314.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 310, strike line 1 and all that follows through page 312, line 11, and insert the following:

"SEC. 206. SUGAR PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS.

"(a) IN GENERAL.—The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this section.

"(b) SUGARCANE.—The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate, but not less than 16 cents per pound for raw cane sugar, except that the level may be increased under subsection (d).

"(c) SUGAR BEETS.—The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines is fair and reasonable in relation to the loan level for sugarcane.

"(d) INCREASE IN SUPPORT PRICE.—

"(1) IN GENERAL.—The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(2) REPORT.—If the Secretary makes a determination not to increase the support price under subparagraph (A), the Secretary shall submit a report containing the findings, decision, and supporting data for the determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(e) ANNOUNCEMENTS.—The Secretary shall announce the loan rate to be applicable during any fiscal year under this section as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this section.

"(f) TERM.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of the fiscal year.

"(g) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crop of sugar beets and sugarcane.".

Mr. LEAHY. Mr. President, will the distinguished Senator from New Jersey yield to me for 1 moment?

Mr. BRADLEY. By all means.

Mr. LEAHY. Mr. President, I ask unanimous consent that in my absence, the time allotted to me be under the control of Mr. CONRAD, the Senator from North Dakota.

The PRESIDENT pro tempore. The Senator managing the bill requests the time under his control be controlled by Mr. CONRAD.

Without objection, it is so ordered.

Mr. LEAHY. I thank the Senator from New Jersey.

Mr. BRADLEY. Mr. President, the amendment I am offering today is exceptionally simple. It extends the current sugar program for 5 years; it decreases the loan rate by 2 cents, from 18 cents to 16 cents.

Mr. President, this amendment would bring modest reform to a program that is today, I believe, completely irresponsible. The sugar program hurts the American farmer, harms American industry, frustrates American foreign policy goals, undermines our attempt to eradicate drugs, sets

back our trade policy objectives, endangers our environment, and does this at a direct expense to American consumers, all 250 million of them.

Yet, the proponents of the program call it a no-cost program. I say the costs are too great and it is time for a change. First, Mr. President, let me describe how this ingeniously designed, no-cost program works.

Under current law the Commodity Credit Corporation provides nonrecourse low-interest loans to sugar growers or processors, with the sugar standing as collateral. But current law also mandates that this program be managed at no cost to the Federal Government, meaning the Secretary of Agriculture must ensure that there are no defaults on the CCC loans.

As such, he must ensure that the domestic price for sugar stays above the loan rate plus shipping, handling, and storage. Because the resulting so-called market stabilization price must cover the highest-cost producer and the greatest transportation costs from Hawaii to the Northeast, the Secretary is forced to maintain a domestic price of about 22 cents a pound or 4 cents above the loan rate.

This is a pretty tall order, Mr. President, when we consider that the world market price for sugar is much lower. To fill it, the Secretary has only one tool to make sure that domestic prices stay high, and that is import quotas.

In ensuring our sugar program will work, the Secretary has had no choice but to slash imports from some of the poorest countries in the world. Mr. President, I believe this is a wrong policy.

First, I argue the sugar program now hurts American farmers more than it helps. In 1985, in the 1985 farm bill, all major commodities took a 10-percent to 15-percent cut in total support. Some had support target prices, some loans—all took a reduction, with the exception of sugar, which stayed at 18 cents. Wheat and corn reduced, cotton and rice reduced, milk reduced, soybeans reduced, others reduced, but sugar did not take a reduction in 1985. That is total support.

If we look only at the loan rate, we see, beginning in 1981, the loan rate went up dramatically and has stayed. The loan rate for other crops dramatically dropped. What this amendment would propose is reducing the loan rate by 2 cents, which, as we see, is still considerably above the loan rate for other crops.

Had the loan rate for sugar been set at a reasonable level in 1982, or had it been reduced to a reasonable level when we last debated this issue, the cost of this program to the American farmer would not have been so obvious. But the fact of the matter is when Congress, the Government, set the price, we set it too high. As a result, sugar is a highly profitable crop.

In other words, in 1985 sugar was the only commodity not to get a cut in its subsidy and it became more profitable than other crops like wheat, corn, oats, cotton, and soybeans. The question is, How much more profitable? Well, depending on how we determine profitability, according to USDA, whether it is gross value, profit margins, whatever—and there are different ways to calculate profitability—they all maintain that sugar is more profitable. But rather than just looking at accounting numbers, let us look at the tangible evidence.

In 1982, sugarcane was harvested on 700,400 acres. In 1989, that figure was up to 800,300 acres.

For sugar beets, it was harvested on 1 million acres in 1982; 1.3 million acres in 1989. So both cane and beets increased the acreage for production. I doubt we would have seen such an expansion of acreage planted in cane and beets had growers been operating at a loss.

Mr. President, there is a sequence here. High loan rate, high market stabilization price, high rate of return leads to more acres being planted and harvested. And more in some places, significantly more acres harvested in Florida and Louisiana in cane, for example, which increased 28 percent between 1980 and 1989.

In the case of beets, acres harvested in Minnesota, Michigan, Idaho, and North Dakota increased by 38 percent as these four States went from accounting for 52 percent of all beet acres in 1980 to 66 percent of all beet acres in 1989. Not surprisingly, profit margins for cane and beets in these regions.

So, Mr. President, more acres are planted because of higher return, because of higher market stabilization price, because of higher loan rate.

The expansion of acreage, interestingly, has not been matched by a dramatic increase in the number of growers. The reason that is so, I suggest, is because in many ways the industry is a cartel. Not everyone can grow beets. If they could, a lot of people probably would switch. But, instead, you have to be a member of a beet processing cooperative, and membership is not that easy to obtain.

So, Mr. President, the shift in land to sugar is a dramatic increase, and the closed nature of the industry has had an ominous impact on the social fabric of rural America. For example, in the Wall Street Journal on June 26, they ran a front-page article on the tensions that have developed in the heartland of the sugar beet area in Minnesota. In the article, the Wall Street Journal reports that neighbors and families are no longer on speaking terms because beet growers are buying up land once used for other crops—wheat, corn and other things. I would like to quote from that article:

> • • • Across a broad swath of southern Minnesota and elsewhere, beeters, flush with sugar profits, are outbidding other farmers whenever land is rented or a farm is sold. They are driving up land prices and rents, and crowding less fortunate farmers off the land. "We've lost a whole generation of young farmers," asserts Owen Gustafson, a Maynard grain grower and a leader of Fair Farm Policy, a group protesting "inequities" of sugar subsidies.
>
> • • • Marvin Freiborg, a member of a large family of beet growers who himself worked with hogs, assailed the sugar program two months ago in a letter to the editor of the Clara City Herald. "I've kept quiet longer than I should have," he wrote. "I'm tired of watching the majority of beet growers outbid neighbors on land, expand their operations year after year, drive nice pickups, buy new equipment. . . ."
>
> "My mom was just disgusted with me," says Mr. Freiborg, who had to give up his land last fall when his landlord raised the rent. "But I told the truth about what's happening. I had an awful lot of people call me, thanking me. They're just too timid to speak out."

Another one:

> • • • Ronald Carpenter says that when he showed up at land-rent auction here at LaRae's Cafe, alone among 20 beeters, "They laughed at me. They knew I couldn't afford the cash rent. I bid just to run up the price."

Then you have the anger between farmers, between beet growers. It has grown so strong that Wallace's Farmer reported that just this month many soybean farmers are intentionally overusing the pesticide Pursuit because the pesticide poisons their land against beets for 3 years and that is one way they are able to prevent beet farmers from buying them out.

So, Mr. President, I do not think that we want an agriculture policy or an aspect of an agriculture policy that brings tension and battle between our farmers.

Let us go back to the basic formulation: The high loan rates, the high market stabilization prices, high rate of return, expansion of acreage. By doing this, we are ensuring that America is going to be self-sufficient in sugar long before the decade ends. In 1988, we produced 7.3 million tons; both beets and cane increased. But this increase in production comes at a time when American consumption of sugar is declining from 10.2 million tons in 1980 to 8.3 million tons in 1989.

Mr. President, these combined effects, these two trends, a sharp rise in domestic sugar production and a decline in consumption, can force the Secretary of Agriculture, in order to maintain the market stabilization price, to strangle imports. Net imports fell from 3.9 million tons in 1981 to 1 million tons in 1988; in other words, about a 75-percent decline. All indications are that a simple extension of the program at an 18-cent loan rate

will lead to a virtual elimination of all imports so that high loan rates convert to high market stabilization price, more acres, more sugar, and, ultimately, no imports.

Some people might applaud no imports, but when there are no imports, this no-cost program will begin to cost the American taxpayer directly either through loan forfeitures as domestic surpluses make it impossible to maintain the market stabilization price or through an imposition of costly production and marketing controls, as is envisioned in the House bill.

Mr. President, on the basis of agriculture policy, to say the least, the sugar program is dubious. But on foreign policy, the consequences are even more severe. Going from roughly 4 million tons of imports to 1 million tons of imports has been absolutely disastrous. Over the last decade, we have spent literally millions promoting democracy in Central America and fighting the burgeoning drug trade in the Andean region. We have twice sent soldiers to die in a fight for interests in Grenada and Panama, while taxpayers shell out considerable sums of money for military and foreign assistance to the region.

Our sugar program blithly undermines our national security by closing our market to one of the few ways these same countries have to earn money. In other words, instead of allowing them to export something they have a comparative advantage in, get foreign exchange, create jobs, and increase the standard of living in their own country, we prefer to let them stay in poverty, block their export of goods in which they have a comparative advantage into the United States, and instead send them foreign aid.

Mr. President, this is perverse, to say the least, but it is not hyperbole. The Sanford Commission report released last year clearly indicates that the only way to bring some sort of stability to Central America is to encourage true economic development. Yet, according to the Department of Commerce, in 1987, cutting the sugar quota effectively transferred $126 million from the poor in the Dominican Republic to American sugar farmers, $90 million from the Philippines, $30 million from Guatemala, $200 million each from Panama and El Salvador—in 1 year.

This siphoning of wealth from these poor countries has continued unabated since then. In February, the Ambassador of El Salvador wrote: "Sugar is the second most important commodity for El Salvador in terms of jobs and foreign exchange. The loss of the United States quota over the last several years has had a devastating impact on our economy." Mr. President, this is an economy, I might add, that we send some $90 million in military assistance alone each year to help combat an insurgency that is created by this very economic devastation.

Then there is the Caribbean Basin Initiative. It is to encourage U.S. investment and increase the standard of living in the Caribbean countries. We like the CBI so much that we even extended it in perpetuity recently. While the CBI was to bring economic growth and social stability to the countries in the region, the Overseas Council estimates our sugar programs offset the entire benefit of the CBI. In other words, give the Caribbean countries with one hand, the CBI, and take from the Caribbean countries with the other hand through the sugar quota. The people are still in poverty.

I ask unanimous consent that a study by Terry McCoy, of the Latin American Studies Institute, University of Florida, be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

[Excerpts]

[Commission for the Study of International Migration and Cooperative Economic Development]

U.S. POLICY AND THE CARIBBEAN BASIN SUGAR INDUSTRY IMPLICATIONS FOR MIGRATION, MAY 1990

(By Terry L. McCoy)

A proposal to subsidize those Caribbean sugar imports to be refined in the United States and reexported for one year was never implemented, even though it had been passed by Congress. Although these efforts have thus far failed, Basin countries did benefit from temporary reallocation of the Nicaraguan quota in 1983 and the Panamanian quota in 1988 as the result of well-known political disputes with these countries and from the general increases in foreign quotas, due to domestic shortfalls. In spite of these recent gains, Caribbean Basin sugar exports to the United States fell by 73 percent between 1981 and 1989, and with recent events it seems likely that both Nicaragua and Panama will be returned to active quota status.

CONSEQUENCES

There are several ways to measure the effects of the drastic drop in Caribbean Basin sugar exports to the United States. The first is lost income. Messina reports that in constant dollars the total value of 1988 sugar exports from Caribbean Basin countries was $97,118,000 compared to $543,947,000 in 1981. This represents an 82 percent direct loss in hard currency export earnings because of lower quotas. It does not account for the loss resulting from lower quotas. It does not account for the loss resulting from lower world prices occasioned by the increased sugar dumped on the world market. Furthermore, it can be demonstrated that the exporters would have been better off in income terms without a U.S. sugar program with its higher quota price. Although this scenario would have meant a lower price per pound, free access to the U.S. market would have higher volume and greater income.

The loss in sugar export earnings more than offset U.S. assistance programs to the region and gains made under the CBI. This net loss comes in the midst of crushing foreign debt and the worst economic crisis since the Great Depression.

Nontraditional, CBI-promoted exports to the United States have increased. However, they have not come close to replacing the income lost from declining sugar sales. Because of their relatively low value-added (20 percent vs. 90 percent for sugar), it would take, for instance, a $4.5 million increase in textile exports to offset a $1 million decrease in sugar exports. That has not happened, and the best that can be concluded about the CBI is that the beneficiaries would have been even worse off without it. Put positively; the evidence demonstrates that small increases in the sugar quota would provide larger gains than the entire CBI program.

The second major consequence is the effect of declining sugar imports on Basin employment. Although the data is sketchy, the picture is alarming in a region where unemployment has grown as a consequence of economic crisis. According to one study, 400,000 jobs in 22 Caribbean Basin nations were lost from 1982 to 1988 as the result of the decline in U.S. import quotas. This contrasts with a gain of only 136,000 new jobs in nontraditional export industries. These figures may underestimate the impact of the declining quotas, since some Basin governments have continued to operate their sugar industries at a loss to avoid the social and political costs of laying off workers. From 1981 to 1985, total sugar production in the region declined by only 17,500 tons while quotas were cut by 200,000 tons. Presumably, much of the surplus sugar was sold on the world market at a loss. Nations with heavy debts and nagging fiscal deficits cannot afford to subsidize their sugar industries indefinitely, and sooner or later declining exports translate into fewer jobs. Whether this then results in social unrest, political instability and increased emigration remains to be seen, but it holds the promise for such dire consequences.

Table 4 enumerates the U.S. quota picture for each of the 12 countries covered in this paper. Although the percentage losses from 1981 to 1989 are comparable, effects vary from one country to another according to the importance of sugar in the local economy, nature and performance of the industry and its import intensity and dependence on the U.S. market. Because of these differences, we shall examine the consequences in individual cases or groups of countries.

THE DOMINICAN REPUBLIC

The hardest hit in both relative and absolute terms has been the Dominican Republic, which is a major source of Basin migration to the United States. Excluding Cuba, the Dominican Republic is the leading sugar producer in the Caribbean Basin. Sugar is very important to the economy, and the industry is heavily export-intensive and dependent on the U.S. market (about 70 percent of traded sugar went to the United States). In 1986, sugar accounted for 17.1 percent of the GDP; it was the second largest employer, supporting one out of every ten Dominicans; and it provided about a quarter of all foreign exchange. Among those employed are large numbers of Haitian cane cutters, and it is they who have traditionally born the brunt of the burden occasioned by adjustment in the sugar industry. The government is heavily involved in the industry, owning some of it and regulating all; and there is a tendency for the state to absorb losses rather than provoke strong political reactions by taking land out of production, closing unprofitable mills or

firing workers. This has obvious economic consequences.

Dominican sugar production had increased steadily. In the 1960s, it benefitted from reallocation of the Cuban quota; in the 1970s, it responded to high world prices and, for a time, free access to the U.S. market. Although the Dominican Republic received the largest quota allocation in 1982, its total tonnage dropped by nearly 50 percent and continued to decline before receiving small increases in 1988 and 1989. As of 1988, the accumulated loss from this cutback was $500 million. This produced instability in the public sector, which depends on sugar profits and export taxes as major sources of revenue.

The Dominican government, with assistance from U.S. AID, has pursued crop diversification to lessen dependence on sugar, but much of the sugar acreage is not suitable for other crops. At this point, it is the country that has suffered most from recent U.S. sugar policy.

GUATEMALA

Guatemala has the second largest quota of the Basin nations. Following a major expansion in the early 1980s, sugar became its third most important crop and second largest employer, with around 35,000 seasonal and full time workers. It is a major earner of foreign exchange, which until recently had been generated almost entirely through sales to the U.S. As access to this market has decreased, Guatemala, which has not significantly cut production, has increasingly sold its sugar on the world market at much lower prices. Overall earnings from sugar exports declined from an annual average of $81 million in the period 1975—Guatemala producers have successfully lobbied the government for high internal prices, which have partially offset export losses while adding to the fiscal deficit. There is an incipient effort to convert sugar cane to ethanol.

EL SALVADOR, HONDURAS AND COSTA RICA

These three Central American countries are small producers by world standards, and sugar is less dominant there than elsewhere in the Basin, but it is still important. Ironically sugar production rose in the 1970s and early 1980s in an attempt to lessen dependence on traditional exports. In the mid-1980s, the three benefitted from the exclusive reassignment of the Nicaraguan quota (which does not show up in Table 4), and they continued to increase production. But after 1985, cuts in their quotas were greater than gains from the Nicaraguan quota. Earnings from U.S. exports rose from $53.6 million in 1982 to $83 million in 1984 and then fell to $55 million in 1986. They have continued to fall, and now the three must face the probability that Nicaragua and Panama will regain their quotas. All three are experimenting with ethanol production from sugar cane.

TABLE 4.—U.S. SUGAR IMPORTS FROM SELECTED CARIBBEAN BASIN COUNTRIES

[Taw value, short tons]

Country	Average imports, 1975–81	Raw sugar quotas				Percent change, 1975–81–1989
		1982–83	1987	1988	1989	
Barbados	37,500	19,600	7,500	8,205	8,205	−78
Belize	53,000	30,800	10,010	16,692	12,770	−76
Costa Rica	82,990	42,000	17,583	19,578	22,925	−71
Dominican Republic	815,335	492,800	160,160	176,710	204,290	−75
El Salvador	129,090	72,800	26,020	28,815	33,488	−74
Guatemala	216,995	134,400	43,680	48,185	55,717	−74
Haiti	6,380	16,500	7,500	8,000	8,000	+25
Honduras	42,765	28,000	15,917	17,877	21,118	−51
Jamaica	47,890	30,800	10,010	16,692	2,770	−73
Panama	130,975	81,200	26,500	.....	33,663	−74
St. Kits-Nevis	19,120	16,500	7,500	8,000	8,000	−58
Trinidad-Tobago	31,550	19,600	7,500	8,588	8,205	−74
Totals	1,613,590	985,000	339,770	357,342	429,151	−73

Sources: U.S. Department of Commerce, International Trade Administration, United States Sugar Policy: An Analysis (Washington, D.C.: Government Printing Office, 1988), p. 74; and William A. Messina, Jr., "U.S. Sugar Policy: A Welfare Analysis of Policy Options under Pending Caribbean Basin Expansion Act Legislation," M.S. Thesis, University of Florida, 1989, p. 18.

JAMAICA, BELIZE, BARBADOS, TRINIDAD & TOBAGO AND ST. KITTS-NEVIS

As former British colonies, these five countries are signatories of the Lome Convention's Sugar Protocol which allows them to export sugar under preferential terms to the European Community. This means that they have both U.S. and E.C. quotas, but their sugar industries are in varying degrees of disarray. In fact, their combined production dropped from 819,000 tons in 1975 to 585,000 in 1981. Since 1981, overall production has stabilized, although individual countries are occasionally unable to meet their U.S. or E.C. quotas out of domestic production so they buy on the world market in order to earn the quota price and not lose the foreign exchange. In spite of recent declines, sugar remains very important in all five countries. It is a leading, if not the leading, export commodity and source of foreign exchange. The industry employs 45,000 (16 percent of the labor force) in Jamaica; 20,000 (25 percent) in Belize; 10,000 in Barbados; 15,000 in Trinidad and Tobago; and 6,000 (35 percent) in St. Kitts-Nevis. This employment profile and the high rates of unemployment in these countries make it difficult to reduce the labor force in response to declining demand. This has meant government subsidies for the sugar industry.

While their U.S. quotas have decreased by around 75 percent since 1981, overall earnings from sugar exports have dropped by less because of access to the E.C. market, which is the more important of the two. Diversification out of sugar has been a policy objective for some time, given the declining performance of the industry, but it has received a boost in recent years. Winter fruits and vegetables as well as ethanol are currently receiving attention.

PANAMA

The sugar industry has been an important source of employment and foreign exchange for Panama, accounting for 10–15 percent of total employment and 20 percent of export earnings in peak years. The industry expanded during the 1970s and early 1980s prior to resumption of U.S. quotas. Because Panama depends heavily on the U.S. market, the reduction in its quotas has had serious consequences. Overall earnings from sugar exports fell from $51 million in 1981 to no more than $10 million in 1987. In 1988, the U.S. government suspended Panamanian sugar imports as part of its economic sanctions against the Noriega government. Now that Noriega has been removed, the United States must reclaim the Panamanian quota from those countries to which it was temporarily assigned, reducing their earnings, yet the quota is so diminished that it does not constitute much of a contribution to the reconstruction of Panama, a country facing massive unemployment and foreign exchange shortages.

HAITI

Haiti was at one time the world's leading sugar producer. Although Haiti is currently assigned a U.S quota, which is actually higher than average annual imports during the 1975–81 period, the sugar industry has deteriorated to the point that Haiti is today a net importer of sugar.

IV. CONCLUSION

Summary

This paper has made the following points regarding the Caribbean Basin sugar industry, U.S. sugar policy and the consequences for migration: (1) sugar is central to the countries of the Basin; (2) U.S. sugar policy has been an important factor shaping the development of the Basin sugar industry; but (3) U.S. sugar policy is largely dictated by domestic forces and considerations while exporting countries dependent on the U.S. market can only adjust to changes in policy; (4) the most recent changes, which were adopted beginning in 1982, have produced a sharp and, until recently, persistent drop in Caribbean Basin sugar exports to the United States; (5) this decline has had serious consequences for the Basin at a time of deep economic crisis. The loss from sugar earnings has more than offset development assistance, most notably under the Caribbean Basin Initiative, thereby undermining U.S. foreign policy goals; and (6) while the linkages are not precise and the data only suggestive, it seems reasonable to conclude that current U.S. sugar policy indirectly encourages Caribbean Basin migration to the United States by contributing to unemployment, reducing the rate of economic growth and diminishing foreign exchange earnings.

There are prospects for change in this situation since both the Caribbean Basin sugar industry and U.S. sugar policy are at significant crossroads.

Mr. BRADLEY. Mr. President, he states the loss of sugar export earnings has more than offset U.S. assistance to the Caribbean Basin and Central America and offset the gains by the CBI. This net loss comes in the midst of pressing foreign debt and the worst economic crisis since the Great Depression.

Mr. President, take Nicaragua, our congressional preoccupation for about a decade. Violeta Chamorro says they need to reconstruct the Nicaraguan economy, ravaged by years of war and mismanagement. Sugar is a major export for the country. While her deficit is constraining our aid, we add insult to injury by telling Mrs. Chamorro, no, we are sorry but we are only going to import some 20,000 tons of sugar from Nicaragua, a 70 percent cut in their 1982 quota.

So, Mr. President, our sugar program treats all our allies equally badly, whether they are African States, the Philippines, Central America, Australia. During the debate on sugar in 1985, some opponents of reform were clearly willing to accept this foreign policy cost by saying our foreign policy objectives cannot be bought at the expense of our farmers. I suppose we are going to hear that again. OK. So we should say, forget all the talk about democracy and freedom when it comes to sugar.

Mr. President, I say that if we fail to change the sugar program that undermines our foreign policy, it is a cost to the American taxpayer.

Mr. President, I see the distinguished Senator from Delaware on the floor at the moment, and I am prepared to yield to him if he would like to make his statement at this time.

The PRESIDENT pro tempore. How much time does the Senator from New Jersey yield to the Senator from Delaware [Mr. ROTH]?

Mr. BRADLEY. I yield 5 minutes to the Senator from Delaware.

The PRESIDENT pro tempore. The Senator from Delaware [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. I appreciate the courtesy of the Senator.

Mr. President, I rise today to join my colleague, Senator BRADLEY, in proposing this amendment to cut the loan rate for domestic sugar by 2 cents. I have said many times that this body must be willing to do all that is necessary to improve the competitive posture of America. Watching the exciting events transpire around the world, the democratization of Central and Eastern Europe, the unification of Germany, the rapid growth of the Pacific rim, we realize that we can no longer rest assured of world leadership. Even the most minor refinements to our system—like adjusting a spark plug another quarter turn in an engine—are necessary to keep our economy and competitiveness tuned and running well.

No longer can we afford false economies created by Congress to protect specific special interests. No longer can we afford to turn to the taxpayer time and again to finance grandiose subsidies. And no longer can we penalize our consumers through a form of domestic protectionism. Our objectives must be to let free market principles govern our economy. They built our nation. They made us No. 1. And I believe that with the right kinds of policies from this body, they will keep us there into the 21st century and beyond.

One minor adjustment—minor but with far-reaching implications—is the sugar subsidies that guarantee domestic sugar growers 18 cents a pound for raw sugar. As we know, this guarantee is to protect domestic growers from defaulting on loans issued by the Commodity Credit Corporation. To do this, the Secretary of Agriculture has to stabilize the domestic market price at 22 cents a pound which forces us into protectionism against exporting countries.

It is easy to see how this convoluted system artificially inflates the price of sugar for our consumers, while at the same time forcing our taxpayers to make up the difference, as will happen if the current program is extended. I guess it can be said that when you buy that lollipop for the grandchildren, or ice cream in summer, you are actually paying three times: At the counter, in your taxes, and to make up the difference in cost because the lower priced imported sugar is kept out of our market.

Unfortunately, however, our families are affected in more ways than one. Sure, the grocery bills are more costly—to guarantee high prices for domestic growers. But on top of this, our families are losing jobs. Sugar is a major food stuff—a major ingredient in food stuffs—and since our domestic prices are kept artificially high, confectioners, bakers, candy manufacturers—they are finding it easier to do business outside of our borders—to go into Canada and Mexico where they can get sugar at international prices at around 12 cents per pound—that is 10 cents lower than their cost in the United States. We have retailers finding it less expensive to import sugar containing foods than to buy American-made varieties. These measures are estimated by the Department of Commerce to cost the American consumer between $2 and $3 billion a year.

What a heavy price to be extracting at a time when we need to encourage our folks to get serious about the emerging global economic community and the need to be competitive. The criteria for legislation on this floor over the next few years must meet the test of the three E's: Effectiveness, efficiency, and expense.

Mr. President, the current farm bill, with its proposal to extend the 18 cents per pound loan rate for sugar meets none of these. It is inefficient, ineffective, and very expensive to the consumer. Consequently, I am happy to cosponser this amendment to reduce the loan rate to 16 cents. Clearly, a 2-cent reduction is not going to restore the proper and necessary balance needed to the sugar trade. It is not going to drastically reduce the artificially inflated costs our consumers pay. But it is a step in the right direction. At best, it will bring the domestic sugar growing industry back to reality. Currently, that industry is planting crops at record pace to fatten itself on generous Government handouts—all which will be at the expense of the taxpayer.

All indications are that a simple extension of the program will lead to the virtual elimination of imports before the decade is over. At that time, this so-called no cost program—and the program has never really been no cost—will begin to cost the American taxpayer directly, either through loan forfeiture as prices decline below the loan rate, or through the imposition of costly production marketing controls. The time calls for action now.

If we do not begin now to restore some semblance of reality, our endeavors to do so in the future will become increasingly more difficult.

I urge my colleagues to support this measure.

Mr. BRADLEY. Mr. President, how much time remains on the proponent's side?

The PRESIDENT pro tempore. The Senator from New Jersey has 5 minutes remaining.

Mr. BRADLEY. I will try to cover a lot of territory here.

Mr. President, I have argued that the sugar program hurts the American farmer and frustrates American foreign policy. I would also argue that it undermines our attempts to eradicate the drug trade.

Mr. President, 90 percent of the cocaine that reaches the United States comes from coca produced in two Andean countries, Peru and Bolivia. But as a detailed report by the Senate Permanent Subcommittee on Investigations points out, eradication efforts are failing in large measure because of the desperate economic conditions of these countries. The report specifically recommends:

Concrete efforts should be undertaken immediately to assure that U.S. antidrug and economic policies regarding the Andean region are fully coordinated and not operating at cross purposes. The U.S. approach to source country anti-narcotic efforts should

be comprehensive and sustained, focusing simultaneously on eradication, interdiction and drug-related economic development.

Mr. President, I ask unanimous consent that a February 14 op-ed by Senators NUNN and LIEBERMAN which summarizes the report be placed in the RECORD at this time.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 14, 1990]

HOOKED ON COCA

(By Sam Nunn and Joseph I. Lieberman)

To date, our anti-drug efforts in South America have focused primarily on law enforcement such as the eradication and interdiction of coca and the capture of drug traffickers, efforts that are essential and should be intensified. But a more balanced approach—including a comprehensive economic plan for the Andean region—is required. Tomorrow's drug summit in Colombia, at which President Bush will meet with the leaders of that country and of Bolivia and Peru, provides an ideal opportunity for the administration to put forward such a plan.

Ninety percent of the cocaine that reaches the United States comes from coca grown in Bolivia and Peru and processed in Colombia. Despite the recent crackdown on the drug cartels in Colombia, none of these countries has been able to keep farmers from planting coca. This failure stems from two factors: the desperate economic conditions in that part of the world and the consequent political instability.

Peru's gross domestic product shrank 28 percent in the first quarter of this year, and its inflation rate has been running at more than 5,000 percent since January. Fifty percent of Bolivia's work force is either out of work, underemployed or at work producing coca. Colombia's economy has fared better, but the recent collapse of international coffee agreement threatens its export market.

It should therefore not be surprising that so many people in the Andean region are involved in coca production. In Bolivia one hectare of coca yields a profit of $1,000 per year, versus a $200 yearly profit from an equivalent amount of soya, the next most lucrative crop. Peruvians earn $2.7 billion from their legal exports, and up to $1 billion from cocaine. All three countries have become financially hooked on the foreign exchange from their drug trade.

The democracies of the Andean region also face Marxist guerrilla movements and other insurgencies, many of which are tied to cocaine production. Peru is reluctant to crack down on its 300,000 coca cultivators for fear of driving more of them into the camp of the brutal and powerful Sendero Luminaso (Shining Path) insurgency. Bolivia fears that foreign military intervention or an aggressive campaign of eradicating coca fields would further radicalize well-organized peasant unions and risk a rebellion among its 200,000 cultivators. Colombian society has been rocked by terrorism in the wake of the government crackdown on drug lords, with a number of political leaders questioning the widsom of aggressive law enforcement.

This year's U.S. budget contains some $14 billion for foreign aid, but of that only $261 million will go to the Andean nations. They deserve a larger share of the foreign-aid pie because of the direct relationship between their economic woes and our drug crisis.

But there are also significant steps we can take without directly increasing foreign aid. We should coordinate trade policies with our drug war. In Senate hearings, the Colombian ambassador to the United States expressed frustration at our policy of simultaneously urging an end to the lucrative drug business while permitting collapse of the international coffee agreement. Coffee accounts for a third of Colombia's legal exports, and its recent precipitous drop in price will cost that country up to $500 million this year. In the same hearings, drug policy director William Bennett and a State Department narcotics official testified that they had not even been consulted by State's Bureau of Economic and Business Affairs about the coffee negotiations.

We should also consider granting larger import quotas and lower tariffs for agricultural products to replace coca, such as citrus juice concentrate, coffee, sugar and flowers. And we should provide agricultural and technological assistance to Andean nations to promote development of such alternative crops and products. An economic plan for the Andean region should include increasing our import quotas for manufactured goods and reducing duties on goods from those countries for a 12-year period.

Easing the Andean nations' debt problems can also play a role in the international drug war. Their external debt now totals more than $42 billion. The leading industrialized nations could create a "debt for drug reduction" swap, as has been suggested by Sen. Joseph Biden (D-Del.)—agreeing to reschedule or forgive some portion of debt on the condition that an equivalent amount of money be spent in local currency on the drug fight.

European nations, which will be represented at the drug summit, should be receptive because they have been targeted by the drug lords as the next major market for cocaine. Wealthy Asian countries, including Japan, should also be encouraged to help salvage the economies of the Andean region.

We will not gain the sustained, effective cooperation of the Andean nations until more of their people have other ways earning a living. Until then they will remain as dependent on cocaine as the hundreds of thousands of American addicts who are consuming it.

Mr. BRADLEY. Mr. President, sugar was once a major crop to both Peru and Bolivia. During the seventies virtually all their sugar exports were destined for the United States, but the need to sustain the 18-cent loan rate for sugar changed all that. The combined sugar quota for Peru and Bolivia fell from 137,000 tons in 1982 to 49,000 tons in 1988. The amount of land in sugar production dropped from 30,000 hectares to 13,000 hectares or 2,000 hectares.

So, Mr. President, there is no question that if we want countries like Peru and Bolivia to move out of the production of coca, they have to be able to make money in another product. That other product is sugar. But as long as we block the export of that sugar to our markets, then they are put in a position where combating and eradicating drug production, production of coca, in their countries is exceedingly difficult.

There is another aspect to the coca production problem: Cultivation and processing in Peru and Bolivia are destroying the sensitive Amazon River basin. Rain forests are being hacked away at an alarming rate to make room for coca production. And millions of barrels of the toxic chemicals used for processing raw coca leaves in the field are polluting the virgin headwaters of the Amazon. Environmental engineers at Peru's Agrarian University estimates that some 8 million gallons of sulfuric acid, 15 million gallons of kerosene, 3,200 tons of carbida and 1.6 million tons each of the solvents acetone and toluene are dumped into the watershed of the Upper Huallagua Valley alone each year. Many species of fish, amphibians and other wildlife have already disappeared from the area's rivers and streams.

Mr. President, there is another major environmental impact of our sugar policy, but this one is much closer to home—in the Florida Everglades.

The high loan rate and high rate of return led to 20 percent increase in the acreage, 60,000 acres, devoted to cane in Florida during the 1980's. That increase has been a primary cause for the increase in phosporous and nitrate pollution of the Everglades. The nutrient rich water drained from the 700,000 acre Everglades Agricultural Area may mean that the national park will face the same fate that befell nearby Lake Okeechobee, one of the Nation's largest natural freshwater lakes and a principal water source for the Everglades. During the 1970's and 1980's, Lake Okeechobee was flooded by agricultural drainage water. This has nearly destroyed the lake's ability to sustain its rich and diverse acquatic ecosystem. The same thing is happening in the Everglades where the native saw-grass system and its associated wildlife is being displaced by pollution tolerant plant species. Already, tens of thousands of acres of lush marsh habitat have been irreversibly changed to cattails, decimating native populations of fish and wildlife.

The expansion of sugar production has also exacerbated the water shortage facing south Florida. During the last year's drought, while the Everglades went dry and wildlife died, and while urban residents faced water emergency conditions, sugar producers continued to receive their full complement of water. Agriculture already consumes 80 percent of southern Florida's water; our sugar program only increases this draining.

These environmental problems are intolerable. After years of futile attempts to use pursuasion to resolve the problem, the Federal Government has now filed suit to stop the pollution. Years of costly litigation will pass before these suits can be expected to

bring relief to one of our most treasured national parks. Environmental groups are aware of this, and fully support this amendment as a quicker way to begin to resolve the problem. Mr. President, I ask unanimous consent that the attached letter endorsing the amendment, signed by the representatives of the Sierra Club, the Wilderness Society, the National Wildlife Federation, the Natural Resources Defense Council and the Florida Audubon Society be inserted into the RECORD.

Mr. President, there is another aspect of our Florida cane industry that I must mention briefly, for I doubt most of my colleagues are aware of it. Whereas the cane industry in Hawaii is highly mechanized, in Florida, the thick muck in which the cane is grown means that much of it must be harvested by hand. This is back-breaking work; not surprisingly, it attracts few Florida residents.

The PRESIDENT pro tempore. All the time controlled by the Senator has expired.

Mr. BRADLEY. Mr. President, I ask unanimous consent for 2 more minutes.

The PRESIDENT pro tempore. Is there objection? The chair hears none. The Senator is recognized for 2 more minutes.

Mr. CONRAD. Reserving the right to object, Mr. President.

The PRESIDENT pro tempore. The Senator from North Dakota reserves the right to object.

Mr. CONRAD. I will not object, but perhaps we can just add 5 minutes on both sides. Would that be agreeable?

Mr. BRADLEY. I have no objection.

The PRESIDENT pro tempore. There are other orders that follow this one which would be penalized thereby. Is there objection to the Senator's request? The chair hears none. Without objection, the Senator is recognized for 2 minutes.

As a result, the Florida cane industry must import some 10,000 temporary workers from the Caribbean under the special H-2 program. A recent highly acclaimed documentary film by Stephanie Black called "H-2 Worker" depicts all too graphically the horrible conditions these men are forced to work under. A review of the move I said the 10,000 workers live in barracks resembling prison camps, and they labor for a little over a dollar an hour. Articles talk about police dogs attacking workers, and workers being shipped home and being black listed from the industry.

Now I am the last to say that their working conditions would be any better in Haiti, or Jamaica, or the Dominican Republic, but it is unconscionable that such treatment should still be permitted in this country.

The issue does not stop with imported workers. What about the American workers in the food processing industries, so conveniently forgotten by proponents of the sugar program? And what of the 5,000 cane refinery workers who have watched half of our refiners close over the past several years?

Mr. President, I recall how supporters of the sugar program argued in 1985 that any attempt to lower the loan rate for sugar would increase the trade deficit since sugar imports would rise.

Obviously, those pushing this line have never heard of the concept of value added. The simple fact of the matter is that sugar that is not allowed to enter this country because of the quotas is entering anyway, in the form of processed foods. And imports of processed foods harm our trade deficit far more than would imports of sugar, by the margin of the value added in the product.

Sugar is a key ingredient in virtually all processed foods, and especially in candy, baked goods, cereal, chocolate, cookies, and others. The 23,000 food manufacturers employ 1.6 million workers; the 24,400 retail bakeries and confectioners employ another 200,000. And, because these firms are forced to use relatively high-priced American sugar, they have seen imports there from foreign competition skyrocket—140 percent between 1980 and 1987 in the case of candy; 188 percent in the case of biscuits and cakes. Imports of sugar in sugar-containing products more generally leapt 153 percent between 1980 and 1989. This is undoubtedly one reason why candy manufacturers like J.S. Brach have sought foreign trade zone status; and it is undoubtedly one reason why the Bakery, Confectionery, and Tobacco Workers International Union wrote in support of this amendment. Mr. President, I ask unanimous consent to place their letter of support into the RECORD.

And finally, as if all the indirect costs of the sugar program were not enough, there is a huge direct cost as well. In effect, every single American, whether old or wealthy enough to pay taxes or not pays for this program everytime he sweetens his cereal or her morning coffee. And the true pity of it is that this tax is highly regressive, since people with lower incomes spend far more of their money on food. The Department of Commerce estimated that America paid over $3 billion in 1987 for the no cost program. More recently, USDA estimated that over the past 3 years, consumers have shelled out nearly over $6 billion to support sugar and sweetener prices that are higher than would otherwise be the case. According to USDA, this premium translates into a benefit of up to $50,000 for each of the 9,900 sugar beet farmers and a whopping $235,000 for the 1,900 sugarcane growers. In the most conservative estimate I've seen, the Federal Trade Commission puts the price tag at $806 million a year.

Supporters of the sugar program dispute these estimates, which are based largely on the disparity between U.S. domestic sugar prices and world prices. They don't question that U.S. raw sugar prices are higher than the price of raw sugar on the world market; rather, they believe that the world market price is not relevant, that it's a dump price. Now that's an interesting argument; my bet is that most American consumers would be delighted to take cheaper sugar, and cheaper food, even at the so-called dump price; if the Europeans want to subsidize our standard of living, let them.

But the argument's specious anyway. When he was still at USDA, Jack Roney of the Hawaiian Sugar Planters Association argued that the 28 percent share of world sugar production traded in international markets was equal to or greater than that of most major commodities. Of this 28 percent, only a small portion, 6.3 percent, is traded at preferential rates, including U.S. quota imports, EC purchases and Soviets procurements from Cuba. The remaining 21.7 percent traded in international markets stacks up well against other commodities. Only 21 percent of world wheat production is traded at world prices, versus 28 percent for soybeans and 15 percent for corn. Yet I've not heard anyone argue that these are dump prices, even though governments provide substantial subsidies to farmers of these products. Perhaps even more significant is that Congress, the U.S. Department of Agriculture and the Nation's rice producers have recognized world market prices as an effective reference point for marketing loan payments even though only 3.9 percent of rice production is traded on the world market.

Whatever the reference point, the American consumer is getting rooked. Ask him. Ask all the major consumer advocacy groups. Ask editorial writers in newspapers throughout the land. They'll tell you.

Mr. President, I have gone on at great lengths about the tremendous costs I see in the sugar program. But before I yield the floor, I want to stress that our amendment proposes only a 2-penny reduction in the loan rate, will not cure all the ills I have described.

It makes a modest adjustment on the returns of 12,000 sugar growers concentrated in eight States: Hawaii, Florida, and Louisiana for cane, and Minnesota, California, Idaho, North Dakota, and Michigan. This adjustment is fair and equitable with the cuts in support price payments that all other major commodities took in the 1985 bill. This will do little more than

stop the net expansion in acreage devoted to sugar, as secular declines in Hawaiian acreage and shifts to cash crops suddenly made relatively profitable in California are offset somewhat by technology-driven increases in sugar extraction from beets. Overall, this should help address the agricultural and environmental policy problems. And it may help imports stabilize at the current level of just under 2 million metric tons, which will help address the foreign policy, drug policy, competitiveness, and consumer issues.

If passed, the amendment should have other benefits as well. The Uruguay round of trade talks, perhaps the most ambitious attempt to liberalize world trade since the inception of the General Agreement on Tariffs and Trade 40 years ago, is now deadlocked largely because of European and American differences over agricultural trade policy. The Europeans, whose own agricultural policy is inexcusable, regularly point to our refusal to reform our sugar program as one reason they needn't accept the political cost of reforming the Common Agricultural Policy.

In effect, the adjustment I'm proposing to the sugar loan rate will put the Europeans on the defensive, especially about their own sugar program. As the administration has said, the 10 percent reduction in the loan rate is not unilateral disarmament, it is an ante. And if the Europeans match us, we have a chance of returning world sugar markets to something resembling normalcy. The dynamic benefits of this, especially for producers like the Andean nations, should not be underestimated.

Mr. President, simply sustaining the status quo would be inexcusable. My amendment will not by any means gut the sugar program. Nor will it weaken the bill; rather, it will add some substance to the environmental and consumer aspects of it. I hope my colleagues will join me in supporting this amendment.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. CONRAD] now has control of the remaining time in opposition to the amendment.

Mr. CONRAD. Mr. President, I ask that the chair advise me at the end of 10 minutes so that I might limit my remarks so other of my colleagues would have time to speak.

The PRESIDENT pro tempore. The chair will so advise the Senator.

Mr. CONRAD. I thank the chair.

Mr. President, we have heard a lot of novel arguments advanced in this body on a whole range of issues, but never have I heard a more novel argument than the one that has been advanced by the opponents of the sugar program. The other day I received a letter in my office from the opponents of the sugar program who argue that if we would cut back the loan rate to our farmers by 2 cents a pound, all of a sudden we could do all the good things that need to be done in the world. We would be able to stamp out the drug trade. We would be able to save the rain forests in the Amazon. All of a sudden, we would be able to, in one blow, solve two of the major problems confronting our society.

Mr. President, I have heard a lot of creative arguments advanced during my time in Washington, but this one truly takes the cake. It is said in the legal profession that when you have the law on your side, you argue the law. When you have the facts on your side, you argue the facts. If you have neither, appeal to emotion. I suggest that that is what we have here. It is an appeal to emotion.

We all know that drugs and environment are the hot issues in our society. All the polls show that. But does anyone seriously believe that if we cut the loan rate to our farmers by 2 cents a pound, all of a sudden the drug cartel, worldwide, is going to abandon that multibillion-dollar market, that they are going to quit growing coca, that they sell for literally tens of billions of dollars on the street of our country?

It is time for a reality check. Recent testimony in the other body demonstrated that a Peruvian coca grower can earn $9,000 a year. That compares to $200 a year he could make growing any legal crop.

Mr. President and my colleagues, it is a fantasy and a fiction, to think that by somehow reducing our loan rate to our farmers by 2 cents a pound, that the Peruvian farmer is going to turn his back on $9,000 a year so he can get $200, especially given the fact that it would mean he would have to move his operation from the mountains of Peru, where the coca grows, back to the valleys where sugarcane will grow. Of course, with that move they would have to take a 98-percent pay cut.

Mr. President and my colleagues, it just does not add up. I do not believe it is a serious argument against a sugar program. Mr. President, there are serious arguments against a sugar program, and we have heard some of those today. We have heard a series of arguments advanced that deserve a response. First of all, I think we should make clear that the sugar program operates at no cost to the Federal Government.

Let me repeat that. The sugar program operates at no cost to the Federal Government. It does not cost the American taxpayer a dime.

Let us turn our attention to some of the arguments we have heard here advanced against the sugar program.

First of all, we heard that consumers are hurt. We have heard that farmers are hurt. We have heard about a tiny profit for food processors.

Mr. President, let me answer each one of those arguments in turn.

First, we do not have to imagine what would happen in this country absent a sugar program. This is not a theoretical question. I direct the attention of my colleagues to this chart that shows what has happened to U.S. sugar prices from 1947–88 expressed in real 1988 dollars. So we are comparing apples to apples.

These two areas that are highlighted in yellow in the mid-1970's and in the early 1980's were periods when we had no sugar program. Look what happened. We first see, that with the elimination of a sugar program, prices absolutely skyrocketed from under 25 cents a pound to over 65 cents a pound in just a matter of months. That pummeled consumers. That did tremendous damage to those who use sugar in products. Then prices plummeted from 65 cents down to less than 20 cents in real 1988 dollars. That devastated farm producers. It bankrupted producers and processors all across the country.

When my dear colleague, Senator BRADLEY of New Jersey, talks about the increase in acres planted, he is very selective in the years that he uses because his starting point is when prices had fallen so badly that, all across the country, refineries were going bankrupt and producers were getting out of the business of growing sugar in this country.

Mr. President, the fact is the sugar program has provided a stable supply of sugar to American consumers at reasonable prices.

Let me just turn to the next chart to demonstrate that I think is conclusive.

This chart shows the cost of retail sugar to consumers. The source of this chart is USDA.

When the opponents say the sugar program is hurting consumers, what are the facts? The facts are that in the United States the average cost for consumers at retail is 40 cents a pound; worldwide, the average is 41 cents a pound; and in the rest of the industrialized world, the average is 44 cents a pound.

Are our consumers disadvantaged? Mr. President, I think the evidence suggests something quite to the contrary.

The next argument that is advanced by the opponents is that other farmers are being hurt by the sugar program.

Let me just say this. I represent the most agricultural State in the Nation. Every single farm organization favors the sugar program—every single farm organization. I rely for farmers on the votes to return me to this Chamber. But I can tell you without equivocation, without fear of contradiction, the farmers of my State—the wheat farm-

ers, the soybean farmers, the barley farmers—support the sugar program. In fact, they would like to have one like it because it is one of the few programs that is working to secure the incomes for American agricultural producers.

When my dear friend talked about all the other commodities getting cut, but sugar being held harmless against reductions, he was very selective in the dates that he chose to use. He talked about 1985 to 1990. If you look at a broader perspective—1981 through 1990—you find something quite different. In fact, what one finds is that in comparing the average reduction in support, in real dollars, for our major commodities, sugar has had a 23.5-percent reduction from 1981 to 1990; the weighted average for the five major commodities—corn, wheat, cotton, rice, and sugar—21.8 percent. So sugar has had more of a reduction than our other commodities. If we take another 2-cent reduction, as cut of 11 percent——

The PRESIDENT pro tempore. The time allotted to the Senator by himself has expired.

Mr. CONRAD. Mr. President, I will allot an additional amount of time as is necessary to complete my presentation. I thank the Chair.

The PRESIDENT pro tempore. The Senator is recognized for such time.

Mr. CONRAD. If we take an additional 2-cent reduction, then sugar will have taken a reduction in support of 32 percent, far more than any of the other commodities.

Mr. President, let me turn to the other argument advanced by the Senator from New Jersey. Again, he talks about the expansion of acreage as evidence that sugar is somehow extraordinarily profitable.

The first thing I would want to point out to my colleagues is that gross returns for sugar must be much higher than gross returns for other commodities because the costs of producing sugar are far higher than the costs of other commodities.

Mr. President, let me just show this chart that shows the total economic cost per acre for major commodities. Wheat—my State is a major wheat producer—costs $126 an acre. On the other end of the spectrum are sugar beets. They cost $735 an acre to produce. These are not my numbers. These are USDA numbers.

When we talk about the need for a high gross return on sugar beets, it is because there is a very high cost to producing sugar beets. The only thing that is more expensive to produce is sugarcane at $849 an acre.

Mr. President, I think we should probably also refer one more time to the question of acreage. Again, my dear friend, the Senator from New Jersey was very selective in the years that he talked about. He started in 1982. That was when we had seen sugar prices rise and then plummet because there was no sugar stabilization program. Of course we have seen acreage expansion since then.

In summary, Mr. President, the sugar program is good for consumers. We have the lowest cost of sugar of any of the developed countries. We have a consumer price that is lower than the worldwide average. It is good for farmers. It is one of the few programs that is working for farmers. Mr. President, it operates at no cost to the American taxpayers.

Mr. President, at this time I would be willing to yield time to Senator Akaka.

How much time does the Senator from Hawaii need?

Mr. AKAKA. Ten minutes.

Mr. CONRAD. I yield to the Senator for 10 minutes.

The PRESIDENT pro tempore. Does the Senator yield 10 minutes? How much time does the Senator yield?

Mr. CONRAD. Ten minutes.

The PRESIDENT pro tempore. The Senator from Hawaii [Mr. AKAKA] is recognized for 10 minutes.

Mr. AKAKA. Mr. President, despite all the fast talk and loose rhetoric we have been hearing about sugar, the sugar program is a good deal. It has assured stable supplies of sugar at moderate prices. It is a good deal for American consumers. It is a good deal for the American taxpayers. It is good farm policy.

Since 1982, the first full year of operation for the current program, supermarket prices for sugar have averaged about 36 cents per pound. Moreover, only once in the past 8 years has the retail sugar price exceeded this 36 cent average by more than 1 percent. By contrast, in the years before the program came into effect, the supermarket price for a pound of sugar climbed as high as 56 cents. Clearly, consumers have fared well under this program.

The sugar program is also a good deal for sugar-exporting nations. The premium that these countries receive in the U.S. market over the prevailing world price for sugar accounts for $200 to $300 million per year in export revenues. USDA has determined that without the current program, the sugar revenues of Caribbean nations would drop by nearly 20 percent. In the absence of the sugar program, would the United States be able to make up these losses through increased foreign aid to the region? Given our current budget woes, I think not.

The sugar program makes good sense in relation to our broader farm policy objectives. The program indirectly benefits corn growers because the price of sugar helps determine the price of corn sweeteners. Each year, almost 600 million bushels of corn are converted to sweeteners. If the Federal Government failed to renew the sugar program, the corn market would face turmoil. Under such circumstances USDA estimates that forfeitures and deficiency payments for corn would cost the Federal Government $500 to $700 million annually. As you can see, the sugar program is good farm policy.

Finally, the sugar program is a good deal for consumers and the American taxpayer. Over the past 3 years the program, which by law must be operated at no cost to the Federal Government, has actually generated revenues of $336 million for the U.S. Treasury. The sugar program makes good budget sense.

I repeat, the sugar program is a good deal for consumers and a good deal for exporting nations. It is good farm policy, and it is a bonus for the U.S. taxpayer.

The only griping we seem to hear about the sugar program comes from the big, corporate sugar users, such as the soft drink industry. Yet it is the soft drink manufacturers that year after year rank as the most profitable of all U.S. industries, with the highest return on equity of any business sector. With all their fat profits, I have no sympathy for their complaints.

The United States has a prominent place among sweetener producing nations, and Hawaii has always played an important part in helping our country achieve this status. The United States is the world's sixth largest producer of sugar, and Hawaii is the second largest producing State.

The U.S. sugar and corn sweetener industries make a vital contribution to the national economy. According to a recent study, the nutritive sweetener sector generates annual revenues of $18.5 billion and supports the equivalent of 361,000 full-time jobs.

The importance of sugar to the economy, ecology, culture, and beauty of Hawaii is enormous. The sugar industry is the State's third largest, generates nearly $400 million in revenues, and is responsible for more than 20,000 jobs. Sugarcane covers 178,000 acres, almost three-quarters of Hawaii's cropland.

Sugarcane has been grown commercially in Hawaii for 155 years. As the industry expanded, it attracted skilled and unskilled labor from all around the world, helping to create the ethnic diversity and industrious human resources that is the backbone of Hawaiian culture. Though our output of cane has declined in recent years, the State still accounts for more than one-fourth of cane sugar production.

The notion that the U.S. sugar program is some kind of a "get rich quick scheme" for a few large producers is completely unfounded. This is not

true nationally, and is especially untrue in Hawaii.

Hawaii's loan rate is the lowest of all sugar-producing regions and, after adjustments by USDA, has generally been at least a half cent below the nominal 18 cent loan rate which has prevailed since 1981. Though Hawaii has made great progress in reducing its costs of production, many of our plantations are losing money and for the foreseeable future returns will remain breakeven, at best. Average returns from sugar to Hawaiian producers in 1988 were only 16 cents per pound, one-half cent below our average production cost.

This contrasts with some critics' claims that the program assures producers returns that exceed the market stabilization price. Clearly, no industry is enriching itself on the basis of support levels that fall short of the cost of production.

Hawaii has by far the highest sugar yields in the world, more than double its nearest rival, according to USDA data. This can be attributed to Hawaii's ideal climate, excellent soil, more than a hundred years of research on cane varieties and cultural practices, and enormous private investment in irrigation, machinery, and mill technology.

However, Hawaii's labor and transportation costs are also high. Field workers are well-trained, mostly heavy equipment operators, and the highest paid in the world. Including benefits, Hawaii's workers received $107.00 per day in 1988. Compare this to field workers in, say Guatemala, who earn about $5 per day or in Brazil or the Dominican Republic where they earn even less. Transportation costs are high not just because of the distance involved, but also because of the Jones Act shipping requirements which have necessitated that the industry invest in its own ships.

Despite these high costs, the Hawaiian sugar industry has an exemplary record when it comes to making the investment necessary to achieve improvements in productivity and increases in yields. In the last 10 years, man-hours per ton of sugar have declined 25 percent and the number of acres cultivated per employee increased from 11.7 to 14.7. Tons of sugar produced per acre rose 13.5 percent. On the other hand, the cost per ton of sugar increased 25 percent. This compares with an overall inflation rate of 81 percent for the period.

Unfortunately, we have reached the point where efficiencies are getting harder and harder to come by and the pace of productivity improvements will begin to slow. Higher costs in the future appear inevitable as wages and energy prices begin to rise. The cost of new equipment, an essential component in the Hawaii industry's modernization effort, is rising sharply.

As I have outlined, the sugar program is working well and is benefiting consumers and producers alike by providing a stable supply of sugar at reasonable prices. However, 6 straight years of an 18-cent loan rate have taken its toll on the domestic sugar industry. Since the current program was put in place, the number of cane sugar refineries declined from 22 to 12. The number of raw sugar mills dropped from 45 to 40. The number of sugar beet processing facilities declined from 56 to 41. Unless we continue the 18-cent loan rate, we will be in grave danger of losing a large share of domestic sugar-producing capacity, and that is exactly what would happen under this amendment.

The amendment before us would unilaterally reduce support levels in advance of the conclusion of the Uruguay round of the multilateral trade negotiations.

Mr. President, adopting this amendment would be bad farm policy and bad foreign policy.

Only sugar is being asked to unilaterally disarm itself in this way. No other farm commodity would be forced to accept the reductions in supports prior to the conclusion of the Uruguay round. Only sugar must walk this plank. What rational purpose would be served by weakening our bargaining position in advance of these negotiations? Such an approach could lead to international agreements which are more distorted than trade practices now in place. Would U.S. trading partners have any incentive to grant concessions on matters which the United States has conceded in advance? The answer to this question is a resounding "No!"

To my colleagues who believe that the administration supports a reduction in the sugar program, I have only one thing to say: the Bush administration has had so many different positions on sugar that they have lost all credibility on this issue.

In the beginning President Bush and Secretary Yeutter told us: "There will be no unilateral changes in the sugar program." Later we were told by Ambassador Hills and Secretary Yeutter: "The program must be cut 10 percent." Soon thereafter we were told: "The Bush administration supports the status quo and wants a 10-percent cut." Finally we are told that a 10-percent cut is not a unilateral reduction.

How absurd! You tell me how to cut the sugar program without making unilateral reductions, and I will show you how to pass a camel through the eye of a needle!

Mr. President, on behalf of thousands of employees for whom sugar has become a way of life, the small businesses, shopping centers, and service industries that support the industries and the sugar communities, I urge our colleagues to reject this amendment.

Mr. President, I yield to my colleague.

Mr. CONRAD. Mr. President, I ask the Senator from Minnesota how much time he desires.

How much time is remaining on our side, Mr. President?

The PRESIDENT pro tempore. The Senator from North Dakota has 12 minutes. The Senator from New Jersey has 3 minutes.

Mr. CONRAD. I yield 7 minutes to the Senator from Minnesota.

Mr. BOSCHWITZ. I thank the Senator.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. BOSCHWITZ] is recognized for 7 minutes.

Mr. BOSCHWITZ. I thank the President pro tempore.

Mr. President, this amendment should really be named as the European Community relief bill. That is really what it is. The European Community has created some of the problems that we have in world sugar, and the European Community would be the principal beneficiary of this amendment. The European Community dumped sugar onto the world market, and raising the world price will reduce the cost to the European Community of maintaining their program. I wish to outline briefly how this amendment would do that.

Sugar in the world is a small crop. It is a crop of approximately 107 million tons worldwide. Approximately 70 percent of the world sugar is consumed in the country in which it is grown. Another 30 percent falls onto the world market. Much of that 30 percent is traded under contract; for instance, the Russians buy at 30 cents a pound the Cuban output of sugar, which is 9 million tons. There are other such agreements with countries around the world. Very little, sometimes as little as 15 percent—on the high side about 20 percent—of the world's sugar production falls on the world market. That is, it is traded outside the country that it is produced, and it is traded on the free and open market.

The United States consumes about 13 million tons of sugar a year and in the event that would become available to the world market there is no question that the charts that the distinguished Senator from North Dakota has shown us this morning would not be big enough. If you bring that kind of volume of sugar onto the world market there will be an extraordinary reaction. The price of sugar would go through the roof. There is no question about that.

I dealt with commodities in most of my business life. When you increase the demand for a commodity by 2 or 3 or 4 percent you have 10 or 20 percent reaction in the price of that commodi-

ty. If you increase the demand for the world market of sugar by 30 or 40 or 50 percent as would occur if the American demand were to come onto the world market there is no question that the price of sugar worldwide would escalate and would go right off the charts that the Senator from North Dakota had.

What would be the result of that? The largest sugar producer, the European Community, that produces 14 million tons, would now find that its surplus could be sold at prices around the world without it having to subsidize those prices. We would be saving the European Community an enormous amount of money and the result would be we would be encouraging their bad habits in agriculture.

This is a European Community relief act and it should not be.

There is only one agricultural group that came to the Secretary of Agriculture under the Reagan administration when the Reagan administration adopted the position advocating a 10-year phaseout of all subsidies, of all trade barriers, quotas, incentives, and trade distorting practices. That group said we agree with you, we are willing to operate on a level trading field; if you do that we will support you. Only one group, and that was the sugar producing industry, both cane and beet, came to the Secretary of Agriculture and said we support the idea of removing all these trade restraints.

I am proud of the sugar industry for doing that. They recognized that, currently, a small amount of the world's production falls onto the international trading market. Suddenly for the American demand to come onto that market, the world market in sugar would rise and the cost of sugar to the American consumers and others would rise. Indeed the European Community would be bailed out.

So this amendment should really be called the European Community Relief Act, and it should not be that.

I would also say to my friend from New Jersey that I do not really understand the relationship of coca, which is grown in a very different climate than sugar. I do not think that increasing sugar production in those countries would necessarily by any means be a substitute for coca, even if the prices that the farmers could earn were comparable. The Senator from North Dakota points out that they are not.

I would say, however, to my friend from New Jersey, that there are some arguments among farmers and that some farmers feel that they are being hurt because of sugar beets. Sugar beet production has led to higher economic rewards per acre. Some sugar beet growers have gone around my State, as was written about in the article that he pointed out in the Wall Street Journal, and offered higher rents on some land than soybean farmers or wheat farmers have been able to afford. There I believe that he is correct.

However, it is without question in my mind that there would be such a disruption of the world market if we were to begin to unilaterally act on sugar that sugar prices worldwide would indeed go up. The result of that would be that the worst offenders in the world sugar markets would be relieved and our ability to deal with the European Community on bringing down all of their trade distorting practices would be more limited. And that is why I oppose the amendment.

The Senator from New Jersey and the Senator from Delaware.

The PRESIDENT pro tempore. Who yields time?

Mr. CONRAD. I yield whatever time is remaining to the Senator from Hawaii.

The PRESIDENT pro tempore. The Senator from Hawaii [Mr. INOUYE] is recognized for 4 minutes and 40 seconds.

Mr. INOUYE. I thank the Chair very much.

Mr. President, I rise in opposition to the Bradley-Roth amendment.

I initially planned to speak of the importance of sugar production to the State of Hawaii. My colleagues know of its critical importance to me. A reduction of 2 cents in the support price will most surely cast a fatal blow on Hawaii's sugar production industry which has been in existence for more than 155 years. This industry directly employs more than 6,100 workers, and provides indirect employment for more than 20,000.

Mr. President, I would like to address an argument made by proponents of the Bradley-Roth amendment because I am deeply troubled by their assertions. They claim that a reduction in the U.S. sugar support level will benefit developing countries that export sugar to the United States. I inquired into the position of the Caribbean Basin countries and the Philippines. They oppose the amendment.

Mr. President, I have a letter from the CBI Sugar Group opposing the amendment. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CBI SUGAR GROUP,
July 12, 1990.

Hon. DANIEL K. INOUYE,
U.S. Senate,
722 Hart Building,
Washington, DC.

DEAR SENATOR INOUYE: This letter is in response to your inquiry as to the effect of a two cent reduction in the sugar loan rate on the CBI sugar producing countries.

Without a guarantee that a price reduction would produce a substantial and immediate increase in quotas, the result would be a net loss in income for our countries.

Simple mathematics convince us that a two cent reduction in price would, in fact, result in lower foreign exchange earnings for our economies that need social and political stability.

I would also mention my remarks to the American Sugar Alliance symposium on June 25, 1990:

"The assumption made by many that the U.S. price is out of line with what a true world market would dictate oversimplifies the present world dumping market. The only credible study I have seen, done by Landel Mills, concludes that the world price in a free market would be somewhere between 15 and 22 cents, which is the same range as the U.S. price."

I hope this is responsive to your inquiry.

Sincerely,

JULIO HERRERA,
President.

Mr. INOUYE. If the Bradley-Roth amendment is so beneficial, why are the developing countries of the Caribbean Basin and the Philippines—the intended beneficiaries—opposed to it?

The Bradley-Roth amendment is not in their best interest. Simple logic demonstrates that a sharp reduction in the U.S. sugar support level, such as the one proposed today, would hurt developing countries, not help them.

Mr. President, let us look at the facts. The U.S. sugar import quota has risen for 4 consecutive years. This year it is at is highest level since 1984—just under 2.3 million short tons. At this volume, a 2-cent reduction in the U.S. price would mean a loss to our traditional foreign suppliers of $92 million in revenues. Of the 39 countries that hold U.S. quota shares, 37 are developing countries. The Dominican Republic would lose nearly $15 million; the Philippines would lose over $13 million; Guatemala would lose over $4 million. Is this beneficial? I think not. These countries could not afford to support the Bradley-Roth amendment.

Proponents of the amendment further argue that what the developing nations lose in the U.S. market, they will make up with higher prices by selling to the world dumping market. Mr. President, I should note that this contention presumes the shutdown of domestic sugar operations and the bankruptcy of American farmers.

Nonetheless, this argument is a fallacy. It reveals a lack of knowlege about the countries that export sugar to the United States. The majority of the 39 U.S. quota-holding countries export little or no sugar onto the world market; 24 of the 39 quota-holding countries export 10 percent or less of their production onto the world market; 16 of these export no sugar onto the world market. The conclusion is clear; these sugar exporting nations are dependent on the U.S. market, not the world market.

As the former chairman of the Senate Appropriations Foreign Operations Subcommittee, I am all too fa-

miliar with the dwindling Federal dollars allocated for foreign aid. U.S. import quotas not only provide developing countries with revenues, but also provide employment for their citizens. These import quotas are an important means of providing foreign aid without cost to the U.S. Treasury.

Mr. President, despite the fact that the Bradley-Roth amendment will reduce the revenues of countries exporting sugar to the U.S. market the supporters of this amendment are peddling an M&M Mars-financed attack purporting to prove that the proposed change will help solve the cocaine problem. This is really outrageous.

Do they not know that Peru, the major coca growing country, is, and has been, a major net importer of sugar even though they have a U.S. quota? Moreover Peru has been unable to fill its current quota in recent years. How reducing the price they receive for their sugar will encourage them to grow sugar instead of coca is beyond comprehension. Bolivia also does not produce enough sugar to fill its present United States quota.These are the big coca growing countries.

We ought to increase the prive support for sugar if we want to reduce their dependence on coca.

The Bradley-Roth amendment is not a sweet deal for developing countries. I urge my colleagues not to presume what is best for them. They have already told us that they need the U.S. market and the solid, stable 18-cent support price. And not the unpredictable world market where the price could range anywhere from 3 to 65 cents per pound that proponents of the amendment have deemed to be in their best interest.

This is not a sugar-coated statement. It is a bare fact. The developing countries will not win if the Bradley-Roth amendment passes. I know they will lose. They know they will lose—as will our domestic sugar producers.

Mr. President, because of the limitation of time, I would just want to briefly summarize what has been said today.

First, I regret very much, Mr. President, that my colleagues are not here to listen to the sage advice and wise words of my colleague from North Dakota, who is managing the opposition to this amendment. Senator CONRAD has clearly covered all of the charges made. I think his answers and his responses are not only responsible but on target. I hope my colleagues will take time to read the transcript of these proceedings.

I am also sorry that my colleagues are not here to listen to the remarks of my distinguished colleague from Hawaii, Mr. AKAKA, who I believe has clearly set forth the effect this amendment would have not internationally but on people—on the workers, on those who shop in the supermarkets. And I am sorry they were not here to listen to my friend from Minnesota, Mr. BOSCHWITZ, who set forth clearly this matter of the world market.

Mr. President, of all of the dozens of farm programs that we have on our books, this is the most successful. This program has assured our consumers that they will have a steady, flat price in the supermarket.

As Senator CONRAD pointed out, during that period when the sugar program was out, the Congress somehow had a moment of lapse of wisdom and did away with that. In 2 months, the price went up from 20 to 65 cents. And when that happened, everyone began dumping sugar into the United States. Then it plummeted down to about 3 cents for a few days. Then everyone withdrew, farms went bankrupt, and the price went up again. All within 6 months.

A second observation, Mr. President. Listening to my dear friend from New Jersey, one gets the impression that this is a giveaway program, that we are giving our farmers 18 cents a pound. This is a loan program, Mr. President, and they have always paid it back. It does not cost the taxpayers any money. In fact, the Government has made money. It is the only farm program that makes money. No other farm program makes money for the people of the United States. This one does.

Speaking of subsidies, Mr. President, as of yesterday, in the European Community, their sugar growers are being subsidized—not loaned, subsidized—30 cents a pound. And so when they do have surplus sugar, they can afford to send it into the world market and sell it for 4 cents a pound. No one can produce sugar for 4 cents a pound, so obviously it is being sold below cost. Do we expect our people to sell our sugar for 4 cents a pound?

And this argument that the sugar program is supporting the drug cartel in South America is just outrageous, Mr. President.

The PRESIDENT pro tempore. The Senator from New Jersey has 3 minutes remaining.

Mr. BRADLEY. Mr. President, I thank the Chair.

Mr. President, to deal with the consumer argument and the environmental argument, I ask unanimous consent to have printed in the RECORD a letter from the National Wildlife Federation, the National Resources Defense Council, the Wilderness Society, the Sierra Club, Public Voice for Food and Health Policy, and Public Citizen's Congress Watch, and others, all of whom support the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 13, 1990.

Hon. BILL BRADLEY,
SH-731 Senate Office Building, Washington, DC.

DEAR SENATOR BRADLEY: We are writing to urge you to vote for an amendment to the sugar title of the 1990 farm bill that we understand will be offered by Senators Bradley and Roth later this month. A "yes" vote on the Bradley-Roth amendment would provide much-needed reform of U.S. sugar policy.

The sugar policies of the 1980s have been among the most inequitable of all the federal commodity programs. When it comes to balancing the public interest against financial benefits to sugar producers, the sugar program has consistently given consumers and the environment the short end of the stick.

According to the U.S. Departments of Agriculture and Commerce, during the 1980s the general public incurred between $1.9 and $3 billion annually in additional sweetener costs as a result of the sugar program. These billions of dollars in annual benefits to sugar producers are split between a mere 11,000 growers. This translates into a highly regressive annual transfer of between $170,000 and $270,000 per grower from the consuming public.

The sugar program has also stimulated expanded sugar cane production around the fragile Florida Everglades. The result has been a substantial increase in phosphorus discharges into the Everglades ecosystem and alterations in natural water flows in and out of the marshes. This pollution represents a major threat to water quality and wildlife habitat.

In addition, sugar producers have been unjustifiably favored over all other farm commodity groups. The sugar program was the only major commodity program to escape price support reduction reforms in the 1985 farm bill. Despite this imbalance, sugar legislation reported by the Senate Committee on Agriculture, Nutrition and Forestry for the 1990 farm bill would maintain existing price support levels.

To address the shortcomings of current law, the Bradley-Roth amendment, which the Administration supports, requires a 2 cent reduction in the price support level from the current 18 cents per pound to 16 cents per pound. This modest change is comparable to reductions experienced by other farm commodities in 1985 and would begin to move the sugar program in a more equitable direction.

Again, we urge you to support long-overdue reform of the sugar program by voting for the Bradley-Roth amendment. Extensive editorial support in newspapers throughout the country suggests that the general public will be looking to Congress to take positive action on this issue.

We look forward to working with you to ensure a rational, equitable sugar program. If we can be of any further assistance on this matter, please do not hesitate to contact us.

Sincerely,

Mark Cooper, Research Director, Consumer Federation of America; Harry W. Snyder, Director, West Coast Regional Office, Consumers Union; Charles Lee, Senior Vice President, Florida Audubon Society; David C. Campbell, Research Economist, National Wildlife Federation; Justin Ward, Senior Resource Specialist, Natural Resources Defense Council; Michael Waldman, Director, Public Citi-

zen's Congress Watch; Ellen Haas, Executive Director, Public Voice for Food and Health Policy; Theresa Woody, Southeast Associate Field Representative, Sierra Club; Brian F. Culhane, Assistant Director, National Parks Program, the Wilderness Society.

Mr. BRADLEY. I would also like to submit for the RECORD the following editorials in the Journal of Commerce, "The Sugar Tax"; the Burlington, NC Times-News, an editorial entitled "Sugar Quota Needs to be Attacked"; the Tampa Tribune, "Congress Should Cut Aid to Exploitive Sugar Barons"; the Detroit News, "The Sugar Scandal"; the Chicago Sun Times, "Sweetheart Deal Imperils Jobs Here"; the Los Angeles Times, "How Sweet It Isn't"; Jackson, MS, Daily News, "Crop Props; Sugar Supports Blatant Protectism"; and the (Phoenix) Arizona Republic, "Uncle Sugardaddys' Sour Deal."

I ask unanimous consent that those and other editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, July 18, 1990]

THE SUGAR TAX

If you could buy sugar with no restrictions, you'd pay about 12 cents a pound. American sugar users aren't so lucky. Bakers, distillers and other bulk buyers pay about 22 cents a pound, thanks to a government program that taxes consumers to keep sugar growers and corn farmers fat and happy. This week, Congress has a chance to cut that tax, if only it can summon up the courage.

"Tax," of course, is a loaded word. Supporters of the sugar program prefer to talk about the "loan rate," 18 cents a pound, at which the government agrees to take raw sugar off growers' hands. But to keep from losing its shirt in the sugar market, the government limits imports to support the domestic price. The difference between that price and the world market price, current about 10 cents a pound, is a tax on the consumers of products containing sugar.

The last time Congress approved a farm bill, back in 1985, sugar's supporters turned back a drive to cut the loan rate from 18 cents to 12 cents. This time around, both houses face far more modest proposals. Sen. Bill Bradley, D-N.J.; Rep. Willis Gradison, R-Ohio; and Rep. Thomas Downey, D-N.Y., all want to cut sugar supports to 16 cents. A vote in the Senate could come as early as this week.

The most potent backing for the sugar program comes not from sugar growers themselves, but from corn farmers and millers, including political heavyweight Archer-Daniels-Midland. High sugar prices have created a market for their product, high fructose corn syrup, which has replaced sugar in soft drinks and many other uses. HFCS probably would not be viable in a completely uncontrolled sugar market. But the U.S. Department of Agriculture estimates that HFCS costs only 13 to 14 cents a pound to produce. Keeping the price of sugar above that level simply ensures profits for corn millers. Lowering the sugar loan rate by 2 cents a pound, the department projects, will reduce the demand for U.S. corn by all of 0.07%. That won't have much effect on the price.

The United States has talked a good game when it comes to curbing subsidies to agriculture. Congress' vote on reducing the sugar tax will show how serious it is.

[From the Burlington (NC) Times-News, Dec. 10, 1989]

SUGAR QUOTA NEEDS TO BE ATTACKED

During the past two national election campaigns, the political action committees representating the sugar industry in the United States contributed $2.1 million to various federal lawmakers.

And what did they get for their money? Congress continues to renew the sugar quotas in order to help the family farmer. However, one must know more about the "family farmer" to be fully informed. One such family is the Fanjul brothers who have seven sugar companies. They have done so well they have financed three resort hotel takeovers and built four mansions in Palm Beach, Fla.

The sugar industry has been getting a sweet deal for a long time, and it is one which is sour to the American taxpayer and the American consumer. For instance, this business of congressionally imposed import quotas on sugar costs Americans 22 cents per pound for raw sugar. We pay three times what the rest of the world pays. Three times! It means that for every 10 pounds of granulated sugar we buy, we are paying an extra $2. Not only that, the sugar cost raises the price of most prepared foods and artificial sweeteners.

Between 1982 and 1984, these quotas added $7.5 billion to the price of those products. An example? There is an extra 10 cents on every gallon of ice cream because of the quotas. Currently, it is having a major effect on the price of Christmas candy you might purchase. Since the government began tightning sugar quotas, the amount of hard candy imported has increased 250 percent. Makers of hard candy and candy canes say if not for the sugar quotas, they could be exporting candy and underselling foreign companies.

Who benefits from all this? There are about 12,000 sugar growers in the United States, or only two percent of all American farms. That seems a bit out of proportion. The purpose of the sugar quotas is simple. It keeps the price of all imported sugar sky high so that domestic producers can raise their prices to the exorbitant level.

This setup is costly to workers in the prepared food industry. There have been thousands of jobs lost in recent years because foreign processed food companies take advantage of the price difference and sock it to U.S. firms on the world market. Our food processors can't compete because of the wide gap in sugar prices.

Is this being done to save jobs in the sugar industry? Hardly. The supported price has allowed the domestic producers to mechanize their operations, cut their labor and reduce costs. It is a good deal for a very few producers, and it is at the expense of almost every American consumer.

Sen. Bill Bradley plans to attack these quotas in the 1990 farm bill, and we hope a lot of others in Congress—and the White House—join him. These quotas should be eliminated, and the price of sugar should be set by the market, not by law.

[From the Tampa Tribune, Oct. 20, 1989]

CONGRESS SHOULD CUT AID TO EXPLOITIVE SUGAR BARONS

Sugar rots the teeth and if consumer to excess adds body fat. Equally unhealthy is Congress' sugar program.

An investigation by Tribune reporters Ray Locker and Booth Gunter found that the sugar policy:

Results in $3 billion in extra food costs for American consumers each year.

Subsidizes an industry that is polluting the Everglades. Runoff from sugar fields is pumped to Loxahatchee National Wildlife Refuge, part of the Everglades' drainage system. The nutrient-rich water changes the soil's character. Consequently, cattails, which have little value as wildlife habitat, replace saw grass native to the area. Since 1979, when water officials began dumping the runoff in Loxahatchee, cattails have smothered 6,000 acres of the refuge and invaded another 12,000. They spread at the incredible rate of five acres per day.

The industry, armed with powerful lawyers and pricey consultants, opposes attempts to make growers clean up their waste water.

Destabilizes sugar-growing Caribbean countries. Blocked from the American market by trade barriers, these nations' economies are crumbling. Consequences will be costly for the United States.

Nations such as the Dominican Republic and El Salvador will need more American aid. More islanders will turn to the drug trade, more countries will be unable to pay their debts to American banks, and more illegal immigrants will seek refuge here. Too, some nations desperate for income will launch destructive projects that aggravate the globe's environmental woes.

Congress' sugar program guarantees the industry a profit. The government lends sugar companies money based on a price of 18 cents per pound. If the U.S. price is lower than 18 cents, companies do not have to pay the money back. They simply default on the loan and hand the sugar over to the federal government. The federal government doesn't want that to occur (as it did in 1985, when the industry defaulted on a $77-million loan) so it established quotas that throttle imports.

The result is high sugar prices for Americans and bleak prospects for Caribbean nations.

Congress and the American sugar industry are not solely to blame for the mess. European countries heavily subsidize sugar companies and dump at least 3 million excess tons a year on the world market. That lowers prices and would—where it not for Washington's protections—wreak havoc on American growers.

But the government program completely exempts growers from market forces. For instance, the world market price for sugar is 14 cents per pound. Americans pay 23 cents. And, though health-conscious Americans buy less sugar, Florida growers are expanding production. In fact, since 1981, when the program was initiated, the sugar industry has increased production 39 percent. Something is badly out of joint.

Alec Wilkinson's new book, *Big Sugar: Seasons in the Canefields of Florida*, reinforces the industry's image as ruthlessly exploitative. He details the brutal conditions cane cutters suffer. Immigrants from the West Indies, most fields hands have no choice but to take the work. Says one: "We live in captivity, we must obey our master—

anything he say, we do. For we, it is rough. We are all of us under a sufferation."

Congress is scheduled to reauthorize the sugar program next year—high time for a change. Given the complexities of global markets, government support for agriculture is sometimes unavoidable. But the sugar industry's deal is obscenely sweet.

[From the Wall Street Journal, July 17, 1990]

ASIDES

SWEET RELIEF

The Senate takes up the farm bill this week, and one of the first votes will be an attempt to put the bloated sugar program on a diet. Senators Bill Bradley of New Jersey and Bill Roth of Delaware think it's absurd that U.S. consumers should pay twice the world price of sugar to support a few wealthy domestic growers. Quotas on imported sugar cost consumers $2.4 billion in higher food prices every year. They also undercut U.S. foreign policy by undermining many faltering Caribbean and Asian democracies that need currency earnings to repay foreign debts and import U.S. products. Senators Bradley and Roth propose a cut of about 10% in the sugar subsidy. A budget squeeze already recently forced cuts of about that size in subsidies for milk, wheat, cotton, rice and feed grains. But the sugar lobby is powerful, and it has discovered that large PAC contributions serve as a useful sweetener. The vote on the sugar program will show whether Congress has any interest in reforming America's Soviet-style agricultural policy.

[From the Detroit News, June 11, 1989]

THE SUGAR SCANDAL

Many American politicians of both parties have made bashing foreign countries for keeping American goods out of their markets into something of a blood sport. Now an international panel has come along to declare that the United States hardly has clean hands in these matters. Let he who is without sin cast the first stone, or perhaps in this case, sugar bowl.

On June 2, a committee of the General Agreement on Tariffs and Trade (GATT), the international body that monitors trade barriers around the world, found that our policy of deliberately limiting the importation of foreign sugar was a trade violation. The full GATT is likely to endorse this position when it meets in Geneva on June 21. The Bush administration is thought likely to go along with the GATT ruling and ask Congress to repeal the import quota, which effectively acts as a subsidy to American sugar farmers, many of whom are in Michigan.

That would be good news, since the sugar import quota is a scandal of longstanding that has damaged both consumers and American allies in sugar-growing Third World countries. At the same time, it has also helped enrich various corporate fat cats.

Here's how it works: Congress restricts imports of sugar to 1.25-million tons this year, less than 8 percent of the roughly 16.5-million tons Americans consume every year. That has the effect of nearly doubling sugar prices in this country. The world price of sugar right now is a little less than 12 cents a pound (it was only 6 to 7 cents a year or more ago). But the quota means Americans pay about 22 cents a pound for the sweet stuff.

That disparity is what creates a market for an artificial sweetner called High Fructose Corn Syrup (HFCS), which is made primarily by the Archer-Daniels-Midland food conglomerate. It can produce HFCS for about 15 to 16 cents a pound and sell it to industry consumers of sweetners, such as soft-drink companies, and make a killing.

The import quotas have also helped wipe out what was left of the economies of the Dominican Republic, Haiti and Jamaica, all of which have lost hundreds of millions of dollars in export earnings. And in the Philippines, our aid can't begin to make up for the economic devastation caused by the sugar quota.

The protectionist hotheads in Congress—including many members from Michigan—will have a difficult time branding Japan a trade criminal while simultaneously insisting on favored treatment for their own constituents. The sugar quota is bad policy both domestically and internationally. The quicker it goes by the boards, the better.

[From the Chicago Sun-Times, Sept. 28, 1989]

SWEETHEART DEAL IMPERILS JOBS HERE

Mention the industrial heartland, and most people will think of steel mills and refineries, not candy companies.

But there it is, out on the West Side, a candy company that is the sixth largest employer in Chicago and the 24th in the state. Brach's plant on Kinzie, the largest candy manufacturing plant in the world, employs nearly 3,500 people, many of them from the economically depressed West Side. The company fuels the local economy with millions in taxes and purchases from other companies.

To say that Brach's, which started here, is vital to Chicago's economic health is an understatement.

But it may not be there for long. Saddled with obsolete equipment and high labor costs, the company is wondering whether it would be better off moving elsewhere . . .

Opps, we can hear the voices telling us now: "Hold it right there. If this is another attempt by a company to extort millions from taxpayers by threatening to move elsewhere, forget it." But it's not.

What Brach's wants is freedom from the stranglehold of one of this country's most effective special interests—the sugar lobby. A sweet deal worked out in Congress protects the 12,000 U.S. sugar growers, found mainly in the South and West, by keeping out cheap foreign sugar. As a result, Brach's must pay 10 to 18 cents more a pound for its sugar.

But it's the consumers who really get to pay, having to cough up nearly twice as much for their sugar, at a cost of some $3 billion annually.

To get some relief, Brach's wants the federal government to designate the West Side plant a Foreign Trade Zone. The designation, which is supported by state and local officials, simply means that the company would be allowed to buy sugar at more favorable world prices. It doesn't cost taxpayers anything.

Brach's President Ron Habijanac said the designation ensures that the company would stay here and invest some $100 million in the plant in the next few years.

But if Brach's gets this break, shouldn't other candy companies? We suppose so, if they qualify like Brach's.

The idea of the zone is to assist economically depressed communities, and it's hard to find any community more in need than the West Side, where nearly a quarter of its jobs have disappeared in a decade.

The real, long-term answer, of course, is to end the sugar industry's outrageous favored treatment. But because that is equivalent to yearning for utopia, the next best thing is to demand that Chicago not have to support sugar cane growers by giving up 3,500 of its jobs.

[From the Los Angeles Times, Dec. 21, 1987]

HOW SWEET IT ISN'T

Sugar has moved to center stage in Congress in a confusion of maneuvers that threaten continued inflated prices for consumers and broad disruption of the already troubled world market.

The bad news began with the announcement of new reductions in the import quotas that already had been reduced by 75% over the last four years. This squeeze on the pathetically poor producers of the Third World was a result of the congressional mandate that domestic producers be protected. But when Congress realized that the Philippines and Caribbean nations would be the principal targets of the cutbacks, just when the United States was trying to help them stabilize their troubled societies, two congressional committees approved special added quotas for the Caribbean nations, restoring their quotas to the 1983-84 level for one year. But at a terrible price: The bonus sugar would then be re-exported at a reduced price to compete on the world market, exacerbating the huge surplus and thereby punishing other desperate Third World producers.

There is a better plan—just introduced in Congress by Sens. Bill Bradley (D-N.J.) and William V. Roth Jr. (R-Del.) and Reps. Thomas J. Downey (D-N.Y.) and Willis D. Gradison Jr. (R-Ohio)—that would strip away over a four-year period the costly protection that is currently given to American sugar producers. Under the provisions of the plan, the loan rate would be cut from its present level of 18 cents a pound to 12 cents, and import quotas would be increased until they reached the 1983-84 level. This would certainly end the anomaly of American sugar growers producing more and more even while U.S. consumption declines and a world surplus grows. This ever-growing economic absurdity, implemented at the expense of consumers, is the result of legislation that guarantees sugar producers a profit—the only farmers so benefited.

As the sugar producers have manipulated successifully their congressional support, sugar has dwindled from 62% of the American sweetener market in 1981 to 43% this year. Corn sweeteners have grown from 32% to 44% of the market, and low-calorie substitutes from 5% to 12%. But all of the losses in sugar sales have been made at the expense of foreign producers—never mind that they can produce sugar more cheaply and that they depend on sugar in many cases as the sole way to climb out of poverty.

Congressional efforts to give temporary relief to the Philippines and the Caribbean nations at least recognize part of the injustice of the existing program. But the kind of partial remedy now proposed does more harm than good. Real redress depends on providing increased access to the U.S. market for all foreign producers and relieving the American consumer of this unnecessary burden of artificially high prices.

[From the Jackson (MS) Daily News, Clarion Ledger, Jan. 2, 1988]

CROP PROPS: SUGAR SUPPORTS BLATANT PROTECTIONISM

Uncle Sam maintains price supports for a wide variety of crops across the country, including some in Mississippi, but the props placed under sugar production represent one of the most glaring examples of government for the few at the expense of the many.

As a result, Americans pay more than twice the world price for sugar when they buy such products as candy, cookies and soft drinks. The world price is about 8.5 cents per pound; the price to U.S. consumers is 18 cents a pound.

Such artificially inflated sugar prices are costing consumer up to $3 billion a year, or $100 for the average family of four, critics claim.

As Sen. Bill Bradley, D-N.J., observed, "It is ludicrous." It's also foolish, inequitable and outrageous.

The nation's 10,000-plus sugar growers, of course, strongly defend the higher price, saying it keeps them from being wiped out by unfair world competition. Owners of many another American enterprise hurt by foreign competition would like a fraction as much help.

There is clearly something wrong with an industry (agricultural or otherwise) that claims it must receive more than twice the world price to stay in business.

Perhaps the most startling thing about the situation is that sugar growers are not that numerous, relatively, not spread across the nation geographically. However, their system draws the support of a broad coalition of lawmakers with agricultural constituents—sugar-cane growers in Hawaii and Louisana and sugar beet farmers in the northern Midwest.

One might think the sugar producers would be quietly satisfied, but no—they claim they're struggling still.

Congress appears far from embarrassed by the sugar program. Nevertheless, Bradley and several other lawmakers have introduced bills designed to cut the price of domestic sugar and to increase sugar imports, imports now restricted by a rigid quota system used to shore up domestic prices. The proposals merit support.

Price supports, like crab grass and cockeburs, are tough to fight off, but if and when Congress begins scaling back agricultural subsidies, sugar growing may be the best place to start. But food buyers would be wise not to wait; they had best start reducing their consumption—which might be good for their health anyway.

[From the (Phoenix) Arizona Republic, Jan. 7, 1988]

UNCLE SUGARDADDY'S SOUR DEAL

To understand the unpleasant consequences of trade restraint—sure to get even worse if pending protectionist legislation ever becomes law—it is only necessary to examine the sweetheart deal between the federal government and the nation's sugar industry.

In an effort to protect a relatively small number of American farmers and refiners from foreign competition, Congress long has set quotas for sugar imports. This year's limit is 750,000 tons down an estonishing 25 percent from the previous year and the lowest quota since 1875—that is to say, in the past 113 years.

The extraordinary drop was necessary to keep U.S. sugar prices at an inflated level, which a foolish Congress supposes to be a national priority. The current price, about 21 cents a pound, is more than three times the world price. Since corn sweeteners and artificial substitutes have reduced demand substantially, cutting imports was the only way to maintain the high price required under a 1982 congressional mandate.

The chief, if not the only, beneficiaries are some 10,000 sugar growers and refiners, who are protected from the marketplace, and those U.S. congressmen who will be rewarded with political support. For nearly everyone else, the sugar quota can be counted as no more than a raw deal.

Not only will American consumers be forced to pay as much as $3 billion in higher prices for some soft drinks and candy—an estimated $100 a year for every family of four—but U.S. producers of sweetened products, put at a competitive disadvantage in international markets, must pay a high price as well.

If this weren't bad enough, the sugar quotas also hurt foreign sugar producers in Third World countries where the United States is trying to promote economic development as an alternative to the relentless spread of Marxism. These include such basket cases as Haiti, Brazil and the Philippines.

Recognizing the foreign policy drawbacks in its sugar-pricing scheme, Congress has belatedly authorized a temporary arrangement whereby the Philippines and Caribbean nations can sell more sugar to the United States, but for export purposes only. The refined sugar will be sold abroad via another subsidy device—one that will penalize still other developing countries.

Apart from eliminating sugar subsidies altogether, the best solution would be passage of pending legislation that would phase out sugar assistance over the next several years, giving producers and politicians time to learn how to stand on their own feet. But unless voters and consumers begin raising some cain themselves, victory over the sugar lobby seems remote.

[From the Indianapolis Star, June 30, 1989]

"UNCLE SUGAR DADDY"

The McMillan *Dictionary of Slang and Unconventional English* defines "sugar daddy" as "an oldish man spending lavishing on a young woman." Movies usually presented a sugar daddy as one who buys furs and jewels for a chorus girl. But the U.S. government has given new meaning to the term. Uncle Sam uses taxpayers' funds to protect favored businesses.

It works this way: Congress protects the country's sugar industry with import quotas to keep domestic sugar prices up to four times the world price.

The quotas restrict imports to 1.25 million tons this year, about 8 percent of the 16.5 millions tons Americans consume. The artifically induced high price, in turn, stimulates more domestic production, which has driven sugar imports down about 80 percent over the past seven years.

The government gives farmers a 22-cent per pound support price for growing sugar, about twice the world market price. The result is that U.S. consumers pay up to $3 billion a year more for sugar and other sweeteners than if Uncle Sam didn't interfere in the market. Further, more than 15,000 jobs have been lost as food processing shifted to nations where sugar is cheaper.

Domestic sugar producers claim that import quotas save U.S. jobs and guarantee Americans a secure supply at stable prices. Unmentioned is that over the past 13 months retail sugar prices have risen nearly 8 percent to about 35 cents a pound.

Free trade economists long have argued that the quotas break rules set by the General Agreement on Tariffs and Trade (GATT) of which the United States is a member. They turned out to be right.

On June 22 the 96-nation council of GATT said the sugar quotas violate world trade rules. Australia brought the complaint before the panel, successfully arguing that the quotas hurt it and other sugar producing nations.

As all GATT actions must be unanimously accepted by members, Washington could have blocked the panel's ruling, but the ruling was made soon after U.S. citation of Japan, India and Brazil as "priority" nations whose trade barriers subject them to possible U.S. trade sanctions. To avoid appearing hypocritical, Washington agreed to comply with GATT's decision.

"We have an obligation under GATT to administer the program consistent with international trade rules and we are confident we can do so," said Carla Hills, the U.S. trade representative.

No compliance details or timetable were given but there are several options.

Quotas could be changed to GATT-approved tariffs, which are less restrictive. Or reparations could be paid to Australia. Better yet, consideration could be given to ending the quotas and opening the U.S. market so that consumers may buy sugar products at the less costly true market prices.

That would require standing up to the powerful sugar industry and provoke battles in Congress where cane and beet sugar producers have strong representation, especially in the House and Senate agricultural committees.

But it is about time Uncle Sam stopped playing the rule of Uncle Sugar Daddy.

[From the Evansville, IN, Courier, May 4, 1990]

BITTER SWEETS

President Bush's decision to let Nicaragua sell its sugar in the United States is good news all around, not only for American candy manufacturers and sweet-toothed consumers but also for beleaguered Nicaraguan farmers climbing out of the Marxist quagmire.

Unfortunately, that's where the good news ends. U.S. sugar policy is a mess, costing billions of dollars a year. And it's in danger of getting worse.

Like too many U.S. trade policies, the import of sugar has been used as a foreign relations tool, a means of punishing or rewarding regimes according to political taste. In 1983, President Reagan began distributing Nicaragua's sugar import quota to other Latin American nations in an attempt to bring the Sandinistas to heel.

Now Bush has restored democratic Nicaragua's quota to pre-1983 levels, without reducing the beefed-up allotments of its neighbors. More sugar will thus flow into the United States, lowering prices. It's a good decision, but one made for the wrong reasons.

The problem lies in the quotas themselves. The government imposes quotas to keep cheap sugar from flooding U.S. markets, thereby protecting the country's 11,000 beet and cane growers whose product is more expensive. The U.S. sugar price is 24 cents a pound, the world price 15 cents.

While insulating U.S. growers from the inconvenience of competition, the quotas cost American consumers about $3 billion a year. Just as important, they cost American jobs, as the 3,500 workers at Chicago's E.J. Brach & Sons will tell you.

The candy manufacturer, struggling to stay in business on the city's blighted West Side, recently requested an exemption to purchase sugar at world prices. Its request denied, the company now says it may be forced to relocate abroad, where sugar is bought and sold according to the laws of supply and demand rather than the preference of a powerful sugar lobby.

This dangerous silliness continues. The other day, a House agricultural subcommittee voted to increase subsidies for domestic sugar growers, even though the average grower made $235,000 in subsidies over the last three years.

That could buy a lot of sugar in Nicaragua, or save a lot of jobs on Chicago's West Side.

[St. Petersburg Florida Times, May 5, 1990]

STOP THE SUBSIDIES FOR BIG SUGAR

Figure this out. The U.S. sugar program has been so generous to domestic growers that they have actually increased production by 41.3 percent at a time when national consumption has dropped 26 percent. Yet a House subcommittee, in its first offering on sugar for the 1990 Farm Bill, says the subsidy should be increased.

Can this make sense?

Rep. Jerry Huckaby, D-La, who chairs the subcommittee, has made a serious miscalculation if he thinks the public is ready for more of the same on sugar subsidies. Not only has his bill raised the ire of consumer groups for obvious reasons, but it has drawn scorn from the Bush administration for its trade implications and from many agricultural interests whose loyalties are being divided. While other farm support programs are likely to take budget cuts this year, the Sugar Program has no such worries. It is "off budget," which means the subsidy is charged directly to consumers—at an estimated rate of $3-billion a year.

As *Congressional Quarterly* reports: "No other U.S. crop program is more blatantly protectionist than sugar, and no other has such far-reaching implications for U.S. foreign and trade policies."

Because the sugar program relies on import quotas to keep U.S. prices artificially high, it hurts not only domestic consumers but foreign producers. The Caribbean nations whose economies depend on sugar production have been crippled by the restrictions. According to the CBI Embassy Group, 22 Caribbean Basin countries have lost 400,000 jobs since 1983. Instead of restoring open trade, though, Huckaby's bill simply tries to buy off Caribbean nations by giving them a 5 percent premium on the little sugar they are allowed to send to the United States. It's a blatant attempt to win their support for trade policies that are an affront to the international General Agreement on Tariffs and Trade treaty that is currently being renegotiated.

The limits Huckaby proposes for U.S. sugar production are similarly deceptive. Domestic growers are willing to limit their producton for one reason, and one reason only: They fear that if all imports are stopped, then the United States won't be able to use them as a tool to inflate domestic prices.

The most galling element of the Huckaby bill is its attempt to increase the subsidy to growers. Though domestic prices are now about 23 cents per pound, roughly 8 cents more than the world price, Huckaby is not satisfied. He would increase the government loan rate, which is now 19 cents and thoroughly unrelated to the actual cost of production, by a factor of inflation each year. In so doing, he assures the growers will earn far in excess of the world market price, and that they cannot possibly suffer a loss. (If the United States doesn't prop up the domestic price above the loan rate, growers can dump the sugar on the government and keep the loans.)

A more responsible revision to the sugar program has been proposed by Reps. Thomas Downey and Willis Gradison, who would lower sugar price supports by 5 percent a year and gradually increase sugar imports.

In the House agricultural subcommittee that is expected to begin analyzing Huckaby's bill next week, Florida is represented by Rep. Tom Lewis, whose district includes the state's sugar county. Lewis has been a consistent friend of the sugar growers, but he now is facing a different set of questions. In Flordia, any politician who votes to subsidize sugar is also voting to help an industry that is poisoning one of the state's most precious resources—the Everglades. In Florida, Big Sugar is, in more than one way, a bad deal.

[From the Provo, (UT) Herald, May 8, 1990]

SUGAR IMPORT QUOTAS NOT VERY SWEET AT ALL

Congresionally imposed import quotas on sugar are supposed to protect U.S. beet and cane growers, thereby preserving American jobs.

But at what price?

At a Chicago candy factory, the price may be the imminent loss of 3,500 jobs.

Uncle Sam's sugar program has proved to be a raw deal for workers and consumers alike. Over the last few years, an estimated 12,000 workers in the prepared food industry lost their jobs because of the high domestic cost of sugar. The price of sugar in this country is artifically pegged at 24 cents a pound, about 60 percent more than the price on the world market.

Because of the ripple effect of sugar prices on a wide range of prepared foods, from baked products to breakfast cereal, the total cost to American consumers of quotas and subsidies is estimated at several billion dollars a year. All this is to protect approximately 12,000 domestic sugar growers, or less than 2 percent of American farmers.

America's third-largest candy maker vividly illustrates the flip side of sugar price supports. The financially ailing company, E.J. Brach & Sons of Chicago, may be forced to move to Canada or Mexico if its application to buy sugar at world prices instead of inflated domestic prices is turned down. Cheaper sugar would save the company $20 million a year.

The request has been provisionally rejected by the Commerce Department. But the decision is subject to review by Commerce Secretary Robert Mosbacher. About 3,500 jobs would be lost if the company closed its 68-year-old factory on the economically depressed West Side of Chicago.

The quotas that help sugar farmers clearly hurt the candy company and other food processors. But the farmers wield a disproportionate influence on lawmakers on Capitol Hill.

Sugar quotas clearly distort the international market and transgress the rules of free trade. In addition to hurting consumers, the protectionist measures hurt the emerging democracies of the Caribbean, which rely on sugar as a major export. This is a prime reason the Agriculture Department is working toward eventual elimination of the quota system and why pressure is building in Congress to strip sugar quotas from the 1990 farm bill, which is now being drafted by a House Agriculture subcommittee.

It is time to end the sweetheart deal for domestic sugar growers. Allowing the sugar market to find its own level under free trade conditions would help the Chicago candy company and other domestic food processors compete with foreign companies. It would lower prices for consumers. And, probably most important and certainly not least, it would provide thousands of jobs for American workers.

[From the San Diego Union, Nov. 28, 1989]

BITTER SUGAR

The ever-perky Mary Poppins prescribed a spoonful of sugar to make the medicine go down. But congressionally imposed import quotas on sugar are enough to gag American consumers.

Last year, Americans paid 22 cents per pound for raw sugar, three times what the rest of the world paid. According to the U.S. Department of Commerce, sugar quotas cost consumers more than $3 billion a year. And who benefits from this federally protected price-gouging? Approximately 12,000 sugar growers, or less than 2 percent of American farms.

Congress currently imposes a steep tax on all imported sugar, which in turn enables domestic producers to jack up their prices. Yes, we've seen the swarmy Archer-Daniels-Midland commercial with a smooth voice insisting that American sugar remains one of the best bargains in their local grocery store. Don't you believe it.

Not only are consumers paying an extra two bucks for a 10-pound bag of granulated, but the price of most prepared foods and artificial sweeteners is inflated as well because of the wasteful sugar quotas. Between 1982 and 1984, the quotas added $7.5 billion to the price of such products. A case in point is the extra 10 cents that consumers pay for a gallon of ice cream to support domestic sugar producers.

Uncle Sam's sugar program has been a raw deal for the 12,000 workers in the prepared food industry who have lost their jobs because of the high cost of sugar. This is because foreign processed food companies take advantage of the price discrepancy and clobber U.S. firms in the world market. In fact, the Commerce Department estimates that it costs $76,000 to save just one job in the domestic sugar industry.

But such facts haven't disuaded the well-heeled sugar political action committees from doling out plenty of cash to pliant congressmen. During the last two national election campaigns, the sugar PAC's contributed $2.1 million to federal lawmakers. In return for such generosity, Congress routinely renews the sugar quotas under the guise of helping the family farmer. One such family, the Fanjul brothers, has seven sugar companies that have been so lucrative they have financed three resort hotel takeovers and four mansions in Palm Beach, Fla.

The U.S. sugar quotas, which clearly violate world trade rules, expire next year. Sen. Bill Bradley, D-N.J., plans to lead the fight

to strip these quotas from the 1990 farm bill. President Bush should lend a hand in dissolving this sweetheart deal for domestic sugar producers.

[From the Miami Herald, Dec. 18, 1989]

BALANCE SUGAR QUOTAS

Modern market economies still bear vestiges of the sort of protectionism that was rampant in the 19th Century. Though it is clothed in the technical language of trade quotas and complex subsidies, present-day protectionism is no less injurious to domestic consumers and to a country's trade partners than were its outmoded predecessors.

U.S. sugar quotas are an example of modern protectionism. The import quotas on sugar hurt American consumers by allowing domestic producers to sell their sugar at a guaranteed price that is substantially higher than the world-market price.

Moreover, the quotas also have wrought havoc in the economies of the Caribbean's sugar-producing countries by denying them much of a share of the large U.S. market. Since they cannot sell their sugar profitably elsewhere, countries such as the Dominican Republic and Jamaica have been devastated by restrictive U.S. quotas. The resultant reduction in sugar earnings is one of the chief causes for the rise in Caribbean unemployment and emigration.

While the United States rightly promotes policies such as the Caribbean Basin Initiative (CBI) to assist development in the region, its sugar quotas simultaneously demolish much of what the CBI purports to accomplish. That is why the Agriculture Department's recent decision to raise the U.S. sugar quota by 13.5 percent was sorely needed and deserves praise.

The latest quota of 2.49 million tons is still less than this decade's previous high of 3.09 million tons, but the increase will help Caribbean Basin producers enormously. For the depressed Dominican Republic alone, for example, the increase represents additional income of $22 million. Other important producers will benefit, among them the Philippines, Brazil, and Guatemala.

When the sugar program expires next year, Congress should fully weigh its effects on the sugar industry and its benefits to consumers and struggling Caribbean nations before crafting a new version of the bill. The best balance would mean export earnings to Caribbean producers, lower prices to U.S. consumers, and reasonable return to the American sugar industry.

[From the Akron Beacon Journal, Jan. 4, 1988]

A SUGAR-COATED MARKET

Talk about your sweet deals. For years, the nation's sugar growers have convinced their friends on Capitol Hill to keep foreign competition at a minimum, allowing them to charge their domestic customers far more than the world price for sugar.

It's quite a scam—all legal, of course, but a flagrant example of protectionism. And this year, the practice has plunged to new depths of venality. The quota on cheap foreign sugar has been cut to its lowest level in more than 100 years. That'll keep the domestic price at about 18 cents a pound, more than twice what foreign growers would charge.

The loser in all this is the consumer. The inflated price he pays amounts to roughly $3 billion a year, an excise tax, if nothing else. Incredibly, the winners are no more than about 10,000 sugar farmers, a mere 2 percent of all U.S. commercial farmers. As one consumer advocate told the Washington Monthly, "We could afford to pay every sweetener grower in the United States almost $250,000 in cash, and it would be cheaper than extracting the high prices for sugar than current law requires."

One's tempted to think twice, even three times, about that holiday candy. Concern grows when consideration is given to the effect on U.S. foreign policy. Corazon Aquino, the Philippine president, presides over a fragile democracy that Washington claims to support. But the American sugar policy benefits the communist opponents of the Aquino government. It hobbles the Philippine economy; 250,000 cane-cutters there are out of work; how many have turned in frustration to the insurgency?

U.S. sugar policy also undermines American interests in the Caribbean. Once again, words and deeds clash. President Reagan's Caribbean Basin Initiative was a well-conceived, free-market approach to trade and economic policy. But there's no free market in sugar. Caribbean growers have been pushed out of their most lucrative market, the United States. It's hard to imagine what more Washington could do to encourage radicalism there.

Sen. Bill Bradley, D-N.J., and Rep. Thomas Downey, D-N.Y. have offered a plan to reduce the U.S. sugar quota system over the next three years. The aim is to cut the price of domestic sugar through competition. It's long overdue. The sweetest deal would be one that serves the interests of American consumers and the country as a whole.

[From the Asheville (NC) Citizen, Apr. 25, 1989]

SUGAR SUBSIDIES ADD TO FAMILY FOOD BILLS

Federal farm programs abound with ironies, one of which is, no matter what the outcome of national farm policy, the country also gets stuck with a higher tab.

Consider sugar subsidies. When it comes to feeding at the federal trough, no one has a sweeter deal than the nation's few thousand sugarcane growers, most of them corporate enterprises that control thousands of acres each.

Were it not for the federal government, they would have gone out of the sugarcane business years ago and used those vast farms for something more productive. Instead of switching to other crops, they have persuaded Uncle Sam to give them a monopoly that allows them to charge billions of dollars more a year than their product is worth.

The world price of sugar hovers around 10 cents a pound. The federal government guarantees U.S. sugar producers 18 cents a pound and imposes import quotas to limit the supply so that market prices will stay above 18 cents.

The program is required to operate at "no net cost" to the government—but it operates at high cost to Americans in other ways. Because the price of sugar is held at a level well above what the rest of the world pays, U.S. customers spend $3 billion more a year for food than they would otherwise.

Foods containing sugar can be produced cheaper elsewhere, so food imports have grown, taking jobs away from American workers. The U.S. government sends foreign aid to Caribbean countries that once were self-sufficient. We feel obligated, because their economies were disrupted when we closed U.S. markets to their sugar.

No net cost? The program is costly to the extreme, and not just in terms of family food budgets and foreign aid dollars. It hurts our standing with our Caribbean neighbors and gives the lie to trade policies that we urge upon the rest of the world.

The mighty Untied States, proponent of free markets and fair trade, resorts to blatant protectionism to benefit a relative handful of sugarcane and sugar beet growers—and does so at the expense of the rest of the country. The program not only makes us hypocritical, it makes us look foolish.

Sugar producers have preserved their $3-billion-a-year subsidy through the clout of the farm lobby. Other farm groups (dairying, grains, cotton, soybeans, tobacco) tend to close ranks around any program that comes up for review, no matter how wasteful or misguided the particular program may be. They see an attack on one as an attack on all.

President Reagan tried to scale back sugar price supports and wean the industry from its subsidies. The farm lobby won.

President Bush seems more tolerant of the sugar program, but several members of Congress are sponsoring legislation anyway that would reduce price supports and slowly raise the quotas on imports. Despite heavy support from food companies, the measure has little prospect of passage.

Federal farm programs are something that most of the public seems to care little about—even when they hit us in the pocketbook.

[From the Fort Lauderdale Sun-Sentinel, May 24, 1989]

SUGAR INDUSTRY AID ENOUGH TO RAISE CANE

(By Jack Nease)

With Congress once again being asked to pass laws sweetening the bank accounts of South Florida sugar producers, it is time to review the basics of the business.

First, there is no such thing as a family sugar farm. Sugar cane growing is a millionaire's game. It takes thousands of acres, much expensive equipment and a big supply of cheap labor.

Likewise, there is no such thing as a "ma-and-pop" sugar mill. There are only seven mills in the state, and all except two are owned by large corporations. The exceptions are cooperatives owned by large growers.

The profits made by these big sugar operations are tightly guarded secrets.

FAMILY HAS FETISH ON SECRECY

Indeed, the people now reputed to be the biggest sugar producers in South Florida, the Fanjul family of the town of Palm Beach, makes a fetish of secrecy. The United States Sugar Corp. in Clewiston, the state's second largest sugar producer, is a private company now and doesn't make public reports either. But before going private, it reported annual profits as high as $38 million.

Other big players in the business include the Lykes family in Tampa, which made a fortune in shipping, banking and citrus, and the St. Joe Paper Co., a remnant of the old Alfred I. duPont estate.

Now why, you might ask, should Congress busy itself with devising programs to benefit this bunch?

The Florida sugar industry has a couple of answers. First, it says, without some sort of price-support program, there would be no sugar industry in this country. Low-priced

sugar from foreign countries, subsidized by foreign governments, would flood the country. Domestic producers would be forced out of business. Then sugar prices would rise. Consumers would pay more.

Additionally, Florida sugar producers argue, the industry produces jobs for South Florida. They come up with astronomical estimates of this impact but actual payrolls are tiny. The largest group of employees are part-time workers imported for the harvest season from Jamaica.

PROGRAM HAS 2-FISTED DELIVERY

Sugar prices are kept high by a two-fisted federal program. Punch one comes when sugar import quotas are kept low, producing a sugar scarcity in this country. Punch two comes when a "market stabilzation" price is set, and federal loans are made to sugar growers. That price, almost 22 cents a pound for milled sugar, is supposed to cover costs of production, repayment of loans and give growers a profit.

But how much profit? That's a big, big secret. Ask sugar producers about costs of production and they just laugh.

A group of urban congressmen has introduced legislation that would cut loan support prices by 6 cents a pound in the next four years.

What will happen next is an unsavory bit of vote trading among congressmen with agricultural supporters. Don't be surprised, for example, to see South Florida congressmen voting for tobacco price supports and tobacco-state congressmen voting for sugar.

The sugar program isn't supposed to cost taxpayers anything as operated now, but in 1985 it cost taxpayers $77 million.

The sugar program is an absurd example of government aid to the rich. It keeps prices high but never lowers themn.

If it is to be continued, taxpayers should make two modest requests: (1) Make public costs of production, so more realistic, lower price-support levels can be set, and (2) Give us back our $77 million.

Don't hold your breath.

[From the St. Louis Post-Dispatch, Jan. 3, 1988]

HOW SWEET IT ISN'T

The recent announcement by the Agriculture Department that 1988 sugar imports will be cut 25 percent compared to last year is devastating news for some countries the United States is trying to help in many other ways. This was not a mean-spirited move on the part of the administration, however, but was mandated by the Food Security Act of 1985.

That law requires that the sugar program not cost the government money—that is, no surplus stocks are bought and held. To maintain the price support without purchasing the commodity, the government must limit the amount of sugar that can be imported. While the government may not be out a dime, the law costs consumers plenty. Sugar price supports maintain a U.S. sugar price almost three times the world level. Grocery shoppers should consider all the products they buy that contain sugar and recognize the price they pay to shelter a single industry.

In additon to domestic economic concerns, the sugar import restrictions hurt some of our needy allies. For instance the 1983 Caribbean Basin Economic Recovery Act was supposed to give those countries greater access to U.S. markets. But what is a major Caribbean export? Yes, sugar. Likewise, successive reductions in the sugar quotas have cost the Philippines $150 million in each of the last four years. Evidently recognizing the hardship, Congress this year passed special import rules for the Caribbean and the Philippines.

What Congress should do next year is revise the sugar price-support legislation. The administration has said it will push for a more "rational" sugar program. Indeed. Sugar price supports and trade barriers both need to be lowered.

[From New York Newsday, June 4, 1989]

JAPAN'S AN UNFAIR TRADER? WE HAVE QUOTAS, TOO

Caught, with our hands in the cookie jar. Just as Washington is getting aggressive about trade, insisting Japan drop barriers against U.S. goods and Europe stop subsidizing farm exports, look what happens:

A panel that referees world trade has found that this country's own limits on sugar imports violate international trade rules. To conform with the General Agreement on Tariffs and Trade, Washington must scrap or overhaul its quotas on imported sugar.

GATT is right: Sugar quotas are bad business. They limit the amount of low-cost foreign sugar coming into the United States, keeping prices up here. It's welfare for U.S. sugar growers, at an estimated cost to consumers of perhaps half a billion dollars a year.

But the farm lobby has clout and the Reagan administration gave in when it demanded that sugar quotas, which lapsed in the '70s, be revived in 1982. So it will be hard to end them. But it's important to do that.

There is a lesson to be learned from this: It's hard for U.S. politicians to resist farmers' demands for trade protection, and it's just as hard for those from Japan and Europe, too.

Under Congress' 1988 trade law, the Bush administration has unilaterally cited Japan for limiting access to its markets and threatens to retaliate if Tokyo doesn't change its ways. That kind of bullying isn't allowed under GATT, but we're doing it anyway.

At the same time, this country is leaning hard on the European Economic Community to end its farm subsidies, as part of a sweeping revision of GATT rules now being negotiated.

We want Europe and Japan to accept our view of what trade rules should be—but we're not living by the trade rules that the industrial world accepted long ago.

We are, in short, in one prickly predicament. GATT's rules aren't enforceable, so Washington could ignore them. But to do that would seriously weaken U.S. credibility on trade. That's particularly dangerous because we, as much as any other country, will benefit from the current negotiations to modernize GATT.

Washington may wiggle out of this one yet, perhaps by modifying the sugar quotas without actually eliminating them. But if the Bush administration wants the rest of the world to play cleaner than clean when it comes to trade, it had better come to the table with clean hands itself.

[From the La Grange (GA) News, Mar. 15, 1989]

A $3 BILLION OVERCHARGE FOR SUGAR

(By John Chamberlain)

The United States is in trouble in the Caribbean. It could solve some of its direct problems with Jamaica, Guatemala and the Dominican Republic if it would only do something about sugar. The good will thus engendered would skip borders. What with steadily tightening quotas on Caribbean sugar, the U.S. has been carrying protectionism to a point that threatens revolutions to our south.

What to do about it? Beet sugar farmers in Colorado, and cane growers in Louisiana, whose domestic prices are supported, maintain powerful lobbies that want no change. But a New York Democrat, Rep. Thomas J. Downey, and an Ohio Republican, Rep. Willis D. Gradison, Jr., have just introduced a Sugar Supply Stabilization Act into Congress that would phase down a loan rate of 18 cents per pound of sugar until the rate reaches 12 cents. Meanwhile import quotas for sugar would correspondingly increase, to the cheers of the Caribbean countries.

How this would affect the American housewife who is intent on baking a birthday cake seems negligible. A good-sized cake calls for the addition of a pound (two cups) of white sugar retailing at 40 cents a pound to flour, milk and vanilla extract. Forty cents in an inflationary age isn't much.

It's when you multiply the cake bakers that the cost of sugar becomes politically troublesome. According to L. Francis Bouchey, the president of the Council for Inter-American Security, "the U.S. consumer . . . pays up to three times the world price for sugar," costing consumers an additional $3 billion a year. Bouchey calls this a "bloated level" for the benefit of 10,000 domestic sugar producers "who can't compete in the world market."

With an eye on Ortega in Nicaragua, Bouchey thinks it would be "utter folly for our government to increase economic aid to Latin America and the Caribbean, and then shut our market to one of the region's most important exports." U.S. aid to the Caribbean Basin countries, Bouchey says, "does not even match the revenue lost from our ever-shrinking sugar quotas." Sugar quota help to Guatemala, Jamaica and the Dominican Republic would create an opinion in Central America favorable to the Contras in Honduras, who are waiting for a turn in events before deciding to move against Ortega.

Bouchey is willing to let George Bush accept the Costa Rican invitation that the U.S. "become directly involved in negotiating the implementation of the Arias plan," which calls for a peaceful democratic settlement with the Nicaraguan Sandinistas. By participating in the Arias negotiations, Bush can "frame the issue and focus pressure on compliance." If Ortega uses the negotiations in bad faith, breaking his word for the third or fouth time, he will stand finally exposed. The reports are that Venezuela's new president, Carlos Andres Perez, would then stand alongside George Bush "in efforts to put the teeth back into the Arias accord."

There are eight presidential elections scheduled in Latin America this year. Most will presumably go democratic. But protectionist trade quotas don't help the democratic parties. Says Bouchey, "only an open trade system will allow for long-term economic growth in debtor nations, and thus ease the debt and poverty which provoke political upheavals damaging to the national security."

The next time you bite into a piece of birthday cake, think of this.

[From the Journal of Commerce, Jan. 5, 1988]

HOW SWEET IT ISN'T

Deep in the 8-inch stack of pages comprising the omnibus appropriations bill, one of the two budget measures signed reluctantly before Christmas by President Reagan, is a provision hailed by sugar refiners, Caribbean nations and the Philippines. It would permit refiners to import 400,000 tons of sugar above quotas from these countries for processing and re-export at government-subsidized world prices.

This means that U.S. consumers will be paying twice for the privilege of supporting Gulf state and Hawaiian cane growers and Midwestern beet sugar producers. Because of price controls and import quotas, which cut overseas sales in this country as domestic production rises, they pay roughly twice the world price for sugar. It is estimated that this alone is costing consumers $3 billion a year. Now, through taxes, they will support Caribbean and Philippine growers frozen out of the U.S. market and U.S. refiners unable to process to the crops of these growers.

Sponsors of the measure emphasize that there will be no new subsidy costs. The sugar credits merely will substitute in part for another federal program that finances the donation of surplus U.S. farm products to needy countries. This hardly changes the fact that U.S. consumers are paying twice for the privilege of adding to the number of U.S. sugar millionaires.

This coming-and-going insult to the U.S. consumer stems from passage of an omnibus farm bill in the Christmas rush to adjourn two years ago, much as the twin budget measures were passed this season. A few years ago, responding to requirements of the 1985 law, the administration trimmed sugar import quotas 25 percent, bringing to 75 percent the cuts over the past four years and reducing sugar imports to the lowest level in more than 100 years.

The effects of sugar import quotas have not been slow coming. Soft drink manufacturers increasingly are using sugar substitutes. Cookies makers are moving production offshore. And refiners have been driven out of business.

Sen. Bill Bradley, D-N.J., and Rep. Tom Downey, D-N.Y., have launched an effort to rein in this unconscionable giveaway. Their bill deserves the strongest support. Equally important, as the president remarked with regard to the budget just passed, there has to be a better way to run a government. If ever there was a matter deserving the line-item veto, sugar import limitation is one.

[From the Clearwater (FL) Sun, June 27, 1989]

U.S. IS GUILTY OF SUGAR PROTECTIONISM

No sooner had the United States accused Japan, Brazil and India of unfair trade practices than it got nailed for its own misdeeds. Australia successfully argued before a world trade panel that U.S. sugar quotas are hurting other sugar-producing countries. The embarrassing turnabout should cause Americans to take a hard look at the difference between what they preach and what they practice about trade.

Since it resurrected the sugar program in 1981, Congress has protected the country's sugar industry with import quotas. The artifical restrictions keep the domestic sugar price as much as two to four times higher than the world price. The high price stimulates more domestic production, which has driven sugar imports down 80 percent over seven years. After losing 75 percent of its quota, Australia filed a complaint with the General Agreement on Tariffs and Trade (GATT).

Sugar growers and their allies argue that the quotas guarantee Americans a secure supply at stable prices and protect 100,000 jobs. The protection is necessary, they say, because the European Community heavily subsidizes sugar production and dumps the surplus on the world market. What a deal. In return, American consumers pay up to $3 billion a year more for sugar products and other sweeteners. In addition, more than 15,000 jobs have been lost as food processing shifted to countries where sugar is cheaper. By protecting sugar, the United States endorses protectionism elsewhere, which hurts U.S. exports.

Sugar is a test. If the United States fails to discipline itself for sugar violations, world trade law and order will be severely undermined.

[From the New York Times, Dec. 12, 1989]

UNCLE SUGAR, UNCLE MILK

Christmas brings candy canes, chocolate bon-bons—and a woeful tangle of Federal meddling. Candy makers' grief over sugar import quotas peaks during this big selling time. Milk chocolate makers suffer added grief this year, over milk quotas. What's happening is regulation gone haywire.

Quotas protect sugar growers against foreign competition—and mean that American consumers pay an extra $3 billion a year for sugar and sugar products. With sugar's price jacked up artificially, the demand for substitutes has risen, and their prices too.

Candy canes—60 percent sugar and 40 percent corn sweetener—catch it both ways. According to Bob's Candy, a Georgia specialist in candy canes, U.S. producers pay roughly twice as much as foreign producers for the two ingredients. The inevitable result: America is importing more candy canes.

Milk chocolate producers have the same problem with sugar quotas—and now have a milk quota problem as well. Milk chocolate is half sugar, one-quarter cocoa and one-quarter nonfat dry milk. Annual imports of dry milk in this form are limited to 820 metric tons. That's barely a one-day supply for the American milk chocolate industry, which uses 300,000 tons a year.

The absurdity of Washington's tight curb on dry milk imports has been compounded this year. The Government is subsidizing milk exports—on top of last year's drought and earlier programs to cut dairy herds. Earlier this year it cost 80 cents to buy a pound of nonfat dry milk in this country. It now costs twice as much.

Two New Jersey companies, M&M Mars and Van Leer Chocolate, are pressing the Department of Agriculture to lift the milk quota briefly. Good luck. Bob's Candy and legions of other sugar users have railed against sugar quotas for years. In Washington, when it comes to protecting farmers versus protecting consumers, the consumer loses.

[From the New York Times, May 23, 1989]

AMERICA'S TRADE CURBS ARE UNFAIR, TOO

On the eve of Washington's crackdown on so-called "unfair" trade restrictions by other countries, an international panel has ruled that one of America's most outrageous restrictions is unfair, too: the quota on sugar imports. The timing is coincidental, but the message is clear. Unfair trade, like fair trade, works both ways.

Under a deadline set by last year's trade legislation, the Administration will soon declare that one or more countries discriminate against certain U.S. products and services and demand negotiations to remove objectionable restrictions. If Washington isn't satisfied with the results, the law threatens punitive tariffs on imports from the targeted countries.

Congressional defenders of this unilateral high-handedness claim it's justified because America is more open to imports than other countries. By threatening to restrict U.S. imports, the law would pressure other countries to lower their barriers. There is nothing wrong with badgering other governments. The risk is that they will balk at America's presuming to be the sole judge of what's fair and unfair, and that the process will lead to trade warfare and more, not fewer, restrictions.

The strategy has already had one salutary result. To avoid being targeted, South Korea has agreed to a wide range of measures that should make it easier for foreigners to sell and invest there. But the European Community, taking a harder line, protests that unilateral action by the United States would violate the General Agreement on Tariffs and Trade, the agreement that covers most of the world's merchandise trade.

The General Agreement provides a framework for negotiations to reduce trade barriers—like the Uruguay Round now under way—and a forum for settling bilateral disputes. Indeed, acting on an earlier protest by Australia, a panel of trade officials has ruled that America's sugar quotas violate the General Agreement. So America finds itself, in effect, convicted of an unfair practice at the very moment it plans to accuse others.

If not actually embarrassed, Washington should be sufficiently chastened to admit its own faults, not just find fault with everyone else.

[From the New York Times, Dec. 21, 1987]

UNCLE SUGAR'S SUGAR DEAL

America will import no more sugar in 1988 than it did in 1875. The way things are going, it may soon import none at all. That's splendid for a few thousand protected farmers—but a raw deal for everyone else. Hopes of relief have faded what with Congress adjourning, but the Administration and consumers need to keep up the pressure for a reduced support price.

U.S. sugar law, in force since 1982, sets the American price, currently 21.8 cents a pound, more than triple the world market price. At retail, sugar goes for about 36 cents a pound in Washington, D.C., is higher in Europe and still higher in Japan. In Latin America and other third world countries, it is substantially less.

To avoid Federal outlays for surplus sugar, Congress ordained that the price be enforced by curtailing imports. If American production rises, imports must fall and the consumers pays. The Administration, having no real choice but to obey the law, has just whacked the 1988 quota by 25 percent, to approximately 750,000 tons—down 75 percent since 1982. It could drop to zero by 1990.

The American quota means trouble for the economies of the Caribbean, Brazil, the Philippines and Australia, among others. It also distorts agriculture and food processing at home. The high sugar price has increased the popularity of corn sweeteners and has

driven some American food companies over the border to Canada, where they can make their cake mixes, cookies and candy with cheaper raw material.

Why should all of America pay three times the world sugar price for the sake of a few farmers? In large measure because the sugar lobby, rated as one of Washington's most effective, has a solid phalanx of support from the four big sugar-cane states—Texas, Florida, Louisiana and Hawaii—plus a dozen others that grow sugar beets, and lately the corn belt too.

The lobbyists point to a major factor driving down the world price: government subsidies that have generated oversupply in Europe. Washington hesitates to sacrifice American farmers to keep subsidized European farmers afloat.

To deflect some of the impact on countries Washington wants to help, and to help American refiners, Congress has voted to permit importation of an extra 800,000 tons next year from the Philippines and the Caribbean, provided that the refined product is re-exported. The sugar will come in at the American price and be re-exported at the lower world price, with the Government making up the difference by giving refiners other surplus commodities. American consumers get no benefit; countries that aren't in on the deal resent it.

While the Reagan Administration would prefer a free market, foreign subsidies prevent it. But the Administration believes, with reason, that a 12-cent support price would benefit consumers and America's trading partners without too much grief for American farmers. Congress continues to turn a deaf ear.

On a broader plane, the Administration is also pursuing the issue with the Europeans in the new round of global trade negotiations. Meanwhile, Uncle Sugar's unnecessarily high support price gouges consumers and hurts foreign friends.

[From the Jacksonville (NC) News, Oct. 14, 1988]

SWEETS FOR CONSUMERS

The Europeans have announced plans for an international inquiry on U.S. sugar-import quotas. Good. Since Congress has refused to eliminate this consumer-gouging program, perhaps it can be buried another way.

Thanks to Congress, U.S. sugar prices are generally two or three times the world price, raising the rate of every food product using sugar. At the same time, the program undermines the shaky economies of friendly sugar-producing nations such as the Philippines.

By one estimate, the Philippines has lost $150 million a year because of the restricted U.S. market.

The European Economic Community has announced that it plans to ask the General Agreement on Tariffs and Trade, the Geneva-based international trade body, to investigate the U.S. program. The move is interesting because the Europeans do not come to the table with clean hands; their sugar industry, too, is highly subsidized. The public airing of this issue should be fascinating.

In current talks to revise international trade law, the Reagan administration has called for a 10-year phase-out of wasteful farm subsidies. The continuing scandal of the U.S. sugar program provides yet another powerful argument in favor of that goal.

[From the Schenectady (NY) Gazette, Aug. 22, 1989]

DROP SUGAR QUOTAS

Americans pay at least two times more for sugar than they should, thanks to quotas that limit low-cost imports to 8 percent of the U.S. market. The quotas amount to a sweet deal for a handful of U.S. sugar producers, but a raw one for other industries, millions of consumers and foreign trade partners. It's time Congress let them die.

Unfortunately, the influential sugar and corn-sweetener lobby has different ideas. It's launched a slick advertising campaign in an effort to convince viewers that American sugar is relatively cheap. In fact, it is about 16 cents per pound higher than the world price. And over the course of a year, that amounts to roughly $2.25 billion in higher prices for U.S. consumers and industrial sugar users.

The sugar industry has argued all along that the quotas preserve domestic jobs. True enough; they save maybe 75,000. But according to the Commerce Department, that works out to roughly $76,000 per job, which hardly seems worth it. The sugar industry also doesn't like to brag about the fact that higher sugar prices have cost jobs in the American soft-drink and candy industries.

The council which governs the General Agreement on Tariffs and Trade recently declared that the quotas violate world trade rules, and recommended that Congress not renew them when they expire next year. President Bush reportedly agrees with this position, as do some lawmakers.

The big obstacle is the sugar industry lobby: over the past two elections, its political action committees have donated more than $2 million to preserve favorable treatment. And because the quotas system doesn't cost taxpayers directly—the way price supports do—Congress may be reluctant to scrap it.

The quotas are bad news, though, and not simply because they defy economic sense. They also weaken the United States' effort to dismantle world trade barriers.

[From the Kansas City Star, Jan. 15, 1988]

SWEET QUICKSAND

Once again, Congress has slipped into the legislative quicksand of sugar imports.

To protect U.S. growers, imports must fall as domestic production increases. But the government recently estimated that in 1988, imports will drop to their lowest levels in more than a century. This will increase the strain on our friends in the Philippines and the Caribbean, where the development of stable democracy depends largely on economic growth.

Instead of phasing out the quotas, Congress will sink deeper. A provision in the recent catch-all spending bill permits more imports from Caribbean and Philippine growers, but here's the catch: To keep our domestic industry happy, the sugar must be refined in the United States and may not be sold here.

The refiners will pay the high U.S. import price of 21 cents a pound but will sell the refined product overseas for the world price of 10 cents a pound. Who picks up the difference? The taxpayer.

Thus, under this measure, for the first time our government will be subsidizing foreign agricultural production.

In one sense, this "solution" is welcome. It is so scandalous that even Congress may soon come to the realization that the sugar program must be reformed.

[From the Atlanta Journal, Nov. 28, 1989]

UNCLE SUGAR IS SWEETER

Uncle Sam has never been very kind to the other sugar-producing countries of the world, although he has been Uncle Sugar to U.S. sugar producers. By limiting imports from other countries, we have deprived some needy ones of a fair share of our market in order to benefit a few politically powerful businessmen in the United States. And of course it has worked to the detriment of U.S. consumers who must pay artifically high prices in the marketplace.

We do this with other products, especially agricultural ones. But it has been particularly illogical in the case of sugar because the quotas hurt countries that we otherwise seek to help. For example, one of the main reasons President Reagan's Caribbean Basin Initiative has failed to do more to uplift countries that we wanted to inoculate against communism and Castroism is that sugar is the principal export of most of the countries in question. We won't let them sell much of it to us—even though CBI was supposed to rely on "trade," rather than direct aid, as its principal tool in assisting their economic development.

Now Agriculture Secretary Clayton Yeutter has announced a 13.5 percent increase in the amount of raw sugar that can be imported from 39 countries in 1990. Opponents of liberalization of our sugar import policy have long claimed that if we increase our dependence on foreign sugar, we might someday be at the mercy of a foreign cartel. The fact that 39 countries have sugar quotas and are involved in exporting to the United States in itself shows how unlikely it is that such a cartel could be formed. Even if they tried, we could certainly break it up by making particularly favorable deals with those CBI countries.

Besides, Secretary Yeutter claims that the U.S. crop is going to be down anyway next year, and no domestic producers are really going to be hurt if imports are increased. At least that gives him the political opening for something we should have done much earlier.

As for the amount, a 13.5 increase isn't much. Being happy over it is a bit like being pleased when a man agrees to cut down his wife-beating from five times a week to only four. But it is a beginning, and some progress is better than none.

[From the Washington Post, Aug. 9, 1988]

THE GREAT SUGAR BOWL

An ironic side effect of the drought is that is has briefly civilized U.S. sugar policy. Sugar beet production in the Red River valley of North Dakota and Minnesota has been sharply curtailed. The government has responded by raising import quotas on sugar from abroad; those quotas had previously been the lowest since 1875. That will help such weak producing countries as the Philippines and the Caribbean islands. These are countries toward which U.S. policy is normally contradictory. The goal of foreign policy is to help them; the effect of sugar policy is the reverse.

Sugar in the United States, as in much of the rest of the world, is a protected industry. The U.S. price of about 23 cents a pound—the price at which the government promises to buy any sugar that domestic producers cannot sell—is roughly double the world price. To enforce it without incurring costs, the government imposes import quotas. First, U.S. beet and cane producers sell all they can grow; only then can foreign

producers sell, and only enough to meet the rest of demand.

The effect of this system and competition from corn sweeteners has been to drive the foreign quotas down in recent years; soon they could disappear entirely. Until the drought, only about 758,000 tons of foreign sugar were going to be allowed in the country this year. That has now been raised about 40 percent to just over 1,050,000 tons, up a little over last year but still low by historical standards—down 40 percent from 1986, for example.

The sugar people justify the quota system on the grounds that other countries protect their markets, too. Without such protection, they say, the United States would be ceding its lucrative market not merely to the lower-priced Third World producers who are the acknowledged pawns in all this but to the heavily subsidized Europeans. The Europeans are portrayed by U.S. producers as the true villains in the plot, in that their governments pay them to grow surplus sugar that is then dumped in the world market, depressing prices there for everyone.

The U.S. producers' case would be a lot stronger if they did not so palpably enjoy the comforts of the present system. They and their fellow travelers, the corn-sweetener people, are given a kind of national monopoly at the expense not merely of foreign producers but of U.S. consumers. This is a program whose cost doesn't show up in the budget, but at the grocery store—and on all those occasions when the United States preaches free trade abroad. From inside the great sugar bowl, such preaching always sounds a little hollow.

There is no joy in seeing U.S. producers wiped out by drought. There is no joy in seeing them propped up by the government either. The next administration and Congress should show some leadership and begin to phase the sugar program out.

[From the Washington Post, Mar. 12, 1988]

THE SUGAR DISASTER

American sugar import quotas have turned into a disaster for the small agricultural countries of the Caribbean. As the quotas shrink, they are cutting off one of these countries' principal sources of earnings. Congress, justly afflicted by a bad conscience, enacted in December legislation that would at least temporarily mitigate the effects of the quota reductions. The Reagan administration says that the legislation is fatally flawed technically, and refuses to carry it out.

Beyond the legal quibble, the administration—here the reformer—detests the sugar quotas, wants to get rid of them and resists anything that will make them seem less damaging. The American sugar program is thoroughly rotten, and there's a certain attraction to just saying no. But the cost of that stern and virtuous denial would fall exclusively on the Caribbean sugar-producing countries and the Philippines.

Congress, in a conspicuously squalid act of pure protectionism, has fixed the price of sugar in this country at roughly 22 cents a pound. The world price is currently about 8 cents. Since the supporters of this commitment recognize that it is economically indefensible, they have decreed that it must be maintained without cost to the government. They accomplish that by the quota system, which cuts imports to whatever level necessary to maintain the mandated price. The consumer pays the bill. Because American production of sugar and other sweeteners has been rising, the quotas have been cut drastically. They fell from a peak of 6 million tons in 1977 to 1 million last year and, after another big U.S. crop, to 750,000 tons this year.

Congress is, to its credit, uneasy about this ferocious squeeze on Caribbean sugar earnings and last year came up with a rather tricky one-year remedy. An additional 400,000 tons would be allowed into the country at U.S. prices, to be refined and re-exported at the lower world price—with the deal subsidized with surplus stocks of other commodities that the government holds. It would bring $100 million to the sugar farmers and exporters of the Caribbean countries and the Philippines.

Ideally, the solution is to abolish U.S. sugar quotas and, at the same time, get the Caribbean countries out of sugar production. Sugar is in vast oversupply worldwide, and producing it is a formula for perpetual poverty. The Reaganite reformers are right in principle. But, unfortunately, the sugar economy can't be transformed overnight. For the present year they would be wiser, as well as more generous, to reread the law and see whether there isn't a way to get that $100 million to the Caribbean and the Philippines.

[From Business Week, May 8, 1989]

U.S. CONSUMERS, AND THE CARIBBEAN ARE GETTING A SOUR DEAL ON SUGAR

(By Paul Magnusson)

Customs officials were puzzled. The sugar they were testing for purity was clearly marked as Canadian, and it entered the U.S. under Canada's quota. Yet tests showed that it was cane sugar from a balmier clime—as in Australia, mate.

The Byzantine rules governing the sugar trade inspire such shenanigans. Several of the 38 nations that export sugar can profit handsomely by resorting to a bit of legal arbitrage: They can sell their sugar to the U.S. at inflated prices, then buy cheaper sugar on the world market for their own use (chart).

American consumers and manufacturers pay an estimated $930 million a year to preserve the antiquated quota system. Although there are only 12,000 sugar cane and sugar beet growers in the nation, they are a powerful bunch when teamed up with corn growers, who know that high sugar prices boost sales of corn sweeteners.

The Bush Administration could help end the sugar madness. But a timid White House has been scared off supporting a bill called the Caribbean Basin Initiative II, which is now being drafted by a House Ways & Means subcommittee. The original CBI was conceived in 1983 as a regional free-trade zone that would provide an economic tonic for impoverished Caribbean nations and their shaky governments. But powerful U.S. lobbies eviscerated it by exempting textiles, shoes, petroleum, leather goods, canned tuna, sugar, and watches from its liberal provisions. Since 1983, U.S. imports from the Caribbean have actually fallen by a third, to $6.8 billion last year.

Sugar exporters ultimately got the worst deal of all. A bizarre provision of the 1985 farm bill required that the federal government guarantee U.S. producers at least 18¢ a pound for sugar—without any net cost to the Treasury. The CBI eliminated tariffs on Caribbean Basin sugar, but quotas were ratcheted down to keep the U.S. raw sugar price at an artifically high 22¢ per pound. As a result, the government didn't have to pay off the farmers.

But rising competition from artificial sweeteners and corn syrups required ever lower quotas to keep the U.S. price stable. Foreign producers have seen their U.S. sugar quotas shrink by 63% since 1982. That means 400,000 jobs lost in the 22 Caribbean Basin countries since 1983, claims Jose Orive, who chairs the CBI Embassy Group, a coalition of Caribbean nations. "We are busting our tails to try to diversify and find alternatives to sugar, but how are you going to do that on the little islands like St. Kitts and Nevis?" he asks. Exports of manufactured goods are up, but they are dwarfed by the loss of earnings on sugar, the region's second-most-important commodity export after coffee.

The outlook was brighter for the Caribbean last year. The Reagan Administration and a few in Congress wanted to eliminate sugar quotas entirely. Sam Gibbons (D-Fla.), chairman of the House Ways & Means trade subcommittee, sought at least to restore the CBI's sugar quota to the 1983 level. But he was stymied by the U.S. sugar lobby, which wants stable pricing above all else.

Now, Gibbons is trying to freeze the overall CBI sugar quota at its current level while redistributing to CBI countries any unused quota allotments from other nations. "The current program just makes no sense," says Gibbons. "Someone has to start straightening it out." But the Bush Administration demurs, contending that Gibbons' modest sugar proposal would violate international trade rules that prohibit such juggling of quotas among nations.

The ultimate solution may lie elsewhere—in next year's farm bill or in the current round of trade talks in Geneva. The U.S. is seeking an agreement to phase out European farm subsidies, including those for sugar. But it's long overdue for Congress to admit that writing trade policy for the convenience of 12,000 U.S. sugar farmers is a bad idea. It's not often that the government has a chance to help struggling island countries—and save consumers $1 billion in the bargain.

[From the Greenwood (MS) Commonwealth, Sept. 18, 1989]

COSTLY SUGAR QUOTAS ABOUT TO EXPIRE

In discussing sugar quotas now imposed in the U.S. market, a recent editorial in The Wall Street Journal alleges that the quotas "fleece the average American family of four to the tune of $100 a year."

The editorial comments apparently were prompted by the approaching expiration—early next year—of the sugar restrictions. Renewal seems unlikely since the General Agreement on Tariffs and Trade (GATT) has ruled the quotas violate world trade rules.

The Wall Street Journal observes that "the quotas restrict low-cost imports to only 8 percent of the sugar consumed by Americans. The 1,400 U.S. sugar beet and sugar cane growers also get a support price of 24 cents a pound, twice the world price."

It is believed that President Bush will go along with the GATT because to do otherwise would lay the United States open to charges of hypocrisy in its criticism of foreign trade barriers.

It will be interesting to see whether Washington bigwigs are more influenced by the affected industry or by millions of consumers.

[From the Los Angeles Times, Sept. 25, 1989]

STOP THE SUGAR QUOTAS

The extension and enlargement of the sugar import quota will at least cool the inflation in the price of sweeteners in the United States, but it is only window dressing. The real need continues to be restoration of a free market and abolition of the sugar program. Congress will have an opportunity to do just that when the new five-year farm bill is written next year.

The action on the U.S. quotas means some immediate help for several nations whose economic well-being is of particular importance to the United States. The four largest quotas go to the Dominican Republic, Philippines, Brazil and Australia. Four Central American nations with major dependence on sugar exports also are quota recipients. They are Guatemala, El Salvador, Costa Rica and Honduras. Nicaragua should also be restored to that list.

The consumption of sweeteners is continuing to increase in the United States, but slowly. Deliveries of sugar this year will be up 1%, high fructose corn syrup up 3%. U.S. beet and cane production in the current crop year is estimated at 7.13 million tons. The sugar import quota has been increased from 1.1 million tons to 2 million tons, still far behind the 1977 import peak of 6.1 million tons.

The squeeze on imports in recent years has provided protection to American sugar growers at an enormous cost. The cost has been borne by foreign producers, most of them impoverished nations dependent on their commodity exports, in terms of lost markets.

And it has been borne by American consumers, who have been forced to pay what amounts to $3 billion a year in inflated prices, according to one consumer advocacy group, the Public Voice for Food and Health Policy. The protectionism has also distorted the sweetener market, encouraging a dramatic shift from sugar to the now-dominant corn-based sweeteners.

At a time when the United States is encouraging all nations to abandon farm subsidies and other programs that distort world trade in food commodities, the U.S. sugar program is a conspicuous embarrassment. New price increases, the highest in a decade, that led to the quota increases have compounded the burden on American consumers. Termination of the sugar program is the only appropriate way to protect consumers while assuring fairness to nations dependent on their sugar exports. The challenge to American sugar growers is to compete, not hide behind quotas.

[From the Kingsport (TN) Times-News, Nov. 13, 1989]

U.S. SUGAR QUOTAS MAKE SWEET TOOTH NOT SO SWEET

Anyone who thinks import quotas are good for America because they protect American jobs should take a look at the bittersweet truth of sugar quotas.

American consumers are paying more for sugar than any other western nation—three times what they should be paying—to "protect" the U.S. sugar industry.

The "industry" consists of 12,000 sugar growers, less than 2 percent of American farmers.

No one would wish those 12,000 growers out of business. But consumers don't realize what it's costing to keep the growers happy and turning a profit.

The elevated price of sugar forces consumers to pay more for anything that contains it—10 cents added to the cost of a gallon of ice cream, for instance.

The U.S. sugar program has added $7.5 billion to the price of other products, everything from peanut butter to microwave dinners.

The impact of those higher prices has cost the American economy 12,000 jobs, just about the number of jobs it seeks to protect at the expense of all consumers.

Those jobs were lost to foreign producers not handicapped by higher American sugar prices.

At the sacrifice of American jobs and high food prices, sugar growers are filling their pockets.

The current sugar program is so wasteful that if the government discontinued it, it could give each sugar grower in America $250,000 a year in cash, and still save money.

Sugar growers know they're on the gravy train and they want to keep it that way.

And so they paid out more than $2 million in political action committee donations in the past two national election campaigns.

Meanwhile, the growers get richer. One owner of seven sugar companies has financed three resort hotel takeovers and four mansions in Palm Beach, according to the Miami Herald. That's not exactly your typical struggling farm family.

Ironicaly, the sugar quota protection has even hurt the sugar industry itself.

U.S. sugar now is too expensive to export and the high cost has hurt refineries, forcing 10 to close and 6 companies to leave the industry since the reinstatement of quotas in 1981. Sugar use has fallen 17 percent in the United States.

Nor are our trading partners pleased that the sugar quotas violate the General Agreement on Tariffs and Trade, a comprehensive trading pact between the United States and other nations.

U.S. quotas have also severely cut export revenues for several debtor countries who export sugar. Since these debtor countries also receive U.S. economic aid, this is a double waste of taxpayers' money: One hand of the government is giving money in aid while the other hand is taking away their sugar revenues.

It's time to put an end to this protection that helps so few, and hurts so many.

[From the Chicago Tribune, Dec. 24, 1987]

SUGAR QUOTAS LEAVE SOUR TASTE

In a single move earlier this month, the Reagan adminstration added to the uncertainty of Cory Aquino's future in the Philippines, encouraged illegal drug traffic in Central America and the Caribbean and raised the price of the average American family's grocery bill.

How, you might ask, could the White House manage to inflict so much political and foreign policy damage with one shot? The answser lies in the United States' sugar program, perhaps the epitome of everything that is wrong with special-interest politics in this country and a prime example of the enormous costs of protectionism.

What the administration did—and it took the step reluctantly—was slash sugar imports for next year by 25 percent to their lowest level in more than a century. The Philippines, Dominican Republic, Brazil and other sugar-exporting countries will be allowed to sell slightly more than 750,000 tons to the U.S., the smallest amount since 1875.

Just as Japan shields its venerated rice farmers, the U.S. government has been protecting American sugar beet farmers and sugar cane growers form foreign competition for decades. The latest legislation, passed in 1985 over the strenuous objections of the White House, forbids sugar surpluses and requires imports to be restricted in order to keep domestic prices from falling below a support level of 18 cents a pound. The result is that sugar sells here for 22 cents a pound nearly triple the world price.

The winners of this economic folly are about 12,000 well-to-do American farmers, or 2 percent of the total. The losers are many. Foremost, American consumers have to pay higher prices for their sweets—essentially an excise tax estimated at about $3 billion a year.

Then there's the damage done to some of America's trading partners. In the last four years, the sugar program has cost the Philippines about $150 million a year in foreign exchange, and that country's sugar regions are where the Communists are most active in opposing President Aquino. State Department officials say sugar cane farmers in tropical areas often turn to growing marijuana or the coca plant, the base for cocaine, when faced with a shrinking market.

The Reagan administration has tried unsuccessfully to make the sugar program more market-oriented and rational. It favors cutting price supports by a third and paying sugar producers about $1 billion over five years to cushion the blow. In 1985, a similar plan to reduce the sugar program was defeated by a coalition of sugar growers and the Midwestern corn refiners, who make sweeteners used as lower-cost alternatives to sugar.

The sugar program centers on an extravagant quota that squeezes out foreign goods, drives up the majority and forces the State Department to dole out foreign aid to make up for wrongheaded U.S. policy. The program should be completely overhauled or, better yet, scrapped. It's hypocritical to bash the Japanese for their failure to open their markets when Washington closes America's to foreign sugar producers to keep a few beet farmers happy.

[From the Indianapolis News, Dec. 29, 1989]

THE SUGAR-COATED TRUTH

A couple of weeks ago in this space we noted how the sugar lobby has presented some sugar-coated advertising on what American consumers really pay to purchase sugar.

What the slick television advertisements, which boast that American consumers pay a smaller portion of their incomes on sugar than people in most other nations, fail to mention is that consumers are paying about $3 billion a year more in direct and indirect costs than they need to because of government sugar-import quotas.

Those restrictions, which severely limit foreign sugar imports, are tantamount to a government subsidy for sugar.

This not only translates directly into higher prices for sugar at the supermarket, but into higher prices for all products that use any kind of sweetner at all—natural or artificial.

Since firms that use sugar or corn sweetener in their candy and beverage products have to pay about twice as much for the raw product as foreign competitors, they are at a disadvantage in the international marketplace. Any protection of jobs in the domestic sugar-growing industry has more than

been offset by job losses in the domestic candymaking industry.

What's more, the import restrictions have been a financial blow to friendly countries in the Caribbean and South America whose economies have been tied to sugar cane farming. If sugar isn't profitable, why not switch to drugs, which are?

But that's only part of the sugar story.

In a series of articles on the death of the Florida Everglades, Knight-Ridder reporter Dave Von Drehle writes that "King Sugar" is the largest single polluter of the dwindling Everglades.

Water diversion to the sugar plantations and agricultural runoff of tons of phosphorus and nitrogen are destroying the last vestiges of this "river of grass" running through central and southern Florida. The Everglades, which may be a key to Florida's natural water supply—not to mention being the home of numerous plant and animal species on the verge of extinction—is on the brink of destruction. Some naturalists say the Everglades area is already biologically dead.

"Florida's sugar cane industry, the nation's biggest, is a bruiser at every level—county, state and federal," Von Drehle writes. "The Florida sugar cane league is one of the state's most powerful forces. In Washington, sugar lobbyists are widely agreed to be among the most effective in the United States, alongside the folks from the National Rifle Association."

In addition to import restriction subsidies that benefit sugar growers, the state of Florida leases land to them at nominal prices. Although the cane growers benefit enormously from south Florida's expensive water control system, they pay only $300,000 in taxes toward the system's $168 million annual budget. Their water is free of charge.

Von Drehle notes that all of this economic benefit and subsidy in Florida are going to only a handful of people who control four huge sugar companies. Two of those four companies—U.S. Sugar Co. and a company owned by the Fanjul family—collect nearly a quarter of all the sugar cane revenues in the United States.

This bonanza is enough to make a dairy farmer blush.

[From the Wall Street Journal, Aug. 15, 1989]

UNCLE'S SUGAR

If you watch any of the Sunday public affairs shows such as "Meet the Press," you've no doubt seen a commercial in which a soothing announcer says, "When Americans reach for sugar, they get a pretty good deal." The spiel goes on to compare what U.S. consumers pay for sugar with what is charged in consumer-hostile Japan. What it doesn't say is that the ad's sponsor is a major booster of sugar-import quotas that fleece the average American family of four to the tune of $100 a year.

The sponsor is Archer-Daniels-Midland, a leading producer of high-fructose corn sweeteners that are used in products such as soft drinks. Corn sweeteners are competitive only at the quota-inflated price of sugar, and that explains why ADM has been pumping ad dollars into those Sunday morning shows that are watched by Beltway elites. Sugar quotas expire next year, and this June the council governing the General Agreement on Tariffs and Trade ruled that the quotas violate world trade rules. The quotas restrict low-cost imports to only 8% of the sugar consumed by Americans. The 11,400 U.S. sugar-beet and sugar-cane growers also get a sugar support price of 24 cents a pound—twice the world price.

President Bush is likely to go along with the GATT ruling and seek an end to the quotas. To do otherwise would lay the U.S. open to charges of hypocrisy in its criticism of foreign trade barriers.

But the sugar growers and their corporate allies such as ADM aren't giving up easily. Sugar-grower PACs doled out well over $2 million to Congress in the last two elections, and Members know the PACs will raise Cain if they even touch the quotas.

Sugar growers are also stockpiling new statistics that purport to show that the sugar and corn-sweetener industries directly create at least 75,411 full-time jobs nationwide. It's true that an end to quotas would mean some dislocation of workers, but not nearly as much as the quotas themselves create.

The Commerce Department recently estimated that it costs $76,000 to save just one job in the sugar industry, and even that won't preserve it forever. The inflated price of U.S. sugar has allowed producers to mechanize their operations and sharply reduce their labor needs. Louisiana has cut its sugar workforce from 15,000 to 4,000 in just 10 years.

High-priced sugar also destroys jobs in the soft drink and candy manufacturing industries. Democratic Representative Jim Moody says sugar quotas are "devastating" candy makers in his Wisconsin district because foreign manufacturers can buy sugar for much less than America's inflated price. The chocolate and confectionary industries alone employ more than 60,000 people nationwide.

Democratic Senator Bill Bradley plans to lead the fight to strip sugar quotas out of the 1990 farm bill. President Bush should lend his wholehearted support, especially since the sugar growers will no doubt be sweetening the pot of campaign cash they give to Members of Congress.

ADM is already doing its bit to keep the quotas alive. It has unveiled a new commercial in its normal Sunday morning time slot. This one shows a man climbing a staircase representing the amount of time consumers in other countries must work to buy a pound of sugar. The last few steps represent economic basketcases such as Argentina and Poland. Funny, we thought one of the reasons those countries were in so much trouble was their indiscriminate use of subsidies.

Mr. BRADLEY. Mr. President, the simple fact of the matter is that sugar that is not allowed to enter the country because of quotas is entering anyway in the form of processed foods. The imports of processed foods harm our trade deficit far more than would imports of sugar by the margin of the value added to the product. You can import sugar at 15 cents, or you import a candy bar at 95 cents.

Mr. President, I would argue as well that we have to simply face up to the fact that the dumped price, so-called dumped price, is an interesting argument, but it is not exactly right.

If you take Jack Roney, of the Hawaiian Sugar Planters Association, when he was at USDA he argued that a 28-percent share of world sugar production traded at international markets. As the Senator from Minnesota said, if you remove from that about 16.3 percent traded in preferential rates, including United States quota impacts, EC purchases and procurements from Cuba, that leaves about 21 percent traded in the international market.

That stacks up very well against other commodities. Twenty-eight percent of world wheat production is traded at world prices, 28 percent of soybeans, 15 percent for corn. Yet I have not heard anyone argue that these are dumped prices, even though Government provides substantial subsidies to farmers.

Finally, Mr. President, I would argue this amendment is the best incentive and best pressure we can bring on the European Community to reduce their support.

● Mr. MOYNIHAN. Mr. President, I am most enthusiastic to join my distinguished colleagues, Senators BRADLEY and ROTH, as a cosponsor of this amendment to reduce the sugar support price. This has been and remains one of the most misguided and elementarily dumb programs ever enacted.

Since this program began in 1985, we have impoverished Caribbean producers, bankrupted American sugar refiners, made millionaires out of several thousand U.S. growers of sugarcane, and established a new class of wealthy sugar beet growers.

Indeed, we watched sugar imports from our Caribbean neighbors collapse, from 5 million tons to under 1 million tons. U.S. sugar refiners collapsed apace. Food processors of all types were impacted.

At the same time, U.S. users of sugar could no longer afford it. One is now hard-pressed to find sugar in Coca-Cola. Be it classic, regular, or nouvelle. All one finds now is corn sweetener or high fructose syrup or such.

It is long past time that the U.S. sugar program was terminated. It has cost the United States billions of dollars, enriched a few, and broke faith with our Caribbean friends.

Although I would urge we do more to return U.S. sugar prices to world market levels, I believe the 2-cent reduction in the price support level is an appropriate first step. I urge my colleagues to support it.

I yield the floor.●

The PRESIDENT pro tempore. All time is expired.

Under the previous order, the Bradley amendment No. 2314 will be laid aside until 9 a.m. on Tuesday next, July 24.

The Senator from Minnesota [Mr. BOSCHWITZ] is recognized to offer an amendment in which there will be 80 minutes of debate equally divided in the usual form, which means the offeror of the amendment will have 40 minutes, the manager of the bill, if he

opposes the amendment, will have 40 minutes under his control.

If the manager of the bill supports the amendment, then the time in opposition to the amendment will be controlled by the minority leader or his designee.

The Senator from Minnesota [Mr. BOSCHWITZ] is recognized.

AMENDMENT NO. 2315

(Purpose: To modify the acreage reduction requirements for wheat and feed grains that are triggered by carryover stocks)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] proposes an amendment numbered 2315.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 87, line 15, strike "40 percent" and insert "50 percent".

On page 87, line 23, strike "40 percent" and insert "50 percent".

On page 136, line 17, strike "25 percent" and insert "30 percent".

On page 136, line 23, strike "12.5 percent" and insert "10 percent".

On page 137, line 1, strike "25 percent" and insert "30 percent".

On page 137, line 6, strike "12.5 percent" and insert "10 percent".

Mr. BOSCHWITZ. Let me describe the amendment. The reading of the amendment would be almost impossible to understand because of the technical nature of it. But it has to do with the set-aside program.

Under the bill we are considering, S. 2830, the set-aside program or the acreage reduction programs, or ARP's, as they are sometimes called, are that in the event that carryover stocks in wheat are less than 40 percent, then the Secretary of Agriculture would have the authority, the discretion, to have a set-aside of 0 to 12.5 percent of the wheat base. In the event that stocks-to use, or carryover stocks, as I call them, are greater than 40 percent, then the Secretary of Agriculture must have a 12.5 percent ARP, or set-aside and can have a set-aside as high as 20 percent. So this amendment deals with the set-asides. My amendment would reduce the set-asides.

In the case of corn, the Secretary of Agriculture would have the authority to have a set-aside of 0 to 12.5 percent if the carryover is less than 25 percent and, in case the carryover exceeds 25 percent, then he must invoke 12.5 percent set-aside and may invoke a set-aside as high as 20 percent.

There is some logic to that approach, in the sense that in the event stocks are high, farmers would be allowed to plant less land.

What my amendment does is set the set-aside levels somewhat lower and would set the carryover levels that trigger set-asides higher.

In the case of wheat, the carryovers would have to be 50 percent before the Secretary would have the authority to have a set-aside in excess of 12.5 percent and that in the event the carryovers exceeded 50 percent, only then could he have a set-aside as large as 12.5 percent.

In the case of corn, instead of having a 25-percent carryover, we have a 30-percent carryover. It is hard to explain all of that, Mr. President. So let me explain it in more general terms.

We have two basic theories among those of us who are on the Agriculture Committee. Some would seek to raise prices by setting aside lands, while others of us would say that productive land should be farmed, that an important element of agriculture is the infrastructure of agriculture. The people who move the product, who sell the chemicals for the product, who operate the grain elevators, all the folks of rural America that are involved in agriculture off the farm outnumber those involved in agriculture on the farm. Those who are involved in agriculture off the farm, who work at the elevators, who run the trucks, who run the barges, who are the representatives—be they the lawyers or the insurance agents, who sell the chemicals, have as large a share of the gross national product as do the farmers in their production. Those people, also, need to be served. They are served poorly by set-asides.

If we take land out of production and do not allow planting of that land, then we are going to produce less. If we produce less, rural America suffers. If we produce more, in some way the farmers suffer because of lower prices. But, Mr. President, we are the only country that sets aside. We are the only country that has acreage reduction programs. As we reduce acres, others increase acres and take the market that we should have.

It is my contention that if we produce, we will sell that product and we will prevent other nations from expanding their production. One of the most compelling examples of that is in the area of soybeans. Because of the 1985 farm bill, the farm program requires you to plant the program crop on the base. For instance, the corn base must have corn planted on it. If you do not use your base you lose your base. The base is closely related to the value of the land. If you go to sell an acre of land, Mr. President, and you have a corn base on that land, then that acre of land is worth more. So you must plant corn on the base in order to retain the corn base. That results in considerable inflexibility.

If the world market is calling, not for corn but rather for soybeans, as it has in recent years, you simply do not have the option. Even though that land might be interchangeable with respect to planting, you simply do not have the option to plant the crop other than the base crop.

Another amendment I will be offering will allow flexibility so that farmers will be able to interchange crops among bases. But what this amendment does is limit to some degree the set-aside. This amendment says that carryover stocks have to be higher than they are in this bill before the set-asides can be raised.

I want to use as an example, Mr. President, the European experience. This chart shows the experience of the European Community from 1977 to 1988. It shows in 1977 the European Community was the largest net importer of grains in the world. Because of their internal pricing policies, that all changed and now they have become a very large exporter of wheat and feedgrains—mostly wheat. Their exports, as a matter of fact, put them in second place in the world with respect to grains even though they have a very small piece of real estate where the European Community operates—much, much smaller than the United States. By holding prices very high for domestic production and then by subsidizing the exports, they have become very, very large exporters.

Let me show on another chart what has happened cumulatively. This chart shows the cumulative exports of the European Community, and this is the cumulative displacement of other countries' grain exports—read into that American grain exports—the cumulative displacement by the change in the EC, the European Community, net trade position.

In other words, over these 11 years, they have displaced 300 million metric tons of shipments, most of which probably have come from the United States.

This chart shows the cumulative amount of U.S. grain production that has been foregone by acreage reduction programs, by ARP's, the subject of this amendment.

You can see that we have foregone a great deal of production in this country, almost 250 million tons, over this same period of time and the Europeans simply have picked it up and now they do that business. Two hundred fifty or 300 million tons, Mr. President, over a period of 10 or 12 years, approximately 25 million tons a year. That is an enormous amount of business. Think of the number of trucks, think of the number of barges and elevators included in handling, think of the activity in rural America that has been foregone because of acreage reduction programs.

I submit, Mr. President, that if other countries of the world had acreage reduction programs, then it would be one thing. Then we could say that we are all participating in an effort to control supply and have an impact on prices and that, not only ourselves, but the Europeans, the Australians, the Canadians, the Brazilians, the Argentines, that all these countries as principal producers of the world are making an effort to control production of supply and demand and bring it into balance. That would be one thing. I do not think it will work. These kind of cartel arrangements have never worked, be they in oil or any other commodity. We are trying to go solo, we are acting alone, and we are doing so at a penalty to ourselves. We are giving away the market to others.

I also have a chart about soybeans. In soybeans, the same thing has happened. Because of the inflexibility of our farm programs, we have reduced soybean production in this country by 13 million acres. Around the world in Argentina, Brazil, and Paraguay there have been increases in planting by what amount? By 13 million acres. So that as we penalize our own producers, as we set-aside acres in this country, as we reduce production by one means or another, production simply goes elsewhere and our economy is penalized.

So this amendment, while doing away entirely with acreage reduction programs, nevertheless is a move in that direction. It gives the Secretary of Agriculture greater leverage than does this bill.

There are some who would say that these acreage reduction programs raise prices. I am not among them. Some would say that, indeed, we should have very large acreage reductions in the United States. There was a bill introduced by my colleague from Iowa and by Congressman GEPHARDT in 1985 that would have resulted in 40 or 50 percent of the farmland of the United States set-aside. It would have been terribly destructive to rural America; it would have reduced economic activity in rural America very substantially.

This amendment would give the Secretary greater discretion so that he would not have to impose such large set-asides when the carryover stocks are at relatively modest levels. For instance, when I say that I raise the carryover stocks in wheat from 40 to 50 percent of annual use, in the last 30 years only seven times have stocks been less than 40 percent.

We keep a large wheat reserve; indeed, we keep most of the world's wheat reserve so that when there is starvation and when there is loss of life around the world, we are normally called upon first to help because we, indeed, not only have the facilities to hold the reserves, but we, as a moral matter, feel that we should keep a reserve.

But only seven times in the last 30 years has the carryover stock been as low as 40 percent, which means that in 23 of the last 30 years, the Secretary of Agriculture would have been compelled under this legislation to have a set-aside of at least 12.5 percent. This amendment would raise, in the case of wheat, the carryover stock to 50 percent before he would be compelled to have a set-aside of 12.5 percent.

In the last 30 years, in 14 of them, the carryover stock has been less than 50 percent. So even under my amendment, at least half the time, from past experience, the Secretary of Agriculture would have to have this level of set-aside. We are doing the same thing in corn, raising the carryover stock from 25 to 30 percent.

That is the purpose of this amendment, and that is the nature of this amendment.

This chart, Mr. President, in conclusion, shows soybeans. Back in 1970, the tonnage of soybeans traded in international trade was 20 million tons. Over the years, it has gone up so now it is above 60 million tons. This was our percentage share of that trade. Our percentage trade back in the early seventies was 80 percent of the world trade. It has now gone down to 35 or 36 percent of world trade.

Where has the world trade gone? It has simply gone to other countries who have planted an equivalent number of acres that have been lost in the United States.

Why are soybeans so important, Mr. President? Soybeans have been called the miracle crop of agriculture. It has been the major crop that has grown the fastest, that has grown the fastest in overall trade, and it is so important that we regain our market share because it will mean more activity in rural America, it will mean greater wealth in all of America because at the base of our economy is agriculture. That is the purpose and sense of this amendment.

I yield the floor and reserve the remainder of my time.

The PRESIDENT pro tempore. Who yields time? Time is running against both sides, if there is no Senator yielding time. Does the Senator from Vermont oppose the amendment?

Mr. LEAHY. The Senator from Vermont does. I ask first, Mr. President, if the Chair can advise me how much time is available to the Senator from Vermont.

The PRESIDENT pro tempore. The Senator from Vermont, who controls time in opposition to the amendment, controls 39 minutes and 40 seconds.

Mr. LEAHY. I thank the Chair. For the interest of our colleagues, I advise the Senate that unless there are others who come here to speak, I do not intend to use the full nearly 40 minutes and will probably, assuming that the Senator from Minnesota at some point is willing to yield back any remaining time, I will perhaps do the same.

So if somebody is running a stopwatch on when the rollcall might occur, it might occur 20 to 30 minutes earlier than some have thought.

Mr. President, just for the interest of my colleagues, I should note that in the Agriculture Committee we actually put together a working group to lay out the way these programs are to operate. We had numerous meetings of nearly a couple of weeks, evenings——

The PRESIDENT pro tempore. The galleries will be in order. The Chair apologizes to the Senator from Vermont for the interruption. The Senator from Vermont.

Mr. LEAHY. I thank the Chair.

As the Chair knows better than any Member in this body, it is, of course, the duty of the Chair to maintain order, and it is not interference with any Senator who might be speaking when the Chair exercises that duty.

We met, this particular group, for a couple weeks. We worked evenings and weekends on how to put together a green stocks policy. It is not an easy thing to do because you have different parts of the country with differing views, and you have Senators, some of the most knowledgeable Members of this body, who themselves disagree as to how this should be done. We want to talk about how the Department of Agriculture would sell Government-owned grains, the levels of acreage control we are going to appropriate over the next 5 years.

Again I should emphasize, Mr. President, that we have Senators, among the most knowledgeable Members of this body in this field, both Republicans and Democrats, who agree in some areas and disagree in others. The Senate bill reflects a compromise. We could not get something where everybody agreed on every single point. It just does not work that way. Some wanted to go further and some did not want to go as far as we did.

My good friend from Minnesota is aware and knows of those debates and arguments, and I think that he knows which Members would go further and which Members would not go as far. But at some point you have to hit one position. We cannot have 20 different positions.

The Senate expects us to come forward from the committee and at least give a recommendation as a committee on what the policy should be. Then, of course, the Senate, all 100 Members, are free to work their will. They can vote it up. They can vote it down. They can vote for or against amendments, but at least the committee gives them a recommendation.

In this case we gave them the middle ground. Incidentally, it turned out that the middle ground was exactly what the administration proposed. This is one of those areas where I agree with the administration and because of that I would oppose the amendment of Senator BOSCHWITZ.

I might say that I found myself in agreement with the Senator from Minnesota on a great number of matters in the bill. I disagree on this one.

Now, there are some other reasons to oppose the amendment. Let me speak of some of the things that came up among the Senators who talked about this policy.

I will try to summarize as well as I can the arguments of various Senators against this amendment. They would tell us that in the early and mid-eighties American agriculture was forced to go through a roller coaster approach to the control of their stocks. Up down, up down. We had little or no acreage control one year, followed by a requirement to idle 1 acre and 4 the next. It was kind of a start-and-stop policy without much consistency for farmers. That happened not once but twice between 1980 and 1987. That is why we included the stock triggers that are in this bill. To get off that roller coaster.

I support the bill, and I support the compromise that we came out with in the bill. Because of that, I would oppose the amendment.

I understand the argument of the Senator from Minnesota on competitiveness and other areas, but I think it is necessary, if we are going to keep our stocks under control today, that we do this. Otherwise, I think we could find ourselves getting back on that roller coaster. One aspect of it is the sudden, and in many people's minds, arbitrary idling of significant acreage.

Mr. President, I reserve the remainder of my time.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. BOSCHWITZ].

Mr. BOSCHWITZ. I thank the distinguished chairman for his remarks.

I agree that the bill was a compromise and as I noted in my remarks, that some on our committee would have preferred very large set-asides, ARP's as they are called. I would not.

This is a market-oriented amendment. This is an amendment which will drive this farm bill to greater market orientation than the compromise we worked out in committee. While the compromise we worked out has many very fine features, of course, we come to the floor of the Senate to debate that compromise and to try improve it.

If I may, Mr. President, I would like to speak just for a moment about the whole business of set-asides. When a farmer has 100 acres and is required to set-aside, not plant, let us say, 10, 12½, or even 20 percent of his acres. He must on 80 of the 100 acres produce the volume and income that he needs to support his farming activity and his family.

Quite clearly, it is more difficult to produce enough income on 80 acres than it is on 100 acres, and some of his overhead will continue on the acres that are set-aside. It raises the production costs if you do not plant those acres. It means that the 80 acres have to carry the entire farm. It means that on the 80 acres you have to make enough money to pay the taxes on the 20, and those taxes certainly continue. On the 80 acres you have to make enough money that you can also make the mortgage payments which continue on the other 20 acres.

What does that do? It means that the farming practices on the 80 acres are not as environmentally sound as they would be if they could be spread over the entire farm; that the farmers are driven to much more intensive agricultural production; that the farmers are driven to use much more intensively the chemicals that are so often used in agriculture. So the amendment I am offering and the movement away from set asides, the movement away from acreage reduction programs, has an important environmental element to it as well.

We want to make American agriculture produce, and we want to make it produce not only for the benefit of the farmer but for the benefit of the consumer and for the benefit of the infrastructure of agriculture, those people living in rural America who work with the process and move the products of the farm.

We want to serve them as well.

It is important to note, Mr. President, that this amendment has no cost. Both the OMB, Office of Management and Budget, and the CBO, Congressional Budget Office, have stated that this amendment is a no cost amendment. So this amendment has the benefit of not only being sound agricultural policy, sound environmental policy, but it also adds no cost to the Federal Government.

Mr. President, I believe there may be one or two other Senators who wish to speak on this amendment. While I determine that, I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. LUGAR. Will the Senator yield 5 minutes?

Mr. BOSCHWITZ. With pleasure.

The PRESIDENT pro tempore. The Senator from Indiana [Mr. LUGAR] is recognized for 5 minutes.

Mr. LUGAR. Mr. President, I rise to commend the distinguished Senator from Minnesota for his work on the Agriculture Committee and especially for his very thoughtful analysis and research with regard to this issue. He has offered, I believe, statesmanlike positions on many issues before us.

This is a complex and intricate issue that is difficult for every one of us to comprehend, even when we work with it on the committee, and try to follow daily how the set-asides occur and what the trigger points are.

Let me just say that at the beginning of the debate in the committee I asked that the committee not consider increasing set-asides; that is, increasing the amount of land to be taken out of production. The committee in due course came to a point of view, as the Senator from Minnesota has characterized it, as well as the distinguished chairman of the committee, in which the policy suggested by the U.S. Department of Agriculture and the so-called green book of recommendations was followed by the committee.

It is a middle point between some Members who would set aside a great deal more land, attempt to go into much more of a production control strategy, as opposed to those who are more market oriented, as the Senator from Minnesota clearly is and as I am in terms of our general prejudices on these issues.

Let me just make two points.

First of all, the Senator from Minnesota has mentioned that this amendment has no cost implication, and he has carefully crafted it to make certain that is so.

Second, the thought that we had been on a roller coaster with regard to stocks is true but that was true prior to the Conservation Reserve Program, the CRP Program, in which about 34 million acres in America now have been set aside in conservation reserve. That has had the effect of making these oscillations much less pronounced.

Let me just add, as I have listened to the distinguished Senator from Minnesota, he points out in most years his amendment would not have an effect because the stocks have been so large, and therefore the stocks would not be small enough to trigger off more planting, more acreage available.

In fact, the Senator, as I heard his argumentation, was suggesting that for about 5 years out of the last 40 his amendment would have had an effect, and for the other 35 it would not have.

Mr. President, having said all of that, the Senator's amendment clearly is in the right direction. It is a modest and incremental change in the amount of acreage that might be planted. The Senator's general point is surely correct that if the United States of America and its agriculture are to be more competitive, we have to make available the best land, the best resources, and the lowest cost production if we are to be competitive against the South

American countries that have come into play, or European countries that have been very severe competitors for a long time.

Therefore, Mr. President, I commend the distinguished Senator from Minnesota for thinking through this problem with us and for setting the stage clearly for what I believe will be a trend in American agriculture in which farmers will have more right to plant, to use their land as they choose to do the most efficient thing, to do the most cost-effective thing, and to do the most competitive thing for America. I believe the Senator's amendment is constructive for the overall strength of agriculture in America. Once again, I thank him for his ingenuity and his research.

The PRESIDING OFFICER (Mr. KERREY). Who yields time?

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I would advise all Senators that we are coming close to the end of this amendment. As the distinguished chairman has pointed out, we will probably vote before all of the time is used up.

Let me say another word about set-asides and that it is an interesting thing that, first, the Government says plant fence row to fence row, and then at a later date they say set-aside some land.

Most recently we have brought a good deal of land out of production; that is, we have established something called the Conservation Reserve Program. In the Conservation Reserve Program there are now 34 million acres. These are acres that will now be used for conservation purposes, for conservation uses, as they say, rather than crops. When you consider that we plant approximately 330 million acres in this country, that is somewhat in excess of 10 percent of the land that we normally crop.

So there is already in this bill a set-aside on fragile lands. I have no objection. I have no argument with the CRP. Indeed, I voted to expand the conservation reserve program. I introduced in committee the thought and requirement that, of the 6 to 7 million additional acres that are yet to go into the conservation reserve, at least 1 million of them should deal with wetlands so that additional wetlands will be put into the conservation reserve.

But as we talk about acreage reduction programs, it is important to note that we have built into the process the Conservation Reserve Program which sets aside land in a somewhat permanent manner that pays the farmer for a 10-year period to set-aside that land, and, indeed, in some instances a 15-year period. And that means that trees and other things are grown there, and that land will probably remain out of production.

So that too must be taken into consideration. In addition to the acreage set-aside program, the ARP's the acreage reduction programs, that are imposed by the Secretary of Agriculture on wheat, corn and on other feed grains, on cotton and rice; you also have to consider that there is already the conservation reserve program in effect now.

A total of 10 percent of all arable lands in the United States has been put into a reserve, into a kind of semi-permanent reserve paid for by the taxpayers of the United States. That too must be considered in the overall picture.

I would like to add as a cosponsor of this amendment my colleague from Iowa, Senator GRASSLEY. I ask unanimous consent that he be added as a cosponsor of this amendment.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

Mr. BOSCHWITZ. I reserve the remainder of my time.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I rise with respect to the distinguished Senator from Minnesota to oppose this amendment for three simple reasons.

The first is that both the chairman and the ranking member of the committee gave to those of us who were working to develop the piece of legislation a number of charges as we try to craft a compromise. One, was stay within the budget. Two, was make sure that it is going to conform approximately to current policy. In other words, follow the guidelines the administration has given us, try to produce something that will satisfy a sufficient number of Republicans and Democrats, that it can be bipartisan. And to say the least, this was not easy to do.

To say the least, this was not easy to do, and not easy, as well, to hold it together here on the floor. So I suggest, reason No. 1 is that the current provision in the language is to the green book proposal. There are identical proposals sought by the administration.

There were some, as the distinguished Senator from Minnesota knows, and the ranking member knows, that wanted to be more aggressive on ARP's, and we were, and we held them off with the argument that we had to have no change in the ARP's going in a more restrictive fashion than this current bill does. So we tried, in the process of compromising, to accept the administration's proposal in the green book.

Second, I urge my colleagues to consider that one of the things that we are trying to do with the farm bill is provide stability. I know it is not perfect. I hear the philosophical arguments that the distinguished Senator from Indiana proposes and, in general, I find myself in agreement with him. However, if the stability of price is the object of the farm bill, as I think it is, not just as a consequence of our desire to provide some minimal protection level for producers, not for the object of trying to guarantee profit, but for the object of saying, keep your eye on cash, your eye on your resource base and on the marketplace, if that is the object for the producer and for the consumer, to keep some steady and relatively dependable supply of food at a relatively low cost, as well, and to maintain a competitive position in the world marketplace, stability becomes very important to do that.

Right now, as I am sure the distinguished Senator from Minnesota knows, I am a little more aware of it, because it impacts Nebraska a bit more than I assume it does Minnesota. We are seeing wheat stocks going up now, 33 percent of total use level. Prices are down approximately 70 percent. The consequence of that is increased Government costs.

What we are trying to do in this, as I said in the beginning, is to balance the taxpayer desire to keep the costs down, because the producers need to have some floor in there, and the consumer desire for stability.

I feel rather strongly that to lose even this stock use ratio would be a mistake from that standpoint; even though I can understand it from a philosophical standpoint and yield on some of the arguments, I find myself, in practice, being concerned about the change.

Finally, I point out that under the export enhancement program provided by the administration, the competitiveness issue, to provide the administration with 566 million dollars' worth of appropriate authority, and with 60 days left we have used 225, it seems to me that we have given the administration a tool to maintain that competitive position in a situation where we have stock use ratio that might be lower than what we would like. We have been given that particular tool, and we ought to be taking more advantage of it.

As a consequence of those three things, I urge my colleagues to see this not just as an amendment that could change the policy away from what the administration is going to do, but to change the policy; and, in fact, it will cost the American taxpayers more, not less, and as a result I urge my colleagues to oppose this amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KERREY). Without objection, it is so ordered.

Mr. BYRD. Mr. President, does my distinguished friend, the manager of the bill, have 5 minutes which he could yield to me on another matter?

Mr. LEAHY. I yield whatever time that I have that the Senator from West Virginia needs.

Mr. BYRD. Mr. President, the manager is kind and courteous, as always. I ask unanimous consent that I may speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered. The distinguished senior Senator from West Virginia is recognized.

ROSE FITZGERALD KENNEDY'S 100TH BIRTHDAY

Mr. BYRD. Mr. President, there is a very special event that will occur this coming Sunday. The Washington Post refers to it with the headline, "At 100, the perennial Rose Fitzgerald Kennedy." So this Sunday, Mrs. Joseph P. Kennedy, Sr., better known to millions of Americans and others around the world as "Rose," will be 100 years old.

That, in my judgment, is a truly remarkable occasion on which to celebrate.

The psalmist says, as we read in the Scriptures:

"The days of our years are threescore years and ten, and if by reason of strength they be fourscore years, yet is their strength, labour and sorrow; for it is soon cut off, and we fly away."

Here is a great lady who has lived 30 years beyond the promise of the psalmist. A celebration was recently held by the family, and on that occasion, Senator EDWARD KENNEDY, one of our most distinguished colleagues, described his mother in this way: "In the chaos of our household she was the quiet epicenter of the storm, the anchor of our family, the safe harbor to which we always came; or, as mother said, 'the shadow in all our pictures,' because she was taking them."

What a grand and appropriate encomium expressed by her illustrious U.S. Senator son. Last Sunday a public birthday celebration was held with news commentator Robert MacNeil, emceeing the festivities. This weekend, Senator KENNEDY and Rose Kennedy's immediate family—including as many as 28 grandchildren and 22 great-grandchildren will assemble at Hyannis for a private, more intimate observance.

Few women in this century have witnessed and been a participant in so many significant facets of our country's history as has Rose Fitzgerald Kennedy.

As the wife of Joseph P. Kennedy, Sr., Rose was married to a man who was one of the most adroit American financiers and bankers of our time, and who served in a number of important Government roles, including that of being the American Ambassador to England.

But more importantly, Rose Kennedy will be remembered in history as being the mother of three of the most prominent political figures in the second half of the 20th century. I note in the Washington Post article written by Sarah Booth Conroy that Mrs. Kennedy once said that she would prefer to be the mother of a President than to be President of the United States.

This great woman was the mother of a President of our country and the mother of two U.S. Senators—one of whom also became the Attorney General of the United States, and the other who today graces 1 of the 100 seats in this Chamber, and who is a Senator who perhaps has had more legislation attached to his name than has any other Senator in our time.

I have served with TED KENNEDY here now for almost 3 decades, and I believe that he would have been an outstanding Senator at any time in the entire 200 years of this Senate's history.

Much tragedy has been visited upon this family. Rose Kennedy lost a son in World War II, and she lost two sons, one of whom was President, by assassination.

It is truly a great family, and I commend President Bush for proclaiming this Sunday as Rose Fitzgerald Kennedy Family Appreciation Day, certainly an appropriate means of expressing to Mrs. Kennedy and to Senator KENNEDY and to all of their distinguished family the national affection and esteem in which they are held.

I know that I speak for all of our colleagues in wishing Rose Kennedy our most sincere good wishes, and in tendering our congratulations on the occasion of her 100th birthday, and to our colleague, Senator TED KENNEDY, and the entire Kennedy family, our continued regards and appreciation for the vital contributions that they have made and that they are making to our national life.

To this great lady, I say in wishing her a happy birthday:

Count your garden by the flowers,
Never by the leaves that fall,
Count your days by the sunny hours,
Not remembering clouds at all.
Count your nights by stars, not shadows,
Count your life by smiles, not tears,
And on this beautiful July birthday,
Count your age by friends, not years.

The PRESIDNG OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, every so often, it is necessary in the pell-mell and hurly-burly of the Senate to pause for a moment and think of those things that make this a great country, and to hear the kind of speeches on the floor that remind us of our heritage and our history.

I believe very sincerely that has just happened on the floor, and I commend the senior Senator from West Virginia, the President pro tempore of the U.S. Senate, Senator BYRD, for doing that.

He has spoken of one of the most remarkable women in American history. I always noted that her birthday is the same day as that of my much beloved and now departed father. They were born 10 years apart to the day, and we know a number of times there was an exchange of birthday greetings. And I recall the many times we spoke of the great history of the Kennedy family.

But I also applaud especially, though, the words of Senator BYRD, putting it within the historical context. Too often we find in this country we lose our sense of perspective, our sense of history. I worry that perhaps not enough history is taught in the grade schools, high schools, and colleges of our country, or in the pages of our newspaper or on our television screens.

But I know my mother reads the CONGRESSIONAL RECORD daily, and one of the things she frequently points out are history lessons. History lessons such as Senator BYRD, and the distinguished Republican leader, Senator DOLE, and others, have given from time to time. And I recommend that these lessons be read by the people of this country. We are a great, good, and noble country with a history that would make any country in recorded history proud.

Every so often we face the problems of this Nation. When we see the things that worry us, as we do now, we should look at this history and remember what went before us: Remember the resiliency of this country, the men and women who made it great, the people in this body, the hundreds and hundreds of people over the 200 years, not only in the two great political parties represented here, but the political parties of the forebearers of these, the men and women of those who have really been the giants of this country and helped hold us together in very difficult times.

After the rancorous hurly-burly political debate and the sometimes necessary partisanship or factionism, regionalism that has come up, they have come together so many times to save this Nation, to do the things that are right.

I have always said during my 16 years here that the U.S. Senate should be the conscience of the Nation. We face many problems today. Once again, it is necessary for that conscience to coalesce here. We have the kind of sense of history that so many

of us feel, so many of us have expressed before, that the conscience of the Nation will come through and we will be a better Nation for it.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

Mr. President, I might ask my good friend from Minnesota how much additional time he intends to take, because we are prepared to yield back time on this side.

Mr. BOSCHWITZ. Mr. President, I say to the distinguished chairman, not much more time. I believe Senator GRASSLEY wants to be heard.

Before the distinguished President pro tempore leaves the Chamber, I would like to say that was one of the most beautiful speeches I have heard here in the Chamber, and I was wondering the name of the poem and poet he was quoting in his remarks.

Mr. BYRD. I am sorry; I cannot produce the name of the poet. The title of the poem is "The Multiplication Table of Happiness."

I thank the distinguished Senator for his kind comments.

Mr. BOSCHWITZ. Mr. President, does the Senator from Iowa wish to speak at this time?

Mr. GRASSLEY. No.

Mr. BOSCHWITZ. Mr. President, let me respond to the distinguished Senator from Nebraska about some of the statements that he made, and also talk just a little more about the amendment once again.

The distinguished Senator from Nebraska said that we had not used all of the report enhancement program funds, so-called EEP funds, and that much is yet left that can be expended prior to the end of the fiscal year. We have not because of low stocks. We have not had the wheat to sell, really, to utilize all those funds. I hope it is not necessary to utilize those funds, because when your stocks are low and you have not spent the money to enhance exports; that is, you have not subsidized exports, that is really the situation that we want to find ourselves in.

We hope that the world market will take up the stocks that we have without the exports needing to be enhanced. The price of wheat, while it has come down just recently about 30 cents, has been very high during the year of 1990, and the result is that export enhancement also is not as expensive as when the price is high.

That was part of our argument with respect to the sugar amendment that was discussed earlier this morning, that in the event that we break down the sugar program in this country, world prices certainly would rise as American demand hits the world market, which is a rather small market, and the result would be that the export enhancement that the Europeans would have to do to get rid of their sugar would be reduced. The subsidies that they would have to pay would be reduced. That is why I called the sugar amendment offered by the senior Senator from Delaware and the senior Senator from New Jersey, a European Community relief bill which would not serve the purposes of world trade nor would it serve the purposes of the American agricultural community.

I say to the distinguished Senator from Nebraska, in talking about Europe, I pointed out that over an 11-year period they had grown from being a net importer of grain, a large net importer of grain, about 20 million tons, to becoming a large net exporter of grain and that this has changed the whole nature of the world market, particularly in wheat, and that the Europeans, who have been very aggressive in the sale of wheat and in the subsidizing of wheat, have held up their internal prices so high that they have massive surpluses.

I would also say to the distinguished Senator from Nebraska that this chart represents the cumulative displacement of other countries' grain exports by a change in the EC net trade position. Over this 11- to 12-year period, they have displaced about 275 million tons of wheat exports from other countries. And this, I bring to the attention of my friend from Nebraska, is the cumulative amount of U.S. grain production foregone by acreage reduction programs. We have foregone production and really have in the process given the market to the Europeans. Through acreage reduction, we have reduced production in this country, and the EC simply stepped in to take up that production.

As I also pointed out in my earlier remarks, the same has happened in soybeans. Due to the inflexibility of our farm programs and the requirement of our farm programs, to plant the program crop, soybean planting in this country has gone down by 13 million acres. Soybean planting in Argentina, Paraguay, and Brazil have gone up by the exact same amount. So our share of world markets have gone down. That is why I oppose acreage reduction programs. That is why I am offering this amendment.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BOSCHWITZ. Mr. President, I am now prepared to yield back the remainder of my time, if the distinguished chairman is willing to do the same.

Mr. LEAHY. Mr. President, did the distinguished Senator from Iowa wish to speak? I believe he was going to speak on the time of the Senator from Minnesota.

Just for my colleagues' information, I know of no other colleagues that wish to speak. As soon as the Senator from Iowa has finished, I will, if nobody else is seeking recognition, yield back all time.

Mr. BOSCHWITZ. Mr. President, I yield the Senator from Iowa 5 minutes.

The PRESIDING OFFICER (Mr. BURDICK). The Senator has 4 minutes remaining.

Mr. BOSCHWITZ. I yield it all to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am a cosponsor of this legislation. I think this is one of the key issues that we are going to debate on this bill. The reason I think it is one of the key issues is because it deals with a discretion that we ought to give to the Secretary of Agriculture. I think it also strengthens the Secretary of Agriculture's hand in dealing with other agencies, particularly OMB, in the whole debate over the budget impact of the farm program. And I think any way we can strengthen the hand of the Secretary of Agriculture in that regard should be done.

But my main purpose for supporting this legislation is the fact that, as compared to the 1985 farm bill debate when there was a wide degree of difference and lack of consensus on what kind of a farm bill we ought to have in the farm communities of the United States, we have a consensus in 1990, and that is that we ought to continue the general format of the 1985 farm bill which is the product of the committee. If I describe to my farmers what we are doing in the 1990 farm bill debate, I describe it as fine tuning. I know that the committee did what they thought was fine tuning when they set the standards in the bill that we have before us, which the amendment of Senator BOSCHWITZ tries to change, and I suppose even his change is within the area of fine tuning.

But I think that there is justification for the Boschwitz amendment when people try to base the 1990 farm legislation too much on what the situation was in 1985. Things have changed since then. We have the Conservation Reserve Program where we have idled 34 million acres for a 10-year period of time. Those acres represent a permanent ARP of between 10 and 15 percent on wheat and between 5 and 10 percent on corn. In 1985, the share of a stagnant world market was declining and agriculture exports were only $26 billion in fiscal year 1986. Today export markets are expanding and agriculture exports are $43 billion.

So besides having a permanent ARP as a result of the Conservation Reserve Program we have expanding world markets.

So Senator BOSCHWITZ should be commended for coming forth with this amendment that will simplify our farm programs.

This proposal will give the Secretary additional flexibility to reduce setasides when world demand requires additional production.

Long-term market signals, drought in other parts of the world, new grain agreements or new nonfood uses may substantially increase crop needs from one season to the next. It will be important for the Secretary to have the freedom to utilize as many resources as possible when he feels it is necessary.

I am concerned that higher setasides will send signals to our foreign competitors that we will not have the ability to sell to our new markets. I do believe that ARP's serve a conserving purpose, but I think proper rotations will make up for any losses through decreased ARP's.

The administration has viewed ARP's as a way to manage stocks and to reduce outlays. If world demand, especially in Third World countries and Eastern Europe increases, United States producers must be able to plant the crop needed to fulfill those needs or lose these markets to our competitors.

The ARP levels in S. 2830 are clearly excessive and need to be changed. Unless this is done, the United States will be less capable of competing for export sales which provide economic benefits to the farmers and the infrastructure of the U.S. agriculture.

I am through and yield the floor. If I have time left I will yield it back.

I yield the floor.

Mr. BOSCHWITZ. Mr. President, I thank the Senator from Iowa. He is, I believe, one of the few, perhaps the only practicing farmer in our body. So I am particularly complimented that he also sees things in agriculture my way. I yield the remainder of my time.

Mr. LEAHY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to amendment of the Senator from Minnesota. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New York [Mr. MOYNIHAN], and the Senator from Georgia [Mr. NUNN] are necessarily absent.

I further announce that the Senator from Maryland [Ms. MIKULSKI] is absent because of illness.

I also announce that the Senator from Michigan [Mr. RIEGLE] is absent because of illness in family.

Mr. DOLE. I announce that the Senator from Montana [Mr. BURNS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Oklahoma [Mr. NICKLES], the Senator from Wyoming [Mr. SIMPSON], the Senator from Idaho [Mr. SYMMS], the Senator from Wyoming [Mr. WALLOP], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. WALLOP] would vote "yea."

The PRESIDING OFFICER (Mr. EXON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 50, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—37

Armstrong	Durenberger	Mack
Biden	Garn	McCain
Bond	Gramm	McClure
Boschwitz	Grassley	McConnell
Chafee	Hatch	Murkowski
Coats	Hatfield	Packwood
Cochran	Helms	Roth
Cohen	Humphrey	Specter
D'Amato	Jeffords	Stevens
Danforth	Kassebaum	Thurmond
Dixon	Kasten	Warner
Dole	Lott	
Domenici	Lugar	

NAYS—50

Adams	Ford	Lieberman
Akaka	Fowler	Metzenbaum
Bentsen	Glenn	Mitchell
Bingaman	Gore	Pell
Boren	Gorton	Pressler
Bradley	Graham	Pryor
Breaux	Harkin	Reid
Bryan	Heflin	Robb
Bumpers	Hollings	Rockefeller
Burdick	Inouye	Rudman
Byrd	Kennedy	Sanford
Conrad	Kerrey	Sarbanes
Cranston	Kerry	Sasser
Daschle	Kohl	Shelby
DeConcini	Lautenberg	Simon
Dodd	Leahy	Wirth
Exon	Levin	

NOT VOTING—13

Baucus	Moynihan	Symms
Burns	Nickles	Wallop
Heinz	Nunn	Wilson
Johnston	Riegle	
Mikulski	Simpson	

So the amendment (No. 2315) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I ask unanimous consent that Senator DASCHLE be recognized to bring up an amendment on storage costs; that there be 40 minutes equally divided on the amendment in the usual fashion, with no second-degree amendments.

I have cleared the request with both sides of the aisle.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

The Chair hears none, and it is so ordered.

Mr. LEAHY. Mr. President, for the interest of Senators, that means no longer than 40 minutes from now, we will be having another rollcall vote. If Members yield back the time, it will be less time than that.

Mr. LUGAR. If the Senator will yield, the distinguished chairman, I would like to indicate that I will put in a quorum call for a moment or two. I think we are close to some arrangement with the Senator from South Dakota, and it may be possible to work out that language. If that is not possible, we will commence debate rapidly.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that notwithstanding the pending unanimous-consent order, I be recognized for no more than 4 minutes for the purpose of bringing up a number of amendments that have been cleared.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2316

(Purpose: To provide for the establishment of a National Urban and Community Forestry Advisory Council)

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. SARBANES, proposes an amendment numbered 2316.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1079, between lines 4 and 5, insert the following new section:

SEC. 1943. NATIONAL URBAN AND COMMUNITY FORESTRY ADVISORY COUNCIL

(a) ESTABLISHMENT.—The Secretary shall establish a National Urban and Community Forestry Advisory Council for the purpose of—

(1) developing a national urban and community forestry action plan;

(2) evaluating the implementation of such plan; and

(3) developing recommended criteria for, and submitting recommendations with respect to, the Urban Forestry Energy Conservation Program under section 1942.

(b) Membership.—

(1) IN GENERAL.—The Council shall be composed of 15 members appointed by the

Secretary, including at least two representatives of each of the following—

(A) national nonprofit forestry and conservation citizen organizations;

(B) the forest products, nursery, or related industries;

(C) urban forestry professionals such as landscape, or design consultants, planners, horticulturalists, consulting foresters and arboriculturalists;

(D) academic institutions with an expertise in urban and community forestry activities;

(E) State or local forestry agencies or equivalent State or local agencies;

(F) Federal agencies involved in urban forestry such as the Forest Service; and

(G) the general public, one of whom shall be a resident of a community with a population of less than 50,000 as of the most recent census and both of whom shall have expertise and have been active in urban and community forestry.

(2) VACANCY.—A vacancy on the council shall be filled in the manner in which the original appointment was made.

(3) CHAIRPERSON.—The Secretary shall select one individual from among the members appointed to the Council, who is not an officer or employee of the United States nor any State, county, city, or town government, who shall serve as the chairperson of the Council.

(4) TERMS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), members of the Council shall be appointed for terms of 3 years, and no member shall serve more than two consecutive terms.

(B) STAGGERED TERMS.—Of the members first appointed under paragraph (1)—

(i) five, including the chairperson, shall be appointed for a term of 3 years;

(ii) five shall be appointed for a term of 2 years; and

(iii) five shall be appointed for a term of 1 year;

as designated by the Secretary at the time of appointment.

(C) EXPIRATION OF TERM.—Any member appointed to fill a vacancy occurring before the expiration of the term of the predecessor of such member shall be appointed only for the remainder of such term. A member may serve after the expiration of the term of such member until the successor of such member has taken office.

(5) COMPENSATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), members of the Council shall serve without pay, but may be reimbursed for reasonable costs incurred while in the actual performance of duties of the Council.

(B) EMPLOYEES OF THE FEDERAL GOVERNMENT.—Members of the Council who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Council.

(C) SUPPORT.—The Secretary shall provide financial and administrative support for the Council.

(c) NATIONAL PLAN.—Not later than 1 year after the date of enactment of this Act, and at least once every 10 years thereafter, the Council shall prepare a National Urban and Community Forestry Action Plan. The Plan shall include—

(1) an assessment of the status of urban forest resources in the United States at the time of the submission of the Plan;

(2) the results of a review of urban and community forestry programs and activities carried out in the United States, including education and technical assistance activities conducted by the Forest Service, Extension Service, and other Federal agencies, the State forestry organizations, private industry, private nonprofit organizations, community and civic organizations and other interested entities;

(3) recommendations for improving the status of the urban and community forest resources of the United States, including education and technical assistance and modifications required in existing programs and policies of relevant Federal agencies;

(4) the results of a review of urban and community forestry research including—

(A) all ongoing research associated with urban and community forests, arboricultural practices, and the economic, social, and psychological benefits of trees and forest cover in urban and community areas that are being conducted by the Forest Service, other Federal agencies, and associated land grant colleges and universities;

(B) recommendations for new and expanded research efforts directed toward urban and community forestry concerns; and

(C) a summary of research priorities and an estimate of the funds needed to implement such research, on an annual basis, for the next 10 years;

(5) a statement of the criteria to be used for evaluating proposed projects under the Urban Forestry Energy Conservation Program under section 1942, with special emphasis given to projects that would demonstrate the benefits of improved forest management (including the maintenance and establishment of forest cover and trees) in urban areas and communities; and

(6) an estimate of the resources needed to implement the Plan for the succeeding 10 fiscal years.

(d) AMENDING OF PLAN.—The Plan may be amended by a majority of the members of the Council. Such amendments shall be incorporated into the annual review by the Council of the Plan.

(e) The Council shall submit the Plan to the Secretary and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on its completion. Not later than December 31 of the first year after the submission of the Plan, and annually thereafter, the Council shall submit a review of the Plan to the Secretary. Such review shall consist of—

(1) the assessment of the Council of the prior year accomplishments in research, education, technical assistance, and related activities in urban and community forestry;

(2) the recommendations of the Council for research, education, technical assistance, and related activities in the succeeding year; and

(3) the recommendations of the Council for the urban and community forestry challenge cost share projects to be funded during the succeeding year.

The review to be submitted to the Secretary under this subsection shall be incorporated into the annual report of the Forest Service to the Congress under the Forest and Rangeland Renewable Resources Planning Act of 1974.

(f) DETAIL OF PERSONNEL.—On request of the Council, the Secretary is authorized to detail, on a reimbursable basis, any of the personnel of the Department of Agriculture to the Council to assist the Council in carrying out its duties under this section.

(g) DEFINITIONS.—As used in this section:

(1) COUNCIL.—The term "Council" means the National Urban and Community Forestry Advisory Council established under subsection (a).

(2) PLAN.—The term "plan" means the National Urban and community Forestry Action Plan developed under subsection (c).

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(4) URBAN AND COMMUNITY AREA.—The term "urban and community area" includes cities, their suburbs, and towns.".

On page 1079, line 7, strike out "1943" and insert in lieu thereof "1944".

On page 1079, line 16, strike out "1944" and insert in lieu thereof "1945".

On page 1080, line 20, strike out "1945" and insert in lieu thereof "1946".

Mr. SARBANES. Mr. President, the amendment which I am introducing today cleared by both the majority and minority managers, takes a significant step in enhancing the Urban Forestry Program contained in the committee's bill. I want to commend the chairman and the ranking minority member, as well as the chairman of the Subcommittee on Conservation and Forestry, Senator FOWLER, for their leadership in establishing an urban forestry program.

My amendment would require the Secretary of Agriculture to create a national urban and community forestry advisory council. The council would be responsible for developing a national urban and community forestry action plan, evaluating implementation of that plan, and developing recommended criteria for the Urban Forestry Energy Conservation Program under section 1942 of the committee bill. It was a key element of the urban forestry bill, S. 1399, I introduced last year. This legislation, in slightly modified form, has already passed the House of Representatives.

The council would consist of 15 members with representation from the national nonprofit forestry and conservation citizen organizations; the forest products, nursery, or related industries; urban forestry professionals; academics; State or local forestry agencies; Federal agencies; and, finally, the general public. It is a broad-based group organized to provide the Department of Agriculture with the best possible advice and guidance on this program to combat global warming and to improve the environment of our cities, towns, and communities.

I am pleased that the committee has so forthrightly addressed the urban forestry issue in this bill. The addition of the council will ensure that the program is given guidance and direction by those who are most experienced in forestry, and I would urge the managers to accept this amendment.

Mr. LEAHY. Mr. President, this has been cleared on both sides. I have nothing further to say.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agree-

ing to the amendment of the Senator from Maryland.

The amendment (No. 2316) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2317

(Purpose: To implement a comprehensive national management program for undesirable plant species on Federal lands and to establish a national coordination program for noxious weed management)

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. CONRAD, proposes an amendment numbered 2317.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 557, between lines 10 and 11, insert the following new subtitle:

Subtitle F—Noxious Weed Management

SEC. 1271. SHORT TITLE.

This subtitle may be cited as the "Noxious Weed Management Act of 1990".

SEC. 1272. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) noxious weeds and undesirable plants are—

(A) contaminating Federal, State, and private lands by taking over and encroaching on desirable plant species;

(B) degrading air, land, and water resources by increasing soil erosion and decreasing native ground cover;

(C) spreading on Federal, State, and private lands;

(D) causing wildlife habitats to be degraded to the detriment of wildlife populations;

(E) causing human health hazards through the spread of pollen, insects, and disease;

(F) costing farmers and ranchers millions of dollars in lost crops and range land; and

(G) displacing the native vegetation in the area that such weeds are present and thus having a considerable impact on domestic animals and wildlife foraging in such areas;

(2) unless noxious weeds and undesirable plants are prevented, controlled, or contained, they will—

(A) increase expotentially, causing further contamination and deterioration of wildlife habitat, recreational resources, and aesthetic values;

(B) increase soil, water, and contamination hazards;

(C) have a detrimental effect on human health; and

(D) further eliminate native species of vegetation;

(3) even though there are numerous laws addressing the stewardship and management of Federal lands, those laws do not directly or effectively deal with the management of noxious weeds and undesirable plants on Federal lands;

(4) the total eradication of noxious weeds is impossible, therefore resources should be used to develop measures that will decrease the number of noxious weeds and undesirable plants to an acceptable level;

(5) concerns about reducing ground water contamination and environmental impact argue in favor or a more ecologically sound approach to resolving noxious weed problems;

(6) in order to control and manage noxious weeds and undesirable plants, the focus must be on an integrated management plan; and

(7) comprehensive, national noxious weed management will—

(A) protect the environment by preventing the degradation of air, land, and water resources, and reduce soil erosion through the prevention of the introduction and containing the spread of noxious weeks and undesirable plants on Federal lands;

(B) improve the protection of recreation uses and aesthetic values on Federal lands by reducing the risk of the transfer of noxious weeds and undesirable plants from one area to another;

(C) improve the habitat for wildlife and domestic animals on Federal lands by reducing the spread of undesirable plants that are detrimental to desirable vegetation;

(D) protect threatened and endangered species listed as such under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) by reducing the infestation of noxious weeds and undesirable plants in protected ecosystems;

(E) provide for the management, development, and enhancement of Federal lands by protecting those lands from the continuing spread of noxious weeds and undesirable plants; and

(F) promote coordination, control, and educational efforts at the regional, State, and local level.

(b) PURPOSE.—It is the purpose of this Act to—

(1) establish and implement a national comprehensive management program to prevent and control undesirable plant species on Federal lands and maintain practices that achieve the control of noxious weeds on such lands; and

(2) establish and implement a national noxious weed management coordination program.

SEC. 1273. DEFINITIONS.

As used in this subtitle:

(1) COOPERATIVE AGREEMENT.—The term "cooperative agreement" means a written agreement between a Federal and a State agency.

(2) EXOTIC PLANT.—The term "exotic plant" means a plant species that—

(A) is not indigenous to the United States nor native to the plant community in which it is found; and

(B) may possess one or more of the following—

(i) it aggressively invades or is detrimental to native plant communities or crops;

(ii) it is poisonous to livestock;

(iii) it is of little economic value;

(iv) it colonizes disturbed habitats;

(v) it is a carrier of determinal inserts, diseases, or parasites;

(vi) its presence is detrimental to sound management of native or agricultural ecosystems; and

(vii) it threatens fish, wildlife, or endangered species.

(3) FEDERAL AGENCY.—The term "Federal agency" means a department, agency, or bureau of the Federal Government that is responsible for administering or managing Federal lands under its jurisdiction.

(4) FEDERAL LANDS.—The term "Federal lands" means lands managed by or under the jurisdiction of the Federal Government, except those lands on which the activities authorized under this subtitle are precluded by Federal law.

(5) INTEGRATED MANAGEMENT SYSTEM.—The term "integrated management system" means a system for the planning and implementation of a program using an interdisciplinary approach to select methods for preventing, controlling, or containing undesirable plants through the use of all judicious and environmentally safe methods, including—

(A) education;

(B) preventive measures;

(C) physical or mechanical methods;

(D) biological agents;

(E) herbicide methods;

(F) cultural methods; and

(G) general land management practices, such as manipulation of livestock or wildlife grazing strategies or improving wildlife or livestock habitats.

(6) INTERDISCIPLINARY APPROACH.—The term "interdisciplinary approach" means an approach to making decisions regarding the prevention, containment, or control of noxious weeds and undesirable plants that—

(A) includes the participation of personnel from Federal or State administrative agencies with experience in areas including weed science, range science, wildlife biology, land management, ecology, and forestry; and

(B) includes the consideration of—

(i) the most efficient and effective methods of preventing, containing, or controlling undesirable plants to achieve optimum management with the least possible environmental damage;

(ii) scientific evidence and current technology;

(iii) the physiology and habitat of a plant species; and

(iv) the economic, social, and ecological consequences of implementing the programs established under this subtitle.

(7) NOXIOUS PLANT.—The term "noxious plant" has the same meaning given the term "noxious weed" under section 3(c) of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2802(c)) and includes all noxious plant species listed on the Federal or State noxious weed list.

(8) STATE AGENCY.—The term "State agency" means the State Department of Agriculture, or any political subdivision thereof, or other appropriate State agency or political subdivision thereof as designated by the chief executive officer.

(9) UNDESIRABLE PLANT SPECIES.—The term "undesirable plant species" means plant species that is classified as undesirable, noxious, exotic, injurious, or poisonous, pursuant to State or Federal law. A designation of undesirable plants under this section shall be limited by the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and shall not include plants indigenous to an area where control measures are to be taken under this section.

CHAPTER 1—NATIONAL UNDESIRABLE PLANT MANAGEMENT PROGRAM

SEC. 1274. MANAGEMENT OF UNDESIRABLE PLANTS ON FEDERAL LAND.

Each Federal agency shall—

(1) designate a specific office, and an individual who is adequately trained in the management of undesirable plant species, to develop and coordinate a program for the

management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(2) establish a program to manage undesirable plant species on a continuing basis;

(3) enter into and implement cooperative agreements with State and local agencies, when appropriate, regarding the management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(4) establish integrated management systems using an interdisciplinary approach to prevent, control, or contain undesirable plant species targeted under cooperative agreements entered into under paragraph (3); and

(5) complete an environmental assessment or environmental impact statement that may be required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and implement the plant prevention, control, or containment activities under this section not later than 1 year after the date on which the agency ascertains that the preparation of such assessment or statement is necessary.

SEC. 1275. COOPERATIVE AGREEMENTS WITH STATE AGENCIES.

(a) IN GENERAL.—A Federal agency shall, where appropriate, enter into cooperative agreements under section 1274(3), when requested by State and local agencies, to coordinate the management of undesirable plant species on Federal lands under the jurisdiction of that Federal agency.

(b) CONTENTS.—A cooperative agreement entered into under subsection (a) shall—

(1) prioritize and target undesirable plant species to be prevented, controlled, or contained within a specific geographic area;

(2) describe an integrated management system to be used to prevent, control, or contain the targeted undesirable plant species; and

(3) detail the means of implementing such an intergrated management systems, define the duties of the Federal and State agency in implementing such systems, and establish a time frame for the initiation and completion of the tasks specified in such integrated management systems.

CHAPTER 2—NATIONAL NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM

SEC. 1276. NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM.

(a) NATIONAL NOXIOUS WEED MANAGEMENT COUNCIL.—

(1) ESTABLISHMENT.—The Secretary of Agriculture and the Secretary of the Interior shall jointly establish a National Noxious Weed Management Council that shall take such actions as may be necessary to coordinate the national control, research, and educational efforts associated with Federal, State, and locally designated noxious weeds.

(2) REGIONAL COMMISSIONS.—

(A) AUTHORITY.—The National Noxious Weed Management Council is authorized to establish such regional commissions as may be necessary to assist the Council in carrying out this subtitle.

(B) COMPOSITION.—A regional commission established under subparagraph (A) shall be composed of—

(i) two regional representatives of the Department of Agriculture;

(ii) two regional representatives of the Department of the Interior;

(iii) one regional representative of the Army Corps of Engineers; and

(iv) not more than seven representatives of State and local governments involved in weed management activities, including representatives for agriculture, wildlife management, and health.

(C) DUTIES.—A regional commission established under subparagraph (A) shall—

(i) identify regional priorities with respect to noxious weed management;

(ii) make recommendations to the National Noxious Weed Management Council concerning noxious weed management;

(iii) coordinate noxious weed management using an interdisciplinary approach, regional research, training, technical assistance, and requests for funding;

(iv) assist in the development of regional technical guides for noxious weed management; and

(v) prepare and submit, on not less than an annual basis, to the National Noxious Weed Management Council a report on regional control, research, and education concerning noxious weed management.

(3) COORDINATION.—The National Noxious Weed Management Council shall coordinate the regional commissions established under paragraph (2) and facilitate the transfer of information among such regional commissions.

(4) SUPPORT SERVICES.—The Secretary of Agriculture and the Secretary of the Interior may provide to each regional commission established under paragraph (2) such administrative and technical support services as necessary for the effective functioning of such regional activities.

(b) ADMINISTRATIVE PROVISIONS RELATING TO REGIONAL COMMISSIONS.—

(1) COMPENSATION.—The members of a regional commission established under subsection (a)(2) shall receive no additional pay, allowances or benefits by reason of such members service to the regional commission.

(2) CHAIRMAN.—The members of a regional commission shall select a chairman from among the members of the regional commission.

(3) AREA.—Each regional commission shall meet in the geographical area of the regional commission at the call of the chairman of such commission or at the request of a majority of the members of such commission.

SEC. 1277. NOXIOUS WEED MANAGEMENT COST SHARING.

(a) GRANTS.—The National Noxious Weed Management Council, in consultation with the regional commissions established under subsection 1276(a)(2), may provide grants to State and local agencies to enable such agencies to manage noxious weeds and to provide cost sharing incentives to local private landowners for the management of noxious weeds.

(b) ELIGIBILITY.—To be eligible to receive assistance from the National Noxious Weed Management Council for the management of noxious weeds, a State or local agency shall—

(1) maintain staff that is adequately trained in the management of noxious weeds;

(2) develop and coordinate a program of noxious weed management in consultation with the regional commissions established under section 1276(a)(2); and

(3) ensure that a majority of the landowners in the area will participate in a noxious weed management program.

SEC. 1278. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary in each of fiscal years 1991 through 1995 to carry out this subtitle.

On page 557, line 11, strike out "Subtitle F" and insert in lieu thereof "Subtitle G".

On page 557, line 12, strike out "1271" and insert in lieu thereof "1281".

On page 558, line 7, strike out "1272" and insert in lieu thereof "1282".

On page 560, line 1, strike out "1273" and insert in lieu thereof "1283".

On page 562, line 7, strike out "1274" and insert in lieu thereof "1284".

On page 569, line 12, strike out "1275" and insert in lieu thereof "1285".

On page 570, line 4, strike out "1276" and insert in lieu thereof "1286".

On page 574, line 21, strike out "1277" and insert in lieu thereof "1287".

NOXIOUS WEEDS

● Mr. BAUCUS. Mr. President, I rise today to give my strong support for the amendment offered by the Senator from North Dakota.

He, Senator DASCHLE and I have been working for several months to put together an amendment which will address the very serious problem of noxious weeds management.

This problem has become epidemic in proportion.

In Montana alone, over 8.4 million acres of land are infested with noxious weeds. Over half of these acres are infested with spotted knapweed.

Scientists predict that 70 million acres nationwide will be lost to this weed if control measures are not taken.

Part of the problem has been that there is no comprehensive, coordinated approach to noxious weed management between Federal agencies, and State and local governments.

The amendment we are offering today will establish that coordination.

It will set up a comprehensive national management program to control the spread of noxious weeds.

Under the program, each Federal agency will be required to designate a specific office and person to develop and coordinate a noxious weeds program. This office will be given authority to establish cooperative agreements between the Federal agency and State and local agencies to coordinate the management of noxious weeds.

In addition, the amendment will authorize the establishment of regional commissions to identify regional priorities and coordinate noxious weeds management within the regions. Grants will be made available to State and local agencies to provide cost sharing incentives to local landowners as needed for the management of noxious weeds.

The amendment is strongly supported by Montana's Weed Control Association, Montana State University, the Weed Science Society of America, the Intermountain Noxious Weed Ad Hoc Committee, the Wildlife Management Institute, the Wildlife Federation, the Department of Interior and the USDA.

I urge my colleagues to vote for it.●

Mr. LEAHY. This also has been cleared on both sides.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from North Dakota.

The amendment (No. 2317) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2318

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BURNS, proposes an amendment numbered 2318.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In S. 2830, on page 676, line 12, insert the following new section:

"SEC. 1427. ALTERNATIVE USES FOR AGRICULTURAL PRODUCTS.

(a) The Secretary of Agriculture is encouraged to conduct a study on new uses for traditional and alternative agricultural products and, within 6 months, and annually thereafter, after the date of enactment of this Act, submit to the Congress a report on such study.

(b) The annual studies shall include—

(1) a review of existing alternative uses for traditional and alternative crop both here and abroad; and

(2) a strategy for research in new uses for traditional and alternative agricultural products within the national land grant college system.

Mr. LEAHY. This has also been cleared on both sides.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2318) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2319

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] for Mr. BURNS, proposes an amendment numbered 2319.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

In S. 2830, on page 671, line 7, insert the following:

(c) The Secretary of Agriculture is encouraged to conduct a study on the impact of rangeland carrying capacity during drought and, within 1 year after the date of enactment of this Act, submit to the Congress a report on such study.

(d) The study shall include—

(1) a review of exising rangeland drought research here and abroad; and

(2) a strategy for the establishment of a national rangeland drought research program, involving international, Federal, State and local agencies.

The PRESIDING OFFICER. Is there debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2319) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2320

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. MCCONNELL, proposes an amendment numbered 2320.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate point in the bill, add the following:

Section 5.17(a) of the Farm Credit Act of 1971 is amended by deleting paragraph (13).

Section 5.19(a) of the Farm Credit Act of 1971 is amended by adding after the third sentence the following:

"Examinations of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank.".

Mr. MCCONNELL. Mr. President, this amendment seeks to improve the Farm Credit Administration's approval process of farm credit system bank compensation plans. Currently, FCA must approve the salary scale and compensation package of senior bank officers for each of the 12 farm credit banks.

My amendment revises the statute and gives the authority to the board directors of each district bank. Additionally, the Farm Credit Administration will be required to annually review the salary and compensation packages. Granting authority to bank boards will not reduce the ability of the FCA as a regulator to effect change through the exercise of existing statutory powers.

The statutory requirement has been difficult to administer and shifting authority from FCA will enhance the bank's ability to act quickly, responsibly, and effectively in managing these independent financial institutions. The FCA has requested this change because it provides better use of their limited resources. The amendment has been agreed to by both managers of the bill; therefore, I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (No. 2320) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2321

(Purpose: To increase the amount authorized to be appropriated for national competitive research initiative grants)

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. GLENN, proposes an amendment numbered 2321.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 737, line 21 and 22, strike out "for each of the fiscal years 1994 and 1995" and insert in lieu thereof "for fiscal year 1994, and $500,000,000 for fiscal year 1995".

Mr. GLENN. Mr. President, today in this country, we have an opportunity to invest in the future. We can choose to spend money with a reasonable rate of return. At the same time, our investment will find ways to keep specialized workers employed, clean up our environment and find new ways to utilize our commodities. Our investment counselor says we can do all this while maintaining our international competitive edge by an $500 million/year investment for the next 5 years.

Mr. President, I am talking about investing in our agricultural research community. By supporting the Com-

petitive Research Grants Office of USDA, we can support the individual investigators working alone or in small groups all over the United States. These are the scientists who pursue questions with answers that can revolutionize an entire industry.

Mr. President, the National Research Council's Board on Agriculture has recommended increasing the Competitive Research Grants Office budget to $500 million starting in fiscal year 1991. This report outlines 6 areas of research that need to receive priority one of which is the development of new products and uses for our traditional commodity crops. As you know, I have long supported research that allows us to find new ways to use the crops we produce in abundance. By funding the National Research Initiative at the recommended level we can increase our commitment in research dollars to this most important area of product utilization.

The Agriculture Committee has done a remarkable job of working out a compromise funding scheme that phases in this appropriation. I would like to amend this title to reflect the final goal of $500 million. Therefore, I am offering an amendment that changes the authorization for 1995 from $400 to $500 million.

I would ask that my colleagues support me in making a clear statement of intent to invest in the future of agricultural research and therefore in the future of America.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 2321) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBB). Without objection, it is so ordered.

The Senator from Minnesota [Mr. BOSCHWITZ].

Mr. BOSCHWITZ. Mr. President, I will proceed and talk about some amendments that I am offering, and when the differences are worked out with the Senator from South Dakota on his amendment, so that they are ready to proceed, I will yield the floor at that point so they may proceed with it.

I understand that is the order of events that is about to occur and should occur.

The PRESIDING OFFICER. Without objection, it is so ordered. The pending unanimous-consent request will be placed aside, and the Senator is recognized.

Mr. BOSCHWITZ. Mr. President, I am going to offer, if not today, on Monday or Tuesday, or at such time as it is convenient with the chairman and ranking member of the committee, some amendments on loan rates.

Under the 1985 farm bill, which my farmers almost uniformly say has been a great success story, loan rates are established at 75 to 85 percent of the market price in the preceding 5 years, taking out the high year and the low year.

So you take out the high year and the low year of the preceding 5 years, you average the other 3 years of market prices, and the Secretary has the authority to establish the loan rate at 75 to 85 percent of the average of those 3 years.

The Secretary has always chosen to go at 75 percent in order to have the loan rate at the most competitive level possible. Under this bill, the same rules apply, except that the loan rates cannot be lower than the 1990 level.

I will offer an amendment that reinstates the 1985 farm bill rule without having the 1990 floor. I believe that one of the great successes of the 1985 farm bill is that our loan rates have become competitive.

So I will offer that amendment at some later time and will probably talk about it at some length later on today so that Senators and their staff will be informed of what I intend to do. I also will have some variations on that theme. In the event that amendment loses, I will offer other amendments somewhat similar to that.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota is recognized to offer an amendment on which debate will be divided equally, 20 minutes per side.

AMENDMENT NO. 2322

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislation clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 2322.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

STORAGE PAYMENTS.—

(1) On page 349 of S. 2830 (as amended by amendment No. 2303), strike lines 15 through 25 and insert the following:

"In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehouses under the authority contained in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees as determined by the Secretary, except that the rates paid to producers and commercial warehouse shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehouse as a result of the adjustment of storage rates under this section.".

Mr. DASCHLE. Mr. President, first of all, let me thank the distinguished Senator from Minnesota for his courtesy. I appreciate the willingness to allow this amendment to be offered. I must say the managers of the bill went a long way in addressing the concern that this amendment addresses today in the amendment that passed yesterday.

My motivation in offering this amendment goes to the comments I made yesterday, that is, that we can find ways, minimal as they may be, to help offset some of the problems associated with the bill in its entirety in terms of farm income for the average family farmer.

One of the problems that existed in past farm bills has been storage. There is a disparity that exists between grain elevators and farmers with regard to the storage payments. The disparity is related directly to the payment itself. The disparity is also related to the fact that elevators can be provided with handling fees and other reimbursements for expenses that farmers are not entitled to.

This amendment recognizes that some of that disparity will always be there, that there may be a need for elevators to obtain a higher compensation rate, especially as it relates to some of the regulatory requirements and the availability of storage itself.

My amendment simply improves upon what was done yesterday by striking the reference in the legislation passed yesterday which gives discretion to the Secretary to come up with a lot of other reasons this disparity ought to continue. It locks in place a number of specific exemptions to the requirement for equivalency, but that is all it does. The storage amendment says that there shall be equivalency with regard to payments made to farmers as well as to elevators with the following exceptions: Efficiency,

location, regulatory compliance costs, bonding requirements, and the impact of user fees as determined by the Secretary.

I emphasize as well that this amendment is budget neutral. We have no intention of adding to the budget. We simply take whatever pie is available and make sure that, except for the things stated specifically in the amendment, there shall be equivalency.

With that, Mr. President, I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Who is controlling time?

Mr. DASCHLE. I am happy to yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized with the time charged to the Senator from South Dakota.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that I be listed as a cosponsor of the amendment of the Senator from South Dakota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I compliment the Senator from South Dakota and quite agree with what he is trying to achieve, that is, equivalence between the storage that is paid the farmer and paid the elevator in the town, taking into account that when there are different duties and when there are different obligations, those obligations and duties, be they on the part of the farmer and his storage facility or be they on the part of the commercial storage facility, that those can be taken into consideration with respect to compensation as well.

I compliment the Senator from South Dakota for bringing this amendment before us. I have spoken to my own farmers at scores and scores of meetings about the same subject, and I am pleased that the Senator has brought this matter to a head here on the floor.

Mr. DASCHLE. I appreciate the Senator's cosponsorship. I also ask unanimous consent that Senators KERREY and CONRAD be listed as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DASCHLE. I yield whatever time the chairman requires.

The PRESIDING OFFICER. The Senator from Vermont is recognized on time charged to the Senator from South Dakota.

Mr. LEAHY. Mr. President, I say on our side this matter is cleared. I see no need for a rollcall vote. It is acceptable on this side. I reserve to the Senator from South Dakota the remainder of his time.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 5 minutes.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from South Dakota for his amendment. He has, without doubt, improved upon the language of the bill. I appreciate his acknowledgement that the staff, in a bipartisan way, had gone some distance with regard to storage rates in the legislation.

The Senator has been thoughtful, as always, about how farmer income could be enhanced in difficult times in his State and throughout the country. He has made very constructive suggestions. It is a very constructive amendment.

On our side we are prepared to accept that amendment, and I join with the distinguished chairman, if that is his will, in recommending that we have a voice vote as opposed to a rollcall vote in view of what I suspect is overwhelming support for the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I yield whatever time the Senator from Iowa would request.

The PRESIDING OFFICER. The Senator from Iowa, Mr. GRASSLEY, is recognized under the time charged to the Senator from Indiana.

Mr. GRASSLEY. First of all, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I compliment the Senator from South Dakota for his sponsorship of this amendment.

This amendment will eliminate, or hopefully eliminate, a very sore point that has been an issue with farmers ever since we had the farmer-held grain reserve and onfarm storage has been an emphasis of our Federal Government.

I know there are a lot of people here in this body who have been involved with the writing of this legislation who feel that a differential is very justified. I cannot see any justification for that differential. More importantly, farmers that deal every day with their local elevator out there that gets a higher rate of storage, in most instances at least, do not understand the differential. They deal with the manager. They know that manager as well as they know any other business person in their community. The farmers out there do not understand the difference.

They understand the operation of that elevator. A lot of those people serve on the boards of those elevators. And even from that group of people, I have found a feeling that the farmer comes out on the short end of the stick when he gets paid less than the commercial elevator does.

So not only to enhance farmer income, but I see this more as a matter of equity and fairness. I hope that the language of the legislation now, which does not expressly provide parity because of some language that is left in the bill, will in actuality bring this parity. I think that is the intention of the Senator from South Dakota.

I yield the floor.

Mr. DASCHLE. Mr. President, I will be very brief. Let me just thank the ranking member for his comments and also for the tremendous cooperation we have received from many on his staff that were helpful in coming to the agreement that we did.

I thank the Senator from Iowa for his cosponsorship and his comments. I think this does improve the bill and what we are all trying to do.

With that I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back by the proponents.

Mr. LUGAR. Mr. President, I yield back all of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 2322) was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, with the disposition of the Daschle amendment, I am advised by the managers that there will be no further amendments today which would require a rollcall vote. It was anticipated, of course, a short while ago that that amendment would require a rollcall vote but it has now been accepted. Accordingly, there will be no further rollcall votes today.

At the moment staffs on both sides are attempting to put together a schedule of amendments for Monday and I hope shortly to be able to announce that schedule. That is not quite ready yet and no announcement is therefore possible.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2323

(Purpose: To provide for increased emphasis on nutritional programs in the food aid grant programs)

Mr. PRYOR. Mr. President, I send an amendment to the desk on behalf of Mr. KERREY, the Senator from Nebraska. This amendment has been cleared by the Republican side and the Democratic side. It relates to nutritional programs, asking for an additional emphasis upon the nutritional programs. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for Mr. KERREY, proposes an amendment numberd 2323.

Mr. PRYOR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In S. 2830, on page 361, line 16, before ".", insert the following provision: ", including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk."

On page 417, line 15, after "security" insert ", including nutrition,".

On page 418, line 10, after "security" insert ", including nutrition,".

Mr. PRYOR. Mr. President, once again, the amendment is self-explanatory. It has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we accept and commend the amendment. It is an important addition to our understanding of what we can do with regard to world famine.

Our understanding is that in the other body, Congressman BEREUTER of Nebraska has gained passage of this amendment in the House Foreign Affairs Committee and it is appropriate we should consider it and his colleague, Senator KERREY, should offer it. We support the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Nebraska.

The amendment (No. 2323) was agreed to.

Mr. PRYOR. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2324

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 2324.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place at the end of title XVII, add the following new section:

SEC. 17 . MARKETING ORDERS.

Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1), is amended, by—

(1) striking "(a) Notwithstanding any other provision of law," in the first sentence, and inserting in its place "(a) Subject to the provisions of subsection (c) and notwithstanding any other povision of law,";

(2) adding at the end thereof the following new subsection:

"(c) Prior to any import prohibition or regulation under this section being made effective with respect to any commodity—

"(1) the Secretary of Agriculture shall notify the U.S. Trade Representative of such import prohibition or regulation;

"(2) the U.S. Trade Representative shall determine, and submit in writing to the Secretary of Agriculture, that the application of the grade, size, quality, and maturity provisions of the relevant marketing order, or comparable restrictions, to imports are not inconsistent with U.S. international obligations under any trade agreement, including the General Agreement on Tariffs and Trade; and

"(3) if the U.S. Trade Representative does not submit a determination under paragraph (2) within 30 days of the notification under paragraph (1), the Secretary may proceed with the proposed prohibition or regulation.".

Mr. LUGAR. Mr. President, this amendment has been cleared on both sides, but I wish to explain it briefly. The purpose of the amendment is to clarify current practices on establishing marketing orders to ensure consistency with international trade obligations.

Presently, as Senators know, marketing orders were created by law in 1937 and they can be used by the Secretary of Agriculture to develop programs to stabilize and improve the marketing of products. The purpose of my amendment is to make certain that these marketing orders do not come into conflict with our trade negotiations.

We have offered language that we believe is acceptable to those Senators who have had great experience with and support marketing orders and those Senators who are very much in favor of our pursuing trade negotiations.

The PRESIDING OFFICER. Is there further debate.

The Chair recognizes the Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, this amendment has been cleared on this side of the aisle. There is no objection.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2324) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PRYOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Monday, July 23, the following amendments be offered and debated; that any votes ordered to occur relative to these amendments be stacked to occur at a time to be determined by the majority leader after consultation with the Republican leader; that no other amendments be in order to the listed amendments except where noted; and that the agreements be in the usual form regarding the control of time on any of the listed amendments with specific time limitations: a Daschle amendment relating to new products research, 3 hours equally divided; a Conrad amendment relating to repay barley advance deficiency payments, 1 hour equally divided; a Reid amendment relating to consumer product safety testing, to which second-degree amendments would be in order; a Cohen amendment relating to flexible basing; a Grassley amendment relating to rural safety education; a Grassley amendment relating to sustainable agriculture, with a possible relevant second-degree amendment by Senator LEAHY. I further ask unanimous consent that at 1 p.m. on Monday, when the Senate resumes consideration of S. 2830, Senator GRASSLEY be recognized to offer his listed amendment relating to rural safety education.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. Reserving the right to object, I had been handed a sheet on this unanimous-consent request which the distinguished majority leader has substantially read and which sheet contained a reference to stacking the votes to Tuesday, July 24, at a time to be determined by the majority leader after consultation with the Republican leader. So I would inquire as to whether that is the intent of the distinguished majority leader?

Mr. MITCHELL. Mr. President, as the distinguished Senator from Pennsylvania will note, if he has the sheet that I have, there are a number of changes and interlinings and crossouts, as is common with these agreements. He is correct that the words "on Tuesday, July 24," were deleted. I wanted the opportunity to consult with the Republican leader before making a determination on precisely when the votes would be stacked to occur. I invite the Senator's advice in that regard as well.

Mr. SPECTER. Mr. President, I have stayed to participate in this unanimous-consent request because of this Senator's concern as to what is to be the schedule of the Senate. I understand the majority leader's responsibility to move a very important and congested calendar, and when the majority leader had circulated the letter in early July saying that we would be expected to vote on Mondays, among other times, this Senator canceled a plan which had been scheduled for a long period of time because I did not want to be in the position of missing a vote and would not ask for any special consideration by the distinguished majority leader.

Earlier today, I had consulted with Mr. Howard Greene about the schedule on Monday, as it was my hope to travel with the President in Philadelphia on Tuesday, and I had not made a decision on that because I wanted to see what the Senate's business was to be on Tuesday. I did not intend to ask for any special deference, to have any window so that I might go. Although I have not missed a vote during the whole of this session or the last session, I would want to consider that, missing perhaps a vote or two, to join the President on what I think may be an important event in my State on the drug issue.

But I did not want to find myself in the position where, being available on Monday to vote, I then found votes stacked on Tuesday, which would prejudice my own position, having canceled my plans and been available on Monday.

Having said that, without taking up too much of the Senate's time, since we are not going to vote anymore, as no pressing business is pending, I think it not inappropriate to add again, considering the very complex demands that the majority leader has, and after the majority leader made a statement recently asking for Senators' responses, I took the majority leader up on his invitation, went in and sat with him and told him of this Senator's concern on a number of items.

One item that this Senator is concerned about is the slow pace of the Senate when amendments are not offered. As for example, last night; as for example today. The majority leader asked unanimous consent that we would be expected to vote until 3 o'clock on Friday afternoon.

With a schedule of voting where we have quorum calls through 6 o'clock, 7 o'clock; votes scheduled for 7:45, apparently to accommodate schedules, or on Wednesday on the civil rights bill, we did not vote until 9 o'clock. There was a question in this Senator's mind as to why.

All of which raises the general question which I think is worthy of our consideration as to how the Senate is going to function. We have very important business to perform. I do not like to see anybody say that the Senate is not ready, willing, and able to go ahead and do the Senate's work.

Often a Senator comes to the majority leader and asks for special consideration—I heard about one recently. I heard the story. The sequence was, well, you did that for 99 other Senators. You missed 99 days of work. So I have made it a practice simply not to ask the majority leader to accommodate my schedule.

But at the same time, when this Senator cancels longstanding plans because I knew I could wait until 1 o'clock on Friday and change events. To change another 50 or 60 people's schedule simply will not do. I want to be available to help the majority leader and the distinguished Republican leader carry out our work.

But the question comes into my mind, I think understandably, when on Friday afternoon—and I heard the majority leader last night at 7:30 talk about the August 3 conclusion date. He wanted to observe it but he could not observe it if the Senate cannot work on Thursday night, and the Senate did not work on Friday. My basic request is that whatever the rules are, it is the prerogative of the majority leader, the prerogative to work and be responsible, and us for him. It is his prerogative to set the rules. I think the rest of us ought to cooperate with whatever rules he sets.

But that is why I am concerned about the possibility that these votes might be stacked on Tuesday. If there are votes on Tuesday, in sequence, I am prepared to take my chances, not go to Philadelphia, even though it is an important event on a drug issue with the President. It is also a Republican fundraiser, let me add that; not for me, a Republican fundraiser for the Republican State Committee.

But I have asked the President to meet with the drug task force there. I would like to be there. So I am prepared to make that evaluation as to what happens on Tuesday. But I do not want to be prejudiced by the absence of votes on Monday.

So having said all of that, my request to the majority leader, again, is to see if it might be possible to fashion rules so that when we are on the farm bill we either take up amendments or go to third reading.

Third reading might not be a bad idea this afternoon. It certainly would facilitate the conduct of the Senate's business in the future. I know that is not about to happen. There has to be notice to Senators. If we are to work on Mondays, I would like to see us notified and have the majority leader in the position, in conjunction with the Republican leader, to move ahead.

Outside of that, Mr. President, I have no objection.

Mr. DOLE. No objection.

Mr. SPECTER. Mr. President, I do object to the unanimous-consent request in the present form where it is open ended as to whether all of these votes might occur on Tuesday at noon.

The PRESIDING OFFICER (Mr. KOHL). Objection is heard.

Mr. MITCHELL. Mr. President, I thank my colleague. I did have a good constructive meeting with the distinguished Senator from Pennsylvania in which he made a number of suggestions on proceeding within the Senate, most of which I have attempted to implement but without success.

Of course, I do not have the unilateral authority to impose my preferences upon the Senate. It requires cooperation. Any individual Senator can prevent an action from occurring, as the Senator from Pennsylvania has just done with respect to this agreement. I think his points made today are well taken. I will take them into account.

I would simply note that as the Senator from Pennsylvania alluded to I am daily, and it appears increasingly, deluged with requests by Senators not to have votes at certain times on certain days, all for very valid reasons, including a visit by the President to one's home State or home community, and a number of others.

We have had difficulty getting Senators willing to come and offer amendments. As the Senator from Pennsylvania well knows, where I could attempt to move to third reading, I will let the distinguished Republican leader speak for himself, but I think he could and no doubt would prevent me from doing so to protect the interests of Republican Senators who wish to offer amendments but are not at this moment prepared to do so.

Mr. SPECTER. If the distinguished majority leader will yield, I had suggested at a meeting that I had with the distinguished majority leader that some of these be taken up in caucuses on each side to see if we could not find some consensus.

I understand that the distinguished Republican leader cannot proceed to third reading, nor can the distinguished majority leader because notice has not been given. But I think there is a lot of frustration among all Sena-

tors. I do not know whether it is the majority or minority of us who do not ask for special consideration on a trip by President Bush to Pennsylvania on Tuesday. I simply seek to find out what will be the consequence of this unanimous-consent arrangement.

If the impact could be heavier at a specific time, which I think would be unfair, having been available to vote on Monday, and as the distinguished majority leader may surmise, I say I do not wish to in any way impede the majority leader getting a unanimous-consent request.

When the majority leader comments that any Senator can stop the operation at any time, it is true that can be done on a unanimous-consent request, but not on the customary conduct of the business of the Senate. The majority leader schedules the business. He has 54 Senators who will stand behind him on what he seeks to do.

So I would really ask that this dialog today be followed by an effort to try to get a consensus on moving forward on the appointed hours, and that there not be a 3-hour window or 2-hour window on a Wednesday night until 9 p.m. to have votes and have the Senate conclude its business at 10 o'clock.

I am not in any way assessing any blame. I am trying to look to the future. If we can vote at 5 o'clock or 6 o'clock, if we are going to work on into the evening, I am prepared to do that. But we are here on Friday afternoon. I made plans to be here on Friday and Monday afternoons after I got the majority leader's letter. But I think that there are 96 other Senators besides the 4 here who share these views—95; we have a Presiding Officer—and are prepared to do this if we simply knew what was going to happen.

Mr. DOLE. Will the majority leader yield?

I think it is one thing if you live in Pennsylvania but quite another if you live out on the West Coast or 4 or 5 hours from here. You cannot make it up and back in an hour by plane.

There are Members that have problems from time to time. Maybe the Senator from Pennsylvania has never had one. On this Monday, I had one. As minority leader, I do not ask for many favors around here. I will be back at 5:30, and prepared to vote at that time.

In fact, if necessary, I could vote ahead of that time. But again, it is a longstanding standing commitment that I have made.

So maybe I am at fault instead of the majority leader for this request. So I apologize to both the Senator from Pennsylvania and the Senator from Maine, the majority leader.

I am not certain the unanimous consent is needed. In any event, it seems to me, let us go from one amendment to the next. We do not have to vote. We can lay it aside and take up another amendment.

I would say that if it would be helpful to the Senator from Pennsylvania and the majority leader, I believe I can be on the floor by 5:30, 5:45 on Monday afternoon. I say there would probably be votes Tuesday morning in any event. If I can help, I am happy to.

Mr. MITCHELL. I thank the Senator.

Mr. SPECTER. Mr. President, I understand the situation with Senators who do not live as close to Washington as this Senator does, and if there is anything that the distinguished Republican leader needs by way of scheduling, I would not consider posing any objection under any circumstance. I understand that Senators from the greater distances have to travel. But what this Senator seeks is just whatever the rules are going to be, I do not care what they are, as long as we know what they are.

Mr. MITCHELL. If I may interject on that point. There is a universal desire for certainty with respect to the schedule. Unfortunately, given the rules of the Senate, which make the schedule inherently uncertain, it is not possible to determine in advance precisely how long each measure will take or when votes will occur. I do not know how many amendments will be offered to a particular bill when the bill is brought up, or how long the debate will be on each amendment. And the ability of any Senator to speak without limitations makes it impossible to establish total certainty with respect to the scheduling.

When there is added to that the differing and very demanding schedules of 100 Senators, it is very difficult to organize business in a way that meets the convenience of everybody.

I can say, as I have said, that the Senate will be in business and operating on Friday, but if no Senator will come and offer an amendment and if I can be prevented, as I am prevented at any time from moving to third reading, then I simply do not have the capacity or the authority to accomplish that which the Senator from Pennsylvania would like, and which I assure him, in all sincerity, I want more than he.

So I have done the best I could to organize the operation in a way that would provide the maximum degree of certainty possible, given the rules of the Senate and the circumstances under which we operate. Indeed, one of the reasons I wanted to get in a unanimous-consent request—even though as the distinguished Republican leader has just noted, it is not technically necessary—was to indicate, to the extent we can do so, what will be coming up on Monday, and having gained the commitment of these Senators whose names I read off, that they will be here to further assure their presence to offer these amendments.

I recognize the concerns of the Senator from Pennsylvania and the particular situation in which he finds himself at this time. I will be pleased to consult with him and the distinguished Republican leader further before making a final decision on these amendments. Inevitably, as the distinguished Republican leader knows better than I, because he served as majority leader longer than I have served as majority leader, it comes down to attempting to accommodate the interests of a large number of Senators, most of which are in conflict, and we do the best we can to accommodate the largest number in the fairest possible way.

Mr. SPECTER. Well, Mr. President, one final comment. I will withdraw any objection and let the roulette wheel stop wherever it chooses.

I say, in conclusion, that it appears to me on the state of the record, that we are not going to be voting on Mondays, and we are not going to be doing much on Fridays. And it may mean there is going to have to be more done within the respective party caucuses to say where the Senators want to stand.

I understand what the majority leader has said. Nothing that I have said relates to the questions about offering amendments or how long any Senator is going to speak. I do not want to interfere with the schedule of my colleagues from the Midwest, the West, or any place. But I do think that it is a subject on our scheduling that is going to require more attention beyond the leadership, more cooperation from the rest of us, to set the kind of standard we want. If there are enough of us who do not want to vote on Fridays or Mondays, so be it. Then we do not want to be accused of working 3 days a week, 3 days a month. We have a large agenda to accomplish, and we are all responsible for it, not just the leadership.

So I withdraw my formal objection, having noted a fair number of objections in the past.

The PRESIDING OFFICER. Does the majority leader renew his request?

Mr. MITCHELL. I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

THE PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:28 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the bill (S. 605) to authorize appropriations for the Consumer Product Safety Commission, and for other purposes, with amendments; it insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. DINGELL, Mr. WALGREN, Mr. SLATTERY, Mr. LENT, and Mr. RITTER as managers of the conference on the part of the House.

The message also announced that the House has passed the bill (S. 2088) to amend the Energy Policy and Conservation Act to extend the authority for titles I and II, and for other purposes, with amendments; it insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. DINGELL, Mr. SHARP, Mr. MARKEY, Mr. BRUCE, Mr. TAUZIN, Mr. LENT, Mr. MOORHEAD, and Mr. DANNEMEYER as managers of the conference on the part of the House.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5268. An act making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5268. An act making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, July 20, 1990, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 276. Joint resolution designating the week beginning July 22, 1990, as "Lyme Disease Awareness Week"; and

S.J. Res. 281. Joint resolution to designate September 13, 1990, as "National D.A.R.E. Day."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HEFLIN, from the Select Committee on Ethics, without amendment:

S. Res. 311. An original resolution concerning the Select Committee on Ethics investigation of Senator David F. Durenberger (Rept. No. 101-382).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 2632. A bill to amend the Public Health Service Act to reauthorize the National Center for Health Statistics, and for other purposes (Rept. No. 101-383)

By Mr. NUNN, from the Committee on Armed Services, without amendment:

S. 2884. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes (Rept. No. 101-384).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COATS (for himself and Mr. LUGAR):

S. 2882. A bill to modify the boundaries of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 2883. A bill directing the President to transfer funds for emergency aid to the Philippines; to the Committee on Appropriations.

By Mr. NUNN, from the Committee on Armed Services:

S. 2884. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; placed on the calendar.

By Mr. KASTEN:

S. 2885. A bill to amend the Federal Deposit Insurance Act to require States in which the failure of State chartered savings associations has involved a disproportionately large share of the thrift resolution costs to pay a State thrift deposit insurance premium as a condition of future Federal deposit insurance; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GLENN (for himself, Mr. GORE, Mr. AKAKA, and Mr. LIEBERMAN):

S. 2886. A bill to amend the Stewart B. McKinney Homeless Assistance Act to clarify requirements regarding the use of unutilized, underutilized, surplus, and excess Federal buildings and real property to assist the homeless, and for other purposes; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HEFLIN, from the Select Committee on Ethics:

S. Res. 311. An original resolution concerning the Select Committee on Ethics investigation of Senator David F. Durenberger; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COATS (for himself and Mr. LUGAR):

S. 2882. A bill to modify the boundaries of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Energy and Natural Resources.

INDIANA DUNES NATIONAL LAKESHORE ACCESS AND ENHANCEMENT ACT

Mr. COATS. Mr. President, today, I am pleased to introduce a bill, sponsored by Senator LUGAR and myself, to enhance and expand the Indiana Dunes National Lakeshore.

Just about 100 years ago, President Theodore Roosevelt convened a conference on conservation at the White House. It brought together one of the most distinguished collections of national leaders ever gathered, including most of Congress, the Supreme Court and the Governors of 34 States. The President opened the proceedings with a disturbing declaration: "It seems to me time for the country to take account of its natural resources, and inquire how long they are likely to last."

That question is still with us. We asked it as a nation only a few months ago. Earth Day focused our attention on the resources of a nation whose frontier was conquered long ago. When we destroy our natural wealth, there is no moving onward and westward to better things. Conservation is a problem dumped into this generation's lap. It is we who will suffer or triumph.

It is true that too often in the past America's "shining city on a hill" has been obscured by smog, and littered with stagnant pools. Our shrinking open space has been crowded by pollution and noise and blight. We've often violated the basic human needs of men and women to live in places that are healthy and pleasing to the senses—the promise of "America the Beautiful."

All this has constituted a theft from our future. It is a myopia of the mind's eye in which greed or carelessness rob our children of beauty and resources.

But it is also something more. It is a violation of our best principles. In Christianity and Judaism, nature is God's creation, to be respected and heeded. Man is not the master. He is the steward. And nature is His trust. To violate that trust is, in some way, to betray a God who saw the work of His hands and pronounced it "very good."

Federal, State, and local governments have unprecedented responsibilities—but also unequaled opportunity. Never before have we had such power to control our environment. Never before have we had such power to destroy it. To paraphrase John Kennedy,

this will be the best generation, or one of the last.

I have seen in Congress the emerging outline of a bipartisan consensus on the environment. Alliances you would never have expected have brought us tough, needed efforts at conservation.

And one of the most vital roles in this new environmental agenda is played by our national parks and scenic wilderness. During my time in Congress, I have supported the protection of 15 million new acres of wilderness, and the classification of over 2,500 miles of wild and scenic rivers.

But even in the extraordinary variety of our parks and wilderness areas, Indiana Dunes is unique. I have visited the Dunes a number of times. Each occasion is a revelation of beauty and contrast. Running each from the industrial center of the Nation, the Dunes National Lakeshore weaves its way around the shores of Lake Michigan. It is an island of natural beauty in a sea of industrial sprawl. Its wooded dunes and marshy thickets stand undisturbed within 100 miles of over 10 million men and women. This is truly what is meant by "parks for the people."

This unique role also presents unique challenges. It requires constant effort to protect the Dunes from encroachment. Its location, just 45 miles from Chicago, means pressures and difficulties faced by no other park in the county.

But, in another way, the Dunes is a vision of the future for many of those other parks. The type of boundary pressures in this area will eventually push against park boundaries everywhere—as population and development increase. How the Dunes deals with these pressures will be seen as an example, a model of conservation in an urban landscape.

Clearly, Indiana Dunes must be protected. But the specifics of this charge involve some difficult issues. I have personally talked with environmental groups, such as the Save the Dunes Council, with leaseback holders, with residents of the Salt Creek and Little Calumet corridors, and with other property owners. I have done my best to listen to every side with sympathy and understanding. These conflicting voices have led some people to claim that this is a no-win situation, that the minefield can't be crossed.

But Senator LUGAR and I believe the Dunes are too important—both to Indiana and the Nation—for inertia and timidity. We are committed to seeing the Dunes expanded and protected. And we have drafted a bill that listens with sympathy and acts with resolution.

First, and I believe most importantly, this bill includes authorization for the National Park Service to acquire Crescent Dune, the last remaining lakeshore property on the eastern edge of the park. This piece of land is an important and natural addition to the lakeshore. And expanding the Dunes is one of the best ways we can preserve it.

Second, there are two additional, important nature areas that were considered for acquisition in legislation which passed the House a few months ago. Senator LUGAR and I have decided, in our bill, that the pressures of development in these areas are too urgent to wait for future action. We have included immediate authorization for acquisition for wetland areas in Beverly shores and a small section of virgin prairie containing rare plants and wildlife known as Hobart Prairie Grove. Both of these areas are environmentally sensitive and important.

Third, it is important to note that the four northern Lake County areas which were passed in the House bill are also included in this legislation—including Inland Manor and Woodlake Dune Savannah. Inland Manor comprises about 90 homes, and Woodlake Dune Savannah is a wooded, natural area which is vulnerable to development. These are important additions to the park.

Fourth, we have tried to give fair resolution to the debate over the Salt Creek and Little Calumet River corridors. This legislation includes a proposal which will protect this important natural resource while allowing most homeowners to keep their property. Under the bill, the first step would be for the National Park Service to conduct an inventory of important natural resources in the two river corridors. This inventory would also include a list of current and projected threats to these resources. At the conclusion of this evaluation, the Park Service will issue recommendations for the best ways to protect these resources, emphasizing efforts that can be made by State and local governments. The Park Service will continue to work in an advisory capacity to local governments, and will periodically report to Congress to ensure their recommendations are implemented.

I believe this proposal will allow the important natural resources at the river corridors to remain under local protection and jurisdiction. However, I am determined to ensure that local governments will protect these resources, and this is why the proposal contains congressional oversight.

Finally, I would like to discuss proposed additions in Porter County. Senator LUGAR and I have worked closely with both property owners and the environmental community regarding proposed lakeshore additions in this area. We believe the proposal we are introducing today provides necessary protection for the environment, including valuable wetlands and lakefront property, while protecting the rights of property owners, especially when it is necessary to include homes.

First, a small parcel of land in Porter Beach has been included as passed by the House. This addition is necessary to construct facilities to allow access for the handicapped to the park.

Concerning the U.S. 20 completion, I have personally met with the residents of Furnessville, and I understand their opposition to inclusion. For this reason, Senator LUGAR and I decided that the Senate bill should not include Furnessville. It is our hope and belief that Furnessville residents will work with the Park Service and environmental organizations to prevent commercial development of the Furnessville area.

Regarding the parcel known as the State Route 49 corridor addition, Senator LUGAR and I have agreed that homeowners should continue to be allowed to live along this section unless an attempt is made to use property currently in residential use for commercial purposes.

The last area included in the House bill from Porter County is the campground addition. I am pleased that, beginning next year, a 200-site campground will be developed within the boundaries of the lakeshore. I would like to note that the boundaries of the proposed addition included in the House bill have been slightly altered, to exclude homes and property currently used for residential purposes. Instead, the Senate boundaries will include a small area intended for use as a beach shuttle station and adjacent parking lot.

All these rather technical proposals are addressed to complicated issues and debates. They will not please everyone. But they are directed toward a simple goal—developing a position that Indiana can champion and defend. A position that is sensitive to local concerns. But a position that strengthens a fragile and irreplaceable natural resource.

I ask unanimous consent that the text of the bill I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2882

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indiana Dunes National Lakeshore Access and Enhancement Act".

SEC. 2. DEFINITION.

For the purposes of this Act, the term "the Act" means the Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved November 5, 1966 (6 U.S.C. 460u et seq.).

SEC. 3. BOUNDARIES.

(a) IN GENERAL.—The first section of the Act (16 U.S.C. 460u) is amended by striking "October 1986, and numbered 626-80, 033-B" and inserting "July 1990, and numbered _____".

(b) CRESCENT DUNE.—Section 12 of the Act (16 U.S.C. 460u-12) is repealed.

SEC. 4. SALT CREEK AND LITTLE CALUMET RIVER PROTECTION PLAN.

The Act is amended by adding at the end thereof the following new section.

"SEC. 25. (a) Not later than 2 years after the date of enactment of this section, the Secretary shall, in cooperation with affected landowners, conservation organizations, local and State governments, and Federal agencies having jurisdiction over the scenic, natural, cultural, and recreational resources within the area, complete a study of—

"(1) the Little Calumet Corridor between U.S. Highway 20 and County Road 450 East, Pine Township; and

"(2) the Salt Creek Corridor between Interstate 94 and County Road 700 North, Liberty Township.

"(b) Participation in the study required by subsection (a) by landowners, conservation organizations, local and State governments, and Federal agencies shall include ample opportunity for review and comment, including opportunity to—

"(1) comment on the scope of the study;

"(2) furnish information and opinion at any time during the study and planning process;

"(3) testify at a public meeting; and

"(4) comment on a written draft of the study and recommendations.

"(c) The study required by subsection (a) shall include—

"(1) an inventory of the corridor's scenic, natural, cultural and recreational values;

"(2) an analysis of existing threats and likely future threats to those resource values and of existing local State and Federal efforts to counter those threats;

"(3) an evaluation of public access opportunities for the purposes of fishing, canoeing, hiking, and other appropriate recreational activities;

"(4) alternative private, State, and local means for enhancing the protection of resource values and for ensuring public access for recreational purposes; and

"(5) recommendations for actions that could be taken by landowners, conservation organizations, local and State governments, and Federal agencies to enhance protection of the corridors' resource values and ensure appropriate public access, consistent with landowner rights.

"(d)(1) The Secretary shall transmit copies of the study prepared pursuant to subsection (a) to the landowners, conservation organizations, local and State governments and Federal agencies or organizations that were recommended to have a role in the implementation of a conservation strategy for the river corridors.

"(2) With the transmittal of the study under paragraph (1), the Secretary shall request the participants to describe, not later than 6 months after receipt of the study, the extent to which they intend to adopt and implement the recommendations made in the study.

"(e) Not later than 12 months after the date of completion of the study required by subsection (a), the Secretary shall submit a report to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives that—

"(1) summarizes the response received from study participants concerning their intent to adopt and implement the recommendations made in the study; and

"(2) recommends further actions that should be taken to ensure full protection of, and adequate public access to, the significant resources of the Calumet River Corridor and Salt Creek Corridors.

"(f) Following submission of the Secretary's report to Congress, the Secretary shall continue to actively monitor actions taken by landowners, conservation organizations, local and State governments, and Federal agencies to implement the Secretary's recommendations, and make periodic reports to Congress on the extent to which the study recommendations are being implemented and the resource values of the corridors are being protected.

"(g) Following completion of the study required by subsection (a), the Secretary shall, upon request, provide technical and coordination assistance to landowners, conservation organizations, local and State governments and Federal agencies that wish to implement the study recommendations.".

SEC. 5. REPORT ON ROAD RIGHTS-OF-WAY.

The Act, as amended by section 4, is amended by adding at the end thereof the following new section:

"SEC. 26. (a)(1) Not later than 180 days after the date of enactment of this section, the Secretary shall prepare and submit to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report that—

"(A) identifies road rights-of-way within the boundaries of the lakeshore that are proposed to be relinquished by local governments;

"(B) describes actions that have been taken to effect the relinquishment of the rights-of-way; and

"(C) describes any impediments there may be to each relinquishment.

"(2) The Secretary shall notify Federal, State, and local transportation authorities of the road rights-of-way identified in the report described in paragraph (1).

"(b) The Secretary may reimburse a local government for reasonable administrative costs associated with relinquishing a road right-of-way within the boundaries of the lakeshore.".

SEC. 6. DEEP RIVER CORRIDOR STUDY.

The Act, as amended by section 5, is amended by adding at the end thereof the following new subsection:

"SEC. 27. (a) Not later than 2 years after the date of enactment of this section, the Secretary shall complete and submit to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate a study of the Deep River Corridor.

"(b) The area to be studied pursuant to subsection (a) shall include—

"(1) the segment from the abandoned Chesapeake and Ohio Railroad right-of-way south of the existing Deep River County Park to the confluence of Deep River with the Little Calumet River;

"(2) the portion of the Little Calumet River between Lake Michigan and Martin Luther King Drive in Gary, Indiana; and

"(3) the Lake George Segment of the Deep River Corridor.

"(c) The study required by subsection (a) shall include—

"(1) an inventory of the area's natural, cultural, and recreational values and features;

"(2) recommendations for the provision of the public access for the purposes of fishing, canoeing, hiking, and other public activities; and

"(3) recommendation of the lands, waters, and interests therein that should be acquired to provide for the protection of the resources in the corridor, including recommendations regarding the State, local, or Federal agencies or jurisdictions that should acquire and administer those lands, waters, and interests therein.".

SEC. 7. IMPROVED PROPERTY; RETENTION OF RIGHTS.

(a) ADDITIONAL AREAS.—The table in section 4 of the Act (16 U.S.C. 460u-3) is amended to read as follows:

"Property within boundaries of map	Construction began before
Dated July 1990.....	July 1, 1990
Dated October 1986, No. 626-80, 033-B.	February 1, 1986
Dated December 1980, No. 626-91014.	January 1, 1981
Dated September 1976, No. 626-91007.	February 1, 1973
Dated September 1966, No. LNPNE-1008-ID.	January 4, 1965".

(b) RETENTION OF RIGHTS.—Section 5(a) of the Act (16 U.S.C. 460u-5(a)) is amended—

(1) in paragraph (2)(B), by striking "subparagraph (A)" and inserting "subparagraph (A)(ii)"; and

(2) by adding at the end thereof the following new paragraph:

"(3)(A) In the case of improved property included within the boundaries of the lakeshore after July 1, 1990, that was not included within the boundaries before that date, an individual who is an owner of record of such property as of that date may retain a right of use and occupancy of such improved property for noncommercial residential purposes for a term ending at either of the following:

"(i) A fixed term not to extend beyond September 30, 2010, or such lesser fixed term as the owner may elect at the time of acquisition.

"(ii) A term ending at the death of the owner or the owner's spouse.

The owner or owners shall elect the term to be reserved.

"(B) Subparagraph (A)(ii) shall apply only to improved property owned by an individual who—

"(i) was an owner of record of the property as of July 1, 1990;

"(ii) had attained the age of majority as of that date; and

"(iii) made a bona fide written offer not later than July 1, 1995, to sell the property to the Secretary.".

(c) EXTENSION OF LEASES.—Section 5 of the Act (16 U.S.C. 460u-5) is amended by adding at the end thereof the following new subsection:

"(d)(1) With respect to an improved property acquired prior to the date of enactment of this subsection upon which a valid existing right of use and occupancy has been reserved for a term not more than 29 years, the Secretary may renegotiate the term of the retained right to a term for a period of not more than 29 years from the commence-

ment date of the existing right, not to extend beyond September 30, 2010.

"(2) In order to obtain a lease extension under this subsection, the holder of a reserved right shall make application to the Secretary and elect an extended lease term not later than one year after the date of enactment of this subsection.

"(3)(A) A lease extension under this subsection—

"(i) shall be conditioned on payment of an annual rental at the commencement of each calendar year of the lease term and shall commence in the calendar year during which the original right of use and occupancy would have terminated; and

"(ii) shall be subject to such terms and conditions as the Secretary deems appropriate to ensure the use of the property is consistent with the purposes of this Act.

"(B) The holder of the lease whose term is extended may elect to terminate the lease prior to the expiration of the extended term.

"(C) Upon the Secretary's determination that the property, or any portion thereof, has ceased to be in accordance with the applicable terms and conditions of a lease, the Secretary may terminate the lease.

"(D) If the Secretary terminates a lease under this subsection, the Secretary shall refund to the lessee an amount equivalent to the remaining portion of the prepaid rental.

"(4) By acceptance of a lease extension under this subsection, the holder of a lease waives any benefits to which the holder may be entitled under the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

"(5) The amount of the annual lease payment required under this subsection shall be equivalent to the amount discounted from the purchase price paid by the Secretary under the terms of the original sale adjusted annually by a general index adopted by the Secretary reflecting overall value trends within the Indiana Dunes National Lakeshore between the time of the original sale and the time of the commencement of the annual lease payment of the renegotiated retained right offered by this subsection.".

(d) CLERICAL AMENDMENT.—Section 5(a)(1) of the Act (16 U.S.C. 460u-5(a)(1)) is amended by striking the period after "626-91014" the first place it appears and inserting a comma.

SEC. 8. COOPERATIVE AGREEMENT.

The Act, as amended by section 6, is amended by adding at the end thereof the following new section:

"SEC. 28. In furtherance of the purposes of this Act, the Secretary may enter into a cooperative agreement with the city of Gary, Indiana, pursuant to which the Secretary may provide technical assistance in interpretation, planning, and resource management for programs and developments in the city of Gary's Marquette Park and Lake Street Beach.".

SEC. 9. UNIT I-M.

The Act, as amended by section 8, is amended by adding at the end thereof the following new section:

"SEC. 29. (a)(1) UNIT I-M.—Before acquiring lands or interests in land in Unit I-M (as designated on the map referred to in the first section of this Act), the Secretary shall consult with the Commissioner of the Indiana Department of Transportation to determine what lands or interests in lands are required by the State of Indiana for improvements to State Road 49 and the reconstruction and relocation of the interchange with State Road 49 and U.S. 20 so that the acquisition by the Secretary of lands or interests in land in Unit I-M shall not interfere with planned improvements to the interchange and State Road 49 in the area.

"(2) The Secretary may acquire lands or interests in land that are as of July 1, 1990, and that thereafter remain in use as improved residential properties within Unit I-M only with the consent of the owner.".

"(b) UNIT VII-D.—Before acquiring any lands or interest in land in Unit VII-D (as designated on the map referred to in the first section of this Act) the Secretary shall consult with the Commissioner of the Indiana Department of Transportation to determine what land or interests in land are required by the State of Indiana for improvements to Old Hobart Road and reconstruction and relocation of the intersection of Old Hobart Road and State Road 51 so that the acquisition by the Secretary of lands or interests in lands in Unit VII-D will not interfere with planned improvements to the interchange and Old Hobart Road in the area.".

SEC. 10. GREENBELT.

Section 18 of the Act (16 U.S.C. 460u-18) is amended—

(1) by inserting "(a)" after "SEC. 18."; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) If Northern Indiana Public Service Company (referred to as 'NIPSCO') is agreeable, the Secretary shall enter into a memorandum of agreement with NIPSCO that shall provide for the following with respect to the area referred to as Unit II-A on the map described in the first section of this Act (referred to as the "Greenbelt"):

"(A) NIPSCO shall provide the National Park Service with access for resource management and interpretation through the Greenbelt and across the dike for purposes of a public hiking trail.

"(B) The National Park Service shall have rights of access for resource management, and interpretation of the Greenbelt area.

"(C) NIPSCO shall preserve the Greenbelt in its natural state. If NIPSCO utilizes the Greenbelt temporarily for a project involving pollution mitigation or construction on its adjacent facilities, it shall restore the project area to its natural state.

"(D) If NIPSCO proposes a different use for the Greenbelt NIPSCO shall notify the National Park Service, the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and make no change in the use of the property until 3 years after the date notice is given.

"(2) If a memorandum of agreement is entered into pursuant to paragraph (1), so long as the memorandum of agreement is in effect and is being performed the Secretary may not acquire lands or interests in land in the Greenbelt belonging to NIPSCO.".

SEC. 11. VISITOR CENTER.

In order to commemorate the vision, dedication, and work of Dorothy Buell in saving the Indiana Dunes, the National Park Service visitor center at the Indiana Dunes National Lakeshore is designated as the "Dorothy Buell Memorial Visitor Center".

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

Section 9 of the Act (16 U.S.C. 460u-9) is amended—

(1) by inserting "(a)" after "SEC. 9.";

(2) in the first sentence of subsection (a), as designated by paragraph (1), by striking "20,000,000" and inserting "27,500,000"; and

(3) by adding at the end thereof the following new subsection:

"(b) Subject to the limitations provided in subsection (a) for development, there are authorized to be appropriated such sums as are necessary to carry out this Act.".

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 2883. A bill directing the President to transfer funds for emergency aid to the Philippines; to the Committee on Appropriations.

EMERGENCY AID TO THE PHILIPPINES

● Mr. AKAKA. Mr. President, I rise today to introduce legislation providing dire emergency assistance to the Philippine people in the aftermath of Monday's devastating earthquake on Luzon Island. My bill would provide $20 million in dire emergency supplemental appropriations. $10 million would be for immediate relief to the victims of the earthquake. The remaining $10 million is added to the Philippine Assistance Program to help the stricken towns of Baguio and Cabanatuan regain their economic feet once relief efforts are complete.

The death toll from Monday's earthquake has risen to nearly 500 confirmed dead. The final figure undoubtedly will be much higher in light of the hundreds of people who are seriously injured or missing. Large areas of the hardest hit regions lie in ruin.

Many of the residents are without electricity, drinking water or food. Emergency supplies and equipment have run out. The United States responded to this tragedy quickly by releasing $25,000 in emergency funds to the Philippine Red Cross and dispatching rescue support equipment and supplies.

But given the extent of the devastation, the Philippine people are in dire need of additional assistance. Other nations such as Great Britain, The Netherlands, and Japan have already offered generous amounts of emergency aid.

It is my conviction that the United States should respond in kind. Mr. President, I know there are some who may hesitate at extending assistance to the Philippine people at a time when our Government is under severe budgetary constraint.

But there are reasons why the United States should go farther in providing relief to the Philippines in this time of emergency. The Philippines is America's most longstanding ally in Asia and we should help our friends when they are in trouble.

In the past several years the freely elected government of Corazon Aquino has struggled valiantly to revive democratic political institutions and to build a healthy market economy.

An event like Monday's earthquake is a heavy body-blow that could undermine the stability of the democratically elected government at a time when

it is very vulnerable to economic and insurgent pressures. We must act quickly by providing emergency monetary assistance.

This is an hour of great need in the Philippines. In short, Mr. President, both humanitarian and foreign policy interests dictate that the United States provide meaningful amounts of earthquake assistance to the Philippine Government.

The amount of aid proposed by my legislation is extremely modest in proportion to our overall Federal budget, but it would go a long way in providing urgently needed relief to the Philippine people.

Finally, I would like to appeal to all Americans to contribute generously to the many private relief efforts that are underway. I ask unanimous consent that a list of relief agencies printed in the July 18, 1990, Washington Post be printed in the RECORD.

There being no objection, the list of relief agencies was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 18, 1990]

WHERE TO SEND HELP

The following agencies are accepting cash donations for Philippine earthquake victims:

American Friends Service Committee, Philippines Earthquake Assistance, 501 Cherry St., Philadelphia, Pa. 19102. Call (215) 241-7141.

American Jewish Joint Distribution Committee, 711 Third Ave., 10th Floor, New York, N.Y. 10017. Call (212) 687-6200.

American Red Cross, Philippines Earthquake Disaster, P.O. Box 37243, Washington, D.C. 20013. Call (800) 842-2200.

Grassroots International, P.O. Box 312, Cambridge, Mass. 02139. Call (617) 497-9180.

International Medical Services for Health, 103 Loudon St. SW, Leesburg, VA. 22075. Call (703) 771-0011.

Operation USA, 7615½ Melrose Ave., Los Angeles, Calif. 90046. Call (213) 658-8876.

World Concern, P.O. Box 33000, Seattle, Wash. 98133. Call (206) 546-7201.

World Relief, P.O. Box WRC, Wheaton, Ill. 60187. Call (312) 665-0235.

World Vision, 919 W. Huntington Dr., Monrovia, Calif. 91016. Call (800) 423-4200.

Church World Service, Philippines Earthquake Response, P.O. Box 968, Ekhart, Ind. 46515. Call (219) 264-3102.

U.S. Committee for UNICEF, 333 E. 38th St., New York, N.Y. 10016. Call (212) 686-5522.

Catholic Relief Services, P.O. Box 17220, Baltimore, Md. 10304. Call (301) 625-2220.●

By Mr. KASTEN:

S. 2885. A bill to amend the Federal Deposit Insurance Act to require States in which the failure of State chartered savings associations has involved a disproportionately large share of the thrift resolution costs to pay a State thrift deposit insurance premium as a condition of future Federal deposit insurance; to the Committee on Banking, Housing, and Urban Affairs.

STATE THRIFT DEPOSIT INSURANCE PREMIUM ACT

● Mr. KASTEN. Mr. President, the multibillion dollar S&L bailout bill represents a massive wealth transfer from States with well-managed S&L's like Wisconsin States to high-flying and often fraudulent S&L speculators like Texas and California.

For example, one study found that every Wisconsinite will pay $592 for the cost of the S&L cleanup—and every Texan will receive $4,775. The study found that those who have caused 5 percent of the problem will pay for 47 percent of the solution, while those who have caused 72 percent of the problem will pay for only 6 percent of the solution.

This is patently unfair. Wisconsin should pay their fair share for the cost of the cleanup because we all benefit from Federal deposit insurance. But this outrageous mess is not Wisconsin's fault because our S&L's are well managed and conservatively run.

To be sure, the "moral hazard" of blanket deposit insurance coverage is the chief cause of this mess. The current system of deposit insurance provides no incentive for depositors to concern themselves with the soundness of risk-taking thrifts.

Wealthy speculators simply strung together bundles of $100,000 accounts—and chased the high interest rates offered by Texas and California thrifts. When these thrifts went bankrupt, the taxpayers picked up the tab—and the great income transfer from Wisconsin to Texas was underway.

A major contributing factor to the excessive costs of the bailout was the irresponsible State regulation of State-chartered thrifts in Texas and California. These thrifts were given the ability to participate in more risky activities, while paying the same deposit insurance premium as everyone else.

I am introducing legislation that has been sponsored by Representative HOWARD WOLPE in the House to bring some fairness to the taxpayers of Wisconsin and other Midwest States. This legislation would require States—like Texas and California—that have been responsible for the cost of bailout to pay a deposit insurance premium if their State-chartered thrifts continue to be covered by Federal deposit insurance.

This legislation sends a clear message to Texas legislators, regulators, and citizens who allowed their thrifts to engage in risky—and often fraudulent—activity. These extra premiums would help defray the cost of the bailout—and reduce the burden on taxpayers in Wisconsin.

I ask unanimous consent that the following documents and the text of the bill be entered in the RECORD:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "State Thrift Deposit Insurance Premium Act of 1990".

SEC. 2. DETERMINATION OF STATE PREMIUMS FOR FEDERAL DEPOSIT INSURANCE.

Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended by adding at the end the following new paragraph:

"(11) DETERMINATION OF STATE PREMIUMS FOR FEDERAL DEPOSIT INSURANCE.—

"(A) CUMULATIVE DETERMINATIONS OF STATE RESOLUTION COSTS.—

"(i) IN GENERAL.—Except as provided in clause (ii), not later than 90 days after the end of each calendar year beginning with calendar year 1990, the Corporation shall determine the aggregate of the amounts expended during the period beginning on January 1, 1988, and ending at the end of such calendar year, in providing assistance for case resolutions and other assistance with respect to all institutions that were State chartered savings associations on or after January 1, 1988, and—

"(I) were then insured by the Federal Savings and Loan Insurance Corporation; or

"(II) are members of the Savings Association Insurance Fund,

"(ii) CALENDAR YEAR 1990.—The Corporation shall make the determination described in clause (i) with respect to amounts expended during calendar year 1990, on the later of the date which is 90 days after the end of such fiscal year, or the date of the enactment of this paragraph.

"(B) CUMULATIVE APPORTIONMENTS OF STATE RESOLUTION COSTS AMONG THE STATES.—After making the determination required by subparagraph (A) for any period, the Corporation shall apportion among the States the amount so determined, according to the amounts expended during such period in providing assistance for case resolutions and other assistance with respect to all institutions described in subparagraph (A) located in each respective State.

"(C) PREMIUMS REQUIRED FROM HIGH RISK STATES.—Each high risk State shall pay the Savings Association Insurance Fund an amount equal to—

"(i) the product of—

"(I) the current State percentage share of State resolution costs, minus 2 times the State percentage share of 1980 State deposits; and

"(II) 25 percent of the aggregate amount currently determined by the Corporation under subparagraph (A); minus

"(ii) the aggregate of the amounts previously paid by the State under this subparagraph, minus the aggregate of the rebates (if any) paid to the State under subparagraph (H).

"(D) HIGH RISK STATES.—A State is a high risk State for purposes of this paragraph if—

"(i) the current State percentage share of State resolution costs; exceeds

"(ii) 2 times the State percentage share of 1980 State deposits.

"(E) CURRENT STATE PERCENTAGE SHARE OF STATE RESOLUTION COSTS.—For purposes of this paragraph, the term 'current State per-

centage share of State resolution costs' means—

"(i) the amount currently apportioned to the State under subparagraph (B); divided by

"(ii) the amount currently determined under subparagraph (A).

"(F) STATE PERCENTAGE SHARE OF 1980 STATE DEPOSITS.—For purposes of this paragraph, the term 'State percentage share of 1980 State deposits' means—

"(i) the amount of deposits in 1980 in institutions described in subparagraph (A) located in the State; divided by

"(ii) the total deposits in 1980 in all institutions described in subparagraph (A).

"(G) PREMIUM PAYMENT TERMS.—

"(i) IN GENERAL.—Except as provided in clause (ii), the premium currently required of any State under subparagraph (C) shall be due at the end of the 6-month period beginning on the date the Corporation makes its current apportionment to the State under subparagraph (B).

"(ii) MULTIYEAR AGREEMENTS.—If the premium currently required of any State under subparagraph (C) exceeds $1,000,000,000, such State may enter into an agreement with the Secretary of the Treasury to pay such amount, with interest accruing in accordance with section 3717(a) of title 31, United States Code, over the 4-year period beginning on the date on which such premium would otherwise be due under clause (i), and such State shall be treated as meeting the requirements of this paragraph so long as such State is in compliance with the terms of such agreement.

"(H) PREMIUM REBATES.—If, with respect to a State, the result of the calculation described in subparagraph (C)(ii) exceeds the result of the calculation described in subparagraph (C)(i), the Secretary of the Treasury shall rebate such excess amount to the State, with interest accruing in accordance with section 3717(a) of title 31, United States Code.

"(I) TERMINATION of insurance if State fails to pay required premiums.—

"(i) IN GENERAL.—If any State fails to pay the premium required of such State under subparagraph (C), the Corporation shall terminate deposit insurance for State chartered financial institutions located in such State at the end of the 6-month period beginning on the date the premium was due under subparagraph (C).

"(ii) TRANSITION.—Notwithstanding clause (i), after termination of the insured status of any financial institution under this paragraph, the insured deposits of each depositor in such institution on the date of such termination, minus all subsequent withdrawals from any deposits of such depositor, shall continue to be insured for a period of 2 years and the financial institution shall continue to pay assessments to the Corporation as if the institution were an insured financial institution during such period.

"(J) NOTICE TO DEPOSITORS.—The Corporation shall require the financial institutions chartered by any State which fails to pay the premium required of such State under subparagraph (C) to notify the depositors in such institutions that—

"(i) the deposits made in such institution before the end of the 6-month period described in subparagraph (I)(i) will continue to be federally insured during the 2-year period beginning at the end of such 6-month period; and

"(ii) the deposits made in such institution after the end of such 6-month period will not be federally insured.

"(K) RESTORATION OF INSURANCE.—If the Corporation terminates deposit insurance for State chartered financial institutions in any State, such insurance may be restored by the Corporation only if such State has paid all of the premiums required of the State under this paragraph, with interest accruing in accordance with section 3717(a) of title 31, United States Code.".

TABLE I.—THE BLAME AND THE BURDEN 1988–90 RESOLUTION COSTS FOR STATE-CHARTERED THRIFTS

[In millions of dollars]

State/region	The Blame		The Burden	
	Dollars [1]	Percent of United States	Percent of United States [2]	Dollars [3]
New England:				
Connecticut	0	0.0	2.1	456
Maine	0	0.0	0.4	92
Massachusetts	0	0.0	3.2	683
New Hampshire	0	0.0	0.5	117
Rhode Island	0	0.0	0.4	94
Vermont	0	0.0	0.2	44
Total	0	0.0	6.9	1,486
Mid-Atlantic:				
Delaware	0	0.0	0.3	69
Maryland	0	0.0	2.3	492
New Jersey	12	0.0	4.6	1,004
New York	0	0.0	8.9	1,927
Pennsylvania	674	2.3	4.8	1,046
Total	686	2.4	21.0	4,538
Midwest:				
Illinois	257	0.9	5.3	1,144
Indiana	50	0.2	2.0	426
Iowa	137	0.5	1.0	207
Michigan	53	0.2	3.8	823
Minnesota	0	0.0	1.8	380
Ohio	101	0.3	4.2	900
Wisconsin	37	0.1	1.8	386
Total	635	2.2	19.7	4,267
South:				
Alabama	3	0.0	1.2	262
Arkansas	49	0.2	0.7	143
D.C.	0	0.0	0.3	73
Florida	185	0.6	5.1	1,112
Georgia	0	0.0	2.3	496
Kentucky	0	0.0	1.1	234
Louisiana	0	0.0	1.2	270
Mississippi	0	0.0	0.6	134
North Carolina	34	0.1	2.2	477
Oklahoma	46	0.2	1.0	217
South Carolina	0	0.0	1.0	224
Tennessee	35	0.1	1.6	353
Texas	20,891	72.4	6.1	1,315
Virginia	122	0.4	2.6	555
West Virginia	0	0.0	0.5	107
Total	21,364	74.0	27.6	5,970
West:				
Alaska	0	0.0	0.3	57
Arizona	0	0.0	1.2	267
California	5,576	19.3	13.0	2,810
Colorado	343	1.2	1.3	275
Hawaii	0	0.0	0.4	95
Idaho	0	0.0	0.3	61
Kansas	87	0.3	0.9	204
Missouri	0	0.0	1.9 ±	411
Montana	0	0.0	0.2	51
Nebraska	0	0.0	0.5	118
Nevada	0	0.0	0.5	102
New Mexico	0	0.0	0.4	94
North Dakota	0	0.0	0.2	43
Oregon	157	0.5	1.0	214
South Dakota	0	0.0	0.2	44
Utah	0	0.0	0.5	99
Washington	24	0.1	1.9	411
Wyoming	0	0.0	0.2	34
Total	6,186	21.4	24.9	5,390
Northeast	686	2.4	27.8	6,025
Midwest	635	2.2	19.7	4,267
Northeast and Midwest	1,321	4.6	47.5	10,291
South	21,364	74.0	27.6	5,970
West	6,186	21.4	24.9	5,390
South and West	27,551	95.4	52.5	11,361
U.S. total	28,872	100.0	100.0	21,654

[1] Estimated present value costs by State of Federal actions to resolve State-chartered thrifts from 1988 through June 15, 1990.

[2] State shares of 1989 Federal tax burden as determined by the Tax Foundation.

[3] Assumes taxpayer will pay 75 percent of costs resulting from bail-out ($28,872 million × 75 percent = $21,654 million). State share of "burden" determined by multiplying State share of U.S. tax burden by $21,654 million.

Sources: Northeast-Midwest Congressional Coalition staff calculations using Federal Home Loan Bank Board, Resolution Trust Corporation, and Tax Foundation Data.

TABLE II.—SHIFTING THE BURDEN—SAIF CAPITALIZATION COSTS BY STATE WITH AND WITHOUT LEGISLATION

[In millions of dollars]

State/Region	SAIF under FIRREA [1]	Savings with legislation [2]	SAIF under legislation [2]
New England:			
Connecticut	337	−60	277
Maine	68	−12	56
Massachusetts	505	−89	415
New Hampshire	86	−15	71
Rhode Island	69	−12	57
Vermont	33	−6	27
Total	1,098	−195	904
Mid-Atlantic:			
Delaware	51	−9	42
Maryland	364	−64	299
New Jersey	741	−131	610
New York	1,424	−252	1,172
Pennsylvania	773	−137	636
Total	3,353	−593	2,759
Midwest:			
Illinois	845	−150	695
Indiana	315	−56	259
Iowa	153	−27	126
Michigan	608	−108	500
Minnesota	281	−50	231
Ohio	665	−118	547
Wisconsin	385	−51	235
Total	3,153	−560	2,593
South:			
Alabama	193	−34	159
Arkansas	106	−19	87
D.C.	54	−10	44
Florida	821	−146	676
Georgia	367	−65	302
Kentucky	173	−31	142
Louisiana	199	−35	164
Mississippi	99	−18	82
North Carolina	353	−62	290
Oklahoma	161	−28	132
South Carolina	166	−29	136
Tennessee	261	−46	214
Texas	971	[3] +2,663	3,634
Virginia	410	−73	337
West Virginia	79	−14	65
Total	4,412	+2,053	6,465
West:			
Alaska	42	−7	34
Arizona	197	−35	162
California	2,077	−368	1,709
Colorado	204	−36	167
Hawaii	70	−12	58
Idaho	45	−8	37
Kansas	151	−27	124
Missouri	304	−54	250
Montana	38	−7	31
Nebraska	87	−15	72
Nevada	75	−13	62
New Mexico	69	−12	57
North Dakota	32	−6	26
Oregon	158	−28	130
South Dakota	32	−6	27
Utah	73	−13	60
Washington	304	−54	250
Wyoming	25	−5	21
Total	3,983	−706	3,277
Northeast	4,452	−788	3,665
Midwest	3,153	−560	2,593
Northeast and Midwest	7,605	+1,348	6,258
South	4,412	+2,053	6,465
West	3,983	−706	3,277
South and West	8,395	+1,348	9,742
U.S. total	[4] 16,000	0	16,000

[1] Determined by multiplying each State's 1989 share of the U.S. tax burden as determined by the Tax Foundation by $16,000 million.

[2] Assumes that "high risk" States choose to pay the State thrift deposit insurance premium so their State-chartered thrifts remain eligible for Federal deposit insurance.

[3] The State's thrift deposit insurance premium during this period would be $2,835 million. However, this premium would displace $172 million the State would have already paid, leaving a net impact of $2,663 million.

[4] Minimum amount the U.S. Treasury is obligated to spend to recapitalize SAIF. This number may be higher if thrift industry contributions do not reach $2 billion a year.●

By Mr. GLENN (for himself, Mr. GORE, Mr. AKAKA, and Mr. LIEBERMAN):

S. 2886. A bill to amend the Stewart B. McKinney Homeless Assistance Act to clarify the requirements regarding the use of unutilized, underutilized, surplus, and excess Federal buildings and real property to assist the homeless, and for other purposes; to the Committee on Governmental Affairs.

STEWART B. MCKINNEY HOMELESS ASSISTANCE AMENDMENTS

● Mr. GLENN. Mr. President, I rise today to introduce legislation which will reauthorize two programs under the Stewart B. McKinney Homeless Assistance Act and make changes in a third. This legislation is a critical part of Congress' effort to ensure the continued functioning of the Omnibus Act, a collection of programs that has proven to be very successful over the past 3 years.

But before I describe this legislation in a little more detail, I want to comment briefly upon the problem of homelessness and why I think the McKinney Act has come to be so important.

Mr. President, over the past 3 years, the homeless problem has become a festering sore on the social conscience of America. There is no escaping the hard facts—millions remain homeless or chronically vulnerable to the condition. Millions more teeter perilously on the edge of personal disaster leading directly to homelessness. Increasingly, the homeless are families, single mothers with children, rural Americans, many of whose relatives or friends are the only thing between them and the street. Studies and surveys all over the country are documenting a catastrophe of untold proportions—the birth of a permanent underclass, comprised of mothers and their children, sliding down the same hole of poverty into homelessness, from one generation to the next.

Yet, with all this proof now surfacing, all the alarm bells ringing, I have noted a growing disinterest in and even disdain for the homeless. I am not sure where or why this began. But I do know that we must resist it. We are a Nation of compassionate people—not blindly obedient to the tugs of voiceless guilt, but activist and spontaneous in response to human suffering. So we help, not only when we are asked, but also, and more often, when it just seems like the right thing to do. That is a hallmark of American society and one of its greatest contributions to the world at large.

And that is why we must take up anew the challenge to end homelessness in our country. The McKinney Act has proven no instant solution, nor should we believe that remedies will come easily and quickly. But neither should we accept, as some people have said, that things have gotten much better. I insist that we have simply decided to believe things have gotten better. How much easier it is to deny the problem, to pretend that the people who most need our help don't want it. That is not the situation on the streets and in the loneliest corners of America, Mr. President. We should know it and we must never forget it.

The ethic that pushed us to act once is pushing again. That is why I am speaking today. Three years ago the Congress passed and the President signed into law the Stewart B. McKinney Homeless Assistance Act. That measure, born in the hope that we finally had begun to define the homeless problem, has proven an excellent approach to a very difficult situation. Many, many lives have been touched by McKinney Act programs. Many more stand to benefit by the actions this body takes in reauthorizing those programs which are expiring this year.

Today I am introducing the Governmental Affairs contribution to that effort—the Stewart B. McKinney Homeless Assistance Amendments of 1990. This bill will reauthorize two McKinney programs—the Interagency Council on the Homeless and the FEMA [Federal Emergency Management Agency] Emergency Food and Shelter Program—and will make very important changes to a third, the title V Surplus Property Program. I would like briefly to describe each of the sections of this legislation.

The first section of the bill reauthorizes for 3 years the Interagency Council on the Homeless at a level of $1.2 million the first year and $1.3 million for each of the next two. Although it got off to a rather shaky start, the Council, according to reports from most quarters, has been steadily improving its performance. Its mission—to coordinate and provide information about McKinney Act programs—is critical in the overall success of the Act. Our Government Affairs hearing on the Council on July 19 bore out the need to reauthorize it.

The second section reauthorizes the FEMA Emergency Food and Shelter Program at $150 million for the next 3 fiscal years. This funding level is contained in the House version of this reauthorization and is supported by the entire National Board of Directors of the program. The Emergency Food and Shelter Program has been one of the most effective programs in the Act. Last year it distributed $126 million in aid, on a formula basis, to thousands of jurisdictions around the country. Funds allocated are used for anything from food and shelter repairs, to rent assistance and help in paying utilities. Witnesses at our hearing on July 19 also strongly supported this program.

Finally, the bill I am introducing will make important changes in the title V Surplus and Personal Property Program. Title V of the McKinney Act is supposed to ensure that suitable unutilized, underutilized, excess, and surplus government property is, whenever possible, made available for use as facilities to assist the homeless. Unfortunately, a good deal of confusion in that process, combined with bureaucratic slowness, has prevented many properties from being turned over. This legislation seeks to improve the process by adding some new deadlines for action, requiring better publicity on available properties, and clearly setting out the steps by which a property is applied for and acquired. The section makes no changes in the personal property part of title V, which has proven very successful in distributing millions of dollars of boots, blankets, vehicles, and so forth. Again, testimony received at our hearing on July 19 indicated a clear consensus on the need to amend this program.

Let's make no mistake about it, Mr. President. There are people who will go hungry tonight in America; people who will not have a place to stay. Most of them, perhaps well over 200,000 of whom are children, did not ask to be in such a predicament. We have a responsibility to speak and act in their behalf; to give back to them the only thing they may truly possess—our trust and solemn word to help. Certainly we can do that much. Certainly that is the least we can do.●

ADDITIONAL COSPONSORS

S. 160

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 160, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 656

At the request of Mr. GRASSLEY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 656, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans.

S. 1140

At the request of Mr. MITCHELL, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1140, a bill to provide that Federal facilities meet Federal and State environmental laws and requirements and to clarify that such facilities must

comply with such environmental laws and requirements.

S. 2034

At the request of Mr. BINGAMAN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2034, a bill to authorize the creation of a National Education Report Card to be published annually to measure educational achievement of both students and schools and to establish a National Council on Educational Goals.

S. 2158

At the request of Mr. PRYOR, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2158, a bill to direct the Secretary of Health and Human Services to promulgate regulations to require that an individual telephoning the Social Security Administration has the option of accessing a Social Security Administration representative in a field office in the geographical area of such individual, and for other purposes.

S. 2307

At the request of Mr. RIEGLE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 2307, a bill to require the Secretary of Health and Human Services to provide intensive outreach and other services and protections to homeless individuals.

S. 2602

At the request of Mr. METZENBAUM, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 2602, a bill to amend the Public Health Service Act to provide assistance for biomedical and health services research, treatment programs and for other purposes relating to Alzheimer's disease and related disorders.

S. 2813

At the request of Mr. GRAHAM, the names of the Senator from Alaska [Mr. MURKOWSKI] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 2813, a bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1992 Olympic games.

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the names of the Senator from California [Mr. CRANSTON] and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 16, 1990 as "National Give the Kids a Fighting Chance Week."

SENATE JOINT RESOLUTION 335

At the request of Mr. JOHNSTON, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of Senate Joint Resolution 335, a joint resolution designating July 1, 1990, as "Imported Oil Dependence Day."

SENATE JOINT RESOLUTION 351

At the request of Mr. BYRD, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 351, a joint resolution to designate the month of May 1991, as "National Trauma Awareness Month."

SENATE RESOLUTION 311—ORIGINAL RESOLUTION REPORTED RELATIVE TO THE SELECT COMMITTEE ON ETHICS INVESTIGATION OF SENATOR DAVID F. DURENBERGER

Mr. HEFLIN, from the Select Committee on Ethics, reported the following original resolution; which was placed on the calendar:

S. RES. 311

Resolved, That the conduct of Senator Durenberger in connection with his arrangement with Piranha Press, his failure to report receipt of travel expenses in connection with his Piranha Press and Boston area appearances, his structuring of real estate transactions and receipt of Senate reimbursements in connection with his stays in his Minneapolis condominium, his pattern of prohibited communications respecting the condominium, his repeated acceptance of prohibited gifts of limousine service for personal purposes, and the conversion of a campaign contribution to his personal use, has been reprehensible and has brought the Senate into dishonor and disrepute;

That Senator Durenberger knowingly and willingly engaged in conduct which was in violation of statutes, rules and Senate standards and acceptable norms of ethical conduct;

That Senator Durenberger's conduct was clearly and unequivocally unethical, and;

That, therefore, pursuant to article 1, section 5, clause 2 of the United States Constitution and Senate Resolution 338 of the 88th Congress, as amended, Senator David Durenberger be, and hereby is:

(1) denounced by the United States Senate;

(2) referred to the Republican Party Conference for attention; and

(3) directed to reimburse $29,050 plus interest to the Senate; and to pay to charities with which he has no affiliation $93,730, less State and Federal taxes previously paid on the amount, in excess honoraria improperly retained during 1985 and 1986, such payments to be made at the regular intervals over the balance of his United States Senate term.

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

BRADLEY (AND OTHERS) AMENDMENT NO. 2314

Mr. BRADLEY (for himself, Mr. ROTH, Mr. MOYNIHAN, Mr. CHAFEE, Mr. REID, Mr. RUDMAN, Mr. LAUTENBERG, Mr. PELL, Mr. BRYAN, and Mr. KERRY) proposed an amendment to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, as follows:

Beginning on page 310, strike line 1 and all that follows through page 312, line 11, and insert the following:

"SEC. 206. SUGAR PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS.

"(a) IN GENERAL.—The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this section.

"(b) SUGARCANE.—The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate, but not less than 16 cents per pound for raw cane sugar, except that the level may be increased under subsection (d).

"(c) SUGAR BEETS.—The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines is fair and reasonable in relation to the loan level for sugarcane.

"(d) INCREASE IN SUPPORT PRICE.—

"(1) IN GENERAL.—The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(2) REPORT.—If the Secretary makes a determination not to increase the support price under subparagraph (A), the Secretary shall submit a report containing the findings, decision, and supporting data for the determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(e) ANNOUNCEMENTS.—The Secretary shall announce the loan rate to be applicable during any fiscal year under this section as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this section.

"(f) TERM.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of the fiscal year.

"(g) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of sugar beets and sugarcane.".

BOSCHWITZ AMENDMENT NO. 2315

Mr. BOSCHWITZ proposed an amendment to the bill S. 2830, supra, as follows:

On page 87, line 15, strike "40 percent" and insert "50 percent".

On page 87, line 23, strike "40 percent" and insert "50 percent".

On page 136, line 17, strike "25 percent" and insert "30 percent".

On page 136, line 23, strike "12.5 percent" and insert "10 percent".

On page 137, line 1, strike "25 percent" and insert "30 percent".

On page 137, line 6, strike "12.5 percent" and insert "10 percent".

CONRAD (AND OTHERS) AMENDMENT NO. 2317

Mr. LEAHY (for Mr. CONRAD, for himself, Mr. BAUCUS, and Mr. DASCHLE) proposed an amendment to the bill S. 2830, supra, as follows:

On page 557, between lines 10 and 11, insert the following new subtitle:

Subtitle F—Noxious Weed Management

SEC. 1271. SHORT TITLE.

This subtitle may be cited as the "Noxious Weed Management Act of 1990".

SEC. 1272. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) noxious weeds and undesirable plants are—

(A) contaminating Federal, State, and private lands by taking over and encroaching on desirable plant species;

(B) degrading air, land, and water resources by increasing soil erosion and decreasing native ground cover;

(C) spreading on Federal, State, and private lands;

(D) causing wildlife habitats to be degraded to the detriment of wildlife populations;

(E) causing human health hazards through the spread of pollen, insects, and disease;

(F) costing farmers and ranchers miilions of dollars in lost crops and range land; and

(G) displacing the native vegetation in the area that such weeds are present and thus having a considerable impact on domestic animals and wildlife foraging in such areas;

(2) unless noxious weeds and undesirable plants are prevented, controlled, or contained, they will—

(A) increase expotentially, causing further contamination and deterioration of wildlife habitat, recreational resources, and aesthetic values;

(B) increase soil, water, and contamination hazards;

(C) have a detrimental effect on human health; and

(D) further eliminate native species of vegetation;

(3) even though there are numerous laws addressing the stewardship and management of Federal lands, those laws do not directly or effectively deal with the management of noxious weeds and undesirable plants on Federal lands;

(4) the total eradication of noxious weeds is impossible, therefore resources should be used to develop measures that will decrease the number of noxious weeds and undesirable plants to an acceptable level;

(5) concerns about reducing ground water contamination and environmental impact argue in favor or a more ecologically sound approach to resolving noxious weed problems;

(6) in order to control and manage noxious weeds and undesirable plants, the focus must be on an integrated management plan; and

(7) comprehensive, national noxious weed management will—

(A) protect the environment by preventing the degradation of air, land, and water resources, and reduce soil erosion through the prevention of the introduction and containing the spread of noxious weeds and undesirable plants on Federal lands;

(B) improve the protection of recreation uses and aesthetic values on Federal lands by reducing the risk of the transfer of noxious weeds and undesirable plants from one area to another;

(C) improve the habitat for wildlife and domestic animals on Federal lands by reducing the spread of undesirable plants that are detrimental to desirable vegetation;

(D) protect threatened and endangered species listed as such under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) by reducing the infestation of noxious weeds and undesirable plants in protected ecosystems;

(E) provide for the management, development, and enhancement of Federal lands by protecting those lands from the continuing spread of noxious weeds and undesirable plants; and

(F) promote coordination, control, and educational efforts at the regional, State, and local level.

(b) PURPOSE.—It is the purpose of this Act to—

(1) establish and implement a national comprehensive management program to prevent and control undesirable plant species on Federal lands and maintain practices that achieve the control of noxious weeds on such lands; and

(2) establish and implement a national noxious weed management coordination program.

SEC. 1273. DEFINITIONS.

As used in this subtitle:

(1) COOPERATIVE AGREEMENT.—The term "cooperative agreement" means a written agreement between a Federal and a State agency.

(2) EXOTIC PLANT.—The term "exotic plant" means a plant species that—

(A) is not indigenous to the United States nor native to the plant community in which it is found; and

(B) may possess one or more of the following—

(i) it aggressively invades or is detrimental to native plant communities or crops;

(ii) it is poisonous to livestock;

(iii) it is of little economic value;

(iv) it colonizes disturbed habitats;

(v) it is a carrier of determinal inserts, diseases, or parasites;

(vi) its presence is detrimental to sound management of native or agricultural ecosystems; and

(vii) it threatens fish, wildlife, or endangered species.

(3) FEDERAL AGENCY.—The term "Federal agency" means a department, agency, or bureau of the Federal Government that is responsible for administering or managing Federal lands under its jurisdiction.

(4) FEDERAL LANDS.—The term "Federal lands" means lands managed by or under the jurisdiction of the Federal Government, except those lands on which the activities authorized under this subtitle are precluded by Federal law.

(5) INTEGRATED MANAGEMENT SYSTEM.—The term "integrated management system" means a system for the planning and implementation of a program using an interdisciplinary approach to select methods for preventing, controlling, or containing undesirable plants through the use of all judicious and environmentally safe methods, including—

(A) education;

(B) preventive measures;

(C) physical or mechanical methods;

(D) biological agents;

(E) herbicide methods;

(F) cultural methods; and

(G) general land management practices, such as manipulation of livestock or wildlife grazing strategies or improving wildlife or livestock habitats.

(6) INTERDISCIPLINARY APPROACH.—The term "interdisciplinary approach" means an approach to making decisions regarding the prevention, containment, or control of noxious weeds and undesirable plants that—

(A) includes the participation of personnel from Federal or State administrative agencies with experience in areas including weed science, range science, wildlife biology, land management, ecology, and forestry; and

(B) includes the consideration of—

(i) the most efficient and effective methods of preventing, containing, or controlling undesirable plants to achieve optimum management with the least possible environmental damage;

(ii) scientific evidence and current technology;

(iii) the physiology and habitat of a plant species; and

(iv) the economic, social, and ecological consequences of implementing the programs established under this subtitle.

(7) NOXIOUS PLANT.—The term "noxious plant" has the same meaning given the term "noxious weed" under section 3(c) of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2802(c)) and includes all noxious plant species listed on the Federal or State noxious weed list.

(8) STATE AGENCY.—The term "State agency" means the State Department of Agriculture, or any political subdivision thereof, or other appropriate State agency or political subdivision thereof as designated by the chief executive officer.

(9) UNDESIRABLE PLANT SPECIES.—The term "undesirable plant species" means plant species that are classified as undesirable, noxious, exotic, injurious, or poisonous, pursuant to State or Federal law. A designation of undesirable plants under this section shall be limited by the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and shall not include plants indigenous to an area where control measures are to be taken under this section.

CHAPTER 1—NATIONAL UNDESIRABLE PLANT MANAGEMENT PROGRAM

SEC. 1274. MANAGEMENT OF UNDESIRABLE PLANTS ON FEDERAL LAND.

Each Federal agency shall—

(1) designate a specific office, and an individual who is adequately trained in the management of undesirable plant species, to develop and coordinate a program for the management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(2) establish a program to manage undesirable plant species on a continuing basis;

(3) enter into and implement cooperative agreements with State and local agencies, when appropriate, regarding the management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(4) establish integrated management systems using an interdisciplinary approach to prevent, control, or contain undesirable plant species targeted under cooperative agreements entered into under paragraph (3); and

(5) complete an environmental assessment or environmental impact statement that

may be required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and implement the plant prevention, control, or containment activities under this section not later than 1 year after the date on which the agency ascertains that the preparation of such assessment or statement is necessary.

SEC. 1275. COOPERATIVE AGREEMENTS WITH STATE AGENCIES.

(a) IN GENERAL.—A Federal agency shall, where appropriate, enter into cooperative agreements under section 1274(3), when requested by State and local agencies, to coordinate the management of undesirable plant species on Federal lands under the jurisdiction of that Federal agency.

(b) CONTENTS.—A cooperative agreement entered into under subsection (a) shall—

(1) prioritize and target undesirable plant species to be prevented, controlled, or contained within a specific geographic area;

(2) describe an integrated management system to be used to prevent, control, or contain the targeted undesirable plant species; and

(3) detail the means of implementing such an intergrated management system, define the duties of the Federal and State agency in implementing such systems, and establish a time frame for the initiation and completion of the tasks specified in such integrated management systems.

CHAPTER 2—NATIONAL NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM

SEC. 1276. NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM.

(a) NATIONAL NOXIOUS WEED MANAGEMENT COUNCIL.—

(1) ESTABLISHMENT.—The Secretary of Agriculture and the Secretary of the Interior shall jointly establish a National Noxious Weed Management Council that shall take such actions as may be necessary to coordinate the national control, research, and educational efforts associated with Federal, State, and locally designated noxious weeds.

(2) REGIONAL COMMISSIONS.—

(A) AUTHORITY.—The National Noxious Weed Management Council is authorized to establish such regional commissions as may be necessary to assist the Council in carrying out this subtitle.

(B) COMPOSITION.—A regional commission established under subparagraph (A) shall be composed of—

(i) two regional representatives of the Department of Agriculture;

(ii) two regional representatives of the Department of the Interior;

(iii) one regional representative of the Army Corps of Engineers; and

(iv) not more than seven representatives of State and local governments involved in weed management activities, including representatives for agriculture, wildlife management, and health.

(C) DUTIES.—A regional commission established under subparagraph (A) shall—

(i) identify regional priorities with respect to noxious weed management;

(ii) make recommendations to the National Noxious Weed Management Council concerning noxious weed management;

(iii) coordinate noxious weed management using an interdisciplinary approach, regional research, training, technical assistance, and requests for funding;

(iv) assist in the development of regional technical guides for noxious weed management; and

(v) prepare and submit, on not less than an annual basis, to the National Noxious Weed Management Council a report on regional control, research, and education concerning noxious weed management.

(3) COORDINATION.—The National Noxious Weed Management Council shall coordinate the regional commissions established under paragraph (2) and facilitate the transfer of information among such regional commissions.

(4) SUPPORT SERVICES.—The Secretary of Agriculture and the Secretary of the Interior may provide to each regional commission established under paragraph (2) such administrative and technical support services as necessary for the effective functioning of such regional activities.

(b) ADMINISTRATIVE PROVISIONS RELATING TO REGIONAL COMMISSIONS.—

(1) COMPENSATION.—The members of a regional commission established under subsection (a)(2) shall receive no additional pay, allowances or benefits by reason of such members service to the regional commission.

(2) CHAIRMAN.—The members of a regional commission shall select a chairman from among the members of the regional commission.

(3) AREA.—Each regional commission shall meet in the geographical area of the regional commission at the call of the chairman of such commission or at the request of a majority of the members of such commission.

SEC. 1277. NOXIOUS WEED MANAGEMENT COST SHARING.

(a) GRANTS.—The National Noxious Weed Management Council, in consultation with the regional commissions established under subsection 1276(a)(2), may provide grants to State and local agencies to enable such agencies to manage noxious weeds and to provide cost sharing incentives to local private landowners for the management of noxious weeds.

(b) ELIGIBILITY.—To be eligible to receive assistance from the National Noxious Weed Management Council for the management of noxious weeds, a State or local agency shall—

(1) maintain staff that is adequately trained in the management of noxious weeds;

(2) develop and coordinate a program of noxious weed management in consultation with the regional commissions established under section 1276(a)(2); and

(3) ensure that a majority of the landowners in the area will participate in a noxious weed management program.

SEC. 1278. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary in each of fiscal years 1991 through 1995 to carry out this subtitle.

On page 557, line 11, strike out "Subtitle F" and insert in lieu thereof "Subtitle G".

On page 557, line 12, strike out "1271" and insert in lieu thereof "1281".

On page 558, line 7, strike out "1272" and insert in lieu thereof "1282".

On page 560, line 1, strike out "1273" and insert in lieu thereof "1283".

On page 562, line 7, strike out "1274" and insert in lieu thereof "1284".

On page 569, line 12, strike out "1275" and insert in lieu thereof "1285".

On page 570, line 4, strike out "1276" and insert in lieu thereof "1286".

On page 574, line 21, strike out "1277" and insert in lieu thereof "1287".

BURNS AMENDMENT NOS. 2318 AND 2319

Mr. LEAHY (for Mr. BURNS) proposed two amendments to the bill S. 2830, supra, as follows:

In S. 2830, on page 676, line 12, insert the following new section:

"SEC. 1427. ALTERNATIVE USES FOR AGRICULTURAL PRODUCTS.

"(a) The Secretary of Agriculture is encouraged to conduct a study on new uses for traditional and alternative agricultural products and, within 6 months, and annually thereafter, after the date of enactment of this Act, submit to the Congress a report on such study.

"(b) The annual studies shall include—

"(1) a review of existing alternative uses for traditional and alternative crop both here and abroad; and

"(2) a strategy for research in new uses for traditional and alternative agricultural products within the national land grant college system".

In S. 2830, on page 671, line 7, insert the following:

(c) The Secretary of Agriculture is encouraged to conduct a study on the impact of rangeland carrying capacity during drought and, within 1 year after the date of enactment of this Act, submit to the Congress a report on such study.

(d) The study shall include—

(1) a review of existing rangeland drought research here and abroad; and

(2) a strategy for the establishment of a national rangeland drought research program, involving international, Federal, State and local agencies.

McCONNELL AMENDMENT NO. 2320

Mr. LEAHY (for Mr. MCCONNELL) proposed an amendment to the bill S. 2830, supra, as follows:

At the appropriate point in the bill, add the following:

Section 5.17(a) of the Farm Credit Act of 1971 is amended by deleting paragraph (13).

Section 5.19(a) of the Farm Credit Act of 1971 is amended by adding after the third sentence the following:

"Examinations of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank."

GLENN AMENDMENT NO. 2321

Mr. LEAHY (for Mr. GLENN) proposed an amendment to the bill S. 2830, supra, as follows:

On page 737, lines 21 and 22, strike out "for each of the fiscal years 1994 and 1995" and insert in lieu thereof "for fiscal year 1994, and $500,000,000 for fiscal year 1995".

DASCHLE (AND PRESSLER) AMENDMENT NO. 2322

Mr. LEAHY (for Mr. DASCHLE, for himself and Mr. PRESSLER, Mr. BOSCHWITZ, and Mr. GRASSLEY) proposed an amendment to the bill S. 2830, supra, as follows:

STORAGE PAYMENTS.—

(1) On page 349 of S. 2830 (as amended by amendment No. 2303), strike lines 15 through 25 and insert the following:

"In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehouses under the authority contained in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees as determined by the Secretary, except that the rates paid to producers and commercial warehouses shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corpration for the storage payments made to producers and commercial warehouses as a result of the adjustment of storage rates under this section.

KERREY (AND HATFIELD) AMENDMENT NO. 2323

Mr. PRYOR (for Mr. KERREY, for himself, and Mr. HATFIELD) proposed an amendment to the bill S. 2830, supra, as follows:

In S. 2830, on page 361, line 16, before ".", insert the following provision: ", including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk".

On page 417, line 15, after "security" insert ", including nutrition,".

On page 418, line 10, after "security" insert ", including nutrition,".

LUGAR AMENDMENT NO. 2324

Mr. LUGAR proposed an amendment to the bill S. 2830, supra, as follows:

At the appropriate place at the end of title XVII, add the following new section:

SEC. 17 . MARKETING ORDERS.

Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1), is amended, by—

(1) striking "(a) Notwithstanding any other provision of law," in the first sentence, and inserting in its place "(a) Subject to the provisions of subsection (c) and notwithstanding any other provision of law,";

(2) adding at the end thereof the following new subsection:

"(c) Prior to any import prohibition or regulation under this section being made effective with respect to any commodity—

"(1) the Secretary of Agriculture shall notify the U.S. Trade Representative of such import prohibtion or regulation;

"(2) the U.S. Trade Representative shall determine, and submit in writing to the Secretary of Agriculture, that the application of the grade, size, quality, and maturity provisions, of the relevant marketing order, or comparable restrictions, to imports are not inconsistent with U.S. international obligations under any trade agreement, including the General Agreement on Tariffs and Trade; and

"(3) if the U.S. Trade Representative does not submit a determination under paragraph (2) within 30 days of the notification under paragraph (1), the Secretary may proceed with the proposed prohibition or regulation.".

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on Wednesday, August 1, 1990, to examine the impact on small business of proposed legislation regarding estate tax freezes and capital gains. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 9:30 a.m. For further information, please call Marja Maddrie at 224-5175, or Matthew Helmerich at 224-4721.

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the public that a bill has been added to the hearing before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources rescheduled to take place Tuesday, July 24, 1990, at 10 a.m., in room SD-366 of the Dirksen Senate Office Building, Washington, DC. In addition to S. 2807, the Grand Canyon Protection Act, the subcommittee will also receive testimony on S. 1556, a bill to designate the Salt-Gila aqueduct of the Central Arizona Project as the "Fannin-McFarland Aqueduct."

For further information, please contact Tom Jensen, counsel for the subcommittee at (202) 224-2366.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. WIRTH. Mr. President, I would like to announce for the public that the hearing scheduled before the Subcommittee on Energy Regulation and Conservation on July 30, 1990, has been rescheduled, and will take place on August 2, 1990, beginning at 9:30 a.m., with an afternoon session beginning at 2 p.m.

The hearing will take place in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to consider legislation to promote energy production through the use of waste and recoverable materials.

For further information, please contact Allen Stayman or Joel Saltzman, at (202) 224-4756.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MEDICARE AND LONG-TERM CARE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Medicare and Long-Term Care of the Committee on Finance be authorized to meet during the session of the Senate on July 20, 1990, at 9:30 a.m. to hold a hearing on S. 1766, the Patient Self-Determination Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Friday, July 20, at 10 a.m. for a hearing on pending nominations within the committee for associate judges of the Superior Court.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate on Friday, July 20, 1990, at 10 a.m. to conduct a hearing on the nomination of Constance Horner to be a member of the Board of Directors of the National Cooperative Bank for a term of 3 years.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, July 20, at 9:30 a.m. to hold a hearing on the Cambodian peace negotiations: Prospects for a settlement.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Nutrition and Investigations of the Senate Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Friday, July 20, 1990, at 10 a.m. to hear testimony on the economic concentration of ownership in the meatpacking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Friday, July 20, at 10 a.m., for a hearing on the nomination of Julian De La Rosa to be inspector general, Department of Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE CIVIL RIGHTS ACT OF 1990

● Mr. NUNN. Mr. President, all Americans should be protected against discrimination based on race, color, sex, religion, or national origin. In reaction

to a potential threat to these rights, the Senate has passed the Civil Rights Act of 1990 to overturn several recent Supreme Court decisions in the area of employment discrimination. These decisions make it more difficult for employees to challenge discriminatory practices. To confront the inequity of these Court rulings, I believe that a revision of our civil rights laws is necessary.

While I have supported overturning the Wards Cove, Patterson, and other cases in concept for some time, I did not cosponsor the bill because of my concerns about the original bill's potential impact on businesses in general, and small businesses in particular. I was concerned about the potential for the creation of either explicit or implicit hiring quotas. I was equally concerned about the greatly increased provision for damages encouraging frivolous lawsuits.

The bill passed by the Senate on Wednesday was significantly changed from the original bill introduced in February of this year. I believe that a great deal of progress in addressing these concerns has been made in the past few weeks' negotiations. I commend my colleagues for their efforts on this most important issue. In particular, I want to commend the efforts of Senators BOREN, BUMPERS, PRYOR, DECONCINI, DANFORTH, JEFFORDS, and others in reaching an understanding with the manager of the bill, Senator KENNEDY, about issues of mutual concern.

I believe that the modifications that have been made by Senators KENNEDY and JEFFORDS with regard to the business necessity definition improve the bill. I also believe that the modifications made in this area will prevent this legislation from becoming a "quota bill." I support the amendment offered by Senator DECONCINI which states clearly that this bill should not "be construed to require an employer to adopt hiring or promotion quotas."

The resolution of the business necessity definition is most important as this is the key to avoiding the quota threat issue. This definition represents the legal standard that employers must meet when their hiring practices are challenged. Under the bill and under the law before the Wards Cove case, once an employee has shown that a hiring practice or group of practices operates to have a discriminatory impact on minorities or women, the burden then shifts to employers to prove that a practice with a disparate impact was justified by a business necessity.

The definition of business necessity has been modified on two occasions since the introduction of this legislation. It started out as "essential to effective job performance." Responding to arguments that this standard was unduly stringent, Senators KENNEDY and DANFORTH prepared an amendment which would have changed the definition to "bears a substantial and demonstrable relationship to effective job performance." Prior to passage of the legislation, the sponsors responded to suggestions from the White House and others and modified the definition again and it now reads that a challenged practice or group of practices "must bear a significant relationship to successful performance of the job." At each of these steps in the negotiations, the employers' standard of proof was lessened. All of these changes were made in order to accommodate the legitimate concerns of the business community.

Two other important issues will be addressed in conference: Statistical imbalances and jury awards. Amendments which I cosponsored on both of these areas were offered, but because of a procedural objection by the Republican leader, they were not included in the bill as passed.

The first amendment was offered by Senator PRYOR regarding statistical imbalances. Because of my concerns about the bill's implicit encouragement of quotas, I have worked with Senator PRYOR and others to clarify that mere statistical imbalances alone in an employers' work force will not be a violation of the act. We have been assured that the Pryor amendment will be included in the conference report. Also, we clarified that this legislation will not apply to small businesses which employ 15 or fewer employees—consistent with the 1964 Civil Rights Act.

Second, I also support the jury awards cap that Senators BOREN, BUMPERS, and others have proposed. In cases where intentional discrimination is proved, employees will be able to seek compensatory and punitive damages. However, punitive damages shall not exceed the amount of compensatory damages or $150,000, whichever is greater. The managers of this legislation have assured the Senate that they will take this issue to conference and work for its inclusion.

Because I was assured that these two concerns will be addressed in conference, I voted for the bill's final passage. I will carefully review the conference report before voting on its approval to ensure the resolution of these two important issues.

I believe that the Senate acted properly in passing this legislation to ensure fundamental protections against employment discrimination. It is my hope that a bill will emerge from the conference committee that both the House and Senate can approve and the President will sign.●

THE PASSING OF JOHN BIGGS

● Mr. GORTON. Mr. President, the people of Washington State on Saturday, June 23, lost a great friend and leader. John Biggs, former director of the State departments of game and ecology, died at the age of 77.

Biggs' 19-year tenure as director of game was the longest of any game director in the Nation. He left the post to become the first director of Washington's Department of Ecology. In that role, he had to pull together various departments, with different operating styles and messages, into one cohesive group. The enthusiasm that Biggs put into ecology has been carried on for two decades. His vision of business, industry, and the environment coexisting with one another is exemplified through his creation of the Nation's first recycling program, which gave the opportunity to forge ties with State and local business leaders for the benefit of Washington's environment.

Washington residents were indeed fortunate to have had John Biggs lead the way in helping protect and preserve their rich and varied natural resources. His vision, commitment, and leadership will long be remembered.●

A TRIBUTE TO AARON COPLAND

● Mr. KERRY. Mr. President, I rise today to honor Aaron Copland, the preeminent and prolific American composer. Often referred to as the President of American music," Aaron Copland is an American institution.

Bestowed with virtually every accolade that can be awarded in a lifetime; from the Pulitzer-Prize to an Oscar, from the Medal of Freedom to the Congressional Gold Medal, Copland is enormously accomplished. He has composed operas, ballets, film scores, chamber music, as well as orchestral, choral, and keyboard arrangements. He taught poetry at Harvard and took up conducting when he was well into his fifty's. However, to think of Aaron Copland is not to think of a litany of accomplishments and accolades. Rather, it is to think of American music.

Copland saw this country as his greatest musical inspiration. He remarked once "I can't say that I went around thinking about creating an American sound; what I wrote was just the way I heard things. I connect American sentiment with a certain reserve in its expression rather than something that carries its bleeding heart all over the place." It is clear his view of the world was shaped by living above the family store on Washington Avenue in Brooklyn, NY, during the early 1900's—and it never left him. Years later, following a trip to one of the markets in Tangier, Copland remarked to his traveling companion "I have seen this all on President's Street in Brooklyn."

Whether it is "Appalachian Spring," "Billy the Kid," or "Fanfare for the Common Man," Copland's music transcends time and boundaries. His music is a reflection of the American century and its people. Richard Dyer of the Boston Globe wrote of Copland's music "Some of it sounds French, some Latin, some American. Some of it is high-minded, some of it serious, some of it very funny. Some of it evokes New England; the most famous evokes the Old West. . . (and) maybe only Midwesterners will know how fully the opera 'The Tender Land' realizes that place." "Some as comfortable as a summer evening on the back porch . . . at various times it evokes both urban elan and urban loneliness . . . all it takes is a few bars of 'Coplandesque' music to evoke whole eras and areas of our history."

To hear Copland's music today is to evoke memories of an America we believe may no longer exist but in our minds. From the urban hum of our cities to the silent fields in the countryside; from the loneliness of a single soul lost in the bustle of the city to the isolation of Appalachia; from the swelling of pride that comes with a job well done, a shared joy, or a flag passing by in a parade, this is still America. We are a land that still possesses countless noble acts, endless dreams, and quiet aspirations. We are a country that still wants to do better and tries to do so. We are a people that still believes that we can leave things better than we inherited them. That is Aaron Copland's timeless music. And that is still America.

Virgil Thomson, a colleague of Copland's, once called him "the voice of America in our generation." For us, Aaron Copland will always be the voice of all generations in America.●

DOMINIC JACOBETTI, UPPER PENINSULA LEADER IS 70

● Mr. LEVIN. Mr. President, I rise today to pay tribute to Michigan's longest-serving State representative as he celebrates his 70th birthday.

Dominic Jacobetti grew up in Negaunee, MI, where his Italian immigrant parents found work in the Upper Peninsula mines. When he began working in the mines himself, his mother advised him to join the union because it was "for the people." Dom went on to become president of United Steelworkders Local 2867 and later USW Local 4950.

Dom has worked tirelessly for the Upper Peninsula since his election to the Michigan House of Representatives in 1954. He has been chairman of the House Appropriations Committee since 1975. He has remained a fervent advocate for the Upper Peninsula of Michigan, for youth work programs and for helping the poor and helpless throughout his 36 years in the House.

Dom and his wife, Marie, are active with their three children, their spouses, and their 11 grandchildren. I'm sure there are few State or Federal legislators known for standing on their roofs in red Santa Claus costumes lowering Chirstmas gifts down the chimney. And who else but Dom Jacobetti, after all of his years in Lansing, would list his proudest moment as that time in 1938 when as captain and quarterback of the Negaunee St. Paul Catholic High School, he led his team to triumph over Pequaming.

State Senator Joe Mack, his colleague of 30 years, describes Dominic Jacobetti as "100 percent U.P. * * * (everything) the public could possibly expect from a man to represent them in the legislative halls."

Dom's love of people has provided the Upper Peninsula with a servant unparalleled in Michigan history. I join the people of our State to wish the best to Dominic Jacobetti.●

CHARLESTON'S WAR ON DRUGS: A MODEL FOR THE NATION

● Mr. HOLLINGS. Mr. President, earlier this year, under the auspicies of our Commerce, Justice, State Appropriations Subcommittee, Senator RUDMAN and I held field hearings in South Carolina focusing on illegal drug trafficking. It was truly an education for me. And what impressed me perhaps most of all was the determination and ingenuity with which local officials are tackling the drug crisis. Certainly, a sterling example of creative local initiative is the antidrug strategy of Charleston's, SC, Police Chief Reuben Greenberg. Chief Greenberg's approach was highlighted in a column by William Raspberry in Wednesday's Washington Post.

As Raspberry points out, in Charleston "the police don't bother with * * * lighting-strike shows of force. When he learns of an open-air drug market, the chief assigns an officer or two to the area for round-the-clock surveillance. If the dealers move, the officers move with them. That simple tactic has worked in Charleston and appears to be working in Mobile, AL, where Greenberg is on loan as public safety director." Raspberry also notes under Chief Greenberg's extraordinary leadership, the overall crime rate in Charleston has dropped 45 percent to the lowest rate in 20 years.

Mr. President, I salute the tremendous job Reuben Greenberg has done in my hometown. Along with Raspberry, I commend the Greenberg antidrug tactics to other urban communities searching for answers to the drug plague. For a more complete description of what the police are doing in Charleston, I ask that the entire Raspberry column be reprinted in the RECORD at this point.

The article follows:

DRUG DEALERS: A WAY TO TAKE THEIR TURF

(By William Raspberry)

"Once again I was awakened at 2:15 a.m. with the loud noises of the drug dealers outside my home. Then by 4:15 a.m., I was disturbed again, this time by a female voice screaming in distress. As I looked out, I could only partially see figures moving in the dark. I called the police, and soon the men who had been standing on the corner began to flee down the street.

"Exactly what happened I do not know, but several squad cars arrived, as well as a paddy wagon, ambulance and unmarked cars. However, within five minutes after the police left, the drug dealers were again standing on the corner."

The remarkable thing about the woman's account is that it is so unremarkable. Not just in the slums but in erstwhile quiet neighborhood like hers, drug dealers routinely work their open-air markets, suspending operation when the cops arrive, resuming it as soon as the cops drive away. And like her fellow sufferers, this Northwest Washington resident doesn't know what to do. Her letters and phone calls to city officials date back nearly two years. Four or five nights a week, she says, her sleep is broken by the activities of the drug dealers—sometimes a handful, sometimes as many as 20—operating within a few feet of her front door.

"Cars are constantly coming and going, doors opening and closing, music blasting from car radios—all this at 2, 3, 4 or 5 a.m. When I leave for work at 6, they are still there on the corner. I'm afraid even to go out in the mornings unless I see others moving on the street. Why can't [city officials] do something?"

It's a good question, and the answer—perhaps too naive—is that they can.

You've heard the official answers. The police respond to complaints, but since the activity ceases with their arrival, there's usually nobody to arrest. Making a case against the dealers involves the painstaking work of making undercover buys, obtaining warrants and then returning days later with other officers (so as to protect the identity of the undercover cops) to make the arrests. With the open-air markets numbering in the hundreds, little progress is made.

Is there another way? Well, maybe there is. In Charleston, S.C., the bailiwick of Police Chief Reuben Greenberg, the police don't bother with these lightning-strike shows of force. When he learns of an open-air drug market, the chief assigns an officer or two to the area for round-the-clock surveillance. If the dealers move, the officers move with them. That simple tactic has worked in Charleston and appears to be working in Mobile, Ala., where Greenberg is on loan as public safety director.

"A street-level drug dealer is a merchant, that's all," Greenberg said recently. "They don't want to move more than a block away. Their customers don't know where they are."

And there's another reason they don't like to move too far, he points out. "You can get killed [by rival dealers] moving someplace else. Once you lose your turf to the cops, in most cases you're out of business."

I haven't asked the local authorities why they don't copy Greenberg's tactic, but I can anticipate their answers: too few officers; a lack of jail space for arrested dealers; the probability that it would only force the dealers indoors, where they are harder to catch.

I don't buy it. Most cities could use more police officers, but using the present force smarter could work as well in other places as in Charleston, where the crime rate has dropped 45 percent to its lowest level in 20 years. Jail space matters in the case of arrests, but who supposes that the dealers would court arrest by continuing their drug-selling operations in the presence of uniformed officers or that their customers would continue buying?

As for moving indoors, Greenberg, has an answer. When his officers bust an indoor operation, they cart off everything that could conceivably be used as evidence: furniture, telephones, clothing. "We take the air conditioner out of the window and the chair he was sitting on. He can't get back in business Monday or Tuesday. He's losing $30,000 a day."

But the main appeal of the Greenberg approach is that it is not dependent on making arrests. The idea is to hit the dealers financially, disrupting their markets and scaring off their customers, including the vital out-of-neighborhood middle-class "recreational" users. Sure they will move, but not far. To hide from the cops means hiding from their customers as well, and they can't stand it.

Finally, if there are too many open-air markets to police them all, I offer this suggestion. Let the police give priority to those neighborhoods that bestir themselves to institute citizen patrols. Such a joint undertaking could have the twin effect of busting up the drug traffic and putting citizens back in charge of their neighborhoods. Not a bad parlay.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar items 885, 886.

I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table en bloc; and that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, considered and confirmed en bloc, are as follows:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Rosalie Gaull Silberman, of the District of Columbia, to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 1995. (Reappointment.)

NATIONAL LABOR RELATIONS BOARD

James M. Stephens, of Virginia, to be a member of the National Labor Relations Board for the term of five years expiring August 27, 1995. (Reappointment.)

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

AUTHORITY FOR COMMITTEES TO REPORT AND FOR RECORD TO REMAIN OPEN

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate committees may file reported legislative and executive calendar business until 4 p.m. today; and that the RECORD remain open for the introduction of bills and statements until 4 p.m. today.

NOMINATION OF GEORGE F. MURPHY REFERRED TO COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, as in executive session, I ask unanimous consent that the nomination of George F. Murphy, to be inspector general of the U.S. Information Agency, reported by the Committee on Foreign Relations, be referred to the Committee on Governmental Affairs for a period not to exceed 20 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senator from Kansas be recognized to address the Senate; that upon the completion of his remarks, the Senator from Hawaii be recognized to address the Senate; and that upon the completion of his remarks the Senate stand in recess as under the order until 12:30 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Republican leader is recognized.

BUDGET SAVINGS

Mr. DOLE. Mr. President, we have finally begun floor debate on the 1990 farm bill. Winter wheat producers and other farmers need to know what kind of farm program we are going to have for the crop year already upon us. I have asked Secretary Yeutter to make some kind of announcement regarding the 1991 acreage reduction requirement and he has agreed to do so by the end of the month.

YESTERDAY'S BUDGET FIX

I congratulate the chairman, Senator LEAHY, and the ranking member of the committee, Senator LUGAR, for offering their budget-related amendment yesterday, but I think it is important to review the bidding and put this amendment in context—because where you stand may depend upon where you sit. Let me be clear about one fact: this amendment does not spell the end of the budget story.

The current law baseline, just updated this week by OMB, projects spending on commodity programs of about $54 billion over the next 5 years. CBO's baseline is $52 billion, not much different from OMB's in this case.

BILL STILL OVER BUDGET

The committee originally came forward with a bill that is projected to cost almost $60 billion. This is a number subject to great uncertainty; it could be more. But the committee bill was clearly an increase over current law—this at a time when, right down the hall in S-207, the budget summitteers are meeting to try to cut a deficit that is now over $200 billion for fiscal year 1991.

So I do not think it was realistic of the committee to come forward with a bill that was a $6 billion budget increase.

Do not get me wrong. I support a strong agriculture program. I come from rural America.

BE HONEST WITH PRODUCERS

But farmers want to be leveled with. They do not want to hear one story from this Senate when we pass a bill, only to get the real bad news in a few months.

Plus, farmers are concerned about inflation. Farmers are concerned about interest rates. They know we cannot continue to spend more and more and more money on any program, including theirs.

So let us look at where we are. The amendment offered by the committee yesterday would cut about $4 billion from their original bill over 5 years. That leaves the bill $1.6 billion over the current law baseline. And the biggest part of the savings—$3 billion of the $4 billion cut—the committee offered came from a shift. We just shifted the payment or repayment dates for loans. So it is not completely real savings. In fact, it might be in real costs but certainly not any savings to shift the date and say we just saved $3 billion.

DO NOT IGNORE FUTURE CUTS

But even with the amendment, a bill that is about $1.5 billion over the baseline ignores the fact that additional cuts are around the corner. The administration has asked for $1.1 billion in farm program savings this year—$18.7 billion over 5 years. And the summit is talking about savings of anywhere from $6 to $18 billion below the current law baseline.

So we have to be realistic. The deficit is now $168 billion—$231 billion if you count the S&L's. We face a sequester of over $100 billion in just 2½ months. That means, if there is no budget agreement, a cut of 38 percent across the board in all farm programs.

So rural America should want to see a successful budget summit. They should want an agreement. And if there is to be a successful summit—if there is to be an agreement—agriculture will have to do its part. Those who wish to offer amendments to raise

spending or those who think our job is done should keep this in mind.

So let us not mislead the farmers and producers out there, and others. Let us not send them the wrong signal.

SUBSTITUTE RECOGNIZES BUDGET

I have a substitute drafted, which I have discussed with the distinguished ranking Republican on the committee, Senator LUGAR. I am not certain it will be offered. But at least it will bring our bill slightly below current services. It also moves us closer to the 1985 farm bill which most farmers and Members of Congress say was a good bill, and probably one of the most successful farm bills in history.

The White House said it will veto this bill, the bill now pending—not the substitute I may offer—if it is not brought in line with the summit agreement.

I appreciate our chairman's commitment to forestall final consideration of a farm bill conference report until and unless the bill meets summit agreement spending levels.

ALSO NEED POLICY REVISIONS

I also hope we are able to make some policy improvements here on the floor. It will make our job a little easier later on.

I know Senators GRASSLEY and BOSCHWITZ will have some suggestions on flexibility. Senators MCCONNELL and FOWLER apparently have a dairy plan. SENATORS CHAFEE, ROTH, and METZENBAUM have some honey and peanut ideas that deserve consideration. There are many others who may have amendments as well.

The bottom line is that there are going to have to be budget savings below the baseline. It could be about a billion dollars for next year. And it could be several billion dollars over 5 years. And we should begin now to talk about options for achieving those savings. Thomas Jefferson once said that "the whole of Government consists of the art of being honest." Let's be honest to our farmers. We need a budget agreement. And agriculture will have to do its part. Yesterday's amendent was only a first step and a very short step at that.

If I have any leader time I yield 2 minutes to the Senator from Missouri.

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is recognized. Subsequent to that, I will recognize the Senator from Missouri.

The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 2883 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE SAVINGS AND LOAN DEBACLE

Mr. BOND. Mr. President, a few days ago I rose to discuss in this body the implication of the savings and loan debacle. It is clearly one of the largest financial disasters that this country has ever seen. The cost is now estimated at $130 billion, some of that to be paid by the industry but much of it to be paid back by the taxpayers, and the interest on it to be paid by the taxpayers.

It is important that we ask what are the taxpayers, the constituents we serve, going to get for the money they put into it?

Well, prosecutions are very important. We are encouraged to see the Department of Justice continuing and stepping up the pace of prosecutions to go after those who are criminally responsible or who have assets that can be recovered.

I am very pleased that Attorney General Thornburgh is in my State of Missouri today to discuss the savings and loan activities and the law enforcement activities going along with them.

But, while it is important to prosecute wrongdoers and to go after those who have taken illegal assets, taken gains that are not properly theirs, that is not enough. I believe the taxpayers of America have a right to expect more. We must go beyond prosecutions and determine what were the policy mistakes, what were the administrative mistakes, the executive mistakes, the legislative mistakes, the private sector mistakes that led to this immense scandal.

I do not believe it is productive for us, in Congress, to lob political hand grenades at each other as we discuss how this scandal came about. I think there is a great need for an independent commission to look into this matter, to make a calm and careful assessment of what went wrong, and to lay out for us and for the taxpayers what we need to do in the future; what mistakes we ought to avoid in the future so we do not run into another problem.

I would like to see that answer in 6 months. I would like to see it soon. And I would like to be able to put this behind us so we can go on with the ongoing responsibilities we have in financial institutions and their regulation.

I believe an independent commission could conduct a full investigation of all aspects of the scandal without political skirmishing and give the Congress and the people of the United States some answers. That is why yesterday my colleagues, Senator DODD of Connecticut, Senator ROBB of Virginia, and I, circulated a letter asking colleagues with ideas who want to join us to let us know because we are in the process of drafting a resolution to establish a commission which is not composed of Government officials, legislative officials, or administrative officials, which should be set up on a bipartisan basis, which should be charged with getting the answers, and getting the answers as soon as possible.

I invite my colleagues to join us. I invite my colleagues to submit their ideas so we can provide the best possible vehicle. We will be talking with the leadership about finding an appropriate vehicle to move this resolution forward. I believe it is the least we can do for the taxpayers who are being asked to bear the burden of this tremendous scandal.

I yield the floor.

THE SENATE'S SCHEDULE

Mr. MITCHELL. Mr. President, I want to repeat for the information of Senators, so there can be no current or later misunderstanding, the requirements of the Senate's schedule over the next 2 weeks prior to the August recess. I have been asked by many Senators what action will be required before the commencement of the recess. I stated it last evening. I will restate it now just in the event anyone who was not aware of my remarks yesterday may now be listening.

We will complete action on the farm bill, I hope, early next week. The distinguished Senator from Indiana and the distinguished Senator from Vermont have been working diligently to move forward on the bill. We hope to have a full schedule of amendments on Monday.

Following that we will take up the campaign finance reform bill and then we will have to deal with the Department of Defense authorization bill and the debt limit extension.

In addition, I met yesterday with the distinguished Republican leader and the chairman and vice chairman of the Ethics Committee, and it is my intention to dispose of the recommendation made this week by the Ethics Committee prior to the recess. The timing of that remains yet to be determined. I hope to have an announcement in that regard early next week. In fairness to all concerned, I believe that matter should be disposed of promptly as well.

So we are talking really about 5 measures: The farm bill, the campaign finance reform bill, the ethics report, the debt limit extension, and the Department of Defense authorization bill.

Senators should understand that to the extent any of those are delayed, the likelihood for going on recess at the close of business on August 3 is reduced. Whether or not we go is entirely up to the Senate and Senators—not whether or not we go, when we go, I should say, because there definitely

will be a recess. The question of course is at what time it will begin.

So any Senator who thinks he is gaining something by delaying, why of course that merely pushes the other end back further. And I know that no Senator wishes to inconvenience his or her colleagues in that regard.

I thank the distinguished Senator from Indiana and the Senator from Vermont. As I indicated, Mr. President, I hope shortly to have an announcement regarding the schedule for Monday and Tuesday.

ORDERS FOR MONDAY, JULY 23, 1990

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12:30 p.m. on Monday, July 23; that following the time for the two leaders there be a period for morning business not to extend beyond 1 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JULY 23, 1990, AT 12:30 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 12:30 p.m., Monday, July 23, 1990.

Thereupon, at 1:32 p.m., the Senate recessed until Monday, July 23, 1990, at 12:30 p.m.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate July 20, 1990:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

ROSALIE GAULL SILBERMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 1995.

NATIONAL LABOR RELATIONS BOARD

JAMES M. STEPHENS, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE TERM OF 5 YEARS EXPIRING AUGUST 27, 1995.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—July 20, 1990

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We admit, O God, that there is much to do in our lives, so many tasks and responsibilities. Yet, in the midst of all this activity, we take this moment to offer our prayers of thanksgiving for Your gifts of faith and hope and love for Your gift of peace in our hearts and souls. We are eventually grateful to You, our Creator and Redeemer, for all the blessings that we receive in our lives. For this new day, O God, and for all Your graces, we offer this grateful prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Ohio [Mr. TRAFICANT] please come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 577. Joint resolution designating the month of November 1990 as "National American Indian Heritage Month," and

H.J. Res. 591. Joint Resolution designating the third Sunday of August of 1990 as "National Senior Citizens Day."

The message also announced that the Senate agrees to the amendments of the House to the joint resolution (S.J. Res. 75) "Joint resolution relating to NASA and the International Space Year."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1939) "An act to extend the authorization of appropriations for the Taft Institute" and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. PELL, Mr. DODD, Mr. HATCH, and Mrs. KASSEBAUM, to be the conferees on the part of the Senate.

SUPPORT OUR DEFENSE WORKERS

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, anyone wondering if the cold war is over need only consider the news this week.

The Soviet Premier agreed to pull his troops out of East Germany, once his richest satellite, and what is more, agreed that territory that was East Germany could join the NATO alliance.

Yes, the cold war is over and America has won. The credit goes, in part, to our brave soldiers who stood guard for freedom around the world. And it also goes in part to our defense workers who built the mightiest military force in the history of this world.

Now as we turn our attention—and resources—to new challenges, we can not forget nor ignore the defense workers who helped make this day possible. We must help them adjust.

Rep. MARY ROSE OAKAR's bill on economic conversion is a good first step.

It is important to my home State of Maine, and in fact, to States across this Nation, with defense facilities. It provides money for communities to plan to retrain workers and to encourage business to invest. Defense workers are among our most skilled.

This bill will help them contribute to the new America. We owe them, and ourselves, at least this much.

I urge your support for the Economic Conversion Act when it comes to the floor of this House.

THE EDUCATION BILL TOO EXPENSIVE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, the House will finish consideration of the Equity and Excellence in Education Act (H.R. 5115) later today. This is too much spending at a time when our budget is screaming in pain from too much deficit.

We face a budget deficit of over $168 billion. Can we afford a $600 million increase over the President's education proposal—$1 billion in new education spending?

This bill is an expensive, shotgun approach to improving education and the President considers it an unacceptable substitute for his original proposal. The President has indicated he will veto the bill.

I want to provide the best possible education for our children, I also do not want the burden of the Federal deficit on their backs in future years. It is time to make some tough, but responsible decisions about our children's financial future. I believe that the billion dollar bill is one our children can do without.

Please join me in voting "no" on these expensive new programs.

PETE ROSE AND THE S&L CROOKS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Richard Secord lied to Congress. Martin Seigal stole billions from the savings and loan, but the judge said when he sentenced them, "You're a disgrace. You're guilty. The Nation knows it. You've endangered our freedoms, ripped off our Constitution, but you've suffered enough, poor boys. No jail time, no fines, no community service. You've suffered enough."

Now comes in Pete Rose. What he did was wrong. He gambled, but Mr. Speaker, Pete Rose blew his own money. He did not rip off the savings and loans.

The judge says, "You're a disgrace." He is getting more jail time than all the crooks from the savings and loan and Iran-Contra combined.

I say, "Keep your head up, Pete. You made a mistake," but those crooks ripped off the American public.

I would not be surprised if his community service is not shining the shoes of Secord and Seigal.

Mr. Speaker, he must be a Democrat.

VEGETATION CONTROL

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, the Federal Highway Administration recently announced the reversal of a 13-year-old policy which allowed billboard

companies to practice so-called vegetation control.

Vegetation control is a euphemism for the cutting and poisoning of trees in front of billboards for the sole purpose of giving the motorist an unobstructed view of the billboard.

While I applaud the actions of the Highway Administration, which are wholly consistent with the President's policy of planting and preserving trees, not destroying them, we in Congress must finish the job.

Mr. Speaker, what this country needs is a lot less vegetation control and a little more billboard control. I urge my colleagues to take action on this matter by cosponsoring H.R. 3389, a bill that restores the original intent of the Highway Beautification Act. The time to end billboard blight is now.

PROPER RESTITUTION IN FRAUD CASES

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the Supreme Court of the United States in a recent decision decided that where an individual charged with a dozen or more counts of embezzlement or fraud, but who pleads guilty to 1, does not necessarily have to make restitution to the 9 or 10 other people who are defrauded for the sake of that 1 count to which he pleaded guilty.

Mr. Speaker, we believe that is an unfortunate result and we believe that the judge ought to have the right to order restitution for all those moneys, even though he was only punished for one count.

Therefore, we are introducing today a piece of legislation which would do just that, which would accord the judge in such a case the right to assess restitution for all the moneys defrauded in the event the individual wants to plead guilty to any one count. This will be done if we pass it just in time to help us in these investigations of the S&L fees.

□ 1010

APPOINTMENT OF CONFEREES ON S. 605, CONSUMER PRODUCT SAFETY COMMISSION AUTHORIZATION ACT OF 1989

Mr. WALGREN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 605) to authorize appropriations for the Consumer Product Safety Commission, and for other purposes, with House amendments thereto, insist on the House amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees and reserves the right, without objection, to appoint additional conferees: Messrs. DINGELL; WALGREN; SLATTERY; LENT; and RITTER.

There was no objection.

APPOINTMENT OF CONFEREES ON S. 2088, ENERGY POLICY AND CONSERVATION ACT AMENDMENTS OF 1990

Mr. WALGREN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2088) to amend the Energy Policy and Conservation Act to extend the authority for titles I and II, and for other purposes, with House amendments thereto, insist on the House amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees, and, without objection, the Chair reserves the right to appoint additional conferees: Messrs. DINGELL; SHARP; MARKEY; BRUCE; TAUZIN; LENT; MOORHEAD; and DANNEMEYER.

There was no objection.

INTRODUCTION OF GOVERNMENT-BY-THE-PEOPLE CONSTITUTIONAL AMENDMENT

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, I ask all of the Members here to join me in cosponsoring my government-by-the-people constitutional amendment, House Joint Resolution 624.

Simply, it will allow the people of the United States to be able to initiate, petition, and vote directly on constitutional amendments. After all, we are a government of, by, and for the people, not of, by, and for the Congress.

This will answer all you would like to know about how your constituents feel and do not know how to find out, about such issues as flag burning, abortions, and balanced budgets.

Let us give the people of this country their first amendment rights and allow them to vote on whether or not they want these issues in the Constitution of the United States.

STOP TRYING TO RAISE TAXES

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, on Wednesday the House Republicans stood up for the American people and sent a clear message to the Democrats in the budget summit negotiations—stop trying to raise taxes on overtaxed Americans and cut spending.

The Federal Government is confiscating money out of the pockets of hard-working Americans at unprecedented levels. Yet the Democrats continue to complain like Donald Trump that they can't live on $1.2 trillion a year and must spend more.

The Democrats should stop whining about raising taxes and get down to the business of cutting spending. Billions of dollars' worth of program cuts have been offered.

The Heritage Foundation identified over $130 billion in deficit reduction options. Citizens Against Government Waste issued a report identifying over $304 billion in savings over 5 years. The GAO reported $180 billion a year is squandered through waste, fraud, and abuse.

Democrats should stop deceiving the American public and the media by saying there is no spending to cut and start explaining why they continue to ignore these important studies.

The House Republicans have stood up to declare they will protect the American taxpayer from the Democrats' urge to grab more money out of their pockets. The House Republicans want real spending reductions. Billions of dollars' worth of spending reductions are on the table and it is about time the Democrats start looking at it.

TREAT THE HIGHWAY AND AVIATION TRUST FUNDS THE SAME AS SOCIAL SECURITY

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, the Federal Government has 98 different trust funds but only the highway and aviation trust funds are 100 percent supported by user fees. Even the Social Security trust fund receives general revenue.

If we remove the Social Security trust fund from the budget, as rumors out of the budget summit suggest, then we must do the same for highways and aviation. Certainly, the highway and aviation trust funds deserve this status.

Yesterday, I introduced H.R. 5315, which would require that the highway and aviation trust funds be treated the same as Social Security. The same arguments that apply to Social Security apply to the transportation trust funds.

We must stop this deception of the American taxpayers. The $19 billion uncommitted balance in the highway trust fund should be spent for highways, bridges, highway safety, and mass transit. The $7.6 billion surplus in the aviation trust fund should be used for airport construction and the

air traffic control system. The needs are there, the funds are there, we must use our user fees.

Any off-budget action should include the highway and aviation trust funds. I ask the Members to join me in support of H.R. 5315.

END THE RICE-A-RONI RUNAROUND ON FARM PROGRAM

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, the farm bill is here, and I see it is busy feeling its oats, protecting its sacred cows, and of course beating its plowshares into cash shares—and some mighty hefty cash shares they are. $100,000, $200,000, $300,000, and even more, each year, for some fat cat farmers living high on the hog.

The largest farm producers know that if you can farm the land, you can farm the Federal treasury and rake in the cash.

They can get away with huge individual payments because the existing payment limits—which Congress set—are not what they appear to be.

If you think that the existing $50,000 payment limitation on farm deficiency payments really does limit an individual's payments to $50,000, then I have some news for you. You have been had.

"It ain't so." That $50,000 limit is in reality a $100,000 limit, and the $250,000 limit on total farm program payments is actually a $500,000 limit.

Next week you will have the opportunity to end the rice-a-roni runaround on farm program payments.

I will be offering an amendment to the farm bill that really will establish an effective $50,000 payment limitation. It is something everyone can support.

AND NOW A DESERT PAD FOR BILL WALTERS

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, when we last visited Bill Walters, who defaulted on nearly $100 million of loans from Silverado Savings & Loan, the Los Angeles Times was reporting that this former partner of Neil Bush was living in a $1.9 million house in Newport Beach, CA, complete with twin Mercedes. He also had a nearby beach house.

Today, the Times reports that Mr. Walters also has a $1 million home in Palm Springs, CA, in one of the plushest golf resorts, and that he had a paid up $7,500 yearly membership at the golf club.

The taxpayers will have to pick up a $1 billion tab for the Silverado collapse, which was caused in large part by Walters' failure to pay his debts. When Mr. Walters appeared before the Banking Committee last month, he claimed poverty. From his statement, you might have thought Mr. Walters was only days away from the poor house. In reality, Mr. Walters was only days away from his mansion house, his beach house, and now we find out, his desert house.

Mr. Walters may believe that he is thumbing his nose at the taxpayers, but I intend to pursue this matter in hopes of getting money back for the taxpayers.

I am writing to Mr. Walters today asking him to appear before the Financial Institutions Subcommittee, which I chair, to discuss how a man who claims poverty can live with a Silverado spoon in his mouth.

I also want to know what he did with the millons that he owes Silverado. If Mr. Walters declines to appear, then I will ask the full Banking Committee to subpoena Mr. Walters.

Mr. Speaker, taxpayers are outraged by Mr. Walters spending habits. I have received calls from all over this country demanding action against Mr. Walters. I intend to get answers, and hopefully money for the taxpayers.

INTRODUCTION OF BIRD RESEARCH AND CONSERVATION ACT

(Mr. BUECHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUECHNER. Mr. Speaker, the 20th century will be remembered for its achievements. However, it may be even more notable for its failures—particularly with respect to the protection of wildlife. Specifically, numerous species of songbirds are declining dramatically across the Western Hemisphere. Unless we act immediately many will not survive into the next century. This would be a tragedy.

I would not relish the task of explaining to my grandchildren why I stood by and did nothing as these fascinating creations of nature were allowed to perish—and I don't think any one of you would either. That's why I ask each of you to support legislation I am introducing today, the Bird Research and Conservation Act

My bill provides for the formation on an intergovernmental working group to develop a comprehensive plan for monitoring and research on migratory nongame birds in the Western Hemisphere. It also directs the President to elevate this as an issue of international concern and seek designation of the decade beginning January 1, 1991 as the "World Decade of Ornithology."

If Lacey J. Davenport of Doonesbury fame truly was in Congress this would be her bill—a memorial to her beloved birdwatching mate. Unfortunately, Ms. Davenport is not real—this problem is.

In the rich tapestry of life on Earth, the fate of each species is interwoven with all others—the loss of any one diminishes the whole. I do not want the 20th century to be remembered as the time in which the songbirds perish. Join me before it is too late—not for me but for your children's children.

□ 1020

S&L BAILOUT AND THE NATIONAL DEBT

(Mr. FLIPPO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLIPPO. Mr. Speaker, American taxpayers have a right to be disgusted when they hear about calls for new taxes. They know that too many of their tax dollars are paying for the S&L disaster.

They know that the fat cats who drove the thrift industry into the ground are still riding high in their Mercedes, wearing their fine tailored suits.

Now officials responsible for the S&L clean up have reported that fraud and criminal conduct played a role in the collapse of at least 40 percent of the thrifts now under government control.

It is likely that over half of the failed savings and loans were put at risk due to negligence or some other misconduct.

It's time for the fat cats guilty of raiding America's savings and loans to trade in their Armani silk suits for plain prison gray.

I welcome the efforts of the House leadership to put forward a package of expanded criminal and civil penalties to deal with these cases of fraud. Before we ask the American people for any additional revenue, we must act to ensure that the S&L robber barons are put behind bars where they belong.

By putting the guilty behind bars, we can begin to regain the trust of the American people in their financial institutions as well as their political institutions.

Americans have a right to expect honesty from elected officials. The truth about the savings and loan debacle is that no one really knows how much more money we will have to pour down this rate hole.

Only a year ago, the administration told the Congress that $50 billion would do the job. Now after those funds have almost been exhausted, we're told that it may take as much as

another $50 billion to just carry us through the coming fiscal year.

No one knows how much the final cost will be. We didn't know last year, and we still don't know today. What we do know is that last year's estimates were a complete sham. That's why I voted against the S&L bailout each time it came before the House.

Last week, President Bush sent an official from the Treasury Department to testify before the Ways and Means Committee on need to increase the national debt ceiling. The driving force behind this request is the billions of dollars being spent to close down insolvent S&L's.

When the Reagan administration began in 1980 to push the wave of deregulation that played a major role in the S&L disaster, our national debt was less than $1 trillion.

In 1990, the Nation's debt is over $3 trillion. The drain of Federal funds to clean up insolvent thrifts is so rapid that the Treasury Department has estimated that the Government itself will be in default unless the debt ceiling is increased before the August recess.

The Bush administration has indicated that the Federal debt limit will need to be over $3½ trillion for the coming fiscal year.

The S&L bailout and the Nation's debt are now inextricably entwined.

If we are going to ask the American people to accept an additional increase in the national debt, I believe we must enact strong criminal sanctions against thrift fraud at the same time.

I urge my colleagues to join me in withholding your support from any permanent debt ceiling measure unless Congress acts to restore the faith of American taxpayers in U.S. political and financial institutions.

LAST DAY FOR DEMOCRATS TO JOIN REPUBLICANS IN DEMANDING INVESTIGATION OF PRIOR DEMOCRAT LEADERS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, well, this morning the Democrats, like my colleague the gentleman that just left the lectern, are attacking the administration and attacking the fat cats. But the one thing they will not attack are the Democrats who served in this Chamber who are also responsible for the S&L debacle. Now, over a week ago I asked Members on that side of the aisle to join me in signing a letter to the Attorney General asking them to investigate Jim Wright, former Speaker, former deputy whip and leader Tony Coelho, and former Banking chairman Mr. St Germain, and not one Democrat has signed this letter.

Now, today is the last day, fellows, you are going to have an opportunity. If you really care, come up here and sign this letter asking for an investigation of those three individuals. If there are criminal wrongdoings, then they should be indicted and brought to justice. This is your last chance. You have been talking and talking and talking. Now let us do something about it.

CIVIL RIGHTS BILL OF 1990

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, during the 1988 elections, President Bush treated us to a continuous chorus of "read my lips" on taxes. He also assured working women that he would balance the demands of the family and the workplace. And he promised that a positive civil rights agenda would be the top priority of his Attorney General. Now, 2 years later, the President has reversed his pious and unrealistic tax stance, vetoed a much-needed Family Medical Leave Act, and threatens to veto the Civil Rights Act of 1990. It is painfully clear that while we were busy reading the President's lips, we should have been watching his nose.

Mr. Speaker, the White House and other opponents of the Civil Rights Act of 1990 claim that it is a quota bill which will stack the deck in favor of minorities and benefit only lawyers by creating a plethora of civil court disputes. Nothing could be further from the truth. The Civil Rights Act of 1990 aims to provide all qualified workers with equal access to the job market. It restores antidiscrimination laws to where they were before recent Supreme Court decisions and the civil rights retrogressions of the Reagan and Bush years. I urge my colleagues to pass this measure when it reaches the floor and I urge the President finally to fulfill one of his campaign pledges by signing this bill into law.

AMERICA IS LOSING THE SPACE RACE

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, while we stumbled all over ourselves trying to assign blame for grounded shuttles and blurry mirrors, we lost sight of the bigger picture: We are losing the space race. And, while we are hopefully going to have a successful commercial launch of a government payload later today, the fact is, Arianespace now controls 60 percent of the world launch market of contracts for full-sized payloads, compared with 35 percent for the United States.

And while our largest current commercial space program is the Jetsons, Arianespace has announced plans to launch 23 more public and private payloads between now and November 1991. But not to worry; additional competition for Arianespace is on the way—not from the United States—but from China, Japan, and the Soviet Union.

Mr. Speaker, now is the time for a progressive commercial launch policy. The Space Transportation Services Purchases Act has lingered in the Science, Space, and Technology Committee for more than a year. Mr. Speaker, I urge the committee to act on this bill as quickly as possible, and not let the blunders at NASA prevent the first step toward a competitive commercial launch policy for America.

FARM PROGRAMS SAVED CONSUMERS $40 BILLION FOLLOWING 1988 DROUGHT

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, next week we will take up the Food and Agricultural Resources Act of 1990, which most Members know as the 1990 farm bill.

There is a lot of misinformation about this bill. Some say farm programs raise prices to consumers.

Yes, farm programs do put a floor on farm commodity prices. But they also provide us a way of keeping food prices from going too high.

Farm programs even out the peaks and valleys that occur in agricultural prices.

All of us represent consumers. So I thought my colleagues should be aware of a study being released today by the University of Missouri's Food and Agricultural Policy Research Institute.

This study has found that the stabilizing influence of farm programs has saved consumers $40 billion by preventing large food price increases after 1988 drought.

Before the 1988 drought—one of the worst in history—we had a large carryover corn reserve of 4.3 billion bushels.

One year later—after that drought, our corn supplies were down to 1.9 billion bushels.

What this University of Missouri study says is that without this reserve, corn prices could have gone up 41 percent, causing long-lasting and costly consequences to the whole food production system.

Corn is used in producing beef, pork, and poultry. Sky-high corn prices would have forced farmers to sell off their livestock, glutting the market, and, yes, initially we would have had lower meat prices.

But what these smaller livestock herds mean is that meat prices would have been much higher for years. It takes time to rebuild herds.

The University of Missouri study says consumer food costs would have gone up $15 billion by the third year after the drought without the stabilizing influence of farm programs.

Without Government stocks to cushion the effects of the drought, annual increase in food costs would have averaged $5 billion between 1989-96.

This scenario would have devastated low-income families the most.

I urge my colleagues to keep in mind the real goals of our farm programs when we debate the farm bill. It's not welfare for farmers.

Farm programs make affordable food prices possible for all Americans. We all benefit from broad participation in the farm programs. Before you point the finger at the farm programs remember it saved you, the consumer, $40 billion.

U.S. IMPORTS RECORD 49.9 PERCENT OF OIL

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, an article in yesterday's New York Times, "U.S. Imports Record 49.9 percent of Oil"—this compares to 28 percent in 1984—is testament both to the problem as well as the laissez faire attitude of most to the potential threat posed by this trend. The story was not front page news, but relegated to section D.

In feeding a seemingly insatiable oil demand, the United States relied on imports for a record 49.9 percent of its consumption in the first half of 1990. Domestic production is at the lowest level in 29 years. In four of the last 12 months imports have exceeded domestic production.

Clearly, the United States, already the world's largest oil importer is relying increasingly on imports to feed its energy hungry appetite. More worrisome these imports are coming more and more from the unstable region of the Persian Gulf, accounting for about one-fourth of U.S. imports—up from virtually nothing 10 years ago.

Absent an energy crisis, Congress and the Nation are turning a deaf ear to these worrisome trends.

Even worse, our actions on the domestic front, rather than heading off a potential crisis will serve only to exacerbate the problem. Just last month the President put vast areas of our potentially oil and gas rich Outer Continental Shelf off limits for exploration or development for the rest of the century. The ink was not dry on that agreement before others were clamoring for taking off just about any acreage that was left open for potential exploration and development.

It is a sad but true reality that Americans and Congress will not respond to the growing signs of an impending energy crunch until the lines are formed at the gas pumps.

DR. BENJAMIN HOOKS, NAACP

(Mr. DYMALLY asked and was given permission ot address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, there is a perception among African-Americans that black-elected and appointed officials are the victims of harassment by law enforcement, the media and certain groups. Dr. Benjamin Hooks, executive director of NAACP, has, for the second time this year, articulated this concern. He has since been the subject of criticism by Oped writers in the Washington Post. Dr. Hooks' assertion is supported by two documented studies and two national conferences; one conducted in Washington, DC by the Congressional Black Caucus and one in New York City sponsored by the National Council of the Churches of Christ in the U.S.A.

If Mr. Nelson Mandela taught us anything, it is courage and intellectual honesty. Whether you agree with Mr. Hooks or not, one has to admire him for his courage, his commitment, and his fearlessness. As one who has been studying the subject for 15 years, I commend Dr. Benjamin Hooks for his courage and intellectual honesty.

□ 1030

ON THE BUDGET SUMMIT: HERE IS WHERE I STAND

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, there has been some confusion about my position on the budget summit based on distorted leaks from yesterday's supposedly private discussions.

Here is where I stand: I am committed to a budget summit that leads to economic growth. I believe such a summit must include a permanent capital gains tax cut with indexing and with no increase in income tax. It must include adequate funding for defense. It must have enforceable real cuts in discretionary spending. It must have real cuts in entitlement spending. It must include real reforms in the budget process to give the President spending controls since Congress cannot control spending.

In that setting House Republicans I believe will consider appropriate revenue increases. For 2 months congressional Democrats have postured. The President has reached out and the Democratic leadership has offered only increased spending.

It is time for congressional Democrats to bring a serious proposal to the summit.

S&L BAILOUT

(Mr. KENNEDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY. Mr. Speaker, last year the American people were told by their President that the savings and loan bailout would cost $50 billion, excluding interest. Yesterday, we were told the real story: the bailout effort will be broke before election day. Before even one-third of the bankrupt and braindead thrifts are put to rest.

Clearly, more money—much more money—is required to cleanup what has become the single greatest financial disaster in our history. There are some people—in both parties—who publicly refuse to come to grips with this reality. But the question is no longer whether to pay. It is who pays.

Yesterday, 20 Members of this body joined me in saying that the working people of our country have paid enough. They are tired of watching thrift thieves steal their money and walk away scot free. They are tired of the high interest rates on their home loans and small business loans that S&L rip-off artists charged. They are tired of paying to bail out an industry from a crisis that brought them nothing. And they are tired of a bailout scheme that will send them, their kids, and their grandkids a bill of $1.369 trillion—$900 billion of which is in interest, just because we lack the courage to pay today for the wrongs of yesterday.

The American people are telling us loud and clear: make the crooks pay, and those who can most afford to. I urge my colleagues to cosponsor the Savings and Loan Fair Financing and Anti-Fraud Enforcement Act of 1990.

IT MEANT WHAT IT SAID: NO NEW TAXES

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, on Tuesday, the House showed its unwillingness to commit itself to ending the deficit by rejecting the balanced budget constitutional amendment.

The next day, the House Republican conference overwhelmingly adopted a resolution opposing any tax increases.

Mr. Speaker, the resolution means exactly what it says. It was not a response to remarks about capital gains taxes by anyone in the other body. Like many of my colleagues who voted

for it, I was elected to this House to oppose any tax increases. I will vote against any tax increase. I intend to keep my promise to my constituents. And I am convinced that a majority of my Republican colleagues intend to do so as well.

POOR AND NEEDY IN OUR OWN COUNTRY NEED ASSISTANCE

(Mr. SERRANO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SERRANO. Mr. Speaker, here we go again.

The Wall Street Journal reports that the administration has decided to give the Soviets technical aid. I ask you, My colleagues, if technical assistance is being offered now, can good old American dollars be far behind?

We are being told that the reason for this help being offered is that the Soviets are now our friends. Well, Mr. Speaker, this troubles me a lot. It troubles me because I wonder if we will get our priorities straight.

Right here in our own country we have people who have been our friends for a long time.

The homeless are our friends.

The school dropouts are our friends.

The poor who live under horrible conditions are our friends.

We are always told that the budget deficit does not allow us to take care of some of our own needs. We are also told to help our new friends throughout the world.

Not long ago, members of this administration were part of an administration that referred to the Soviets as members of an Evil Empire.

Well, Mr. Speaker, there is something very evil in letting poverty and despair continue to exist in our country. Let us send technical assistance and dollars to the poor and needy in our country as we strive to help our new friends.

ANNIVERSARY OF AN INCREDIBLE EVENT IN HISTORY

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, today, July 20 is the 46th anniversary of an incredible event in history. It was called Operation Valkyrie and it was an attempt by the German officer corps, those that had some dignity left, to assassinate Adolf Hitler. They placed a bomb next to his leg in the Fuehrer headquarters at Wolf's Lair in Poland, the advance headquarters for the foreign eastern front, and the bomb exploded, destroyed the building completely, killed three and maimed three others in the building. But Hitler had walked to the opposite end of the table which had concrete foundations and was not killed.

Five thousand German officers were executed, hung with piano wire on meat hooks. It was filmed for Hitler's sadistic pleasure.

Probably 2 million people died in the concentration camps, many of starvation, that would not have died otherwise.

Now Klaus von Stoffenburg, a nobleman, German colonel, one hand lost in the eastern front, blind in one eye, he went to this Catholic bishop in Berlin to get permission for tryannicide, the killing of a tyrant. The bishop said, "Give me time to think about it." Ten days later he gave him permission.

I would like to put that in the context of today. The vicious anti-Catholicism and criticism against Catholic bishops who are excommunicating people who run abortion mills. My church knows what it is doing. I love my church. It knows how to handle weighty subjects.

Stop the anti-Catholic criticism. If there are anti-Semites in this country, there are certainly vicious anti-Catholics also.

PROCEDURAL MODIFICATIONS DURING CONSIDERATION IN THE COMMITTEE OF THE WHOLE OF H.R. 5115, THE EQUITY AND EXCELLENCE IN EDUCATION ACT OF 1990

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 5115, the Equity and Excellence in Education Act of 1990, the following modifications be made in the procedure in the Committee of the Whole from that set forth in the House Resolution 430:

First, that it first be in order to consider amendments en bloc, to be offered by myself, that the amendments en bloc be debatable for not to exceed 30 minutes, to be equally divided and controlled by the gentleman from Pennsylvania [Mr. GOODLING] and myself, and that the amendments en bloc not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole.

Second, that it not be in order to consider the following numbered amendments printed in the House Report 101-588: 1, 2, 4, 6, 7, 8, and 13.

Third, finally, amendments numbered 3, 5, 9, 10, 11, and 12 be considered as contemplated in House Resolution 430.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from California?

Mr. GOODLING. Mr. Speaker, reserving the right to object, and I will not object, I would like the chairman to explain why we are making these unanimous-consent requests.

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Speaker, I thank the gentleman for yielding.

□ 1040

I would like to thank the gentleman from Pennsylvania [Mr. GOODLING] for giving me this opportunity to explain our request. For the past week we have been negotiating with Mr. GOODLING and others to reach an agreement on a series of amendments. Our objective has been to secure broad bipartisan support for the bill.

These committee amendments carry out that agreement. The key elements are the following:

First, I have agreed not to offer any of the three amendments I have had printed in the RECORD;

Second, Mr. GUNDERSON has agreed not to bring up his substitute for the bill;

Third, we are accepting the Smith amendment;

Fourth, we are including a revised version of the Gingrich amendment, which would require the expansion of State efforts to teach literacy to prisoners; and

Fifth, we are including a modified version of the Bartlett amendment. This revision would authorize $40 million to the Secretary for planning grants for four innovative purposes. These areas of innovation are parental involvement in the public schools; business and community involvement in the public schools; State reform of public education finance; and open enrollment.

It is our clear understanding that if the committee amendments are adopted, none of the other amendments permitted by the rule for myself, Mr. SMITH, Mr. GINGRICH, Mr. GUNDERSON, and Mr. BARTLETT would be offered. All of the other amendments permitted by the rule would proceed in the order listed in the rule: Mr. MILLER, Mrs. ROUKEMA, Mr. PANETTA, Mr. SOLOMON, Mr. MACHTLEY, and Mr. VALENTINE. I would like to include a summary of the committee amendments in the RECORD of today's proceedings.

Let me ask the gentleman from Pennsylvania [Mr. GOODLING] to confirm that agreement on behalf of the minority.

Mr. GOODLING. Mr. Speaker, further reserving the right to object, I would like to confirm this agreement. The chairman has stated it correctly, and all those amendments would be deleted if these committee amendments are adopted.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Speaker, under the gentleman's reservation, this is just to confirm that the unanimous-consent request is only to take those amendments off from consideration, if the committee amendment is adopted, but otherwise the amendments cited would still be in order to be offered?

Mr. GOODLING. Mr. Speaker, the gentleman is correct.

Mrs. ROUKEMA. Mr. Speaker, will the gentleman yield under his reservation of objection?

Mr. GOODLING. Mr. Speaker, I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Speaker, I want to confirm that I do understand that my right to offer my amendment is protected. Does that also apply to the time limit as applied under the rule; is that correct?

Mr. HAWKINS. Mr. Speaker, if the gentleman will continue to yield under the reservation, that is my understanding, and I think my statement did include that as an understanding.

Mr. GOODLING. Mr. Speaker, with that understanding, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from California?

There was no objection.

THROW OFF THE CHAINS OF COMMUNISM

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I wish to call attention to Moscow's session of Congress last week. One of the points brought to bear was a question, "How much property and capital enterprises does the Communist Party own in the Soviet Union, and how did they get it?" The Communist Party owns 114 publishing houses. Forty-one percent of the profits from these newspapers and publishing houses are being used to support the Communist Party. In a population of, roughly, 300 million, only 19 million people are members of the Communist Party.

Turn over the records to show how they got ownership or what they own. Using state money for their own purposes, the Communist Party, for over 70 years, has been robbing wealth and workers of the people of the Soviet Union for a very small ruling group.

Karl Marx said, "Throw off our chains and people of the world unite." I say to the people of the Soviet Union, "Throw off the Communist Party and set your people free."

CONGRATULATIONS ON ADMINISTRATION POLICY

(Mr. WISE asked and was given permission to address the House for 1 minute.)

Mr. WISE. Mr. Speaker, I rise to commend the administration for its policy that it is adopting concerning trying to keep the Khmer Rouge from taking power in Cambodia. This is a very, very important policy. Having had the occasion last year to visit Thailand, to visit personally the refugee camps in which thousands of Cambodians flee from the conflict in their own land, seeing atrocities, and hearing about atrocities committed by Khmer Rouge.

I cannot underscore enough how wrong and terrible it would be to permit the Khmer Rouge to gain power. I was struck by a meeting with the Ambassador from the People's Republic of China more than a year ago in which Members and Senators, on a bipartisan basis, many of them veterans of the Vietnam War, stood up to say whatever the administration policy was then, that we cannot permit the Khmer Rouge to take power.

I think what the administration did this week is significant and important. I want to express my appreciation for it.

SPECIAL PROSECUTOR SHOULD INVESTIGATE SPECIAL PROSECUTOR

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, the wire services are saying that Col. Ollie North's conviction was overturned, and the early reports indicate that the reason for the reversal was the fact that Ollie North's testimony before Congress, under immunity, was used against him by the special prosecutor in order to obtain the conviction.

Now, Mr. Speaker, as any first year prosecutor would know or any early student of criminal law would understand, they cannot use a person's immunized testimony against him. Yet the special prosecutor not only used Colonel North's testimony against him but apparently he has also used Admiral Poindexter's testimony against him. Presumably that conviction stands to be overturned as well

I would only suggest that after $40 million expended by the special prosecutor that we deserve better than that. Perhaps we ought to appoint a special prosecutor to investigate the special prosecutor.

EQUITY AND EXCELLENCE IN EDUCATION ACT OF 1990

The SPEAKER pro tempore. Pursuant to House Resolution 430 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5115.

□ 1046

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee on the Whole House on the State of the Union for the further consideration of the bill (H.R. 5115) to improve education in the United States, with Mr. OBERSTAR in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, July 16, 1990, all time for general debate had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment and is considered as read.

The text of the committee amendment in the nature of the substitute is as follows:

H.R. 5115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Equity and Excellence in Education Act of 1990".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) historically equity and excellence have been the twin goals of American education;

(2) belief in the ability of every child to succeed, if competently guided, and in the capability of every school to implant basic and higher order skills, if given the necessary resources, constitutes the foundation of the educational systems of the Nation;

(3) the Elementary and Secondary Education Act of 1965 was enacted to give meaning to these objectives;

(4) successively, throughout the education continuum, new elements have been added to the process;

(5) in the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, the various elements were combined into a framework that includes early childhood development programs, school readiness and completion programs, accountability for results, parental involvement, acquisition of critical skills, the concept of effective schools, and preparation for life after the age of compulsory school attendance;

(6) the Congress concurs with the recent findings of the Commission on Excellence in Education that—

(A) the educational foundations of the Nation are being eroded;

(B) education is in crisis;

(C) the United States is a nation at risk; and

(D) education must be made a priority;

(7) the United States, therefore, is challenged to—

(A) fully implement proven, cost-effective programs;

(B) vigorously enforce accountability requirements;

(C) adequately fund school improvement; and

(D) work cooperatively in a total, all-out mobilization;

(8) the President and the Governors recently announced goals for education in the United States; and

(9) the next step must be to agree upon a plan of specific action to achieve national goals in education.

(b) PURPOSE.—It is the purpose of this Act to coordinate the first steps that now must be taken by the Federal Government, in conjunction with others, and within the decade of the 1990s, to assure the achievement of national goals in education and to once again give the Nation preeminence in commerce, industry, and social and technological innovation.

SEC. 3. FINDINGS WITH RESPECT TO RESPONSIBILITIES OF STATE AND LOCAL GOVERNMENTS.

The Congress further finds that—

(1) State and local governments bear the primary responsibility for educating children under their jurisdictions;

(2) this Act identifies areas of national importance that traditionally have been assisted by the Federal Government;

(3) there are other areas of education that are in need of assistance and that should receive attention from State and local governments; and

(4) the Congress expects State and local governments to dedicate extra resources and attention to achieving the national goals in education described in section 2(a)(8).

TITLE I—READINESS

SEC. 101. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that the Federal Government has a long-standing commitment to ensuring that all physically and economically disadvantaged children are ready and able to begin school by providing them with the same opportunities to develop physically and mentally as their more advantaged peers.

(b) POLICY.—It is the goal of the United States that, by the year 2000, all children in America will start school ready to learn. In recognition of this goal, it is the policy of the United States—

(1) to provide, by 1994, Head Start services to every eligible child who needs such services;

(2) to provide, by 1994, sufficient funding for the special supplemental food program for women, infants, and children so that all potentially eligible women, infants, and children have access to the services provided by the program; and

(3) to expand, by 1995, funding for Even Start to allow programs to reach all parts of the United States and to allow each State to fund a sufficient number of programs throughout the State so that approaches are available for local educational agencies, the State educational agency, and other organizations to adopt and implement.

TITLE II—SCHOOL COMPLETION

SEC. 201. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that in order for the Nation to regain its economic competitiveness, each individual in the United States must be educated to his or her greatest potential and must be encouraged to finish secondary school.

(b) POLICY.—It is the goal of the United States that, by the year 2000, the high school graduation rate will increase to at least 90 percent. In recognition of this goal, it is the policy of the United States—

(1) to expand, by 1995, funding for secondary school dropout prevention and reentry programs and basic skills programs to allow programs to reach all parts of the United States and to allow each State to fund a sufficient number of programs throughout the State so that approaches are available for local educational agencies, the State educational agency, and other organizations to adopt and implement; and

(2) to collect uniform, reliable data from the States with respect to school completion rates.

SEC. 202. NATIONALLY COMPARABLE AND UNIFORM DATA REQUIRED.

Subparagraph (C) of section 406(g)(4) of the General Education Provisions Act (20 U.S.C. 1221e-1) is amended by adding at the end the following: "The Center shall ensure that the report submitted under the preceding sentence contains nationally comparable and uniform data by State.".

TITLE III—STUDENT ACHIEVEMENT

SEC. 301. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) American students are falling behind students in other industrialized nations on tests measuring abilities in all academic subject areas; and

(2) the United States, in seeking to increase student ability and achievement, has traditionally served special populations, such as disadvantaged individuals and individuals with disabilities.

(b) POLICY.—It is the goal of the United States that, by the year 2000, American students will leave grades 4, 8, and 12 having demonstrated competency over challenging subject matter including English, mathematics, science, history, and geography, and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our modern economy. In recognition of this goal, it is the policy of the United States—

(1) to provide remedial assistance for all disadvantaged children in the United States by increasing the participation of eligible children in programs under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 from approximately 50 percent of such children in the fiscal year 1990 to 100 percent of such children by the fiscal year 1993;

(2) to fulfill, by the year 2000, the commitment made by the United States in 1975 to provide 40 percent of the costs of educating children with disabilities, with at least 25 percent of such costs being provided by 1995;

(3) to reward successful programs in schools with concentrations of disadvantaged children; and

(4) to promote efforts that encourage all students to be involved in activities that promote and demonstrate good citizenship, community service, and personal responsibility.

PART A—PRESIDENTIAL SCHOOLS OF DISTINCTION

SEC. 311. PRESIDENTIAL SCHOOLS OF DISTINCTION.

(a) IN GENERAL.—Chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) by redesignating part F as part G; and

(2) by inserting after part E the following:

"PART F—PRESIDENTIAL SCHOOLS OF DISTINCTION

"SEC. 1411. SHORT TITLE.

"This part may be cited as the 'Presidential Schools of Distinction Act'.

"SEC. 1412. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) the basic goal of all schools is to develop the skills and abilities of students to their maximum potential;

"(2) achievable standards of excellence can and should be set for all students and for all schools;

"(3) financial incentives can spur schools to rise to the challenge of meeting these standards;

"(4) improvement in the quality of our educational system is vital to the Nation's future; and

"(5) demonstrated schoolwide progress in achieving excellence deserves public recognition.

"(b) PURPOSE.—The purpose of this part is to recognize and reward public and private elementary and secondary schools that have made substantial progress in—

"(1) improving student educational achievement;

"(2) creating a safe and drug-free school environment; and

"(3) reducing the dropout rate.

"SEC. 1413. AUTHORIZATION OF APPROPRIATIONS.

"(a) GENERAL AUTHORITY.—Except as provided in subsection (b), there are authorized to be appropriated for the purpose of carrying out this part $280,000,000 for the fiscal year 1991, $350,000,000 for the fiscal year 1992 and $450,000,000 for the fiscal year 1993.

"(b) MINIMUM APPROPRIATIONS FOR CHAPTER 1 PROGRAMS.—Subsection (a) shall not apply with respect to any fiscal year unless amounts appropriated in such fiscal year for the purpose of carrying out parts A, B, D, E, and F of chapter 1 of title I exceed $5,600,000,000.

"SEC. 1414. ALLOCATION OF APPROPRIATIONS.

"(a) RESERVATIONS.—

"(1) the Secretary may reserve up to ¼ of 1 percent of the amount appropriated under section 1413 for any fiscal year for grants to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Secretary of the Interior for activities under this part.

"(2)(A) Subject to subparagraph (B), from the amount appropriated under section 1413, the Secretary may reserve up to ¼ of 1 percent for evaluations, studies, reports, and other activities the Secretary considers appropriate.

"(B) The amount reserved under subparagraph (A) may not exceed $500,000.

"(b) ALLOCATION AMONG STATES.—

"(1) The amount remaining after any reservation of funds under subsection (a) shall be allocated among the States on the same basis as funds are allocated among the States under section 1005 for the same fiscal year.

"(2) For purposes of this subsection, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 1415. STATE APPLICATIONS.

"(a) 3-YEAR APPLICATION.—Each State that wishes to receive a grant under this part shall submit to the Secretary, through its State educational agency, an application for a 3-year period, at such time and in such manner as the Secretary may prescribe.

"(b) APPLICATION CONTENTS.—Each State application shall contain—

"(1) the criteria the State educational agency will use to select Presidential Schools of Distinction under section 1418;

"(2) the criteria it will use to determine the amount of awards;

"(3) an assurance that it will carry out this part in accordance with the requirements of this part and other applicable legal requirements; and

"(4) such other information as the Secretary may require.

"(c) GEPA PROVISIONS INAPPLICABLE.—Sections 435 and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this part.

"SEC. 1416. STATE USE OF FUNDS.

"(a) ADMINISTRATION.—Each State educational agency may use not more than 3 percent of the amount it receives under this part for the administrative costs of carrying out this part.

"(b) PRESIDENTIAL SCHOOL OF DISTINCTION AWARDS.—Each State educational agency shall use at least 97 percent of the amount it receives under this part for Presidential School of Distinction Awards made in accordance with section 1418.

"(c) PUBLIC LAW 95-134 INAPPLICABLE.—The provisions of Public Law 95-134, permitting the consolidation of grants to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, shall not apply to funds received under this part.

"SEC. 1417. STATE ACTIVITIES AND RESPONSIBILITIES.

"(a) STATE REVIEW PANEL.—

"(1) Each State educational agency shall establish a State review panel to assist in the selection of Presidential Schools of Distinction.

"(2) The State review panel shall be broadly representative of—

"(A) elementary and secondary school teachers and administrators, including teachers who provide services under programs receiving assistance under chapter 1;

"(B) college and university faculty and administrators;

"(C) parents, including parents of children being served by programs receiving assistance under chapter 1;

"(D) State and local boards of education;

"(E) State and local governments;

"(F) labor;

"(G) business; and

"(H) the general public.

"(b) ANNUAL REPORTS TO THE SECRETARY.—

"(1) Before the expiration of the 60-day period beginning on the date a State educational agency distributes Presidential School of Distinction Awards under this part for a fiscal year, such State educational agency shall submit a report to the Secretary that—

"(A) identifies the schools chosen as Presidential Schools of Distinction;

"(B) states the reasons for their selection; and

"(C) states the amount of their awards.

"(2) For the second year and each succeeding year for which any State educational agency receives funds under this part, such agency shall include in any report submitted under paragraph (1) a brief description of how schools selected in the previous year used their awards.

"SEC. 1418. SELECTION OF PRESIDENTIAL SCHOOLS OF DISTINCTION.

"(a) ELIGIBLE SCHOOLS.—A State educational agency may designate as a Presidential School of Distinction any public or private elementary or secondary school in the State that—

"(1) is participating in programs under chapter 1 of title I; and

"(2) has been nominated through procedures established by such agency.

"(b) CRITERIA ESTABLISHED BY SECRETARY.—

"(1) The Secretary shall establish minimum criteria to be used by every State educational agency in selecting Presidential Schools of Distinction.

"(2) The criteria established by the Secretary shall address—

"(A) with respect to children being served under chapter 1 of title I, aggregate performance as assessed by objective measures and standards of program improvement evaluation and review under sections 1019 and 1021;

"(B) with respect to all children being served by a school, progress in improving educational performance, with particular emphasis on mastery of reading, writing, and mathematics skills;

"(C) the degree to which the school demonstrates progress in achieving and maintaining a safe environment, including reduction or elimination of problems related to drug and alcohol use; and

"(D) with respect to secondary schools, progress in reducing the number of students who drop out of school or in encouraging students who have dropped out to reenter school and complete their schooling.

"(c) STATE CRITERIA.—

"(1) Based on the selection criteria established by the Secretary under subsection (b), each State educational agency shall establish additional selection criteria that measure progress in such areas as—

"(A) student achievement, as measured by such factors as—

"(i) year-to-year improvement in test scores; and

"(ii) with respect to secondary schools—

"(I) college entrance rates; and

"(II) employment of graduates in jobs with significant potential for career development; and

"(B) other indicators of a school's success, such as improvements in—

"(i) school leadership;

"(ii) the teaching and learning environment; and

"(iii) parental and community support and involvement.

"(2) In setting criteria for Presidential Schools of Distinction, the State educational agency shall consider the special problems faced by schools with substantial numbers or proportions of children from low-income families and other relevant factors. The State educational agency may also set different criteria for different grade levels.

"(3) In applying the criteria established by the Secretary under subsection (b)(2)(A) to a school, the State educational agency shall consider the desired outcomes identified for children in the application submitted under section 1012(b) by the local educational agency that has jurisdiction over the school. No school that a local educational agency has identified under section 1021(b) shall be eligible for a Presidential School of Distinction award until such time as the school has demonstrated progress in complying with the provisions of the State or local improvement plan developed pursuant to section 1020 or section 1021.

"(4) To the extent consistent with other provisions of this part, each State educational agency shall apply uniform selection criteria in selecting Presidential Schools of Distinction.

"(5) Any local educational agency that has jurisdiction over a school designated as a Presidential School of Distinction under subsection (a) shall implement the provisions of section 1013(c)(2) with respect to children attending such school if the provisions of such section are otherwise applicable.

"(d) AMOUNT OF AWARD.—Each State educational agency shall establish criteria for determining the amount of Presidential School of Distinction awards, including criteria relating to the size of the school and the economic circumstances of the student body.

"(e) LIMITATION.—A State educational agency may not consider a school's planned use of a Presidential School of Distinction award in selecting Presidential Schools of Distinction or in setting the amount of their awards.

"SEC. 1419. PRESIDENTIAL CERTIFICATES OF MERIT.

"Each Presidential School of Distinction shall be awarded a Presidential Certificate of Merit.

"SEC. 1420. USE OF FUNDS BY PRESIDENTIAL SCHOOLS OF DISTINCTION.

"(a) GENERAL AUTHORITY.—A Presidential School of Distinction other than a private school shall use its Presidential School of Distinction award for activities that improve student achievement. Such award may not be used for construction costs, general expenses, salaries, bonuses, or other administrative expenses.

"(b) PRIVATE SCHOOL PARTICIPATION.—

"(1) In the case of a private school that is designated as a Presidential School of Distinction, the monetary award shall be allotted to the local educational agency that provides services under chapter 1 of title I to the children from the private school that qualify for such services. The local educational agency, after consultation with private school officials, shall use the award to improve services provided under chapter 1 of title I to such children.

"(2) If a local educational agency is either prohibited by law from providing for the participation in programs assisted with funds made available under this part of eligible children who are enrolled in private schools, or is unwilling to do so, it shall notify the Secretary of such prohibition or unwillingness, and shall include in such notification—

"(A) the names of the private schools it has designated as Presidential Schools of Distinction; and

"(B) the amounts of their awards.

"(3) The Secretary shall, with respect to the private schools identified under paragraph (2)—

"(A) make suitable arrangements to provide the awards to such schools; and

"(B) withhold from the State's allocation under this part the funds necessary to make the awards to such schools and to pay the administrative costs of making such arrangements.

"SEC. 1421. PROHIBITION ON STATE OR LOCAL REDUCTION OF OTHER ASSISTANCE.

"No Federal, State, or local agency may, in any year, take a Presidential School of Distinction award into account in determining whether to award any other assistance from Federal, State, or local resources, or in determining the amount of such assistance, to either the Presidential School of Distinction or the local educational agency that has jurisdiction over such school.

"SEC. 1422. EVALUATION.

"(a) IN GENERAL.—The Secretary shall conduct a biennial evaluation of Presidential Schools of Distinction.

"(b) NATIONAL DIFFUSION NETWORK.—The Secretary shall submit information on successful Presidential Schools of Distinction programs to the National Diffusion Network for possible dissemination.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 1991.

PART B—INSTRUCTION ON THE HISTORY AND PRINCIPLES OF DEMOCRACY IN THE UNITED STATES

SEC. 321. INSTRUCTION ON THE HISTORY AND PRINCIPLES OF DEMOCRACY IN THE UNITED STATES.

Part F of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. is amended—

(1) by redesignating section 4608 the second place it appears as section 4610; and

(2) by inserting before section 4610 (as redesignated by paragraph (1) of this section) the following:

"SEC. 4609. INSTRUCTION ON THE HISTORY AND PRINCIPLES OF DEMOCRACY IN THE UNITED STATES.

"(a) GENERAL AUTHORITY.—

"(1) The Secretary shall carry out a program to educate students about the history and principles of the Constitution of the United States, including the Bill of Rights, and to foster civic competence and civil responsibility. Such program shall be known as 'We the People . . . The Citizen and the Constitution'.

"(2) The program required by paragraph (1) shall continue and expand the educational activities of the National Bicentennial Competition of the Constitution and Bill of Rights administered by the Center for Civic Education.

"(3) The Secretary is authorized to enter into a contract with the Center for Civic Education to carry out the program required by paragraph (1).

"(b) CONTENTS OF PROGRAM.—The program required by subsection (a)(1) shall provide—

"(1) a course of instruction on the basic principles of the constitutional democracy of the United States and the history of the Constitution of the United States, including the Bill of Rights;

"(2) at the request of participating schools, simulated congressional hearings in the school or community following the course of instruction described in paragraph (1); and

"(3) an annual competition of simulated congressional hearings in congressional districts and at the State and national levels for secondary students who wish to participate.

"(c) PARTICIPANTS.—The program required by subsection (a)(1) shall be made available to local educational agencies in each of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(d) TEACHER TRAINING.—Amounts appropriated for purposes of carrying out this section may, if sufficient amounts remain after carrying out the program required by subsection (a)(1), be used for providing advanced training to teachers with respect to the Constitution of the United States, including the Bill of Rights.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for the fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992 and 1993.".

TITLE IV—MATHEMATICS AND SCIENCE

SEC. 401. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) students in the United States are falling behind students from other industrialized nations on tests measuring achievement in mathematics and science;

(2) the Federal Government has a significant role in promoting the study of mathematics and science in elementary and secondary schools by providing financial assistance to local educational agencies to improve the general quality of programs for the study of mathematics and science; and

(3) the Federal Government has indirectly assisted in the postsecondary study of mathematics and science by providing future scientists, mathematicians, and engineers with financial assistance to attend postsecondary institutions, but more incentives are needed to attract high-achieving students into these areas of study.

(b) POLICY.—It is the goal of the United States that, by the year 2000, United States students will be first in the world in mathematics and science achievement. In recognition of this goal, it is the policy of the United States—

(1) to, by the year 2000, expand funding for the Dwight D. Eisenhower Mathematics and Science Education Act so that all elementary teachers and all secondary teachers of mathematics and science will have an opportunity for updating and improving their mathematics and science education skills;

(2) to, by 1995, expand funding for such Act so that all elementary school teachers have an opportunity for skill improvement; and

(3) to award scholarships to high-achieving students to pursue the study of mathematics, science, and related subjects at postsecondary institutions.

SEC. 402. NATIONAL SCIENCE SCHOLARS PROGRAM.

(a) AMENDMENT.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) by redesignating subparts 7 and 8 as subparts 8 and 9, respectively; and

(2) by inserting immediately after subpart 6 the following new subpart:

"Subpart 7—National Science Scholars Program

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 419L. (a) PURPOSE.—It is the purpose of this subpart—

"(1) to establish a National Science Scholars Program to recognize student excellence and achievement in the physical, life, and computer sciences, mathematics, and engineering;

"(2) to provide financial assistance to students under paragraph (1) to continue their postsecondary education in such fields of study at sustained high levels of performance; and

"(3) to contribute to strengthening the leadership of the United States in these fields.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1991.

"SCHOLARSHIPS AUTHORIZED

"SEC. 419M. (a) PROGRAM AUTHORITY.—(1) The Secretary is authorized, in accordance with the provisions of this subpart, to carry out a program of awarding scholarships for the study of the life, physical, or computer sciences, mathematics, engineering, or mathematics and science education; and who—

"(A) are selected by the President;

"(B) have demonstrated excellence and outstanding academic achievement in the life, physical, or computer sciences, mathematics or engineering; and

"(C) show promise of continued outstanding academic performance in such field of study.

"(2) The Secretary may carry out this program through grants, contracts, or cooperative agreements.

"(b) PERIOD OF AWARDS.—

"(1) PERIOD OF INITIAL AWARD.—A student who satisfies the requirements of section 419O(a) may receive a scholarship, for a period of 1 academic year, for the first year of undergraduate study at an institution of higher education.

"(2) CONTINUATION AWARDS.—A student who satisfies the requirements of section 419O(b) may receive additional scholarships, each awarded for a period of 1 academic year, in order to complete his or her undergraduate course of study. A student may receive additional scholarships for up to 3 academic years of undergraduate study, except that, in the case of a student who is enrolled in an undergraduate course of study that requires attendance for 5 academic years, the student may receive additional scholarships for up to 4 academic years of undergraduate study.

"(c) USE AT ANY INSTITUTION PERMITTED.—A student awarded a scholarship under this subpart may attend any institution of higher education, as defined in section 1201(a) of the Act.

"(d) NATIONAL SCIENCE SCHOLARS.—Students awarded scholarships under this subpart shall be known as 'National Science Scholars'.

"SELECTION OF SCHOLARS

"SEC. 419N. (a) SELECTION CRITERIA.—The Secretary shall appoint a panel of experts, composed of scientists, mathematicians, engineers, and representatives of industries that utilize advanced technologies, to recommend to the Secretary specific academic achievement criteria for use in the nomination of scholars. The Secretary shall review the panel's recommendations and publish appropriate academic achievement criteria in the Federal Register.

"(b) SELECTION PROCESS.—

"(1) STATE NOMINATION.—Using the criteria described in subsection (a), each State shall nominate at least 4, but not more than 10, students from each congressional district within that State. The President shall select students to receive scholarships under this part in accordance with paragraph (2).

"(2) PRESIDENTIAL SELECTION.—(A) After considering the students nominated under paragraph (1), the President shall select at least 30 students to receive scholarships. The President may consult a board, consisting of the President's Science Advisor, the Secretary, and the Director of the National Science Foundation, regarding the selection of students under this subparagraph.

"(B) After considering the students nominated under paragraph (1), the President shall select an additional 540 students to receive scholarships. Each Senator and Member of the House of Representatives (or in the case of the District of Columbia, Puerto Rico, the Virgin Islands, Guam, or American Samoa, the Delegate or Resident Commissioner) is entitled to make recommendations to the President regarding the selection of students, nominated under paragraph (1), for 1 scholarship.

"(3) CONSIDERATION FOR ECONOMICALLY DISADVANTAGED.—In the nomination and selection of students for awards under this part, special consideration shall be accorded to

students of exceptional merit who are economically disadvantaged.

"(c) USE OF EXCESS FUNDS.—If the funds available under this subpart for any fiscal year exceed the amounts required for initial and continuing awards under section 419M(b), the President may, after considering the students nominated under subsection (b)(1), select additional students to receive scholarships under section 419M(b)(1).

"(d) DISBURSAL OF SCHOLARSHIP PROCEEDS.—Scholarship proceeds shall be disbursed on behalf of students who receive scholarships under this subpart to the institutions of higher education at which the students are enrolled. No scholarship proceeds shall be disbursed on behalf of a student until the student is enrolled at an institution of higher education.

"ELIGIBILITY OF SCHOLARS

"SEC. 419O. (a) REQUIREMENTS FOR INITIAL AWARD.—To be eligible to receive a scholarship under section 419M(b)(1), a student shall—

"(1) be scheduled to graduate from a public or private secondary school, or to obtain the equivalent of a certificate of graduation (as recognized by the State in which the student resides), during the school year in which the award is made, or be scheduled to so graduate or obtain such equivalent within three months after the date of the award;

"(2) have demonstrated outstanding academic achievement in secondary school in physical, life, or computer sciences, mathematics, or engineering;

"(3) have been accepted for enrollment at an institution of higher education as a full-time undergraduate student (as determined by the institution); and

"(4) have declared a major in 1 of the life, computer, or physical sciences, mathematics, or engineering, or provided a written statement to the State of his or her intent to major in 1 of these fields of study, if it is the policy of the institution at which the student has been accepted for enrollment that students not declare a major until a later point in their course of study.

"(b) REQUIREMENTS FOR CONTINUATION AWARDS.—A student who has received a scholarship under section 419M(b)(1) may receive a scholarship for a subsequent academic year of undergraduate education under section 419M(b)(2) if the student—

"(1) maintains a superior level of academic achievement, as determined in accordance with the regulations of the Secretary;

"(2) continues to major in, or provides a statement to the State as described in subsection (a)(4) of his or her continuing intent to major in, one of the life, computer, or physical sciences, mathematics, or engineering; and

"(3) continues to be enrolled at an institution of higher education as a full-time undergraduate student (as determined by the institution).

"(c) WAIVER OF FULL-TIME ATTENDANCE REQUIREMENT.—The Secretary may waive the full-time attendance requirements in this section in unusual circumstances.

"(d) FAILURE TO MEET ELIGIBILITY REQUIREMENTS.—In the event that the student fails to meet the requirements of this section, the student's eligibility to receive further scholarships (or scholarship proceeds) under this subpart shall be determined in accordance with the regulations of the Secretary.

"SCHOLARSHIP AMOUNT

"SEC. 419P. (a) AMOUNT OF AWARD.—Except as provided in subsections (b) and (c), the amount of a scholarship awarded under this subpart for any academic year shall be $10,000.

"(b) RELATION TO COST OF ATTENDANCE.—Notwithstanding subsection (a), the amount of a scholarship awarded under this subpart shall be reduced by the amount that the scholarship exceeds the student's cost of attendance, as defined in section 472 of this Act. A scholarship awarded under this subpart shall not be reduced on the basis of the student's receipt of other forms of Federal student financial assistance, but shall be taken into account in determining the eligibility of the student for those other forms of Federal student financial assistance.

"(c) ADJUSTMENTS FOR INSUFFICIENT APPROPRIATIONS.—In the event that funds available in a fiscal year are insufficient to fully fund all awards under this subpart, the amount paid to each student shall be reduced proportionately.

"SUMMER EMPLOYMENT OPPORTUNITIES FOR SCHOLARS

"SEC. 419Q. (a) PRIORITY FOR SUMMER EMPLOYMENT.—To the extent that they are otherwise qualified, students receiving scholarships under this part shall be given priority consideration for federally financed summer employment in federally funded research and development centers, that, to the maximum extent practicable, complements and reinforces the educational program of these students.

"(b) FEDERAL AGENCY COOPERATION.—Federal agencies shall cooperate fully with the Secretary and participate actively in providing appropriate summer employment opportunities for such students.".

(b) CONFORMING AMENDMENTS.—

(1) Section 401(b) of the Higher Education Act of 1965 is amended by striking out "subparts 1 through 8," and inserting in lieu thereof "subparts 1 through 9,".

(2) Section 481(a)(1) of such Act is amended by striking out "except subpart 6" and inserting in lieu thereof "except subparts 6 and 7".

(3) Section 483(f) of such Act is amended by striking out "subparts 4, 5, and 7" each place it appears and inserting in lieu thereof "subparts 4, 5, and 8".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 1991.

TITLE V—FAMILY LITERACY AND LIFELONG LEARNING

SEC. 501. SHORT TITLE.

This title may be cited as the "Literacy for All Americans Act of 1990".

SEC. 502. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) nearly 30,000,000 adults in the United States have serious problems with literacy (the ability to read, write, speak English, compute, and solve problems effectively);

(2) literacy problems are closely associated with poverty and pose a major threat to the economic well-being of the United States;

(3) present public and private literacy programs reach only a small portion of the population in need and often result in only minimal learning gains;

(4) literacy programs generally lack adequate funding, adequate coordination with other literacy programs, and an adequate investment in teacher training and technology; and

(5) access to better information about the best practices in the literacy field and more research in order to provide better diagnostic and instructional tools are essential for the improvement of literacy and employability in the United States.

(b) POLICY.—It is the goal of the United States that, by the year 2000, every American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship. In recognition of this goal, it is the policy of the United States—

(1) to provide all workers and adults in the United States with the opportunity to acquire the skills needed to function productively;

(2) to promote the pursuit of lifelong learning by all individuals in the United States by providing essential support for the Nation's system of public school, academic, and research libraries;

(3) to establish programs for large-scale public-private partnerships in workforce literacy for upgrading the basic functional literacy skills of workers;

(4) to provide for teacher training and instructional technologies to increase the number of students served by each teacher and increase the rate and extent of learning gains;

(5) to provide easy access to information on model programs by teachers, community-based organizations, volunteers, small businesses, and large businesses; and

(6) to help build the capacity of States to assist larger numbers of adults and families.

SEC. 503. DEFINITIONS.

For purposes of this title:

(1) APPLICABLE PROGRAM.—The term "applicable program" means any program under—

(A) the Adult Education Act;

(B) the Carl D. Perkins Vocational Education Act;

(C) the Job Training Partnership Act; or

(D) the Library Services and Construction Act.

(2) BASIC SKILLS.—The term "basic skills" means—

(A) reading in the English language;

(B) writing in the English language;

(C) speaking in the English language;

(D) mathematics; and

(E) problem-solving.

(3) LITERACY.—The term "literacy" means the attainment of a level of proficiency in basic skills that is sufficient to allow each individual to meet individual goals for proficiency and to meet social and economic demands for proficiency.

(4) SECRETARY.—Except as otherwise provided, the term "Secretary" means the Secretary of Education.

PART A—LITERACY: STRATEGIC PLANNING, RESEARCH, AND COORDINATION

Subpart 1—National Planning, Research, and Coordination

SEC. 511. INTERAGENCY TASK FORCE ON LITERACY.

(a) ESTABLISHMENT.—There is established an Interagency Task Force on Literacy (in this section referred to as the "Task Force").

(b) COMPOSITION.—

(1) IN GENERAL.—The Task Force shall consist of—

(A) the Secretary of Education;

(B) the Secretary of Labor;

(C) the Secretary of Health and Human Services; and

(D) any other head of an agency that the President considers appropriate.

(2) SPECIAL APPOINTMENTS.—Any officer not appointed to the Task Force who is the head of an agency of the United States may be assigned by the President or the Chairperson of the Task Force to serve whenever matters within the jurisdiction of the agency headed

by such officer are to be considered by the Task Force.

(3) CHAIRPERSON.—The President is requested to appoint the Chairperson of the Task Force from among its members to serve as Chairperson at the President's discretion.

(c) QUORUM.—1 more than ½ of the members of the Task Force shall constitute a quorum for the purpose of transmitting recommendations and proposals to the President, but a lesser number may meet for other purposes.

(d) ABSENCES.—Any member of the Task Force who is unable to attend a meeting of the Task Force shall appoint an appropriate Assistant Secretary from the department of which the member is the Secretary, or in the case of an agency, the second-ranking official of such agency, to represent the member for that meeting.

(e) DUTIES OF THE TASK FORCE.—The Task Force shall—

(1) coordinate the various literacy functions of the Federal Government;

(2) measure departmental progress toward meeting the goals of this Act;

(3) devise, coordinate, and implement government-wide initiatives in workplace literacy and other high-priority issues affecting adult and family literacy;

(4) facilitate the integration of resources across programs; and

(5) issue an annual report to Congress and the President concerning the progress being made by the Federal Government, the individual States, and the United States as a whole toward improving adult and family literacy.

SEC. 512. NATIONAL INSTITUTE FOR LITERACY.

(a) ESTABLISHMENT.—There is established the National Institute for Literacy (in this section referred to as the "Institute"). The Institute may include any research and development center supported under section 405(d)(4)(A)(ii) of the General Education Provisions Act and any other center, institute, or clearinghouse established within the Department of Education the purpose of which is determined by the Secretary of Education to be related to the purpose of the Institute.

(b) DUTIES.—The Institute shall, in order to improve and expand the system for delivery of literacy services—

(1) conduct basic and applied research and demonstrations on literacy, including—

(A) how adults learn to read and write and acquire other skills;

(B) how the literacy skills of parents affect the ability of children to learn literacy skills;

(C) the assessment of literacy skills;

(D) the best methods for assisting adults and families to acquire literacy skills, including the use of technology;

(E) the special literacy needs of individuals with learning disabilities and individuals with limited English proficiency;

(F) how to effectively reach and teach the most disadvantaged individuals; and

(G) how to attract, train, and retain professional and volunteer teachers of literacy;

(2) assist Federal, State, and local agencies in the development, implementation, and evaluation of policy with respect to adult literacy by—

(A) establishing a national data base with respect to—

(i) adult literacy and basic skills programs (including programs in Federal departments, State agencies, and local agencies, and programs that are privately supported through nonprofit entities and for-profit entities;

(ii) assessment tools and outcome measures;

(iii) the amount and quality of basic education provided in the workplace by businesses and industries; and

(iv) progress made toward the national literacy goals described in section 2(a)(8); and

(B) providing technical and policy assistance to government entities for the improvement of policy and programs relating to literacy;

(3) provide program assistance and training for literacy programs throughout the United States and technical and policy assistance to government entities in order to improve the effectiveness of such programs and to increase the number of such programs, which assistance and training shall—

(A) be based on the best available research and knowledge; and

(B) be coordinated with activities conducted by—

(i) regional educational laboratories supported under section 405(d)(4)(A)(i) of the General Education Provisions Act;

(ii) curriculum centers assisted under section 251(a)(8) of the Carl D. Perkins Vocational Education Act; and

(iii) other educational and training entities that provide relevant technical assistance; and

(4) collect and disseminate information to Federal, State, and local entities with respect to literacy methods that show great promise (including effective methods of assessment, effective literacy programs, and other information obtained through research or practice relating to adult and family learning that would increase the capacity and quality of literacy programs in the United States), using a variety of methods to ensure that the best information is received by State and local providers of literacy services.

(c) NATIONAL INSTITUTE FOR LITERACY GOVERNING BOARD.—There is established the National Institute for Literacy Governing Board (in this Act referred to as the "Board"), which shall consist of the following:

(1) The Secretary of Education.

(2) The Secretary of Labor.

(3) The Secretary of Health and Human Services.

(4) The head of any other Federal department that chooses to participate and that is invited by the Board.

(5) 8 individuals, not more than 4 of whom shall be from the same political party, appointed (not later than the end of the 90-day period beginning on the date of the enactment of this Act) by the President with the advice and consent of the Senate from individuals who are not otherwise officers or employees of the Federal Government who are representatives of—

(A) literacy organizations and providers of literacy services, including—

(i) providers of literacy services receiving assistance under the Adult Education Act; and

(ii) nonprofit providers of literacy services;

(B) businesses that have demonstrated interest in literacy programs;

(C) literacy students;

(D) experts in the area of literacy research;

(E) State and local governments; and

(F) organized labor.

(d) DUTIES.—

(1) IN GENERAL.—The Board shall determine policy for the Institute, set an agenda for the Institute, and oversee the operations of the Institute.

(2) CONTRACT AND GRANT AUTHORITY.—The Board may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by the Secretary of Education.

(e) TERMS.—

(1) IN GENERAL.—Each member who is not an ex officio member shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

(2) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(f) WAIVER OF LIMITATION ON EXECUTIVE SCHEDULE POSITIONS.—Appointments may be made under this section without regard to section 5311(b) of title 5, United States Code.

(g) BASIC PAY.—

(1) RATES OF PAY.—Except as provided in paragraph (2), members of the Board shall each be entitled to receive the daily equivalent of the maximum annual rate of basic pay payable for grade GS-15 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Board.

(2) PROHIBITION OF COMPENSATION OF FEDERAL EMPLOYEES.—Members of the Board who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Board.

(h) TRAVEL EXPENSES.—Each member of the Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(i) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

(j) CHAIRPERSON; VICE CHAIRPERSON.—The Chairperson and Vice Chairperson of the Board shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 1 year.

(k) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of its members.

(l) GIFTS, BEQUESTS, AND DEVISES.—The Board may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Board. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Board.

(m) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(n) STAFF.—The Board may appoint and fix the pay of a Director and such staff as it considers appropriate.

(o) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Board may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(p) EXPERTS AND CONSULTANTS.—The Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(q) REPORT.—Not later than the expiration of the 3-month period beginning on the last day of any fiscal year in which the Institute receives assistance under this section, the Institute shall submit a report to the President and to the Congress. Such report shall include a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year.

(r) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of this title $15,000,000 for each of the fiscal years 1991, 1992, 1993, 1994, and 1995.

(2) USE OF OTHER FUNDS.—Any amounts appropriated to the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this title may be provided to the Institute for such purposes.

Subpart 2—State Planning, Research, and Coordination

SEC. 516. STATE COORDINATION OF ADULT LITERACY PROGRAMS.

Subsection (f) of section 332 of the Adult Education Act (20 U.S.C. 1205a) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) meet with the State agency responsible for literacy training to advise on the development of a State plan for literacy and for adult education that fulfills the literacy and adult education needs of the State, especially with respect to the needs of the labor market, economic development goals, and the needs of the individuals in the State;" and

(2) by amending paragraph (2) to read as follows:

"(2) advise the Governor concerning—

"(A) the development and implementation of measurable State literacy and adult education goals, especially with respect to—

"(i) improving levels of literacy in the State;

"(ii) improving literacy programs in the State; and

"(iii) fulfilling the long-term literacy goals of the State;

"(B) the coordination of State literacy training programs in order to progress toward the long-term literacy goals of the State;

"(C) the expansion of literacy programs to eventually fulfill the educational needs of all illiterate adults in the State;

"(D) the improvement of the quality of literacy programs in the State by supporting integration of services, staff training, and technology-based learning; and

"(E) private sector initiatives that would improve adult education programs and literacy programs, especially through public-private partnerships; and".

SEC. 517. LITERACY RESOURCE CENTERS.

(a) ESTABLISHMENT.—From amounts appropriated pursuant to subsection (f), the Secretary shall make grants for purposes of establishing a network of State or regional adult literacy resource centers.

(b) AUTHORIZED ACTIVITIES.—The centers established with assistance under subsection (a) shall—

(1) serve as a reciprocal link between the National Institute for Literacy and service providers for the purpose of sharing information, data, research, and expertise;

(2) improve the diffusion and adoption of state-of-the-art teaching methods;

(3) assist in coordinating the delivery of services by public and private agencies;

(4) encourage government-industry partnerships;

(5) encourage innovation and experimentation in literacy services;

(6) provide technical and policy assistance to State and local governments in improving literacy policy and programs; and

(7) provide training and technical assistance to service providers, including service providers that serve special populations.

(c) STATE APPLICATIONS.—Each State or group of States, as appropriate, that desires to receive a grant under this section shall submit to the Secretary an application that has been reviewed and commented on by the State advisory board and that describes how the State or group of States will—

(1) develop a literacy resource center or expand an existing literary resource center;

(2) provide services and activities with the assistance provided under this section; and

(3) assure access to services of the center for all public and private programs providing or seeking to provide basic skills instruction, including local educational agencies, service delivery areas under the Job Training Partnership Act, welfare agencies, labor organizations, businesses, volunteer groups, and community based organizations.

(d) ALLOTMENT.—From sums available for purposes of making grants under this section for any fiscal year, the Secretary shall allot to each State having an approved application under subsection (c) an amount which bears the same ratio to such sums as the number of adults in such State who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently enrolled or required to be enrolled in the schools of such State bears to the number of such adults in all States.

(e) MATCHING REQUIREMENT.—Each State that receives assistance under this section shall agree to provide funds for the center established with such assistance in the following amounts:

(1) In an amount equal to 10 percent of the amount provided under this section for each of the first 2 years for which assistance is provided under this section.

(2) In an amount equal to 20 percent of the amount provided under this section for the third year for which such assistance is provided.

(3) In an amount equal to 30 percent of the amount provided under this section for the fourth year for which such assistance is provided.

(4) In an amount equal to 40 percent of the amount provided under this section for the fifth year and each succeeding year for which such assistance is provided.

(f) REGIONAL CENTERS.—

(1) AUTHORIZATION.—A group of States may form an interstate compact to develop and operate a regional adult literacy resource center if the States determine that a regional approach is more appropriate for their situation.

(2) REDUCTION OF MATCHING REQUIREMENT FOR REGIONAL CENTERS.—Any State that receives assistance under this section as part of a regional center shall only be required to provide under subsection (e) 50 percent of the funds such State would otherwise be required to provide under such subsection.

(3) REGIONAL CENTERS REQUIRED IN SOME AREAS.—In any fiscal year in which the Secretary determines that the amount a State is entitled to receive under this section is insufficient to carry out this section, the Secretary may designate certain States that may only receive assistance under this section as part of a regional center.

(4) BASIS FOR DESIGNATION.—The Secretary shall select States that may receive assistance under this section only as part of a regional center on the basis of the proportionate population in each State in need of services.

(5) RESERVATION OF FUNDS FOR STATE SERVICES.—In any fiscal year in which paragraph (2) applies, the Secretary may allow certain States that receive assistance as part of a regional center to reserve a portion of such assistance for State literacy services pursuant to this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for each of the fiscal years 1991, 1992, and 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

SEC. 518. STATE LITERACY COORDINATION PLAN.

Subsection (c) of section 342 of the Adult Education Act (20 U.S.C. 1206a) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) describe and provide for the fulfillment of the literacy needs of individuals in the State;";

(2) by striking paragraph (9);

(3) by redesignating paragraphs (2) through (8) as paragraphs (3) through (9), respectively;

(4) by inserting after paragraph (1) the following:

"(2) set forth measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State and describe a comprehensive approach for achieving such goals, including the expected outcomes of programs, services, and activities during the 4-year period;";

(5) in paragraph (4) (as redesignated by paragraph (3) of this section)—

(A) by striking "the use of" and inserting "coordination by";

(B) by striking "other than" and inserting "including"; and

(C) by striking "such as"; and

(6) in paragraph (9) (as redesignated by paragraph (3) of this section), by inserting before the semicolon the following: "and the progress the State has made toward achieving the goals set forth in each State plan subsequent to the initial State plan".

SEC. 519. EVALUATION.

Section 352 of the Adult Education Act is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) annually submit a report to the Interagency Task Force on Literacy describing—

"(A) how the State will or has met the literacy goals established in its State plan; and

"(B) progress being made in reaching its literacy goals, coordination of workplace literacy services, and building a high quality delivery system for adult literacy programs.".

PART B—INVESTMENT IN LITERACY

SEC. 521. AMENDMENTS TO THE ADULT EDUCATION ACT.

(a) AUTHORIZATION OF APPROPRIATIONS; ALLOTMENTS.—Section 313 of the Adult Education Act (20 U.S.C. 1201b) is amended—

(1) in subsection (a)—

(A) by inserting "(1)" before "There"; and

(B) by striking "1993" and inserting the following: "1990, $280,000,000 for the fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995"; and (2) by amending subsection (b) to read as follows:

"(b) ALLOTMENT.—(1) From the amounts appropriated pursuant to subsection (a) for any fiscal year, the Secretary shall allot—

"(A) $100,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands; and

"(B) $250,000 to each of the other States.

"(2) In any fiscal year the Secretary, from the amount remaining after the allotments are made as required by paragraph (1), shall allot to each State an amount which bears the same ratio to such remaining amount as the number of adults in such State who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently enrolled or required to be enrolled in schools of such State bears to the number of such adults in all States.".

(b) USE OF FUNDS.—Subsection (a) of section 322 of the Adult Education Act (20 U.S.C. 1203b(b)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Grants to States under this subpart shall be used in accordance with State plans (and amendments thereto) approved under sections 341 and 351, to pay the Federal share of the cost of the establishment or expansion of adult education programs to be carried out by local educational agencies, community-based organizations, public or private nonprofit agencies, postsecondary educational institutions, and other institutions that have the capacity to provide literacy services to adults and families. In determining which programs shall receive assistance under the preceding sentence, the State shall ensure that all potential applicants have a fair opportunity to apply and be considered for such assistance. Where relevant to making such determination, the State shall consider—

"(A) the past effectiveness of applicants in providing effective services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

"(B) the degree to which the applicant will coordinate and utilize other literacy and social services available in the community; and

"(C) the commitment of the applicant to serve individuals in the community that are most in need of literacy services.";

(2) in paragraph (3)—

(A) by striking the first sentence; and

(B) by inserting after "sources;" the following: "the projected goals of the applicant with respect to participant recruitment, retention, and successful completion of the literacy program;";

(3) in paragraph (4)—

(A) by striking "(A)"; and

(B) by striking subparagraph (B);

(4) by redesignating paragraphs (3) and (4) (as amended by paragraphs (2) and (3) of this subsection) as paragraphs (4) and (5), respectively; and

(5) by inserting after paragraph (2) the following:

"(3)(A) Grants to States provided under this section shall also be used for competitive 2-year grants to public housing authorities for literacy programs and related activities. Any grant provided under the preceding sentence shall be referred to as a 'Gateway Grant'.

"(B) The Secretary shall, not less often than every 2 years, evaluate any grants made under this paragraph and report the results of such evaluation to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.".

(c) EVALUATION.—Section 352 of the Adult Education Act (20 U.S.C. 1207a) (as amended by section 519 of this Act) is amended—

(1) in paragraph (1), by inserting before the semicolon the following: ", including—

"(A) the number and percentage of local educational agencies, community-based organizations, volunteer groups, and other organizations that are grant recipients; and

"(B) the amount each such grant recipient receives under this Act"; and

(2) in paragraph (2)—

(A) by striking "before the end" and all that follows through "shall consider" and inserting the following: "evaluate ¼ of the grant recipients each year so that at the end of such period each grant recipient shall have been evaluated once and such evaluations shall consider, at a minimum—";

(B) by redesignating subparagraphs (A) through (D) as subparagraphs (B) through (E), respectively;

(C) by inserting before subparagraph (B) (as redesignated by subparagraph (B) of this paragraph) the following:

"(A) the projected goals of the grant recipient as described in its application under section 322(a)(3);"; and

(D) by amending subparagraph (D) (as redesignated by subparagraph (B) of this paragraph) to read as follows:

"(D) the success of the grant recipient in recruiting, retaining, and assisting participants in reaching desired literacy goals and obtaining subsequent work experience; and".

(d) DEMONSTRATION PROJECTS.—Subsection (a) of section 353 of the Adult Education Act (20 U.S.C. 1208) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(3) development and expansion of innovative programs; and

"(4) support for statewide volunteer technical assistance activities.".

SEC. 522. INVESTMENT IN TRAINING AND TECHNOLOGY.

(a) CHALLENGE GRANTS FOR TRAINING AND TECHNOLOGY.—

(1) GENERAL AUTHORITY.—The Secretary is authorized to make matching grants to States or groups of States for purposes of—

(A) training staff to provide adult and family literacy instruction; and

(B) providing, purchasing, or developing learning technologies related to adult and family literacy.

(2) STATE ALLOCATIONS.—From amounts appropriated for purposes of making grants under this subsection, the Secretary shall first allocate $1,000,000 to each State that applies for a grant under this subsection. From any remaining amounts, the Secretary shall allocate to each such State an additional amount that bears the same ratio to such remainder as the number of adults in such State who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently enrolled or required to be enrolled in the schools of such State bears to the number of such adults in all States applying for grants under this subsection.

(3) INTERSTATE AGREEMENTS.—A group of States may enter into an agreement to provide the training services described in paragraph (5)(A) at a regional center or to make a joint purchase of the learning technologies described in paragraph (5)(B).

(4) MATCHING REQUIREMENT.—(A) Except as provided in subparagraph (B), each State that receives a grant under this subsection shall agree to provide, from other sources, assistance for the activities for which the grant is received. Such assistance shall be in an amount equal to not less than 20 percent of the amount of the grant. Such assistance may be in the form of State funds or Federal funds provided under provisions of law other than this subsection for staff training, capital improvement, or general administration (to the extent that such funds are used for training individuals to provide literacy instruction, adult education, or basic skills instruction).

(B) Each State that enters into an interstate agreement under paragraph (3) shall agree to provide, from other sources, assistance for the activities for which the grant is received in an amount equal to not less than 20 percent of the amount of the grant.

(5) AUTHORIZED USES.—Each State that receives a grant under this subsection—

(A) shall use not less than 60 percent of amounts received under the grant for purposes of training staff to provide adult literacy instruction; and

(B) may use not more than 40 percent of amounts received under the grant for purposes of providing, purchasing, or developing learning technologies related to adult literacy.

(6) APPLICATIONS.—Each State or group of States that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(7) UNIFORM ACCESS TO ADULT LITERACY FACILITIES AND EQUIPMENT.—Each State that receives funds under this subsection shall provide assurances that any equipment, facilities, or training services purchased or supported with assistance under this subsection—

(A) will be available without charge to any adult literacy or basic skills program receiving Federal assistance; and

(B) will be available at cost to corporate efforts, community-based organizations, volunteer groups, or other groups providing

adult literacy programs that do not receive Federal assistance.

(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this subsection $40,000,000 for the fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995.

(b) LITERACY LEADER TRAINING FUND.—

(1) ESTABLISHMENT OF FUND.—There is established the Literacy Leader Training Fund (in this subsection referred to as the "Fund").

(2) SCHOLARSHIPS.—The Secretary shall make grants from the Fund to professional individuals pursuing a career in adult educational instruction, adult educational management, research in adult education, or innovation in adult education for purposes of education or research intended to expand their expertise.

(3) APPLICATIONS.—The Secretary shall establish a process for submission and review of applications for grants under this subsection.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this subsection $10,000,000 for the fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995.

SEC. 523. AMENDMENTS TO THE EVEN START PROGRAM.

(a) GENERAL RULE.—Subsection (c) of section 1052 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2742) is amended—

(1) by inserting after "part" the following: "other than section 1053";

(2) by striking "and"; and

(3) by inserting before the period the following: ", Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands".

(b) ALLOCATION.—Section 1053 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2743) is amended—

(1) by amending subsection (a) to read as follows:

"(a) RESERVATION FOR MIGRANT PROGRAMS AND TERRITORIES.—In each fiscal year in which this section applies, the Secretary shall first reserve for programs consistent with the purpose of this part—

"(1) for migrant children, an amount equal to 3 percent of the amount appropriated for purposes of carrying out this part, which programs shall be conducted through the Office of Migrant Education; and

"(2) for allocations to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, an appropriate amount comparable to their relative need as measured by the number of children in such territories who are eligible to be counted under section 1005(c).''; and

(2) by adding at the end the following:

"(d) For the purpose of this section, the term 'State' includes each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.".

PART C—BUSINESS LEADERSHIP FOR EMPLOYMENT SKILLS

SEC. 531. NATIONAL STRATEGIES IN HUMAN RESOURCE DEVELOPMENT PROGRAM.

(a) PURPOSE.—It is the purpose of this section—

(1) to provide basic skills training to the currently employed, especially those workers who are marginally employed with low basic skills and limited opportunity for long-term employment and advancement, by establishing large-scale national strategies in workforce literacy;

(2) to develop, test, and evaluate replicable national strategies based on regional, State, and industrywide cooperative ventures that will demonstrate effective approaches to improving the levels of adult literacy in the American workplace, that can be implemented in the near-term and provide adequate incentive for business investment in workforce literacy, and are cost-effective for individual employers and the Nation's economy as a whole.

(b) GENERAL AUTHORITY.—The Secretary of Labor, in consultation with the Secretary of Education and the Secretary of Commerce, is authorized to carry out a program of making grants to business, business associations, industry, labor (or a combination of small and medium-sized business and consortia thereof), either separately or as joint ventures with governmental entities on a local, statewide (including SEA's), regional, or national level (or a combination or consortia thereof), to establish and provide large-scale models in strategic approaches to improving the basic skills of workforce sectors.

(c) USES OF FUNDS.—Grants awarded under this section shall be used to provide—

(1) basic skills training that is cost effective and needed by employees and required by their employers to establish a trainable workforce which can take advantage of further job specific training and advance the productivity of the labor force on an individual, industrywide, and national level;

(2) specific program offerings, which may include—

(A) English as a second language instruction;

(B) communications skill building;

(C) reading and writing skill building; and

(D) computation and problem solving;

(3) where appropriate, workplace literacy audits which assess individuals' basic skill needs and of the basic skill level required by the workforce sector;

(4) evaluations of programs in terms of outcome measures such as skill attainment, enhanced worker employability, increased business productivity;

(5) the establishment, as appropriate, of technology-based learning environments, such as computer-based learning centers; and

(6) the support services needed by the workers, such as child care and transportation, so they can fully participate in the program funded under subsection (b) of this section.

(d) GRANT ADMINISTRATION.—

(1) Applications for grants authorized under subsection (b) shall be submitted jointly by the governmental entity or entities and the business or labor entity or entities proposing to form a joint venture for the purposes set forth in subsection (c).

(2) The Secretary shall designate one of the entities submitting the application for each grant as the grant recipient responsible for the administration and reporting requirements of the grant.

(3) 5 percent of the grant may be reserved for the administration of the grant.

(e) ABILITY TO MAKE SUBCONTRACTS.—A grant recipient under this section may, by contract, secure the actual service delivery of basic literacy and workforce competency skills training from experienced adult education, English as a second language, basic skills, and literacy agencies, including public agencies for-profit and not-for-profit entities, community-based and volunteer programs and their national associations.

(f) APPLICATION AND GRANT AWARD PROCESS.—

(1) To receive a grant under this section, a joint proposal shall be submitted by business, business associations, industry, or organized labor, a plan outlining the design of their strategy and justifies the national, statewide, and industrywide importance of this approach. The proposal shall include—

(A) a demonstration of need;

(B) a statement of goals;

(C) a description of the respective roles of each member of the joint venture;

(D) a description of the business, industry or workforce sector for which the strategy is to be established;

(E) an assessment process for the evaluation of workers' skills and the skills demanded by the workplace;

(F) letters of agreement from all organizations participating in this demonstration and letters of support from the community;

(G) a plan and description of the services to be provided;

(H) outcome measures for the program and the participants;

(I) plans for an independent evaluation of the model's effectiveness in improving the basic skills of workers and the productivity of employees in a cost-effective way; and

(J) indications of the model's potential for achieving replicability.

(2) The Secretary of Labor, in consultation with the Secretary of Education and the Secretary of Commerce, shall develop a formal process for the submission of proposals and announce that process and the availability of funds in the Federal Register.

(3) The Secretary shall give priority to multiyear awards, subject to yearly renewal and interim evaluation of the project and to the availability of funds.

(4) The Secretary may take into account geographic considerations (such as rural and urban) outreach efforts to involve small and medium sized business consortia, and national distribution, when awarding grants under this part.

(5) The Secretary shall award no more than 5 grants from each $10,000,000 appropriated to carry out the provisions of this section.

(g) MATCHING REQUIREMENT FROM GRANTEES.—The Federal share of the total cost of any demonstration program under this part shall not exceed 70 percent of such cost. The non-Federal share of such cost may be in the form of in-kind contributions, cash, worker-release time, equipment, or facilities provided by the entities participating in the grant.

(h) INDEPENDENT EVALUATION.—The Secretary shall every two years and at the expiration of this section, have an independent evaluation conducted on the effectiveness of the national strategies authorized and developed under this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated $40,000,000 for fiscal year 1991 and each of the 4 succeeding fiscal years to carry out the provisions of this title.

(2) The Secretary may reserve up to 5 percent of the funds authorized under this title for administration and the independent evaluation of the program authorized under this section.

SEC. 532. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants on a competi-

tive basis to pay the Federal share of the costs of establishing and operating adult education programs which increase the skills of commercial drivers which are necessary to successfully complete the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

(b) FEDERAL SHARE.—The Federal share of the costs of the adult education programs authorized under subsection (a) shall be 50 percent. Nothing in this subsection shall be construed to require States to meet the non-Federal share from State funds.

(c) ELIGIBLE INDIVIDUALS.—Individuals eligible to receive a grant under this section include—

(1) private employers employing commercial drivers;

(2) colleges, universities, or community colleges;

(3) approved apprentice training programs; and

(4) labor organizations, the memberships of which includes commercial drivers.

(d) REFERRAL PROGRAM.—Grantees shall refer individuals who are identified as having literacy skill problems to appropriate adult education programs as authorized under this Act.

(e) DEFINITION.—The term "commercial driver" means an individual required to possess a commercial driver's license under the Commercial Motor Vehicle Safety Act of 1986.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,500,000 for each of fiscal years 1991 and 1992.

TITLE VI—SAFE, DISCIPLINED, AND DRUG-FREE SCHOOLS

SEC. 601. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) use of illicit drugs and alcohol by the youths of the Nation continues to be a major problem that threatens the safety of the children of the Nation and impedes their ability to succeed in school and in their lives; and

(2) more Federal efforts are urgently needed in the areas of drug and alcohol abuse education and prevention.

(b) POLICY.—It is the goal of the United States that, by the year 2000, every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning. In recognition of this goal, it is the policy of the United States to, by 1993, expand funding for the Drug-Free Schools and Communities Act of 1986 in order to ensure that all students receive drug abuse prevention education and counseling services.

TITLE VII—TEACHER RECRUITMENT AND RETENTION

SEC. 701. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) the success of America's schools depends most heavily on the Nation's teachers;

(2) when teachers have the necessary skills to be highly motivated and committed to excellence, they succeed in not only imparting subject matter knowledge, but also in instilling in their students an appreciation of the value and importance of education; and

(3) teachers are instrumental in the education of the children of the United States and are instrumental to achieving the national goals in education described in section 2(a)(8).

(b) POLICY.—It is the goal of the United States that, by the year 2000, there will be a well-qualified teacher in every classroom in the Nation and that these teachers will reflect the demographic make-up of the general population of the United States. In recognition of this goal, it is the policy of the United States—

(1) to recruit talented individuals into the teaching profession with special emphasis on teachers who are members of minority groups;

(2) to ensure that current teachers continually develop their teaching skills and subject matter knowledge;

(3) to reward successful teachers and encourage all teachers to further enhance their skills; and

(4) to encourage qualified professionals in other fields to enter the teaching profession.

PART A—TEACHER RECRUITMENT AND RETENTION

SEC. 711. SHORT TITLE.

This part may be cited as the "21st Century Teachers' Act".

SEC. 712. FINDINGS; POLICY.

(a) FINDINGS.—The Congress finds that it is necessary to enact additional programs—

(1) to alleviate shortages of teachers, including minority teachers, particularly in urban schools with high concentrations of disadvantaged students, and teachers specializing in specific subject areas or trained to work with targeted populations;

(2) to improve teacher training by encouraging new developments in teacher preparation which provide for greater integration of subject matter and pedagogical training;

(3) to improve teacher retention by supporting new teachers' induction into the teaching profession;

(4) to improve teacher skills by providing opportunity for in-service training in specialty areas, teaching and classroom management skills, and school based management;

(5) to improve teacher retention by providing opportunities for experienced teachers to take leadership roles in professional development academies, school based management efforts, and sabbatical programs; and

(6) to support local school officials in restructuring and improving our Nation's schools.

(b) POLICY AND PROGRESS.—It is the policy of the United States that, by the year 2000 or earlier, there will be a well qualified teacher in every classroom in the nation. The purpose of this part is to provide financial assistance for the development, recruitment, retention, and training of teachers and other instructional personnel.

Subpart 1—Loans Incentives for Teaching

SEC. 721. ESTABLISHMENT OF SEPARATE NDSL FUND FOR TEACHERS.

Part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.) is amended by adding at the end thereof the following new section:

"LOANS INCENTIVES FOR TEACHING

"SEC. 469. (a) PURPOSE.—It is the purpose of this section to provide separate funds for loans under this part to students who undertake a commitment to enter into the teaching profession.

"(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of enabling the Secretary to make, for the purposes of this section, separate capital contributions to student loan funds established under this part, there are authorized to be appropriated $90,000,000 for fiscal year 1991 and each of the 4 succeeding fiscal years.

"(c) USE OF FUNDS.—Any sums appropriated pursuant to subsection (b) for any fiscal year shall be available for apportionment pursuant to subsection (d) and for payments of Federal capital contributions therefrom to institutions of higher education which have agreements with the Secretary under section 463 and subsection (c) of this section. Such Federal capital contributions and all contributions from such institutions shall be used for the establishment, expansion, and maintenance of student loan funds.

"(d) ALLOCATIONS.—The Secretary shall allocate the amount appropriated pursuant to subsection (b) for any fiscal year among institutions which have agreements under subsection (e) on the basis of the number of students enrolled in that institution who obtained Pell Grants during the most recently completed academic year for which satisfactory data is available to the Secretary. The Secretary shall reallocate any amounts for which institutions do not qualify by reason of subsection (e)(2)(B) in accordance with such equitable criteria as the Secretary shall prescribe by regulation.

"(e) AGREEMENTS WITH INSTITUTIONS.—An agreement with any institution of higher education for the payment of Federal capital contributions from funds appropriated under subsection (b) shall—

"(1) provide for the establishment and maintenance of a separate account, for purposes of this section, in the student loan fund required under section 463(a)(1);

"(2) provide for the deposit in such separate account of—

"(A) Federal capital contributions from funds appropriated under subsection (b);

"(B) a capital contribution by such institution in an amount equal to not less than one-ninth of the amount of the Federal capital contributions described in subparagraph (A);

"(C) collections of principal and interest on student loans made from the account;

"(D) charges collected pursuant to regulations under section 464(c)(1)(H);

"(E) reimbursement payments received under subsection (f)(6); and

"(F) any other earnings of the account;

"(3) provide that such student loan fund shall be used only for—

"(A) loans to students, in accordance with the provisions of this section;

"(B) administrative expenses, as provided in section 463(b), but including expenses under subsection (i) of this section;

"(C) capital distributions, as provided in section 466; and

"(D) costs of litigation, and other collection costs agreed to by the Secretary in connection with the collection of a loan from the fund (and interest thereon) or a charge assessed pursuant to regulations under section 464(c)(1)(H);

"(4) make the provisions of the agreement required by paragraphs (4) through (10) of section 463(a) applicable to loans made from funds appropriated pursuant to subsection (b) of this section; and

"(5) require the institution to disseminate information, in accordance with subsection (i), on the loans made from accounts established under paragraph (1) of this subsection.

"(f) TERMS OF LOANS.—

"(1) IN GENERAL.—Except as otherwise provided by this section, loans from any separate account established pursuant to subsection (e)(1)—

"(A) shall be made in the amounts, on the same terms and conditions, and under a loan agreement with the student that contains the same provisions as are required by section 464, and

"(B) shall be subject to deferral and cancellation in the same manner as any other

loan from a loan fund established under this part.

"(2) SPECIAL CONDITIONS.—A student may not receive a loan from a separate account established pursuant to subsection (e)(1) unless—

"(A) in the case of an undergraduate student, such student has successfully completed at least one year of a program of undergraduate education, and

"(B) in the case of either an undergraduate or graduate student, such student enters into an agreement that—

"(i) contains a statement of the student's present intention to pursue a teaching career upon completion of his or her academic preparation;

"(ii) provides that, if the student does not enter employment as a full-time teacher providing service described in section 465(a)(2)(A) within 2 years after such student ceases to carry at an eligible institution at least one-half the normal full-time academic workload, as determined by the institution, the loan shall be immediately repaid through consolidation as provided in subsection (g);

"(iii) provides that, if the student ceases to be employed as such a teacher before the loan is canceled in full pursuant to section 465(a)(3)(A)(i) for 5 years of such service, the loan shall be immediately repaid through consolidation as provided in subsection (g); and

"(iv) contains such other terms and conditions as the Secretary may require to enforce the requirements of this section.

"(3) PRIORITY TO MINORITY, OTHER UNDERREPRESENTED, AND HIGH ACHIEVING STUDENTS.—(A) In making loans from an account established under subsection (e)(1), an institution shall give priority to—

"(i) individuals who are minority students or are otherwise underrepresented in the teaching profession, or in the curricula areas in which they are preparing to teach, and

"(ii) individuals who qualify and have need for such a loan and who demonstrate high academic achievement and potential for success in the teaching profession.

"(B) An institution of higher education shall—

"(i) have the responsibility for making the determinations required by subparagraph (A); and

"(ii) in setting the priorities under this paragraph, shall consult with the local education agencies in its area to determine the curricula areas that are experiencing teacher shortages and attempt to give priority to students meeting the requirements of clause (i) or (ii) of subparagraph (A) who are pursuing courses of study that will enable them to teach in these shortage areas.

"(4) AGGREGATE LOAN LIMITS.—Notwithstanding section 464(a)(2)(B), the aggregate of the loans for all years made by institutions of higher education from an account established under subsection (e)(1) may not exceed the amount specified in section 464(a)(2)(A).

"(5) EXPEDITED CANCELLATION OPTION.—(A) Loans from an account established under subsection (e)(1) shall, at the option of the borrower, be cancelled either under section 465 or under this paragraph.

"(B) Loans may be cancelled under this paragraph at the rates provided in subparagraph (C) for each complete year of service as a full-time teacher—

"(i) in schools currently receiving assistance under section 1013 of the Elementary and Secondary Education Act of 1965,

"(ii) in schools currently designated for schoolwide projects under section 1015(b) of such Act,

"(iii) in schools serving rural or geographically isolated areas (as defined by the Secretary by regulation consistent with the purposes of this section), or

"(iv) in a Head Start program designated by the Secretary for this purpose.

"(C) The percent of a loan which shall be cancelled under subparagraph (A) is 33⅓ percent for each complete year of service described in such subparagraph. If a portion of a loan is cancelled under this paragraph for any year, the entire amount of interest on such loan which accrues for such year shall be cancelled. Paragraphs (4) and (5) of section 465(a) apply with respect to cancellations under this paragraph.

"(g) CONSOLIDATION AUTHORITY.—Any student who is required to repay a loan or loans under this section by reason of subparagraph (B) or (C) of subsection (f)(2) shall be eligible for a consolidation loan under section 428C of this Act, notwithstanding subsection (a)(3)(A)(i) of such section, for purposes of repaying the loan or loans under this section.

"(h) REIMBURSEMENT FOR CANCELLATION.—The Secretary shall pay to each institution for each fiscal year an amount equal to 125 percent of the aggregate amount of loans from an account established under subsection (e)(1) which are canceled pursuant to subsection (f)(5) for such year, minus an amount equal to the aggregate amount of any such loans so canceled which were made from Federal capital contributions to its student loan fund provided by the Secretary under section 468. None of the funds appropriated pursuant to section 461(b) shall be available for payments pursuant to this subsection.

"(i) OBLIGATION TO DISSEMINATE INFORMATION ON PROGRAM.—Any institution which receives a Federal capital contribution under this section shall include with the information required to be disseminated under section 485 a separate document describing, in a form approved by the Secretary, the incentives provided under this section and develop an awareness and outreach program for prospective students entering the teaching profession.

"(j) MINORITY STUDENT DEFINITION.—For purposes of this section, the term 'minority student' means a student who is American Indian, Alaskan Native, Black (not of Hispanic origin), Hispanic (including persons of Mexican, Puerto Rican, Cuban, and Central and South American origin), Pacific Islander, or Asian American.".

Subpart 2—Financial Assistance for Institutional Recruitment and Retention of Individuals Preparing to Enter the Teaching Force

SEC. 731. PURPOSE.

It is the purpose of this subpart to authorize a grant program to provide financial assistance to institutions of higher education for new and innovative programs to recruit and retain students, especially minority students, preparing to enter the teaching profession.

SEC. 732. DEFINITIONS.

As used in this subpart—

(1) The term "Secretary" means the Secretary of Education.

(2) The term "institution of higher education" has the meaning provided by section 1201(a) of the Higher Education Act of 1965.

(3) The term "historically Black college or university" means an institution that qualifies as a "part B institution" under section 322(2) of the Higher Education Act of 1965.

(4) The term "Hispanic-serving institution of higher education" means an institution of higher education which—

(A) has a student enrollment that is at least 25 percent Hispanic,

(B) is duly accredited by an agency recognized for that purpose by the Secretary of Education,

(C) provides a 4-year program leading to a baccalaureate degree or a 2-year program leading to an associate's degree, and

(D) is a public or nonprofit institution of higher education.

(5) The term "local educational agency" has the meaning provided by section 1471 of the Elementary and Secondary Education Act of 1965.

(6) The term "minority student" means a student who is American Indian, Alaskan Native, Black (not of Hispanic origin), Hispanic (including persons of Mexican, Puerto Rican, Cuban, and Central and South American origin), Pacific Islander, or Asian American.

(7) The term "teacher" includes a certified school library media specialist.

SEC. 733. GENERAL AUTHORITY.

The Secretary shall allocate funds under this subpart to State agencies for grants for new and innovative programs, in accordance with the requirements of this subpart, to institutions of higher education submitting applications that meet the requirements of section 735(a) and plans that meet the requirements of section 735(b).

SEC. 734. ALLOCATION OF FUNDS.

(a) ALLOCATION OF FUNDS TO STATE EDUCATIONAL AGENCIES.—

(1) ALLOCATION FORMULA.—The Secretary shall allocate funds appropriated under section 737 for any fiscal year among States entering into agreements with the Secretary that meet the requirements of paragraph (2). Such allocation shall be made in accordance with an allocation formula which the Secretary shall prescribe by regulation. Such formula shall provide for an equitable distribution of such funds among the States and shall—

(A) take into account the number of institutions in the States that are eligible for grant priority under subsection (b)(2) and the number of students enrolled in such institutions;

(B) take into account evidence of teacher shortages; and

(C) provide a minimum amount for each State that is sufficient to fund grants of sufficient size to operate at least one effective grantee program.

(2) STATE AGREEMENTS.—Any State desiring to obtain an allocation under paragraph (1) shall enter into an agreement with the Secretary in such form and containing such information and assurances as the Secretary may reasonably require by regulation for the effective administration by the State of the grant program under this subpart. Such agreement shall, at a minimum—

(A) designate a single State agency to administer the grant program;

(B) provide for the close coordination of the program with the State educational agency;

(C) provide for the selection of grant recipients in accordance with subsection (b); and

(D) provide (i) for such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement and accounting for grant funds, and (ii) for the making of such reports, in such form and containing such information, as may be rea-

sonably necessary to enable the Secretary to perform the functions required by this subpart.

(b) INSTITUTIONAL AWARD.—From the amount allocated to any State under subsection (a), the State agency shall award grants to institutions of higher education located in such State. In making such awards, the State agency shall—

(1) evaluate the applications and plans submitted by such institutions in accordance with such competitive criteria as the Secretary shall prescribe by regulation;

(2) give priority to the applications and plans submitted by—

(A) historically Black colleges and universities, Hispanic-serving institutions of higher education, and other institutions with significant minority populations;

(B) institutions of higher education which have prepared and are preparing substantial numbers of teachers for service in rural schools or geographically isolated areas;

(C) institutions which have the highest numbers of Pell Grant recipients; and

(D) institutions of higher education that (i) have agreements with community and junior colleges to accept and honor the credits awarded by such colleges for a 2-year program of study in full satisfaction of the first 2 years requirements of that institution of higher education or (ii) are making substantial progress toward adoption of such an agreement.

SEC. 735. APPLICATIONS AND PLANS; USE OF FUNDS.

(a) APPLICATION.—Any institution of higher education desiring to obtain a grant under this subpart shall submit an application to the State agency designated under section 734(a)(2)(A) at such time, in such form and containing or accompanied by such information or assurances as the Secretary may require by regulation.

(b) PLANS.—Each institution of higher education desiring to obtain a grant under this subpart shall—

(1) prepare, develop, update, and submit to such State agency a plan which will enhance the recruitment and retention of students seeking careers in teaching, with a priority to—

(A) individuals who are minority students or are otherwise underrepresented in the teaching profession, or in the curricula areas in which they are preparing to teach, and

(B) individuals who qualify and have need for such a loan and who demonstrate high academic achievement and potential for success in the teaching profession.

(2) include in such plan—

(A) specific recruitment strategies for reaching secondary schools, community colleges, or other agencies and institutions from which candidates are to be drawn;

(B) specific retention strategies and activities, such as preinduction, summer sessions, instructional technology awareness, field trips, academic support services, including internships and mentoring programs and similar activities;

(C) specific recruitment and retention strategies developed by the institution of higher education with one or more local educational agencies, community colleges, or other agencies and institutions from which candidates are to be drawn;

(D) one or more adopted agreements between the institution of higher education and community colleges which assure that transfer students will receive full course credit and not be burdened with additional course requirements which impede or alter the normal sequence and graduation process and which describes the available financial assistance (including financial assistance available under subpart 1 of this part) for which transfer students may be eligible;

(E) specific methods by which the institution of higher education will be working with local educational agencies to ensure that prospective graduates will be interviewed and, if possible, placed in jobs upon meeting all graduation requirements;

(F) the goals and objectives which are to be used to indicate the degree of success being obtained by the grant recipient in its program under this subpart, including specific timelines; and

(G) the special plans, if any, which will assure that students are being prepared for careers in rural or geographically isolated communities; and

(3) develop and implement such plan after consultation and in coordination with local nonprofit agencies and organizations that the institution determines have the capability to assist the institution in recruitment and retention activities under this subpart.

(c) USE OF FUNDS.—An institution of higher education may use funds provided under this subpart only for the conduct of activities that are specifically described in the plan submitted in accordance with subsection (b) of this section.

SEC. 736. REPORTS AND EVALUATION.

(a) REPORTS.—Any institution of higher education receiving a grant under this subpart shall submit to the Secretary an annual report and a final report containing such information as the Secretary may reasonably require—

(1) to determine whether the institution has attained the goals and objectives (including timelines) set forth in its plan under section 735(b)(2)(F); and

(2) to evaluate the success of the programs under this subpart in achieving the purposes of this subpart.

(b) EVALUATION.—The Secretary shall prepare and submit to the Congress, not later than the 3rd and 5th years after the date of enactment of this Act, an evaluation of the effectiveness of the program authorized by this subpart in attaining the purpose of this subpart. Such report shall contain any recommendations the Secretary considers appropriate for changes in such program.

SEC. 737. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subpart $90,000,000 for fiscal year 1991 and such sums as may be necessary for each of the 4 succeeding fiscal years.

Subpart 3—Professional Development Academies

SEC. 741. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) professional development academies can serve as forums for the coordination and provision of a variety of activities to meet the needs of school districts;

(2) in-service training for experienced teachers enables such teachers to keep current in their substantive fields of expertise and in the practice of teaching;

(3) in-service training enables teachers to learn new substantive fields of expertise in order to alleviate teacher shortages;

(4) in-service training provides teachers an opportunity to enhance skills in classroom management;

(5) in-service training in school districts operating new school based management and shared decisionmaking programs assist teachers, principals, and administrators to assume new responsibilities;

(6) providing experienced teachers with sabbaticals allows such teachers the opportunity to participate in professional programs and activities, and allows such teachers the opportunity to return to the classroom renewed; and

(7) professional development academies shall support local school officials in restructuring and improving our Nation's schools.

(b) PURPOSE.—It is the purpose of this subpart to authorize a grant program to provide financial assistance to consortia of local education agencies, institutions of higher education and other eligible entities in order to develop and provide the highest quality professional training for our existing and future workforce for our Nation's schools.

SEC. 742. DEFINITIONS.

As used in this subpart—

(1) The term "professional development academy" means an entity that—

(A) is operated by a partnership which includes one or more local educational agencies and one or more institutions of higher education that offer teacher training programs, and

(B) provides in-service training and other activities described in this subpart to teachers and administrators.

(2) The term "Secretary" means the Secretary of Education.

(3) The term "local educational agency" has the meaning provided by section 1471 of the Elementary and Secondary Education Act of 1965.

(4) The term "institution of higher education" has the meaning provided by section 1201(a) of the Higher Education Act of 1965.

(5) The term "State educational agency" has the meaning provided by section 1471 of the Elementary and Secondary Education Act of 1965.

(6) The term "teacher" for the purposes of this subpart includes library media specialists, counselors, administrators, or other personnel which the school district employs.

SEC. 743. SELECTION OF GRANT RECIPIENTS.

(a) FORMULA GRANTS.—

(1) STATE ALLOCATION.—Except as provided in subsection (e), the Secretary shall allocate an amount equal to 95 percent of the amount appropriated under section 747 for any fiscal year among States educational agencies that have entered into agreements with the Secretary that meet the requirements of section 744(a). The Secretary shall allocate such amount among such State educational agencies on the basis of the number of children counted, under section 1005(c) of the Elementary and Secondary Education Act of 1965 for the most recent allocation under such section, in the school districts of the local educational agencies which are participating in consortia that have submitted applications meeting the requirements of section 744(b)(1).

(2) SUBSTATE ALLOCATION.—Each State educational agency receiving an allocation of funds under paragraph (1) shall, subject to subsection (e), distribute such funds among the consortia (that have submitted such agreements) on the same basis and using the same data as was used by the Secretary in making the allocation under paragraph (1), except that the State educational agency may reallocate any funds which it determines will not be used by a consortia, or will not be a sufficient amount to provide an effective program, among the other consortia on an equitable basis.

(b) COMPETITIVE GRANTS.—From the remaining 5 percent of the amount appropriated under section 747 for any fiscal year,

the Secretary shall award grants to establish and operate professional development academies under this subpart on the basis of a competition among eligible applicants whose applications provide evidence that the professional development academy will provide an interstate, international, or other exemplary program. The Secretary shall prescribe, by regulation, criteria for the selection of grant recipients under this subsection.

(c) ELIGIBLE APPLICANTS.—Grants under this subpart shall only be made to applicants that are consortia composed of one or more local educational agencies and one or more institutions of higher education that offer teacher training programs. Such consortia may also include components from nonprofit organizations and agencies, business, industry, and technical, proprietary, and community colleges. The State educational agency may, notwithstanding section 742(1), grant a waiver from the requirement that the consortia include an institution of higher education to local educational agencies that are geographically isolated from such institutions if such agencies demonstrate that the inclusion of such an institution in the consortia is not feasible and that those agencies and other appropriate entities can provide the services and expertise required to conduct programs under this subpart.

(d) DURATION OF GRANTS.—Grants under this subpart shall be for 5 years and may be renewed for not more than one additional 5-year period.

(e) STATE ADMINISTRATION.—The Secretary shall reserve 3 percent of the amount allocated under subsection (a)(1) for the purpose of providing administrative funds to State educational agencies. Such funds shall be in an amount equal to 3 percent of the total amount awarded to consortia in that State and shall be used for the purposes described in section 305(b).

SEC. 744. APPLICATIONS AND PLANS.

(a) STATE AGREEMENTS.—Any State educational agency desiring to obtain an allocation under section 743(a)(1) shall enter into an agreement with the Secretary in such form and containing such information and assurances as the Secretary may reasonably require by regulation for the effective administration by the State educational agency of the grant program under this subpart. Such agreement shall, at a minimum—

(1) provide for the allocation of funds in accordance with section 743(a)(2); and

(2) provide (A) for such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement and accounting for grant funds, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Secretary to perform the functions required by this subpart.

(b) CONSORTIA APPLICATIONS.—

(1) APPLICATIONS FOR ALLOCATIONS.—Any consortium desiring to obtain an allocation under section 743(a)(2) shall submit an application therefor to the State educational agency of the State within which it is located. Such application shall be submitted at such time, in such form, and contain or be accompanied by such information and assurances as the Secretary may require by regulation. An application that complies with such regulation shall be approved by the State educational agency unless the State educational agency determines that such application is not in fact designed to meet local and statewide current and projected teacher shortages, and of sufficient size and scope to meet the articulated goals of the projects.

(2) APPLICATIONS FOR GRANTS.—Any consortium desiring to obtain a grant under section 743(b) shall submit an application therefor to the Secretary. Such application shall be submitted at such time, in such form, and contain or be accompanied by such information and assurances as the Secretary may require by regulation.

(c) CONSORTIA AGREEMENTS.—Any consortium desiring to obtain funds under this subpart for the establishment of a professional development academy shall enter into an agreement with the Secretary, in the case of a grant under section 743(b), or with the State educational agency, in the case of a grant under section 743(a). Such agreement shall be in such form and contain such information and assurances as the Secretary may reasonably require by regulation for the effective administration of such academy by the consortium. Such agreement shall, at a minimum—

(1) describe in detail the intended use of such fund;

(2) provide for such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement and accounting for grant funds; and

(3) provide for the making of such reports, in such form and containing such information (including information on effective models and programs), as may be reasonably necessary to enable the Secretary to perform the functions required by this subpart.

SEC. 745. USE OF FUNDS.

(a) LOCAL FUNDS.—Funds provided to consortia under section 743(a) or 743(b) of this subpart may be used—

(1) to provide support and in-service training for local educational agencies based upon most recent research findings, successful teaching practices, and the needs articulated by the local education agencies;

(2) to coordinate research and practice, especially between professional preparation programs and current and future demands of workplace;

(3) to improve and upgrade skills of teachers, especially in regard to emerging technology;

(4) to recruit and retain teachers, with highest priority to minority individuals and individuals serving in shortage areas as determined by members of the consortia;

(5) to enhance school improvement efforts by training school personnel how to provide high quality instructional programs targeted to particular populations of students such as disadvantaged students, handicapped students, students who are limited English proficient or individuals who are preschool age;

(6) to improve teacher skills so that teachers may participate fully as partners in school based management and decisionmaking and practice;

(7) to develop strategies which include business and industry as fully active partners in the consortia agreements;

(8) to provide guidance in the establishment of priorities for, and assistance in the coordination of, in-service and professional renewal for teachers across the full spectrum of Federal and State programs, as reflected in the consortia agreement;

(9) to expand upon, implement, or develop teaching models, including the teaching hospital models and clinical supervision models;

(10) to establish intrastate and interstate networks for the purposes of this subpart; and

(11) to establish international networks for the purposes of this subpart.

(b) STATE FUNDS.—Funds awarded under section 743(e) shall be available to cover the cost for the State educational agency to review and comment on each grant application submitted under section 744(b). Such review shall be for purposes of ascertaining whether the grant applications are in fact designed to meet local and statewide current and projected teacher shortages, and whether the work plans proposed are of sufficient size and scope to meet the articulated goals of the projects.

SEC. 746. EVALUATION.

(a) REPORT BY SECRETARY.—The Secretary of Education shall submit biennial reports on the program authorized by this subpart to the appropriate authorizing committees of Congress and shall, using existing dissemination programs, disseminate information developed or operated under this subpart.

(b) GAO REPORT.—The Comptroller General shall submit an evaluation on the program authorized by this subpart due to the appropriate committees by January 1, 1994.

SEC. 747. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subpart $270,000,000 for fiscal year 1991 and such sums as may be necessary for each of the 4 succeeding fiscal years.

PART B—PRESIDENTIAL AWARDS FOR EXCELLENCE IN EDUCATION

SEC. 751. PRESIDENTIAL AWARDS FOR EXCELLENCE IN EDUCATION PROGRAM.

(a) TECHNICAL AMENDMENT.—The heading for title II of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"TITLE II—CRITICAL SKILLS IMPROVEMENT AND PRESIDENTIAL TEACHER AWARDS".

(b) PRESIDENTIAL TEACHER AWARDS FOR EXCELLENCE IN EDUCATION.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2982 et seq.) is further amended by adding at the end the following:

"PART D—PRESIDENTIAL AWARDS FOR EXCELLENCE IN EDUCATION PROGRAM

"SEC. 2301. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) the success of America's elementary and secondary schools depends most heavily upon the Nation's teachers;

"(2) elementary and secondary school systems should have in place standards of teacher excellence and fair and effective procedures for measuring teacher success; and

"(3) in return for their efforts, excellent elementary and secondary school teachers deserve public recognition, respect, and appropriate financial awards.

"(b) PURPOSE.—It is the purpose of this part to reward teachers in every State who meet the highest standards of excellence.

"SEC. 2302. AUTHORIZATION OF APPROPRIATIONS; ALLOTMENTS TO STATES.

"(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purpose of carrying out this part $5,000,000 for each of the fiscal years 1991, 1992, and 1993.

"(b) ALLOTMENT FORMULA.—

"(1)(A) Subject to subparagraph (B), the Secretary shall, from amounts made available to carry out this part in any fiscal year—

"(i) first allot to the Secretary of the Interior an appropriate amount for purposes of making awards under this part to teachers

in elementary and secondary schools for Indian children operated with Federal assistance or operated by the Department of the Interior; and

"(ii) from the remaining amount, allot to each State an amount that bears the same ratio to the remainder as the number of full-time equivalent public elementary and secondary school teachers in the State bears to the total number of such teachers in all the States.

"(B) No State shall be allotted an amount which is equal to less than the sum of—

"(i) the amount necessary to fund 1 Presidential Award for Excellence in Education; and

"(ii) the State's administrative expenses reserved pursuant to subsection (c).

"(2) In determining a State's allotment under paragraph (1), the Secretary shall use the most recent satisfactory data available to the Department.

"(c) ADMINISTRATIVE EXPENSES.—Each State may reserve up to 3 percent of its allotment under subsection (b)(2) for administrative expenses.

"(d) USE OF EXCESS FUNDS.—If a State has excess funds remaining after it has made the maximum number of awards possible in accordance with section 2305(a) and reserved a portion of its allotment for administrative expenses in accordance with subsection (c), the State may use the remainder of its allotment for appropriate recognition of teachers in the State who do not receive a Presidential Award for Excellence in Education.

"(e) STATE DEFINED.—For the purposes of this part, the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(f) PUBLIC LAW 95-134.—The provisions of Public Law 95-134, permitting the consolidation of grants to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, shall not apply to funds allocated under this part.

"SEC. 2303. STATE APPLICATIONS.

"(a) SUBMISSION OF STATE APPLICATIONS.—The Secretary is authorized to make grants to States in accordance with the provisions of this part. In order to receive a grant under this part, the State educational agency shall submit an application to the Secretary. Such application shall be filed at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) DESCRIPTION OF STATE CRITERIA AND PROCEDURES.—The application shall contain a description of the criteria and procedures the State educational agency will use to select recipients of Presidential Awards for Excellence in Education. Such criteria and procedures shall be subject to the approval of the Secretary.

"(c) ASSURANCES.—The application shall contain assurances that—

"(1) Presidential Awards for Excellence in Education will be made in accordance with the provisions of this part;

"(2) the State educational agency will provide such fiscal control and fund accounting procedures as the Secretary may require;

"(3) the State educational agency will apply the selection criteria uniformly to nominations for recipients of Presidential Awards for Excellence in Education that are received from public and private schools, teachers, associations of teachers, parents, associations of parents and teachers, businesses, business groups, or student groups, as well as those received from local educational agencies; and

"(4) to the extent practicable, the State educational agency will use existing procedures for programs of recognition and awards to teachers.

"SEC. 2304. SELECTION OF AWARD RECIPIENTS.

"(a) ELIGIBLE RECIPIENTS.—Any full-time public or private elementary or secondary school teacher that teaches any subject other than religion (other than religion as an academic discipline), shall be eligible to receive an award under this part.

"(b) NOMINATIONS.—(1) Local educational agencies, public and private schools, teachers, parents, associations of teachers, associations of parents and teachers, businesses, business groups, and student groups may nominate teachers for awards under this part.

"(2) Annually, the State educational agency shall notify local educational agencies, public and private schools, associations of teachers, associations of parents and teachers, business groups, and the general public of the deadlines and procedures for making nominations, and inform them of the selection criteria that will be used in selecting award recipients.

"(c) SELECTION BY STATE PANEL.—Selection of award recipients in each State shall be made from among the teachers nominated in accordance with subsection (b). Award recipients shall be selected by a panel that is chosen by the State educational agency and is composed of members representing parents, school administrators, teachers, school board members, and the business community.

"(d) SELECTION CRITERIA.—The State panel shall select award recipients in accordance with the criteria approved by the Secretary in the State educational agency's application. The selection criteria may take into account, but are not limited to, a teacher's success in—

"(1) educating at-risk students to their fullest potential, including educationally or economically disadvantaged, handicapped, limited English proficient, or homeless children, as well as the children of migrant agricultural workers;

"(2) educating gifted and talented students to their fullest potential;

"(3) encouraging students to enroll, and succeed, in advanced classes in challenging fields of study which include mathematics, science, and foreign languages;

"(4) teaching in schools educating large numbers of at-risk students, including schools in low-income inner-city or rural areas;

"(5) introducing a new curriculum area into a school or strengthening an established curriculum;

"(6) acting as a master teacher by helping new teachers make the transition into a teaching career; or

"(7) encouraging potential dropouts to remain in school or encouraging individuals who have dropped out to reenter and complete their schooling.

"SEC. 2305. AMOUNT AND USE OF AWARDS.

"(a) AMOUNT OF AWARDS.—The amount of a Presidential Award for Excellence in Education shall be $5,000. The Secretary may issue award certificates.

"(b) USE OF AWARDS.—An award to an individual recipient under this part shall be available for the recipient's use for professional development and other educational experiences.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on July 1, 1991.

PART C—NONTRADITIONAL ROUTES TO TEACHER LICENSURE

SEC. 761. NONTRADITIONAL ROUTES TO TEACHER LICENSURE.

(a) IN GENERAL.—Title V of the Higher Education Act of 1965 is amended by adding at the end the following new part:

"PART F—NONTRADITIONAL ROUTES TO TEACHER LICENSURE

"SEC. 581. SHORT TITLE.

"This part may be cited as the 'Nontraditional Routes to Teacher Licensure Act of 1990'.

"SEC. 582. FINDINGS.

"The Congress finds that—

"(1) effective elementary and secondary schools require competent teachers and strong leadership;

"(2) school systems would benefit greatly by increasing the pool of qualified individuals from which to recruit teachers;

"(3) many talented professionals who have demonstrated a high level of subject area competence outside the education profession may wish to pursue careers in education, but have not fulfilled the requirements to be licensed as teachers; and

"(4) nontraditional routes can enable qualified individuals to fulfill State licensure requirements and would allow school systems to utilize the expertise of these professionals and improve the pool of qualified individuals available to local educational agencies as teachers.

"SEC. 583. PURPOSE.

"It is the purpose of this part to improve the supply of qualified elementary and secondary school teachers by assisting States to develop and implement programs to assist talented professionals who have demonstrated a high level of competence in a subject area outside the education profession and wish to pursue careers in education to meet State licensing requirements, with special emphasis on participation by individuals who are members of minority groups.

"SEC. 584. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for the purpose of carrying out this part $15,000,000 for the fiscal year 1991.

"SEC. 585. ALLOTMENTS.

"(a) IN GENERAL.—

"(1) From the amount appropriated to carry out this part, the Secretary shall allot to each State the lesser of—

"(A) the amount for which the State educational agency applies under section 586; or

"(B) an amount which bears the same ratio to the amount appropriated to carry out this part as the school-age population of the State (aged 5 through 17) bears to the school-age population of all the States.

"(2) If a State does not apply for the full amount of its allotment under paragraph (1), the Secretary may reallocate the excess funds to 1 or more other States that demonstrate, to the satisfaction of the Secretary, a need for the funds.

"(b) SPECIAL RULE.—Notwithstanding section 412(b) of the General Education Provisions Act, assistance provided under this part shall remain available for obligation by a recipient until the expiration of the 2-year period beginning on the date the grant is awarded.

"(c) GEPA PROVISIONS INAPPLICABLE.—Sections 435 and 436 of the General Education

Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this part.'

"SEC. 586. STATE APPLICATIONS.

"(a) IN GENERAL.—Any State desiring to receive a grant under this part shall, through the State educational agency, submit an application at such time, in such manner, and containing such information, as the Secretary may reasonably require.

"(b) REQUIREMENTS.—Each application shall—

"(1) describe the programs, projects, and activities to be undertaken; and

"(2) contain such assurances as the Secretary considers necessary, including assurances that—

"(A) assistance provided to the State educational agency under this part will be used to supplement, and not to supplant, any State or local funds available for the development and implementation of programs to provide nontraditional routes to fulfilling teacher licensure requirements;

"(B) the State educational agency has, in developing and designating the application, consulted with—

"(i) representatives of local educational agencies, including superintendents and school board members, including representatives of their professional organizations;

"(ii) elementary and secondary school teachers and principals, including representatives of their professional organizations;

"(iii) parents; and

"(iv) other interested organizations and individuals; and

"(C) the State educational agency will submit to the Secretary, at such time as the Secretary may specify, a final report describing the activities carried out with assistance provided under this part and the results achieved.

"SEC. 587. USE OF FUNDS.

"(a) IN GENERAL.—

"(1) A State educational agency shall use assistance provided under this part to support programs, projects, or activities that develop and implement new, or expand and improve existing, programs that provide teacher training to individuals who are moving to a career in education from another occupation through a nontraditional route to teacher licensure.

"(2) A State educational agency may carry out such programs, projects, or activities directly, through contracts, or through grants to local educational agencies, intermediate educational agencies, institutions of higher education, or consortia of such agencies.

"(b) USES OF FUNDS.—Funds received under this part may be used for—

"(1) the design, development, implementation, and evaluation of programs that enable qualified professionals who have demonstrated a high level of subject area competence outside the education profession and are interested in entering the teaching profession to fulfill State licensure requirements;

"(2) the establishment of administrative structures necessary to the development and implementation of programs to provide nontraditional routes to fulfilling teacher licensure requirements;

"(3) training of staff, including the development of appropriate support programs, such as mentor programs, for teachers licensed through alternative means;

"(4) the development of recruitment strategies;

"(5) the development of reciprocity agreements between or among States for the licensure of teachers; and

"(6) other appropriate programs, projects, and activities designed to meet the objectives of this part.

"SEC. 588. DEFINITION.

"For purposes of this part—

"(1) the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

"(2) the term 'State educational agency' has the meaning provided by section 1471 of the Elementary and Secondary Education Act of 1965; and

"(3) the term 'local educational agency' has the meaning provided by such section 1471.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 1991.

(c) EXPIRATION DATE.—Effective July 1, 1993, the Nontraditional Route to Teacher Licensure Act of 1990 (as contained in part F of title V of the Higher Education Act of 1965) is repealed.

TITLE VIII—EQUAL OPPORTUNITY FOR POSTSECONDARY EDUCATION

SEC. 801. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) it is essential to the economic well-being of the United States that all Americans be educated to their fullest potential;

(2) to bring this about, it is necessary to increase college participation by all Americans, especially minorities, and to reduce the imbalance between grants and loans in financing a college education, so that all Americans with the desire and the ability have an equal opportunity to participate in postsecondary education and training, from the undergraduate to the postgraduate level, by the year 2000.

(b) GOAL.—Therefore, it is the policy of the United States that, by the year 2000, no qualified student shall be denied the opportunity for postsecondary education because of financial or other barriers.

(c) STATEMENT OF RESPONSIBILITY.—In recognition of this goal, Congress declares it to be the policy of the United States to—

(1) increase the participation of low-income, first-generation-in-college, and minority students in postsecondary education;

(2) expand college assistance to middle income families;

(3) reduce the reliance on loans as the principal means of financing postsecondary education for students and their parents by—

(A) increasing the annual appropriations for the Pell Grant program under title IV of the Higher Education Act of 1965 by annual increments so that in fiscal year 1995 the maximum Pell Grant will be $3,700, restoring it to the level of purchasing power it had in fiscal year 1975 (when the $1,400 maximum award was fully funded); and

(B) increasing the maximum award by at least 10 percent per year thereafter until the year 2000; and

(4) enhance the capacity of postsecondary institutions to recruit and retain low-income, first-generation-in-college, and minority students, including graduate students, and to provide those students with a quality education, by increasing the annual appropriations for the TRIO programs under title IV of the Higher Education Act of 1965 by at least 25 percent per year until the year 2000 to expand the percentage of eligible students served and to more effectively serve the students receiving services from these programs.

SEC. 802. PELL GRANTS.

Section 411 of the Higher Education Act of 1965 is amended by striking subsection (g) and inserting the following:

"(g) ADJUSTMENTS FOR INSUFFICIENT APPROPRIATIONS.—If, for any fiscal year, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b) (but at the maximum grant level specified in such appropriation), the Secretary shall, from the next succeeding fiscal year's appropriation for this subpart, expend such sums as may be necessary to meet any such insufficiencies for the preceding fiscal year.".

SEC. 803. TREATMENT OF NONLIQUID ASSETS.

(a) PELL GRANT NEEDS ANALYSIS.—Section 411F(2) of the Act is amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end thereof the following:

"(B) For academic year 1992-1993, the term 'assets' shall not include the net value of—

"(i) the family's principal place of residence; or

"(ii) a family farm on which the family resides.".

(b) GENERAL NEED ANALYSIS.—Section 480(g) of the Act is amended—

(1) by inserting "(1)" after "ASSETS.—"; and

(2) by adding at the end thereof the following:

"(2) For academic year 1992-1993 and succeeding academic years with respect to determinations of need under this title, other than for subparts 1 and 3 of part A and part B, the term 'assets' shall not include the net value of—

"(A) the family's principal place of residence; or

"(B) a family farm on which the family resides.".

(c) SECRETARY TO RECOMMEND ADJUSTMENTS.—Within 60 days after the date of enactment of this Act, the Secretary of Education shall submit to the Congress such recommendations for changes to parts A and F of title IV of the Higher Education Act of 1965 as may be necessary to achieve an equitable assessment of income and assets after exclusion of the assets described in the amendments made by subsections (a) and (b) of this section. Such changes may include changes in the assets protection allowances, asset conversion rates, and other factors used in the determination of expected family contribution.

SEC. 804. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

(a) AMENDMENT.—Section 360(a)(3) of title III of the Higher Education Act of 1965 is amended—

(1) by inserting "(A)" immediately after "(3)"; and

(2) by adding at the end thereof a new subparagraph to read as follows:

"(B)(i) There are authorized to be appropriated $20,000,000 for fiscal year 1991 for awards under section 332 of the Act to historically black colleges and universities that qualify as part B institutions.

"(ii) A part B institution that receives an award from funds appropriated for any fiscal year under clause (i) shall not be eligible to receive an award from funds appropriated for that fiscal year under subparagraph (A), but a part B institution that does not receive an award from funds appropri-

ated for any fiscal year under clause (i) shall be eligible to receive an award from funds appropriated for that fiscal year under subparagraph (A).".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective October 1, 1990.

TITLE IX—POLICY EVALUATION AND ASSESSMENT

PART A—POLICY EVALUATION

SEC. 911. SHORT TITLE.

This Act may be cited as the "National Summit Conference on Education Amendments of 1990".

SEC. 912. FINDINGS.

Section 5(b)(1) of the National Summit Conference on Education Act of 1984 (Public Law 98-524; 98 Stat. 2489) is amended to read as follows:

"(b)(1) The Congress finds that—

"(A) the United States economic well-being requires a better trained and educated workforce;

"(B) a strong educational system is essential to achieve such a workforce;

"(C) agreement has been reached among many citizens that the Nation's schools must be improved in order to strengthen economic competitiveness and achieve economic prosperity;

"(D) reforms and goals to improve our educational system, including the preparation and retraining of classroom teachers, have been proposed by various groups concerned about education;

"(E) there should be a national forum authorized by law to review these reforms and goals and to suggest and recommend ways to implement and achieve them.".

SEC. 913. EXECUTIVE COMMITTEE MEMBERSHIP.

Section 5(f)(1) of the National Summit Conference on Education Act of 1984 is amended to read as follows:

"(f)(1) There shall be an executive committee on the Conference consisting of—

"(A) 6 individuals appointed by the Speaker of the House of Representatives, of whom—

"(i) 2 shall be members of the House, one from each political party;

"(ii) one shall be a local school board member;

"(iii) one shall be a local elected official; and

"(iv) 2 shall be representatives of local educational agencies; and

"(B) 6 individuals appointed by the Senate majority leader, of whom—

"(i) 2 shall be Senators, one from each political party;

"(ii) 2 shall be State Governors, one from each political party;

"(iii) one shall be a State legislator; and

"(iv) one shall be the head of a State educational agency; and

"(C) the Secretary of Education, ex officio.".

SEC. 914. REGIONAL MEETINGS.

Section 5(h)(2)(A) of the National Summit Conference on Education Act of 1984 is amended by striking the last sentence and inserting "The executive committee is authorized to conduct regional meetings to carry out the purposes of this Act.".

SEC. 915. AGENDA.

Section 5(i)(1) of the National Summit Conference on Education Act of 1984 is amended to read as follows:

"(i)(1) The executive committee shall develop an agenda for the conference prior to the conference. The purpose of this agenda shall be to review the goals and recommendations made by recent reports on education in this country, by organizations such as the National Governors Association, and by the President of the United States, and to make recommendations as to how these goals might be implemented and the roles of different levels of government in that implementation.".

SEC. 916. TECHNICAL AND CLARIFYING AMENDMENTS.

Section 5 of the National Summit Conference on Education Act of 1984 is further amended—

(1) in subsection (d), by inserting "postsecondary education," after "school board members,";

(2) in subsection (e), by striking "section 605" and inserting "subsection (f)"; and

(3) in subsection (f)(2)—

(A) by striking "section 604" and inserting "subsection (d)"; and

(B) by striking "sections 603 and 604" and inserting "subsections (c) and (d)".

PART B—ASSESSMENT

SEC. 921. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Comprehensive testing systems provide data to address—

(A) the need for information instrumental to improving student learning, teacher performance, and program design, which derives from diagnostic sets of assessment information that are curriculum-referenced; and

(B) the need for information describing existing levels of student, teacher, or program performance, which derives from evaluative sets of test information that usually are standardized and norm-referenced.

(2) Results from standardized and norm-referenced tests are used to compare individuals, groups of individuals, or institutions with other similar individuals, groups of individuals, or institutions. Such results provide accurate normative information that, over a period of several years, can be used to identify major trends in the educational achievement of students within a district, a State, or the Nation.

(3) Results from curriculum-referenced tests are used to analyze and assess the strengths and weaknesses of students and programs and to prescribe corrective measures. Such tests provide the best method of measuring student growth and development.

(4) Diagnostic assessment is used to improve curriculum, instruction, and achievement for all students at all ability levels by assessing needs and abilities of students, developing a curriculum based on such needs and abilities, and matching the tests with the taught curriculum.

(b) PURPOSE.—It is the purpose of this title to develop diagnostic assessment systems that are curriculum-referenced to improve student learning, program design, and teacher performance at the local level, and to train teachers in such assessment.

SEC. 922. DEMONSTRATION PROJECTS FOR THE DEVELOPMENT OF EXEMPLARY AND INNOVATIVE DIAGNOSTIC AND ASSESSMENT SYSTEMS AND POLICIES.

(a) PROGRAM AUTHORIZED.—The Secretary, through the Office of Educational Research and Improvement, is authorized to make grants to State educational agencies, local educational agencies, institutions of higher education, and consortia of such agencies or institutions (which consortia may include nonprofit or for-profit agencies) for purposes of establishing demonstration projects to develop exemplary and innovative diagnostic assessment systems and policies.

(b) ELIGIBLE AGENCIES.—Any State educational agency, local educational agency, institution of higher education, or consortium described in subsection (a) that desires to receive a grant under this section shall submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information and assurances as the Secretary may reasonably require. Each such application shall demonstrate to the Secretary that the agency, institution, or consortium, in developing diagnostic assessment systems and policies with assistance under the grant, will collaborate with experts from the field, including experts from institutions of higher education and other scholars, to ensure the proper critical perspective and the quality of the assessment.

(c) PRIORITY FOR GRANTS.—The Secretary shall give priority for grants under this section to State educational agencies, local educational agencies, institutions of higher education, or consortia described in subsection (a) that submit applications that—

(1) demonstrate how data gathered through comprehensive, district-wide needs assessments will be disaggregated with respect to strengths and weaknesses of students served by the agency, institution, or consortium and how such assessments will incorporate the assessment required by section 1014;

(2) demonstrate how data gathered from such assessments will be used to improve student performance, particularly with respect to students who are members of minorities and students of varying socioeconomic statuses;

(3) provide for programs for teacher training in diagnostic assessment skills, with special emphasis on minorities;

(4) describe how the scope of work will include professional expertise from test publishers, institutions of higher education, textbook publishers, and other experts from the field; and

(5) demonstrate how data will be disaggregated and presented in nontechnical language to appropriate members of the school community, including visiting committees and review boards.

(d) LIMITATION ON ELIGIBILITY.—A local educational agency may receive a grant under this section in each of not more than 5 fiscal years.

(e) REPORTS.—Not later than the end of the 2-year period beginning on the date of the enactment of this Act, and every 2 years thereafter, the Secretary shall report to the Congress on the grant program established under this section. Each such report shall describe how diagnostic assessment systems developed with assistance under this section relate to research conducted by the Office of Educational Research and Improvement, including research on other Federal and State programs of standardized testing.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $20,000,000 for the fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995.

The CHAIRMAN. Pursuant to the order of the House of earlier today, no amendment to said substitute shall be in order except those amendments numbered 3, 5, 9, 10, 11, and 12 printed in House Report 101-588, which shall be considered in the order and manner specified in said report, and those amendments offered en bloc by the gentleman from California [Mr. HAWKINS]. Said en bloc amendments shall

be debatable for 30 minutes, equally divided and controlled by the gentleman from California [Mr. HAWKINS] and the gentleman from Pennsylvania [Mr. GOODLING] and are not subject to amendment.

EN BLOC AMENDMENTS OFFERED BY MR. HAWKINS

Mr. HAWKINS. Mr. Chairman, I offer en bloc amendments.

The CHAIRMAN. The Clerk will report the en bloc amendments.

The Clerk read as follows:

Amendments offered by Mr. HAWKINS: Page 7, line 15, insert "foreign languages," after "mathematics, science,".

Page 20, strike lines 12 and 13 and insert the following:

PART B—LAW-RELATED EDUCATION PROGRAMS

Page 20, line 17, strike "(20 U.S.C. is amended)—" and insert the following: "(20 U.S.C. 3151 et seq.) is amended—".

Page 22, after line 19, insert the following:

SEC. 322. AMENDMENT TO LAW-RELATED EDUCATION PROGRAM.

Section 1565 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2965) is amended—

(1) by striking "(a) AUTHORIZATION.—" and inserting "(1)";

(2) by inserting after the section heading the following:

"(a) AUTHORIZATION.—;

(3) in subsection (a)—

(A) by moving paragraph (1) (as designated by paragraph (1) of this section) 2 ems to the right so that it is indented 4 ems from the left margin and aligned with paragraphs (2) and (3) (as added by subparagraph (B) of this paragraph); and

(B) by adding at the end the following:

"(2) The Secretary shall give priority for grants and contracts under this section to agencies, organizations, and institutions described in paragraph (1) that plan to operate statewide programs.

"(3)(A) Except as provided in subparagraph (B), the Secretary shall award grants and enter into contracts under this section for periods of 2 or 3 years.

"(B) The Secretary may award a grant or enter into a contract under this section for a period of less than 2 years in any case in which the Secretary determines that special circumstances exist."; and

(4) by adding at the end the following:

"(d) APPLICATIONS.—

"(1) Any agency, organization, or institution described in subsection (a)(1) that desires to receive a grant or enter into a contract under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(2) The Secretary shall convene a panel of experts for purposes of reviewing applications submitted under paragraph (1). Such experts shall be individuals who have experience in and are familiar with law-related education.".

PART C—AMENDMENTS TO OTHER EDUCATION PROGRAMS

SEC. 331. AMENDMENTS TO THE BILINGUAL EDUCATION ACT.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (b) of section 7002 of the Bilingual Education Act (20 U.S.C. 3282) is amended by adding at the end the following:

"(8) From the sums appropriated under paragraph (1) for part A for any fiscal year, the Secretary is authorized to reserve not more than $1,000,000 for developmental bilingual education projects and special alternative instructional projects in middle school grades carried out under section 7021(a)(7).".

(b) BILINGUAL EDUCATION PROGRAMS.—Subsection (a) of section 7021 of the Bilingual Education Act (20 U.S.C. 3291) is amended—

(1) by striking "and" at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting "; and"; and

(3) by adding at the end the following:

"(7) programs for developmental bilingual education or special alternative instructional projects, to be carried out in middle school grades, that feature developmental bilingual approaches for fostering academic achievement and retention by emphasizing the arts and humanities and placing special emphasis on site-based decision-making, magnet schools community involvement, and collaboration with local colleges.".

SEC. 332. PROGRAMS FOR IMPROVING EDUCATIONAL PERFORMANCE OF UNDERACHIEVERS.

(a) GENERAL AUTHORITY.—Section 4601(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3151(a)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting "; and"; and

(3) by adding at the end the following:

"(E) establish programs for improving the educational performance of and employment opportunities available for underachieving students in accordance with section 4606.".

(b) PROGRAM AUTHORIZED.—Part F of title IV of the Elementary and Secondary Education Act of 1965 (as amended by section 321 of this Act) (20 U.S.C. 3151 et seq.) is amended—

(1) by redesignating sections 4606 through 4610 as sections 4607 through 4610, respectively; and

(2) by inserting after section 4605 the following:

"SEC. 4606. PROGRAMS FOR IMPROVING EDUCATIONAL PERFORMANCE OF UNDERACHIEVERS.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants and enter into contracts with local educational agencies, as authorized by section 4601, for the purpose of improving the educational performance of and employment opportunities available for underachieving students.

"(b) PRIORITY.—The Secretary shall give priority for grants under this section to local educational agencies that propose to demonstrate effective approaches to improving the performance of underachieving students.

"(c) DEFINITION.—For the purposes of this section, the term 'underachieving student' means an elementary or secondary school student who is not performing to his or her educational potential.".

Page 40, line 25, strike "and".

Page 41, line 10, strike the period and insert "; and".

Page 41, after line 10, insert the following:

(5) establish and administer a National Workplace Literacy Assistance Collaborative, in accordance with the requirements of subsection (q), to assist small and medium-sized businesses, business associations, and labor organizations in developing and implementing national strategies in workforce literacy programs tailored to the needs of the workplace.

Page 44, beginning on line 2, strike "entitled to receive" and insert "paid at a rate equal to".

Page 46, after line 3, insert the following:

(q) NATIONAL WORKPLACE LITERACY ASSISTANCE COLLABORATIVE.—

(1) There is established within the Institute a National Workplace Literacy Assistance Collaborative (in this subsection referred to as the Collaborative) to improve the basic skills of the currently employed, especially those workers who are marginally employed with low basic skills and limited opportunity for long-term employment and advancement, by assisting small and medium-sized businesses, business associations, and labor organizations to develop and implement literacy programs tailored to the needs of the workplace and workforce sectors.

(2) The Collaborative shall—

(A) develop and implement a plan for providing small and medium-sized businesses with the technical assistance required to address the literacy needs of their workforce;

(B) monitor the development of workplace literacy training programs and identify best practices and successful small and medium-sized business program models;

(C) inform businesses and unions of research findings and best practices regarding exemplary curricula, findings, and best practices regarding exemplary curricula, instructional techniques, training models, and the use of technology as a training tool in the workplace;

(D) provide technical assistance to help businesses assess individual worker literacy skill needs, implement workplace literacy training programs, and evaluate training program effectiveness;

(E) promote cooperation and coordination among State and local agencies and the private sector to obtain maximum uses of existing literacy and basic skills training resources;

(F) conduct regional and State small business workplace literacy meetings to increase program effectiveness and accountability;

(G) establish cooperative arrangement with the National Institute for Literacy and other centers involved in literacy and basic skills research and development activities;

(H) prepare and produce written and video materials necessary to support technical assistance and information dissemination efforts; and

(I) establish a program of grants, in accordance with the requirements of paragraph (3), to facilitate the design and implementation of national strategies to assist small and medium-sized businesses and unions to effectively provide literacy and basic skills training to workers.

(3) In order to carry out the purpose of paragraph (2)(I), the Board shall establish a program of grants in accordance with the requirements of this paragraph.

(A) Grants awarded under this paragraph shall provide funds to establish large-scale national strategies in workforce literacy, which may include, but are not limited to, the following activities:

(i) Basic skills training that is cost-effective and needed by employees and required by their employers to establish a trainable workforce which can take advantage of further job specific training and advance the productivity of the labor force on an individual, industry, or national level;

(ii) specific program offerings, which may include—

(I) English as a second language instruction;

(II) communications skill building;

(III) reading and writing skill building; and

(IV) computation and problem solving;

(iii) appropriate assessments of individual worker's literacy and basic skills needs and appropriate assessments of the skill levels required by business;

(iv) cooperative arrangements with other organizations involved in providing literacy and basic skills training, including adult education, vocational education, community and junior colleges, community-based organizations, State level agencies, and private industry councils; and

(v) the establishment as appropriate of technology-based learning environments, such as computer-based learning centers.

(B) To receive a grant under this paragraph, a proposal shall be submitted to the Board by a business association, industry organization, or organized labor, or consortia of these organizations, containing a plan specifying a strategy for designing and implementing workplace literacy and basic skills training for workers, and justifying the national, statewide, or industry-wise importance of this strategy. The proposal shall include—

(i) a demonstration of need for literacy and basic skills training;

(ii) a description of the business or industry for which the strategy is to be established;

(iii) a statement of specific, measurable goals and participant outcomes;

(iv) a strategy for achieving the goals, including a description of the process to identify literacy and basic skills required by employer and the skills of individual workers, and a description of the specific services to be provided;

(v) letters of agreement from all organizations participating in the grant program and letters of support from appropriate national, State, or community officials;

(vi) a plan for an independent evaluation of the model's effectiveness in improving the literacy and basic skills of workers and the productivity of employees, including potential for the model's potential replicability or adaption; and

(vii) a description of the costs of that activities to be undertaken.

(C) The Board shall develop a formal process for the submission of proposals and announce that process and the availability of funds in the Federal Register.

(D) The Board shall pay to each grant recipient the Federal share of the cost of the activities described in the application. The Federal share shall not exceed 70 percent. The non-Federal share may be in the form of in-kind contributions, cash, worker-release time, instructional costs, equipment, or facilities provided by the entities participating in the grant program.

(E) The Board shall give priority to grant proposals that are authorized in pararaph (3)(A)(iv).

(G) The Board may take into account geographic considerations (such as rural and urban) and national distribution, when awarding grants under paragraph (3) of this subsection.

(H) The Board shall award no more than 5 grants from each $10,000,000 appropriated to carry out the provisions of paragraph (3) of this subsection.

(4) EVALUATION.—The Board shall every 3 years and at the expiration of this section have an independent evaluation conducted on the effectiveness of activities undertaken by the collaborative.

Page 46, line 4, strike "(q) Report.—" and insert "(r) REPORT.—".

Page 46, line 12, strike "(r)" and insert "(s)".

Page 46, strike lines 13 through 16 and insert the following:

(1) IN GENERAL.—

(A) There are authorized to be appropriated for purposes of carrying out this section (other than subsection (q)(3)) $15,000,000 for fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995.

(B) There are authorized to be appropriated for purposes of carrying out subsection (q)(3) $40,000,000 in fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995.

Page 50, line 2, insert after "agencies," the following: "agencies responsible for corrections education,".

Page 51, line 10, strike "form an interstate compact" and insert "enter into an interstate agreement".

Page 56, line 2, insert after "agencies," the following: "agencies responsible for corrections education,"

Page 59, after line 4, insert the following:

(e) FUNCTIONAL LITERACY REQUIREMENT FOR INDIVIDUALS IN STATE CORRECTIONAL INSTITUTIONS.—Section 321 of the Adult Education Act (20 U.S.C. 1203) is amended—

(1) by striking "From" and inserting the following: "(a) PROGRAM AUTHORIZED.—Subject to subsection (b), from"; and

(2) by adding at the end the following:

"(b) LIMITATION.—

(1) No State shall receive the portion of its grant under this subpart that is required under section 322(b)(1) to be used for corrections education unless such State—

"(A) before the expiration of the 2-year period beginning on the date of the enactment of the Equity and Excellence in Education Act of 1990, has in effect a mandatory functional literacy program in at least 1 State corrections institution; and

"(B) before the expiration of the 5-year period beginning on the date of the enactment of the Equity and Excellence in Education Act of 1990, has in effect a mandatory functional literacy program in each State corrections institution.

"(2) Each mandatory functional literacy program required by paragraph (1) shall include—

"(A) a requirement that each individual convicted of a felony who is incarcercerated in the State corrections institution and who is not functionally literate participate in such program until such individual—

"(i) achieves functional literacy;

"(ii) is granted probation, parole, or a suspended sentence;

"(iii) completes his or her sentence; or

"(iv) is released pursuant to a court order;

"(B) a prohibition on granting probation or parole to or suspending the sentence of any individual described in subparagraph (A) who refuses to participate in such program; and

"(C) adequate opportunities for individuals required to participate in such program to be tested for functional literacy.

"(3) For purposes of this subsection, the term 'functional literacy' means the ability to demonstrate, in English, educational skills at not less than the eighth grade level. Skills required to be demonstrated under the preceding sentence shall include all skills necessary to function independently in society, such as reading, writing, comprehension, and arithmetic computation skills.

"(4) Any individual serving a life sentence or under a sentence of death shall not be required to participate in a mandatory functional literacy program.

"(5) The Secretary may waive the application of paragraph (2)(B) in any case in which a court order requires early release of an individual due to constitutional considerations.".

Page 63, line 15, strike "(3)" and insert "(4)".

Page 63, line 18, strike "(4)" and insert "(5)".

Page 64, strike lines 2 through 11 and insert the following:

(a) STATE GRANT PROGRAM.—Section 1052 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2742) is amended—

(1) by adding at the end of subsection (a) the following: "In any year in which this subsection applies, from amounts apropriated for purposes of carrying out this part, the Secretary may reserve an amount equal to not more than 3 percent of such amounts for purposes of—

"(1) carrying out the evaluation required by section 1058; and

"(2) providing technical assistance for program improvement to local educational agencies or consortia of such agencies that receive grants under this part.";

(2) in subsection (b)—

(A) by striking "$50,000,000" and inserting "$100,000,000"; and

(B) by adding at the end the following: "In any year in which this subsection applies, each State that receives a grant under this part may use not more than 5 percent of assistance provided under the grant for costs of administration and technical assistance."; and

(3) in subsection (c)—

(A) by inserting after "part" the following: "(other than section 1053)";

(B) by striking "and"; and

(C) by inserting before the period the following: ", Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands".

Page 65, after line 8, insert the following:

(c) FEDERAL SHARE LIMITATION.—Subsection (c) of section 1054 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2744) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and by moving such subparagraphs 2 ems to the right so that they are indented 6 ems from the left margin;

(2) by striking "LIMITATION.—" and all that follows through "may be—" and inserting the following: "LIMITATION.—

"(1) The Federal share under this part may be—";

(3) by moving the matter following subparagraph (B) (as redesignated by paragraph (1) of this subsection) 2 ems to the right, so that it is indented 4 ems from the left margin;

(4) by striking the last sentence and inserting the following: "The remaining cost may be provided in cash or in kind, fairly evaluated, and may be obtained from any source other than funds made available for programs under this chapter."; and

(5) by adding at the end the following:

"(2) The Secretary may waive, in whole or in part, the requirement that all or part of the remaining cost described in paragraph (2) be obtained from sources other than funds made available under this chapter if a local educational agency—

"(A) demonstrates that it otherwise would not be able to participate in the program under this part; and

"(B) negotiates an agreement with the Secretary with respect to the amount of the remaining cost to which the waiver would be applicable.".

(d) ELIGIBLE PARTICIPANTS.—Section 1055 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2745) is amended—

(1) by striking "Eligible" and inserting the following: "(a) IN GENERAL.—Except as provided in subsection (b), eligible"; and

(2) by adding at the end the following:

"(b) CONTINUATION OF ELIGIBILITY FOR CERTAIN PARTICIPANTS.—Any family participating in the program under this part that becomes ineligible for such participation as a result of 1 or more members of the family becoming ineligible for such participation, may continue to participate in the program until all members of the family become ineligible for participation, which—

"(1) in the case of a family in which ineligibility was due to the child or children of such family attaining the age of 8, shall be when the parent or parents become ineligible due to educational advancement; and

"(2) in the case of a family in which ineligibility was due to the educational advancement of the parent or parents of such family, shall be when all children in the family attain the age of 8.".

(e) SELECTION PROCESS.—Subsection (a) of section 1057 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2747) is amended by striking paragraph (2) and redesignating the succeeding paragraphs accordingly.

(f) EFFECTIVE DATES.—

(1) OCTOBER 1, 1990.—The amendments made by subsections (a) and (d) of this section shall take effect on October 1, 1990.

(2) GRANTS FOR FISCAL YEAR 1991.—The amendments made by subsection (b) shall apply with respect to grants made under this part for the fiscal year 1991.

Page 65, strike line 11 and all that follows through line 6 on page 71.

Page 71, line 7, strike "532" and insert "531".

Page 71, line 11, insert "current" before "commercial".

Page 71, line 20, strike "INDIVIDUALS.—Individuals" and insert "ENTITIES.—Entities".

Page 71, strike lines 22 through 24 and insert the following:

(1) private employers employing commercial drivers in partnership with agencies, colleges, or universities described in paragraph (2);

(2) local educational agencies, State educational agencies, colleges, universities, or community colleges;

Page 72, strike lines 7 through 10 and insert the following:

(e) DEFINITIONS.—For purposes of this section:

(1) The term "adult education" has the meaning given such term in section 312(2) of the Adult Education Act.

(2) The term "approved apprentice training programs" has the meaning given such term in the National Apprenticeship Act of 1937.

(3) The term "commercial driver" means an individual required to possess a commercial driver's license under the Commercial Motor Vehicle Safety Act of 1986.

Page 84, line 16, insert "Native Hawaiian," after "Islander,".

Page 86, line 10, insert "Native Hawaiian," after "Islander,".

Page 113, line 23, strike "designating" and insert "designing".

Page 125, line 5, strike "testing" and insert "assessment".

Page 125, line 25, strike "tests" and insert "assessments".

Page 126, line 2, strike "tests provide the best method" and insert "assessments provide one of the best methods".

Page 126, line 8, strike "tests" and insert "assessments".

Page 126, strike lines 18 through 25 and insert the following:

(a) PROGRAM AUTHORIZED.—The Secretary, through the Office of Educational Research and Improvement, is authorized to make grants, for purposes of establishing demonstration projects to develop exemplary and innovative diagnostic assessment systems, policies, and practices, to—

(1) State educational agencies;

(2) local educational agencies; and

(3) consortia of State educational agencies and local educational agencies, which may include institutions of higher education and nonprofit or for-profit agencies.

Page 127, strike lines 10 through 14 and insert the following:

systems and policies with assistance under the grant—

(1) will collaborate with experts from the field, including experts from institutions of higher education and other scholars, to ensure the proper critical perspective and the quality of the assessment; and

(2) will conduct a comprehensive, district-wide needs assessment to gather data concerning the strengths and weaknesses of students served by the agency, institution, or consortium, which assessment will incorporate the assessment required by section 1014.

Page 127, strike lines 20 through 25 and insert the following:

(1) demonstrate how data gathered through comprehensive, district-wide needs assessments as required by subsection (b)(2) will be analyzed to reveal strengths and weaknesses of students served by the agency, institution, or consortium;

Page 128, line 2, add at the end the following: "program design, and instructional content at the local level,".

Page 128, line 9, insert after "work" the following: "will focus on local school improvement and".

Page 128, line 12, insert after "field" the following: "to ensure the proper critical perspective and the quality of the assessment".

Page 128, beginning on line 18, strike "A local educational agency" and insert the following: "An agency or consortium".

Page 129, after line 8, add the following:

PART C—AMENDMENTS TO THE GENERAL EDUCATION PROVISIONS ACT

SEC. 931. NATIONAL CENTER FOR EDUCATION STATISTICS.

Paragraph (4) of section 406(d) of the General Education Provisions Act (20 U.S.C. 1221e-1(d) is amended by adding at the end the following:

"(G)(i) This paragraph shall not apply to—

"(I) the survey required by section 1303(c) of the Higher Education Amendments of 1986; or

"(II) to any longitudinal study concerning access, choice, persistence progress, or attainment in postsecondary education.

"(ii) In conducting any study described in clause (i), the Center shall protect the confidentiality of respondents by separating information relating to the identity of individuals from other information contained in questionnaires responded to by such individuals. Any file that is publicly released shall not include the following individual identifiers:

"(I) Name.

"(II) Social Security number.

"(III) Address.

"(IV) Telephone number.

"(iii) No department, bureau, agency, officer, or employee of the Government, except the Commisssioner of Education Statistics in carrying out the purposes of this section, shall require, for any reason, copies of responses or reports that include individual identifiers described in clause (ii). Copies of such responses or reports that have been so retained or filed with the Center, or any of its employees, contractors, or agents, shall be immune from legal process and shall not, without the consent of the individual concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

"(H) This paragraph shall not apply to the General Accounting Office.".

SEC. 932. RESPONSIBILITY OF STATES TO FURNISH INFORMATION CONCERNING USES OF FEDERAL FUNDS.

Section 406A of the General Education Provisions Act (20 U.S.C. 1232f) is amended to read as follows:

"RESPONSIBILITY OF STATES TO FURNISH INFORMATION

"SEC. 406A. (a) Each State educational agency shall submit to the Secretary a report on or before March 15 of every second year. Each such report shall include—

"(1) information with respect to the uses of Federal funds in that State in the 2 preceding fiscal years under any applicable program under the jurisdiction of the State educational agency; and

"(2) to the extent practicable, information with respect to the uses of Federal funds in that State in the 2 preceding fiscal years under any Federal program administered by the State that provided grants or contracts to a local educational agency in the State.

"(b) Each report submitted as required by subsection (a) shall—

"(1) list, with respect to each program for which information is provided, all grants made to and contracts entered into with local educational agencies and other public and private agencies and institutions within the State during each fiscal year concerned;

"(2) analyze the information included in the report by local educational agency and by program;

"(3) include the total amount of funds available to the State under each such program for each fiscal year concerned and specify which appropriation Act or Acts made such funds available;

"(4) separately account for any funds carried over from a preceding fiscal year by any State or local educational agency; and

"(5) be made readily available by the State to local educational agencies and institutions within the State and to the public.

"(c)(1) On or before August 15th of any year in which reports are submitted under subsection (a), the Secretary shall submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Such report shall include—

"(1) an analysis of such the content and data quality of such reports;

"(2) a compilation of statistical data derived from such reports; and

"(3) information obtained by the Secretary with respect to—

"(A) direct grants made to local educational agencies by the Federal Government; and

"(B) contracts entered into between such agencies and the Federal Government.".

SEC. 933. ENFORCEMENT.

(a) OFFICE OF ADMINISTRATIVE LAW JUDGES.—Section 451 of the General Education Provisions Act (20 U.S.C. 1234) is amended—

(1) in the first sentence of subsection (c), by striking "the Department" and inserting "the United States";

(2) in subsection (e), by striking "determination" and inserting "decision"; and

(3) in paragraph (2) of subsection (g)—

(A) in the first sentence, by striking "subsections (f)(1) and (g)(1)" and inserting "subsection (f)(1) and paragraph (1)";

(B) by inserting after the first sentence the following: "Such application for enforcement may be made in the judge's name, through the judge's attorneys, or through the party seeking enforcement of the subpoena."; and

(C) by adding at the end the following: "The judge is authorized to institute and maintain litigation to carry out such provisions without the approval or assistance of the Department of Justice.".

(b) RECOVERY OF FUNDS.—Paragraph (1) of section 452(f) of the General Education Provisions Act (20 U.S.C. 1234a(f)) is amended by striking "Department" and inserting "departmental".

(c) MEASURE OF RECOVERY.—Subsection (b) of section 453 of the General Education Provisions Act (20 U.S.C. 1234b) is amended—

(1) in paragraph (3), by striking "paragraph (2)" and inserting "paragraph (2)(B)"; and

(2) in paragraph (5)—

(A) in subparagraph (B), by striking "was permissible" and inserting "might have been permissible"; and

(B) in subparagraph (C), by striking "was permissible" and inserting "might have been permissible".

(d) USE OF RECOVERED FUNDS.—Subsection (c) of section 459 of the General Education Provisions Act (20 U.S.C. 1234h) is amended by striking "following" and all that follows and inserting the following: "following the later of—

"(1) the fiscal year in which final agency action under section 452(e) is taken; and

"(2) the fiscal year in which judicial review of such action is completed.".

TITLE X—PLANNING GRANTS FOR INNOVATIVE DEMONSTRATION PROJECTS AND RESEARCH

SEC. 1001. GRANTS TO STATE AND LOCAL EDUCATIONAL AGENCIES.

(a) STATEMENT OF PURPOSE.—The Secretary is authorized to make grants to State educational agencies, local educational agencies, and consortia of such agencies to plan for the development and expansion of policies, programs, and projects that—

(1) increase opportunities of parents, particularly parents of disadvantaged children, parents of minority children, and parents of children who live in rural areas, to select the school or program attended by their children;

(2) advance equity in the methods used by States and local educational agencies to support systems of public elementary and secondary education;

(3) further the involvement of parents in the education of their children, especially parents who are economically disadvantaged; and

(4) further the involvement of businesses and communities in public education.

(b) USES OF FUNDS.—Funds provided under grants under this section may be used to plan for—

(1) the development of State or local policies and procedures for open enrollment among public schools or programs;

(2) the development of State or local policies and procedures to assist parents, particularly parents of disadvantaged children and parents of minority children, to become more involved in the education of their children;

(3) the development of improved methods for States to advance equity in the systems used by States and local educational agencies to finance public elementary and secondary education; and

(4) the development of improved methods to involve businesses and communities in public education.

(c) APPLICATIONS.—

(1) IN GENERAL.—Any agency or consortium that desires to receive a grant under this section shall submit to the Secretary an application in such form, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

(A) assure that the funds provided under the grant will be used for the purposes described in subsection (b);

(B) describe the need for the grant;

(C) describe the objectives of the project and how those objectives will be fulfilled;

(D) assure that any project assisted with funds under this section will not—

(i) result in segregation in schools within the State based upon race, religion, color, national origin, sex, or handicap, or impede the progress of desegregation among the schools within the State; or

(ii) in the case of a grant to a local educational agency or to a consortium that includes a local educational agency, result in such segregation or impede the progress of desegregation among the schools of the local educational agency;

(E) in the case of a grant to a State educational agency, assure that the State educational agency will provide assistance to the project, in cash or in kind, in an amount at least equal to the amount of funds awarded under the grant; and

(F) assure that outreach and dissemination activities will be conducted with assistance under the grant to inform parents of their rights, choices, and obligations with respect to activities funded under the grant as such activities relate to the education of their children.

(2) OPPORTUNITY FOR COMMENT BY STATE EDUCATIONAL AGENCY.—Each local educational agency or consortia consisting entirely of local educational agencies that submits an application to the Secretary under this subsection shall also provide a copy of such application to the appropriate State educational agency. The State educational agency may review such application and provide comments to the Secretary with respect to such application not later than the expiration of the 30-day period beginning on the date that the application is submitted to the Secretary and to the State educational agency.

(3) APPLICATIONS FOR CONTINUATION OF GRANTS.—An agency or consortium that receives assistance under this section for 1 year may not receive such assistance under this section for any later year unless such agency or consortium includes in its application for continuation of such assistance, in addition to the information and assurances required by paragraph (1), a description of the methods employed by such agency to fulfill the assurance described in paragraph (1)(D).

(d) PRIORITY.—

(1) IN GENERAL.—The Secretary shall give priority for grants under this section other than planning grants for open enrollment systems to agencies and consortia that propose projects that have the greatest potential for improving the education of disadvantaged students and minority students.

(2) OPEN ENROLLMENT GRANTS.—In making planning grants for open enrollment systems under this section, the Secretary shall give equal priority to students described in paragraph (1) and students who live in rural areas.

(e) DURATION OF AWARDS.—Grants under this section may be awarded for a period not to exceed 3 years.

(f) COOPERATION.—Any agency or consortium that receives a grant under this section shall, to the extent practicable, cooperate with research activities carried out under section 1002.

(g) DISSEMINATION OF EVALUATION RESULTS.—Each agency and consortium that receives a grant under this part shall provide a copy of results of evaluations of programs assisted under such grants to the Educational Resources Information Center.

SEC. 1002. RESEARCH AND DISSEMINATION.

(a) GENERAL AUTHORITY.—The Secretary, through the Office of Educational Research and Improvement, is authorized to conduct research on open enrollment systems, parental involvement, school finance equalization, and business involvement in public education and to disseminate the results of such research. The Office of Educational Research and Improvement may conduct such research and dissemination directly or through grants, contracts, or cooperative agreements with institutions of higher education, State educational agencies, public or private nonprofit organizations, or individual researchers.

(b) PROGRAM REQUIREMENTS.—Each recipient of funds under this section for purposes of conducting research shall submit a copy of its final research results to the Educational Resources Information Center.

(c) FEDERAL DISSEMINATION.—To the extent possible, the Secretary shall provide information to State and local educational agencies regarding opportunities for dissemination of exemplary programs under this part through the National Diffusion Network established under section 1562 of the Elementary and Secondary Education Act of 1965. The Secretary shall coordinate the identification of exemplary projects with the National Diffusion Network.

SEC. 1003. DEFINITIONS.

For purposes of this part:

(1) The term "local educational agency" has the meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965.

(2) The term "open enrollment system" means a system adopted by a State educational agency or local educational agency under which parents may select the school or educational program in which their child will be enrolled.

(3) The term "Secretary" means the Secretary of Education.

(4) The term "State educational agency" has the meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965.

SEC. 1004. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—For purposes of carrying out this part, there are authorized to be appropriated $40,000,000 for each of the fiscal years 1991, 1992, and 1993.

(b) AMOUNTS FOR RESEARCH AND DISSEMINATION.—From the amounts appropriated under subsection (a) in any fiscal year, the Secretary may reserve not more than $1,000,000 for purposes of carrying out section 1002.

TITLE XI—EDUCATIONAL PERFORMANCE AGREEMENTS FOR SCHOOL RESTRUCTURING

SEC. 1101. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) the ability of the United States to deliver more effective educational services to its citizens, especially disadvantaged citizens and traditionally underserved citizens, is of primary importance to the national security and to the continued role of the United States as a world leader;

(2) local school authorities should have more discretion in the uses of Federal and State funds than currently provided, if they can demonstrate the ability to educate children and adults to perform at higher levels;

(3) local school authorities and the Governors of several States have requested greater flexibility in designing innovative programs for training, special needs education, and drug education, in exchange for an agreement to achieve higher, clearly stated performance levels in a reasonable period of time; and

(4) all public education in this country will benefit from school improvement models developed under such agreements.

(b) PURPOSE.—It is the purpose of this title to establish a national demonstration program of educational performance agreements under which—

(1) local authorities develop proposals which enable students to achieve higher performance;

(2) with such proposals, schools are allowed to combine funds for the education of special needs students, drug education, and training programs;

(3) Federal, State and local protections with respect to civil rights, discrimination and safety will be upheld; and

(4) States will make available such funds as may be necessary to plan, develop, monitor and evaluate local performance agreements.

SEC. 1102. ESTABLISHMENT OF PROGRAM FOR EDUCATIONAL PERFORMANCE AGREEMENTS FOR SCHOOL RESTRUCTURING.

(a) GENERAL AUTHORITY.—For the purposes of granting authority to combine Federal and State special needs education, drug education, and training programs, and waiving Federal laws and regulations relating to the use of funds under certain Acts, the Secretary of Education shall—

(1) receive assurances from and enter into educational performance agreements with the State concerned for not more than 50 local school authorities, each of which shall also enter into a local performance agreement in accordance with section 1103; and

(2) develop procedures by which the agreements in paragraph (1) will be reached.

(b) FEDERAL PROGRAMS PERMITTED TO BE COMBINED.—The educational performance agreement and the local performance agreements may provide for the combination (and contain waivers from restrictions regarding uses of funds applicable to) Federal, State, and local funds available for programs relating to special needs education, drug education, and training programs, including—

(1) in the case of training programs at the secondary level for children participating in vocational education courses, funds provided under—

(A) the Carl D. Perkins Vocational Education Act; and

(B)(i) the Job Training Partnership Act;

(ii) the Drug-Free Schools and Communities Act of 1986; or

(iii) subtitles A, B, and C of title VII of the Stewart B. McKinney Homeless Assistance Act; and

(2) in the case of special needs programs at the elementary school level for children receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965, funds provided under—

(A) such chapter; and

(B)(i) subtitles A, B, and C of title VII of the Stewart B. McKinney Homeless Assistance Act;

(ii) the Drug-Free Schools and Communities Act of 1986;

(iii) the School Dropout Demonstration Assistance Act of 1988;

(iv) the Bilingual Education Act;

(v) the Jacob K. Javits Gifted and Talented Students Education Act of 1988;

(vi) the Emergency Immigrant Education Act of 1984; or

(vii) title XI of the Education Amendments of 1978.

(c) AUTHORITY OF OTHER AGENCIES.—For the purposes of implementing an educational performance agreement that proposes to include programs not under the jurisdiction of the Secretary of Education, the Secretary of Education shall provide copies of such proposed agreement to each Secretary concerned. Each such Secretary shall, with respect to the programs under the jurisdiction of such Secretary, have the same power as the Secretary of Education has under subsection (a) to grant authority to combine such programs, and to waive Federal laws and regulations relating to the use of funds in accordance with an educational performance agreement and its component local performance agreements that meet the requirements of this title.

(d) LIMITATIONS.—Nothing in this title may be construed—

(1) to authorize any changes in, substitutions for, or lessening of the mandates and protections of Federal laws and regulations regarding civil rights, discrimination, and safety, and the procedural safeguards contained therein;

(2) to affect regulations and prohibitions concerning the diversion of Federal funds for private use;

(3) to absolve any State or local agency of any maintenance of effort or comparability of services requirements under any program described in subsection (b);

(4) to alter the distribution of funds to schools within the local educational agency, or to change the way funds are utilized within schools for programs not included under the local performance agreement; or

(5) to permit funds made available for services and activities to be used for the construction, renovation, or repair of facilities.

(e) SUNSET OF COMBINATION AUTHORITY.—The authority to combine programs (and receive exemptions) under this section shall expire at the conclusion of the sixth year of the educational performance agreement. Each applicant shall sign a form acknowledging that—

(1) the applicant's participation in the agreement is for experimental purposes;

(2) the applicant understands that the rules and regulations waived under the agreement will no longer be waived at the end of the 6 years, absent subsequent legislation to the contrary; and

(3) the applicant will not use any public funds to influence the passage of legislation to extend the agreements under this section.

(f) AUDITS.—Expenditures made in accordance with the provisions of this title, the applicable educational performance agreement, and local performance agreement shall not be subject to exception or recovery, pursuant to audit, for failure to comply with the provisions of any law governing a program or funds combined under the agreement, other than a provision referred to in subsection (d).

SEC. 1103. STATE ASSURANCES AND EDUCATIONAL PERFORMANCE AGREEMENTS.

(a) STATE ASSURANCES.—Within 2 years after the date of enactment of this title, the Secretary of Education shall select, from those States that provide appropriate assurances, not more than 50 local school authorities to combine Federal special needs education, drug education, and training program funds under an educational performance agreement that complies with subsection (b). Such assurances shall contain such information as the Secretary of Education may determine to be necessary, including—

(1) assurances that sufficient State funds will be available for technical assistance, planning and development, implementation, assessment, and evaluation;

(2) commitments from the State that local educational performance agreement working groups will be formed to develop and implement the local performance agreements;

(3) assurances from the State that participating in an educational performance agreement will not lessen its commitment to enforce Federal laws and regulations with respect to civil rights, discrimination, and safety;

(4) commitments from the State that it will exempt local school authorities from regulations for State programs, as specified in the local performance agreements relating to the use of funds under certain Acts, and will permit comparable combination of the funds provided under State programs included under such agreements;

(5) assurances that the State will—

(A) give priority to local performance agreements proposed by local school authorities concerning schools in areas with high poverty rates serving large numbers or percentages of students receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965;

(B) give appropriate consideration to the geographical distribution of local performance agreements, and the distribution between urban and rural areas;

(C) consider the prior record of compliance regarding Federal laws and regulations with respect to civil rights, discrimination, and safety; and

(D) in determining areas with high poverty rates under this paragraph, utilize the most recent poverty income guidelines promulgated each year by the Secretary of Health and Human Services;

(6) assurances that, other than the local performance agreements, the State will not require new or additional paperwork or promulgate new regulations as a result of participation in the agreement;

(7) assurances from the State that appropriate indices and goals for higher educa-

tional performance will be described in the local performance agreements;

(8) commitments from the State that the local performance agreements will be developed with the assistance of full-time local educational personnel (including paid release time for teachers), parents and other representatives of relevant groups;

(9) assurances from all appropriate State agencies that an approved local performance agreement will serve as any required local application or plan for programs that are included in the agreement;

(10) commitment from the State that a collaborative process will occur which involves, at a minimum, participation from the chief elected official and the chief State school officer;

(11) assurances from all appropriate State agencies that approved local performance agreements will serve as modifications or amendments to the relevant State plans; and

(12) assurances from the State that authority to waive State laws and regulations specified under the local performance agreements regarding uses of funds under certain Acts will be retained by the appropriate State agency.

(b) EDUCATIONAL PERFORMANCE AGREEMENTS.—Each educational performance agreement under this title shall be entered into by each Secretary concerned and the States selected under subsection (a) within 2 years of the date of enactment of this title and shall be effective for 6 fiscal years. Such agreement shall—

(1) identify the responsibilities of the respective parties to the agreement;

(2) describe the methods and activities by which the commitments and assurances provided under section 1103(a) will be implemented;

(3) require that the first such fiscal year be devoted to the development of local performance agreements (in accordance with section 1104) for the implementation of the agreement;

(4) not permit the combination of Federal funds during such first fiscal year;

(5) require that the second through sixth such fiscal years be years in which the educational performance agreement is implemented in accordance with the local performance agreements;

(6) once the local performance agreements are adopted, include a specific description of—

(A) the Federal and State special needs education, drug education, and training programs and funds which will be affected and the manner in which the funds will be combined; and

(B) the waivers which will be provided from restrictions applicable to Federal, State, and local funds available for such programs; and

(7) contain such additional information and assurances as each Secretary concerned may require consistent with the purposes of this title.

(c) INITIAL PLANNING YEAR.—During the initial planning year, the State shall provide to the local school authorities—

(1) such technical assistance or funding for technical assistance as may be necessary; and

(2) funds sufficient to meet the costs of developing comprehensive and detailed plans for the implementation of the local performance agreements, including the costs of the working group.

(d) IMPLEMENTATION YEARS.—For the second through sixth fiscal years in which an educational performance agreement under this title is in effect, the State shall make such funds available to the local school authorities as are necessary for continuing technical assistance and local administration, monitoring, and annual evaluation. Such funds shall also be available to other program providers participating in the agreement.

SEC. 1104. LOCAL PERFORMANCE AGREEMENTS.

During the second through sixth year of an educational performance agreement, such agreement shall be effective only if it contains, as component elements, local performance agreements that—

(1) are developed and coordinated by a local educational performance agreement working group comprised of individuals representative of program providers, business, local school authorities and personnel, parents, and other representative individuals with direct involvement with the local performance agreement as appropriate, and who reflect local needs and interests;

(2) are entered into by the schools, the local educational agency, the State, and each Secretary concerned;

(3) are amendable through negotiation during the term of the educational performance agreement;

(4) include any relevant provisions of the State assurances and educational performance agreement under section 1103;

(5) specify the funds to be combined and the waivers required from State and Federal laws and regulations regarding uses of funds under certain Acts to carry out the educational performance agreement;

(6) contain goals for—

(A) children receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

(B) children participating in vocational education courses;

(7) include a set of intermediate performance goals;

(8) include higher outcomes than previously demonstrated over the preceding 3 years for the children described in paragraph (6);

(9) identify the entities which will be responsible for the achievement of the stated goals at the end of each year of the agreement;

(10) include—

(A) a description of the indices to be measured in order to ascertain the amount of progress made toward the stated goals of the agreement, which indices may include measurement instruments developed before or after the date of enactment of this title and may include—

(i) the dropout rate, retention rate, or graduation rate;

(ii) teacher and student absenteeism rates;

(iii) skill levels of students in reading, mathematics, analytical reasoning, and higher order thinking; and

(iv) other indicators considered to be appropriate by the local educational agency, including open-ended problem solving exercises to measure analytical and mathematical skills, portfolios of student's work in subject areas, and performance tests (including vocational skills assessments);

(B) a description of the methods to be used in measuring such indices; and

(C) an average measurement of such indices over the preceding 3 years as of the date the local performance agreement is entered into;

(11) provide for the termination of the local performance agreement, and withdrawal of authority to combine programs, if any Secretary concerned, in consultation with the State, determines that the agency has substantially failed to comply with any requirement of this title, the educational performance agreement, or the local performance agreement;

(12) include a plan for coordinated services and service delivery;

(13) describe rewards and incentives that will be provided to students and successful service providers, particularly incentives for service providers that meet goals for students who are members of special populations and dropouts; and

(14) include a commitment that—

(A) the local performance agreement will be adopted at a regular meeting of the local school authorities, with adequate public notice, and the agreement will include comments received at such meeting with a written description of the response to the concerns expressed in such comments;

(B) the local performance agreement will be reviewed by the local educational agency not less often than once annually during the term of the agreement in accordance with section 1105(a); and

(C) the State will submit the results of the assessments conducted under section 1105(b) to each Secretary concerned.

SEC. 1105. LOCAL REVIEW AND ASSESSMENT.

(a) ANNUAL REVIEW.—

(1) CONDUCT OF REVIEW.—(A) Each local educational agency that enters into a local performance agreement under this title shall conduct an annual review of programs operated under such agreement to ascertain whether improved performance is being achieved and whether such performance is being sustained. Such review—

(i) shall at least include measures of the performance of students targeted under the programs combined under the local performance agreement; and

(ii) shall be conducted in consultation with the local performance agreement working group.

(B) The results of each annual review required by paragraph (1) shall be made available to parents, the public, and the State educational agency involved, and shall be considered as part of the 3-year assessment required under subsection (b).

(2) CONSEQUENCES OF REVIEW.—If the annual review required by paragraph (1) reveals any decline in performance, the local educational agency concerned shall, in cooperation with the local educational performance agreement working group, develop alternative strategies and modify the program as appropriate, including making available additional sources of technical assistance and inservice training.

(b) ASSESSMENT.—

(1) CONDUCT OF ASSESSMENTS.—Each local educational agency shall assess the effectiveness of programs operated under the provisions of the local performance agreement at the end of the third year of program implementation. At a minimum, such assessment shall include measurement of the performance of students eligible for services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 and students enrolled in vocational education programs. Such assessment results shall be submitted to the State educational agency. The State educational agency shall make public the results reported, and shall transmit the results of these assessments to the Secretary of Education.

(2) CONSEQUENCES OF ASSESSMENTS.—If the local educational agency assessment results

do not achieve the stated goals and outcomes in the local performance agreement, or if the performance of the students participating in the programs does not exceed the average performance of such children for the preceding 3 years or exceed the performance of similar target populations district wide, the local educational agency and the State educational agency shall develop a local implementation and improvement strategy that may include agreement modification, technical assistance from the State, and revised assessment criteria and timetables. The local performance agreement may be terminated, and authority to combine programs withdrawn, if the Secretary of Education determines that—

(A) the local educational agency cannot achieve the goals or sufficient improvement in educational performance even with assistance; or

(B) the local educational agency refuses to negotiate or implement an improvement strategy.

SEC. 1106. EVALUATION AND REPORT TO CONGRESS.

(a) FINAL REPORT.—

(1) CONDUCT OF EVALUATION.—The Secretary of Education, in consultation with each other Secretary concerned, shall enter into a contract for an independent evaluation of each educational performance agreement under this title, and the local performance agreements thereunder, and submit to the appropriate committees of the Congress a report that contains an analysis of that evaluation and a description of the results achieved.

(2) SUBMISSION DEADLINE.—Each report required by paragraph (1) shall be submitted not later than 1 year after the termination or completion of the educational performance agreement.

(b) INTERIM REPORT.—The Secretary of Education shall provide interim progress reports to the Congress with respect to each educational performance agreement under this title, based on an analysis of the yearly evaluations conducted pursuant to each agreement.

SEC. 1107. ASSESSMENT TO ASSIST CONGRESS, STATES, AND SCHOOLS IN IMPROVING STUDENT PERFORMANCE.

(a) REPORT ON THE PUBLIC SCHOOLS.—In order to assist State and local educational agencies and teachers in focusing more time and resources on improving student performance, the Secretary of Education shall, not later than January 1, 1991, prepare a report on the public schools of each State.

(b) CONTENTS OF REPORT.—The report required by subsection (a) shall—

(1) describe the administration of public education within each State and identify any legal, regulatory, and organizational requirements promulgated since 1980 that affect educational practices;

(2) identify which governmental entity promulgated each requirement described in paragraph (1);

(3) analyze the impact of the requirements described in paragraph (1) on the time and resources local educational agencies have available for educating students, including fiscal resources, staff time, facilities, instructional equipment, and services;

(4) determine the extent to which the number of requirements described in paragraph (1) has increased or decreased since 1980 and the reasons for any such increase or decrease; and

(5) include recommendations on how best to simplify Federal or State regulations so that more resources can be used to improve student performance.

(c) SPECIFIC ISSUES FOR ANALYSIS.—In preparing the report on new requirements imposed since 1980, the Secretary of Education shall analyze for each State—

(1) the amount of resources, if any, that local educational agencies must direct to complying with new mandates and other new legal and regulatory requirements directly related to the education of students, including mandated curricula and student-teacher ratios;

(2) the amount of resources, if any, that local educational agencies must expend to meet new mandates and other new legal and regulatory requirements that are not directly related to the education of students;

(3) the amount of time, if any, that school personnel must spend responding to new requests for data and completing new reports to fulfill Federal or State requirements;

(4) the amount of time, if any, that administrators must spend responding to the paperwork requirements that result from new legal, regulatory, and organizational requirements;

(5) the effect of any new legal and regulatory requirements on the ability of local educational practices, including the impact of such requirements on local flexibility and control over the classroom and school building management; and

(6) the degree to which any Federal or State requirements have been reduced since 1980 and how such a reduction was achieved.

(d) DISTRIBUTION OF REPORT.—The appropriate State report shall be submitted to the chief executive officer, chief State school officer, legislative leaders of each State, and major State education organizations by January 1, 1991.

(e) SUMMARY REPORT TO THE CONGRESS.—A summary report on all States shall be submitted by the Secretary of Education to the Congress not later than January 1, 1991. Such summary report shall include a chart comparing the findings in each of the States and shall rank the States according to the degree of regulatory burden within each State.

(f) UPDATE OF REPORT.—By January 1 of each year, the Secretary of Education shall update each State report and the summary report to the Congress, illustrating where Federal or State requirements have increased or decreased during the previous year.

(g) CONSULTATION WITH THE CONGRESS.—The Secretary of Education shall consult with the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate by June 1, 1990, concerning the report's design.

SEC. 1108. DEFINITIONS.

For the purposes of this title:

(1) Except as otherwise provided, each term has the meaning provided under section 1471 of the Elementary and Secondary Education Act of 1965.

(2) The term "local school authorities" shall include, as appropriate, local educational agencies and administrators of all affected public schools.

(3) The term "Secretary concerned" means the head of the Federal agency responsible for the program which the State and local entities propose to be made part of the local performance agreement. In the case of a local performance agreement involving programs under the jurisdiction of more than 1 Federal agency, the agreement on the part of the Federal Government may only be entered into, modified, or terminated by the mutual consent of all involved heads of Federal agencies, except that failure to comply with the terms of the exemption from a provision of law or regulation of 1 agency may be grounds for that agency's withdrawal of that exemption or the involvement of that program, without termination of the entire agreement.

(4) The term "State" includes each of the 50 States and the District of Columbia.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] will be recognized for 15 minutes and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 15 minutes.

The Chair recognizes the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

These amendments offered en bloc carried out the agreement that we have in a very friendly and bipartisan basis agreed to offer as a means of clarifying the proposal before Members. I think we have reached a consensus, if possible, that some Members individually do not agree with everything that is in the amendment, but generally we think that they advance the cause of education.

We have agreed that the proposal before Members is so important to the best interests of the Nation that we should not only support the objectives that have been reached by the President and the Governors of the various States and their educational goals, but that also some of the initiatives that have been proposed by members of the Committee on Education and Labor to expand the cost effective and successful education programs should be put into a comprehensive package and offered to the American people.

I believe that this is truly the most comprehensive and far-reaching education proposal that we have yet considered in the Congress, and at the same time, we have been highly selective in trying to offer only those programs that have a proven record of accomplishment, and that are cost effective, and actually related to educational reform as we have witnessed that great movement since 1983.

□ 1050

I would also like to stress that we have excluded no one with a good idea or with proposals that we felt would add to the test we have given to this proposal, that of being cost effective. We have considered any amendment that we felt had proved itself or was of

a bipartisan nature, any amendment that we thought had merit to demonstrate in the next few years some degree of success.

So we have before us, I think, a well-crafted proposal. It contains the amendments that I have indicated offered by a host of Members, both members of the committee as well as several who are not on the committee—Mr. GUNDERSON, Mr. SMITH of Vermont, Mr. GINGRICH, and Mr. BARTLETT. We have put those amendments and others into the package.

I would simply like to say that all this week we have been hearing bad news. We have been hearing the news about deficit reduction, the great debt that has been piling up, and the need to do something about it. I think today we have an opportunity to talk about good news, how we can make our nation more competitive, and how we will leave to our children and their children not only a legacy of debt but also the ability to handle these problems.

So I believe we should approach the proposal before us in the sense that it is not only well-crafted but that it is essential to the future of this nation, but that if we are going to be truly competitive, if every child is going to be ready for school by the year 2000, if we are going to get into the question of intelligence and an intelligent and productive workforce, we have got to begin, and we have got to begin now.

I think we have approached it with that seriousness, and it is because of that that I think we have been able to craft a proposal that meets with the approval of Members on both sides of the aisle in the sense that it is a truly bipartisan proposal.

Mr. Chairman, it is on that basis that I hope we will debate this proposal before us and act on the various amendments that may be offered.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. CONTE], who helps control the pocketbook for us.

Mr. CONTE. Mr. Chairman, I rise today to commend the members of the Education and Labor Committee for their terrific work on H.R. 5115, the Equity and Excellence in Education Act of 1990, and to voice strong support for this committee substitute amendment.

The bill has taken 17 months to get to the floor, but it has been worth the wait. The bill not only embraces the President's education goals, it also combines the administration package with the illiteracy and teacher packages already passed by the Senate.

The bill does so much you might say it is a triple play! This amendment is like adding the game-ending fireworks to a tightly contested baseball game.

The committee amendment contains many important provisions for fostering excellence and equity throughout the educational system. Let me talk about a couple of them.

One provides for expanding the underachiever initiative within the Department of Education's Fund for Innovation in Education. I have long been concerned about underachieving students and think more should be done to understand and respond to these children.

Underachievers are the forgotten students among the widespread efforts to meet the needs of kids on both ends of the education continuum.

The only effort of its type, the underachiever program was started in 1990 to improve educational performance and employment opportunities for underachieving students. It responds to a growing concern about the many youth who are not achieving their potential.

This amendment raises the underachiever initiative to the same status as all the other categories within the FIE Program. It says programs for underachievers are as important as the other FIE programs for computer-based instruction, health education, alcohol abuse, discovering new ways to identify outstanding students, and using radio and television in classrooms. Surely underachievers deserve as much attention as these other worthwhile FIE programs. It is an area ripe with promise that deserves our attention.

Another provision strengthens the Bilingual Education Act by creating two demonstration projects by bringing together several of the most exciting educational developments in recent years.

For the first time, the restructuring of school management and student services will be merged with developmental bilingual techniques in an arts-based curriculum at two magnet middle schools.

The demonstrations allow us to explore better ways to meet the needs of students during the critical early adolescent years. Given the high drop-out rate of minority students I think every effort should be made to keep them in school.

This provision is but another step toward attaining that elusive goal.

I urge your support for H.R. 5115 and this substitute amendment to the bill.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. Mr. Chairman, I rise in strong support of the Hawkins en bloc amendments to H.R. 5115, the Equity and Excellence in Education Act of 1990.

Part of that package of amendments is a piece of legislation which my friend and colleague PETER SMITH and I have worked together on for more than a year, the education performance agreements. The committee has held a total of four hearings on the bill, two here in Washington, PETER came to southern Illinois for a hearing in my district, and I went to Vermont for a hearing there.

The Smith amendment seeks to give local schools more discretion over how they spend the Federal funds which they receive. It allows local administrators to pool precious Federal resources for the benefit of their students and their schools. We strongly believe this flexibility will allow local administrators, in concert with local teachers, to craft an individual plan for that school's financing, a plan which best meets the educational needs of that schools' unique student body.

The rights and protections given by Federal law to students attending schools which participate in the educational performance agreements program would be just as strong as they are now. In fact, the bill is designed to improve the quality of the programs which those schools offer.

Mr. Chairman, this amendment is a modest attempt to explore one way of improving our Nation's schools. There are certainly many others, and we need to look carefully at every one of them. American students fall far behind our Western allies in both test scores and educational spending. Clearly something needs to be changed, and our amendment is a change which I believe will prove successful.

I thank Chairman HAWKINS for the courtesy which he has extended to Congressman SMITH and myself on this issue. I also urge all of my colleagues to support the Hawkins en bloc amendments.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to one of our distingushed leaders from our side of the aisle, the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Chairman, first of all, I want to thank the chairman and the vice chairman of the Committee on Education and Labor for including my prisoner literacy amendment in the series of committee amendments they will be offering today.

Let me take a few minutes to explain how this idea was brought to my attention. On May 2, John Chancellor delivered a commentary on the NBC Nightly News aimed at shedding light on one of our society's major shortfalls. The commentary was aptly titled "Readin', Writin' & Pris'n."

Chancellor's main thrust was that "in the American penal system, too many people go to prison, get out, commit another crime and go back in again. In Japan, the rate of return to prison is far lower."

One reason advanced by Chancellor for the disparity is that "* * * in Japan, if your prison sentence is longer than one year, they won't let you out if you can't read and write." To illustrate the problem just consider that in the United States 62 percent of all released prisoners who are rearrested have an education of eighth grade or less.

□ 1100

The amendment can be summarized as follows:

Requires States, within 2 years of enactment, to have in effect a mandatory functional literacy pilot program in at least one corrections institution in that State for all persons convicted of a felony who are not functionally literate.

Within 5 years of enactment, States are required to have in effect mandatory functional literacy programs in each State corrections institution for all persons convicted of a felony who are not functionally literate.

Defines functional literacy as the ability to demonstrate, in English, at not less than the eighth-grade level, educational skills necessary to function independently in society, including reading, writing, comprehension, and arithmetic computation.

Failure of a State to comply with the requirements renders that State ineligible to receive the 10-percent setaside grant for corrections education under the Adult Education Act.

Let me just say that I believe this is a step in the right direction. It is patterned after the highly successful literacy incentive program in Virginia, and it does move us toward trying to help prisoners develop the skills which would allow them to truly take their place in society.

Again I thank the vice chairman who has been very aggressive and supportive and the chairman for accepting this.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], one of the distinguished members of our committee.

Mr. GUNDERSON. Mr. Chairman, there has been and I guess this is the time and the season for partisanship. It is a campaign year and that is inevitable, but I would like to call to the attention of all my colleagues that if you could have witnessed our distinguished chairman and our distinguished ranking member yesterday when they led in a totally unified effort the House Republicans and Democrats in the conference with the Senate on vocational education and if you could have witnessed these same two gentleman over the last 2 weeks in leading negotiations to produce a bipartisan consensus on educational reform, you would know that at least in the 10 years that I have been in the Congress this is our finest hour on a bipartisan basis of the Committee on Education and Labor, and it is due in no small part to the distinguished leadership and cooperation of our chairman, the gentleman from California [Mr. HAWKINS] and our ranking Republican, the gentleman from Pennsylvania [Mr. GOODLING].

Yesterday we were able to lead an effort, and it was exciting to see a Democrat endorse a Republican and back and forth this week as we greatly strengthened each other's arguments in behalf of the progressive vocational education bill.

Today as a result of this amendment in this bill, we will enact the most significant step toward true educational reform in the history of this country, with alternative certification, merit schools, the whole decentralization, the whole concept for open enrollment and choice, prison literacy and a whole host of other issues in the math and science area, in teacher retraining and dealing with Mrs. Bush's major concern of literacy.

Mr. Speaker, we have proven to the American people that we can work together for the interest of their children in this legislation.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTLETT] who has worked long and hard on the issue that I am sure he will describe in his remarks.

Mr. BARLTETT. Mr. Chairman, I rise in strong support of the committee amendments and in particular thank the gentleman from California [Mr. HAWKINS] and the gentleman from Pennsylvania [Mr. GOODLING] for the bipartisan spirit in which they have entered into these committee agreements.

I rise also to take note that one of the items in the agreement is the significant portion of the Open Enrollement in Education Act that the gentleman from Ohio [Mr. ECKART] and I have introduced and pushed over the course of the last year.

I also want to acknowledge the partnership and leadership of the gentleman from Ohio [Mr. ECKART] on this issue, stressed in his bipartisan approach.

The winners in this agreement are the children, the students and families and parents in the United States as a whole.

I would note that the original open enrollment bill that the gentleman from Ohio [Mr. ECKART] and I introduced, H.R. 3697, contains two sections. One, is that we would remove barriers in Federal law, those barriers in chapter 1, chapter 2 and the Department of Defense schools, which prevented local educational agencies from adopting their own parental choice programs.

Two, we have provided for State and local demonstration grants which provide demonstration funding to provide for planning and the establishment of open enrollment or parental choice programs for individual schools; no mandates, no one is required to take advantage of it, no school district is required to adopt any form of open enrollment or open enrollment at all.

The Federal Government on these demonstration grants would put the imprimatur of Federal leadership in open enrollment, allowing parents to choose where their children go to school.

The bipartisan agreement contains the second half, but not the first half of the legislation. We provide for the demonstration grant. It will be a force for change all over this country. It will not cause the change to happen. The change is already happening in States and in local school districts around the country. This will simply put that note of the Federal imprimatur on the change.

Mr. Chairman, I commend the gentleman from California for his amendments and support them.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, I rise today in strong support of H.R. 5115, the Equity and Excellence in Education Act, and commend our esteemed chairman, the gentleman from California [Mr. HAWKINS] for the work he has done in putting this together.

President Bush and the Nation's governors have ambitiously committed America's high schools to a 90-percent graduation rate, our students to becoming first in the world in math and science, every adult literate, and every school in America free of drugs—all by the year 2000. These are commendable goals but they were presented devoid of any plan, money, or program for achieving them. So Congress has now come up with a framework for school improvement, a framework to achieve these goals. This framework is H.R. 5115

It builds on existing, successful programs. It includes aspects of the President's education initiatives. And finally, it creates two new programs—loan forgiveness, incentives, and training for teachers and adult literacy strategies.

More than ever, America is challenged to keep peace with the dynamics of the global marketplace. Our international industrial competitiveness is dependent on an educated, highly skilled work force. Simply put, education is an investment in our future. It is key to our international competitiveness and our success as a society. I believe we must make a commitment to education and put more of our resources toward it. The Equity and Excellence in Education Act does

this. An investment in our next generation pays dividends to all of us.

The CEO of Honeywell, James Remier, testified before the Education and Labor Committee this year. He became compelled by the inadequacy of his work force to get involved in education programs. He claims that American businesses spent nearly $25 billion last year teaching its employees basic education skills. Thus, the bottomline for society and especially American business is that we can pay now or we can pay later, but we will end up paying. I urge my colleagues to begin making the investment in quality education programs now.

Mr. Chairman, it is America's greatest shame that one out of every three adult Americans cannot read. They are functionally illiterate. In the richest country in the world, this dooms 60 million adult Americans to lives of poverty and ignorance—and costs our Nation billions of dollars in economic damage and waste. Illiteracy is a devastating problem for our society. This bill will help to eradicate our insidious literacy problems. It will help alleviate our eroding competitive advantages in the global marketplace. The solutions are tough but so are the consequences.

Finally, I want to express my support for the teaching provisions of this bill. Teachers have one of the toughest, most important jobs in society and I believe we need to give them all the support we can. With the erosion of our family and community support systems, somebody's got to be there for our kids and these days it seems that more of the burden is falling upon our teachers. They are faced with extraordinary challenges beyond the classroom lessons. This bill makes a stronger national commitment to teacher training and retraining to prepare our teachers for the 21st century.

It also provides incentives for our best and our brightest to choose the teaching profession. We will need good teachers. Their influence will be critical in preparing our children to succeed in an ever-increasingly competitive world.

Mr. President, we are sending this bill to you to sign into law so that you will be the Education President. I want to challenge you to truly be the Education President. I want to end the rhetoric and truly make educational excellence a top priority. Our country's future depends on our investments in education today.

I urge my colleagues to support this critical education initiative.

Mr. GOODLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I rise in strong support of the Equity and Excellence in Education Act.

Mr. Chairman, it is clear that few of the problems facing us are as pervasive as the challenge of educating our children to meet the demands of the 21st century.

The education initiatives that have come before the House of Representatives this week, the Dwight D. Eisenhower Mathematics and Science Education Amendments of 1990 and the Equity and Excellence in Education Act, will both strengthen and enhance our Nation's education system and improve our ability to compete with other industrialized nations.

I am encouraged by the willingness of this body to address these critical concerns through this legislation. The many provisions in these bills, such as: school readiness, school completion, math and science, literacy, drug-free schools, and teacher recruitment and retention are the very vital elements that demand our immediate attention.

Since the end of the Second World War, we have increased human knowledge more than in the entire rest of history combined. This vast increase in our knowledge and the rapid changes in world society pose many pitfalls and challenges for Americans, the most important of which is international competitiveness. After all, if we are to remain a premier nation, we must ensure that our children have the skills necessary to compete and be innovative.

The key to achieving this is education. Without this we will fail.

I believe everyone has the responsibility for ensuring that the United States stays educated—government, business, and the schools all have crucial roles to play; and we must work together as partners to see that the best solutions to our problems are reached.

The Eisenhower math and science bill is designed to provide schools and teachers with state-of-the-art curriculum materials through a national clearinghouse. It places special emphasis on teacher training in the math-science disciplines at the elementary and middle school level and directs additional resources toward improving instruction.

Yet, the Equity and Excellence in Education Act is even more far reaching. With its many policy goals, it is the Federal Government's action plan to assist States, local school districts, and universities to meet the six national education goals agreed to by the President and the Governors at last year's education summit.

The bill also includes several of the President's education requests that were part of his 1989 education initiatives package. One example is the establishment of the National Science Scholars Program. It would provide scholarships to exceptional high school who excel in math and science and choose to pursue these fields in their college study. The program would give priority to poor students, giving them better access to a college education.

There are also programs in the bill to provide awards to outstanding teachers; and awards and recognition to elementary and secondary schools that have: improved student achievement, a safe and drug-free school environment, and a reduced dropout rate.

Putting in place the dynamic forces that can lead our Nation into the next century should be our highest priority. These bills build upon that foundation.

In less than a decade, Americans will ask where and who succeeded or failed to set the math and science education priorities of the early 1990's. Today's concerted, committed efforts by Congress to support the development of effective education policies will help determine the extent to which society is scientifically and technologically literate and if we are ready to compete in the next century.

Our actions today will help draw the map of American society for years to come and we must continue our work to ensure our education system is up to meeting these challenges.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. SMITH], the author of one of the very important packages in the legislation.

Mr. SMITH of Vermont. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding me this time.

Mr. Chairman, I rise in support of the en bloc amendments and of the bill as a total entity.

I want to start by thanking the chairman of our committee, the gentleman from California [Mr. HAWKINS], and the ranking member, the gentleman from Pennsylvania [Mr. GOODLING] for their understanding, openness and willingness to go down the road with a freshman Member of Congress, and our colleague, the gentleman from Illinois [Mr. POSHARD], as we have investigated what we think is a bold change, the beginning of a new future for American schools over the last year-and-a-half in our committee. Without their openness and without their willingness to think about new ideas and engage in debate, we would not be standing here today.

This amendment to this bill is the result, frankly, of years of work, stemming from the "Report of a Nation at Risk."

□ 1110

We have begun the process of putting new resources into our schools. We have begun the process of talking about higher standards in realistic and meaningful ways. But what, in fact, we have lagged behind on is how we get from where we are to where we want to be in terms of American schools.

This amendment has been called a bold step and has also been called the best hope, in terms, as we begin to fashion a policy where this country can achieve the goals for all children in our public schools that we so desperately need, because, Mr. Chairman, we have to face it, not only are our children our most precious resource, but in fact, if we do not do a radically and dramatically better job in educating every child to the maximum of his or her capacity by the 21st century, then, in fact, this country faces a threat to its national security through undermining and diminishing our own human resources that is unparalleled.

What this bill does is give authority to local school districts to redesign their schools, to reinvent their schools in whole or in part for radically better, dramatically better performance on the part of all students, and it also gives them the responsibility and the necessity to be held accountable for what they do. It opens the door to reinvent public education for excellence in this country. It will be a bold step forward for all children.

Mr. HAWKINS. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART. Mr. Chairman, this is, indeed, quite a moment of accomplishment.

My colleague and I, Mr. BARTLETT in the introduction of this bill, are pleased at the receptivity to our ideas and the support that the Republican and Democratic Members of the committee have been able to extend to the question of an open-enrollment program. This similar program has already been embraced in my home State of Ohio and other States, as well, such as Minnesota, Iowa, Nebraska, and Colorado, and what we hope to do through the creation of this demonstration project program is to create an incentive to ensure and to assure for both students and parents that the quality of education that their children receive is in direct proportion to the kinds of accomplishments and goals they want their children to realize.

The Chair and the ranking member of this committee have entertained this proposal with some appropriate negotiations and have now taken us to the point of a modest open-enrollment program demonstration project that will enable the States to achieve the goals that the parents want for their children.

We thank the committee for their support and urge the adoption of the en bloc amendments.

Mr. HAWKINS. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I want to congratulate the chairman on this excellent piece of legislation and, indeed, to commend him for a magnificient career that he has contributed in this House of Representatives and, before that, in California.

Mr. Chairman, an eery calm has descended over the debate on American education. Gone is the media frenzy of the education summit last fall. Gone are the photo ops. Gone are the front page headlines.

Why? Although improvements have been made, the facts about American education should still make us angry. By now, I hope most of us are familiar with them.

A disturbing percentage of U.S. students are not attending school. The dropout rate in some areas is as high as 55 percent. Even the students who do attend are not learning the skills to function and compete in an increasingly competitive world.

It takes more than summits, reports, and sound bites to improve American education. Today we have a chance to do something more.

This bill incorporates the educational goals for the year 2000 that were agreed upon at the education summit. I generally support this bill. It is a good beginning. But it is only a beginning. Those goals are a tall order for the year 2000. To meet them, we must keep the Nation's attention focused on education. We need vigilance and endurance as much as conferences and studies. We also need money.

Educating Americans is expensive. The Federal Government pays a paltry 7 percent of all the educational costs in the country. Some might applaud that statistic. I do not. This puts a tremendous burden on cities and States that are already gasping from financial strain. This year, 18 States expect budget shortfalls totaling $5.1 billion. Where will these States find the resources for improved educational standards, higher teacher pay, updated textbooks, sizable classrooms? The list could go on.

For those who want it, the chance to get a good education in the United States should be as easy as going through a McDonald's drive-thru. Families should not have to take a second mortgage to send their children to college. Children in the cities should not receive below standard education while suburban children attend advanced classes. Congress must find other ways to help out.

Will the House pass this bill today? I certainly hope so.

Will we continue to care about American education? I don't think we have a choice.

The future of America rests upon it.

Mr. GOODLING. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, first of all, I want to make sure that I do not forget to thank our distinguished chairman for the legislation that we have before us, but to go much beyond that, to thank our distinguished chairman for all of the service he has provided to the young people of America for so many years. I do not know that I have ever met anyone who is as fair. I have never met anyone who is more of a gentleman than the chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS]. He will be sorely missed by us, but the children of this country certainly will miss his efforts on their behalf.

I also want to thank the gentleman from Michigan [Mr. FORD], who worked with us to revive and put together the package that we have now in a bipartisan fashion. I certainly want to thank the majority staff for all the work they have done. I want to thank the staff of the gentleman from Michigan [Mr. FORD]. I want to thank Sara Davis of the staff of the gentleman from Ohio [Mr. SAWYER], and Liz Powell of the legislative counsel for her hard work and excellent effort. I want to thank all the members of the committee, because, as I indicated, it is a bipartisan effort. It could not have happened had not all of our committee members pulled together to bring it about.

I want to thank the minority staff who are outnumbered dramatically but they are never outgunned, because they spend hours and hours, and then with their outstanding ability, we can catch up with the overwhelming support staff on the other side of the aisle.

I particularly want to thank our young attorney, Jo-Marie St Martin. I want to thank our staff director, Dr. Hartman, our education coordinator, Dr. Buehlmann, Michael Lance, who handles our higher education effort, and all the members of the staff and the support staff for the efforts to bring about a bipartisan bill.

Mr. Chairman, I would like to say two things about the bill. First of all, we have included some of the things that the President wanted when he sent his message perhaps 16 to 18 months ago. Those efforts came before the summit between the Governors and the President. So we have taken the President's initiative, which I indicated came before the summit, and then we put together effort into this bill that we believe will drive us to realizing the great goals that were set by the Governors and by the President.

It is we in the Congress, the State legislatures and those who are out in the field who will make the changes that will bring about what it is that we hope to accomplish by the year 2000.

I think we have a good bill, and I would ask everyone to support it.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I rise in support of the passage of H.R. 5115, the Equity and Excellence in Education Act of 1990. After months and months of tireless efforts on the part of my chairman, GUS HAWKINS, and a representive group of the minority and majority members of the Education and Labor Committee, a very timely piece of legislation has been fashioned.

As you know, H.R. 5115 outlines the plan of action for the Federal Government that will assist States, local school districts, and institutions of higher education to meet the six national education goals formulated by President Bush and this Nation's Gov-

ernors at the education summit held last year. This effort has been truly bipartisan and inclusive.

Not only does H.R. 5115 include several of the President's proposals, it further seeks to improve teacher recruitment and retention and focuses on a new literacy initiative.

I rise today in support of this measure because our Nation is truly in need of these initiatives to counter our eroding education system. This Nation's dropout rate has reached appalling levels, the numbers of students choosing teaching as a career has plummeted, and the readiness of our students to compete in the world economy, as we move toward the year 2000, is questionable at best at this point. The Equity and Excellence Act of 1990 directly addresses these concerns.

I am certain that this bill will be of great help to the city of Chicago. I know that this Nation's youth will benefit. The expansion of the Head Start Program and the WIC nutrition programs are very crucial to my constituents.

We have known for a long time that the Head Start and WIC programs are clearly a couple of the most effective domestic programs ever created by this Congress. However, many that are in need of these programs have not been able to access them because of limited funds and limited enrollment slots. This legislation finally improves the access to these programs for many, many children.

An ongoing concern of mine has been the drastic school dropout levels. The Equity and Excellence Act sets as its goal, by the year 2000, that the rate of high school graduation will increase to at least 90 percent. Toward that goal, the legislation provides funding and programming for currently existing dropout programs. If we as a country want to move forward, educationally, these provisions are crucially needed.

Finally, the bill confronts head on this Nation's drug crisis in our schools. Again, the bill states that by the year 2000 this Nation's schools will be free of drugs and violence and will offer an environment conducive to learning.

The positive aspects of the Equity and Excellence Act continues on to address adult literacy, math and science preparedness, and equal opportunity for postsecondary education, specifically authorizing $20 million in fiscal year 1991 for historically black colleges and universities.

Mr. Chairman, I truly encourage my colleagues to lend their support for the passage of this much-needed legislation. I believe that the need for Federal support and direction is greatly needed in our education system, and the Equity and Excellence Act provides us with the right framework for doing so. Thank you, Mr. Chairman.

□ 1120

Mr. GOODLING. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HAWKINS. Mr. Chairman, I yield the balance of my time, 2 minutes, to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I rise in strong support of the Equity and Excellence in Education Act, a bill designed to move our country toward the six national education goals agreed upon by the President and the Nation's Governors last year. I am particularly gratified by the inclusion in this bill of the key portions of H.R. 3123, the Adult Literacy and Employability Act, a bill which I have cosponsored and on which I have worked, along with Representative SAWYER and many other Members, for the past 3 years. Many people and organizations have helped bring us to this day, by documenting the need for a national literacy initiative, by formulating a well-conceived and practical bill, and by working timelessly for its passage. Representative SAWYER deserves special credit, and it gives me special pleasure to thank him for his cooperation and his leadership.

Illiteracy is a daily tragedy for millions of our citizens, depriving them of full participation in the life of our society. It is also a tragedy for us as a nation—and the bill before us lays particular stress on the impact that the education and skills of our work force have on our Nation's economy and on our ability to compete in the global marketplace. In my district—which encompasses the high-technology facilities in Research Triangle Park as well as traditional industries that are rapidly modernizing—business leaders tell me that education is their No. 1 concern.

Too many of our young people are entering the work force without the skills necessary to advance, and too many of our adult workers find themselves unable to adapt to the workplace's changing demands. The Sunbelt Institute, in a study cochaired by Representative HAL ROGERS and myself, has documented a cycle of undereducation and underemployment that is especially critical in the Southern States. Our region's literacy problem, the study concludes, must increasingly be seen in terms of work force skills—grade school dropouts who never learned to read, write, add, or subtract, but also, increasingly, high school dropouts whose skills still fall far short of what the workplace requires. The bill before us, formulated in the context of studies like these, conceives of literacy in this functional sense and encourages public-private partnerships in literacy training, often geared to the workplace.

I am happy to report that the Science Committee, on which I serve, is also making a significant contribution to the advancement of workplace literacy. My Science and Technological Literacy Act (H.R. 3122), a companion bill to H.R. 3123, is scheduled for an early markup there.

The bill before us, H.R. 5115, includes provisions for the establishment of a national institute for literacy—a center for research, program evaluation and assistance, and the dissemination of curricula and instructional technologies—which will provide an absolutely critical resource for State and local programs. Representative JIM COOPER is due a great deal of credit for his effective advocacy of this proposal. The bill also will encourage the establishment of much-needed State and regional adult literacy resource centers. These centers will be of great importance to regions of the country, like the South, which have lagged behind much of the Nation in educating their work force. I am encouraged that the Southern Growth Policies Board, a consortium of the Southern States, has already announced plans to develop a southern regional literacy center. This is the sort of initiative H.R. 5115 will facilitate and support.

I appreciate the cooperation of Representives SAWYER, GOODLING, and HAWKINS in making it clear, in the leadership's technical amendment, that the funding States receive can go for services provided by a regional center, a State center, or both. We must work to ensure the flexibility of these centers in addressing the diverse problems posed by illiteracy. My own State of North Carolina will channel most of its efforts through a State literacy center, but will also participate in the regional center which is being set up in the South.

I believe this is entirely appropriate. There are some activities which will be best undertaken by a State literacy center while others may be best undertaken through a regional center.

I look forward to working with Mr. GOODLING, Mr. SAWYER, and others, in the conference committee and beyond, to ensure that States and regional groups of States have the greatest possible flexibility in establishing and funding centers that meet their diverse needs.

Mr. Chairman, I am pleased to see this comprehensive education package come to the floor, and pleased to see the bipartisan agreement in this body on the importance of an educated work force. Workplace literacy will have an enormous impact on all of us—business, education, media, governments. It will take the efforts of all of us to solve this crisis facing our country. This is why I strongly support passage of this comprehensive education package which has been carefully crafted to address many of

our education needs. I urge my colleagues to lend their support to this important legislation which will enhance this Nation's readiness to meet the challenges which lie ahead.

Mr. MURPHY. Mr. Chairman, we are here today to improve education in our country and to discuss why it has become increasingly more important with each generation. I believe H.R. 5115, the equity in education act, will help achieve these goals. The challenge is competition. The world economy and society have become more competitive and to survive in the world today we must match that competitiveness.

In an era of rapid technological change and interactive global economies the three R's just do not go far enough to prepare our students for the challenges that will lie ahead. And lately we have been finding that many graduates have not even mastered basic reading, writing, and arithmetic. In America illiteracy is on the rise. Some students are graduating from high school who cannot fill out a basic job application. How are they ever going to compete in the global market? H.R. 5115 provides for every adult to be or become literate by the year 2000.

Worldwide we are outranked in math and science educational performance. By 1995 8 out of the 10 fastest growing occupations in the United States will require upper level math skills, yet our educational system is turning out fewer math graduates. As the college age population shrinks over the next several years the number of math and science students will shrink also. H.R. 5115 provides for every U.S. student to be the first in the world in math and science education.

Another avenue we must pursue with renewed vigor is educating our young people to the fact that drugs, and the crime that follows, will kill them. What makes this task more difficult is when they see that they can make more money in a week selling drugs than their parents earn in a month. The dropout trend must be reversed. America's educational system has to grab a students' attention early and challenge him or her to stay in school and excel. H.R. 5115 may provide an opportunity for our schools to be drug and crime free by the year 2000.

President Bush has set education goals that he would like to see accomplished by the end of this century. He wants a 90-percent graduation rate, and every adult able to read and write. He wants to see U.S. students first in math and science and every school free of drugs and violence. I applaud his ambition to make America No. 1 again. We applaud and join him in the desire to educate those who were left to fend for themselves for the last decade by the previous administration.

This overall goal is attainable. We can still be the highly competitive society we once were. Efforts are needed to bring our schools into the computer age, and adequately pay teachers for the valuable service they perform. Knowledge is a valuable commodity, the more we all know the better society as a whole is able to compete. I believe we can achieve many of these goals by the year 2000 and H.R. 5115 is the means to do just that.

Mrs. MARTIN of Illinois. Mr. Chairman, as a cosponsor of legislation proposing educational performance agreements, I strongly support Congressman PETER SMITH's amendment to H.R. 5115, the Equity and Excellence in Education Act of 1990. It makes good sense to give school districts flexibility to use education funds in the manner they believe will benefit children the most.

That's what this amendment will do. It is a proposal that will spur experimentation in school reform at the local level. Far too many teachers and administrators have been stymied in their efforts by inflexible Federal rules and regulations dictating how funds must be used. Educational performance agreements will untie these strings.

Local school districts that participate in an educational performance agreement would be permitted to pool Federal funds from a variety of sources, unencumbered by restrictive regulations. A restructuring plan, drawn up by a team comprised of parents, community representatives, teachers, and administrators, would spell out how resources would be used and would set a timetable for improvement. In return for easing regulations, the participating school district would be held accountable for the goals it sets. If student performance did not improve, the contract would be terminated.

Educational resources are best coordinated and educational decisions are best made at the local level, and my colleague's amendment provides for increased local control. Educators, unencumbered by restrictive regulations, would have freedom to figure out creative methods and programs that best meet the needs of the children they serve. Parents, school personnel, and communities would be empowered to create a learning environment that will promote educational excellence.

Mr. Chairman, this amendment is an innovative proposal that should be adopted to H.R. 5115, the Equity and Excellence in Education Act.

Mr. BRENNAN. Mr. Chairman, I rise in support of excellence in education, and I urge my colleagues to vote for this bill. As a cosponsor of the Adult Literacy and Employability Act, I am pleased with the incorporation of adult literacy programs in this act. One of my constituents referred to the bill as, "a major triumph for the cause of literacy in America." Nearly 30 million adult Americans are functionally illiterate. They can't read food labels, they can't read a newspaper, and they can't fill out a job application.

This bipartisan bill would authorize a 5-year, $5 billion investment in literacy. It would be a triumph for the 1 in 4 students who drop out of school each year. And it would be a victory for employers and employees throughout the Nation, struggling to create a more literate America. This bill would further math and science education, student achievement, and citizenship. It would improve teacher recruitment and retention, and provide loan incentives for educators who are willing to teach in rural areas, such as Maine. I am voting for H.R. 5115, and I urge my colleagues to join me and vote for excellence in education.

The CHAIRMAN. All time has expired.

The question is on the amendments en bloc offered by the gentleman from California [Mr. HAWKINS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GOODLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 387, noes 0, not voting 45, as follows:

[Roll No. 253]

AYES—387

Ackerman	Donnelly	Hunter
Alexander	Dorgan (ND)	Hutto
Anderson	Dornan (CA)	Hyde
Andrews	Douglas	Inhofe
Annunzio	Downey	Ireland
Anthony	Dreier	Jacobs
Applegate	Duncan	James
Archer	Durbin	Jenkins
Armey	Dwyer	Johnson (CT)
Aspin	Dymally	Johnson (SD)
Atkins	Eckart	Johnston
AuCoin	Edwards (CA)	Jones (GA)
Ballenger	Emerson	Jones (NC)
Bartlett	Engel	Jontz
Barton	English	Kanjorski
Bateman	Erdreich	Kaptur
Bates	Evans	Kasich
Beilenson	Fascell	Kastenmeier
Bennett	Fawell	Kennedy
Bereuter	Fazio	Kennelly
Berman	Feighan	Kildee
Bevill	Fields	Kleczka
Bilbray	Fish	Kolbe
Bilirakis	Flake	Kolter
Bliley	Flippo	Kostmayer
Boehlert	Foglietta	Kyl
Bonior	Ford (MI)	LaFalce
Borski	Frank	Lagomarsino
Bosco	Frenzel	Lancaster
Boucher	Frost	Lantos
Boxer	Gallegly	Laughlin
Brennan	Gallo	Leach (IA)
Broomfield	Gaydos	Leath (TX)
Browder	Gejdenson	Lehman (CA)
Brown (CA)	Gekas	Lehman (FL)
Brown (CO)	Gephardt	Lent
Bruce	Geren	Levin (MI)
Bryant	Gibbons	Levine (CA)
Buechner	Gillmor	Lewis (FL)
Bunning	Gilman	Lewis (GA)
Burton	Gingrich	Lightfoot
Bustamante	Glickman	Lipinski
Byron	Gonzalez	Livingston
Callahan	Goodling	Lloyd
Campbell (CA)	Gordon	Long
Campbell (CO)	Goss	Lowery (CA)
Cardin	Gradison	Lowey (NY)
Carper	Grandy	Luken, Thomas
Carr	Grant	Lukens, Donald
Chandler	Gray	Machtley
Chapman	Green	Madigan
Clarke	Guarini	Manton
Clay	Gunderson	Markey
Clement	Hall (OH)	Marlenee
Clinger	Hamilton	Martin (IL)
Coble	Hammerschmidt	Martin (NY)
Coleman (MO)	Hancock	Martinez
Coleman (TX)	Hansen	Matsui
Collins	Harris	Mavroules
Combest	Hastert	Mazzoli
Condit	Hatcher	McCandless
Conte	Hawkins	McCloskey
Conyers	Hayes (IL)	McCrery
Cooper	Hefley	McDade
Costello	Hefner	McDermott
Coughlin	Henry	McEwen
Coyne	Herger	McGrath
Crane	Hertel	McHugh
Crockett	Hiler	McMillan (NC)
Darden	Hoagland	McMillen (MD)
de la Garza	Hochbrueckner	McNulty
DeFazio	Holloway	Meyers
DeLay	Hopkins	Mfume
Dellums	Horton	Michel
Derrick	Houghton	Miller (OH)
DeWine	Hoyer	Mineta
Dickinson	Hubbard	Moakley
Dingell	Huckaby	Molinari
Dixon	Hughes	Mollohan

Montgomery	Rinaldo	Spence
Moody	Ritter	Spratt
Moorhead	Roberts	Staggers
Morella	Roe	Stangeland
Morrison (WA)	Rogers	Stark
Mrazek	Rohrabacher	Stearns
Murphy	Ros-Lehtinen	Stenholm
Murtha	Rose	Stokes
Nagle	Rostenkowski	Studds
Natcher	Roth	Sundquist
Neal (MA)	Roukema	Swift
Neal (NC)	Rowland (GA)	Synar
Nielson	Roybal	Tallon
Nowak	Russo	Tanner
Oakar	Sabo	Tauke
Oberstar	Saiki	Taylor
Obey	Sangmeister	Thomas (GA)
Olin	Savage	Torres
Ortiz	Sawyer	Towns
Owens (NY)	Saxton	Traficant
Owens (UT)	Schaefer	Traxler
Oxley	Scheuer	Unsoeld
Packard	Schiff	Upton
Pallone	Schneider	Valentine
Panetta	Schroeder	Vander Jagt
Parker	Schulze	Vento
Parris	Schumer	Volkmer
Pashayan	Sensenbrenner	Vucanovich
Patterson	Serrano	Walgren
Paxon	Sharp	Walker
Payne (NJ)	Shaw	Walsh
Payne (VA)	Shays	Washington
Pease	Shumway	Waxman
Pelosi	Shuster	Weber
Penny	Sikorski	Weiss
Perkins	Sisisky	Weldon
Petri	Skaggs	Wheat
Pickett	Skeen	Whittaker
Pickle	Skelton	Whitten
Poshard	Slattery	Williams
Price	Slaughter (NY)	Wilson
Pursell	Slaughter (VA)	Wise
Quillen	Smith (FL)	Wolf
Rahall	Smith (NJ)	Wolpe
Rangel	Smith (TX)	Wyden
Ravenel	Smith, Robert (NH)	Wylie
Ray	Smith, Robert (OR)	Yates
Regula	Snowe	Yatron
Rhodes	Solarz	Young (AK)
Richardson		Young (FL)
Ridge		

NOES—0

NOT VOTING—45

Baker	Hall (TX)	Smith (NE)
Barnard	Hayes (LA)	Smith (VT)
Bentley	Lewis (CA)	Smith, Denny (OR)
Boggs	McCollum	
Brooks	McCurdy	Solomon
Courter	Miller (CA)	Stallings
Cox	Miller (WA)	Stump
Craig	Morrison (CT)	Tauzin
Dannemeyer	Myers	Thomas (CA)
Davis	Nelson	Thomas (WY)
Dicks	Porter	Torricelli
Dyson	Robinson	Udall
Early	Rowland (CT)	Visclosky
Edwards (OK)	Sarpalius	Watkins
Espy	Schuette	
Ford (TN)	Smith (IA)	

□1144

Mr. HANSEN changed his vote from "no" to "aye."

So the en bloc amendments were agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SMITH of Vermont. Mr. Chairman, I was unavoidably detained in a meeting during the vote on en bloc amendments to H.R. 5115, the Equity and Excellence in Education Act of 1990. Had I been present, I would have voted "aye."

The CHAIRMAN. It is now in order to consider amendment No. 3, printed in House Report 101-588.

AMENDMENT OFFERED BY MRS. BOXER

Mrs. BOXER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is the gentlewoman designated to offer this amendment on behalf of the gentleman from California [Mr. MILLER]?

Mrs. BOXER. Mr. Chairman, yes; I am.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mrs. BOXER: Page 116, after line 21, insert the following:

PART D—NATIONAL WRITING PROGRAM

SEC. 771. FINDINGS.

The Congress finds that—

(1) the United States faces a crisis in writing in schools and in the workplace;

(2) only 25 percent of 11th grade students have adequate analytical writing skills;

(3) over the past two decades, universities and colleges across the country have reported increasing numbers of entering freshmen who are unable to write at a level equal to the demands of college work;

(4) American businesses and corporations are concerned about the limited writing skills of entry-level workers, and a growing number of executives are reporting that advancement was denied to them due to inadequate writing abilities;

(5) the writing problem has been magnified by the rapidly changing student populations in the Nation's schools and the growing number of students who are at risk because of limited English proficiency;

(6) most teachers in the United States elementary schools, secondary schools, and colleges, have not been trained to teach writing;

(7) since 1973, the only national program to address the writing problem in the Nation's schools has been the National Writing Project, a network of collaborative university-school programs whose goal is to improve the quality of student writing and the teaching of writing at all grade levels and to extend the uses of writing as a learning process through all disciplines;

(8) the National Writing Project offers summer and school year inservice teacher training programs and a dissemination network to inform and teach teachers of developments in the field of writing;

(9) the National Writing Project is a nationally recognized and honored nonprofit organization that recognizes that there are teachers in every region of the country who have developed successful methods for teaching writing and that such teachers can be trained and encouraged to train other teachers;

(10) the National Writing Project has become a model for programs in other academic fields;

(11) the National Writing Project teacher-teaching-teachers program identifies and promotes what is working in the classrooms of the Nation's best teachers;

(12) the National Writing Project teacher-teaching-teachers project is a positive program that celebrates good teaching practices and good teachers and through its work with schools increases the Nation's corps of successful classroom teachers;

(13) evaluations of the National Writing Project document the positive impact the project has had on improving the teaching of writing, student performance, and student thinking and learning ability;

(14) the National Writing Project programs offer career-long education to teachers, and teachers participating in the National Writing Project receive graduate academic credit;

(15) each year approximately 85,000 teachers voluntarily seek training through word of mouth endorsements from other teachers in National Writing Project intensive summer workshops and school-year inservice programs through one of the 141 regional sites located in 43 States, and in 4 sites that serve United States teachers teaching overseas;

(16) 250 National Writing Project sites are needed to establish regional sites to serve all teachers;

(17) 13 National Writing Project sites in 8 different States have been discontinued in 1988 due to lack of funding; and

(18) private foundation resources, although generous in the past, are inadequate to fund all of the National Writing Project sites needed and the future of the program is in jeopardy without secure financial support.

SEC. 772. NATIONAL WRITING PROJECT.

(a) AUTHORIZATION.—The Secretary is authorized to enter into a contract with the National Writing Project (hereafter in this section referred to as the "contractor"), a nonprofit educational organization which has as its primary purpose the improvement of the quality of student writing and learning, and the teaching of writing as a learning process in the Nation's classrooms—

(1) to support and promote the establishment of teacher training programs, including the dissemination of effective practices and research findings regarding the teaching of writing and administrative activities;

(2) to support classroom research on effective teaching practice and to document student performance; and

(3) to pay the Federal share of the cost of such programs.

(b) REQUIREMENTS OF CONTRACT.—The contract shall provide that—

(1) the contractor will enter into subcontracts with institutions of higher education or other non-profit educational providers (hereinafter referred to as "subcontractors") under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of teacher training programs in effective approaches and processes for the teaching of writing;

(2) funds made available by the Secretary to the contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating teacher training programs as provided in paragraph (1); and

(3) the contractor will meet such other conditions and standards as the Secretary determines to be necessary to assure compliance with the provisions of this title and will provide such technical assistance as may be necessary to carry out the provisions of this part.

SEC. 773. TEACHER TRAINING PROGRAMS.

The teacher training programs authorized in section 772(a) shall—

(1) be conducted during the school year and during the summer months;

(2) train teachers who teach grades kindergarten through college;

(3) select teachers to become members of a National Writing Project teacher corps whose members will conduct writing workshops for other teachers in the area served by each National Writing Project site; and

(4) encourage teachers from all disciplines to participate in such teacher training programs.

SEC. 774. FEDERAL SHARE.

(a) IN GENERAL.—(1) Except as provided in paragraph (2) and for purposes of section 772 the term "Federal share" means with respect to the costs of teacher training programs authorized in section 772, 50 percent of such costs to the subcontractor.

(2) The Federal share of the costs of teacher training programs conducted pursuant to section 772 may not exceed $40,000 for any one subcontractor.

(b) SPECIAL RULE.—For the purposes of subsection (a) the costs of teacher programs do not include the administrative costs, publication cost or the cost of providing technical assistance, to the contractor.

SEC. 775. CLASSROOM TEACHER GRANTS.

(a) GRANT AUTHORITY.—(1) The National Writing Project may reserve an amount not to exceed 5 percent of the amount authorized to be appropriated in section 779(a) to make grants, on a competitive basis, to elementary and secondary school teachers to enable such teachers to—

(A) conduct classroom research;

(B) publish models of student writing;

(C) conduct research regarding effective practices to improve the teaching of writing; and

(D) conduct other activities to improve the teaching and uses of writing.

(b) SUPPLEMENTATION OF FUNDING.—(1) Grants awarded pursuant to subsection (a) shall be used to supplement and not supplant State and local funds available for the purposes set forth in subsection (a).

(2) Each grant awarded pursuant to this section shall not exceed $2,000.

SEC. 776. NATIONAL ADVISORY BOARD.

(a) BOARD AUTHORIZED.—The National Writing Project shall establish and operate a National Advisory Board.

(b) COMPOSITION.—The National Advisory Board established pursuant to subsection (a) shall consist of—

(1) national educational leaders;

(2) leaders in the field of writing; and

(3) such other individuals as the National Writing Project deems necessary.

(c) DUTIES OF THE BOARD.—The National Advisory Board established pursuant to subsection (a) shall—

(1) advise the National Writing Project on national issues related to student writing and the teaching of writing;

(2) review the activities and programs of the National Writing Project; and

(3) support the continued development of the National Writing Project.

SEC. 777. EVALUATION.

The National Writing Project may reserve up to $100,000 from the amount authorized to be appropriated pursuant to section 779(a) to evaluate the teacher training programs conducted pursuant to this Act. The results of such evaluation shall be made available to the appropriate committees of the Congress.

SEC. 778. RESEARCH AND DEVELOPMENT ACTIVITIES.

(a) GRANT AUTHORITY.—From amounts available to carry out the provisions of this section, the Secretary, through the Office of Educational Research and Improvement, shall make grants to individuals and institutions of higher education to conduct research activities involving the teaching of writing.

(b) PRIORITY AND RESERVATION.—(1) In awarding grants pursuant to subsection (a), the Secretary shall give priority to junior researchers.

(2) The Secretary shall award not less than 25 percent of the funds received pursuant to section 779(b) to junior researchers.

(3) The Secretary shall make available to the National Writing Project and other national information dissemination networks the findings of the research conducted pursuant to the authority of subsection (a).

SEC. 779. AUTHORIZATION OF APPROPRIATIONS.

(a) NATIONAL WRITING PROJECT.—There are authorized to be appropriated to the National Writing Project $10,000,000 for fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, 1995, and 1996 to carry out the provisions of this part.

(b) RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated $500,000 for fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, 1995, and 1996 to carry out the provisions of section 778.

SEC. 780. DEFINITIONS.

As used in this part—

(1) the term "institution of higher education" has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965;

(2) the term "junior researcher" means a researcher at the assistant professor rank or the equivalent who has not previously received a Federal research grant; and

(3) the term "Secretary" means the Secretary of Education.

Mrs. BOXER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California.

There was no objection.

Mrs. BOXER. Mr. Chairman, I am pleased to offer Congressman GEORGE MILLER'S national writing project amendment to H.R. 5115, the Equity and Excellence in Education Act of 1990. This amendment was originally introduced as H.R. 5125, the national writing project bill, which has almost 100 cosponsors and strong bipartisan support.

The national writing project is a widely respected collaborative higher education/public school initiative that provides inservice training to teachers in the area of writing. The project was developed over seventeen years ago, and is presently operating at 143 sites, most of which are in universities, in over 44 States year-round. It uses a teachers-teaching-teachers-to-teach model that has been very effective in improving student learning ability, writing performance, and test scores. To date, over 815,000 teachers have been trained by the national writing project.

The project has been honored by the American Association for Higher Education and the Carnegie Foundation for the Advancement of Teaching as "an outstanding and nationally significant example of how schools and colleges can collaborate to improve American education." It has been funded for an unprecedented 10 years by the National Endowment for the Humanities, and received numerous awards.

Although the writing project has been funded by private foundations and State and local agencies, it has never received Federal funding. Program needs have exceeded the funding potential of those organizations currently funding the project. As a result, the project has been unable to expand its number of sites, and, in fact, 13 sites in 7 States—Arkansas, Kansas, Michigan, Minnesota, Ohio, Tennessee, Texas, and the District of Columbia—have become inactive within the last year. The amendment I am proposing authorizes $10 million in Federal support, $5 million of which will be used to fund the cost of existing sites and the remaining $5 million will be used to fund the costs of establishing new sites, with a maximum matching basis of $40,000. This money would also be used to fund matching grants to teachers to conduct research on effective classroom practices and to the national writing project to disseminate information on the effective teaching of writing. It also provides $500,000 for the Office of Educational Research and Information [OERI] in the U.S. Department of Education to conduct research on the teaching of writing and on methods to use writing as a learning tool to improve the quality of education.

Identical legislation has been introduced in the Senate with strong bipartisan support. At a time when we are facing a writing crisis in our schools and in our workplace, this amendment represents a sound and affordable investment in one of the most basic elements of a solid education.

Ms. PELOSI. Mr. Chairman, I rise today in support of the Miller amendment to H.R. 5115, the Equity and Excellence in Education Act of 1990. Mr. MILLER'S amendment would authorize $10 million in Federal support for the national writing project.

Mr. Chairman, we are all familiar with the myriad problems which confront America's educational system: overloaded classrooms, underfunded school districts, and serious morale problems. The national writing project cannot by itself solve these problems. However, by refocusing attention of the hub of educational life, teachers, the national writing project is an effective and cost-effective contribution to improving the ability of our students to read, think, understand, and write.

I strongly believe, Mr. Chairman, that the national writing project is exactly the type of initiative that should be encouraged. With the help of private, local, and State funding, the national writing project has grown to 166 sites in 46 States. But the national writing project can expand to its goal of 250 national sites in all regions of the country, promote a needed program in writing and literacy for America's target audiences of "at risk" students, and help our Nation pass the tests which truly

measure national strength: the education and well-being of its citizens.

I urge my colleagues to vote for the Miller amendment to H.R. 5115 and support the national writing project.

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The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Mrs. BOXER].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 101-588.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROUKEMA: Page 121, after line 15, insert the following (and redesignate the succeeding title and sections accordingly):

SEC. 805. TREATMENT OF VETERANS BENEFITS.

(a) PELL GRANT NEEDS ANALYSIS.—(1) Section 411B(d)(1)(C) of the Act is amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(2) Section 411C(c)(1)(C) of the Act is amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(3) Section 411D(c)(1)(C) of the Act is further amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(b) GENERAL NEEDS ANALYSIS.—(1) Section 475(a) of the Act is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and the word "and"; and

(C) by adding at the end thereof the following new paragraph:

"(4) any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 105, 106, and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code.".

(2) Section 476(b)(1)(D) of the Act is amended by striking out "plus the amount of veterans' benefits paid during the award period under chapters 32, 34, and 35 of title 28, United States Code".

(3) Section 477(a) of the Act is amended—

(A) by inserting "and" at the end of subparagraph (A) of paragraph (1);

(B) by striking out "and" at the end of subparagraph (B) of paragraph (1);

(C) by striking out subparagraph (C) of paragraph (1);

(D) by striking out "and" at the end of paragraph (2);

(E) by adding at the end of paragraph (3) the word "and"; and

(F) by adding at the end thereof the following new paragraph:

"(4) adding any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code.".

(c) CONFORMING AMENDMENT.—Section 428(a)(2)(C)(i) of the Act is amended by striking out "and any amount paid to the student under chapters 32, 34, and 35 of title 38, United States Code".

SEC. 806. PREVENTION OF DOUBLE COUNTING OF INCOME IN ASSET COMPUTATIONS.

(a) PELL GRANT PROGRAM.—Section 411F(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a-6(2)) is amended by adding at the end thereof the following: "No cash on hand or other property (or interest therein) of a dependent student shall be treated as an asset of the student (or spouse) for purposes of section 411B(1) except to the extent that such cash or property exceeds the amount the student is required to contribute from discretionary income under section 411B(f).".

(b) OTHER STUDENT ASSISTANCE PROGRAMS.—Section 480(g) of such Act (20 U.S.C. 1087vv(g)) is amended by adding at the end thereof the following: "No cash on hand or other property (or interest therein) of a dependent shall be treated as an asset of the student (or spouse) for purposes of section 475(h) except to the extent that such cash or property exceeds the amount the student is required to contribute from available income under section 475(g).".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for the 1990-1991 academic year.

SEC. 807. DEFINITION OF INDEPENDENT STUDENT.

(a) SECTION 411F.—Section 411F(12) of the Higher Education Act of 1965 (hereafter in this title referred to as the "Act") is amended to read as follows:

"(12) The term 'independent', when used with respect to a student, means any individual who—

"(A) is 24 years of age or older by December 31 of the first calendar year of the award year;

"(B) is an orphan or is or has been a ward of the court;

"(C) is a veteran of the Armed Forces of the United States;

"(D) is a graduate or professional student and will not be claimed by his or her parents (or guardian) for income tax purposes for the award year;

"(E) is married or has legal dependents;

"(F) is an undergraduate student who was not claimed by his or her parents (or guardian) for income tax purposes for the 2 calendar years preceding the first calendar year of the award year, and who either was awarded assistance under this title as an independent student in the prior year, or demonstrates to the student financial aid administrator total self-sufficiency during the 2 calendar years preceding the first calendar year of the award year by demonstrating annual total resources (including all sources other than parents and student aid) of $4,000; or

"(G) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.".

(b) SECTION 480(d).—Section 480(d) of the Act is amended to read as follows:

"(d) INDEPENDENT.—The term 'independent', when used with respect to a student, means any individuals who—

"(1) is 24 years of age or older by December 31 of the first calendar year of the award year;

"(2) is an orphan or is or has been a ward of the court;

"(3) is a veteran of the Armed Forces of the United States;

"(4) is a graduate or professional student and will not be claimed by his or her parents (or guardian) for income tax purposes for the award year;

"(5) is married or has legal dependents;

"(6) is an undergraduate student who was not claimed by his or her parents (or guardian) for income tax purposes for the 2 calendar years preceding the first calendar year of the award year, and who either was awarded assistance under this title as an independent student in the prior year, or demonstrates to the student financial aid administrator total self-sufficiency during the 2 calendar years preceding the first calendar year of the award year by demonstrating annual total resources (including all sources other than parents and student aid) of $4,000; or

"(7) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.".

SEC. 808. TREATMENT OF AWARD YEAR EARNINGS.

Section 443(b)(4) of the Act (20 U.S.C. 2753(b)(4)) is amended to read as follows:

"(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment (including non-work-study or both) is in excess of the determination of the amount of such student's need by more than $200, continued employment shall not be subsidized with funds appropriated under this part;".

SEC. 809. RESTRICTION ON NEED ANALYSIS FOR PARENTS NOT ENROLLED IN DEGREE OR CERTIFICATE PROGRAM.

In sections 475 and 477 of the Act (20 U.S.C. 1087oo, 1087qq) insert at the end of subsection (b) the following: "For purposes of paragraph (3) of this subsection, the number of family members attending such a program does not include any parent who does not meet the requirements of section 484(a)(1) or 484(b)(2).".

SEC. 810. NEEDS ANALYSIS FINANCIAL AID ADMINISTRATOR ADJUSTMENTS.

(a) IN GENERAL.—Section 479A(a) of the Act is amended to read as follows:

"SEC. 479A. (a) IN GENERAL.—Nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected student or parent contribution (or both) to allow for treatment of individual students with special circumstances. In addition, nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator to use supplementary information about the financial status or personal circumstance of eligible applicants in selecting recipients and determining the amount of awards under subparts 1 and 2 of part A and parts B, C, and E of this title.".

(b) SPECIAL RULE.—Section 479A of the Act is amended—

(1) by redesignating subsection (c) as subsection (d), and

(2) by inserting immediately after subsection (b) the following new subsection:

"(c) SPECIAL ADJUSTMENTS.—

"(1) ADJUSTMENTS FOR INDEPENDENT STUDENTS WITH DEPENDENTS.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if the administrator determines that the cost of attendance in section 472 should include costs of

food and shelter for dependent care when the total income for independent students with dependents is less than the Standard Maintenance Allowance under section 477(b)(4).

"(2) ADJUSTMENT FOR DISLOCATED WORKER.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if, in the case of dislocated workers—

"(A) the administrator uses the income for the year in which the determination is made (the award year) rather than the income reported in the preceding tax year; and

"(B) the administrator excludes the net value of investments and real estate, including the primary residence in the calculation of the family contribution for the Pell Grant Program and the expected family contribution under part F.

"(3) ADJUSTMENT FOR DISPLACED HOMEMAKER.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if, for displaced homemakers, the administrator excludes the net value of investments and real estate, including the primary residence, from the calculation of the Pell Grant family contribution and from the expected family contribution under part F.".

(c) CONFORMING AMENDMENTS.—(1) Section 479A(d) of the Act (as amended by subsection (a)) is amended by striking out "subsection (b) is an example" and inserting in lieu thereof "subsections (b) and (c) are examples".

(2)(A) Section 411B(g)(1) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(B) Section 411B(l) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(C) Section 411C(f)(1) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(D) Section 411D(f)(3) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(E)(i) Section 411F(1)(G) of the Act is repealed.

(ii) Section 411F(9)(E) of the Act is repealed.

(3)(A) Section 475(d)(2)(B) of the Act is amended by striking out "except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

(B) Section 475(h) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(C) Section 476(c)(2)(B) of the Act is amended by striking out "except in the case of a displaced worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

(D) Section 477(c)(2)(B) of the Act is amended by striking out "except in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

SEC. 811. STUDENT CONTRIBUTION MODIFICATION.

Section 475(g)(1)(C) of the Act is amended by striking out "70 percent" and inserting in lieu thereof "not less than 50 percent".

TITLE IX—STUDENT FINANCIAL AID IMPROVEMENT

SEC. 901. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This title may be cited as the "Student Loan Default Reduction Act of 1990".

(b) REFERENCES.—References in this title to "the Act" are references to the Higher Education Act of 1965.

SEC. 902. PELL GRANT PROGRAM AMENDMENT.

Section 411(c)(1)(A) of the Act (20 U.S.C. 1070a(c)(1)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the number of academic years (or portion of an academic year) that the undergraduate degree or certificate program normally requires, plus one academic year; or

"(ii) 6 academic years in the case of a undergraduate degree or certificate program normally requiring more than 4 academic years;".

SEC. 903. RISK SHARING BY LENDERS TO STUDENTS AT HIGH DEFAULT RATE INSTITUTIONS.

Section 428(b)(1)(G) of the Act (20 U.S.C. 1078(b)(1)(G)) is amended to read as follows:

"(G) insures not less than 100 percent of the unpaid principal of loans insured under the program, except that if one-third or more of the principal amount outstanding during any consecutive 2-year period on loans of an eligible lender consists of loans to students for the cost of attendance at a high default rate institution, the program insures 95 percent of the unpaid principal of the loans of such lender that are insured under the program;".

SEC. 904. GUARANTY AGENCY PROHIBITION ON THE SALE OF CERTAIN STAFFORD STUDENT LOAN LISTS.

Section 428(b)(3) of the Higher Education Act of 1965 (hereafter in this title referred to as the "Act" is amended—

(1) by striking out "or" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end thereof the following:

"(D) sell lists of student borrowers who have loans made, insured, or guaranteed under this part.".

SEC. 905. GUARANTY AGENCY USE OF STATE LICENSING BOARD INFORMATION.

Section 428(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(7) STATE GUARANTY AGENCY INFORMATION REQUEST OF STATE LICENSING BOARDS.—Each guaranty agency is authorized to enter into agreements with each appropriate State licensing board under which the State licensing board, upon request, will furnish the guaranty agency with the address of a student borrower in any case in which the location of the student borrower is unknown or unavailable to the guaranty agency.".

SEC. 906. SPECIAL LIMITATION ON THE DEFERMENT OF PAYMENT OF PRINCIPAL AND INTEREST ON PLUS LOANS.

Section 428B(c)(1) of the Act is amended—

(1) by striking out "(A)"; and

(2) by striking out "; and (B) during any period during which the borrower has a dependent student for whom a loan obligation was incurred under the section and who meets the conditions required for a deferral under clause (i) of either such section".

SEC. 907. CREDIT BUREAUS.

(a) NOTICE OF DELINQUENCY.—Section 430A(a) of the Act is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2) the following:

"(3) with respect to any payment on a loan that has been delinquent for 90 days, information concerning the date the delinquency began and the repayment status of the loan; and".

(b) NOTICE TO BORROWER.—Section 430A(c) of the Act is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following:

"(5) with respect to notices of delinquency under subsection (a)(3), the borrower is informed that credit bureau organizations will be notified of any payment that is delinquent for 90 days or more.".

(c) LIMITATION ON REPORTING.—Section 463(c)(3)(B) of the Act is amended by striking ", if that account has not been previously reported by any other holder of the notes".

SEC. 908. REVISED DISCLOSURE REQUIREMENTS OF SLS LOANS.

Section 433(a) of the Higher Education Act is amended—

(1) in subsection (a) by inserting "and except as specified in subsection (e) of this section" after "section 428C."; and

(2) by inserting the following new subsection after subsection (d):

"(e) SPECIAL RULES FOR SUPPLEMENTAL LOANS FOR STUDENTS.—Loans made under section 428A shall not be subject to the disclosure of projected monthly payment amounts required under subsection (a)(8) of this section, provided that the lender provides the borrower with sample projections of monthly repayment amounts assuming different levels of borrowing and interest accruals resulting from capitalization of interest while the borrower is in school.".

SEC. 909. REQUIRED INDEPENDENCE OF ACCREDITING AGENCIES FOR VOCATIONAL SCHOOLS.

Section 435(c) of the Act (20 U.S.C. 1085(c)) is amended by adding at the end thereof the following new sentence: "The Secretary shall not include on such list any accrediting agency or association any of whose officers or directors is affiliated, in any way, with a school seeking or obtaining eligibility under this subsection.".

SEC. 910. NOTICE ON DELINQUENT LOANS REQUIRED.

(a) PRE-CLAIMS ASSISTANCE.—Section 435(d) of the Act is amended—

(1) in paragraph (1) by striking "(5)" the first two places it appears and inserting "(6)"; and

(2) by adding at the end thereof the following new paragraph:

"(6) REQUEST FOR PRE-CLAIMS ASSISTANCE.—To be an eligible lender under this part, each eligible lender shall, if the agency that guaranteed the loan offers pre-claims assistance for default prevention, request pre-claims assistance within the first 10 days such assistance is available as specified by the guarantee agency.".

(b) NOTICE.—Section 428(k) of the Act is amended by—

(1) redesignating paragraph (2) as paragraph (3); and

(2) inserting the following new paragraph after paragraph (1):

"(2) PROVISION OF NOTICE OF REQUEST FOR PRE-CLAIMS ASSISTANCE TO ELIGIBLE INSTITUTIONS.—Each guaranty agency shall, within 30 days of receipt of the request for pre-claims assistance, notify each eligible institution, with respect to students who are delinquent on the repayment of any loan received for attendance at such institution, of the lender's request for pre-claims assistance for default prevention on such loan. Such information may be provided to the eligible institution by submission of a copy of the lender's pre-claims request or through other means.".

SEC. 911. ELIGIBLE INSTITUTION ACCREDITATION RULE.

Section 481(a) of the Act is amended by inserting after paragraph (2) the following new paragraph:

"(3) Whenever the Secretary determines accreditation for the purpose of paragraph (1), the Secretary shall not approve the accreditation of any eligible institution of higher education under this section if the eligible institution of higher education is in the process of receiving new institutional accreditation by a national or regional accreditation agency unless the eligible institution submits to the Secretary all materials relating to the prior accreditation, including the reasons, if applicable, for changing the accrediting agency or association.".

SEC. 912. ADDITIONAL BORROWER INFORMATION REQUIRED.

Section 484(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) In order to be eligible to receive any loan under this title, a student shall provide to the lender at the time of applying for the loan the driver's license number of the student borrower, if applicable, and the name and address of the next of kin of the student borrower.".

SEC. 913. INDEPENDENT TESTING OF ABILITY-TO-BENEFIT STUDENTS.

Section 484(d) of the Act (20 U.S.C. 1091(d) is amended by adding at the end thereof the following new sentence: "The tests required by paragraph (3)(A) shall be administered by an agency or entity independent of the institution of higher education concerned at a location not owned or controlled by such institution.".

SEC. 914. EXIT INTERVIEW INFORMATION.

Section 485(b) of the Act (20 U.S.C. 1092(b)) is amended by inserting before the last sentence thereof the following new sentence: "Each eligible institution shall require that the borrower, at the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution, submit to the institution, the address of the borrower, the address of the next of kin of the borrower, and the driver's license number, if applicable, of the borrower during the interview required by this subsection.".

SEC. 915. TOLL-FREE CONSUMER HOTLINE.

Section 485 of the Act is amended by adding at the end thereof the following new paragraph:

"(e) TOLL-FREE CONSUMER HOTLINE.—(1) In addition to the toll-free telephone information provided for in section 483, the Secretary shall contract for, or establish, and publicize a toll-free telephone number for use by the public, in order to permit students who allege fraud or unfair practices by eligible institutions to inform the Department of such fraud or unfair practices.

"(2) The Secretary shall, directly or by way of contract or other arrangement, make the toll-free telephone number, and the availability of the consumer hotline established by this subsection, generally available to students receiving financial assistance under this title.".

SEC. 916. AUDIT OF GRADUATION AND PLACEMENT STATISTICS.

Section 487(a)(8) of the Act (20 U.S.C. 1094(a)(8)) is amended by inserting after "most recent available data" the following: ", certified on the basis of an audit performed by an independent public agency,".

SEC. 917. RESTRICTIONS ON INSTITUTIONAL PROMOTIONAL ACTIVITIES.

Section 487(a) of the Act (20 U.S.C. 1094(a) is further amended by adding at the end thereof the following:

"(11) The institution does not—

"(A) use any contractor or any person other than salaried employees of the institution or a volunteer to conduct any activities related to recruiting and admission of students, including canvassing, surveying, promotion, or similar activities; or

"(B) pay any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments to any person engaged in any such activity.".

SEC. 918. ACADEMIC YEAR DEFINITION.

Section 487(a) of the Act is further amended by adding at the end thereof the following new paragraph:

"(12) The institution will use the same definition of 'academic year' for all programs authorized by this title.".

SEC. 919. TUITION REFUNDS.

(a) REFUND RULE.—Section 487(c)(2)(B)(i) of the Act is amended by adding at the end thereof the following new sentence: "In addition, the Secretary may require such eligible institutions to make refunds in accordance with division (iii).".

(b) REFUND PROCEDURES.—Section 487(c)(2)(B) of the Act is amended by adding the following new division after division (ii):

"(iii) When the Secretary determines there has been a violation, failure, or misrepresentation pursuant to division (i), the Secretary may require the institution to refund the student's tuition and fees. The Secretary shall establish procedures for refunding the tuition and fees. Such procedures shall—

"(I) first require the payment by the institution to the United States Government of any portion of the tuition and fees paid with Federal funds received under this title (other than funds under subpart 3 of part A and part B of this title); and

"(II) then require payment by the institution to the lender of that portion of the tuition and fees attributable to a loan made, issued, or guaranteed under part B of this title.".

SEC. 920. SPECIAL ACCREDITATION RULES.

Section 487(c) of the Act is amended—

(1) by redesignating paragraph (3) as paragraph (5); and

(2) by adding after paragraph (2) the following new paragraphs:

"(3) The Secretary is authorized to carry out the provisions of paragraph (1)(D), relating to limitation, suspension, or termination of an eligible institution whenever the institution withdraws from a nationally recognized accrediting agency or association during a show cause or suspension proceeding brought against that institution.

"(4)(A) Whenever a nationally recognized accrediting agency or association reports pursuant to subparagraph (B) that an eligible institution was denied institutional accreditation, the Secretary is authorized to carry out the provisions of paragraph (1)(D) relating to limitation, suspension, or termination of an eligible institution.

"(B) The Secretary is authorized to enter into such arrangements with accrediting agencies and associations as may be necessary to assure notice of the denial of institutional accreditation in order to carry out subparagraph (A).".

SEC. 921. REGULATIONS FOR INSTITUTIONAL DISCLOSURE OF BORROWER RECORDS.

The Secretary shall promulgate regulations specifying the legal restrictions and the requirements of eligible institutions relating to loan counseling and reporting requirements including but not limited to disclosure of borrower records to third parties, the Fair Debt Collection Practices Act, and any other applicable Federal law.

SEC. 922. STUDY OF DISCHARGE OF STAFFORD STUDENT LOANS IN BANKRUPTCY.

(a) STAFFORD STUDENT LOAN DISCHARGE STUDY.—The Comptroller General shall conduct a study relating to the discharge of student loan indebtedness in proceedings in bankruptcy. Such study shall include—

(1) an evaluation of the treatment of student loan debtors under chapter 13 of title 11, United States Code, including—

(A) the frequency of attempts to discharge or the discharging of such loans compared to such attempts to discharge or the discharging of other consumer loans by such students; and

(B) the number and amount of such loans discharged;

(2) an evaluation of the effect of students who attempt to or do discharge such loans relative to the costs of the Stafford Student Loan Program and the institutional costs of the Perkins Loans Program; and

(3) an evaluation of the behavior of student loan debtors who discharge such loans as compared to other debtors who discharge debts in bankruptcy by evaluating such factors as—

(A) the average age of the debtors in each group;

(B) the amounts and types of debts sought to be discharged by each group; and

(C) the percentage of discharge of other types of consumer debts by each group.

(b) STAFFORD STUDENT LOAN DISCHARGE REPORT.—The Comptroller General shall prepare a report of the study required by this section and shall submit the study of the Congress within 3 years after the date of enactment of this Act.

Mrs. ROUKEMA (during the reading). Mr. Chairman, I ask unanimous

consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The CHAIRMAN. The gentlewomen from New Jersey [Mrs. ROUKEMA] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Does the gentleman from California [Mr. HAWKINS] seek time?

Mr. HAWKINS. I am opposed to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] will be recognized for 15 minutes.

The Chair recognizes the gentlewoman from New Jersey [Mr. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment I now offer is identical to the provisions that were accepted by the Education and Labor Committee in 1988, during our discussions of default legislation in the last Congress. The Senate had also accepted these provisions in their corresponding default legislation in 1988. Since both the House and Senate bills were never acted upon, I introduced legislation in 1989, which contained a combination of provisions from those bills agreed to in 1988. The amendment I now offer contains the provisions of that legislation.

The first part of my amendment makes changes to the formula used to calculate student aid eligibility. The changes that I propose in my amendment are, in fact, the recommendations made to the Education and Labor Committee in 1988, by the Advisory Committee on Student Financial Assistance which was appointed by Congress to report on recommended changes to the Student Financial Aid Program. Let me stress that these are technical amendments recommended by the Advisory Committee and proviously accepted by the Education and Labor Committee, but were never passed into law because the default legislation we were then considering was tabled.

The need for these changes is real and is supported by the National Association of Student Financial Aid Administrators.

Mr. Chairman, the text of the letter of the National Association of Student Financial Aid Administrators is as follows:

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS,
Washington, DC, March 13, 1989.

Hon. PAT WILLIAMS,
Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Last year, when you and your Subcommittee advanced your initiative on student loan defaults, H.R. 4986, you included in that legislation several important technical amendments needed to correct deficiencies in the existing statutory need analysis provisions. A number of factors contributed to a postponement of the basic default legislation last session. An environment has been created in which all of us want to wait and see if the Secretary's revised regulations are structured so as to reduce the necessity for Congress to take other legislative steps on the subject at this time. There is, however, an important and pressing need to take quick action on the other technical amendments that had been agreed to last year.

I would sincerely hope that you and your Subcommittee would consider introducing and acting upon a technical amendments bill as soon as possible. Since work is well underway on next year's student aid delivery system, it is important that these provisions be enacted this spring, to help students and to simplify the process for them.

Since most of these issues were contained in both H.R. 4986 and S. 2647 last year, I believe that there was a strong consensus that these changes were needed. Most were also recommended by the Advisory Committee on Student Financial Assistance as needed changes.

While I know that you and your staff are fully aware of these issues, I would simply like to restate those that we believe should be adopted and our reasons for seeking the changes.

ISSUE 1—INDEPENDENT STUDENT DEFINITION

The language in H.R. 4986 provided that married students, those with legal dependents, or graduate/professional students would be considered to be independent without declaring that they will not be claimed as a dependent. It further provided that single undergraduates under age 24 who were independent under the prior (current) statutory definition would be grandfathered, that the years for which a student must demonstrate self-sufficiency would be modified to correspond to the two calendar years preceding the first year of the award year, and that students could be considered to be independent even with annual total resources of less than $4,000 if they could demonstrate that they were able to sustain themselves and that remaining sources of financial support were not available from parents or guardians. The $4,000 resource threshold was also modified to exclude both parental support and student aid. These modifications would go far in addressing some of the problems that have been uncovered in the implementation of the current statutory definition.

The requirement that married and graduate students not be claimed as exemptions adds questions to the application form without significantly changing the number of otherwise dependent students who would be considered independent. The College Scholarship Service (CSS) reported that less than 1,000 students in approximately 2.6 million are married dependent students who would become independent based on this change alone. Approximately 9 percent of CSS graduate student applicants are dependent and would become independent. This represents less than 1 percent of all CSS applicants. The American College Testing Program (ACT) reported that less than 1 percent of its applicants are married students who would become independent. In addition, approximtely 8 percent of the graduate students are dependent students who would become independent. This represents only 1 percent of all ACT applicants. This information was included in the interim report by the Advisory Committee on Student Financial Assistance issued in April 1988. These statistics do not represent the programs as a whole, but do provide an indication of the effect of the change on a portion of the population.

The combination of grandfathering students considered to be independent under the statutory definition and modifying the years for which self-sufficiency must be demonstrated will accomplish a great deal in terms of simplifying the structure of the application form and the ability of students to complete it. The current statute provides that the demonstration of self-sufficiency is tied to the two calendar years preceding the award year in which the initial award is granted. This provision has the unintended effect of steadily increasing the number of questions which must be included on the student aid application, thereby increasing the difficulty students have in completing it. The 1990–91 draft Application for Federal Student Aid (AFSA), which was distributed by the Department for comment in early February, clearly illustrates the complexity and unnecessary additional questions that must be included to accommodate the current definition. A copy of the first page of the draft AFSA is provided for your review.

The exclusion of student aid from the $4,000 resource threshold avoids reclassifying numbers of otherwise dependent students as independent (particularly at high cost institutions) on the basis of student aid receipt. This exclusion would seem to put all students, whether aid recipients or non-aid recipients, on equal footing with regard to demonstrating self-sufficiency.

ISSUE 2—NUMBER IN POSTSECONDARY EDUCATION FOR NEED ANALYSIS PURPOSES.

The House provision required that, to be included in this number for purposes of the campus-based and Stafford Loan programs, parents had to be enrolled in a degree program.

This issue is particularly important as it relates to the Congressional Methodology because the parental contribution (for dependent students) and family contribution (for independent students) is divided by the number in postsecondary education. For the Pell Grant Program, a sliding percentage is used upon this number.

We suggest that the language in the House bill should be expanded to also include dependents of the student who may be enrolled in postsecondary education and to encompass the Pell Grant Program as well. This would ensure fair equitable treatment of all students, regardless of the student aid program for which they are eligible and regardless of who in their family is attending postsecondary education.

ISSUE 3—TAXATION OF DEPENDENT STUDENT EARNINGS UNDER THE CONGRESSIONAL METHODOLOGY.

NASFAA believes that this taxation rate, currently 70 percent, is too stringent and should be modified. This is an item for which NASFAA members have reported making numerous adjustments using professional judgment authority. The process would be more responsive to students if the taxation rate is modified to be not less than 50 percent.

NASFAA clearly believes that an underlying principle of need analysis is that students should contribute to their postsecondary education to the extent they can. Establishing a minimum contribution supports this concept and also recognizes that stu-

dents have certain expenses associated with their jobs. There are also circumstances under which individual students or groups of students do not have the same level of job-related expenses and may be able to contribute more than the 50 percent minimum to their education. This modification would provide aid administrators with flexibility in determining the assessment rate. This is also an area that I know has caused real hardships for many students whose earnings are being unreasonably assessed. As a result, we are almost discouraging students from working to contribute toward their educational expenses. Comments directly from affected students were expressed at your Subcommittee's field hearing held in New Jersey last June.

ISSUE 4—DOUBLE COUNTING OF INCOME IN ASSET COMPUTATIONS.

The House bill includes a provision to address the potential inclusion of income earned during the base year as an asset for purposes of determining need for the title IV programs. While we recognize the problem and appreciate the attempt to address it, we do not believe it can be solved through this proposed legislative language. The actual language included in the bill, if implemented, could have unintended consequences, inherently benefitting students who did not accumulate savings from their base year earnings. The proper identification of the students affected by this problem and appropriate treatment of these cases will be very difficult, and may best be addressed by the financial aid administrator's ability to make adjustments when warranted. Returning to the practice of using estimated year income in the student computation is another way to address this problem.

ISSUE 5—PROFESSIONAL JUDGMENT AUTHORITY.

The House bill specified an example of an appropriate professional judgment circumstance, that being adjustments for independent students with dependents. NASFAA supports this language. In light of provision contained in the FY-89 Labor/HHS/Education appropriations measure rescinding professional judgment authority for the Pell Grant Program, we believe that additional action is also necessary.

We believe that the reason professional judgment authority was rescinded for the Pell Grant Program was based upon the unsubstantiated estimate of costs associated with this authority that was advanced by the Education Department. We believe that the Department assumed that financial aid administrators would only use this authority to make more students more eligible. In reality, in discussing this matter with financial aid administrators, we would observe that most of them are not only using this authority only in circumstances which warrant a special review, but that in many cases the end effect has been to reduce the student's eligibility rather than to increase it. NASFAA maintains that there will be no cost savings realized by this change. In fact, analyses done a part of the recent Title IV Quality Control Studies (1985-86) showed that the overwhelming number of discretionary changes resulted in a reduction of need, and therefore, awards. This is the only available proxy for likely behavior under the current statute. NASFAA believes that the use of aid administrator's discretion may result in a slight decrease in overall costs, due to the ability of aid administrators to review and adjust awards downward, as well as upward, based upon all relevant facts.

An additional problem is procedural. Due to the date of enactment of the appropriations measure, it was not possible for the Department to develop and distribute a "Special Conditions Form." The Department has indicated that it plans to utilize the same special conditions that were used in the 1987-88 award year, however details of these conditions have not yet been revealed to the financial aid community. Further, it will be the responsibility of the financial aid administrator to facilitate identification and processing of applications for students with special conditions. If this is the case, the only difference between the current use of professional judgment and the Department's planned procedures for handling special conditions is that ED is now limiting the circumstances under which changes can be made. This clearly limits the ability of financial aid administrators to effectively respond to the special circumstances of individual students which are not included in ED's special condition guidelines.

One example of this limitation involves dependent student earnings for the Pell Grant Program. The current statutory formula uses base year income for these students. Previously, a comparison of base year and estimated year income determined the appropriate income to be used in the analysis, thereby providing dependent students with an unofficial "special condition" which allowed sensitivity for individual students. If the Department follows through with its announced plans to use the same special conditions that were previously used, then this category of adjustment will not be possible, even though it is often justified. Further, we believe that this is the kind of sensitivity that Congress wanted to be part of the Pell Grant methodology when it authorized aid administrators to exercise professional judgment for this program. Therefore, we would strongly recommend that this authority be reinstated as soon as possible.

ISSUE 6—VETERANS EDUCATIONAL BENEFITS

The House bill provision required all veterans educational benefits to be included in the determination of need for Stafford Loans. NASFAA believes this provision should be expanded to include all veterans educational benefits as a resource in the need determination for all of the Title IV programs. This modification would standardize the treatment of these benefits that is currently governed by both law and regulations and varies by program. Such an approach would simplify the current complicated administrative procedures which result in potential inconsistent handling of students.

ISSUE 7—NON-LIQUID ASSETS

The House bill excluded the principal place of residence, family farm, and family-owned and managed small business from asset considerations for campus-based and Stafford Loan programs.

NASFAA believes the Congress should very carefully evaluate the effects upon families with differing financial circumstances before automatically eliminating categories of assets from the need analysis for the campus-based and Stafford Loan programs. In discussing this matter with our members, several suggestions have been made. One suggestion would be to exclude the consideration of home equity only from the Stafford Loan Program eligibility determination, thereby enabling students from many of these families to have access to low interest subsidized loans. An additional suggestion is to provide some further sensitivity to the programs by only excluding home equity for families with adjusted gross incomes of $25,000 or less, and/or perhaps excluding various percentages of home equity under a formula which relates to income. While we recognize the political pressures that the Congress faces on this issue, we believe that if changes are to be made, our possible solutions should be given serious consideration. We would be happy to work with you to develop another alternative if you so desire.

ISSUE 8—TREATMENT OF AWARD YEAR WORK-STUDY EARNINGS.

The provision in the House bill clarifies that when income from need-based employment (including non-work-study or both) is in excess of the student's need by more than $200, continued employment may not be subsidized with work-study funds. Currently, the statute provides that all income, whether need-based or non-need-based, must be considered in making this determination. This modification is necessary to acknowledge the use of base year income in the Congressional Methodology analysis and to clarify that only need-based employment must be monitored for College-Work Study employees.

Again, we appreciated your willingness to address many of these issues through H.R 4986. We hope that you will recognize the need to consider a separate legislative measure to accommodate these changes as soon as possible. NASFAA stands ready to assist with additional rationale or legislative language as you deem necessary. We look forward to continuing to work with you on these important issues. Please feel free to contact me if you have any questions.

Sincerely,

DALLAS MARTIN,
President.

Right here in this letter dated March 13, 1989, to the Subcommittee on Postsecondary Education they state their "sincere hope that the subcommittee would consider acting upon a technical amendment bill as soon as possible." They go on to say, and I quote, "since most of these issues were contained in both H.R. 4986 and S. 2647 last year, I believe that there was a strong concensus that these changes were needed."

My amendment contains the recommended changes listed in this letter. I which has been included for printing in the RECORD with this debate.

First, my amendment addresses the confusion created by congressional methodology regarding counting of veterans benefits in the determination of student aid eligibility. My proposal will treat all veterans benefits equally by categorizing them as resources in awarding aid. This is necessary to eliminate confusion and inequity in the system.

Second, my amendment addresses the inequity of double counting of student income in the asset computation of the formula which creates a disincentive to save. My amendment will correct this problem by eliminating the counting of cash on hand.

Third, my amendment closes a loophole in the definition of independent student. My amendment will ensure that only those students truly independent of their parents will be considered for higher aid awards.

For the sake of brevity, the rest of the sections of my amendment clear up other definitions, place restrictions on needs analysis for parents enrolled in degree programs and clarify the discretionary powers of financial aid officers in determining need.

Clearly, these amendments have been thoroughly discussed before today. The advisory committee on student financial assistance has recommended these changes and we should implement them. They should have been implemented 2 years ago when we first discussed them. Let's not waste any more time.

DEFAULTS

In addition to changes in the congressional methodology, my amendment adds a new title to the bill to address the student loan default problem head-on. As I stated earlier, these provisions are taken from the default bill passed by this committee in 1988. Many of these defalut measures were included in the Senate's version of the President's education bill, S. 695, which was passed by the Senate in February of this year. Let me stress again that there is precedent for the enactment of my amendments. The Senate is willing to take action to cure the default problem—why shouldn't we be willing to take the same action?

These sections of my amendment are essential if we are to stem the flow of dollars out of the student loan program and shore up public and congressional support.

The Department of Education default regulations adopted last year do not go far enough fast enough to stop the ever-increasing tide of red ink in the student loan program. I have been told repeatedly that we should wait until next year to consider legislative solutions to the default problem when we take up reauthorization of the Higher Education Act. We have a crisis here! Why do we want to wait until next year to do what should have been done long ago? The hemorrhaging in the student loan program must stop now! Further postponement will erode public support and cost the American taxpayer another $2 billion this year.

This default scandal has grown since 1981 from a $200 million problem to a $2 billion problem this year. The total amount of defaulted student loans now outstanding totals over $7 billion. Do we need to allow this problem to fester out of control until we have another savings and loan scandal on our hands?

And if you think I am the only one concerned about defaults, think again. The Appropriations Committee stated in the Labor, HHS, Education appropriations bill last year and again this year that neither students nor taxpayers are as well served as they should be by the current system of student aid. The more than $2 billion in defaults, they state, is a critical problem which unduly burdens the Treasury and which undermines basic support for Federal student aid programs.

There is ample support for the enactment of default legislation this year. The recently released semiannual report to Congress from the inspector general of the Department of Education identifies the student financial assistance program as the most vulnerable to waste, fraud and abuse in the department. We have the means to correct this finding.

Many of us know that defaulted student loans are highest with the proprietary schools. The inspector general recognizes this, too. The report states, and I quote,

Many participating institutions, particularly proprietary schools, have abused the programs at the expense of students, who are the intended beneficiaries. In these cases, students are often left without the skills to secure a job that would enable them to repay their student loans. Ultimately, it is the taxpayers who suffer the costs associated with student loan defaults.

Several of the provisions contained in my amendment address the abuses of the student loan program by proprietary schools and complement the efforts of the Department of Education in their default regulations.

Among these are tougher accreditation standards which would prevent an owner of a trade school from serving on the very accrediting board which certifies his school. Does anyone think that resolving this inherent conflict of interest is not in the best interests of students and the financial aid system? Is it not the duty of Congress to protect students from scam schools that only have one goal in mind—to rob the Treasury of student aid money.

In addition, I would require an independent audit of graduation and placement statistics and tuition refunds when a school misrepresents its educational program. The amendment prohibits the use of commissioned recruiters who are paid by the number of people they bring into the school. It also requires independent testing to determine whether a student has the ability to benefit from the courses taught at the school. There have been too many instances of unqualified students recruited for trade schools that couldn't care less whether the student can complete the training or if there is even a need for the job for which they are being trained.

I should think the distinguished chairman of the Education and Labor Committee would be very interested in this letter I received yesterday from the California attorney general's office. When they found out about my amendment, they wrote to tell me of their endorsement of its provisions and told me of the actions the State of California has recently taken to attack the scandalous rip-off of students and the Federal Government being perpetrated by bogus trade schools.

Let me quote from this letter:

We have recognized vocational school problems as one of the most significant consumer problems of this decade, harming students, the Federal and State governments and legitimate schools hurt by unfair competition. Taxpayers have unnecessarily lost billions of dollars because of vocational school abuses. Effective Federal legislation will aid the Federal Government and the States in their attempts to curb vocational school abuses without adversely affecting schools with good educational practices.

Mr. Chairman, the full text of the letter from the California Attorney General to me dated July 19, 1990 is as follows:

STATE OF CALIFORNIA,
DEPARTMENT OF JUSTICE,
Los Angeles, CA, July 19, 1990.

Re Your proposed amendment to H.R. 5115.

Hon. MARGE ROUKEMA,
Cannon House Office Building,
Washington, DC.

DEAR CONGRESSWOMAN ROUKEMA: The California Attorney General's office is pleased to note that many of the provisions of your proposed amendment seek to remedy major problems our office has investigated, problems we have also sought to remedy at a state level in legislation enacted last year, legislation we have proposed this year and in our investigations and civil and criminal prosecutions. Under separate cover, we have sent a copy of California's current legislation.

We have recognized vocational school problems as one of the most significant consumer problems of this decade, harming students, the federal and state governments and legitimate schools hurt by unfair competition. Taxpayers have unnecessarily lost billions of dollars because of vocational school abuses. Effective federal legislation will aid the federal government and the states in their attempts to curb vocational school abuses without adversely affecting schools with good educational practices. Of particular interest to us are the following proposed amendments involving issues found in our investigations.

Section 904 relates to a general problem not restricted to vocational schools, the selling or trading of lists without consent of the consumer. In this instance, these sales or trades sometimes lead students into transactions which may assure defaults. In our investigations, we have discovered that the sale of these lists create substantial invasions of privacy as well as creating consumer problems.

Section 909 addresses a major problem, the independence of private accrediting agencies. Our state felt it necessary to go even a step beyond your recommendation and we have created more state supervision of the accrediting process. As long as student loans are funded because of acceptance of schools by private organizations, it is most important that those private organizations are independent. Our investigations have revealed that some of these organizations are not at all independent.

Section 911 relates to a problem we have been investigating—that of schools forum shopping when a private accrediting group, trying to do a good job, is about to terminate accreditation. Our investigation revealed that schools in trouble with an accrediting agency attempting to enforce a reasonable standard face little difficulty in quickly finding another agency willing to accept the school.

Section 913 addresses the growing practice of giving advance answers to ability-to-benefit students or giving tests that do not measure the ability to benefit. We have found hundreds of examples of this problem.

Section 915 addresses the need for a toll-free consumer hotline. many vocational school students do not know to whom to complain and they often do not recognize that federal or state agencies are intrerested in their complaints.

Section 916 requires an audit of graduation and placement statistics. California has recognized that one of the best methods for determining whether a vocational school is fulfilling its function is to require graduation and placement standards and to obtain valid statistical information.

Section 917 addresses one of the most widespread abuses, the advertisements and actions of commissioned recruiters. We have examined ads by such recruiters which appear to be employment ads and sales scripts which state, in effect: "Do you think an employer would hire you? You are a loser. We would lose our reputation if we sent you to a job. However, employers look favorably on those who are attempting to become trained. We will send you to—. After two weeks, come back and see us."

Section 918 addresses, in part, the problem of translating hours and units and semesters in a manner often related less to reality than to the maximization of loans and grants.

Section 919 addresses one of saddest problems we have encountered, a student attempting to be a productive member of society and not only deprived of meaningful training by deceptive and unfair practices of the school but thereafter deprived of further educational opportunities and hounded for payment for an education not received.

Section 920 addresses the need to take prompt action when it appears that schools are not fulfilling their educational promises. Too often, schools delay the investigative process until additional large sums have been collected from unwary students. These sums disappear and the schools eventually close or file bankruptcy. Prompt action would prevent these additional losses. California has utilized several approaches to solve this problem, prompt action and requiring ample reserves are two of those approaches.

Please let us know if we can be of assistance in identifying further vocational school problems we have encountered or in supporting your efforts to combat vocational school abuses while not adversely affecting good programs.

Please

Yours truly,

JOHN K. VAN DE KAMP,
Attorney General.

by

HERSCHEL T. ELKINS,
Senior Assistant Attorney General.

The letter then goes on to explain why they endorse my amendment with examples of the need for tighter regulations. One case that the California Attorney General's office prosecuted involved an accrediting agency that accredited a school before it was even licensed to do business.

These abuses are not limited to California. In Florida, a fruit stand was accredited as a trade school able to participate in the Federal student aid program. In another case, an officer of an accrediting agency filled out the paperwork for a school that was applying for accreditation with that officer's agency. In my own State of New Jersey and in cases in New York, several schools have been investigated, indicted, and found guilty of racketeering, falsification of documents and theft of Federal funds. There is more work out there than the inspector general can keep up with.

But we are making it easy for these rip-offs to occur. We have the chance to do something about it now. Let's do it.

My amendment also requires that more information be obtained from the borrower and that more information be given to the borrower about how much he or she will owe and what monthly payments will need to be made.

This all seems like common sense procedures that should have been in the law from the beginning. Certainly we can make these necessary changes now.

Every Member of Congress must find the courage and integrity to correct this scandal. In the other committee on which I serve, the Banking Committee, we have had to deal with failed savings and loans which have cost the taxpayer infinitely more money than student loan defaults. Yet, it is incumbent upon this Congress to take action to close down the scam schools, just as Congress is now closing down the scam savings and loans. If we act now, maybe the taxpayer will not have such a large bill to pay for student loan defaults and maybe more deserving students, going to schools which provide worthwhile training and education, will be able to receive student loans.

Mr. Chairman, I ask that my colleagues join me in correcting the scandalous student loan default problem and making the necessary and recommended changes to congressional methodology so that truly deserving students who repay their loans are able to fully participate in this valuable and needed program.

□ 1200

Mr. Chairman, I reserve the balance of my time.

Mr. HAWKINS. Mr. Chairman, I rise in opposition to the amendment of the gentlewoman from New Jersey [Mrs. ROUKEMA], and it is obviously unpleasant to oppose the gentlewoman from New Jersey, a member of the committee. However, Mr. Chairman, it is largely because she is a member of the committee that I think we should place her amendment in proper focus.

Several months ago we announced, in conjunction with the request of the minority member of the committee, ranking minority member, the gentleman from Pennsylvania [Mr. GOODLING], that everyone who had an amendment or had a problem that was felt we should seek a solution to, would offer the amendments so that the Committee on Education and Labor could scrutinize them and try to perfect a suitable adjustment in such a way as to have, before the committee reported to the House, a package that could move ahead without being jeopardized. Mr. Chairman, the gentlewoman from New Jersey [Mrs. ROUKEMA], a member of the committee, did not at any time offer an amendment such as she is doing today.

So, we have an amendment which has a great deal of merit, but which has not been scrutinized and which should be perfected. Even the wording of the amendment might in some way jeopardize the support for a package that otherwise has strong bipartisan support.

The gentleman from Michigan [Mr. FORD] in conjunction with the gentleman from Pennsylvania [Mr. GOODLING] did receive those suggestions, and I will yield 3 minutes to the gentleman from Michigan and also commend him on the manner in which he proceeded to accept amendments, to look at them, to share them with the minority and to try to bring before the House only those amendments which have been clearly structured, carefully looked at and, we thought, would fit under the target, the umbrella, of having wide acceptance.

Mr. Chairman, there are many problems in education. This bill does not presume to solve every problem in education. But certainly, I think, we should want to commend the gentleman from Michigan [Mr. FORD] for the manner in which he scrutinized the amendments and looked them over in conjunction with the minority.

Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman from California [Mr. HAWKINS] for yielding this time to me.

Mr. Chairman, the Roukema amendment contains 28 substantive provisions. These are highly technical changes to very complex programs including the Guaranteed Student Loan Program and the system of needs analysis that determine a student's eligibility for student aid.

This very complex Roukema amendment has not been the subject of hearings or consideration by the Education and Labor Committee. Mrs. Rouke-

ma's "Dear Colleague" of July 12, 1990, claims that, "Most of the provisions of my amendment were part of default legislation which was approved by the Education and Labor Committee back in 1988, but never acted upon before the end of the 100th Congress."

This is simply untrue.

The gentlewoman from New Jersey [Mrs. ROUKEMA] is comparing her amendment to H.R. 4986, the Student Default Initiative Act of 1988. Of the 28 provisions in the Roukema amendment, 2 are identical to provision contained in H.R. 4986, 6 are modifications of provisions contained in H.R. 4986, and 20 did not appear in any form in H.R. 4986. Thus, 93 percent of the provisions in the Roukema amendment are completely new or modified in comparison to the provisions of H.R. 4986. Among the new provisions is the section dealing with lender risk sharing, the most controversial provision in the amendment.

In addition, since H.R. 4986 was reported by the Education and Labor Committee in 1988, the Department of Education implemented its default reduction initiative regulations in June 1989 and the fiscal year 1990 budget reconciliation enacted major default reduction measures. Therefore, the fact that a few of the provisions of the Roukema amendment are similar to those considered by the Education and Labor Committee in 1988 does not establish their continuing relevance given the passage of time and the implementation of major antidefault measures by both the Congress and the Department of Education.

There is a very real danger that if this amendment, which has not been considered by the Education and Labor Committee, is adopted, there will be substantial dislocations and disruptions in the delivery of nearly $20 billion in student aid to over 6 million students this fall.

In addition, in the next Congress the Education and Labor Committee and the House will be considering the reauthorization of the Higher Education Act. There will be exhaustive hearings and consideration by the committee. That is the appropriate forum to consider changes in the student aid programs.

I urge my colleagues to reject this amendment. It is an ad hoc collection of provisions that do not comprehensively or effectively address the problem of loan defaults. In addition, it threatens to disrupt the delivery of all student aid.

Mrs. ROUKEMA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I simply want to state in response to the statement of the gentleman from California [Mr. HAWKINS], the chairman, that I was informed as a member of the committee that in the interests of cooperation between the chairman and the ranking member, I could not present my amendments during consideration of the bill, and that they would have to be considered either prior to floor action or as amendments brought up before the Committee on Rules, and I complied with the requests of the chairman and ranking member at that time.

Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I want to congratulate the gentlewoman from New Jersey [Mrs. ROUKEMA] on offering this amendment, and I want to tell my colleagues what this reminds me of.

I say to my colleagues, "I don't know how many people in this body play golf, but, when you get up on the first tee and hook the first three shots out of bounds, generally, if you have a friend, the friend will say, 'Now you know you're not straightening your arm the right way. You better change your swing a little bit.' "

Mr. Chairman, the approach this committee has taken for the last 10 years on student loans represents the way I see it in this illustration of golf, and it is that we have hooked the first three shots out of bounds, and those guys keep saying, "Let's just keep on hooking the next 10 out of bounds."

We have a default right now on student loans that is reaching $7.8 billion, $7.8 billion. It is going to be up to $807 billion by 1991, and the increase has been staggering, an eightfold increase in student loan defaults since 1981.

Mr. Chairman, the response of the committee is, "Well, we'll get around to it later," and, when later comes, they will absolutely oppose the idea of reducing the loan guarantee.

Now, why do we favor the loan guarantee? Well, because we now give the banks in this country a 100-percent guarantee on student loans.

Do my colleagues know what I would do if I were a banker? I would set up a stand in front of my bank, and, when people drove by in their cars, I would see if I could throw money in the window and say, "Just take it and spend it, and, if we don't collect it, who cares? The Federal Government will pay for it. The taxpayers will take care of it."

□ 1210

This is the only program that exists in the Federal Government that gives a 100-percent guarantee on a loan from the Federal Government, and all that the gentlewoman from New Jersey [Mrs. ROUKEMA] is trying to do is to take the guarantee from 100 percent down to 95 percent.

Do you know why? So that the banks can be like a chicken in a chicken dinner, so that the banks can be committed like the chicken is in a chicken dinner, and that we do not let bankers make a 100-percent repayment. They do not care who they loan money to. They do not care if they collect the money. Why should they? A 100-percent guarantee guarantees fiscal irresponsibility. That is the only thing it guarantees.

Now, people will say that if you lower the guarantee from 100 to 95 percent, the banks will not make loans. That is baloney. Every time we reduced the sugar that we have put in the pot to help the banks out and they cry, "Wolf," and say, "Woe is us. We won't make any loans." They come back and the number of loans they actually process increases.

Now, in addition to that, for the students who cannot get loans, the States have to establish a loan of last resort within each State agency. If a student cannot get a loan from that institution, then the Sally Mae kicks in with the Federal Government and a loan is ultimately provided.

What this does, this guarantees that the lending institutions in this country will become more committed to the idea of running their Federal loan program in some kind of a sane way and some kind of a responsible way.

Do you know? This will be rejected, of course it will; but I just want to tell you something. I remember when we kept rejecting base closings. What we need to do in this country is to bring this to the attention of the American people, and when we do this will become a national scandal, and when student loans get to be reduced we are going to come on this floor and lay the blame where it ought to be, on the committee that refused to put responsibility in the loaning of this Federal money, and I am going to tell you, this is going to happen. We are going to reduce the loan guarantee. It is not going to be today and maybe it will not be next year, but I am going to tell you, we are going to make you so sick and tired of listening to this amendment that sooner or later you will cave in and you will do what is right for the loan program, for the students who want loans, and for the taxpayers of this country.

Mr. Chairman, I urge adoption of the Roukema amendment.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I want to make sure that everyone understands that you do not have to say anything over and over again to get us to want to do something that has to be done. We all know there are problems in higher education. We know that we have reauthorization of the program next year. That is the time we do these kind of things, not in a piecemeal effort. Nothing that wants to be done today can take effect until 1992-

93. What is the rush? It cannot take effect until 1992-93.

Now, all we are saying basically if we act hastily is several things. First of all, I am very concerned about the amendment's lender risk sharing provision, which will have the effect of discouraging lenders participating in the Guaranteed Student Loan Program from making loans to high-risk borrowers. Those borrowers who are low income educationally disadvantaged students seeking to enroll in postsecondary educational training programs are the ones affected.

We can sit here and say what lending institutions will do. We do not know what lending institutions will do, but I know who will suffer if we do not look at this carefully next year when we reauthorize. Those most in need will be those who suffer.

So I would hope that when you do not define what a high default rate institution is that you will realize that redlining will not prevent loans from being made to students attending those high default rate schools. It will be.

Nor will this risk-sharing provision reduce default costs, because it will only result in shifting the burden to State guarantee agencies who act as the lender of the last resort, and boy, that is the wrong place for that to go; however, guarantee agencies are not designed to be direct lenders of loans to large numbers of borrowers, nor do they have the cash reserves to carry out this function.

So again I would ask everyone to get behind the gentlewoman from New Jersey next year when we reauthorize all of the higher education issues, and then we will not have a piecemeal effort. We will have a joint effort and the gentlewoman will play a leading role in bringing about that joint effort.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I think the gentlewoman from New Jersey has the right amendment at the wrong time, the wrong time because several years ago she suggested most of this was in legislation, but something has happened in those several years that has addressed some of the issues that she has talked about; others that have not should be addressed in a comprehensive fashion and several months in the comprehensive 5-year reauthorization for the Higher Education Act.

Let me remind the body that the Department of Education through the pushing of our committee and through the introduction of default legislation that we have had in the past has gone after some of these schools that she is concerned about, because they have limited, suspended, or terminated some 638 schools with default rates above 60 percent. They have required delayed disbursement to recipients so they do not get all the money and leave school.

We have talked about and had enforced by the Department loan counseling disclosure of graduation rates and job placement rates to prospective students.

Last year this body in the 1990 reconciliation bill saved over $400 million in the SLS Program by eliminating schools with default rates of over 30 percent in this program, by requiring the GED to receive eligibility benefits, and it goes on and on.

We have restricted accreditation hopping. If you lose your accreditation, you cannot hop to another one and continue in this program. You have to be out for 24 months.

We are doing something. This amendment is well-intentioned, but I would have to say that all the discussion about saving money flies in the face of reality. The CBO actually says this amendment costs money over 4 or 5 years of $175 million. That is not to say that in the context of a more comprehensive approach that you might not want to include some of it, but it has been suggested that this bill does nothing. This bill does something. It would recalculate in the next several months everybody's student aid going into the 1990 fall tuition and academic year, so it does do something. It does something very mischievous in the next several months to millions of families.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS], the chairman of the subcommittee.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding me this time.

I am surprised and somewhat disappointed that the gentlewoman has persisted in bringing this amendment.

This House is less than a year away from beginning consideration of full reauthorization of the Higher Education Act, and yet I call to the attention of this House that the gentlewoman's amendment is 24 pages.

□ 1220

It is, in effect, a mini-reauthorization of the Higher Ed Act, and the surprising thing is she does it without a single hearing, without any committee consideration, without even technical assistance from the Department of Education. Let me draw also the Members' attention to this fact, which would mean that the law goes into effect immediately upon passage. That would have severe implications on the Federal Student Aid Program this year.

More than 60 percent of students who will apply for aid to attend school this fall have already applied and have received their award notices and are planning accordingly. Because the gentlewoman's amendments change the need analysis formula for student aid, it would mean that all of these students and their families, more than 6 million students if the gentlewoman's amendments become law, would be forced to reapply for aid. Our offices will be strangled with complaints from students who have already received their announcements and now must reapply. New forms would have to be developed and tested and distributed. New contracts would have to be issued. That is not something that I think the Members of this House want to do.

Quickly, now, with regard to cost, the gentlewoman's amendment, according to CBO, and that is who we go by, that is the institution that decides this for us, estimates that the gentlewoman's amendment will cost by 1995 $177 million. Surely, you do not want to spend that much money in this kind of a thoughtless approach without a single committee hearing.

I ask my colleagues to defeat the gentlewoman's amendment.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. GAYDOS. Mr. Chairman, I rise in strong opposition to this amendment.

This amendment is a package of 28 separate elements. Some of the sections may be worthwhile and workable, but others have the potential for absolute catastrophe. Without an opportunity for full discussion of these elements separately, we have no idea of the general impact on higher education.

Last November, for example, as part of the budget reconciliation process, Congress without hearings and over my objection, made a number of changes in the Supplemental Loans for Students Program.

We are now just beginning to see the dire circumstances of that decision: 15 percent of all career schools closed—more than three times the number of schools that closed in the previous 2 years combined; and an 11-percent decrease in the total enrollment of career training schools—more than 200,000 students.

Are we to believe that these 200,000 students—mostly older, very often high school dropouts, many single parents, and almost all poor and underskilled—will rush to attend more traditional institutions of education or will miraculously be accepted into other job training programs? I doubt either of those results.

I fear that by accepting the present amendments, we could be worsening an already critical problem.

I am concerned about many elements in this package, but one that requires dislocated workers to include unemployment compensation and other benefits as income on their loan applications, poses a serious threat to the existing system.

These men and women who have lost their jobs are desperately in need of training. By listing unemployment benefits as income, they could very easily be excluded from the student loan programs—just when they need that extra boost.

Who would be hurt? Almost 40 percent of those receiving such compensation have already been out of work for more than 20 weeks. Many, like the former steelworkers in my area, have already been listed by the Department of Labor as among the most difficult to retrain for new jobs.

These Americans and others like them, who want career school training may be left out in the cold.

These students often are over the age of 25, minority, women, and single parents. Further, many are on welfare and need this educational opportunity to better their lives and the lives of their families.

As others have said today, this obviously is the wrong time and the wrong place for this discussion.

Next year, the Committee on Education and Labor will consider reauthorization of the Higher Education Act.

That is the right tme to fully examine these proposals and that is the right place to debate these issues.

I urge all of my colleagues to defeat this amendment.

I intend to take special orders next week to address this issue in detail and ask any interested members to participate.

Mrs. ROUKEMA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is the third year in a row that I have been asked to wait until next year. No longer can we wait. The defaults are spiraling out of control.

With respect to the effective date of the bill, the Senate has the provision in its bill, and we can reconcile it in conference.

But I want to call the attention of all you people who rail against waste, fraud, and abuse, and I want the attention of all of you people who are pointing fingers of blame at those who are responsible for the S&L looters. If you vote against this amendment, you are part of the problem and part of the scandal. You are protecting the con artists, the frauds, the scam operators for yet again another year. And for those of you who want to cry crocodile tears for the banks, let me remind you of the "60 Minutes" program which outlined the problem beautifully. Your voters watched that program, and your voters know about the S&L disaster. No one is going to cry over the problems of the banks.

Are we going to be cowards yet again in this House by caving into another set of special interest groups? I say no.

The trade associations are protecting the rotten apples in the barrel while the reputable schools and the States that are doing a good job are being denied.

This vote is a vote for fiscal sanity, and it is a vote to restore the integrity of the student loan program.

Mr. Chairman, I yield back the balance of my time.

Mr. HAWKINS. Mr. Chairman, I yield the remainder of my time, 1 minute, to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I take no position on this amendment. It is long and complicated. There are good things that I like about it and things that I like less.

My problem, however, is that this amendment violates section 303(a)(4) of the Budget Act, because it creates new entitlement authority first effective in a fiscal year for which Congress has not adopted a budget resolution. Therefore, from the standpoint of process alone, even though the Budget Act has been waived by the Committee on Rules, I must vigorously oppose the amendment.

Mr. OWENS of New York. Mr. Chairman, I rise in strong opposition to the Roukema amendment. This amendment is a very broad reaching amendment which would effect many aspects of higher education including student access—especially for disadvantaged and minority students, financial aid and the issue of student loan defaults, lender responsibility, institutional accreditation and many more.

In short, the scope of this amendment is too broad for debate to occur only on the House floor, before adequate committee consideration.

The Higher Education Act will be reauthorized next year, and all of these issues are already on the table for the reauthorization process. That is the proper forum for issues which are of such crucial importance to the success of the higher education system for so many of our students.

Some of the most important and potentially devastating components of this amendment seek to solve the highly complex issue of student loan defaults in a singly comprehensive and devastating swipe.

The issue of student loan defaults is one which has been debated in the past, in H.R. 4986 a full 2 years ago. Since that time efforts have been made to put controls on the issuance of student loans; nearly 30 changes in the Higher Education Act and Department of Education loan regulations have been made in the past 2 years.

These controls and new regulations have not yet had time to fully take effect or to be studied either by the Department of Education or by the Education and Labor Committee. We need this time to look at the new data and to refocus our efforts before we take action that could drastically effect the ability of thousands of students to attend school and provide the basis to lead a successful life.

Meanwhile, the effects of the Roukema amendment could be devastating:

The Roukema amendment changes the method of "need analysis" which is used to determine eligibility for Federal student financial aid. Not only will this be costly, but it will also take considerable time to rework the necessary regulations, to redraft the forms, to train the personnel, and to recompute all of the financial aid forms. This would effect students this fall, and no one knows how long it might take to put the new regulations into effect—but students who rely on Federal aid to attend school definitely would not be able to do so this fall.

The Roukema amendment's "risk-sharing" provisions would effectively prevent thousands of disadvantaged and low-income students from going to school by discouraging lenders from financing their loans. These are the students who need the most encouragement and assistance to attend school—we should not be impeding their progress.

Approximately 6 million students will be attending approximately 8,000 institutions this fall—and their plans could be ruined by being forced to reapply for Federal student aid.

Access to student loans at one-third of the schools of the United Negro College Fund could be terminated along with loan access for low-income students at 1,000 other institutions such as community colleges, historically black colleges and urban universities.

Finally, the purpose of cutting down on loan defaults is to save the Government money. However, CBO says not only would no money be saved by this amendment, but it would increase student aid costs by $175 million in the first 5 years.

Mr. Chairman, this amendment is misguided and untimely. The motives are sound, the methods are wrong. The Committee on Education and Labor must have time to explore these proposals in depth—not under the 5-minute rule with 400 extra players.

These proposals will be fully addressed in the coming year as we reauthorize the Higher Education Act and revisit all of these programs with current, up-to-date data, and the proper perspective. And without upheaving the lives of possibly millions of students.

I implore my fellow colleagues to defeat this amendment.

Mr. DENNY SMITH. Mr. Speaker, today I rise in support of my esteemed colleague's amendment to combat the student loan default crisis. I feel strongly enough about this issue to have introduced similar legislation, and submit to my colleagues that Congresswoman ROUKEMA's amendment is a good vote for education and worthy of bipartisan support.

President Bush wants to make the United States No. 1 in math and science by the year 2000. This means more and better teachers, and many of these future teachers will depend on guaranteed student loans to help pay their college costs.

But we may not be able to meet their needs because we spend 37 cents out of every dollar appropriated for GSL's financing unpaid student loans.

As my colleagues have previously stated, next year the United States will add another $2 billion to the mountain of defaulted student loans.

Mrs. ROUKEMA's amendment will bring about change now. Not tomorrow and not next year after the American public has swallowed another $2 billion in defaulted loans. Mrs. ROUKEMA has taken the initiative, and I support this amendment for several reasons.

First, this amendment cracks down on both negligent students and proprietary agencies. Students who have declared themselves independent but continue to accept money from their parents cost the taxpayer millions. This amendment will put a halt to this abuse by clearly defining an independent student.

Second, the amendment gives the Secretary more ammunition to combat the abuses of the Student Loan Program committed by proprietary schools.

This legislation, if enacted, is also designed to help students, including veterans. Current congressional methodology categories veterans' benefits as either available income or assets. This process is both confusing and unacceptable. Our veterans deserve more.

Mrs. ROUKEMA's amendment also helps those students trying to save for college by eliminating the double counting of student income. The current formula double counts prior year earnings that are saved for the coming school year, thus eliminating the incentive to save. This amendment changes this system.

The time has come for reform. America cannot afford to lose $2 billion a year in defaulted student loans when $2 billion could give others the chance to go to school. We need to attack this problem, and we need to do it now. Mrs. ROUKEMA's amendment addresses the very heart of this matter and if enacted, will help bring money back into education.

I stand in support of this amendment. Our students deserve more than 63 cents out of every GSL dollar, and I encourage my colleagues to support this amendment and our students.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. ROUKEMA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 122, noes 264, not voting 46, as follows:

[Roll No. 254]

AYES—122

Archer	Burton	Dorgan (ND)
Armey	Byron	Douglas
Ballenger	Callahan	Dreier
Bartlett	Campbell (CA)	Duncan
Barton	Chandler	Dwyer
Bennett	Coble	Eckart
Bereuter	Combest	Edwards (OK)
Bliley	Coughlin	English
Brown (CO)	Crane	Fawell
Buechner	DeLay	Fields
Bunning	Dickinson	Gallegly
Gallo	Lehman (FL)	Schaefer
Gillmor	Lent	Schulze
Gilman	Lewis (FL)	Schumer
Gingrich	Lightfoot	Sensenbrenner
Glickman	Madigan	Shaw
Goss	Marlenee	Shays
Gradison	Martin (IL)	Shumway
Grant	McCandless	Shuster
Green	McEwen	Skeen
Guarini	McMillan (NC)	Slaughter (VA)
Hancock	Meyers	Smith, Robert (NH)
Hastert	Michel	
Hefley	Miller (OH)	Smith, Robert (OR)
Henry	Molinari	
Herger	Nielson	Snowe
Hiler	Oxley	Solomon
Holloway	Packard	Stearns
Hopkins	Pallone	Stenholm
Huckaby	Paxon	Taylor
Hunter	Petri	Torricelli
Hyde	Ravenel	Upton
Ireland	Regula	Valentine
Johnson (CT)	Ridge	Vander Jagt
Johnson (SD)	Rinaldo	Walker
Kaptur	Ritter	Weldon
Kasich	Roberts	Whittaker
Kolbe	Rogers	Wolf
Kostmayer	Rohrabacher	Wylie
Kyl	Roth	Yatron
Lantos	Roukema	
Leach (IA)	Saiki	

NOES—264

Ackerman	Evans	Lehman (CA)
Alexander	Fascell	Levin (MI)
Anderson	Fazio	Levine (CA)
Andrews	Feighan	Lewis (GA)
Annunzio	Fish	Lipinski
Anthony	Flake	Livingston
Applegate	Flippo	Lloyd
Aspin	Foglietta	Long
Atkins	Ford (MI)	Lowery (CA)
AuCoin	Frank	Lowey (NY)
Bateman	Frenzel	Luken, Thomas
Bates	Frost	Lukens, Donald
Beilenson	Gaydos	Machtley
Berman	Gejdenson	Manton
Bilbray	Gekas	Markey
Bilirakis	Gephardt	Martinez
Boehlert	Geren	Matsui
Bonior	Gibbons	Mavroules
Borski	Gonzalez	Mazzoli
Bosco	Goodling	McCloskey
Boucher	Gordon	McCrery
Boxer	Grandy	McDade
Brennan	Gray	McDermott
Browder	Gunderson	McGrath
Brown (CA)	Hall (OH)	McHugh
Bruce	Hamilton	McMillen (MD)
Bryant	Hammerschmidt	McNulty
Bustamante	Hansen	Mfume
Campbell (CO)	Harris	Miller (WA)
Cardin	Hatcher	Mineta
Carper	Hawkins	Moakley
Carr	Hayes (IL)	Mollohan
Chapman	Hefner	Montgomery
Clarke	Hertel	Moody
Clay	Hoagland	Moorhead
Clement	Hochbrueckner	Morella
Clinger	Horton	Morrison (WA)
Coleman (MO)	Houghton	Mrazek
Coleman (TX)	Hoyer	Murphy
Collins	Hubbard	Murtha
Condit	Hughes	Nagle
Conte	Hutto	Natcher
Conyers	Inhofe	Neal (MA)
Cooper	Jacobs	Neal (NC)
Costello	James	Nowak
Coyne	Jenkins	Oakar
Darden	Johnston	Oberstar
de la Garza	Jones (GA)	Obey
DeFazio	Jones (NC)	Olin
Dellums	Jontz	Owens (NY)
Derrick	Kanjorski	Owens (UT)
DeWine	Kastenmeier	Panetta
Dingell	Kennedy	Parker
Dixon	Kennelly	Parris
Donnelly	Kildee	Pashayan
Downey	Kleczka	Patterson
Durbin	Kolter	Payne (NJ)
Dymally	LaFalce	Payne (VA)
Edwards (CA)	Lagomarsino	Pease
Emerson	Lancaster	Pelosi
Engel	Laughlin	Penny
Erdreich	Leath (TX)	Perkins
Pickett	Schroeder	Thomas (GA)
Pickle	Serrano	Torres
Poshard	Sharp	Towns
Price	Sikorski	Traficant
Pursell	Sisisky	Traxler
Quillen	Skaggs	Udall
Rahall	Skelton	Unsoeld
Rangel	Slattery	Vento
Ray	Slaughter (NY)	Volkmer
Rhodes	Smith (FL)	Vucanovich
Richardson	Smith (NJ)	Walgren
Roe	Smith (TX)	Walsh
Ros-Lehtinen	Smith (VT)	Washington
Rose	Solarz	Waxman
Rostenkowski	Spence	Weber
Rowland (GA)	Spratt	Weiss
Roybal	Staggers	Wheat
Russo	Stangeland	Whitten
Sabo	Stark	Williams
Sangmeister	Stokes	Wilson
Savage	Studds	Wise
Sawyer	Sundquist	Wolpe
Saxton	Swift	Wyden
Scheuer	Tallon	Yates
Schiff	Tanner	Young (AK)
Schneider	Tauke	Young (FL)

NOT VOTING—46

Baker	Early	Rowland (CT)
Barnard	Espy	Sarpalius
Bentley	Ford (TN)	Schuette
Bevill	Hall (TX)	Smith (IA)
Boggs	Hayes (LA)	Smith (NE)
Brooks	Lewis (CA)	Smith, Denny (OR)
Broomfield	Martin (NY)	
Courter	McCollum	Stallings
Cox	McCurdy	Stump
Craig	Miller (CA)	Synar
Crockett	Morrison (CT)	Tauzin
Dannemeyer	Myers	Thomas (CA)
Davis	Nelson	Thomas (WY)
Dicks	Ortiz	Visclosky
Dornan (CA)	Porter	Watkins
Dyson	Robinson	

□ 1247

The Clerk announced the following pairs:

On this vote:

Mr. Stump for, with Mr. Tauzin against.

Mr. Dornan of California for, with Mr. Broomfield against.

Mr. Thomas of Wyoming for, with Mr. Thomas of Califorina against.

Mr. SAWYER and Mr. VOLKMER changed their vote from "aye" to "no."

Mr. BARTLETT changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 9 printed in House Report 101-588.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 22, after line 19, insert the following:

PART C—ACADEMIC AREAS OF NATIONAL IMPORTANCE

SEC. 331. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) students in the United States have demonstrated deficiencies in knowledge of foreign languages; and

(2) the Federal Government has a vested interest in ensuring that all students learn about the diverse cultural heritage of the Nation and the world community so that the Nation's ability to compete in the global marketplace is preserved.

(b) STATEMENT OF RESPONSIBILITY.—It is the responsibility of the Federal Government to—

(1) expand foreign language programs in elementary schools, secondary schools, and institutions of higher education; and

(2) equip students with the necessary language skills for productive employment in the global marketplace.

SEC. 332. AMENDMENTS TO THE FOREIGN LANGUAGE ASSISTANCE ACT OF 1988.

(a) In General.—The Foreign Language Assistance Act of 1988 (as contained in part B of title II of the Elementary and Secondary Education Act of 1965) is amended—

(1) by inserting before section 2103 the following:

"Subpart 1—Grants to States for Improvement and Expansion of Foreign Language Study";

(2) by redesignating sections 2103 and 2104 as sections 2111 and 2112, respectively;

(3) by redesignating section 2105 as section 2103 and moving such section so that it appears following section 2102; and

(4) by adding at the end the following:

"Subpart 2—Teacher Training and Instructional Materials

"SEC. 2121. FOREIGN LANGUAGE INSTITUTES.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized to provide grants on a matching basis to States, through their State educational agencies, for the establishment and operation of foreign language institutes for the professional development and retraining of elementary and secondary school teachers in the areas of foreign languages, foreign culture, and international studies.

"(b) PROGRAM PARTICIPATIONS.—Programs operated with grants under this section shall—

"(1) provide a preference for elementary teacher development and the retraining of secondary teachers for elementary schools;

"(2) provide preservice elementary and secondary teacher education in the areas of foreign language, foreign culture, and international studies; and

"(3) allow teachers from other fields to retrain as foreign language teachers.

"(c) GRANT LIMITATIONS.—Grants pursuant to this section shall—

"(1) not exceed $3,000 per teacher;

"(2) not exceed 300 teachers per institute; and

"(3) not exceed $200,000 to any institution.

"(d) BYPASS PROVISION.—In any State where the State educational agency does not submit an application, the Secretary may consider applications from the local educational agencies, institutions of higher educations, or a consortia thereof. A consortia of State educational agencies may also apply to provide a regional institute.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $30,000,000 to carry out this section for each of the fiscal years 1991, 1992, and 1993.

"SEC. 2122. DEVELOPMENT OF FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.

"(a) GRANTS AUTHORIZED.—The Secretary of Education is authorized to provide grants on a competitive basis to qualified State and local educational agencies, institutions of higher education, private nonprofit foreign language organizations, nonprofit education associations, or a consortia thereof, to act as a resource center for—

"(1) coordinating the development of, and disseminating, foreign language and culture instructional material, including children's literature in foreign languages, videotapes, computer software, and teacher's instructional kits relating to international study; and

"(2) expanding the use of technology in teaching foreign languages and culture at the elementary and secondary school level.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for each of the fiscal years 1991, 1992, and 1993.

"SEC. 2123. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to carry out this subpart within 90 days after the date of the enactment of this subpart. Such regulations shall establish procedures for the selection of grant recipients for the distribution of funds, and for the evaluation and review of the results of the programs authorized by this subpart.".

(b) CONFORMING AMENDMENT.—Sections 2111 and 2112 of the Foreign Language Assistance Act of 1988 (as redesignated by subsection (a)(2) of this section) are amended by striking the term "part" each place it appears and inserting "subpart".

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will be recognized for 5 minutes and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentleman from California [Mr. PANETTA].

□ 1250

Mr. PANETTA. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, the Education and Labor Committee has developed a strong, comprehensive, bipartisan bill that will indeed help address our educational agenda to meet our future challenges in the global marketplace.

The bill was designed to maintain global leadership, and foreign language competency definitely plays a role in that. There will be many chances to enhance that role as we enter into this new decade of change. The exciting events taking place in Eastern Europe will afford even greater opportunity. Also, the next 2 years will play a critical role as we look toward the merging of the European Economic Community in 1992.

The Panetta-Sangmeister amendment would add an additional provision, called Academic Areas of National Importance, to the Student Achievement title in H.R. 5115 in order to highlight foreign language and international education as important subjects of achievement to ensure this Nation's future economic leadership role.

The amendment adopts two important provisions from both my bill H.R. 2188, the Foreign Language Competence for the Future Act, and Mr. Sangmeister's. bill, H.R. 4144, the Global Elementary Education Act, which collectively have garnered the support of 100 cosponsors. The Foreign Language Assistance Act, as contained in the Elementary and Secondary Education Act which focuses on model programs at the elementary and secondary levels, would be amended to provide matching grants to State education agencies for the creation of foreign language institutes to retrain elementary and secondary teachers in the areas of foreign languages and culture, and international studies. The authorization level is $30 million for fiscal years 1991, 1992, and 1993.

The second provision would provide for grants for the development of foreign language and culture instructional materials by State and local education agencies, private, nonprofit foreign language organizations, institutions of higher education, nonprofit education associations or a consortia, which would then act as a resource center to coordinate and disseminate instructional material. The authorization level is $5 million for fiscal years 1991, 1992, and 1993.

The focus of our efforts is foreign language instruction and materials development at the K-12 levels. Studies have consistently shown that basic language and culture orientation should begin at the elementary school level, yet only 17 percent of public elementary schools offer any form of foreign language instruction, and 33 States report a shortage of foreign language teachers at the elementary and secondary school levels.

There is no Federal support for such programs at these levels currently in existence. Over 48 percent of elementary schools, which do not currently teach foreign languages, are interested in offering them. However, the pool of qualified foreign language teachers has not increased to meet the new demands of educating students to function in a global society.

With four out of five new jobs in the United States being created as a result of foreign trade, the President's Commission on a Foreign Languages and International Studies, the National Governor's Association, and the Council of Chief State School Officers have all recognized and stressed the need for increased training in foreign languages and international studies to enhance our national security and economic competitiveness. The current U.S. trade deficit reflects the inadequate state of American international training and cultural awareness.

In fact, one of the education goals agreed upon by President Bush and the Governors, and incorporated into H.R. 5115, was student achievement and citizenship. This goal includes increasing the percentage of students who are competent in more than one

language, and that all students will be knowledgeable about the diverse cultural heritage of this Nation and about the world community.

We need to make these words and ideas a reality now. The time is now. I urge you to join me in supporting the Panetta-Sangmeister amendment to prepare our children for an increasingly competitive and interdependent world, and to ensure our future economic prosperity.

Mr. Chairman, I yield 1½ minutes to my cosponsor, the gentleman from Illinois [Mr. SANGMEISTER].

Mr. SANGMEISTER. Mr. Chairman, our amendment is a modest one that will authorize $30 million in matching grants to States to set up institutes to retrain elementary and secondary teachers in the areas of foreign languages and cultures, and international studies. It also gives $5 million to competing organizations to coordinate and disseminate foreign language and cultural instructional material, including teacher's kits, children's literature in foreign languages and videotapes.

Why is it important for Americans to learn other languages? Because learning a second language translates into business profits for Americans. Currently, more than 6,000 U.S. firms have at least some of their operations abroad and four out of five new jobs are created as a result of foreign trade. We lose an important advantage when we are forced to rely on the skill and knowledge of others in business transactions and negotiations. More importantly, we send the wrong signal to our trade partners when we can't take the time to learn their language and customs. A Japanese Member of Parliament summed up his frustration when he stated: "I still spend an hour a day studying English. How many Americans speak Japanese? It's a very basic question."

A personnel agency in Los Angeles recently reported it has between 500 to 600 job orders circulating daily for bilinguals. A senior planning coordinator at the firm simply stated: "Bilingual skills translate into higher starting salaries and a better chance to move up rapidly in a company." Learning another language offers the job seeker a host of opportunities in a multitude of areas. An exclusive department store based in Manhattan now employs sales associates who speak Japanese to cater to their new "valued" customers. People who speak Spanish are needed as bank tellers, journalists, hospital workers, hotel managers, and travel agents. International diplomatic organizations, import/export companies, and banks need to fill translator and interpreter spots, and bilingual secretarial positions. The demand for people who speak foreign languages is clearly rising. Unfortunately, the United States is facing a severe shortage of foreign language teachers in 29 States.

Fewer than 17 percent of public elementary schools offer any form of foreign language education. Yet over 48 percent of schools that do not currently teach foreign languages are interested in offering them. Moreover, many State legislatures have recently passed laws mandating foreign language training at the elementary and secondary levels. The Panetta-Sangmeister amendment will help States comply with these mandates and eliminate the shortages by giving States the necessary resources to retrain elementary and secondary teachers in this area.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, I rise in support of the amendment and ask unanimous consent to revise and extend my remarks.

In his State of the Union address to Congress this year, President Bush set goals to make the United States the leader in math and science education. I agree with the President's call for excellence in math and science education, and the bill before us incorporates many of the President's proposals to assure overall academic achievement in American schools. But I believe another goal should be added—all U.S. students should be committed to the study of foreign language.

As the political shape of the world changes dramatically, the United States should be prepared for the accompanying new challenges. Now, especially, our progress depends upon our ability to compete effectively in the international arena. To improve our economic position, both domestically and abroad, Americans must learn foreign languages and customs.

We cannot allow citizens of other nations or those with limited American interests to assume responsibility for our economic development. Without a clear sense of international awareness and the ability to express convincingly our democratic goals, our international stature could be diminished.

Like others, I have emphasized competitiveness for a long time. I believe Americans must begin to reach out to the rest of the world, and I consistently have encouraged young people to learn a foreign language. My children both are fluent in Spanish, my daughter in French as well. And, along with many colleagues, I have become a student of Spanish through the Foreign Service Institute—with mixed results.

My experiences, and those of my children, have convinced me that the key to promoting global understanding and effective bilingual education is through the public schools. The earlier children are taught foreign languages and customs, the better able they are to grasp both the fundamental principles of language and the broader implications of cultural differences.

I am submitting for the RECORD a copy of an editorial I wrote for my local newspapers in commemoration of National Foreign Language Week. I received subsequently many positive comments about foreign language education, and many schools in my district have included foreign language courses in their curricula.

However, many of our public schools cannot afford to offer foreign language education, and we must not ask them to sacrifice other equally important academic concentrations to finance the necessary teacher training and materials development for this purpose. The Federal Government's responsibility in public education is to supplement and enhance State and local initiatives. accordingly, the Panetta-Sangmeister proposal to provide grants for teacher training and the dissemination of resource material for foreign language education is particularly appropriate. Tangible assistance will be most effective in encouraging the schools to offer foreign language and culture instruction, and I urge my colleagues to support this important provision.

[From the Washington Update, March 11, 1990]

FOREIGN LANGUAGE EDUCATION AIDS AMERICAN INTERESTS

(By Congressman George (Buddy) Darden)

Few people care that March 4–10 was "National Foreign Language Week." However, most are aware of the sweeping changes taking place all over the world. In just one year, Communist governments in Europe have toppled and totalitarian regimes in Central America are being replaced by elected governments. Our world has changed with a swiftness and intensity unimaginable months ago, and we must be ready to capitalize on these developments. Now, especially, our progress depends upon our ability to compete effectively in the international arena. To improve our economic position both domestically and abroad, Americans must learn foreign languages and customs.

Unfortunately, we have no provided appropriate opportunities for international education for our children. Only one in five American high school graduates takes more than two years of a foreign language, while Japanese school children must take at least six years. Furthermore, recent studies indicate that American students have only a minimal knowledge of geography and international affairs. Twenty-six states report a shortage of foreign language teachers at the elementary or secondary level; as a result, only 17 percent of U.S. public elementary schools are able to offer any type of language instruction.

Partly because of the trade deficit, the issue of economic competitiveness has become increasingly important. With Japanese technology rendering American products obsolete, and with foreign manufacturing increasing its share of the international market, many have called for improvements in our educational system. In his state of the union address, President Bush men-

tioned specifically our gaps in science, math and foreign language education.

I believe any educational improvements must include programs to expand both foreign language skills and international awareness. To remain competitive, American businesses and industries must expand into foreign countries. And foreign markets will only be open to those who understand their needs and can communicate with the business and political leaders who control them.

In my travels to other countries, I have always found many willing and able to speak English to visiting Americans. However, Americans who do not understand the native tongue are necessarily dependent upon those who do. We cannot allow foreigners or those with limited American interests to assume responsibility for our economic development.

As a member of the House Armed Services Committee, I am dedicated to maintaining a strong national defense, and I believe we have been effective in securing American military interests abroad. However, without a clear sense of international awareness and the ability to express convincingly our democratic goals, our international stature could be jeopardized.

Global understanding enriches us all. Children who develop foreign language skills will be able to offer creative solutions to international problems, and they will be better prepared to lead America into strong competition in international markets. My own experiences, and those of my children who also study foreign languages in the Georgia public schools, indicate that foreign language education has significant value. As we reflect on "National Foreign Language Week," I hope that education, business and community leaders will join me in taking this opportunity to encourage our young people to expand their knowledge of foreign languages and cultures.

Mr. PANETTA. Mr. Chairman, I yield 30 seconds to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I rise in strong support of the Panetta-Sangmeister foreign language amendment to H.R. 5115. As my colleagues are no doubt aware, I am actively involved in an effort to declare English the official language of the Federal Government. I firmly believe that we should maintain a common bond among our many diverse peoples—it is that quality that makes us uniquely American.

Some of you may be surprised to learn that I feel just as strongly about the importance of foreign language education. These two issues complement each other. The central idea is communication. There is no reason why Americans should lack an ability to communicate—either among themselves or with people of other nations, cultures, and traditions. Having mastered the English language, we should encourage our students to broaden their horizons. We should encourage them to explore new cultures and new ideas. National economies are increasingly interdependent, and the ability to communicate is a valuable skill that cannot be underestimated in today's shrinking world.

I am confident that a broader knowledge of foreign languages will do much to boost our Nation's competitiveness. But the results of the Panetta-Sangmeister amendment will also have a profound impact on an individual level. Knowledge of a foreign language can open new and exciting doors for our students. It can provide increased opportunities for travel. It lends itself to a better understanding of the history and cultures of this world we all share. It can encourage respect for and tolerances of the differences among diverse peoples. In fact, Mr. Chairman, the sky's the limit on the benefits that can be gained from improved communication among the nations of the world. For these reasons and others, I stongly urge my colleagues to adopt the Panetta-Sangmeister foreign language amendment. Let us open some doors.

Mr. PANETTA. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. GEREN].

Mr. GEREN of Texas. Mr. Chairman, I rise in support of H.R. 5115.

Mr. PANETTA. Mr. Chairman, I yield the remaining 30 seconds to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I rise in strong support of this amendment. This is a modest investment in the use of America, in the future international competitiveness of our Nation.

In my district, Eugene School District 4-J is preparing for a Japanese immersion program for the students in the elementary schools, and a program such as this will assist School District 4-J and Oregon and other school districts across the country to move ahead and begin to educate our youth for the competitiveness the United States needs for the 21st century.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PANETTA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: At the end of the bill, add the following new title:

TITLE X—SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES

SEC. 1001. SUSPENSION REQUIREMENTS.

(a) AMENDMENT.—Section 484 of the Higher Education Act of 1965 (20 U.S.C. 1091) is amended by adding at the end thereof the following new subsection:

"(k) SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.—

"(1) IN GENERAL.—An individual student who has been convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance shall not be eligible to receive any grant, loan, or work assistance under this title during the period beginning on the date of such conviction and ending after the interval specified in the following table:

"If convicted of an offense involving:	Ineligibility period is:
The possession of a controlled substance:	
1st offense	1 year.
2nd offense	2 years.
3rd offense	Indefinite.
The sale of a controlled substance:	
1st offense	2 years.
2nd offense	Indefinite.

"(2) REHABILITATION.—A student whose eligibility has been suspended under paragraph (1) may resume eligibility before the end of the period determined under such paragraph if the student satisfactorily completes a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe for purposes of this paragraph.

"(3) DEFINITIONS.—As used in this subsection, the term 'controlled substance' has the meaning given in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to financial assistance to cover the costs of attendance for periods of enrollment beginning after the date of enactment of this Act.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. SOLOMON] will be recognized for 5 minutes in support of his amendment, and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, the academic community is already familiar with the Solomon amendment—a law which conditions Federal higher education assistance with the requirement to register with the selective service.

Today I am offering an amendment which uses the same approach to help solve a much more menacing problem facing our country—the possession and sale of illegal drugs.

The U.S. Supreme Court, in upholding the Solomon amendment, maintained that Federal education benefits are a benefit not a guaranteed right to individuals. If we condition the privilege of receiving Federal education benefits to the responsibility of staying drug-free, it will send a meaningful message to our youth.

Obey the laws of our country by staying away from drugs and reap the benefits of this great country. But, if you disobey our laws—if you become a drug user or pusher—don't expect the American taxpayers to help pay for your college. Suspending Federal education benefits is a way for us to show we are not going to tolerate casual drug use.

Last week the Washington Post carried an article about the just released Rand Corp. study entitled, "Money from crime: a study of the economics of drug dealing in Washington, DC." The study findings, regarding the poor inner-city youth were particularly dismaying. It reported that each succeeding group of inner-city youngsters entering adulthood is becoming more likely to get involved in drug dealing.

Currently, 1 out of every 6 inner-city youths is arrested and charged with drug distribution. Based on the Rand study that means the arrest rate would climb to approximately 1 in 3 over the next 10 years.

The Hurst Times Union, one of the larger newspapers in my congressional district, recently discussed the Rand study in an editorial that stated

More emphasis should be placed on cutting demand especially since so much of the illegal drugs purchased are consumed in suburban communities—that is to say, by white and relatively affluent people. In fact, according to Rand, 78 percent of the D.C. area casual cocaine users live in the suburbs. Obviously, without that market, there would not be the need for anything like the 24,000 D.C. street dealers.

The Rand study confirms without doubt that we must reduce demand. Without a market, no business can survive. It is simple economics, but in this market, it will save lives.

Due to the backlog of drug related cases in our courts, casual drug users face minimal sentencing, if any. My amendment would suspend Federal higher education benefits to individuals who are convicted of drug use or possession. The penalties would vary depending on the type of offense and would be nullified, if the individual successfully completed a rehabilitation program.

Let me again emphasize the fact that this amendment is targeted at the casual drug users. They finance the bulk of the illegal drug trade in our country. They are a large percentage of the drug epidemic. They are one of the biggest reasons why we continue to see drug trafficking in this country and they should be held accountable.

My proposal is not bloated with money or bloated with rhetoric—it is simply an effective way to dramatically reduce the demand for illegal drugs in this country.

□ 1300

Mr. Chairman, I would hope that I would ask unanimous consent to change the effective date from "upon enactment" to the request made by the National Association of School Financial Aid Officers to our own Education Department and Justice Department, to July 1, 1991, and I would make that unanimous consent request.

The CHAIRMAN. Does the gentleman make that as a unanimous consent request?

Mr. SOLOMON. I do, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WILLIAMS. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. SOLOMON. Mr. Chairman, I would at this time say that it is my intent to change the date in conference to July 1, 1991.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I am disappointed that the gentleman did not get his unanimous-consent request. I want to thank him for offering his amendment. As the gentleman is well aware, the drug-free work place language already applies to the universities and forces them to have a policy in place. They have been the most uncooperative places in the country, other than the U.S. Congress, in implementing the drug-free work place.

The universities in many cases have flatly said they do not intend to obey the law. In other cases they say they intend to have the language which is necessary under the bill but they have no intention whatsoever of enforcing the provisions. They have make it quite clear that they have no intention of having their students have to pay any penalties under the drug-free work place law.

I find that disturbing, particularly since we now have a Smith-Kline study within the last couple of weeks which indicates that those bsuinesses that have put into place drug-free work place policies have seen a dramatic decrease in the amount of drugs that are being used in the workplace. So it is having a positive impact across the country. Yet the universities refuse to comply.

Mr. Chairman, I thank the gentleman for his amendment. I think it will assure university compliance to a greater extent.

Mr. SOLOMON. Mr. Chairman, I certainly thank the gentleman from Pennsylvania for his remarks.

The CHAIRMAN. A Member opposed to the amendment will be recognized for 5 minutes. Is the gentleman from Montana [Mr. WILLIAMS] opposed?

Mr. WILLIAMS. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from Montana [Mr. WILLIAMS] is recognized for 5 minutes.

Mr. WILLIAMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the question here, of course, is not whether we are all opposed to the serious as well as the casual drug use which is visiting hardship and terror on the United States. We are. The question is, what is the most effective means by which we can combat this scourge?

The gentleman is sincere. He believes he has the most effective means. I believe that the current law is the most effective means, and that current law says that a student may be denied eligibility for any student financial aid, but at the discretion of the court, to be decided on a case-by-case basis.

Let me read to my colleagues the warning that is on the current student aid report. It says this:

Warning: As set out more fully under section 5301 of the Anti-Drug Abuse Act of 1988, if you are convicted of drug distribution or possession, the court may suspend your eligibility for title IV financial aid. If you are convicted 3 or more times for drug distribution you may become permanently ineligible to receive title IV financial aid.

We now allow the courts in their discretion on a case-by-case basis dealing with individual students to decide whether to add this punishment also along with the punishment that the student receives.

The gentleman from New York [Mr. SOLOMON] would have this Congress simply establish by statute that anyone convicted of possession or drug use, no matter how casual, shall lose their right to student financial aid. So we would in effect place a cul-de-sac on the educational opportunity road for anyone so convicted.

This means that poor students or poor people who have been convicted and are jailed as the result of a drug offense, because they are poor, and, therefore, eligible for student financial aid, shall not receive.

The gentleman does have one part of his amendment which mitigates it considerably, and I want to commend him for that. That is that he adds: "Until they finish a drug rehabilitation program." That is the good part of his amendment. I think with the addition of that, he will find that most Members of the House, as they have in the past and probably will again today, will accept his amendment.

But I ask the gentleman to just consider this: This statute would apply to everyone, giving the courts no discretion, and this statute would say that a person having been convicted who has not yet completed a rehabilitation program and finds school is beginning and wants to apply for student aid lest they lose the opportunity for that year will be denied it, blindly denied it because they are still there and have not yet finished the drug rehabilitation program.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield? Will the gentleman yield in order that I may ask a question of the gentleman from New York?

Mr. WILLIAMS. Yes, I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, is the gentleman from New York right? Is this this existing law, and do the courts have the right to do this already and the gentleman would mandate or require that they do it?

Mr. SOLOMON. Mr. Chairman, if the gentleman from Montana will yield, let me say that the gentleman is partially right. The U.S. Department of Justice, the Office of Justice Programs, has such a program in effect. There has not been one court that has denied one student any aid due to drug possession or sale as yet. The Justice Department now has its program in effect. They are able to accumulate this information, and that is why it will work. That is why they support it. That is why the education department supports it, and that is why, if I had had the time, I would have read a letter from the National Association of Student Financial Aid Office, which has worked all the problems.

Mr. KOSTMAYER. Mr. Chairman, if the gentleman will yield further and if I might ask my friend one further question, is the gentleman from Montana correct in his assertion that a youngster can now be denied Federal higher college assistance if arrested for drug use? Is that the current law?

Mr. SOLOMON. It is not right now. That is not the law. We need to codify that into law to make that the situation. For a student who is in the midst of a 3 or 4 month rehabilitation program, that falls within that purview. He would not be denied the next college loan grant that would be coming up. That is why I wanted to make July 1, 1990 the effective date, and each year thereafter, but unfortunately I was denied that opportunity when I made my unanimous-consent request.

Mr. KOSTMAYER. Mr. Chairman, if the gentleman will yield further, I would like to ask my friend, the gentleman from New York, a second question. That question is whether or not a controlled substance includes marijuana.

Mr. SOLOMON. No, it does not.

Mr. KOSTMAYER. Mr. Chairman, I thank the gentleman.

Mr. WILLIAMS. Mr. Chairman, reclaiming my time, I just want to make a point to the gentleman who asked the question, as well as to the Members of the House, and state that it is the law now because we passed it in the Anti-Drug Abuse Act of 1988. It has in fact taken a while for the department to come up to speed on it. It has taken a while for all the courts, of course, to understand that they have this authority. But it is the law. They do have the authority, and I think that works better on a case-by-case basis than blindly requiring this in all cases.

Mr. RANGEL. Mr. Chairman. I wish to offer my support for H.R. 5115, the Equity and Excellence in Education Act of 1990, as it is now constituted. This is exactly the kind of important legislation that is needed to lift our education system out of the mire in which it has been stuck for so long, to be able to hold our heads high, to stand proudly among nations and once again proclaim that our youth, indeed, our people are among the most literate, best educated in the world.

This comprehensive package reaches out to all segments of our society, providing incentives to many who have been shortchanged, educationally, in the past. It returns the teaching profession to its rightful place as a cornerstone of our society as it provides incentives for our best and brightest to pursue and dedicate themselves to this most honorable profession.

It opens up the teacher recruitment process by providing for nontraditional routes to teacher licensure. It accomplishes this by supporting the development and implementation of programs which assist talented professionals who work in subject areas outside of the education profession and who wish to pursue careers in education, meet State licensing requirements.

Dropout prevention, adult literacy, awards for achievement and citizenship, it's all there. The bill encourages a return to greater substance in the content of the subject matter that is taught with authorizations for the "We the People * * * The Citizen and the Constitution" program. It encourages expansion of the Dwight D. Eisenhower Mathematics and Science Act and authorizes scholarships for excellence and outstanding academic achievement in mathematics, science, and engineering.

Of course, I do not wish to forget the safe, disciplined, and drug free schools provisions which calls for the expansion of the Drug Free Schools and Communities Act to ensure that all students receive drug abuse prevention and counseling services by the year 1993. This is in line with the goal established by the President that, by the year 2000, every school in America will be drug and violence free and will offer a disciplined environment conducive to learning.

This bill is what is needed to give hope and a chance for a productive future to every last one of the citizens of this great Nation.

I must, however, speak out against the amendment to be offered by Mr. SOLOMON, which would suspend eligibility for student loans and other Federal educational assistance under the Higher Education Act for those who have been convicted of drug related crimes.

Two years ago, as part of the Anti-Drug Abuse Act of 1988, Congress passed a comprehensive user accountability statute denying a broad range of Federal benefits including student loans and other student assistance programs, to persons convicted of State or Federal drug crimes. I questioned the wisdom of those provisions at the time because of the potential, indeed the likelihood, that the harshest impact of these user sanctions would be felt, not by drug traffickers or middle class casual users, but by the most disadvantaged of our citizens—minorities, the poor, the young, the addicted. To deny them help through Federal programs such as student loans would be to deny them the best—and, perhaps, their only—chance to escape the vicious cycle of poverty, despair, and drugs and become productive, drug-free members of society.

Fortunately, the final version of the 1988 law rejected the mandatory denial of Federal benefits passed by the House and gave the courts discretion to impose these, or other sanctions, on drug users.

The amendments we passed in 1988 did not go into effect until this fiscal year, which began last October. Now, before we have any evidence of their effectiveness, the amendment offered by the gentleman from New York would establish a different set of rules for one class of Federal benefits—student aid programs. Regrettably, the amendment would eliminate, entirely, judicial discretion to determine whether denial of student aid is an appropriate sanction in a particular case.

Mr. Chairman, drug users should be held accountable. They must be given the message that drug use is unacceptable. If user sanctions can help, the legislation we passed in 1988 is more than adequate to do the job. This amendment, however, is not the way. It is just piling on. This kind of sanction will only have a chilling effect on an otherwise exemplary piece of legislation, and will certainly limit the good it was designed to accomplish.

I, therefore, urge rejection of this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 315, noes 59, not voting 58, as follows:

[Roll No. 255]

AYES—315

Alexander	Bunning	Dorgan (ND)
Andrews	Burton	Douglas
Annunzio	Bustamante	Dreier
Anthony	Byron	Duncan
Applegate	Campbell (CA)	Durbin
Archer	Campbell (CO)	Eckart
Armey	Cardin	Edwards (OK)
AuCoin	Carper	Emerson
Ballenger	Carr	Engel
Bartlett	Chandler	English
Barton	Clarke	Erdreich
Bateman	Clay	Fascell
Bates	Clement	Fawell
Beilenson	Clinger	Feighan
Bennett	Coble	Fields
Bereuter	Coleman (MO)	Fish
Bevill	Coleman (TX)	Flippo
Bilbray	Collins	Frenzel
Bilirakis	Combest	Frost
Bliley	Condit	Gallegly
Boehlert	Conte	Gallo
Bonior	Conyers	Gaydos
Borski	Cooper	Gejdenson
Bosco	Costello	Gekas
Boucher	Coughlin	Gephardt
Brennan	Crane	Geren
Browder	Darden	Gibbons
Brown (CA)	DeLay	Gilman
Brown (CO)	Derrick	Glickman
Bruce	DeWine	Goodling
Bryant	Dickinson	Gordon
Buechner	Donnelly	Goss

Gradison	Manton	Saiki
Grandy	Marlenee	Sangmeister
Grant	Martin (IL)	Saxton
Gray	Martinez	Schaefer
Green	Matsui	Schiff
Guarini	Mavroules	Schneider
Gunderson	Mazzoli	Schroeder
Hall (OH)	McCandless	Schulze
Hamilton	McCrery	Schumer
Hammerschmidt	McGrath	Sensenbrenner
Hancock	McHugh	Sharp
Hansen	McMillan (NC)	Shaw
Harris	McMillen (MD)	Shays
Hastert	McNulty	Shumway
Hatcher	Meyers	Shuster
Hefley	Mfume	Sikorski
Hefner	Michel	Sisisky
Henry	Miller (OH)	Skaggs
Herger	Miller (WA)	Skeen
Hertel	Moakley	Skelton
Hiler	Molinari	Slattery
Hoagland	Mollohan	Slaughter (NY)
Hochbrueckner	Montgomery	Slaughter (VA)
Holloway	Moorhead	Smith (FL)
Hopkins	Morella	Smith (NJ)
Horton	Morrison (WA)	Smith (TX)
Houghton	Murphy	Smith (VT)
Hoyer	Murtha	Smith, Robert (NH)
Hubbard	Nagle	Smith, Robert (OR)
Huckaby	Natcher	Snowe
Hughes	Neal (MA)	Solomon
Hunter	Neal (NC)	Spence
Hutto	Nielson	Spratt
Hyde	Nowak	Staggers
Inhofe	Oakar	Stangeland
Ireland	Olin	Stearns
Jacobs	Owens (UT)	Stenholm
James	Oxley	Studds
Jenkins	Pallone	Sundquist
Johnson (CT)	Panetta	Swift
Johnson (SD)	Parker	Tallon
Johnston	Parris	Tanner
Jones (GA)	Pashayan	Tauke
Kanjorski	Patterson	Taylor
Kaptur	Paxon	Thomas (GA)
Kasich	Payne (VA)	Torres
Kennedy	Penny	Torricelli
Kennelly	Petri	Traficant
Kleczka	Pickett	Traxler
Kolbe	Pickle	Unsoeld
Kolter	Poshard	Upton
Kyl	Price	Valentine
LaFalce	Pursell	Vander Jagt
Lagomarsino	Quillen	Volkmer
Lancaster	Rahall	Vucanovich
Lantos	Ravenel	Walgren
Laughlin	Ray	Walker
Leach (IA)	Regula	Walsh
Leath (TX)	Rhodes	Weber
Lehman (CA)	Richardson	Weldon
Lent	Ridge	Whittaker
Levin (MI)	Rinaldo	Whitten
Lewis (FL)	Ritter	Wilson
Lightfoot	Roberts	Wise
Lipinski	Roe	Wolf
Livingston	Rogers	Wolpe
Lloyd	Rohrabacher	Wyden
Long	Ros-Lehtinen	Wylie
Lowery (CA)	Rose	Yatron
Lowey (NY)	Rostenkowski	Young (AK)
Luken, Thomas	Roth	Young (FL)
Lukens, Donald	Roukema	
Machtley	Rowland (GA)	
Madigan	Russo	

NOES—59

Ackerman	Hayes (IL)	Pelosi
Anderson	Jones (NC)	Perkins
Atkins	Jontz	Rangel
Berman	Kastenmeier	Roybal
Coyne	Kildee	Sabo
de la Garza	Kostmayer	Savage
DeFazio	Lehman (FL)	Sawyer
Dellums	Levine (CA)	Scheuer
Dingell	Lewis (GA)	Serrano
Dixon	Markey	Solarz
Downey	McCloskey	Stark
Dymally	McDermott	Stokes
Edwards (CA)	Mineta	Towns
Evans	Moody	Vento
Flake	Mrazek	Washington
Foglietta	Oberstar	Weiss
Ford (MI)	Obey	Wheat
Frank	Owens (NY)	Williams
Gonzalez	Payne (NJ)	Yates
Hawkins	Pease	

NOT VOTING—58

Aspin	Early	Porter
Baker	Espy	Robinson
Barnard	Fazio	Rowland (CT)
Bentley	Ford (TN)	Sarpalius
Boggs	Gillmor	Schuette
Boxer	Gingrich	Smith (IA)
Brooks	Hall (TX)	Smith (NE)
Broomfield	Hayes (LA)	Smith, Denny (OR)
Callahan	Lewis (CA)	Stallings
Chapman	Martin (NY)	Stump
Courter	McCollum	Synar
Cox	McCurdy	Tauzin
Craig	McDade	Thomas (CA)
Crockett	McEwen	Thomas (WY)
Dannemeyer	Miller (CA)	Udall
Davis	Morrison (CT)	Visclosky
Dicks	Myers	Watkins
Dornan (CA)	Nelson	Waxman
Dwyer	Ortiz	
Dyson	Packard	

□ 1330

Messrs. SABO, PEASE, MOODY, and TOWNS changed their vote from "aye" to "no."

Messrs. NEAL of Massachusetts, SCHUMER, SMITH of Florida, HERTEL, BEILENSON, CARDIN, DICKINSON, SIKORSKI, and KENNEDY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1330

The CHAIRMAN. It is now in order to consider amendment No. 11 printed in House Report 110-558.

AMENDMENT OFFERED BY MR. MACHTLEY

Mr. MACHTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACHTLEY: Page 121, after line 15, insert the following new section:

SEC. 805. STUDENT MENTOR PILOT PROGRAM.

Part C of title IV of the Higher Education Act of 1965 is amended by adding at the end thereof the following new section:

"STUDENT MENTOR PILOT PROGRAM

"SEC. 448. (a) PURPOSE.—The purpose of this section is to establish a pilot program to test the feasibility of using work-study funds to provide incentives to eligible students at institutions of higher education to encourage those students to engage in mentor activities for the benefit of disadvantaged youths who are at risk of dropping out of elementary or secondary school.

"(b) PROGRAM AUTHORIZED; AGREEMENTS.—The Secretary is authorized to designate not less than 10 or more than 100 institutions of higher education that may use a portion of their allocations under this part to establish a program under this section. Each such institution shall enter into an agreement with the Secretary for purposes of this section. Such agreement shall—

"(1) contain or be accompanied by such information and assurances as the Secretary may require by regulation;

"(2) specify the methods and rates of compensation of the mentors, which may include incentive bonuses based on the satisfactory academic progress of the eligible youth;

"(3) describe the methods—

"(A) to be used by the institution of higher education to identify and select suitable students to serve as mentors;

"(B) to be used by elementary and secondary schools to identify and select eligible youth;

"(4) provide that the eligible youth, his or her teacher, and the mentor shall enter into an agreement—

"(A) which provide attainable goals for the eligible youth to pursue with the advice and assistance of the mentor; and

"(B) which identifies the stages at which progress toward such goals will be evaluated.

"(c) USE OF FUNDS.—An institution with which the Secretary has an agreement under subsection (b) may use funds provided under this part to pay students to engage in activities as a mentor for an eligible youth for the purpose of—

"(1) tutoring the youth in subjects in which the youth is experiencing difficulty;

"(2) supporting the youth educational and recreational on activities;

"(3) counseling the youth on career, ethical, and social choices;

"(4) otherwise encouraging the youth to stay in school, to develop his or her aptitudes, and to follow the mentor student into a successful college and adult career; and

"(5) developing in the student a better self-awareness and a self-motivated desire to academically excel.

"(d) APPLICABILITY OF GENERAL PROVISIONS.—Funds provided under this section to a mentor student shall be subject to all the conditions and requirements of this part, except that funds provided under this section may, notwithstanding part F of this title, be counted as part of a student's expected family contribution and not be counted as student assistance in the computation of need for other student assistance under this title.

"(e) EVALUATION AND REPORTS.—Not later than 3 years after the enactment of this section, the Secretary shall submit to the Congress a report evaluating the program under this section. Such report shall include such recommendations as the Secretary considers appropriate concerning such program, and may include proposals for legislative changes.

"(f) DEFINITIONS.—The term 'eligible youth' means an individual who is—

"(1) aged 5 to 18, inclusive;

"(2) enrolled but failing to maintain satisfactory progress in an elementary or secondary school, as determined under the standards of that school;

"(3) determined by a teacher or other qualified staff of that school to be likely to benefit from participation in the program under this section.".

Mr. MACHTLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. MACHTLEY. Mr. Chairman, as we all know, our educational system is, quite frankly, facing some very serious challenges.

I want to commend the chairman of the committee and the other committee members for the work that they are doing to meet those challenges.

In many areas in our country, youngsters are dropping out of school

at an alarming rate while at the same time we find that the cost of higher education is shockingly inaccessible for many people.

My amendment addresses these problems. It pairs a college student, an advantaged student who has the opportunity to go to college, with a disadvantaged student, someone whose school has determined that they are at risk and will probably drop out of school; the older student will serve as a mentor. The older student will, through a living example, show the younger student how to stay in school and how to succeed in their academics.

This amendment allows the college mentor to receive work-study funds through their college to work in their community. It authorizes the Secretary of Education to develop a pilot program to follow the results of this and to use a portion of existing work-study funds to fund the college student. This provision, I believe, focuses attention on the benefits of national and community service.

We all recognize the need to have community service. We also recognize the need to have a literate and educated population.

Working through an existing program, I believe this amendment will help our students. Unfortunately, too many of our youngsters are slipping through the cracks.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. MACHTLEY. I am happy to yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, I would like to commend the gentleman from Rhode Island on this amendment of his. It is an excellent amendment, and we, on this side, are willing to accept it.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. MACHTLEY. I am happy to yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, of course, we on this side think it is an excellent amendment and are happy to accept it.

Mr. MACHTLEY. Mr. Chairman, I thank the gentleman.

I will just close by saying that I think that this amendment recognizes two important issues; first, that we can help the dropout rate which is 31 percent in most schools and, second, we must instill in our college students the fact that it is important that they help those who are less fortunate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. MACHTLEY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROE

Mr. ROE. Mr. Chairman, I offer an amendment.

Mr. CHAIRMAN. Is the gentleman from New Jersey [Mr. ROE] the designee of the gentleman from North Carolina [Mr. VALENTINE]?

Mr. ROE. I am, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. ROE: Page 24, strike out line 15 and all that follows through line 16 on page 32 and insert the following:

"SUBPART 7—NATIONAL SCIENCE SCHOLARS PROGRAM

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 419L. (a) PURPOSE.—It is the purpose of this subpart—

"(1) to establish a National Science Scholars Program to recognize student excellence and achievement in the physical, life, and computer sciences, mathematics, and engineering;

"(2) to provide financial assistance to students under paragraph (1) to continue their postsecondary education in such fields of study at sustained high levels of performance;

"(3) to contribute to strengthening the leadership of the United States in these fields;

"(4) to strengthen the United States science, mathematics, and engineering base by offering opportunities to pursue postsecondary education in life, physical, and computer sciences, mathematics, and engineering;

"(5) to encourage role models in scientific, mathematics, and engineering fields for young people;

"(6) to strengthen the United States scientific, mathematics, and engineering potential by encouraging equal participation of women with men in scientific, mathematics, and engineering fields; and

"(7) to attract talented students to teaching careers in science and mathematics in elementary and secondary schools.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Education $4,350,000 for fiscal year 1991 for awards to National Science Scholars.

"SCHOLARSHIPS AUTHORIZED

"SEC. 419M. (a) PROGRAM AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this subpart, to carry out a program of awarding scholarships to students for the study of the physical, life, or computer sciences, mathematics, or engineering, and who—

"(1) are selected by the President;

"(2) have demonstrated outstanding academic achievement in the physical, life, or computer sciences, mathematics or engineering; and

"(3) show promise of continued outstanding academic performance in such field of study.

"(b) PERIOD OF AWARDS.—

"(1) PERIOD OF INITIAL AWARD.—A student who satisfies the requirements of section 419O(a) may receive a scholarship, for a period of 1 academic year, for the first year of undergraduate study at an institution of higher education.

"(2) CONTINUATION AWARDS.—A student who satisfies the requirements of section 419O(b) may receive additional scholarships, each awarded for a period of 1 academic year, in order to complete his or her undergraduate course of study. A student may receive additional scholarships for up to 3 academic years of undergraduate study, except that, in the case of a student who is enrolled in an undergraduate course of study that requires attendance for 5 academic years, the student may receive additional scholarships for up to 4 academic years of undergraduate study.

"(c) USE AT ANY INSTITUTION PERMITTED.—A student awarded a scholarship under this subpart may attend any institution of higher education, as defined in section 1201(a) of the Act.

"(d) NATIONAL SCIENCE SCHOLARS.—Students awarded scholarships under this section shall be known as 'National Science Scholars'.

"SELECTION OF SCHOLARS

"SEC. 419N. (a) SELECTION CRITERIA FOR INITIAL AWARDS.—

"(1) SELECTION CRITERIA.—The Director of the National Science Foundation shall develop and submit to the Secretary criteria to be used in the selection of National Science Scholars for initial year awards under section 419M(b)(1). Such criteria shall provide for the selection of such scholars on the basis of potential to successfully complete a postsecondary program in the physical, life, or computer sciences, mathematics, or engineering, and on the basis of motivation to pursue a career in such fields. In addition, consideration may be given to the financial need of the individual, and to promoting participation by minorities and individuals with disabilities. The Director shall determine the criteria for measuring the potential and motivation of nominees.

"(2) PUBLICATION.—The Secretary shall review the Director's recommendations and, after consultation with the Director, publish appropriate selection criteria in the Federal Register.

"(b) SELECTION PROCESS FOR INITIAL AWARDS.—

"(1) NOMINATING COMMITTEE.—Each State desiring to qualify its students for selection as a National Science Scholar shall establish a nominating committee. Such committee shall be appointed by the chief State elected official, acting in conjunction with the State educational agency, or by an existing grant agency or panel designated by such official, and shall be approved by the Secretary. The nominating committee shall be a broad-based committee composed of educators, scientists, mathematicians, and engineers, who shall serve as volunteers without compensation.

"(2) NOMINATIONS.—The nominating committee in each State shall submit to the President the nominations of at least two individuals from each congressional district in the State, at least one of whom is female. Such selections shall be ranked in order of priority.

"(3) SELECTION.—The President, after consultation with the Secretary and the Director of the National Science Foundation, shall select two National Science Scholars for each academic year from each congressional district, at least one of whom shall be female.

"(4) CONGRESSIONAL NOTIFICATION.—The Secretary shall notify each Member of Congress of selections made from such Member's district before public announcement of such selections is made.

"(c) CONTINUATION AWARDS.—The Secretary shall award additional scholarships under section 419M(b)(2) to recipients of initial awards under section 419M(b)(1) who the Secretary determines meet the requirements of section 419O(b).

"(d) DISBURSAL OF SCHOLARSHIP PROCEEDS.—Scholarship proceeds shall be disbursed on behalf of students who receive

scholarships under this subpart to the institutions of higher education at which the students are enrolled. No scholarship proceeds shall be disbursed on behalf of a student until the student is enrolled at an institution of higher education.

"ELIGIBILITY OF SCHOLARS

"SEC. 419O. (a) REQUIREMENTS FOR INITIAL AWARD.—To be eligible to receive a scholarship under section 419M(b)(1), a student shall—

"(1) be scheduled to graduate from a public or private secondary school, or to obtain the equivalent of a certificate of graduation (as recognized by the State in which the student resides), during the school year in which the award is made, or be scheduled to so graduate or obtain such equivalent within three months after the date of the award;

"(2) have demonstrated outstanding academic achievement in secondary school in physical, life, or computer sciences, mathematics, or engineering;

"(3) have been accepted for enrollment at an institution of higher education as a full-time undergraduate student (as determined by the institution); and

"(4) have declared a major in 1 of the physical, life, or computer sciences, mathematics, or engineering, or provided a written statement to the State of his or her intent to major in 1 of these fields of study, if it is the policy of the institution at which the student has been accepted for enrollment that students not declare a major until a later point in their course of study.

"(b) REQUIREMENTS FOR CONTINUATION AWARDS.—A student who has received a scholarship under section 419M(b)(1) may receive a scholarship for a subsequent academic year of undergraduate education under section 419M(b)(2) if the student—

"(1) maintains a superior level of academic achievement, as determined in accordance with the regulations of the Secretary;

"(2) continues to major in, or provides a statement to the State as described in subsection (a)(4) of his or her continuing intent to major in, one of the physical, life, or computer sciences, mathematics, or engineering; and

"(3) continues to be enrolled at an institution of higher education as a full-time undergraduate student (as determined by the institution).

"(c) WAIVER OF FULL-TIME ATTENDANCE REQUIREMENT.—The Secretary may waive the full-time attendance requirements in this section in unusual circumstances.

"(d) FAILURE TO MEET ELIGIBILITY REQUIREMENTS.—In the event that the student fails to meet the requirements of this section, the student's eligibility to receive further scholarships (or scholarship proceeds) under this subpart shall be suspended in accordance with the regulations of the Secretary.

"(e) REINSTATEMENT OF ELIGIBILITY.—The Secretary shall determine circumstances under which eligibility of a scholarship recipient under this Act could be reinstated if the recipient seeks to reenter school after an interruption of schooling for personal reasons, including, but not limited to, pregnancy, child-rearing, and other family responsibilities.

"(f) NOTIFICATION OF SECONDARY SCHOOLS.—The Secretary shall notify all public and private secondary schools in the United States annually of the availability of scholarships under this Act.

"SCHOLARSHIP AMOUNT

"SEC. 419P. (a) AMOUNT OF AWARD.—Except as provided in subsections (b) and (c), the amount of a scholarship awarded under this subpart for any academic year shall be $5,000.

"(b) RELATION TO COST OF ATTENDANCE.—Notwithstanding subsection (a), the amount of a scholarship awarded under this subpart shall be reduced by the amount that the scholarship exceeds the student's cost of attendance, as defined in section 472 of this Act. A scholarship awarded under this subpart shall not be reduced on the basis of the student's receipt of other forms of Federal student financial assistance, but shall be taken into account in determining the eligibility of the student for those other forms of Federal student financial assistance.

"(c) ADJUSTMENTS FOR INSUFFICIENT APPROPRIATIONS.—In the event that funds available in a fiscal year are insufficient to fully fund all awards under this subpart, the amount paid to each student shall be reduced proportionately.

"SUMMER EMPLOYMENT OPPORTUNITIES FOR SCHOLARS

"SEC. 419Q. (a) PRIORITY FOR SUMMER EMPLOYMENT.—To the extent that they are otherwise qualified, students receiving scholarships under this part shall be given priority consideration for federally financed summer employment in federally funded research and development centers, that, to the maximum extent practicable, complements and reinforces the educational program of these students.

"(b) FEDERAL AGENCY COOPERATION.—Federal agencies shall cooperate fully with the Secretary and participate actively in providing appropriate summer employment opportunities for such students.".

(b) CONFORMING AMENDMENTS.—

(1) Section 401(b) of the Higher Education Act of 1965 is amended by striking out "subparts 1 through 8," and inserting in lieu thereof "subparts 1 through 9,".

(2) Section 481(a)(1) of such Act is amended by striking out "except subpart 6" and inserting in lieu thereof "except subparts 6 and 7".

(3) Section 483(f) of such Act is amended by striking out "subparts 4, 5, and 7" each place it appears and inserting in lieu thereof "subparts 4, 5, and 8".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 1991.

SEC. 403. SCIENCE CAREER SCHOLARSHIPS.

(a) PROGRAM AUTHORIZED.—There is established a scholarship program for students in a baccalaureate degree program in physical, life, or computer science, mathematics, or engineering who are willing to commit themselves to—

(1) teaching elementary or secondary school science or mathematics; or

(2) service described in subsection (m)(2).

(b) PERIOD OF AWARDS.—

(1) PERIOD OF INITIAL AWARD.—A student who satisfies the requirements of subsection (g)(1) may receive a scholarship, for a period of 1 academic year of undergraduate study at an institution of higher education.

(2) CONTINUATION AWARDS.—

(A) FIRST CONTINUATION AWARD.—A student who satisfies the requirements of subsection (g)(2) may receive an additional scholarship, awarded for a period of 1 academic year, in order to complete his or her undergraduate course of study.

(B) SECOND CONTINUATION AWARD.—An additional period of scholarship support, not to exceed 1 year, shall be available to recipients of scholarships under subsection (a)(1) who have completed requirements for the baccalaureate degree but require additional education courses in order to obtain certification to teach.

(c) USE AT ANY INSTITUTION PERMITTED.—A student awarded a scholarship under this section may attend any institution of higher education.

(d) DESIGNATION.—The individuals awarded scholarships under subsection (a)(1) shall be referred to as the "Robert Noyce Mathematics and Science Teacher Corps".

(e) SELECTION.—

(1) SELECTION PROCESS FOR INITIAL AWARDS.—

(A) SELECTION CRITERIA.—The Director shall develop and submit to the Secretary application procedures and criteria to be used in the selection of nominees under this section. Such criteria shall provide for the selection of such nominees on the basis of academic merit and demonstrated accomplishment in physical, life, or computer science, mathematics, or engineering, and on the basis of motivation to pursue a career in science, mathematics, or engineering. In addition, consideration may be given to the financial need of the individual, and to promoting participation by minorities and individuals with disabilities.

(B) PUBLICATION.—The Secretary shall review the Director's recommendations and, after consultation with the Director, publish appropriate application procedures and selection criteria in the Federal Register.

(C) MERIT REVIEW PANEL.—Award recipients shall be nominated from among applicants by a merit review panel composed of 8 individuals, 4 of whom shall be appointed by the Director and 4 of whom shall be appointed by the Secretary. Members of the panel shall not be employees of the United States and shall serve as volunteers without compensation. Nominees shall be selected on the basis of selection criteria, which shall be developed and established in accordance with subparagraph (A). The panel shall rank the nominees in order of priority.

(D) AWARDING OF SCHOLARSHIPS.—The panel shall submit its nominees to the President, who shall, after consultation with the Director and the Secretary, award not more than 500 scholarships under subsection (a)(1) and, with any remaining funds, not more than 500 scholarships under subsection (a)(2).

(2) CONTINUATION AWARDS.—The Secretary shall award additional scholarships to recipients of initial awards under this section who the Secretary determines meet the requirements of subsection (g)(2) or (b)(2)(B).

(f) DISBURSAL OF SCHOLARSHIP PROCEEDS.—Scholarship proceeds shall be disbursed on behalf of students who receive scholarships under this section to the institutions of higher education at which the students are enrolled. No scholarship proceeds shall be disbursed on behalf of a student unless the student is enrolled at an institution of higher education.

(g) ELIGIBILITY.—

(1) INITIAL ELIGIBILITY.—Only individuals who are—

(A) citizens or nationals of the United States, or who are aliens lawfully admitted to the United States for permanent residence;

(B) majoring in the physical, life, or computer sciences, mathematics, or engineering;

(C) in the last 2 years of a baccalaureate degree program; and

(D) enrolled in an institution of higher education,

shall be eligible for awards under this section.

(2) REQUIREMENTS FOR FIRST CONTINUATION AWARDS.—A student who has received a scholarship under this section may receive a first continuation award under subsection (b)(2)(A) for a subsequent academic year of undergraduate education if the student—

(A) maintains a superior level of academic achievement, as determined in accordance with the regulations of the Secretary;

(B) continues to major in one of the physical, life, or computer sciences, mathematics, or engineering; and

(C) continues to be enrolled at an institution of higher education as a full-time undergraduate student (as determined by the institution).

(h) WAIVER OF FULL-TIME ATTENDANCE REQUIREMENT.—The Secretary may waive the full-time attendance requirements in this section in unusual circumstances.

(i) FAILURE TO MEET ELIGIBILITY REQUIREMENTS.—In the event that the student fails to meet the requirements of this section, the student's eligibility to receive further scholarships (or scholarship proceeds) under this section shall be suspended in accordance with the regulations of the Secretary.

(j) REINSTATEMENT OF ELIGIBILITY.—The Secretary shall determine circumstances under which eligibility of a scholarship recipient under this section could be reinstated if the recipient seeks to reenter school after an interruption of schooling for personal reasons, including, but not limited to, pregnancy, child-rearing, and other family responsibilities.

(k) NOTIFICATION OF SCHOOLS.—The Secretary shall notify all institutions of higher education in the United States annually of the availability of scholarships under this section.

(l) SCHOLARSHIP AMOUNT.—

(1) AMOUNT OF AWARD.—Except as provided in paragraph (2), the amount of a scholarship awarded under this section for any academic year shall be $5,000.

(2) RELATION TO COST OF ATTENDANCE.—Notwithstanding paragraph (1), the amount of a scholarship awarded under this section shall be reduced by the amount that the scholarship exceeds the student's cost of attendance, as defined in section 472 of the Higher Education Act of 1965. A scholarship awarded under this section shall not be reduced on the basis of the student's receipt of other forms of Federal student financial assistance, but shall be taken into account in determining the eligibility of the student for those other forms of Federal student financial assistance.

(m) SERVICE REQUIREMENT.—

(1) TEACHING SCHOLARSHIPS.—(A) Each recipient of an award under subsection (a)(1) shall, as a condition of the receipt of such award, agree to complete, within 6 years after graduation from the baccalaureate degree program for which the award was made or within 6 years after completion of the additional period of scholarship support, if applicable, at least 2 years of service as an elementary or secondary science or mathematics teacher for each year of scholarship support under this section, except that such requirement shall not exceed a total of 4 years. Service required under this paragraph shall be performed at a school receiving assistance under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.).

(B) As part of the agreement required under subparagraph (A), each recipient shall agree, in the event of failure to complete the service obligation described in subparagraph (A), to repay an amount equal to—

(i) the total amount of awards received by such individual under this section; plus

(ii) the interest on such amounts which would be payable if at the time the amounts were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

except that such payment shall be reduced, for each year of service that the individual has successfully completed, by a fraction equal to 1 divided by the number of years of service the student is obligated to perform. Such repayment shall be made within 1 year after the recipient has ceased to perform the service obligation described in subparagraph (A).

(2) CAREER OPTION SCHOLARSHIPS.—(A) Each recipient of an award under subsection (a)(2) shall, as a condition of the receipt of such award, agree to complete—

(i) two years of—

(I) service in a physical, life, or computer science, mathematics, or engineering related capacity in the employ of the United States or any corporation or other entity, organized under the laws of the United States or of a State of the United States, at least 50 percent of which is owned by United States nationals, and which is engaged in scientific or engineering research or endeavor;

(II) postgraduate education in physical, life, or computer science, mathematics, or engineering at an institution of higher education; or

(III) a combination of service and education described under subclauses (I) and (II); or

(ii) a postgraduate degree program in physical, life, or computer science, mathematics, or engineering at an institution of higher education.

(B) As part of the agreement required under subparagraph (A), each recipient shall agree, in the event of failure to complete the service obligation described in subparagraph (A), to repay an amount equal to—

(i) the total amount of awards received by such individual under this section; plus

(ii) the interest on such amounts which would be payable if at the time the amounts were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

Such repayment shall be made within 1 year after the recipient has ceased to perform the service obligation described in subparagraph (A).

(3) EXCEPTIONS.—The Secretary may provide for the partial or total waiver or suspension of any service obligation or payment by an individual under this section in the same manner as is permitted under section 558 of the Higher Education Act of 1965 with respect to scholarships under subpart 1 of part D of title V of the Higher Education Act of 1965, except that pregnancy, child-rearing, or comparable family responsibilities shall also be grounds for deferral.

(n) DEFINITIONS.—For purposes of this section—

(1) the term "Director" means the Director of the National Science Foundation;

(2) the term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965; and

(3) the term "Secretary" means the Secretary of Education.

(o) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts authorized to be appropriated, there are authorized to be appropriated to the National Science Foundation, for transfer to the Secretary for carrying out this section—

(1) $5,000,000 for fiscal year 1991;

(2) $10,000,000 for fiscal year 1992; and

(3) $12,500,000 for fiscal year 1993.

SEC. 404. EFFECT OF CERTAIN CONTROLLED SUBSTANCE AND FELONY CONVICTIONS.

(a) GENERAL RULE.—Except as provided in subsection (b), or by a court under the authority of section 5301 of the Anti-Drug Abuse Act of 1988 (102 Stat. 4310), if any person is convicted under Federal or State law of the illegal use, possession, or distribution of a controlled substance (as such term is defined in the Controlled Substances Act), or of any crime which is a felony under Federal law or for an act which, if committed in a Federal jurisdiction, would be a felony under Federal law, and such crime was committed during a period with respect to which such person has received an award under this title or the amendments made by this title, such person shall not be eligible to receive any further such awards, and shall be liable to the United States for the repayment, within 1 year after such conviction, of all amounts received pursuant to such awards, plus the interest on such amounts which would be payable if at the time the amounts were received they were loans bearing interest at the maximum legal prevailing rate, as of the time of such conviction, as determined by the Treasurer of the United States.

(b) EXEMPTION.—A person subject to the provisions of subsection (a) may be exempted from those provisions in whole or in part if—

(1) that person, within 90 days of a conviction described in subsection (a), petitions the Secretary of Education for a good cause exemption from subsection (a); and

(2) the Secretary of Education approves the petition.

SEC. 405. REPORT.

The National Science Foundation shall prepare and submit to the Congress no later than 1 year after the date of enactment of this Act a report examining current efforts to improve the quality of elementary and secondary mathematics and science education and career potential for the underprivileged through joint efforts of business, school districts, and institutions of higher education, and recommending ways the Federal Government could encourage such efforts. The report shall include, to the extent possible, a comprehensive list of existing efforts, an assessment of what factors have made some such efforts more successful than others, and a review of the extent to which such efforts have drawn on Federal programs.

Mr. ROE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROE. Mr. Chairman, I have an amendment at the desk and ask for its immediate consideration. I offer the

amendment on behalf of myself; Mr. VALENTINE, the chairman of the Subcommittee on Science, Research and Technology; Mr. WALKER, the ranking Republican member of the Committee on Science, Space, and Technology; and Mr. BOEHLERT, the ranking Republican member of the subcommittee. I also want to acknowledge the contribution and interest of Mr. LEVINE in the portion of the amendment dealing with scholarships for teachers.

Mr. Chairman, the Committee on Science, Space, and Technology has worked closely with the Committee on Education and Labor to produce a jointly agreed to amendment to title IV of H.R. 5115, the Equity and Excellence in Education Act of 1990. The amendment will establish scholarship programs for undergraduate students pursuing degrees in science, mathematics, and engineering.

Because of the excellent cooperation of Chairman HAWKINS and his entire committee, we have been able to exchange letters relating to the jurisdiction of the two committees and thereby, expedite consideration of the bill without need for a sequential referral to the Science Committee. I request that copies of those letters be inserted in the RECORD at this point:

COMMITTEE ON SCIENCE,
SPACE, AND TECHNOLOGY,
Washington, DC, July 10, 1990.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in regard to H.R. 5115, the "Equity and Excellence in Education Act of 1990", which was referred to your Committee. Title IV of the bill establishes a federal program of scholarships for undergraduate students pursuing degrees in science, mathematics, and engineering.

Based on Rule X clause 1(g) of the Rules of the House of Representatives, the Committee on Education and Labor has jurisdiction over "Measures relating to education or labor generally" and has ". . . the special oversight function provided for in clause 3(c) with respect to domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees." Based on Rule X clause 1(r), the Committee on Science, Space, and Technology has jurisdiction over "all bills . . . relating to . . . (7) Science scholarships." Under normal circumstances, we would seek a sequential referral of H.R. 5115. However, we recognize the importance of H.R. 5115 and your desire to move the bill expeditiously. Therefore, in a spirit of cooperation we will not seek sequential referral of H.R. 5115, but will expect representatives from our Committee to be included in any future discussions or conference on this bill.

It is my understanding that the staff of the two Committees are working together on a floor amendment regarding the National Science Scholars program, which is in Title IV of H.R. 5115. This amendment will contain some provisions of H.R. 996, "Congressional Scholarships for Science, Mathematics, and Engineering Act" which passed the House in September 1989. The amendment will include provision for two scholarships from each congressional district, with at least one to a female recipient; will add two other science scholarships with payback provisions requiring teaching at the precollege level or pursing a career in science; and will provide for the Director of the National Science Foundation to play a role in the scholarship selection process.

Our two Committees have worked together harmoniously in the past on legislation of joint interest. I am confident we will continue to do so in the future.

Sincerely,

ROBERT A. ROE,
Chairman.

COMMITTEE ON EDUCATION AND
LABOR,
Washington, DC, July 10, 1990.

Hon. ROBERT A. ROE,
Chairman, Committee on Science, Space, and Technology, U.S. House of Representative, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your recent letter concerning your Committee's interest in Title IV of H.R. 5115, the Equity and Excellence in Education Act of 1990. We appreciate your decision not to seek sequential referral of H.R. 5115 and we agree that representatives from the Science, Space and Technology Committee should be included in any future discussion or conference regarding the bill.

The Committee on Education and Labor recognizes your Committee's specific jurisdiction relative to Title IV of H.R. 5115 under House Rules regarding science scholarships. We also note that you recognize the Education and Labor Committee's general jurisdiction over education and the Committee's special oversight function on programs of student assistance which are within the jurisdiction of other Committees, pursuant to the Rules of the House of Representatives.

I share your understanding that our staffs are working together on a floor amendment to Title IV of the bill which would include some provisions from H.R. 996, Congressional Scholarships for Science, Mathematics and Engineering Act, including provisions for scholarships to be awarded to at least one female from each congressional district, provisions for two additional types of science scholarships, and a provision for the Director of the National Science Foundation to play a role in the scholarship selection process.

I look forward to working with you in the future on issues which both of our Committees have an interest.

Sincerely,

AUGUSTUS F. HAWKINS,
Chairman.

I also want to express my appreciation to Chairman HAWKINS and Mr. GOODLING, the ranking Republican member, of the Education and Labor Committee, for their cooperation and assistance in arriving at the compromise amendment being offered now which takes into account the concerns of our two committees on this important set of provisions. Also, I want to recognize the leadership of Mr. VALENTINE, and Mr. BOEHLERT, chairman and ranking Republican member, respectively, of the Subcommittee on Science, Research and Technology in working out the provisions of the compromise amendment.

The undergraduate scholarship programs created by the amendment represent an important investment in the Nation's future. The amendment addresses the critical problem of attracting more students to careers in science, mathematics, and engineering, including careers as science and mathematics teachers in elementary and secondary schools.

Mr. Chairman, better teachers are the key to raising the performance levels of American students in science and math. The amendment is an important step toward this goal, but more needs to be done. We must upgrade the skills of current teachers and assist them with the integration of computers in the classroom. In this regard, I want to commend the efforts of the center for improved engineering and science education at Stevens Institute of Technology in New Jersey. This center is working with several school systems in New Jersey to develop software and train teachers to use computers in math instruction. This is a long-term effort leading toward fundamental improvements in math instruction, which will also produce fully documented materials that can be replicated elsewhere.

A continuous supply of scientific talent is the basic requirement for sustaining the scientific and technological enterprise of the United States. Nothing less than the quality of life of our people and the security of the Nation is at issue. The scholarship program is designed to have high visibility throughout the country in order to encourage role models in science, mathematics, and engineering for young people and, particularly important, more role models for women.

The joint committee amendment combines features of title IV of H.R. 5115, as introduced, which establishes a program of 4-year scholarships at the Department of Education and provisions from H.R. 996, Congressional Scholarships for Science, Mathematics, and Engineering Act, which was reported by the Committee on Science, Space, and Technology and which passed the House last session. H.R. 996, which established 4-year and 2-year scholarship programs to be administered by the National Science Foundation, grew out of the separate legislative initiatives of Mr. WALGREN, the former chairman of the Subcommittee on Science, Research and Technology, and of Mr. BOEHLERT and Mr. SLAUGHTER also members of the subcommittee. I want to acknowledge the important contributions of these colleagues on the Science, Space, and Technology Committee which provided the foundation for the amendment under consideration.

Under the compromise language of the amendment, merit-based, competitive undergraduate scholarship pro-

grams would be established and administered by the Department of Education. The National Science Foundation would be responsible for formulating selection criteria for the awards and would have a consultive role in the selection process. Clearly, close collaboration between the Department of Education and the National Science Foundation will be necessary. This is appropriate since these two Federal agencies have the greatest responsibility for ensuring that our national requirements for scientists and engineers and for science and mathematics teachers are met.

Three distinct types of undergraduate scholarships would be established, patterned on H.R. 996. Four-year scholarships would be awarded for two students from each congressional district, one of whom must be a female. Also, up to 500 scholarships for the junior and senior years would be awarded each year for students willing to commit to teaching science or mathematics at the elementary or secondary level. Finally, up to 500 additional 2-year scholarships would be awarded for students who commit to careers or to pursue graduate degrees in science or engineering. The 2-year awards would require payback of the scholarship amounts if the awardee failed to meet the service commitments.

An important goal of the scholarship program is to raise national awareness of the importance of science and technology to our future. To achieve a high level of visibility for the program, the Department of Education is charged to publicize widely the availability of the scholarships, to establish committees at the State level to nominate candidates for the 4-year scholarships.

Mr. Chairman, the amendment to title IV of H.R. 5151 will increase the number of scientists, engineers, and science teachers in America, while providing a highly visible symbol of the national stake in science, mathematics, and engineering education. I urge my colleagues to support passage of the joint committee amendment to H.R. 5115.

Mr. VALENTINE. Mr. Chairman, will the gentleman yield?

Mr. ROE. I am happy to yield to the gentleman from North Carolina.

Mr. VALENTINE. Mr. Chairman, I rise in support of the amendment offered by Mr. ROE to title IV of H.R. 5115. I congratulate Mr. HAWKINS and Mr. ROE for their leadership which resulted in the compromise amendment on the science scholarship provisions in the bill.

The amendment incorporates many features of H.R. 996, Congressional Scholarships for Science, Mathematics, and Engineering Act, which was passed by the House last session. H.R. 996 was crafted by the Subcommittee on Science, Research and Technology while under the able leadership of Mr. WALGREN, and I want to acknowledge the good work of Mr. WALGREN and Mr. BOEHLERT, the ranking Republican member of the subcommittee, on this important legislative initiative.

The amendment before us establishes a program of undergraduate scholarships to attract more students to studies in science, mathematics, and engineering. In addition to providing education support to the individual recipients, the scholarships are intended to be prized awards, having high visibility throughout the Nation to encourage role models in science for young people.

A key element in our ability to compete as a nation in the world economy is our strength in science and technology—the ability to create new knowledge and apply it in new products and services. That in turn depends on our human capital—the quality and quantity of our scientists and engineers.

We have seen a decline in interest among college students in pursuing careers in science and engineering, and we have ample evidence of a shortfall of math and science teachers in elementary and secondary schools, who are well grounded in science and mathematics discipline. We must seek solutions to attract more students to the study of science, and we must in particular, attract more women and members of minority groups, which have traditionally been underrepresented in science.

The amendment to title IV of H.R. 5115 charges the Department of Education, in collaboration with the National Science Foundation, to establish two kinds of scholarship programs. The first comprises 4-year scholarships for graduating high school students for undergraduate study in science, math, and engineering. The second type of scholarships are for the final 2 years of undergraduate instruction for students willing to commit to careers as science teachers or as practicing scientists or engineers. The 4-year scholarship program is structured to involve scientists, engineers, and educators at the State level in identifying nominees for scholarships. Two candidates from each congressional district, at least one of whom must be a female, will be selected by the President, after consultation with the Secretary of Education and the Director of the National Science Foundation.

Students will be selected for scholarships on the basis of academic merit and motivation for pursuing science, math, or engineering careers. The amendment provides that, in deciding among students of relatively equal merit, consideration may be given to financial need and to increasing representation by minorities, individuals with disabilities, and women.

Mr. Chairman, the amendment will help address the need for attracting more students to careers in science and engineering and will focus public attention on the critical importance of science, math, and engineering education to the Nation's long-term well-being. I urge support for passage of the Roe amendment to title IV of H.R. 5115.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. ROE. I am happy to yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I will spare my colleagues the reading of this eloquent prose.

But I cannot resist the temptation to report very briefly on the fact that this bill establishes for the first time a teacher scholarship program to provide incentives for the best and the brightest from our academic world to enter into teaching so that our youngsters for the future will have qualified science and math teachers.

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We have got a long way to go in the United States of America. We do not measure up nearly as well as we should in terms of the competitiveness of our youngsters in science and mathematics. This bill goes a long way toward remedying that situation.

I rise in support of the Valentine amendment, and I want to thank the Education and Labor Committee for working with us on this matter. While—as in all compromises—no one is completely satisfied with the result, I think we have gone a long way toward sorting out the appropriate roles of the Department of Education and the National Science Foundation in operating the scholarship programs that will now be a part of H.R. 5115.

I am especially pleased that this amendment incorporates in H.R. 5115 the teacher scholarship proposal that began life as my bill, H.R. 1293. The provisions of H.R. 1293 were made a part of H.R. 996, a bill the House passed last fall that is the basis of the Valentine amendment. I want to thank Mr. LEVINE, who recently introduced a similar bill, for working with us on the Valentine amendment.

The teacher scholarship program recognizes a basic fact of education—the key factor determining the quality of a student's education is the quality of his or her teacher. When we think back on our own education, it is the outstanding teachers we remember, not the outstanding textbooks or equipment.

But in recent years, we have found it difficult to attract our brightest students into teaching, and we have been presented with a cascade of statistics indicating many of our science and math classes are being taught by teachers with little or no background in those fields. This situation is not exactly a recipe for attracting more students to science, math, and engineering.

The teacher scholarships included in the Valentine amendment would attract top math, science, and engineering students into teaching—at least for a few years. Many of these students are interested in teaching now, but they are told by friends and parents that they would be nuts to pursue that career because of the lack of prestige and the competing opportunities. This scholarship would supply the prestige and the financial incentive to send them into the classroom.

Mr. Chairman, it is the Nation's teachers who will determine whether we meet the education goals for the year 2000 enunicated by the President and the Congress. The Valentine amendment will help ensure that we have the teachers needed to spur our students to achieve those goals.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, may I indicate, not because we have been complimented, but I think the proposal being submitted in this amendment is a very excellent one. We commend the authors and we accept the amendment.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I want to compliment the authors. We think this is an important part and piece of our legislation today. We thank the gentlemen for it.

Mr. WALGREN. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. Mr. Chairman, I rise today to support the Valentine-Roe amendment and to express my appreciation to Chairmen ROE and HAWKINS, Congressman VALENTINE, and ranking minority members WALKER and GOODLING for recognizing the critical need to strengthen the Nation's science and math base. The amendment before us today includes a new scholarship program—National Science Scholars—which will provide opportunities for students to pursue a college education in science, math, and engineering. This program parallels a proposal I authored in the last two sessions of Congress that was supported by the President in his State of the Union Address. The House approved my bill, H.R. 996, last September.

The amendment would create two annual scholarships of at least $5,000 each for two scholars in every congressional district in the country. At least one of the scholars would have to be female and students would have to commit to study math, science, or engineering at the undergraduate level. Nominations would be made by a broad-based citizens committee of educators, scientists, mathematicians, and engineers in each State. The final selection would be made by the President after consultation with the Director of the National Science Foundation and the Secretary of Education.

Mr. Chairman, we cannot take our supply of scientific talent for granted. As a nation, we are in a serious and uphill struggle to improve our ability to compete in the international economy. Clearly, the foundation of our competitiveness is our strength in science and technology, the ability to create new knowledge and apply it in new products. That ability depends on our human capital—the quality and quantity of our scientists and engineers.

Fewer students are choosing to study science and math. For example, the American Council on Education found that from 1966 to 1987, college freshmen planning to major in biological sciences, engineering, physical sciences and mathematics fell from 21 percent to 14 percent. Interest in mathematics dropped by more than four-fifths, from 4.5 percent to 0.6 percent. Freshmen selecting engineering careers dropped by more than one-fourth, from 12 percent to 8.5 percent between 1982 and 1987. Although degrees in computer sciences are on the increase, baccalaureate degrees in math, science, physics and biology are declining.

According to NSF, in 1984–85, 77,871 bachelor degrees were awarded in engineering, in the United States and 334,970 in the Soviet Union. This means that the United States graduated one-fifth as many engineers as the Soviet Union. Japan, with half our population, graduated almost as many engineers as the United States, 71,396. Reports that American students are outcompeted by students of other countries seem to emerge almost weekly.

An education testing service study shows American 13-year-olds scoring last in math performance when compared to students in five other countries. Another study showed that the highest-scoring American fifth graders performed worse than the Japanese. Our best high school students, who are college bound, scored near the bottom in a 13-country comparison in chemistry and physics.

It is particularly important to develop more role models for women who now receive only 38 percent of the total science and engineering undergraduate degrees—these are concentrated in the social and life sciences. Significantly, since 1984, the share of undergraduate science and engineering degrees obtained by women has leveled off; in engineering, the computer, physical, and biological sciences, women receiving degrees is actually declining slightly. We cannot succeed in fulfilling our national requirements for scientists and engineers if we fail to attract half the available talent pool.

Because of their broad geographic distribution, National Science Scholars scholarships would serve as highly visible stimulus and source of role models for high school students—especially if they come to symbolize the national stake in science and engineering. The award of these scholarships would remind Members of Congress and the public of the importance of science to our national goals.

I am pleased the House today is recognizing the critical need to address the Nation's science gap and taking a big step toward strengthening the human element in our effort to regain our international competitiveness in the global economy.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. ROE] has expired.

Mr. GOODLING. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I rise in support of the Valentine-Roe amendment that would provide congressional scholarships in science, mathematics, and engineering. I am an original cosponsor of the measure which was approved by the Science Committee and the Education and Labor Committee, thus reflecting our national concerns about the poor performance of American students in science and math on international tests.

As a former teacher, I believe that students will excel in math and science only if they are inspired by an interested teacher. I know and understand the role that a skilled and dedicated teacher can play to encourage greater interest and participation in science and math education. However, our talented math and science professionals rarely select teaching as their chosen career. We can begin to reverse that trend by providing college scholarships to students who, in return, will make a commitment to teach at the high school level.

Women and minorities traditionally have been underrepresented in science and math education. It is time for us to make an effort to attract more women and minority students to pursue careers in science, math, and engineering. The Valentine-Roe amendment would provide a 4-year-school scholarship for two students from each congressional district. This bill specifies that at least one of the recipients from each district must be a woman. Minority participation will be encouraged.

By passing this amendment we will be sending a message to all of our students that math, science, and engineering are respected, worthwhile and valued pursuits. We will be raising awareness that upgrading science and math education is vital to our Nation's competitiveness in the world. American students do not deserve to be at the bottom when compared to their counterparts in other countries. We have the opportunity to encourage American students to rise to the top, where they belong. We can make this happen by passing the Valentine-Roe amendment of the equity and Excellence in Education Act of 1990.

Mr. MINETA. Mr. Chairman, I rise today in strong support of the National Science Scholars Program amendment. I commend my colleagues, Mr. ROE and Mr. VALENTINE, on their efforts on this amendment.

It is especially significant that a scholarship program in the amendment will be called the Robert Noyce National Math and Science Teachers Corps, in honor of Robert Noyce, the inventor of the computer chip. This program will award scholarships to undergradute students who are willing to commit to teaching science or math in elementary or secondary schools for at least 2 years.

Mr. Chairman, our schools simply are not doing enough to provide our children with a basic science and mathematics education necessary to prepare them for the modern, high-technology work force. It is essential for

the United States to begin supplying schools with well-prepared teachers to teach science and math if we are to regain our competitive position in the world economy.

This amendment to the National Science Scholars Program recognizes the importance of technically literate teachers to our children's future. The scholarship program serves as a fitting tribute to Bob Noyce, the Edison of the informaton age.

Bob Noyce was responsible for the revolution of genius that laid the foundation of California's Silicon Valley. His vision lead to the growth of the electronics industry which today employs more Americans than our auto, steel, and aerospace industries combined. The scholarship program that has been named in his honor will help to keep his dreams alive.

Mr. GOODLING. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. ROE].

The agreement was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. STOKES. Mr. Chairman, I rise today in support of H.R. 5115, the Equity and Excellence in Education Act of 1990. I want to commend our esteemed colleagues and chairman, Congressman AUGUSTUS HAWKINS, for his leadership in bringing this bill to the floor. Our youth of today, growing up in a very troubled society, need a dedicated advocate like him to ensure educational opportunities on their behalf. This bill is a concerted effort to meet this objective and is especially important when we take a close look at the failing educational achievement of today's students.

In 1988, 25 percent of U.S. high school students left public schools without graduating; between now and the year 2000, it is estimated that one out of seven preschoolers is at risk of dropping out of school. Furthermore, only 50 percent of high school seniors read at levels considered adequate for performing moderately complex tasks, and 80 percent have inadequate reading skills. This situation is further complicated by a declining pool of educators who have received inadequate support at all levels from our society.

Thus, we are facing a crisis in education that not only determines the quality of the future for our children, but one that determines how well we as a nation will compete in a global economy.

Mr. Chairman, this situation prompted my introduction of the Gateway bill, H.R. 916, which has been incorporated into H.R. 5115 as part of a national literacy package which was initially proposed by my distinguished colleague from Ohio, Representative TOM SAWYER.

Basically, the Gateway program, as included as part of H.R. 5115, directs the States to provide 2-year grants to public housing authorities. The purpose of the program is to make available to residents of public housing projects programs of information and outreach, literacy training, basic skills training, and the development of work habits.

Child care services also would be provided in order to allow young parents to participate in education and training programs leading to meaningful employment. Child care is an indispensable element of the program. The majority of families living in public housing are headed by single, young women. Oftentimes, the prohibitive cost of, and the lack of, quality day care have prevented many of these young mothers from going on to obtain the skills which would help them and their children pursue and enjoy the many opportunities our Nation has to offer. Child care services would include services for daytime care of child dependents not attending school as well as adult dependents of eligible individuals.

Mr. Chairman, my own personal experiences help me to understand the significant role a program like Gateway can play. My brother and I spent 10 years in public housing. My mother took us into public housing when I was 13 years of age and we remained in public housing until I was 23 years of age, after I had returned from the armed services and took advantage of the G.I. bill.

When my mother took us into public housing, it was because she was a widow raising two boys. She was a domestic worker, a woman with an eighth-grade education who could not really make enough money as a domestic worker to support us. So, she went on AFDC to try and make enough money to be able to raise two young boys. During these times, we were not the only ones in this dilemma. Many people who lived in public housing during those days were good people, decent people, but they were poor people.

This is the situation we basically have today in public housing. We find people who do not have the advantage I had of being able to take advantage of the G.I. bill and go to college, and on to law school. Many of them are good and decent people. But, they, too, are poor people. They need some help if they are to be able to escape going from one generation to another, living in public housing, dependent upon public assistance, with no opportunity whatsoever of escape.

Public housing serves the very poor, the most vulnerable segment in our society. By design, public housing is generally restricted to tenants with incomes below 50 percent of the median income. Many of the residents lack a high school diploma. Many have never held a job. Many of them have less than eighth grade level skills in reading and math. Consequently, they are disqualified from some federally funded training programs.

The Gateway program attempts to remedy this phenomenon in a uniquely focused way. It differs from welfare reform proposals pending in Congress in that it targets assistance to persons in a common environment where services can be effectively and efficiently delivered. In this environment, the success of an individual in the Gateway program would be magnified as a role model for others.

Mr. Chairman, illiteracy affects every aspect of our Nation. It is a problem which disproportionately affects our Nation's poor. Therefore, if we are to effectively tackle problems associated with illiteracy, we must direct our efforts toward those most in need of assistance, the economically disadvantaged. In this regard, as we attempt to draft remedies for those problems affecting our Nation's poor, it would not be wise to ignore the role public housing can play.

Mr. Chairman, I want to thank the distinguished chairman, Mr. HAWKINS, the ranking minority member, Mr. GOODLING, and my colleague from Ohio, Mr. SAWYER, for including this very important initiative in this bill. And, I ask my colleagues to join me in voting for the final passage of H.R. 5115.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I am pleased to have the opportunity to extend my support to H.R. 5115, the Equity and Excellence in Education Act of 1990. This is the most exciting and substantial education legislation Congress has produced in a long time. The combination of initiatives from President Bush's education package which promotes excellence through a variety of incentives like merit schools, math/science schools, and teacher awards, along with its many bipartisan measures to promote literacy, strengthen teacher training, and most significantly, create new local flexibility, is a move toward providing a quality education that is the right of every child in this country.

The value of education, and its link to the future, remains constant, yet I can tell you from my conversations with parents throughout my district that concern for the cost and quality of education for their children has reached extraordinarily high levels.

Mr. Chairman, this legislation is a constructive, progressive response to those concerns.

H.R. 5115 also responds to the shocking rate of illiteracy across our Nation, helps our young people steer clear of drug abuse and will lower the one-in-four rate of those students at the risk of dropping out of school.

This bill is also very important because it is the first to grant flexibility in the means of achieving educational goals for our children without compromising those goals. It encourages greater flexibility for Connecticut school districts. Not only can school systems have access to planning grants if they want to try such new approaches as open enrollment programs, but we can also move forward with innovative programs, like the early intervention program that has been very successful in my district, to better serve children with special needs without fear of losing funding.

The opportunity a free society offers its people is a false promise without education and the power of knowledge it provides. I support the excellence in education this bill provides because it is fundamental to the continued growth of our Nation, as our leaders of tomorrow are in our schools today.

Mr. BORSKI. Mr. Chairman, I rise today in strong support of H.R. 5115, and I would like to commend Chairman HAWKINS for drafting this timely, comprehensive legislation. His efforts to improve the education of our children will be sorely missed when he retires at the end of this year.

As you know, various statistics from recently published studies—such as "The Nation's Report Card" and "Shortchanging Education"—reflect the disparaging state of our educational system. According to the U.S. Department of Education, over 25 percent of 13-year-olds are unable to perform simple addition, multiplication, and division. The high

school dropout rate nationally is between 15 to 20 percent overall, and nearly 40 percent in some urban areas.

Nevertheless, the United States ranks in 14th place among industrialized countries in public and private spending on primary and secondary education. Only Ireland and New Zealand spend less than the United States does on such a high priority.

When our Nation's Governors convened the historic education summit last September, they were conscious of and disturbed by these alarming statistics. They realized that goals must be set on a national level to address the continuing crisis in educational performance and standards among our children. They also acknowledged that all sectors of society must participate, and leadership must be provided by Congress and the President.

Recognizing these challenges, the Governors agreed to work with the Bush administration to establish six bold national goals for education. These include readiness for school, school completion, student achievement in critical skills, improved math and science skills, increased literacy, and safe and drug-free schools.

The summit was a critical first step along the difficult path of restoring excellence and equity in America's education. Since that time, education leaders, business executives, teachers, and parents throughout the Nation have been working hard to accomplish these ambitious goals.

Today, Mr. Chairman, it is our turn. It is now incumbent upon Congress to respond to these efforts and demonstrate the leadership necessary to make these initiatives a reality. For this reason, I am strongly committed to the passage of H.R. 5115 to provide the framework and resources to achieve the Governors' goals.

H.R. 5115 is a comprehensive measure designed to coordinate the Federal Government's actions to improve the education of both children and adults. This legislation would assist States, local school districts, and institutions of higher education to meet these six goals.

In addition, H.R. 5115 would proclaim two additional national goals—teacher recruitment and retention and equal opportunity for post-secondary education—and would establish new programs to meet them. This legislation would also enable 50,000 more students to be able to attend higher education institutions by exempting the value of homes and farms from need-based analysis in computing financial aid eligibility.

Most importantly, H.R. 5115 would establish incentives for higher achievement in our schools by providing public acknowledgment and financial reward for excellence in education. In the past, our Nation's leaders have responded to educational problems by focusing only on our students' and teachers' inadequacies and failures—not on their strengths and accomplishments.

In short, H.R. 5115 will help to provide our children with the necessary science, math, and literacy skills they will need for the highly competitive international marketplace of the future. As economic strength becomes the new measure of international leadership, generous investment in education will become crucial to the national security of our country.

I am hopeful that 1990 will be remembered as the year that America realized that a well-educated citizenry helps to improve a nation's national security and economic competitiveness. I urge my colleagues to help make this possible by supporting H.R. 5115.

Mr. ALEXANDER. Mr. Chairman, I rise today in support of this bill. It is an important step in addressing the serious problems facing our Nation's educational system.

All of us agree that a sound school system is necessary for our children to enjoy a successful future and for our Nation's work force to remain competitive in a global economy.

But sometimes we don't agree on how to pay the bill for education. This legislation will ensure that Federal assistance is available to States and communities for educational reforms.

Federal aid for education is especially critical to more impoverished parts of the country.

In my district of north and east Arkansas, less than half of the residents have a high school diploma. Only 4 percent have received college degrees.

Economic development in regions like the Lower Mississippi Delta simply cannot succeed until this trend is reversed. Right now, one out of every four students drops out of high school. Adult literacy rates are the lowest in the country. Students lag behind the rest of the country in test performance. Schools have trouble hiring teachers.

The programs authorized in this bill can turn this situation around.

For example, full funding for Head Start will mean a better beginning for the 20 percent of Arkansas children who are in poverty. Comprehensive literacy programs will boost regional economic competitiveness. And expanded funding for drug-free schools and communities projects will help students say no to the dangers of substance abuse.

These are just a few ways in which H.R. 5115 can give our children a fair chance at building a future for themselves. I urge my colleagues to join me in supporting this legislation.

Mr. CRAIG. Mr. Chairman, the Equity and Excellence in Education Act of 1990 is being considered today. This bill authorizes programs that are intended to work toward the achievement of our Nation's goals in education. Unfortunately, this bill is filled with excessive spending.

Throwing billions of dollars at this Nation's education systems will not solve its problems. Only by providing well-thought-out programs targeted at problem areas can the United States achieve excellence in education. The President's Excellence in Education Act, H.R. 1675, provides a sound approach to improving education in a fiscally responsible manner. Even though that is not the bill before us today, my colleague, Mr. GOODLING, will give us the opportunity to vote for this fiscally responsible approach.

Two days ago, some Members of this Congress discussed the "backbone of Congress": Our ability to resolve the problem of the budget deficit without a constitutional amendment. Today Members of Congress can work toward improving education while keeping their promise to Americans to be fiscally responsible. Mr. GOODLING will offer an amendment that I fully support—an amendment that works toward our goals in education without contributing to the spiralling budget deficit.

I want to urge my colleagues to vote for Mr. GOODLING's amendment. Show that Congress can be fiscally responsible and still provide adequate funding for those programs that are so desperately needed.

Mr. GEREN of Texas. Mr. Chairman, I rise today to state my support for H.R. 5115, the Excellence in Education Act.

Mr. Chairman, America has always been a shining city on a hill. We have always been the world's best and brightest, models of excellence in every endeavor from athletic pursuits to technological advancement. We became the best because our forefathers gave us the means and the opportunity to be No. 1. We worked hard because we were taught the fruits of hard work; we were ingenious because we were given the gift of freedom of thought; we remained free because we were endowed with the spirit of freedom.

But if future generations of Americans are mediocre, it will be because we offered them mediocrity.

We are traveling toward that mediocrity today, and our vehicle is our decaying educational system. In spite of the Herculean efforts of our dedicated teachers, study after study shows that our educational system has reached the crisis stage, producing an entire generation of people besieged by drugs, unable to provide for themselves, unprepared for the responsibilities of democracy, and unprepared for the challenge of global competition.

The evidence of this decline is astounding. When the NEA gave its latest round of progress tests, it found that American children in the 4th, 8th, and 12th grades are sorely deficient in reading and writing skills. Our young people face a perilous future unless their skills improve. In my own home of Tarrant County, 41 local businesses surveyed said they required reading and writing skills that were intermediate or better for the majority of their jobs. But this same survey echoed the widening gap between the skills employers need and the skills American workers have.

Efforts are underway on the local level to bring about change. In my community of Fort Worth, over 100 businesses are participating in an adopt-a-school program to offer tutoring and other services to the schools. There is also a program called Project C–3 for classroom/corporation/community. This program allows businesses to analyze the skills needed for jobs now and in the future and allows the schools to review their instruction with that in mind.

These local programs are critical to getting us back on track in educating our kids, but the Federal Government must do its part as well. The time is now to renew our commitment to public education in this country, and the Excellence in Education Act is the right place to start. This legislation attacks the decline of our educational system from every angle and at the very core. It provides the incentives needed for excellence, and the means to achieve it.

The Excellence in Education Act adopts a goal that, by 1994, every child eligible for the Head Start Program will have access to those services and a similiar goal that the Women, Infants, and Children's Program be sufficiently funded by 1995. These goals are founded on the premise that, for a child to become a productive adult, he must be given the tools from the beginning. We have learned the hard way that young children who start from behind may never catch up.

The legislation demands that we go back to the basics of a quality education. By the year 2000, American students in the 4th, 8th, and 12th grades must demonstrate competency in English, math, science, history, and that every school will sponsor activities promoting responsible citizenship. The legislation also establishes a renewed commitment to the teaching of geography. We can little ask our newest generation of American workers to help us regain our lead in global competition if they do not even know where our competitors live.

We are the pioneers of some of the world's greatest inventions—the light bulb, the telephone, the automobile—but we will be the dinosaurs of the past if we do not get ourselves back on track technologically. We have fallen toward the back of the pack in our knowledge of science and math in this country, a fact with serious ramifications for our ability to compete in the world.

The Excellence in Education Act renews our commitment to math and science instruction in our Nation's schools by providing scholarships for promising students in those areas. But our students can only take what our teachers have to give, and the legislation also provides programs to help teachers update and improve their skills.

The Excellence in Education Act reestablishes an age old tenent that is too often forgotten today, the idea that incentives bring results, the belief that if you strive to be the best, you get rewarded. The legislation establishes Presidential schools of distinction to recognize those schools that have improved student achievement, created a drug-free environment, and reduced the dropout rate. We need to provide incentives for change, and reward those that make a difference.

The legislation also seeks to reestablish another age-old tenet, and that is that being a teacher is something special. We have lost sight of that fact in this country. We don't pay our teachers enough and we don't give them the proper tools. This country's best and brightest are turning elsewhere for careers, and the result is a teaching population that is graying more rapidly than we can replace them. Today, over 48 percent of this country's teachers are 40 years old or older.

The Excellence in Education Act does not leave it to chance that equally qualified teachers will appear to take their place. It provides incentive programs for students planning to teach, especially those who will teach in schools in low-income, rural, and geographically isolated areas. The legislation also provides grants to schools to help them in recruiting, retaining, and graduating highly qualified teachers. And in another effort to bring out the best in education, Presidential teacher awards are providing for this Nation's outstanding teachers.

Finally, the Excellence in Education Act seeks to help those Americans still living in the shadows, the 20 million adults who cannot read a job application or an election ballot, the 20 million adults that have been failed by this Nation's educational system. It would establish large-scale public/private partnerships on literacy, teaching training, model literacy program, State and regional literacy resource centers, and scholarships to students planning careers in adult literacy.

Mr. Chairman, Americans have never shrunk from a challenge. We have fought wars, diseases, and economic catastrophe, and we have always won the battle. To reinstill the passion and excellence of yesterday in our educational system may be our greatest challenge yet. But it is a challenge we must overcome if we are to regain our ability to compete in the world, our ability to remain the champions of democracy, and provide our children with a future rich with hope and opportunity. We must create our new beginning today—tomorrow may be too late.

Mr. COLEMAN of Texas. Mr. Chairman, I rise today in support of H.R. 5115, the Equity and Excellence in Education Act of 1990. I would like to commend Chairman AUGUSTUS HAWKINS for fashioning an outstanding piece of legislation that will serve as a foundation for the Federal Government in ensuing years to ensure that a quality education is made available to all of our children. In fact, H.R. 5115 adds two additional and very important goals regarding teacher recruitment and retention and equal opportunity for postsecondary education that go beyond the goals presented by the President and the Nation's Governors.

In addition, I am particularly pleased that this legislation incorporates many of the provisions of H.R. 3161 and H.R. 3365, two bills that I introduced to address our Nation's dropout rate. As in my legislation, H.R. 5115 establishes a goal to increase the country's high school graduation rate and takes action, without stifling initiatives at the State and local level, by calling for additional resources to be committed to assist in preventing students from dropping out of school and encouraging students who have left school without a diploma or certificate, over 4.2 million children last year, to reenter school. It has been estimated that each year's class of dropouts costs the Nation more than $240 billion in lost earnings and foregone taxes over their lifetimes. Without a high school education, these children are destined for a permanent economic underclass. Our democratic ideals mean little to those who have no hope for the future. Therefore, we must, all of us, do everything we can to ensure that we, as a caring society, join together and invest in these children's and our Nation's future. Like other types of meaningful investment, this legislation is ultimately revenue saving in nature. In addition to the $240 million in lost earnings and foregone taxes caused by dropouts, add to that the fact that it costs far less to keep a child in school for a year than it does to keep him/her in prison for crimes motivated by poverty and we certainly have compelling justification for the short-term costs involved in enacting such meaningful legislation. The cost of ignorance is far more expensive.

Moreover, keeping in mind that a majority of all jobs will require a postsecondary education by the year 2000, H.R. 5115 establishes the important goal that "no qualified student shall be denied the opportunity for postsecondary education because of financial or other barriers." This legislation calls for the reversal of a trend in Federal policy through the 1980's—the declining purchasing power in student grants and the shift to loan—that has made higher education less accessible to our Nation's youth. For example, the typical student no longer is able to graduate from college in 4 years and most students at the University of Texas at El Paso [UTEP] take 6 years to graduate as approximately 40 percent of UTEP students either drop out, or "stop out" for a period of time, between their freshman and sophomore years. These students and many others who never enter college are denied the opportunity of formal education because of lack of adequate resources. For many students, particularly the poor and disadvantaged with extensive family financial obligations, loan programs are not tenable alternatives. For this reason, the policy goals set by H.R. 5115 to increase appropriations annually in the Pell Grant Program, the cornerstone of the Federal financial aid programs, and the TRIO programs, so that those successful recruitment and intervention efforts can be made available to greater numbers of low-income, first-generation-in-college, and minority students. Students served by TRIO are twice as likely to complete the first year of college and four times as likely to earn a degree as are those who are not involved in TRIO. In light of the fact that 55 percent of UTEP students are Hispanic, the largest university in the United States with a majority Hispanic student population, and 75 percent are the first in their families to seek a college education, these programs are of significant importance to the people in west Texas as well as students all across the Nation.

By ensuring our children have the support necessary to have the opportunity to complete both a high school and college education means we are ensuring a better future for the entire Nation. I, therefore, urge support for H.R. 5115.

Mr. MILLER of Washington. Mr. Chairman, I rise today to commend the Smith-Bartlett-Gingrich amendment to the Equity and Excellence Act of 1990. This measure incorporates two innovative and effective approaches to education: choice and local flexibility.

Choice empowers students, parents, and teachers. Choice gives parents more to say in choosing the right school for their child. And choice gives teachers and principles more control in running their school. It provides wider options for students to best meet their individual needs and interests. Choice promotes parental involvement, an important ingredient for a child's successful education.

Regulations often stifle a teacher's ability to provide students the most effective and creative education possible. This amendment allows selected education authorities to combine specified program funds. It also allows authorities to receive exemptions from corresponding Federal and State laws and regulations. This is currently being done very suc-

cessfully in my District. The Mukilteo School District has developed a comprehensive learning support system grouping students on their academic need rather than categorical eligibility. By combining resources, they have improved student achievement—and saved money. It also allows students who need remedial help to be placed in the system immediately without waiting for the bureaucratic process to be completed.

The time has come to allow schools the flexibility to implement programs that combine funds and trim bureaucracy. A recent report published by Brookings Institution researchers John E. Chubb and Terry M. Moe clearly endorses the concept of public school choice. The future of education depends on choice and local flexibility.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. OBERSTAR, Chairman of the Committee of the Whole House on the State of the Union, reported that Committee, having had under consideration the bill (H.R. 5115), to improve education in the United States, pursuant to House Resolution 430, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GOODLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 350, nays 25, not voting 57, as follows:

[Roll No. 256]

YEAS—350

Ackerman	Beilenson	Brown (CA)
Alexander	Bennett	Brown (CO)
Anderson	Bereuter	Bruce
Andrews	Berman	Bryant
Annunzio	Bevill	Buechner
Anthony	Bilbray	Bunning
Applegate	Bilirakis	Bustamante
Archer	Bliley	Byron
Aspin	Boehlert	Campbell (CA)
Atkins	Bonior	Campbell (CO)
AuCoin	Borski	Cardin
Bartlett	Bosco	Carper
Barton	Boucher	Carr
Bateman	Brennan	Chandler
Bates	Browder	Chapman
Clarke	Hutto	Payne (NJ)
Clay	Hyde	Payne (VA)
Clement	Inhofe	Pease
Clinger	Ireland	Pelosi
Coble	Jacobs	Penny
Coleman (MO)	James	Perkins
Coleman (TX)	Jenkins	Petri
Collins	Johnson (CT)	Pickett
Condit	Johnson (SD)	Poshard
Conte	Johnston	Price
Conyers	Jones (GA)	Purseli
Cooper	Jones (NC)	Quillen
Costello	Jontz	Rahall
Coughlin	Kanjorski	Rangel
Coyne	Kaptur	Ravenel
Crockett	Kasich	Ray
Darden	Kastenmeier	Regula
de la Garza	Kennedy	Richardson
DeFazio	Kennelly	Ridge
Dellums	Kildee	Rinaldo
Derrick	Kleczka	Ritter
DeWine	Kolbe	Roberts
Dickinson	Kolter	Roe
Dingell	Kostmayer	Rogers
Dixon	LaFalce	Ros-Lehtinen
Donnelly	Lagomarsino	Rose
Dorgan (ND)	Lancaster	Rostenkowski
Downey	Lantos	Roth
Dreier	Laughlin	Rowland (GA)
Duncan	Leach (IA)	Roybal
Durbin	Leath (TX)	Russo
Dymally	Lehman (CA)	Sabo
Eckart	Lehman (FL)	Saiki
Edwards (CA)	Lent	Sangmeister
Edwards (OK)	Levin (MI)	Savage
Emerson	Levine (CA)	Sawyer
Engel	Lewis (FL)	Saxton
English	Lewis (GA)	Schaefer
Erdreich	Lipinski	Scheuer
Evans	Livingston	Schiff
Fascell	Lloyd	Schneider
Fawell	Long	Schroeder
Fazio	Lowery (CA)	Schulze
Feighan	Lowey (NY)	Schumer
Fields	Luken, Thomas	Serrano
Fish	Machtley	Sharp
Flake	Madigan	Shaw
Flippo	Manton	Shays
Foglietta	Markey	Shuster
Ford (MI)	Marlenee	Sikorski
Frank	Martin (IL)	Sisisky
Frenzel	Martinez	Skaggs
Frost	Matsui	Skeen
Gallegly	Mavroules	Skelton
Gallo	Mazzoli	Slattery
Gaydos	McCandless	Slaughter (NY)
Gejdenson	McCloskey	Slaughter (VA)
Geren	McCrery	Smith (FL)
Gibbons	McGrath	Smith (NJ)
Gilman	McHugh	Smith (TX)
Gingrich	McMillan (NC)	Smith (VT)
Glickman	McMillen (MD)	Smith, Robert (OR)
Gonzalez	McNulty	Snowe
Goodling	Meyers	Solarz
Gordon	Mfume	Solomon
Goss	Michel	Spence
Gradison	Miller (WA)	Spratt
Grandy	Mineta	Staggers
Grant	Moakley	Stangeland
Gray	Molinari	Stark
Green	Mollohan	Stearns
Guarini	Montgomery	Stenholm
Gunderson	Moody	Stokes
Hall (OH)	Moorhead	Studds
Hamilton	Morella	Sundquist
Hammerschmidt	Morrison (WA)	Swift
Harris	Murphy	Tallon
Hastert	Murtha	Tanner
Hatcher	Nagle	Tauke
Hawkins	Natcher	Taylor
Hayes (IL)	Neal (MA)	Thomas (GA)
Hefley	Neal (NC)	Torres
Hefner	Nowak	Torricelli
Henry	Oakar	Towns
Hertel	Oberstar	Traficant
Hiler	Obey	Traxler
Hoagland	Olin	Udall
Hochbrueckner	Owens (NY)	Unsoeld
Holloway	Owens (UT)	Upton
Hopkins	Pallone	Valentine
Horton	Panetta	Vander Jagt
Houghton	Parker	Vento
Hoyer	Parris	Volkmer
Hubbard	Pashayan	Walgren
Huckaby	Patterson	Walsh
Hughes	Paxon	Washington
		Weber
		Weiss
		Weldon
		Wheat
		Whittaker
		Whitten
		Williams
		Wilson
		Wise
		Wolf
		Wolpe
		Wyden
		Wylie
		Yates
		Yatron
		Young (AK)
		Young (FL)

NAYS—25

Armey	Hansen	Rhodes
Ballenger	Herger	Rohrabacher
Burton	Hunter	Roukema
Combest	Kyl	Sensenbrenner
Crane	Lightfoot	Shumway
DeLay	Lukens, Donald	Smith, Robert (NH)
Douglas	Miller (OH)	Walker
Gekas	Nielson	
Hancock	Oxley	

NOT VOTING—57

Baker	Gephardt	Robinson
Barnard	Gillmor	Rowland (CT)
Bentley	Hall (TX)	Sarpalius
Boggs	Hayes (LA)	Schuette
Boxer	Lewis (CA)	Smith (IA)
Brooks	Martin (NY)	Smith (NE)
Broomfield	McCollum	Smith, Denny (OR)
Callahan	McCurdy	Stallings
Courter	McDade	Stump
Cox	McDermott	Synar
Craig	McEwen	Tauzin
Dannemeyer	Miller (CA)	Thomas (CA)
Davis	Morrison (CT)	Thomas (WY)
Dicks	Mrazek	Visclosky
Dornan (CA)	Myers	Vucanovich
Dwyer	Nelson	Watkins
Dyson	Ortiz	Waxman
Early	Packard	
Espy	Pickle	
Ford (TN)	Porter	

□ 1402

Mr. HEFLEY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5115, EQUITY AND EXCELLENCE IN EDUCATION ACT OF 1990

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, the clerk be authorized to make corrections in section numbers, punctuation, and cross-references and to make such other technical and conforming changes as many be necessary to reflect the actions of the House in amending the bill just passed, H.R. 5115, the Equity and Excellence in Education Act of 1990.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 5115, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. PORTER. Mr. Speaker, I was unavoidably absent, I did not vote on rollcall votes No. 253, No. 255, and No. 256, pertaining to H.R. 5115, the Equity and Excellence in Education Act of 1990. Had I been present, I would have voted "aye" on each of these measures: The Hawkins en bloc committee amendments, the Solomon amendment, and final passage of the bill, respectively. In addition, I was paired against the Roukema amendment regarding student loan defaults on rollcall vote No. 254.

PERSONAL EXPLANATION

Mr. STUMP. Mr. Speaker, it was unfortunately, not possible for me to be in Washington, DC because of the death of my father.

Had I been present and voting, I would have voted "aye" on rollcall No. 242, "nay" on rollcall No. 244, "aye" on rollcall No. 247, "aye" on rollcall No. 255, and "nay" on rollcall No. 256.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present, I would have voted "aye" on rollcall No. 253, No. 255, and No. 256, and "nay" on rollcall No. 254.

PERSONAL EXPLANATION

Mrs. VUCANOVICH. Mr. Speaker, I was not able to be present during the vote for final passage on H.R. 5115, the Equity and Excellence in Education Act. I wish to have the RECORD indicate that had I been here, I would have voted "aye."

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent and missed a number of votes on H.R. 5115, the Equity and Excellence in Education Act. Had I been present, I would have voted "aye" on rollcall 253, the Hawkins amendment; "no" on rollcall 254, the Roukema amendment; "aye" on rollcall 255, the Solomon amendment; and "yea" on rollcall 256, final passage.

PERMISSION TO SUBMIT AMENDMENTS TO H.R. 3950, THE FOOD AND AGRICULTURE RESOURCE ACT OF 1990

Mr. HALL of Ohio. Mr. Speaker, I ask unanimous consent that Members have until 5 p.m. tonight to submit their amendments to H.R. 3950, the Food and Agriculture Resource Act of 1990, for printing in the CONGRESSIONAL RECORD of July 20, 1990.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3950, FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 101-609) on the resolution (H. Res. 439) providing for the consideration of the bill (H.R. 3950) the "Food and Agricultural Resources Act of 1990," which was referred to the House Calendar and ordered to be printed.

REPORT IN THE MATTER OF REPRESENTATIVE BARNEY FRANK

Mr. DIXON, from the Committee on Standards of Official Conduct, submitted a privileged report (Rept. No. 101-610) on the resolution (H. Res. 440) in the matter of Representative BARNEY FRANK, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask to proceed for 1 minute so that I might inquire of the acting majority leader of the program for next week.

Mr. HOYER. Mr. Speaker, will the distinguished minority leader yield?

Mr. MICHEL. I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the distinguished minority leader for yielding.

We will be going in on Monday, July 23, at 12 noon. There will be 15 suspensions on the calendar. At the conclusion of the suspension calendar we will do the rule and general debate only for the Food and Agriculture Resource Act of 1990, the farm bill. We hope on Monday that there will be perhaps no more than three votes. If there are any more than three or four votes, we will probably roll those until Tuesday.

Members ought to be aware of the fact that there will be a vote on the rule, quite possibly a rollcall vote on the rule. On Tuesday we will be going in at 11 a.m. and take up consideration of the farm bill. On Wednesday, we will again go in at 10 a.m., continue on the farm bill and complete the consideration on that date. We will then take up H.R. 770, the veto override question of the Family and Medical Leave Act. On Thursday we will again go in at 10 a.m. We will have the D.C. appropriations bill before the House for full consideration, and that will be subject to a rule. On Friday, on July 27, we will be meeting and we will have votes. We will take up the Arts, Humanities, Museum amendments of 1990, again subject to a rule. Then we will complete consideration of the amendments to Airport and Airway Improvement Act of 1982.

Mr. MICHEL. Mr. Speaker, might I inquire on Monday's schedule, assuming all 15 suspensions are considered, there would be quite some debate time there, and then on the votes on those ordered would come at the end of the consideration of all 15 bills, right?

Mr. HOYER. If the gentleman will continue to yield, the gentleman is correct, and we would certainly expect no votes prior to 3 o'clock.

Mr. MICHEL. And then we would take up the rule on the Ag bill immediately following?

Mr. HOYER. The minority leader is correct.

Mr. MICHEL. Then may I inquire, on Wednesday, when we have a vote to override or sustain the President's veto of the Family and Medical Leave Act, when would that be actually up for consideration on Wednesday? Normally, something of that nature is on the docket front on, even though we are carrying over other pieces of legislation. Are we so sure that we will get through with the Ag bill in good time Wednesday to be able to predict when that vote will be on the veto, so Members will be sure and record themselves one way or the other?

Mr. HOYER. I think the honest answer is, we will have to see what we do on the Ag bill to know the answer. However, the minority leader is correct that Members ought to know, and we will try on Monday afternoon, to set a time certain for that veto override vote. So as the minority leader indicates, all Members will have clear notice when that will come before the body.

Mr. MICHEL. Let me inquire now about campaign reform. There is no mention of it here. There is no mention of it here, although the chairman of the Democratic Caucus, I think, knows that the Speaker and I have had some conversations in the past that would indicate that he would commit himself to our considering it during the month of July.

□ 1410

Now, the days are running out, and then we run into our recess date in August, and I have to pose that question now because we are getting down to where push comes to shove on the issue of campaign reform.

Mr. HOYER. Mr. Speaker, the gentleman is correct, and he also characterizes it from the point of view of the leadership. Particularly from the

Speaker's point of view, I know he would like to bring a bill to the floor before the August break, and as soon as we have an agreement on how that can be done, we will give the information to the gentleman. He intends to do that. But I can candidly say to gentleman honestly that that agreement has not yet been reached.

Mr. MICHEL. Mr. Speaker, I appreciate that information.

Now, how about civil rights? I knew at one time if there were to have been an agreement on the other side of the Capitol, we might very well have been in a better position to take it up. If there is difference, as there obviously is considerable difference, on that issue, are we to assume that may be laid off until after we get back from our August recess?

Mr. HOYER. Mr. Leader, I really believe that Members ought to be prepared for that bill to be considered prior to the recess. We expect the civil rights bill to be reported quite possibly next week, not necessarily scheduled but reported next week, but we cannot guarantee that. I would not want to inform Members that there is not some desire to see that bill resolved before the break.

Mr. MICHEL. Then that raises another question. We were talking earlier about making sure that we were out of here by the first weekend in August—I think that is August 4—so that Members with families could make appropriate arrangements.

I am hearing from the other side of the Capitol that that time might be extended 1 week, and we have not really signed in blood on this side, although I have been attempting to assure our Members that we meant to stick by our agreement.

Now, there is another element here. I guess I have to say quite frankly that I refer to our President's displeasure in our not being able to move expeditiously on our so-called summit. So I am trying to carry water on both shoulders here by catering to the membershp because we would like to honor their commitments on the August recess. By the same token, we have to be concerned when it is as important an issue as the President feels it is, and frankly as some of us feel it is, that we do come to a quick resolution on whether or not it is feasible at least to have a summit agreement.

How does the gentleman look at that? Are we absolutely sure of getting out of here on the 4th or would the gentleman say there is an element of uncertainty there on that second week?

Mr. HOYER. Mr. Speaker, I think again in candor the latter would be correct, in that there is an element of uncertaintly.

As the gentleman has observed, not only is the summit outstanding but the debt ceiling must pass before we leave. The Secretary of the Treasury has, of course, advised us that the debt ceiling will run out during the course of the proposed recess, and, therefore, we need to act on that prior to leaving.

However, I want to assure the gentleman that the talk he hears is coming from the other side of the Capitol, not this side, there is a very strong desire on the part of the Speaker and the leadership on our side of the aisle that we stick to the August 3 date. Quite obviously, we all agree there are certain things we have to do, and we could not responsibly leave town without having them. Nonetheless we are hoping we will be able to accomplish that which we need to accomplish by the weekend of the 4th.

Mr. WEBER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Minnesota.

Mr. WEBER. Mr. Speaker, I thank the distinguished minority leader for yielding.

I have two questions of the distinguished acting majority leader. First of all, regarding the farm bill that is going to be considered, as I understand it, on Tuesday and Wednesday, I am trying to get an idea as to how much of that bill we might dispose of on Tuesday. Is that a targeted time, or is there some time on that date when the committee might rise on Tuesday, or are we going to go into the evening and try to conclude the bulk of that bill before going home Tuesday night?

I think the answer to that question is that for those days when certainly we will be meeting the next day, Members ought to expect the possibility of later than usual sessions.

Mr. WEBER. I see. And along that line, if the gentleman will continue to yield, we will take up the override veto vote after final passage of the farm bill on Wednesday? Is that assured?

Mr. HOYER. The minority leader, as the gentleman heard, raised what I thought was a good question. I will need to talk to the leadership or the Speaker about it. This refers to setting a time certain in effect for the veto override. That may occur. I do not want to commit to that because I have not had the opportunity to discuss it. However, that may occur. That decision will be made in conjunction with the majority leader, who is now in the summit, by the way, which is why the majority leader is not here. We will try to give notice to each side as to when that vote may occur. It may occur at the conclusion of the agriculture bill or we may suspend the consideration for the purpose of taking that vote.

Mr. WEBER. Mr. Speaker, if the gentleman will continue to yield, I have one final question on a different matter.

The chairman of the Committee on Standards of Official Conduct just filed a report with the Clerk. I wonder if there is any indication of when we might be considering that report?

Mr. HOYER. It is a privileged matter, as the gentleman knows. Therefore, it is before the House, and our expectation is that we would probably bring that up next week.

Mr. MICHEL. This coming week?

Mr. HOYER. Yes.

Mr. MICHEL. Is there any date the gentleman is thinking about?

Mr. HOYER. I do not believe that has been resolved. Again we want to see how we can get the business of the House done and nevertheless deal with that important issue as well. So we will try to schedule it as best we can.

Mr. MICHEL. The thought occurred to me that Tuesday night is the night for the participation by both parties in an extracurricular game called the National Pastime. I do not know if that would be a time for having the House adjourn at a reasonable hour on Tuesday or not.

Mr. HOYER. I am sure there will be significant lobbying activities on both sides of the aisle to effect a timely departure from the Hill.

Mr. MICHEL. As the gentleman knows, some of us are getting a little bit older and we hung up our spikes long ago, but I know there is a sufficient number of younger Members who will be badgering us on both sides of the aisle as to what our program will be. So I thought if we could give them a little bit of a lead time, we might be able to prepare for it.

Mr. HOYER. Mr. Speaker, I think we will do what we can to try to accommodate that activity.

Mr. WEBER. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I yield further to the gentleman from Minnesota.

Mr. WEBER. Mr. Speaker, I thank the minority leader for yielding.

On the matter of the report of the Committee on Standards of Official Conduct, there has been some indication given our side informally that that matter would not be taken up until after consideration of the farm bill. It certainly would not be taken up on Monday when we are dealing with suspensions, would it? Are either or both of those thoughts consistent with the gentleman's understanding?

Mr. HOYER. Again this is a privileged motion before the House, but again there is no intention whatsoever to take that matter up on Monday. As it relates to the consideration of the agriculture bill, we again want to finish that bill. So I think the gentleman is probably correct in surmising that we would want to complete that before we take up the privileged report.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, there has been quite a bit of unhappiness on our side of the aisle about this business of filing amendments with the Rules Committee and only being given brief notice of it. Is the gentleman aware of any of the rules mentioned on this list that may be subject to a filing with the Rules Committee that Members should be aware of now?

Mr. HOYER. That is a good question. I am not aware of any. We will check, and maybe if there are other questions, we will try to check during the course of this period right now. Let me see if that is the case.

Mr. WALKER. That would be helpful. I have just one more thing, if the gentleman will yield further, and maybe the gentleman from Illinois can help me answer this question.

I am hearing from a number of Members that the real problem with the month of August and the vacation period is that people are in positions right now about having to make deposits and buying nonrefundable tickets relating to deposits for vacations and all this kind of thing. Am I hearing correctly that if Members are doing that for the second week in August, they might better hesitate and not put those kinds of things in place?

Mr. MICHEL. Mr. Speaker, I guess I always err on the side of caution, because if we were to just sign in blood that commitment, I would want to hold to it. I am not altogether sure, with that uncertainty, as I mentioned before, that I could give Members that kind of assurance, as much as we have been talking all along about making absolutely sure that the month of August was supposed to be secure for those Members with families who had made needed prior reservations and all the commitments we usually make for vacations. I must say I cannot be sure, and obviously the question is more readily answered by the majority side that does the scheduling around here. But I think in our exchange the gentleman from Maryland has kind of indicated, along with the gentleman from Illinois, that there is an element of uncertainty about what we have gotten accomplished around here before we break.

□ 1420

It is absolutely essential, as the gentleman indicated, to get a debt ceiling passed. Probably be in a temporary debt ceiling, not one that would run the full gamut of the year, but even at that, as the gentleman well knows, there are very few sweetners around, as my colleagues know, to get the kind of vote we need for a debt ceiling package. So, we cannot give the gentleman, I do not think, that kind of assurance.

Mr. HOYER. Mr. Speaker, if the gentleman will yield, I think I have an answer to his prior question.

Mr. WALKER. OK.

Mr. HOYER. I have asked the Committee on Rules. As my colleagues know, by unanimous consent, with agreement between both sides of the aisle, 5 o'clock tonight is the deadline for submission of amendments to the agriculture bill. That was done by unanimous consent.

In addition, I will give notice right now. The Committee on Rules will be considering the Arts, Humanities, and Museum Act of 1990, the amendments, on Tuesday, and amendments to that bill need to be filed by 5 o'clock Monday.

Mr. WALKER. Mr. Speaker, I thank the gentleman from Maryland [Mr. HOYER].

Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Pennsylvania.

Mr. WALKER. As my colleagues know, this is something which is really becoming a pattern, which is very, very unsetting to many people on this side of the aisle, I would say to the gentleman. We find out now: Here it is; it is afternoon. Some of the Members have already begun to scatter. For Members who might have an interest in that, what we are being told is that we have got notice now, that we have to have it in Monday after a day of suspensions. Now it happens that we will probably be voting on Monday. This one may not be quite as bad, but it is really short notice for Members who are not on the committees and familiar with the schedule to——

Mr. HOYER. Mr. Speaker, before the gentleman from Pennsylvania [Mr. WALKER] gets too far into this short notice——

Mr. WALKER. OK.

Mr. HOYER. Notice of this was given on Tuesday. I just did not know about it.

Mr. WALKER, I see. OK. That is far more——

Mr. HOYER. The point of the gentleman from Pennsylvania [Mr. WALKER] is well taken, and we want to try to give, and that is why the gentleman from Massachusetts [Mr. MOAKLEY] did, in fact, on Tuesday give such notice. I just did not know about it.

Mr. WALKER. Mr. Speaker, if the gentleman will yield just further on the question of August, I guess my concern is on behalf of Members, that if reservations are in place and so on, whether or not they ought to begin the process of even canceling it, and doing some things like that and rearranging their schedules. I know that there is no possibility of giving a firm answer on this, but I think it would be helpful if we knew which way the thing was even bending so that Members had some feel for what they ought to be doing. It is very difficult to operate in uncertainty. We would be better off to say that we are leaning in the direction of being here that——

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. HOYER. Having spoken to the Speaker about this, and the majority leader, I can tell my colleagues there is an element of certainty in this, and the certainty is that we will not leave town without passing a debt ceiling extension of some duration that gets us through the recess. It would be irresponsible to do otherwise, and we have no intentions of doing so, so that in all honesty I suppose the Members ought to be aware that is a consequence which may occur.

It is a very thorny issue confronting us. The summit is going on, and that has some impact on it, although it is not dispositive of it. But I will also add again that the leadership on this side of the aisle, and I believe the leadership on the other side of the aisle, would very much like to see us meet the schedule that we gave to Members before so they could, in fact, be with their families and comply with the reservations and plans they have made to be with their families on the vacation during the school break with their children.

Mr. WALKER. Mr. Speaker, I have no doubt about the hope. I am a little concerned about the followthrough.

Mr. MICHEL. Mr. Speaker, maybe with that kind of deadline out there and the apprehension on the part of the Members, it might be helpful with that kind of pressure out there to help expedite the program. I am not sure. There are always some elements that are outside our control here, but it just might help to do that, and, if so, we would all be better off.

ADJOURNMENT TO MONDAY, JULY 23, 1990

Mr. HOYER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore (Mr. BRYANT). Is there objection to the request of the gentleman from Maryland?

There was no objection.

HOUR OF MEETING ON TUESDAY, JULY 24, 1990

Mr. HOYER. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, July 23, it adjourn to meet at 11 a.m. on Tuesday, July 24, 1990.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HOYER. Mr. Speaker, I ask unanimous consent the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 418

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Resolution 418 as my name was listed in error.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AMENDING FAIR LABOR STANDARDS ACT RELATING TO AMERICAN SAMOA

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce legislation which will correct an inadvertent change made last year to the minimum wage law of American Samoa.

Mr. Speaker, last year this Congress passed Public Law 101-157, amending the Fair Labor Standards Act of 1938. The primary effect of this law was to increase the Federal minimum wage.

Section 4 of the act addressed special industry committees in Puerto Rico, the Virgin Islands, and American Samoa. In this section the jurisdiction of the special committees to Puerto Rico and the Virgin Islands was removed. Section 4 of the 1989 amendments inadvertently made a provision in section 8 of the Fair Labor Standards Act applicable to American Samoa. This section of the Fair Labor Standards Act had never previously been applicable to Samoa. The 1989 change requires the industries in Samoa to provide substantial documentary evidence as to why the minimum wage in Samoa should not be the Federal minimum wage.

Mr. Speaker, my district is unfortunately a one-industry community, and that industry is the canning of tuna. American Samoa processes approximately 30 percent of the canned tuna consumed in the United States, and the industry employs about one-third of the territory's work force.

While I very much want to see improved benefits for the people in Samoa, I am afraid that the disclosure of the detailed financial affairs of this industry, which would, I believe, be required under current law, would hurt the only industry in Samoa by possibly disclosing confidential, proprietary information to foreign competition which pays its tuna canning employees as little as 20 cents an hour. This information, together with cheap foreign labor, could be used to the detriment of our already beleaguered domestic tuna canning industry. Should Samoa lose this industry, the economic and social impact on the people in Samoa would be devastating.

Mr. Speaker, I hope this bill can become law before the September minimum wage hearings administered by the U.S. Department of Labor.

H.R. 5329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 208(b)) is amended by striking out the semicolon in the last sentence and all that follows in that sentence and inserting in lieu thereof a period.

THE "GET SERIOUS" BASE CLOSING PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ASPIN] is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, I rise today to discuss closing military bases and facilities. It's something we must do given the declining military threat in Eastern Europe and the Soviet Union, and serious fiscal constraints at home. Our force structure will be smaller in several years. Our base structure should be, too.

It's tough to overstate how difficult it is to close bases. The last 20 years of base closing history shows a lot more failures than successes.

The trouble began in 1973. That was the year President Nixon submitted a base closure proposal that targeted almost all the Navy's coastal installations from Maine to Long Island, including the Boston Navy Yard. Because Massachusetts was the only State to deny Nixon its electoral vote, the list was considered a payback. Thus politicization of base closings was born.

Congress balked increasingly at successive base closure proposals. Resistance culminated in 1977 when Congress passed a law requiring congressional acquiescence before a major installation could be closed or realigned.

Two base closure plans were submitted by the Carter administration in the years immediately following passage of this law. The smaller realignments and closures on the list were implemented; however, the larger ones were blocked. If Carter's entire list had been implemented, more than 20,000 jobs would have been moved or eliminated. As it was, only 5,400 jobs were affected.

Congress wasn't the only group resisting base closures. Communities that stood to lose bases to closure or realignment also began to fight back. They found they could use the courts to tie up action on closures—sometimes for years—by challenging the conclusions of the environmental study required for each proposed closure.

During the eighties, the Reagan administration chose not to submit any base closure proposals to Congress at all on the grounds that it was by then impossible to close bases.

In 1988, however, a successful vehicle for closing bases was found—the bipartisan commission. The idea originated with the Grace Commission in the early eighties. Several years later, Representative DICK ARMEY, a Republican from Texas, introduced legislation to create a commission.

Then Defense Secretary Frank Carlucci created a commission on his own authority in 1988. He outlined his plans to me and the chairman of the Senate Armed Services Committee, Mr. NUNN. We understood he would need legislation to give the commission power to do something besides write another 200-page dust-gathering report. There were objections, but I believed this was a process that would get results.

So we passed a law chartering Carlucci's group and made sure the law had two features to ensure bases would get closed. The first provision said that whatever list the bipartisan commission recommended would have to be approved or rejected in its entirety by the Defense Secretary and both Houses of Congress. There couldn't be any additions or deletions for any reason.

The second provision was aimed at preventing closures from getting tied up in legal challenges. The National Environmental Protection Act [NEPA] was modified to say that lawsuits against an Environmental Impact Statement, a study required for each closure site, be filed within 60 days.

In December 1988, the Commission recommended 86 bases be closed. Shortly after that, Carlucci, who could have scuttled the list, approved it. Then the House, which also could have rejected the list, approved it. The Senate did likewise. There were three opportunities for scrapping the list, but no one did. Now the bases are being closed.

What all of this shows is that Congress is willing to close bases if the procedure is fair. It also paints a pretty good picture of what that fair procedure is.

By contrast, Secretary Cheney is trying to close bases in the wrong way. All of the problems that plagued administrations during much of the seventies and eighties will be revisited on Cheney. That includes accusations of politics, legal challenges, and, ultimately, congressional vetoes.

My own informal analysis of the current situation shows a two-part Cheney action plan that guarantees bases won't be closed.

One. Stir up the pot by submitting "candidate" lists which don't meet the requirement of current base closing law.

Two. Choose bases located predominantly in the districts of members of the opposing political party.

To see how this strategy has worked, let me review each element in more detail.

At the end of January, Cheney submitted a proposed closure list of 46 bases. Current law requires the Secretary to notify Congress of his intent to undertake a large closure or realignment, which by definition involves more than 300 civilian employees at a given base in the United States. Approximately 20 of the 35 domestic bases on the list are large. Notification must come with the annual budget and must be accompanied by the results of six impact analyses for each facility: fiscal; local economic; budgetary; environmental; strategic; and operational.

The list Secretary Cheney submitted in January didn't meet the criteria. It wasn't submitted with the budget, and the impact analyses weren't done. So without official status, the list merely signified candidate bases to be closed. Facilities can be removed from the list at any time and others perhaps added. That creates potential hostages for the administration whenever they need support for something in Congress. That possibility still exists now.

Then whole new lists appeared. In April, a list of Navy facilities surfaced at an Armed Services subcommittee hearing. Another list was published several weeks later. Some facilities only appeared on the Cheney list, some only on the Navy list, and some only on the third list. Some bases appeared on two lists. Only three appeared on all three lists.

Multiple lists, none with formal standing, suggest that this is not a real attempt to close bases. Multiple lists suggest multiple opportunities to stir up the pot and criticize Congress for protesting.

The second component of Cheney's plan, partisanship, was particularly apparent in his January list. Twenty-nine of the 35 bases also turned out to be in Democratic Members' districts. Such a composition places the list squarely in an old tradition of Republican administrations trying to close Democratic bases and vice versa. If members feel politics has motivated the Secretary, they make sure his closure proposal is voted down.

If we've learned anything about closing bases, we know we need a process that inspires confidence. The current procedural stalemate must give way to a rational, bipartisan procedure.

I've been working with Representative PAT SCHROEDER, chairwoman of the Subcommittee on Military Installations and Facilities, to flesh out such a procedure. Our goal is to close facilities based on a military plan, not politics.

I suggest we follow a five-point plan.

First, there must be a force structure plan to form the foundation of the base closure decision. These are times of great change and uncertainty. To suggest base closures without knowing where we are going with force structure makes no sense. Guessing troop levels or missions or equipment needs means we'll be guessing which are the right bases to close.

It would be a mistake and a waste to cut the budget without closing bases. At the same time, it would be a mistake to close bases before the force structure that should accompany budget cuts has been thoroughly reviewed. Closing a facility only to decide to reopen it a year later would cost taxpayers extra money and hurt the local community.

Second, once the force structure has been determined, a bipartisan way of selecting a base structure consistent with that force structure should be established. I recommend a bipartisan commission. It worked last time. But other ways may be possible.

Third, an expedited process to prevent legal challenges again should be instituted to prevent protracted court battles on the decision to close a base.

Fourth, until the Commission recommends its closure list, bases should be adequately maintained during the review period. Draining operations and maintenance budgets could let bases fall into disrepair—a possible pretext for closure. Bases ought to be closed according to the needs dictated by the force structure plan, not the disrepair of the physical plant.

Fifth, the Commission's work should include an assistance plan to help affected communities. We need to consider retraining workers who will lose jobs when bases are closed. We also need to consider procedures for new uses of military property no longer needed for military purposes.

Our force structure will be reduced. The base structure that supports those forces should come down as well. There's no argument about that from Congress. The only argument is over how to do it. Dick Cheney is playing at base closings while playing politics. The approach he has taken will not close bases. It hasn't in the past and it won't in the future. We should close bases when we know which bases to close. And the only way to do it is with a bipartisan process that takes politics out of the equation.

BASE CLOSURES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, Defense Secretary Cheney started the base closure process off on the wrong foot. In January he put out a base closure list which was based more on partisan politics than on a sound future force structure. This forces Congress to set the process right.

I am confident we will do so this summer. I have been working with Chairman ASPIN and others to develop a responsible way to close bases. The key elements of a responsible plan are:

A detailed future force structure plan must be set out before any bases are proposed for closure;

First priority should go to closing bases overseas, where the threat has been reduced;

The selection of domestic bases for closure must be based on the force structure plan, must be based on objective criteria, and must be totally free of any hint of politics, and

Communities must not be harmed by bleeding bases which have not been formally selected for closure.

The size of the American military will decline and bases will have to be closed. The American people have the right to expect that bases will be selected for closure on the merits, not based on partisan politics. That is the goal of the Aspin-Schroeder base closure plan.

TOUGH CHOICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I will not take all of my time, but I do want to take some time talk about tough decisions, courage, and the spending process.

As my colleagues know, we had a constitutional amendment offered this week to require a balanced budget. We had a very lively debate on that amendment. I have it here, and it was fascinating.

Mr. Speaker, the amendment ultimately was defeated. One hundred sixty-nine Republicans voted in favor of it. Five voted against. One hundred ten Democrats voted in favor of it. One hundred forty-five Democrats voted against. The consistent theme among liberal Democrats, as they explained why they were going to vote against the balanced-budget amendment, was that we needed the courage to make tough choices, that we had to be willing to control spending here in the Capitol and that a balanced-budget amendment was an excuse to avoid the tough choices.

Mr. Speaker, since the balance budget amendment was defeated, we have had nine opportunities to cut spending on tough choices. We have had a series of recorded votes which allow us to look at nine opportunities to cut spending. We had an agricultural appropriatons bill, which had four amendments to cut spending, and we had a Labor, Health and Human Services, and Education appropriation bill which had five recorded votes on cutting spending. Having been promised by the liberal Democrats that if only we would avoid a balanced-budget amendment to the Constitution, that now was the time for courage, now was the time for hard choices, how did the people vote?

Mr. Speaker, let me first give my colleagues the general vote. On the agriculture appropriation there was a Frenzel amendment to reduce the discretionary spending in the bill back to last year's numbers. That is, if we are faced with a budget crisis, if there is too much spending, if the President needs to call a budget summit, what if we were to control spending to the 1990 level in discretionary agriculture? And it required a 7.7-percent across-the-board cut in discretionary. That is, the bill which is coming out in the

middle of the budget summit was 7.7 percent higher that last year's spending on discretionary. The gentleman from Minnesota [Mr. FRENZEL] offered his amendment. He was defeated by a vote of 305 to 115.

A moment later the gentleman from California [Mr. DANNEMEYER] offered an amendment which gave them some growth, 2.7 percent growth over last year's discretionary. Again, we are in the middle of a so-called budget crisis. We have too much spending, the debt is too big, and the time has come, as our liberal Democrat friends promised us, for courage. What happened to the Dannemeyer amendment? We got the same 115 votes as the gentleman from Minnesota [Mr. FRENZEL]. Three hundred voted against him. Five people apparently failed to vote.

Then there was the amendment of the gentleman from Minnesota [Mr. PENNY] to reduce the discretionary spending in the bill by 2 percent, exempting the Women, Infants, and Children's Program; that is, taking away, not cutting at all in the most sensitive humanitarian program in the bill, could we cut 2 percent, and remember now this is not a bill which has a 7.7-percent increase, so a better way to say it would be the gentleman from Minnesota [Mr. PENNY] was offering to increase spending by 5.7 percent over last year.

□ 1430

That was defeated by 202 to 216. Even an increase of 5½ percent was not big enough for the big spending liberal Democrats.

Now, we finally come to the Walker amendment. In a moment of frustration, having seen three consecutive efforts to cut spending, to cut the increase in spending, to slow down the rate of growth, the gentleman from Pennsylvania [Mr. WALKER] offered to reduce the discretionary spending in the bill by .0000000002 percent. If I count correctly, that is nine zeros and 2, or $19.90. He was offering this to make the point that the urge to spend, the passion for increased spending is so great that even at $19.90 it would be impossible to cut spending.

I want to come back a moment to the debate which ensued, because there was an absolutely hysterical moment in that debate where one of the liberal Democratic leaders jumped up and began to argue against the bill on the grounds that it was too deep a cut, that you could not really accept even a $19.90 cut. Remember, this is a $19.90 cut on a massive increase, on a 7.7-percent increase. That was defeated 175 to 214.

The following day, remember, all this is the same week that we had been promised in the balanced budget amendment that now is the time for courage, now is the time for tough choices. The following day the Appropriations Committee brought to the floor the Labor, Health and Human Services, and Education appropriations. First we began with two amendments on which there was no vote, offered by the gentleman from Pennsylvania [Mr. WALKER]; but then we went to a very specific amendment to freeze the Physician Payment Review Commission to the 1990 level. Notice, not a cut, just a freeze, something that most American households have done, most American businesses have done, to say we will spend the same amount next year as we spent this year. He was defeated by a vote of 115 in favor and 293 opposed.

Now, this was a $65,000 cut in a Commission which most Members of Congress do not know even exists. It was an automatic reflexive spend-more vote.

Following that, there was an amendment by the gentleman from Pennsylvania [Mr. WALKER] to freeze the total appropriations for the U.S. Institute of Peace to 1990 levels. This cut $450,000 in increase out of the U.S. Institute of Peace. You would think with everything happening in Eastern Europe, with all the extraordinary changes happening in the Soviet Union, that last year's amount for the U.S. Institute of Peace might be adequate; but oh, no, this was defeated by 194 to 220.

Then the gentleman from Minnesota [Mr. FRENZEL], having watched four consecutive votes, two of them by voice, to cut specific proposals back to the 1990 level, none of them noticed a cut below—that is, in three other cases it was back to 1990, and in the fourth case there was the sum of $10 million appropriated that never existed before for the education summit, which was $10 million they had not spent last year, a brand new effort to waste money.

At that point we come to the Frenzel amendment to reduce discretionary spending to the 1990 level.

Let me again emphasize that none of these are cuts in real spending. These are stopping the increase. This is freezing that last year's amount, something which every American family has done when it has had to tighten its budget.

The gentleman from Minnesota [Mr. FRENZEL] noted that the discretionary spending was increasing by 15.2 percent; that is, in the middle of a budget summit, with President Bush talking about the debt, with the American people overwhelmingly in favor of a balanced budget amendment, we have a 15.2-percent increase in discretionary spending in the Labor, Health and Human Services, and Education appropriations bill.

Now, freezing at last year's level was so Draconian, so difficult, that the gentleman from Minnesota [Mr. FRENZEL] got 85 yes, and 333 no.

He was followed by the gentleman from Minnesota [Mr. PENNY], who decided that he would try for a 2-percent across-the-board cut in all discretionary spending, except, he said, let us not cut spending on chapter 1 compensatory education, education for the handicapped, higher education, student financial assistance, or library assistance programs. In other words, he took what he thought were the politically most sensitive areas, took them out of his amendment, and then said, let us only accept a 13.2-percent increase. Notice, 13.2 percent. For most American families if you could increase your spending 13.2 percent a year, you would think you were doing fine.

The U.S. Congress voted 160 yes to 253 no.

Finally, the liberal Democrats, the more activist Members who had gotten frustrated having to vote no all these times, they came up with a good one. They said, "Let's freeze the Offices of the Secretary of Labor and Education and the Office of the Secretary of Health and Human Services." In other words, let us stick it to the Republican Cabinet Secretaries, figuring, I guess, that the Democrats would all be willing to stick it to the Cabinet Secretaries and freeze their offices and that would give them a good yes vote. They were wrong.

Even in an effort narrowly targeted to the administrative offices of the three Secretaries, they lost by 204 to 212.

In other words, they found that they could carry the Republicans. Republicans were willing to vote 92 in favor, 74 against, to cut $2 million from the Offices of the Secretary of Labor and Education, and $2.8 million from the Office of the Secretary of Health and Human Services. Even though those are Republican appointees, the Democrats voted 112 in favor and 138 against.

Now, I want to walk you through each vote how the party line broke down so you will appreciate why those of us who are concerned about reducing spending and those of us who favor a balanced budget amendment and those of us opposed to raising taxes have great doubts about this Congress and great doubts about allowing the Democrats to have more money.

Let me carry you back to the agricultural appropriations. The Frenzel amendment, which remember, froze discretionary spending at last year's amounts, in other words, did not allow them to increase spending, did not cut a dime below last year, Democrats voted 11 in favor and 238 against freezing.

Republicans voted 104 in favor and 67 against.

The Dannemeyer amendment, Democrats voted 13 in favor. This you will remember was going to allow a 2.7-percent increase in spending. The Democrats voted 13 in favor, 233 against. The Republicans voted 102 in favor, 67 against.

The Penny amendment which allowed a 5.7-percent increase and exempted the Women, Infants, and Children's Program, clearly designed to be sympathetic to try to maximize the vote, the Democrats voted 58 in favor and 190 against. The Republicans voted 144 in favor and 26 against.

The Walker amendment, clearly designed to highlight the problem, $19.90. The Democrats voted 19 in favor and 203 against. The Republicans voted 156 in favor and 11 against, and as I remember, I do not have the number here, but as I remember there were 23 Members so confused by the offer that they did not even agree to vote. They voted "present" because they were not sure how to vote.

Mr. MOODY. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to the gentleman from Wisconsin.

Mr. MOODY. Mr. Speaker, is the gentleman referring to the $19.90 cut?

Mr. GINGRICH. Yes.

Mr. MOODY. Well, I thought it was a pretty demagogic thing to do.

Mr. GINGRICH. Cheap is a legitimate term.

Mr. MOODY. I was not going to use the word cheap, because I would not describe a Member's motives, but I think it is at best demagogic, because we all know we spent several thousand dollars in printing costs, not to mention the time of the staff in the House here, and the debate was at best on a ridiculous amendment.

I also heard the gentleman on my monitor in my office describing the $65,000 cut in FPRC as evidence of how Democrats just could not bear to cut spending because of an irresistible desire to spend, and then the gentleman went on to say that most Members of the House do not know what FPRC is. Well, I do know what it is, because I serve on the committee that FPRC reports to.

FPRC, I say to the Republican whip, advises Congress on how to cut spending.

□ 1440

It advises Congress on how to restrain medical costs, the most rapidly rising part of the budget other than interest costs. There is probably no money more better spent in this body than on something like FPRC which tells us how to get on top of medical costs. For the gentleman to stand in the well and say that this is a misguided vote to not want to cut those dollars would be like saying let us not cut a dollar so that we can save $100.

Mr. GINGRICH. Let me walk the gentleman through there. There are nine votes here. How does the gentleman imagine he voted on the Frenzel amendment to freeze discretionary spending in agriculture? My guess is the gentleman voted no. How would the gentleman guess?

Mr. MOODY. I voted no.

Mr. GINGRICH. The gentleman voted on the Dannemeyer amendment to allow a 2.7-percent increase on discretionary spending.

Mr. MOODY. When I say I voted "no," I did not vote for a freeze. These are cuts in real terms. When the gentleman stands on the floor as he did a few minutes ago to say to simply survive on what we had last year is not a cut, that indicates to me that the gentleman knows a lot more about history than he knows about economics.

Mr. GINGRICH. Now, wait a second. Wait, I reclaim my time on that.

Mr. MOODY. May I finish my sentence?

Mr. GINGRICH. Go ahead.

Mr. MOODY. If you give the same budget to someone who is in an environment that has inflation, you are not giving them the same dollars. The gentleman himself has argued that way for military spending. He voted that way for military spending, because to give the military the same money in the past as they have had in the years before is to cut them.

Mr. GINGRICH. What about working Americans?

Mr. MOODY. So do not stand here, Mr. Whip, and say that it is the same amount of money to give someone the same dollars when the gentleman knows that they buy 5, 6, 8 percent less.

Mr. GINGRICH. Let me reclaim my time for a second, because I am fascinated. The gentleman did not like the Physician Payment Review Commission cut, because it was $65,000.

Mr. MOODY. I just explained why. The gentleman's comments were misleading.

Mr. GINGRICH. The gentleman did not like the Frenzel amendment on agriculture; he did not like the Dannemeyer amendment on agriculture. Does the gentleman remember offhand how he voted on the Penny amendment? His party voted 190 against.

Mr. MOODY. I have voted for many Penny amendments to cut 2 percent, but not on that one.

Mr. GINGRICH. All right, would the gentleman like to go down through the U.S. Institute of Peace cut?

Mr. MOODY. Let me tell the gentleman why. Is this an interrogation where I do not get to say any more than yes or no?

Mr. GINGRICH. Go ahead.

Mr. MOODY. The reason I voted no on those Ag cuts is that those were not targeted cuts by and large. The Frenzel one was, and some of the others were, but not the Frenzel, as I understand the Frenzel amendment or the Penny amendment, and while I often vote with Mr. PENNY on those 2-percent cuts, I did not in this case, and I did not with Mr. FRENZEL. They are across the board, and they are not discriminating for the most part with one minor exception, because they do cut, among the things they cut, they cut food stamps and they cut nutrition for the poor and an area which has been cut time and time again over the last 10 years. We have succeeded in this body that "shows no appetite to cut," as the gentleman has said, we have cut. We have cut nutrition programs. We have cut feeding programs for low-income people, a nation that was awash in extra food, which has one out of eight people that go to bed hungry every night, and I think that is unacceptable, and in a nation this rich, so I voted not to make those cuts. But I voted for the balanced budget. I voted for many cuts, Mr. GINGRICH.

Mr. GINGRICH. But my point is that if we look at nine consecutive votes in the last 2 days, the Democratic Party voted 238 to 11 for higher spending on the first vote, 233 to 13 in favor of higher spending on the second vote, the Democrats voted 190 to 58 on the third vote, 203 to 19 on the fourth vote, 243 to 3 on the fifth vote, 194 to 50 on the sixth vote, 247 to 2 on the seventh vote, 210 to 38 on the next vote, and on an amendment which would have cut money from the Secretaries of Labor, Education, and Health and Human Services who were Republican appointees, a Democratic offer designed to sort of stick it to the Republicans, the Democrats voted 138 to 112 in favor of spending more money. Now, I am suggesting, with nine consecutive recorded votes on spending cuts, and the gentleman's party is consistently in favor of bigger spending, it is fair to say the gentleman is in favor of bigger spending.

Mr. MOODY. Do I get to respond?

Mr. GINGRICH. Sure.

Mr. MOODY. Our party is probably more for spending on human needs than your party, that is true. We had a series of votes on nutrition, on health and education, and I think those are the departments we are looking at, but we voted not to cut on research on cancer. Does the gentleman remember the speech by the gentlman from Kentucky [Mr. NATCHER], which he gave on research on cancer? The gentleman's party was voting to cut, 24,000 people a year die, on cancer, and yet we want to cut spending on that, researching that is to save lives? Yes, we probably do want to spend more than the gentleman does on saving lives on cancer deaths. We probably do. The gentle-

man is probably right, but our party votes for less spending.

Mr. GINGRICH. Now, wait a second.

Mr. MOODY. When the gentleman says spending, there is spending and there is spending.

Mr. GINGRICH. All right.

Mr. MOODY. There is spending on humans, and there is spending on other things.

Mr. GINGRICH. Is there any part of the domestic welfare state that the gentleman's party is prepared to look at critically and cut?

Mr. MOODY. First of all, that term "domestic welfare state" is a ridiculous demagogic term in and of itself.

Mr. GINGRICH. Why? It is academically a very accurate term.

Mr. MOODY. This is not a welfare state. Because in America you are allowed to fail. We have many poor people who fail. We do not have a welfare state. This is not Sweden or Norway. This is the United States. We do not have a welfare state. We have no medical coverage for 37 million people. The gentleman calls that a welfare state?

Mr. GINGRICH. Wait a second, the gentleman does not regard Medicaid and food stamps and aids to families as welfare?

Mr. MOODY. We do not have a welfare state.

Mr. GINGRICH. I mean, do these things exist in Milwaukee?

Mr. MOODY. It is about time you start defining a welfare state. What is a welfare state?

Mr. GINGRICH. Well, I will tell the gentleman.

Mr. MOODY. A welfare state is not a state that lets 37 million people have no health care coverage.

Mr. GINGRICH. Mr. Speaker, I reclaim my time.

Mr. MOODY. The gentleman throws these terms around.

Mr. GINGRICH. I reclaim my time, Mr. Speaker.

Mr. MOODY. You do this with this veneer of sophistication.

Mr. GINGRICH. Let me just state, and you can tell me if I misunderstand Milwaukee, which many people thought of as a progressive city. My memory and my impression is that Milwaukee has aid to families with dependent children, Milwaukee has food stamps, Milwaukee has Medicaid so that the very poorest are covered in health care, that, in fact, Milwaukee has what would normally be called, and by any reasonable academic scholar, a framework that would be called a welfare state. Now, why are you so offended that I use the term that when I was teaching at West Georgia College would have been considered a perfectly reasonable term? People do get welfare. There is a safety net, and it happens to be extraordinarily destructive, and it happens to have crippled, I think, the inner city poor, but we do. In all fairness, can you not, at least, concede that, while you may not like the term, it is fair to suggest that if people are on aid to families with dependent children, living in public housing, getting Medicaid and getting food stamps, that that could be called welfare and is provided by the State?

Mr. MOODY. We do have a State which has some welfare. That is not what you mean by America, the welfare state, as you throw that term around. You mean America where we have a whole apparatus of protecting everyone, and that we do not have.

Mr. GINGRICH. I did not say that.

Mr. MOODY. What do you mean by welfare state? A State that has some welfare in it, or do you mean a State—let me finish my statement—or do you mean a State that has a total panoply like in Scandinavia? We do not have that. Milwaukee, yes.

Mr. GINGRICH. I did not use Scandinavia. The gentleman used Scandinavia.

Mr. MOODY. We do not have it. We have people on food stamps, Mr. GINGRICH. We have a lot of people who have no public housing. We have a lot of people who have no health care.

Mr. GINGRICH. Let me answer your question.

Mr. MOODY. Are you proposing to eliminate those that we have?

Mr. GINGRICH. Mr. MOODY, let me answer your question.

Mr. MOODY. Make yourself plain.

Mr. GINGRICH. I am going to try to make it very plain. Mayor Dinkins, of the largest city in America, has a $19 billion city budget. He has 300,000 full-time employees.

Mr. MOODY. Let us answer New York, that is easy. We can both do that, because we are not from there. When you say the welfare state, you refer to the United States of America, not Mr. Dinkins. Mr. Dinkins is not President.

Mr. GINGRICH. Can I finish my point? I am simply suggesting, analytically that when you look at the failure rate of the New York City schools or you look at the failure rate of the Chicago schools, that I am, in fact, closer to somebody who may be a constituent of yours, Polly Williams, who is a Democratic legislator, who has come to the conclusion that in the case of these large urban bureaucracies that they are not serving the poor, and she has offered a bill which this fall in Milwaukee will allow 1,000 children to have a choice of where they go to school. They are actually providing this choice at less than half the price of the Milwaukee public bureaucracy. It costs $5,900 for the average child in the Milwaukee public bureaucracy. The voucher is $2,500.

Mr. MOODY. What is your point?

Mr. GINGRICH. Polly Williams' argument would be that when you look at, and I used New York because the number is so obvious, $19 billion, but I will be glad to use Chicago. I do not know Milwaukee as well. I do know the Chicago situation pretty well. But when you get to these large urban bureaucracies that are trying to deliver welfare, that, in fact, the very structure of the system does not work, that the problem for a Mayor Dinkins is not $19 billion is too little, it is that the structure of the urban bureaucracy is failing. I will give you one example.

Mr. MOODY. But we do not even disagree, but we are not on the subject we were on a few minutes ago. We have changed subjects.

Mr. GINGRICH. Let me give one example, I am going to come back to the subject.

Mr. MOODY. I hope so.

Mr. GINGRICH. In New York it costs an estimated $250,000 to fire a teacher, with the result that they have teachers currently teaching in New York public schools who have been accused of child molesting and convicted of assault, but they cannot figure out how to get them dismissed.

Mr. MOODY. But you were talking about Democrats' appetite for spending a minute ago, and now you are talking about how hard it is to release a teacher in New York. I do not think they are related at all.

Mr. GINGRICH. They are very related. If you design a government so dumb that it costs you $250,000 to fire a child molester, it is no wonder you have to spend a lot of money on government.

Mr. MOODY. Is that really why we are spending a lot of money, because we cannot fire people in New York? I mean, please, Mr. GINGRICH, I am not a student at your university. I do not think that you can use that logic that you used there in that classroom in this classroom and expect to get away with it.

Mr. GINGRICH. Let me give you some examples. The gentleman from Pennsylvania [Mr. WALKER], who is here, may want to elaborate for a second. One of the amendments offered yesterday was to freeze "law school clinical experience to fiscal year 1990 levels." It is going up $65,000. It was defeated on a voice vote. I would just suggest to you that it takes a pretty bizarre standard to assume at a time that we are having a budget summit and we are being told we must talk about taxes and we cannot cut spending to assume that law school clinical experience has to have $65,000 extra.

□ 1450

Mr. MOODY. How do you know Democrats were a majority against it? It was a voice vote. How do you know Republicans didn't vote against it?

Mr. GINGRICH. Give me a break.

Mr. MOODY. Now just a moment, Mr. GINGRICH.

Mr. WALKER. I was on the floor. The Democrats were the ones who shouted "no;" and then voted it down.

Mr. MOODY. I think the gentleman should have asked for a recorded vote, if he wants to make partisan aspersions. If you want to make partisan charges, call for a record vote. If you are going to use voice votes now to make partisan charges, then we have got a new ball game. Start calling for a record vote if you are going to use those for partisan reasons. The gentleman is making a very partisan statement in the well. That is what brought me over here. Now you are resorting to voice votes to prove your points.

Mr. GINGRICH. I yield to Mr. WALKER, and then we will come back to recorded votes.

Mr. WALKER. I just want to make the point that a few minutes ago the gentleman stood up and I think referred to what I did as demogogic, and then he said that the reason why he had to vote "present," he could not make up his mind on a $19.90 cut——

Mr. MOODY. I did not say I could not make up my mind. I said it was a ridiculous vote.

Mr. WALKER. Could we have regular order here, Mr. Speaker? I thought I was the one yielded to.

Mr. MOODY. Point of personal privilege. The gentleman is referring to me. He is misquoting what I said.

Mr. WALKER. May we have regular order here, Mr. Speaker?

Mr. MOODY. I would appreciate the gentleman not misquoting me.

Mr. WALKER. Could we have regular order here, Mr. Speaker?

The SPEAKER pro tempore. (Mr. BRYANT). The gentleman will suspend. The time belongs to the gentleman from Georgia. He has yielded to the gentleman from Pennsylvania.

Mr. WALKER. I think that is the regular order. Thank you, Mr. Speaker.

The gentleman from Wisconsin seems to be getting very emotional and upset here, and I just need to clarify the record.

Mr. MOODY. I do not like to be misquoted.

Mr. WALKER. The point was that I think he said that he did not vote for the $19.90 vote because it cost thousands of dollars to print the CONGRESSIONAL RECORD.

Mr. MOODY. That is not what I said either.

Mr. WALKER. I am not sure exactly what the logic of that is. But the gentleman is now suggesting that vote should have been called. That also would have I suppose caused some additional printing costs to print up the record vote. I mean, the gentleman is being somewhat inconsistent in his desire.

This gentleman made a decision, as many Members do on the vote, to let a couple of these measures go by recorded vote. We could have done otherwise. But I can tell the gentleman, just from my own experience, I was here on the floor. I offered the amendment. I am just saying to him that it was in fact the majority of Democrats who voted no on that amendment.

Mr. GINGRICH. Let me just clarify for one second. That is while we are standing here, I added up nine votes. These are recorded votes in the last 2 days. There are nine of them. On those nine votes the Democratic Party voted 1,896 in favor of more spending, 306 to cut spending. That is an 86-percent record in favor of more spending.

These are recorded votes over a series of nine different proposals. Some were across the board, some were targeted.

I yield to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. I appreciate the gentlemen. They are both friends of mine and colleagues. I do not mean to be cantankerous. But first if I may, Mr. WALKER, I did not say I could not make up my mind. I said I considered it a frivolous amendment that wasn't offered in seriousness.

Mr. WALKER. Well, if the gentleman will yield, I think he said demagogic.

Mr. MOODY. Well, I will not quite yield yet. I said demagogic, and I thought it was, and therefore I did not want to dignify it with a yes or a no vote. But voting "present" showed my contempt for the motion.

The second point I want to make to the gentleman in the well is that the argument is not really about the level of spending. First of all, some of those votes were not for more spending, they were to prevent cuts. There is a semantic difference. There is a substantive difference too. Some of them were to prevent cuts, not more spending.

Some cuts are very cost-ineffective, Mr. GINGRICH. Some spending actually pays for itself. That is why we have government. To have no government would be very expensive, and that is why we have cancer research, that is why we have law enforcement, air traffic controllers, and a whole lot of other things. You can call it spending, but it is the things most people in this country want. For the most part, it is cost-effective. Some of it is not, and should be cut.

But most of the argument between our parties, if I could say this, and I think the gentleman would agree, is really not about the level of spending, because many speakers have taken the floor to show that the President wanted to spend and how, what we have wanted to spend has been not very different in total amounts.

The real argument is about the mix of spending, the composition of spending, Not on the amount. That is where we differ on parties.

Yes, if you roll a series of civilian spending votes on health care and education, I suspect we would vote against cuts at this time, because they have been cut. If you rolled a series of votes on military spending, I suspect your party would want more spending than us. It is not the level of spending that differs.

Mr. GINGRICH. I think what you just said is a very fair statement. Between the two parties I think it is fair to say the Republican Party has a deep bias in favor of letting people keep their own money and provide things for themselves.

Mr. MOODY. Unless it is for military.

Mr. GINGRICH. Unless we believe the national defense or drugs and crime, which are the two areas where we are probably the most willing to raise costs, if we think foreign danger or crime and drug dealers require us to be involved, we are more willing to spend on it.

Mr. MOODY. Not on education.

Mr. GINGRICH. On the other hand, if you want to make a good clear case for government spending, I think that is a legitimate argument. All I was suggesting was that whichever approach was taken in the last 2 days, we had heard from a number of liberal Democrats on the balanced budget amendment debate, that they were against the balanced budget amendment because that was not the right way to control spending. That if you wanted to control spending, they had to make, and this phrase appears over and over, and I have the RECORD here, it appears over and over in the debate that day, they had to make "tough choices."

Now you have nine tough choices.

Mr. MOODY. But they weren't. Could I take a minute? The problem, and I voted for the balanced budget amendment, I spoke for it, and frankly I resent your saying that "liberal Democrats" were for it. I consider myself liberal on some issues and conservative on others. I think this painting people with brushes and labels does not make sense. But if you insist on doing it, I would disagree.

Mr. GINGRICH. I do not mind being a conservative Republican.

Mr. MOODY. Fine. But I do not call you a conservative Republican, I simply call you a Republican and I will let you label yourself. I think we all appreciate that honor.

I think what we saw in the balanced budget amendment, the reason I supported and spoke for it, is it would force choices. It would force us to choose between money for cancer and other things. What we don't have now, unfortunately, in my judgment is we don't have simultaneity in the budget process. We vote that we want more

money for cancer research, yes or no, or do you want to cut cancer research money, yes or no. Most people say no. So a lot of Republicans say no, and some Democrats say no.

Do you want to cut money for education, yes or no. A lot of people say no. Do you want to cut money for this, yes or no.

Unfortunately, we are not at the same time forced to make decisions, do you want to raise taxes or raise money for that. The gentleman and I would agree that is the only way we can make decent choices, and this body does not have a structure to make us make those choices.

It is not that we crave spending, Mr. GINGRICH, which is I think the implication, that because we are Democrats somehow we have this urge, primeval urge to spend. It is because people in this body generally want to do what is right for the American public. We know there are needs out there, but we are not forced to trade off in a way that I wish we were, so we had to make the trades. You and I would agree we need to make tradeoffs.

Mr. GINGRICH. Let me come back on just two examples that we had that were voice voted, and I am not going to talk about partisanship. The education summit followup is getting $10 million. Now, as far as I am concerned, this may well be an administration request, but it is just goofy. The President put together a Governors' education summit on the cheap. He has an entire Department of Education down here. Why would you at a time when we are trying to balance the budget and trying to fight our way through a budget summit, why would we, the Congress, and here I am in part taking on the administration, why would we kick in $10 million for a new bureaucracy to arrange for Governors to hang out with each other once a year?

It seems to me you already have a Governors' Association to do this, you have already got the Department of Education to do this. This is just $10 million where the Congress could have courageously said no.

Then you add, as I said a while ago, the law school clinical experience. I am not a lawyer, so maybe I lack this. What does the law school clinical experience have to do with where we are at and why would we provide not just last year's amount, but $65,000 additional?

I am glad to yield to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. They did not need the increase. I voted with the gentleman on that amendment. He did not push that to a recorded vote. I also voted with him on the $10 million reduction in the Governor's Conference on Education, because I did not see that that was a worthwhile request. He did not push that to a recorded vote.

We had several others in the course of those 2 days of votes. It is unfortunate that we are in a position now where after a series of nine votes we are drawing conclusions. We have got I think five more appropriation bills to come to the House floor, and there will certainly be opportunities to vote for spending reductions in Interior Department legislation, in legislation appropriations, in defense appropriations, and military construction appropriations. I think in fairness to the entire institution, Members on both sides of the aisle, it might be worthwhile to take a look at some of the votes as those additional bills come up. I am certain in at least a few categories that the numbers are going to shift from this side of the aisle to that side of the aisle in terms of who is for higher spending. So that would provide a little more balance than what we have seen in just the last 2 days of votes.

□ 1500

And I say that to someone who offered at least two of those spending reduction amendments in the last 2 days.

Mr. GINGRICH. Let me yield first to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Speaker, I just wanted to say that I totally agree with the gentleman on the $10 million for the education summit. It sounded like an awful lot of money. The gentleman is aware, of course, that the administration's request was for $20 million, and the committee, controlled by Democrats, cut it in half. I still think it should have been cut some more. I would agree, if the gentleman would have asked for a recorded vote, I would have at least been with him on that one. I would be happy to prove that if the gentleman would——

Mr. GINGRICH. Let me close with this point because I am going to have to go. I do not think it is unfair as a broad statement, I thought it was sort of interesting, the week of the balanced budget amendment vote, that on nine votes the Democrats voted 1,896 in favor of either more spending or above last year's amount to 306 against, which is an 86-percent prospending bias. The Republicans voted 1,059 for less spending to 450 in favor of more spending, for a 70-percent antispending bias.

My only point was that when we approach the budget summit, when we approach the issue of more revenues, when we approach the whole question of why the American people are cautious about Congress, when you go through all 9 of those that were voted on plus the 2 that lost on a voice vote, 11 opportunities, and you go to any home in America and you try to say, "On none of these could we cut anything," I think the average American grabs his wallet a little closer. I think that leads them to be very much more cautious than assuming that Congress does not need a balanced budget amendment.

I would just say, coming in this week that we have been told by those who voted against the amendment that what we needed was courage and tough decisions now, that it was sort of remarkable and—I did not do it—but if one were to actually track the nine amendments that were voted on and see how often the people who voted against the balanced budget amendment voted in favor of more spending, having just said what we needed was to be tougher now, which is why they were voting "no" on the balanced budget amendment, we would be astonished, I think, at how often the antibalanced budget amendment votes were also pro-spending.

Mr. MOODY. Let me ask the gentleman a question. What if the first bill up after the balanced budget amendment had been the DOD appropriations, do you think the gentleman in the well would be giving the same speech about who voted which way?

Mr. GINGRICH. I think that this year's Department of Defense appropriations bill is going to involve a dramatic cut in spending. I fully expect the Department of Defense appropriations bill by the end of this year to be somewhere between $6 billion to $10 billion lower. I am prepared to support a $6 billion to $10 billion-plus cut in defense this year. I am prepared to support a $100 billion-plus cut in defense over the next 5 years. But if I turn to the other side of the aisle and say, "Now how much would you be willing to cut domestic entitlements, how much would you be willing to cut domestic discretionary spending?", I doubt very much if we could find anything like this same level of willingness to cut the domestic welfare state that we have had to cut defense.

Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. I would say to the gentleman from Wisconsin, the 2-percent across-the-board cuts, the Frenzel cut to maintain a freeze on this year, I think you are going to find Republicans perfectly willing to vote for those on DOD. The $65,000 cuts here and there to maintain a freeze, you are going to find a lot of Republicans willing to do that on DOD. And that will serve as a real contrast with the other side of the aisle.

Mr. MOODY. Let me have a moment.

Mr. GINGRICH. Sure.

Mr. MOODY. If we had had a decade in which we doubled discretionary civilian spending, I would feel very different. I probably would be arguing with the gentleman it is time for cuts.

But, no, we have not doubled discretionary spending, not in real terms. You got it for inflation. We have raised military spending enormously.

Mr. GINGRICH. Well, would the gentleman like to comment on how much we have increased entitlements, which have gone up far more than the military?

Mr. MOODY. I absolutely agree with the gentleman. I am on the committee that wrestles with entitlements. I remember the Buddy MacKay-Marvin Leath amendment on this floor that froze COLA's, I voted for that. I think we have to deal with entitlements as well as other things.

Only 54 had the courage, and very few on your side of the aisle had the courage to vote for that, I might add. If we had passed that Leath-MacKay budget amendment, we would not be in the fix we are in now.

So my credentials on the entitlements, I think, are in order.

Mr. GINGRICH. That is fair.

Mr. MOODY. I agree with the gentleman. Let me say this: Entitlements are largely based on demographics, unfortunately, because of the elderly population, the health care cost rises per patient, and the more-aging population. More people are becoming Social Security recipients. That is not something we can change. We have decided we want to cut the per capita of benefits to elderly people and figure out ways to get on top of the medical costs so that the Medicare can cover it. That is why we need things like this.

Mr. GINGRICH. I can report to the gentleman, if we have a successful budget agreement, you will have an opportunity to vote on a very complex package that will include some real spending cuts. I thank you very much for participating today, and I yield back.

CONTINUING HUMAN RIGHTS VIOLATIONS IN ROMANIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. WOLF] is recognized for 30 minutes.

Mr. WOLF. Mr. Speaker, I would like to bring to the attention of my colleagues the situation of Mr. Marian Munteanu, a young, promising, student leader from Romania who has labored peacefully and earnestly for democratic reform in his country. I met Mr. Munteanu during a visit which he made to Washington in February this year. In fact we spoke just outside this Chamber. He is a very gentle and intelligent young man who is deeply committed to helping to form a free, democratic society, and multiparty system. He is also deeply committed to nonviolent, I stress nonviolent, demonstration as a means to pressure the Iliescu government to move forward toward a multiparty democracy.

We heard some disturbing news, however, that on June 14, Mr. Munteanu, along with nearly 200 fellow students and other demonstrators, was beaten severely by miners while peacefully, I stress peacefully, protesting on the streets of Bucharest. As they were being brutally assaulted, police officers stood by watching, without lifting a hand to stop this carnage. Now over 180 protestors are in jail, while not one single miner has been arrested as a result of their actions in mid-June.

During his beating, Mr. Munteanu was seriously injured, although the full extent of those injuries are not known. He reportedly suffered broken bones in his left hand and right ankle. Apparently Mr. Munteanu was arrested immediately after being beaten and taken to a hospital.

Since then, however, Mr. Munteanu has been moved to prison and is now being denied medical treatment. At last report, he was suffering from memory loss, dizziness, and nausea. Our Embassy staff in Bucharest, Romania requested permission to see Mr. Munteanu and other prisoners, but were denied. The Red Cross was given permission to visit them, but only on the condition that they not report on what they saw. They could visit but not report. Only Mr. Munteanu's mother has been allowed to see him, and she reports that his condition is deteriorating.

Unfortunately, this is only the latest in a series of blatant human rights violations under the Iliescu government in Romania. It is now very clear that not all of the old Ceausescu regime died with Ceausescu. More specifically, it is becoming widely acknowledged that a significant part of the old Securitate secret police force is becoming increasingly involved in the current government and its operations. In fact, the defense minister of Romania has even publicly admitted that part of their "new" internal security force will be made of former Securitate officers!

Now, everyone in this country, and certainly in Romania, knows how vicious and brutal the Securitate was under Ceausescu and how they are today under the Iliescu administration.

Mr. Speaker, it is also very clear that this same part of the old Securitate has been involved in intimidating and beating government opponents in Romania, During the elections in May, opposition political parties were harassed, their meetings were sometimes disrupted, offices were broken into, and, perhaps most importantly, they were often denied access to the state-controlled media.

It is time for the United States, and all decent people, East and West, to make it clear that these blatant violations of human rights will not be tolerated. While almost every other part of Eastern Europe is moving toward democratic reform, the Romanian Government is not.

I am before you today to ask that we, the United States Congress, urge that certain conditions be met before we even think about considering the issue of granting MFN status to Romania.

First, let us insist that a representative member of the American embassy in Bucharest be allowed to visit Mr. Munteanu with a physician to ensure that he receive adequate medical attention.

Also, that that physician ought to be able to examine all of the other prisoners that are held in the Romanian jails as a result of their arrest in this demonstration.

Second, if the Iliescu government is committed to upholding human rights and improving relations with the United States, let us see that the Government releases all, all 185 prisoners, including Mr. Munteanu, who were arrested in the June 14–15 protests.

□ 1510

This would be an opportunity for the Iliescu government in the spirit of reconciliation and peace and harmony to demonstrate its commitment to democracy, to show to the world that it really did care and was committed to democracy.

Again, it could be in reconciliation, in the reconciliation spirit, and we in the Western World will watch to see if they can seize that opportunity. Third, as a further sign that the Romanian Government is committed to an open, a multiparty democracy, let Members see that opposition parties are given equal access to the government-controlled radio and television stations, and see the establishment of new, independent radio and TV facilities. That access is essential for the growth and development of a healthy, multiparty system in the country. Also, the opposition press must be given the opportunity to have their own printing press, their own distribution system whereby the opposition press can get their newspapers around the country.

Mr. Speaker, in closing, if Romania wants to be accepted as a member of the international community, and I am sure it does, it must demonstrate to the world that it is serious about upholding the rights of its citizens. Nothing short of the release of all political parties and an end to the harassment of the opposition parties will suffice. The Romanian Government must shed its old ways of dealing with political opposition and commit itself to the pursuit of genuine democratic reform.

It is my sincere hope and prayer that the Romanian Government will

seize this opportunity and release all these political prisoners, will allow the press and the radio and the TV and independent systems and allow the opposition newspapers to distribute their papers and have their printing presses. That, I would say to Mr. Iliescu and to those in the Romanian Government, that would send one of the most positive messages that they could possibly send to those in the West and in the free world.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TAUZIN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. THOMAS of Wyoming (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HARRIS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, on July 24 and July 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DYMALLY, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,184.

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. BARTLETT.

Mr. RINALDO.

Mr. BUNNING.

Mr. CRAIG.

Mr. GALLO.

Mr. PURSELL.

Mrs. MARTIN of Illinois.

Mr. BEREUTER.

Mr. RITTER.

(The following Members (at the request of Mr. HARRIS) and to include extraneous matter:)

Mr. NELSON of Florida.

Mr. BONIOR.

Mr. NOWAK.

Mr. PENNY.

Mr. CAMPBELL of Colorado.

Mr. SPRATT.

ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p.m.) under its previous order, the House adjourned until Monday, July 23, 1990, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3589. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to increase the annual limit on the temporary assistance that may be provided to U.S. citizens returned from foreign countries; to the Committee on Ways and Means.

3590. A letter from the Comptroller General, transmitting copies of the financial audit of the Export-Import Bank's 1989 and 1988 financial statements, pursuant to 31 U.S.C. 9105; jointly to the Committee on Government Operations and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIV, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALL of Ohio: Committee on Rules. H. Res. 439. A resolution providing for the consideration of H.R. 3950, a bill entitled the "Food and Agricultural Resources Act of 1990" (Rept. 101-609). Referred to the House Calendar.

Mr. DIXON: Committee on Standards of Official Conduct. H. Res. 440. In the matter of Representative Barney Frank (Rept. 101-610). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MARKEY (for himself, Mr. DINGELL, Mr. RINALDO, Mr. WYDEN, Mr. RICHARDSON, Mr. MOORHEAD, Mr. SLATTERY, Mr. MCMILLEN of Maryland, and Mr. BATES):

H.R. 5325. A bill to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws and to eliminate abuses in transactions in penny stocks, and for other purposes; to the Committee on Energy and Commerce.

By Mr. APPLEGATE:

H.R. 5326. A bill to amend title 38, United States Code, to revise the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, to make miscellaneous improvements in veterans' compensation and pension programs, to provide a presumption of service-connection between the occurrence of certain diseases incurred by veterans of active service in Vietnam during the Vietnam era and exposure to certain toxic herbicide agents used in Vietnam, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. BOXER (for herself and Mr. BERMAN):

H.R. 5327. A bill to authorize the Secretary of Labor to make grants to local governments to assist in the carrying out of community economic adjustment activities required by defense budget reductions; jointly to the Committees on Education and Labor and Armed Services.

By Mr. BUECHNER (for himself, Ms. SCHNEIDER, Mr. RAVENEL, Mr. MRAZEK, Mr. OBERSTAR, Mr. HASTERT, Mr. SCHEUER, Mr. WOLF, Mr. CONTE, Mr. DE LA GARZA, Mr. SMITH of Vermont, and Mrs. SAIKI):

H.R. 5328. A bill to provide for the development of a comprehensive plan for monitoring and research on migratory nongame birds in the Western Hemisphere, to request the President to seek the declaration of a World Decade of Ornithology, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FALEOMAVAEGA:

H.R. 5329. A bill to amend the Fair Labor Standards Act of 1938 relating to wage order determinations in American Samoa; to the Committee on Education and Labor.

By Mr. GEKAS (for himself, Mr. FRANK, Mr. DEWINE, and Mr. TAUKE):

H.R. 5330. A bill to amend title 18, United States Code, to modify the power of Federal courts to issue restitution in criminal cases; to the Committee on the Judiciary.

By Mr. GEREN of Texas:

H.R. 5331. A bill to establish an advisory committee to investigate the feasibility of facilitating the transfer of excess, surplus, and other personal property of the Federal Government to State and local agencies to assist those agencies in carrying out their duties; to the Committee on Government Operations.

By Mr. HENRY:

H.R. 5332. A bill to require the Secretary of the Treasury to mint coins in commemoration of James Madison and the bicentennial anniversary of the signing of the Bill of Rights; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LAUGHLIN:

H.R. 5333. A bill to amend title 10, United States Code, to reduce the active-duty service obligation for graduates of the U.S. Military Academy to 4 years and to extend the service obligations in the Ready Reserve; to the Committee on Armed Services.

By Mr. THOMAS A. LUKEN (for himself and Mr. WHITTAKER):

H.R. 5334. A bill to reauthorize the Asbestos School Hazard Abatement Act of 1984; to the Committee on Energy and Commerce.

By Mr. MCCLOSKEY (for himself, Mr. HERTEL, Mr. FORD of Michigan, Mr. DARDEN, Mr. BRUCE, Ms. LONG, Mr. JONTZ, Mr. MOODY, Mr. KENNEDY, Mr. GEJDENSON, Mr. DELLUMS, Mr. WOLPE, Mr. LEHMAN of California, Mr. DURBIN, Mr. COLEMAN of Texas, Mr. BOUCHER, Mr. SMITH of Florida, Mr. CARDIN, Mr. LAUGHLIN, Mr. KASICH, Mr. PERKINS, Mr. MRAZEK, Mr. RUSSO, Mr. DORGAN of North Dakota, Mr. MCDERMOTT, Mr. BROWN of California, Mr. KLECZKA, Mr. SPRATT, Mr. ACKERMAN, Mr. BIL-

BRAY, Mr. KOSTMAYER, Mr. HAMILTON, Mr. JACOBS, Mr. LANCASTER, and Mrs. SCHROEDER):

H.R. 5335. A bill to amend title 10, United States Code, to improve congressional oversight of Department of Defense programs, and for other purposes; to the Committee on Armed Services.

By Mr. McCOLLUM (for himself, Mr. STAGGERS, and Mr. STENHOLM):

H.R. 5336. A bill to impose certain requirements with respect to funds provided by the Legal Services Corporation; to the Committee on the Judiciary.

By Mr. MADIGAN:

H.R. 5337. A bill to extend and amend programs under the Developmental Disabilities Assistance and Bill of Rights Act; to the Committee on Energy and Commerce.

By Mr. MARTINEZ (for himself, Mr. ECKART, Mr. HERTEL, Mr. KENNEDY, Mr. LEVINE of California, Mr. MCCURDY, Mr. MCDERMOTT, and Mr. SERRANO):

H.R. 5338. A bill to amend the Higher Education Act of 1965 to permit the cancellation of Perkins loans for service in law enforcement or corrections; to the Committee on Education and Labor.

By Mr. MORRISON of Connecticut:

H.R. 5339. A bill to authorize appropriations for refugee and entrant assistance for fiscal years 1991 and 1992, and for other purposes; to the Committee on the Judiciary.

By Mr. PENNY (for himself Mr. LAFALCE, Mr. TOWNS, Mr. HENRY, Mr. PETRI, Mr. LANCASTER, Mr. BAKER, Mr. CHAPMAN, Mr. HAYES of Louisiana, Mr. LIVINGSTON, Mr. LEWIS of Florida, Mr. ROWLAND of Georgia, Mr. MILLER of Ohio, Mr. CAMPBELL of Colorado, Mr. SHUMWAY, Mr. EMERSON, Mr. VALENTINE, and Mr. SCHUETTE):

H.R. 5340. A bill to amend the Fair Labor Standards Act of 1938 to provide that coverage under that act shall only extend to employees of enterprises in commerce or in the production of goods for commerce; to the Committee on Education and Labor.

By Mr. SAXTON (for himself, Mr. ROE, Mr. SCHEUER, and Ms. SCHNEIDER):

H.R. 5341. A bill to provide for the National Academy of Sciences to conduct a study of the feasibility of an umbrella research arm to support research on a variety of environmental issues; to the Committee on Science, Space, and Technology.

By Mr. HENRY (for himself, Mr. ACKERMAN, Mr. ANNUNZIO, Mr. APPLEGATE, Mr. BILBRAY, Mr. BLILEY, Mr. BONIOR, Mrs. BOXER, Mr. COSTELLO, Mr. COUGHLIN, Mr. DARDEN, Mr. DORNAN of California, Mr. ESPY, Mr. FLIPPO, Mr. FROST, Mr. FUSTER, Mr. GALLEGLY, Mr. GONZALEZ, Mr. HANSEN, Mr. HEFLEY, Mr. HUGHES, Ms. KAPTUR, Mr. KENNEDY, Mr. LENT, Mr. LEWIS of California, Mr. LOWERY of California, Mr. DONALD E. LUKENS, Mr. MADIGAN, Mr. MCGRATH, Mr. MCNULTY, Mr. MICHEL, Mr. MILLER of California, Mr. NATCHER, Mr. NEAL of North Carolina, Ms. OAKAR, Mr. PARRIS, Mr. PEASE, Mr. PURSELL, Mr. RAHALL, Mr. RANGEL, Mr. RAVENEL, Mr. ROBERTS, Mr. ROWLAND of Connecticut, Mr. SAWYER, Mr. SHUMWAY, Ms. SLAUGHTER of New York, Mr. TALLON, Mr. UPTON, Mr. VANDER JAGT, Mr. WOLF, and Mr. YOUNG of Florida):

H.J. Res. 628. Joint resolution designating October 27, 1990, as "National Hostage Awareness Day"; jointly, to the Committees on Post Office and Civil Service and Foreign Affairs.

By Mr. SCHUETTE:

H.J. Res. 629. Joint resolution to ensure that foreign corporations pay their fair share of tax; to the Committee on Ways and Means.

By Mr. PORTER:

H. Con. Res. 354. Concurrent resolution expressing the sense of Congress regarding GATT negotiations affecting certain intellectual property rights; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

472. By the SPEAKER: Memorial of the Legislature of the State of Louisiana, relative to funding for in-home services for the elderly; to the Committee on Education and Labor, July 20, 1990.

473. Also, memorial of the Legislature of the State of Louisiana, relative to the United Houma Nation Indian community; to the Committee on Interior and Insular Affairs.

474. Also, memorial of the Legislature of the State of Louisiana, relative to taxes; to the Committee on the Judiciary.

475. Also, memorial of the Legislature of the State of Florida, relative to compensation of Senators and Representatives; to the Committee on the Judiciary.

467. Also, memorial of the Legislature of the State of Louisiana, relative to oil spilled in the Gulf of Mexico; to the Committee on Merchant Marine and Fisheries.

477. Also, memorial of the Legislature of the State of Louisiana, relative to Federal excise taxes; to the Committee on Ways and Means.

478. Also, memorial of the Legislature of the State of Louisiana, relative to provisions of the Social Security Act; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 173: Mr. BEREUTER, Mr. JONES of North Carolina, Mr. TORRICELLI, Mr. RAHALL, Mr. PICKETT, Mr. PACKARD, Mr. MCCRERY, Mr. ROWLAND of Connecticut, Mr. SISISKY, Mr. MARKEY, Mr. DICKINSON, Mr. SMITH of Vermont, Mr. DERRICK, Mr. SLAUGHTER of Virginia, and Mr. DEWINE.

H.R. 201: Mr. PARRIS and Mr. BOSCO.

H.R. 708: Mr. CLINGER.

H.R. 857: Mr. TORRICELLI.

H.R. 1185: Mr. LEWIS of California.

H.R. 1200: Mr. MURTHA.

H.R. 2608: Mr. GOODLING and Mr. GUARINI.

H.R. 3099: Ms. SCHNEIDER and Mr. OWENS of New York.

H.R. 3200: Mr. SCHEUER and Mr. ANNUNZIO.

H.R. 3251: Mr. MATSUI and Mr. YOUNG of Alaska.

H.R. 3547: Mr. OWENS of New York.

H.R. 3864: Mr. TORRICELLI.

H.R. 3914: Mr. WELDON, Mr. LIPINSKI, Mr. ROBERT F. SMITH, Mr. GEKAS, and Mr. UPTON.

H.R. 3979: Ms. SCHNEIDER and Mr. DYMALLY.

H.R. 3996: Mr. FOGLIETTA and Mr. GILLMOR.

H.R. 3999: Mr. DIXON.

H.R. 4156: Mr. FRANK, Mr. LAGOMARSINO, Mr. PICKLE, and Mr. FAZIO.

H.R. 4269: Mr. FISH, Mr. MRAZEK, Mr. GOSS, Mr. HARRIS, Mr. MINETA, and Mrs. ROS-LEHTINEN.

H.R. 4330: Mr. ANDERSON, Mr. BROWN of California, Mr. CARDIN, Mr. CONTE, Mr. DOWNEY, Mr. GIBBONS, Mr. HOAGLAND, Mr. JOHNSTON of Florida, Mr. KOSTMAYER, Mr. MCMILLEN of Maryland, Mr. MCNULTY, Mr. NELSON of Florida, Mr. PRICE, Mr. ROWLAND of Georgia, Mr. SHAYS, Mr. TANNER, and Mr. VENTO.

H.R. 4368: Mr. KOLTER.

H.R. 4369: Mr. JOHSON of South Dakota.

H.R. 4424: Mr. KASICH and Mr. Callahan.

H.R. 4480: Mr. DICKS, Mr. MORRISON of Washington, Mr. MILLER of Washington, Mr. NEAL of Massachusetts, Mr. POSHARD, Mr. TOWNS, Mrs. UNSOELD, and Mr. BOEHLERT.

H.R. 4492: Mr. GUARINI, Mrs. SAIKI, Mr. SANGMEISTER, Mrs. LOWEY of New York, Mr. CONYERS, Mr. ROYBAL, Mr. GOSS, Mr. ALEXANDER, and Mr. GEREN of Texas.

H.R. 4514: Ms. PELOSI..

H.R. 4683: Mr. LEWIS of California, Mr. UPTON, Mr. CHANDLER, and Mr. WHITTAKER.

H.R. 4864: Mrs. BYRON, Mr. HOCHBRUECKNER, Mr. LEWIS of Florida, Mr. EMERSON, Mr. GEJDENSON, Mr. PANETTA, and Ms. SCHNEIDER.

H.R. 4865: Mr. Hochbrueckner, Mr. LEWIS of Florida, Mr. EMERSON, Mr. TAUKE, Mr. PANETTA, and Ms. SCHNEIDER.

H.R. 4962: Mr. HOCHBRUECKNER, Mrs. LOWEY of New York, Mr. BOEHLERT, Ms. SLAUGHTER of New York, Mr. LAFALCE, Mr. MANTON, Mr. SCHULZE, Mr. HOUGHTON, Mr. DOWNEY, Mr. SCHUMER, Mr. ANTHONY, Ms. MOLINARI, and Mr. SCHEUER.

H.R. 5025: Mr. STARK, Mr. WALSH, Mr. LIPINSKI, Mr. HILER, Mr. BARNARD, Mr. BAKER, Mr. LEWIS of Florida, Mrs. JOHNSON of Connecticut, and Mr. KYL.

H.R. 5101: Mr. BUSTAMANTE.

H.R. 5129: Mr. BERMAN.

H.R. 5156: Mr. JACOBS, Mr. WALSH, Mrs. SCHROEDER, and Mr. LAUGHLIN.

H.R. 5163: Mr. FAZIO.

H.R. 5169: Mr. JONTZ.

H.R. 5206: Mrs. BENTLEY.

H.R. 5208: Mrs. BOXER and Mr. EVANS.

H.R. 5250: Mr. RAHALL.

H.R. 5281: Ms. MOLINARI.

H.J. Res. 369: Mr. STALLINGS, Mr. SMITH of New Hampshire, Mr. FAWELL, Mr. BUECHNER, Mr. MCMILLEN of Maryland, Mr. BOSCO, Mr. PERKINS, Ms. OAKAR, Mr. LIPINSKI, Mr. APPLEGATE, Mrs. LLOYD, and Mr. FOGLIETTA.

H.J. Res. 439: Mr. QUILLEN and Mr. CLEMENT.

H.J. Res. 509: Mr. MURTHA, Mr. MRAZEK, Mr. MFUME, Mr. MATSUI, Mr. LIPINSKI, Mr. BORSKI, Mr. BUSTAMANTE, Mr. ESPY, and Mr. NOWAK.

H.J. Res. 515: Mr. WEISS, Mrs. PATTERSON, Mr. SMITH of Texas, Mr. YOUNG of Florida, Mr. BATES, Mr. MCDADE, Mr. SAXTON, Mr. BOUCHER, Mr. SCHUMER, Mr. HALL of Texas, Mr. HALL of Ohio, Mr. WOLF, Mr. LEHMAN of California, Mr. SLATTERY, Mr. HENRY, Mr. ESPY, Mr. FISH, Mr. BEILENSON, Mr. DERRICK, Mr. GAYDOS, Mr. KOLTER, Mr. GEJDENSON, Mr. PURSELL, Mr. STANGELAND, Mrs. UNSOELD, Mr. ROSE, Mr. BILBRAY, Mr. CARPER, Mr. GREEN, Mr. BONIOR, Mr. MINETA, Mr. WHEAT, Mr. LIPINSKI, Mr. TRAXLER, Mr.

OBEY, Mr. OWENS of New York, Mr. THOMAS A. LUKEN, Mr. SAWYER, Mr. MOODY, Mr. WISE, Mr. HUBBARD, and Mr. BOSCO.

H.J. Res. 525: Mr. HARRIS, Mr. WEISS, Ms. LONG, Mr. LEVIN of Michigan, Mr. KOLTER, Mr. YATES, Mrs. JOHNSON of Connecticut, Mr. HAMMERSCHMIDT, Mr. COSTELLO, Mr. LEHMAN of Florida, Mrs. MARTIN of Illinois, Mr. STUDDS, Mr. WALSH, Mr. FORD of Tennessee, Mr. FAUNTROY, Mr. FUSTER, Mr. GINGRICH, Mr. ALEXANDER, Mrs. BOGGS, Mr. HASTERT, Mr. BOSCO, Mr. HENRY, Mr. GUARINI, Mr. HERTEL, Mr. GRANDY, Mr. PICKETT, Mr. QUILLEN, Mr. SPRATT, Mr. SCHEUER, Mr. KASTENMEIER, Mr. LANTOS, Mr. GORDON, Mr. PAYNE of New Jersey, Mr. SAVAGE, Mr. RAVENEL, Mr. ROBINSON, Mrs. SAKI, Mr. SKEEN, Mr. SMITH of New Hampshire, Mr. TALLON, Mr. TAUKE, Mr. TAUZIN, Mr. SERRANO, Mr. WYLIE, Mr. CARPER, Mr. BEVILL, Mr. YOUNG of Florida, Mr. GEPHARDT, Mr. HOCKBRUECKNER, Mr. HUTTO, Mr. JONES of North Carolina, Mr. HAYES of Louisiana, Mr. DE LUGO, Mr. WILSON, Mr. WYDEN, Mr. ESPY, Mr. FAWELL, Mr. COURTER, Mr. CLEMENT, Mr. DWYER of New Jersey, and Mr. MONTGOMERY.

H.J. Res. 583: Mr. LEWIS of Georgia, Mr. MANTON, Mr. DURBIN, Mrs. BOXER, Mr. HUGHES, Mr. ERDREICH, Mr. JONTZ, Mr. SHARP, Mr. ATKINS, Mr. MRAZEK, Ms. OAKAR, Mr. TAUKE, Mr. ORTIZ, Mr. LEHMAN of Florida, Mr. MCDADE, Mr. KLECZKA, Mr. RICHARDSON, Ms. KAPTUR, Mr. QUILLEN, Mr. GUARINI, Mr. OWENS of Utah, and Mr. PRICE.

H.J. Res. 603: Mr. RICHARDSON, Mr. DELAY, Mr. WILSON, Mr. KILDEE, Mr. JENKINS, Mr. FAWELL, Mr. ERDREICH, Mr. LEWIS of California, Mr. DORNAN of California, Mr. MACHTLEY, Mr. FOGLIETTA, Mr. TRAFICANT, Ms. SLAUGHTER of New York, Mr. PRICE, and Mr. KLECZKA.

H. Con. Res. 316: Mr. FLAKE, Mr. KASTENMEIER, and Mr. SHAYS.

H. Res. 371: Mr. UPTON, Mr. MILLER of Washington, Mr. SYNAR, Mr. SCHEUER, Mr. LIPINSKI, Mr. FORD of Michigan, Mr. HUGHES, AND Mr. LANCASTER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Res. 418: Mr. HARRIS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

214. By the SPEAKER: Petition of the Pacific Northwest Annual Conference of the United Methodist Church, Seattle, WA, relative to conditions in El Salvador; to the Committee on Foreign Affairs.

215. Also, petition of city of Cocoa Beach, FL, relative to taxes; to the Committee on Government Operations.

216. Also, petition of city of Dennewick, WA, relative to the flag of the United States; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3950

By Mr. ACKERMAN:

—Insert the following after section 1719:

SEC. 1720. ELIMINATION OF EFFECT OF MINIMUM WAGE CHANGE.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking "and (15)" and inserting ", (15)", and

(2) by inserting before the period the following: ", and (16) wages payable after October 1, 1990, attributable to any increase in the minimum wage under section 6 of the Fair Labor Standards Act of 1938, occurring after November 16, 1989".

—Insert the following after section 1719:

SEC. 1720. ELIMINATION OF EFFECT OF MINIMUM WAGE CHANGE.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking "and (15)" and inserting ", (15)", and

(2) by inserting before the period the following: ", and (16) wages payable after October 1, 1991, attributable to any increase in the minimum wage under section 6 of the Fair Labor Standards Act of 1938, occurring after November 16, 1989".

By Mr. ALEXANDER:

—In the matter proposed to be added by section 1121 of the bill as a new section 503(c)(1) of the Agricultural Act of 1949:

Strike "or" at the end of subparagraph (D); strike the period at the end of subparagraph (E) and insert "; or"; insert after subparagraph (E) the following:

"(F) any annual crop, herbaceous crop, or short-rotation woody crop the production of which the Secretary deems desirable to meet demand or anticipated demand for feedstocks for ethanol or other biofuels."

and, in paragraph (2), strike "(1)(D) and (E)" and insert "(1)(D), (E), and (F)".

—At the end of title XI, insert the following new subtitle:

Subtitle C—Encouraging Surface Water Storage

SEC. 1131. DEFINITIONS.

As used in this subtitle—

(1) the term "producer" means a producer of a program crop who, in the year the crop is produced, participates in the price support and acreage reduction program for such crop established by the Agricultural Act of 1949;

(2) the term "surface reservoir" means a reservoir, pond, or other facility constructed on a farm for the primary purpose of storing surface water for the irrigation of crops produced on the farm, for the watering of livestock, or for such other agricultural purpose as the Secretary may by regulation allow;

(3) the term "program crop" means any crop of wheat, feed grains, upland cotton or rice; and

(4) the term "wetland" has the meaning given such term in section 1201(a)(16) of the Food Security Act of 1985.

SEC. 1132. SURFACE RESERVOIR ENCOURAGEMENT PROGRAM.

(a) IN GENERAL.—A producer may construct a surface reservoir on land which is part of a flexible acreage base for a farm, as determined by the Secretary pursuant to section 503 of the Agricultural Act of 1949.

(b) EFFECT ON ACREAGE REDUCTION PROGRAMS.—Land on which a surface reservoir has been constructed pursuant to subsection (a) shall be considered to be devoted to conservation uses if the land was planted or considered planted to a program crop or an oilseed crop in at least 3 of the immediately preceding 5 years.

SEC. 1133. SPECIAL PROGRAM FOR AREAS OF SEVERE GROUNDWATER DEPLETION.

Notwithstanding section 1132, the following provisions shall apply in counties which are designated by the Secretary, after consultation with the U.S. Geologic Survey, as areas of severe groundwater depletion:

(1) RESERVOIRS CONSTRUCTED ON FLEXIBLE ACREAGE BASES.—

(A) IN GENERAL.—A producer may construct a surface reservoir on land which is part of a flexible acreage base for a farm, as determined by the Secretary pursuant to section 503 of the Agricultural Act of 1949, as amended by this Act.

(B) EFFECT OF RESERVOIR CONSTRUCTION ON ACREAGE REDUCTION PROGRAMS.—Each acre of a flexible acreage base which is devoted to the construction of a surface reservoir shall count as two acreas towards meeting any acreage reduction or set-aside requirement for that crop which may be imposed by the Secretary for a crop year under the Agricultural Act of 1949 or any amendments thereto; Provided, that such acreage was planted or considered planted to a program crop or an oilseed crop during at least three of the preceding five years.

(C) PERMITTED ACREAGE.—Each acre of a flexible acreage base which is not devoted to the construction of a surface reservoir and which, as a result of subparagraph (B), would otherwise not be considered either permitted acreage or acreage conservation reserve acreage, shall be deemed to be permitted acreage, and may be planted in the same manner as flexible crop acreage planted pursuant to section 503(c) of the Agricultural Act of 1949, as amended by this act; *Provided, that any extra permitted acreage planted under this subparagraph shall not count against any limitation on the amount of flexible crop acreage on a farm which may be provided for in section 503(c) of the Agricultural Act of 1949, as amended by this act.*

(2) CONSTRUCTION OF RESERVOIRS ON LAND NOT PART OF A FLEXIBLE ACREAGE BASE.—

(A) IN GENERAL.—A producer may construct a surface reservoir on land which is owned or leased by the producer and which is adjacent to land which comprises the flexible acreage base for a farm, as determined by the Secretary pursuant to Section 503 of the Agricultural Act of 1949, as amended by this act.

(B) EFFECT OF RESERVOIR CONSTRUCTION ON ACREAGE REDUCTION PROGRAMS.—Each acre of land devoted to construction of a surface reservoir pursuant to subparagraph (A) shall count as one acre towards meeting any acreage reduction or set-aside requirement for a program crop produced on the farm which may be imposed by the Secretary under the Agricultural Act of 1949 or any amendment thereto.

(C) PERMITTED ACREAGE.—Each acre of a flexible acreage base for a farm which, as a result of subparagraph (A), would otherwise not be considered either permitted acreage or acreage conservation reserve acreage, shall be deemed to be permitted acreage, and may be planted in the same manner as flexible crop acreage planted pursuant to section 503(c) of the Agricultural Act of 1949, as amended by this act; *Provided,* that any extra permitted acreage planted under this subparagraph shall not count against any limitation of the amount of flexible crop acreage on a farm which may be pro-

vided for in section 503(c) of the Agricultural Act of 1949, as amended by this Act.

SEC. 1134. LIMITATIONS.

(a) GENERAL LIMITATIONS.—No producer may receive acreage reduction or set-aside requirement credit under this subtitle unless—

(1) the surface reservoir for which such credit is claimed is in compliance with an established conservation plan approved by the Soil Conservation Service; and

(2) the Soil Conservation Service certifies that the producer has not converted any wetland not previously designated as prior converted wetland or farmed wetland for the purpose of constructing the reservoir.

(b) SPECIAL LIMITATION FOR AREAS OF SEVERE GROUNDWATER DEPLETION.—No producer may receive acreage reduction or set-aside credit under section 1133 unless such producer can demonstrate to the satisfaction of the Secretary that water needs which would be met by the water in the surface reservoir have been met on the same farm by groundwater in at least three of the last five years.

By Mr. ARMEY:

—Strike out title VIII (page 153, line 1 through page 189, line 22), and insert in lieu thereof the following:

TITLE VIII—PEANUTS

SEC. 801. REPEAL OF MARKETING QUOTA PROGRAM FOR PEANUTS.

(a) MARKETING QUOTAS.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359), relating to peanuts, is repealed.

(b) PRICE SUPPORT LEVELS.— The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(1) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts";

(2) in section 408(c) (7 U.S.C. 1428(c)), by striking "peanuts,"; and

(3) by repealing sections 108, 108A, and 108B (7 U.S.C. 1445c, 1445c-1, and 1445c-2).

(c) CONFORMING AMENDMENTS.—(1) Sections 361, 371(a), 371(b), 373(a), 373(b), and 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361, 1371, 1373, and 1375) are amended by striking "peanuts," each place it appears.

(2) Section 373(a) of such Act (7 U.S.C. 1373(a)) is further amended—

(A) by inserting "and" in the first sentence after "from producers,"; and

(B) by striking ", all producers engaged in the production" and all that follows through "peanut-threshing machines".

(3) Section 8(b)(2) of the Agriculture Adjustment Act (7 U.S.C. 608b(b)(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking ", as determined under section 108B of the Agricultural Act of 1948 (7 U.S.C. 1445c-2),".

SEC. 802. PRICE SUPPORT PROGRAM.

The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by inserting after section 107F (7 U.S.C. 1445b-5) the following new section:

"SEC. 108. PRICE SUPPORT PROGRAM FOR PEANUTS.

"(a) IN GENERAL.—Except as provided in subsection (c), the prices of the 1991 and subsequent crops of peanuts shall be supported at such level as the Secretary determines to be appropriate.

"(b) FACTORS.—In making the determination, the Secretary shall take into consideration—

"(1) the factors specified in paragraphs (1) through (8) of section 401(b);

"(2) the cost of production;

"(3) any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the crop year for which the level of support is being determined;

"(4) the demand for peanuts for domestic edible use, peanut oil, and meal;

"(5) expected prices of other vegetable oils and protein meals; and

"(6) the demand for peanuts in foreign markets.

"(c) LIMITATION.—The level of price support determined by the Secreary for a crop of peanuts shall not result in a net loss to the Federal Government in excess of the average net loss to the Federal Government from supporting the 1987, 1988, and 1989 crops of peanuts.".

SEC. 803. EFFECTIVE DATE.

The amendments made by this title shall take effect beginning with the 1991 crop of peanuts.

—After section 1120, insert the following new section:

SEC. 1121. ELIGIBILITY REQUIREMENT.

(a) GENERAL RULE.—(1) A producer who has gross revenue in excess of $500,000 in the current or previous year, as determined by the Secretary of Agriculture, shall not be eligible to receive in the current year any payments, loans, or purchases under the Agricultural Act of 1949 or the Commodity Credit Corporation Charter Act.

(2) A producer which is not an individual shall be subject to a program reduction in payments, loans, and purchases to the extent that a person with such gross revenues in excess of $500,000 in the current or previous year, owns or controls a direct or indirect interest in the producer. Such reduction shall proportion to such person's interest in the producer, as determined by the Secretary of Agriculture.

(b) DEFINITION.—For purposes of this section, the term "person" shall have the same meaning it has for purposes of section 1001 of the Food Security Act of 1985.

Redesignate the succeeding section accordingly.

—In section 603, strike "1995" the first time it appears and insert "1992".

—In the amendment to section 201(b) of the Agricultural Act of 1949 made by section 603 strike paragraph (1) and insert the following:

"(b)(1) For each of the 1991 and 1992 crops of honey, the price of honey shall be supported through loans, purchases, or other operations as follows:

"(A) at not less than 43 cents per pound for the 1991 crop; and

"(B) at not less than 32.3 cents per pound for the 1992 crop.

—In section 201(e) (2)(A) of the Agricultural Act of 1949, as added by section 402 of the bill, strike "During" and insert "Except as provided in paragraph (3), during".

—In section 201(e) (3) of the Agricultural Act of 1949, as added by section 402 of the bill—

(1) strike subparagraph (D); and

(2) redesignate subparagraph (E) as subparagraph (D).

—In the amendment made by section 901 to section 107A(a)(2)(B) of the Agricultural Act of 1949, strike "85 percent" and insert "75 percent".

—In the amendment made by section 901 to section 107A(a)(2)(B) of the Agricultural Act of 1949, strike "85 percent" and insert "65 percent".

—In the amendment made by section 1001 to section 105A(a)(2) of the Agricultural Act of 1949, strike "85 percent" and insert "75 percent".

—In the amendment made by section 1001 to section 105A(a)(2) of the Agricultural Act of 1949, strike "85 percent" and insert "65 percent".

—At the end of subtitle A of title XI, insert the following new section:

SEC. 1121. ELIGIBILITY REQUIREMENT.

(a) GENERAL RULE.—(1) A person shall not be eligible to receive, directly or indirectly, any payment, purchase, or loan for wheat, feed grains, cotton, honey, rice, oilseeds, wool, and mohair under the Agricultural Act of 1949 if that person has adjusted gross income of at least $100,000 for the taxable year during which such payment, purchase, or loan is made available to that person or the preceding taxable year.

(2) Except as provided by paragraph (4), in the case of a person who is not an individual, paragraph (1) shall be applied by substituting "taxable income" for "adjusted gross income".

(3) For purpose of this section, a partnership shall be treated as a person who is not an individual.

(4) In the case of any person who is exempt from tax under chapter 1 of the Internal Revenue Code of 1986, that person shall not be eligible to receive any payment, purchase, or loan under the Agricultural Act of 1949 if that person has gross revenues of at least $1,000,000 for the calendar year during which such payment, purchase, or loan is made available to that person or the preceding calendar year.

(5) In the case of estates and trusts, the Secretary of Agriculture shall prescribe rules based on the principles of paragraph (1) to carry out this section.

(b) DEFINITIONS.—For purposes of this section:

(1) The terms "adjusted gross income" and "taxable income" shall have the meanings given such terms by the Internal Revenue Code of 1986.

(2) The term "person" shall have the same meaning it has for purposes of section 1001 of the Food Security Act of 1985.

(c) RULES.—The Secretary of Agriculture shall prescribe rules to carry out this section.

(d) EFFECTIVE DATE.—This section shall apply to the 1991 crop and all subsequent crops.

Redesignate the succeeding section accordingly.

By Mr. BENNETT:

—At the end of title 18, insert the following:

Subtitle E—Veal Calf Protection

SEC. 1861. PROHIBITIONS.

Efective 4 years after the date of enactment of this Act, no person shall raise a calf for the production of veal unless the following requirements are complied with:

(1) The calf is free to turn around without difficulty, lie with its legs outstretched, and groom itself, without any impediment such as too small an enclosure of chaining or tethering.

(2) The calf is fed a daily diet containing sufficient iron and, if the calf is more than 14 days old, sufficient digestible fiber to prevent anemia and to sustain full health.

SEC. 1862. ENFORCEMENT.

A person who violates this subtitle shall be subject to the same remedies, civil and criminal, as are provided in subsections (b) and (d) of section 19 of the Animal Welfare

Act (7 U.S.C. 2131 et seq.) for violations of that Act. The same procedure shall apply with respect to remedies under either that Act or this subtitle. For purposes of enforcement of this subtitle, the Secretary of Agriculture of any representatives duly designated by the Secretary may inspect any facility where calves are kept for the production of veal.

By Mr. BEREUTER:

—At the end of title XVI add:

SEC. 1620. STUDY OF THE EFFECTS OF CONSERVATION COMPLIANCE PROVISIONS ON CHEMICAL USE AND GROUNDWATER DEGRADATION.

(a) ESTABLISHMENT.—The Secretary shall establish a research program to study the effects of conservation compliance provisions on the use of agricultural chemicals by farmers and the resulting impact on groundwater quality.

(b) PURPOSE.—(1) To determne if conservation compliance requirements are causing increased use of agricultural chemicals.

(2) If conservation compliance requirements are found to cause increased use of agricultural chemicals: is this increase causing degradation of groundwater quality and the environment generally.

—In title XIII, at the end of subtitle G, add:

SEC. 1355B. STUDY OF THE IMPACT ON U.S. MEAT EXPORTS OF ALLOWING DESTINATION BASED GRADING.

(a) ESTABLISHMENT.—The Secretary shall establish a research program to study the effects of grading meat destined for export, under the grading system of the country of final destination.

(b) PURPOSE.—To determine if allowing meat destined for export to be graded by persons or under the system of the country of final destination shall facilitate the export of U.S. meat products, improve the competitive position of U.S. meat exports or provide other benefits.

—Add the following new part at the end of subtitle I of title XIII:

PART 3—AGRICULTURE ENVIRONMENTAL RESTORATION

SEC. 1376A. ENVIRONMENTAL RESTORATION PROGRAM.

(a) ENVIRONMENTAL RESTORATION PROGRAM.—(1) IN GENERAL.—The Secretary of Agriculture shall establish an environmental restoration program in the Department of Agriculture to provide for the cleanup of release of hazardous substances, including groundwater contaminants, from facilities operated or formerly operated by the Department of Agriculture (including grain storage facilities).

(2) COST ESTIMATE.—The Secretary shall prepare a cost estimate and work schedule for those sites where the Department of Agriculture has been found to be the potentially responsible party, by the Environmental Protection Agency, for chemical contaimination of such a site.

(3) CONSULTATION WITH EPA.—The program shall be carried out in consultation with the Administrator of the Environmental Protection Agency

(b) PROGRAM REQUIREMENTS.—(1) Locate and identify each facility or site operated or formerly operated by the Department of Agriculture, including grain storage facilities or sites, at which hazardous substances were used, stored, or disposed of and determine whether the hazardous substances present at such facilities or sites may have contaminated the groundwater.

(2) Provide warning to persons living within two miles of the boundaries of any facility or site identified under paragraph (1) of any possible contamination of drinking water.

(3) Submit a report to Congress each year on progress in implementing this section.

—In title XVI, at the end of section 1604, add the following subsections:

(e) FEDERAL FARM COMMODITY PROGRAM ACREAGE BASE PROTECTION. This subsection shall apply to subsection (b) and (c). Notwithstanding title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.), the historical acreage base of a farm shall not be reduced as the result of planting cropland to indigenous trees, shelterbelts, windbreaks, wildlife corridors, or filter strips for the purpose of protecting crops, livestock or the reduction of soil and water erosion.

(f) NATIONAL GOALS FOR WINDBREAKS, SHELTERBELTS, WILDLIFE CORRIDORS, AND SUSTAINABLE AGROFORESTRY SYSTEMS.—

(1) SHELTERBELTS, WINDBREAKS, WILDLIFE CORRIDORS OR FILTER STRIPS.—The Secretary shall, within one year after the date of enactment of this Act, establish a national goal of, and begin implementation programs for developing by December 31, 2001, 50,000 linear miles of additional shelterbelts, windbreaks, wildlife corridors or filter strips.

(2) SUSTAINABLE AGROFORESTRY SYSTEMS.—The Secretary shall, within one year after the date of enactment of this Act, establish a national goal and implementation program to convert, to the extent practicable, at least 12,000,000 acres of highly erodible lands to sustainable agroforestry systems by December 31, 2001."

In section 1604, subsection (b), page 835, line 8, following "nutrient needs," insert "supplemental watering,".

In section 1604, at the end of subsection (b) add the following:

(3) SUPPLEMENTAL WATERING.—Cost share assistance for supplemental watering shall only be available in semi-arid areas where annual average rainfall (as determined by the Secretary) is 25 inches or less."

At the end of title 16, add the following Sections:

SEC. 1618. ESTABLISHMENT OF SHELTERBELTS OR WINDBREAKS UNDER AGRICULTURAL CONSERVATION PROGRAM.

The third paragraph of section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) is amended by adding at the end the following new sentence: "Notwithstanding the preceding provisions of this paragraph, if an agricultural producer establishes or restores a shelterbelt or windbreak, the amount of financial assistance provided under this subsection shall be—

(i) during the 1-year period beginning on the date of the establishment or restoration of the shelterbelt or windbreak—

(I) 80 percent of the cost of establishing or restoring the shelterbelt or windbreak; and

(II) if the shelterbelt or windbreak is part of an approved wind erosion control system that is included in the conservaton compliance plan of the producer, an additional 10 percent of the cost of establishing or restoring the shelterbelt or windbreak; and

(ii) during the subsequent 3-year period, at least 50 percent of the cost of maintaining the shelterbelt or windbreak, including the cost of weed control, supplemental watering, livestock fencing, and rodent control.".

SEC. 1619. ESTABLISHMENT OF SHELTERBELTS OR WINDBREAKS UNDER GREAT PLAINS CONSERVATION PROGRAM.

The last paragraph of section 16(b)(1) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)(1)) is amended by adding at the end the following new sentence: "Notwithstanding the preceding provisions of this paragraph, if an agricultural producer establishes or restores a shelterbelt or windbreak, during the 3-year period following the contract year during which the shelterbelt or windbreak is established or renovated, the amount of financial assistance provided under this subsection shall be at least 50 percent of the cost of maintaining the shelterbelt or windbreak, including the cost of weed control, supplemental watering, livestock fencing, and rodent control."."

—At the end of title X, add:

SEC. 1005. PREVENTED PLANTINGS DUE TO CHINCH BUG INFESTATIONS.

The Secretary shall make a determination to allow the County Office Committee to approve, in advance, grain sorghum prevented plantings because of chinch bugs.

(1) This determination shall be based on recommendations from the Cooperative Extension Service and State Entomologist that there is a chinch bug infestation severe enough, prior to planting, that would destroy the crop and cause producers economic hardship.

(2) Program base acres shall not be reduced due to the planting of alternative crops as a method of controlling damage to farm profitability due to the presence of chinch bugs prior to planting.

—In title XIII, subtitle F, add:

SEC. 1350. STUDY OF THE BIOLOGY AND BEHAVIOR OF CHINCH BUGS: FACTORS LEADING TO CROP LOSS AND DEVELOPMENT OF IMPROVED MANAGEMENT PRACTICES.

(a) ESTABLISHMENT—The Secretary shall establish a research and education program to study the biology and behavior of chinch bugs in Nebraska. The purpose of this study shall be to:

(1) Characterize the relationship between environmental/climatic factors and chinch bug outbreaks in an attempt to predict when these outbreaks occur.

(2) Determine chinch bugs dispersal habits, overwintering habitat preferences, and overwintering survival in native and introduced grasses.

(3) Describe the population dynamics of chinch bugs in small grain and noncrop grass hosts in the spring and assess yield losses in small grain crop hosts.

(4) Investigate various aspects of chinch bug behavior (including host habitat preferences, oviposition, and pheromones) that may result in the development of novel management strategies.

(b) COORDINATION.—The project shall be coordinated between the Entomology Departments at the University of Nebraska and Kansas State University.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

—Insert in section 1206, after "SEC. 105A.":

SEC. 105B. DEBT-FOR-DEVELOPMENT SWAPS FOR LATIN AMERICA AND THE CARIBBEAN.

(a) DEBT CONVERSION.—To the extent provided for in an agreement meeting the requirements of subsection (b), the President may reduce the debt obligations of an eligible country owed to the Commodity Credit Corporation of the United States under sales agreements under this title.

(b) DEBT REDUCTION AGREEMENT.—The agreement referred to in subsection (a) is an agreement between the United States Government and the government of the eligible

country which includes the following requirements:

(1) REPAYMENT OF INTEREST IN LOCAL CURRENCY.—Interest payments due on the principal remaining following the reduction of debt obligations under subsection (a) shall be made in local currency at an agreed rate.

(2) TRUST.—A trust shall be established for each country in the U.S. Government to receive the interest payments described in subsection (b)(1).

(3) USE OF FUNDS FOR POVERTY REDUCTION PURPOSES.—Amounts paid to the trust shall be made available by the trustee, in accordance with the agreement, to—

(A) indigenous nongovernmental charitable, educational, scientific, cooperative, or other appropriate organizations, or

(B) other appropriate nonprofit entities.

for use in increasing educational opportunities or improving the agricultural productivity, nutrition, health, or income-producing abilities of the countries' poorer citizens, particularly women.

(c) CRITERIA FOR SELECTING COUNTRIES.—In determining the countries with respect to which the authority of this section will be exercised, the President shall take into account—

(1) the needs for financial resources for use in the activities referred to in subsection (b)(3); and

(2) the commitment of the government of that country to measurably increasing access to educational opportunity or improving the agricultural productivity, nutrition, health, and income-producing abilities of the poor.

(d) ELIGIBILE COUNTRIES.—For purposes of this section, the term 'eligible country' means a country in Latin American or the Caribbean which the President determines:

(1) is operating under a heavy debt burden,

(2) has adopted a strong economic reform program in conjunction with multilateral agencies such as the IMF, the World Bank, and the Inter-American Development Bank,

(3) and, as appropriate, has concluded a financing package with commercial banks including debt and debt service reduction.

(e) CONSULTATION REQUIREMENTS.—The President shall consult with nongovernmental organizations having expertise in development matters—

(1) in identifying countries with respect to which the authority of this section should be exercised,

(2) during the negotiation of an agreement pursuant to subsection (b) with respect to the uses of funds pursuant to subsection (b)(3); and

(3) with respect to whether funds paid to the trust are being used for the intended purpose.

(f) ANNUAL REPORTS.—The President shall annually report to Congress the debt-for-development agreements entered into under this section during the preceding fiscal year.

(g) APPROPRIATIONS ACTION REQUIRED TO IMPLEMENT AGREEMENTS.—The authority of subsection (a) may be exercised only to such extent such amounts as are provided in advance in appropriations Acts.

(h) RELATION TO SECTION 105.—This section should not be construed to limit the authority of the President to provide debt forgiveness under section 105 of this Act for eligible countries (as defined in this section).

(i) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before the enactment of the Mickey Leland Food For Peace Act.

By Mr. CONTE:

—The amendment made by section 603 to subsection (b) of section 201 of the Agricultural Act of 1949 is amended by striking paragraph (1) and inserting the following:

"(b)(1) For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations as follows:

"(A) For the 1991 crop, the loan and purchase level for honey shall be 51.3 cents per pound.

"(B) For each of the 1992, 1993, 1994, and 1995 crops, the loan and purchase level for honey shall be the same as the level established for the preceding crop year reduced by 5 percent.

—Strike subtitle A of title VI.

Strike the heading of subtitle B of title VI and redesignate sections 611 through 617 as section 601 through 607, respectively.

—Section 1101 is amended by inserting at the end the following new subsection:

(e) ATTRIBUTION OF PAYMENTS.—(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraph (5)(C) and insert the following:

"(C) In the case of corporations, partnerships, and other entities included by subparagraph (B), the Secretary shall attribute payments to natural persons in proportion to their ownership interest in the entity and any other entity which owns or controls the entity receiving such payment.".

(2) Section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) is amended by striking subsections (c) and (d) and inserting the following:

"(c) In the case of corporations, partnerships, and other entities included in section 1001(5)(C) of the Food Security Act of 1985, the Secretary shall attribute payments to natural persons in proportion to their ownership interest in the entity.".

—Strike section 1101 and insert the following:

SEC. 1101. LIMITATION ON PAYMENTS.

(a) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "provision of law" and inserting "provision of law, subject to sections 1001A and 1001C".

(b) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by inserting "(a)" before "Notwithstanding", by redesignating paragraphs (3), (4), and (5) as subsections (d), (e), and (f), respectively, and by striking paragraphs (1) and (2) and inserting the following:

"(1) For each of the 1991 through 1995 crops, the total amount of deficiency payments (excluding any deficiency payments described in paragraph (2)) and land diversion payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, and rice shall not exceed $50,000.

"(2) For each of the 1991 through 1995 crops, the total amount of—

"(A) any gain realized by a producer from repaying a loan for a crop of wheat, feed grains, upland cotton, rice, and honey at the rate permitted under section 107D(a)(5), 105C(a)(4), 103A(a)(5), 101A(a)(5), or 201(b)(2), respectively, of the Agricultural Act of 1949, or any gain realized by a producer from repaying a loan for a crop of any other commodity at a lower level than the original loan level established under the Agicultural Act of 1949;

"(B) any loan deficiency payment received for a crop of wheat, feed grains, upland cotton, or rice under section 107D(b), 105C(b), 103A(b), or 101A(b), respectively, of the Agricultural Act of 1949;

"(C) any deficiency payment received for a crop of wheat or feed grains under section 107D(c)(1), 105C(c)(1), respectively, of the Agricultural Act of 1949 as a result of the reduction of the price support level for such crop under section 107D(a)(4) or 105(a)(3) of such Act;

"(D) any inventory reduction payment for a crop of wheat, feed grains, upland cotton, or rice under section 107D(g), 105C(g), 103A(g), or 101A(g), respectively, of the Agricultural Act of 1949; and

"(E) any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation,

shall not exceed $50,000.

"(3) For each of the 1991 through 1995 crops, the total amount of disaster payments made under one or more of the annual programs established under the Agricultural Act of 1949, or under any other act which authorizes the Secretary or the Commodity Credit Corporation to make a payment with respect to loss of production of an agricultural commodity due to natural disaster or other condition beyond the control of a producer (excluding indemnities paid by the Federal Crop Insurance Corporation), shall not exceed $100,000.

"(4) For each of the 1991 through 1995 marketing years, the total amount of payments that a person shall be entitled to receive under the annual program established under the National Wool Act of 1954 for wool and mohair shall not exceed $50,000. For purposes of subsection (b), such payments shall be considered to be made on a crop year basis.

"(5) For each of the years 1991 through 1995, the Secretary shall provide that payments made under title VI of the Agricultural Act of 1949 shall be considered to be made on a crop year basis for purposes of subsection (b).

"(6) For each of the 1991 through 1995 crops, no certificate redeemable for stocks of commodities held by the Commodity Credit Corporation may be redeemable for honey held by the Corporation.".

(c) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by adding at the end thereof the following new subsections:

"(b) For each of the 1991 through 1995 crops, the total amount of all payments specified in subsection (a) shall not exceed $250,000. For the purposes of this section and sections 1001A through 1001C, the term payment includes marketing loan gains.

"(c) For any of the 1991 through 1995 crops, the total amount of marketing gains and payments specified in subsection (a)(2)(A) and (B) when combined with the value of commodities for which a marketing gain may be realized which is forfeited to the Commodity Credit Corporation shall not exceed $50,000.".

—Section 1101 is amended to read as follows:

SEC. 1101. PAYMENT LIMITATIONS.

(a) ATTRIBUTION OF PAYMENTS.—(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraph (5)(C) and inserting the following:

"(C) In the case of corporations, partnerships, and other entities included by subparagraph (B), the Secretary shall attribute payments to natural persons in proportion

to their ownership interest in the entity and any other entity which owns or controls the entity receiving such payment.".

(2) Section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) is amended by striking subsections (c) and (d) and inserting the following:

"(c) In the case of corporations, partnerships, and other entities included in section 1001(5)(C) of the Food Security Act of 1985, the Secretary shall attribute payments to natural persons in proportion to their ownership interest in the entity.".

(b) LIMITATION ON PAYMENTS.—(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "provision of law" and inserting "provision of law, subject to sections 1001A and 1001C".

(2) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by inserting "(a)" before "Notwithstanding", by redesignating paragraphs (3), (4), and (5) as subsections (d), (e), and (f), respectively, and by striking paragraphs (1) and (2) and inserting the following:

"(1) For each of the 1991 through 1995 crops, the total amount of deficiency payments (excluding any deficiency payments described in paragraph (2)) and land diversion payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, and rice shall not exceed $50,000.

"(2) For each of the 1991 through 1995 crops, the total amount of—

"(A) any gain realized by a producer from repaying a loan for a crop of wheat, feed grains, upland cotton, rice, and honey at the rate permitted under section 107D(a)(5), 105C(a)(4), 103A(a)(5), 101A(a)(5), or 201(b)(2), respectively, of the Agricultural Act of 1949, or any gain realized by a producer from repaying a loan for a crop of any other commodity at a lower level that the original loan level established under the Agricultural Act of 1949;

"(B) any loan deficiency payment received for a crop of wheat, feed grains, upland cotton, or rice under section 107D(d), 105C(b), 103A(b), or 101A(b), respectively, of the Agricultural Act of 1949;

"(C) any deficiency payment received for a crop of wheat or feed grains under section 107D(c)(1), 105C(c)(1), respectively, of the Agricultural Act of 1949 as a result of the reduction of the price support level for such crop under section 107D(a)(4) or 105(a)(3) of such Act;

"(D) any inventory reduction payment for a crop of wheat, feed grains, upland cotton, or rice under section 107(D)(g), 105C(g), 103A(g), or 101A(g), respectively, of the Agricultural Act of 1949; and

"(E) any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation,

shall not exceed $50,000.

"(3) For each of the 1991 through 1995 crops, the total amount of disaster payments made under one or more of the annual programs established under the Agricultural Act of 1949, or under any other act which authorizes the Secretary or the Commodity Credit Corporation to make a payment with respect to the loss of production of an agricultural commodity due to natural disaster or other condition beyond the control of a producer (excluding indemnities paid by the Federal Crop Insurance Corporation), shall not exceed $100,000.

"(4) For each of the 1991 through 1995 marketing years, the total amount of payments that a person shall be entitled to receive under the annual program established under the National Wool Act of 1954 for wool and mohair shall not exceed $50,000. For purposes of subsection (b), such payments shall be considered to be made on a crop year basis.

"(5) For each of the years 1991 through 1995, the Secretary shall provide that payments made under title VI of the Agricultural Act of 1949 shall be considered to be made on a crop year basis for purposes of subsection (b).

"(6) For each of the 1991 through 1995 crops, no certificate redeemable for stocks of commodities held by the Commodity Credit Corporation may be redeemable for honey held by the Corporation.".

(3) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by adding at the end thereof the following new subsections:

"(b) For each of the 1991 through 1995 crops, the total amount of all payments specified in subsection (a) shall not exceed $250,000. For the purposes of this section and sections 1001A through 1001C, the term payment includes marketing loan gains.

"(c) For any of the 1991 through 1995 crops, the total amount of marketing gains and payments specified in subsection (a)(2)(A) and (B) when combined with the value of commodities for which a marketing gain may be realized which is forfeited to the Commodity Credit Corporation shall not exceed $50,000.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 1001(d) of the Food Security Act of 1985 (7 U.S.C. 1308), as redesignated by subsection (a), is amended by striking "paragraph (2)" and inserting "subsection (a)(2)(A) of this section".

(2) Subsection (f) of section 1001 of the Food Security Act of 1985 (as redesignated by section 3) (7 U.S.C. 1308) is amended by striking subparagraph (A) and by inserting the following:

"(f)(1)(A) The Secretary shall issue regulations—

"(i) defining the term 'person'; and

"(ii) prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of the limitations established under this section and sections 1001A through 1001C.".

(3)(A) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended by striking "1001(5)(B)(i)" each place it appears and inserting "1001(f)(1)(B)(i)".

(B) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended by striking "1001(5)(B)(i)(II)" each place it appears and inserting "1001(f)(1)(B)(i)(II)".

(C) Section 1001A(b)(1) of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended by striking "paragraphs (1) and (2)" and inserting "subsection (a)(1) through (3)".

(D) Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308-2) is amended by striking "paragraphs (1) and (2)" and inserting "subsection (a)(1) through (3)".

(E) Section 1001C of the Food Security Act of 1985 (7 U.S.C. 1308-3) is amended by striking out "1989 and 1990" and inserting "1991 through 1995".

—In section 1281(d)(3) of subtitle I as contained in section 1608, strike "the Secretary," and all that follows through "easements" and insert in lieu thereof "the Secretary, through the Chief of the Soil Conservation Service, and in agreement with the Director of the U.S. Fish and Wildlife Service, shall place priority on acquiring individual easements".

—At the end of subtitle I as contained in section 1608, strike the closing quotation marks and period and insert the following new section:

"SEC. 1286. ASSETS CONSIDERED.

"For the purpose of calculating the value of restructured loans under section 353(c) of the Consolidated Farm and Rural Development Act, the Secretary shall consider all the assets of the borrower, including the value of conservation easements. In determining the net recovery value of the property for purposes of new recovery buy-out under the provisions of section 353 of such Act, the Secretary shall make two calculations: one that takes into consideration the potential reduction in delinquent debt pursuant to section 349(e) of such Act resulting from the placement of wetland conservation easements as provided under section 335(g) of such Act and the other without consideration for the easements. The borrower may select to have his loan obligations restructured based on either calculation, except that if the borrower chooses to accept the restructuring agreement based on the calculation that included the placement of wetland conservation easements, the borrower must agree to accept the easements on the property within the limitations of such section 335(g). The Secretary shall inform the borrower that the option for the net-recovery value calculation taking into consideration wetlands conservation easements is available and must make clear to the borrower all terms and conditions associated with the easements.".

—At the end of subtitle I as contained in section 1608, strike the closing quotation marks and period and insert the following new section:

"SEC. 1286. WETLAND EASEMENTS FOR CERTAIN PROPERTY.

"(a) ESTABLISHMENT.—In the disposal of real property under the jurisdiction of the Secretary of Agriculture, the Secretary shall establish perpetual wetland conservation easements to protect and restore wetlands or converted wetlands as recommended by the United States Fish and Wildlife Service that exist on such inventoried property.

"(b) AVOIDANCE OF ADVERSE IMPACTS.—In establishing such wetland conservation easements on land that is considered to be cropland as of the date of enactment of this section, the Secretary shall avoid, to the extent practicable adverse impact on the productivity of such croplands, as provided in this subsection.

"(c) LIMITATIONS.—If a particular parcel of inventoried property is to be sold or leased to a borrower described in section 335(e)(1)(C)(i)-(iii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) the Secretary shall—

"(1) not establish such wetland conservation easements with respect to wetlands that were converted prior to December 23, 1985, and that have been in cropland use, as determined by the Secretary, in excess of 25 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(2) not establish such wetland conservation easements with respect to wetlands that have been frequently planted to agricultural commodities and those in paragraph (1), in excess of 25 percent of the existing cropland available for production of

agricultural commodities on the particular parcel of inventoried property;

"(3) ensure that the buffer area adjacent to the wetland is generally not less than 100 nor more than 200 feet in average width;

"(4) ensure that access to other portions of the property for farming and other uses is provided;

"(5) not establish such wetland conservation easements with respect to wetlands that have a history of haying and grazing in excess of 50 percent; and

"(6) ensure that all haying and grazing practices permitted under the easement shall conform to forage management standards designed to protect wetlands.

"(d) NOTIFICATION.—The Secretary shall provide prior written notification to a borrower considering preservation loan servicing that a wetland conservation easement may be placed on land for which the borrower is negotiating a lease or lease option.

"(e) APPRAISED VALUE.—The appraised value of the farm shall reflect the value of the land due to the placement of wetland conservation easements.

"(f) VOLUNTARY WAIVER.—Notwithstanding the limitations described under subsection (c), the limitations may be voluntarily waived by any person with respect to real property described in subsection (c).".

—At the end of subtitle I as contained in section 1608, strike the closing quotation marks and period and insert the following new section:

"SEC. 1286. WETLAND EASEMENTS FOR CERTAIN PROPERTY.

"(a) ESTABLISHMENT.—In the disposal of real property under Consolidated Farm and Rural Development Act, the Secretary shall establish perpetual wetland conservation easements to protect and restore wetlands or converted wetlands as recommended by the United States Fish and Wildlife Service that exist on such inventoried property.

"(b) AVOIDANCE OF ADVERSE IMPACTS.—In establishing such wetland conservation easements on land that is considered to be cropland as of the date of enactment of this section, the Secretary shall avoid, to the extent practicable, adverse impact on the productivity of such croplands, as provided in this subsection.

"(c) LIMITATIONS.—If a particular parcel of inventoried property is to be sold or leased to a borrower described in section 335(e)(1)(C)(i)-(iii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) the Secretary shall—0

"(1) not establish such wetland conservation easements with respect to wetlands that were converted prior to December 23, 1985, and that have been in cropland use, as determined by the Secretary, in excess of 25 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(2) not establish such wetland conservation easements with repect to wetlands that have been frequently planted to agricultural commodities and those in paragraph (1), in excess of 25 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(3) ensure that the buffer area adjacent to the wetland is generally not less than 100 nor more than 200 feet in average width;

"(4) ensure that access to other portions of the property for farming and other uses is provided;

"(5) not establish such wetland conservation easements with respect to wetlands that have a history of haying and grazing in excess of 50 percent; and

"(6) ensure that all haying and grazing practices permitted under the easement shall conform to forage management standards designed to protect wetlands.

"(d) NOTIFICATION.—The Secretary shall provide prior written notification to a borrower considering preservation loan servicing that a wetland conservation easement may be placed on land for which the borrower is negotiating a lease or lease option.

"(e) APPRAISED VALUE.—The appraised value of the farm shall reflect the value of the land due to the placement of wetland conservation easements.

"(f) VOLUNTARY WAIVER.—Notwithstanding the limitations described under subsection (c), the limitations may be voluntarily waived by any person with respect to real property described in subsection (c).".

By Mr. De FAZIO:

—Add the following new title at the end of the bill:

TITLE 19—ORGANIC CERTIFICATION STANDARDS

SEC. 1901. SHORT TITLE.

This title may be cited as the "Organic Foods Production Act of 1990".

SEC. 1902. PURPOSES.

The purposes of this Act are—

(1) to establish national standards governing the marketing of certain agricultural products as organically produced products;

(2) to assure consumers that organically produced products meet a consistent standard; and

(3) to facilitate interstate commerce in fresh and processed food that is organically produced.

SEC. 1903. DEFINITIONS.

As used in this title:

(1) AGRICULTURAL PRODUCTS.—The term "agricultural products" means any agricultural commodity or product whether raw or processed, including nay commodity or product derived from livestock, or fowl that is marketed in the United States for human and livestock consumption.

(2) BOTANICAL PESTICIDE.—The term "botanical pesticide" means natural pesticides derived from plants.

(3) CERTIFYING AGENT.—The term "Certifying Agent" means the chief executive official of a State or, in a State that provides by law for statewide election of a Commissioner of Agriculture, the Commissioner of Agriculture or an individual (including private entities) who is accredited by the Secretary as a Certifying Agent for the purpose of certifying a farm or handling operation as an organically certified farm or handling operation in accordance with this title.

(4) CERTIFIED ORGANIC FARM.—The term "certified organic farm" means a farm, or portion of a farm, that is certified by the Certifying Agent under this title as utilizing a system of organic farming as established by the Secretary in accordance with this title.

(5) CERTIFIED ORGANIC HANDLING OPERATION.—The term "certified organic handling operation" means any operation, or portion of any handling operation, that is certified by the certifying agent under this title as utilizing a system of organic handling as described under this title.

(6) CROP YEAR.—The term "crop year" means the normal growing season for a crop as determined by the Secretary.

(7) GOVERNING STATE OFFICIAL.—The term "governing State official" means the chief executive official of a State or, in a State that provides by law for statewide election of a Commissioner of Agriculture, the Commissioner of Agriculture who administers the organic certification program established under section 1904.

(8) HANDLE.—The term "handle" means to sell, process, or package organically produced agricultural products, except such term shall not include final retailers of agricultural products that do not process agricultural products.

(9) INDIVIDUAL.—The term "individual" means a person, group of people, corporation, association, organization, cooperative, or other entity.

(10) NATIONAL LIST.—The term "National List" means a list of approved and prohibited substances as provided for in section 1918 of this title.

(11) ORGANICALLY PRODUCED.—The term "organically produced" means an agricultural product that is produced using organic farming methods as described in this title, on an organically certified farm and handled by organically certified handling operations.

(12) PESTICIDE.—The term "pesticide" means any substance which alone, in chemical combination, or in any formulation with one or more substances, is defined as a pesticide in the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136 et seq.).

(13) PROCESSING.—The term "processing" means cooking, baking, heating, drying, mixing, grinding, churning, separating, extracting, cutting, fermenting, eviscerating, preserving, dehydrating, freezing, or otherwise manufacturing, and includes the packaging, canning, jarring, or otherwise enclosing such food in a container.

(14) PRODUCER.—The term "producer" means an individual who engages in the business of growing or producing food for consumption by humans or livestock.

(15) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(16) SYNTHETIC.—The term "synthetic" means a substance that is formulated or manufactured by a process which chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, excepting microbiological processes.

SEC. 1904. NATIONAL ORGANIC PRODUCTION PROGRAM.

(a) IN GENERAL.—The Secretary shall establish national minimum standards for producers and handlers of agricultural products that have been produced using organic methods as provided in this title.

(b) STATE PROGRAM.—In establishing standards under subsection (a), the Secretary shall permit each State to implement a State organic certification program for producers and handlers of agricultural products that have been produced using organic methods as provided in this title.

(c) CONSULTATION.—In developing standards under subsection (a), and the National List under section 1918, the Secretary shall consult with the National Organic Standards Board established under section 1919.

(d) CERTIFICATION.—The Secretary shall implement the program established under subsection (a) through Certifying Agents that may certify a farm or handling operation that meets the requirements of this title as an organically certified farm or handling operation.

SEC. 1905. COMPLIANCE REQUIREMENTS.

(a) IN GENERAL.—

(1) On or after October 1, 1993, no individual may affix a label to an agricultural

product that infers, directly or indirectly, that such product is produced, grown or processed using organic methods or otherwise indicate that such product is produced, grown, or processed using organic methods, except in accordance with this title and under an approved organic certification program implemented under this title.

(2) Such label or other market information may indicate that the product meets USDA standards for organic production and may incorporate the United States Department of Agriculture seal.

(b) IMPORTED PRODUCTS.—Imported organically produced agricultural products shall be deemed to be in compliance with paragraph (a)(1) if the Secretary determines that such products have been produced and handled under an organic certification program that provides safeguards and guidelines governing the production and handling of such products that are at least equivalent to the requirements of this title.

(c) EXEMPTIONS FOR PROCESSED FOOD.—Subsection (a) shall not apply for the purpose of describing the organically produced ingredients in the case of products that—

(1) contain at least 50 percent organically produced ingredients by weight, excluding water and salt, if the Secretary, on the recommendation of the National Organic Standards Board, and in consultation with the Secretary of Health and Human Services, has determined to permit the word "organic" to be used on the principal display panel of such products only for the purpose of describing the organically produced ingredients; or

(2) contain less than 50 percent organically produced ingredients by weight, excluding water and salt, if the Secretary, on the recommendation of the National Organic Standards Board, and in consultation with the Secretary of Health and Human Services, has determined to permit the word "organic" to appear on the ingredient listing panel to describe those ingredients that are organically produced in accordance with this title.

(d) SMALL FARMER EXEMPTION.—Subsection (a) shall not apply to individuals who sell no more than $5,000 annually in value of agricultural products.

SEC. 1906. GENERAL REQUIREMENTS.

(a) IN GENERAL.—A program established under this title shall—

(1) provide that each organically produced agricultural product must—

(A) be produced only on organically certified farms and handled only through organically certified handling operations in accordance with this title; and

(B) be produced and handled in accordance with such program;

(2) require that producers and handlers desiring to participate under such program to establish an organic farm plan under section 1914;

(3) provide for procedures that allow producers and handlers to appeal an adverse administrative determination under this title;

(4) require each organic farming operation or each organic handling operation to certify to the Secretary, the governing State official (if applicable), and the Certifying Agent on an annual basis, that such producer or handler has not produced or handled any organically produced agricultural product except in accordance with this title and any applicable State program;

(5) provide for annual on-site inspection by the Certifying Agent of each farm and handling operation that has been certified under this section;

(6) provide for periodic residue testing of agricultural products that have been produced on organically certified farms and handled through organically certified handling operations to determine whether such products contain any pesticide or other nonorganic residue or natural toxicants and, upon detection of pesticide residues in excess of tolerance, or any residue of a pesticide which is unregistered or for which the registration has been canceled, or unhealthful levels of other residues or toxicants, provide for the notification of appropriate governmental health agencies;

(7) provide for appropriate and adequate enforcement procedures, as determined by the Secretary to be necessary and consistent with section 1908;

(8) protect against conflict-of-interest as specified under section 1916(h);

(9) provide for public access to certification documents and laboratory analyses that support certification;

(10) require such other terms and conditions as may be determined by the Secretary to be necessary; and

(11) provide for the collection of reasonable fees from producers, Certifying Agents and handlers who participate in such program.

(b) DISCRETIONARY REQUIREMENTS.—An organic certification program established under this title may provide for the certification of an entire farm or handling operation or specific fields of a farm or parts of a handling operation if—

(1) in the case of a farm, the fields to be certified have distinct, defined boundaries and buffer zones separating the land being operated through the use of organic methods from land that is not being operated through the use of such methods;

(2) the operators of such farm or handling operation maintain separate records of all operations and make such records available at all times for inspection by the Secretary, the Certifying Agent, and the governing State officials; and

(3) appropriate physical facilities, machinery, and management practices are established to prevent the possibility of a mixing of organic and nonorganic products or a penetration of prohibited chemicals or other substances on the certified land or area.

SEC. 1907. STATE ORGANIC CERTIFICATION PROGRAM.

(a) IN GENERAL.—The governing State official may prepare and submit a plan for the establishment of a State organic certification program to the Secretary for approval. A State organic certification program must meet the requirements of this title to be approved by the Secretary.

(b) ADDITIONAL REQUIREMENTS.—

(1) AUTHORITY.—Such State organic certification program may contain more restrictive requirements governing the organic certification of farms and handling operations and the production and handling of organic agricultural products in accordance with this title than are contained in the program established by the Secretary under this title.

(2) CONTENT OF REQUIREMENTS.—Such additional requirements must—

(A) further the purposes of this title;

(B) not be inconsistent with this title;

(C) not be discriminatory toward agricultural commodities produced in other States that are certified under this title; and

(D) be approved by the Secretary.

(c) REVIEW AND OTHER DETERMINATIONS.—

(1) SUBSEQUENT REVIEW.—The Secretary shall review programs established under plans approved by the Secretary not less than once during each 5-year period following the date of the approval of such program.

(2) CHANGES IN PROGRAM.—The governing State official, prior to implementing any substantive change to such program, must submit such change to the Secretary for approval.

(3) TIME FOR DETERMINATION.—The Secretary shall make a determination concerning any plan, proposed change to a plan, or a review of a plan no later than 6 months after the receipt of such plan, such proposed change, or the initiation of such review.

SEC. 1908. NATIONAL STANDARDS FOR ORGANIC PRODUCTION.

(a) ORGANICALLY PRODUCED PRODUCTS.—To be sold or labeled as an organically produced agricultural product under this title, such commodity shall meet the minimum standards established under this title.

(b) SYNTHETIC CHEMICALS.—To be sold or labeled as an organically produced agricultural product under this title, an agricultural commodity shall have been produced and handled without the use of synthetic chemicals, except as provided in section 1918.

(c) TRANSITION PERIODS.—To be sold or labeled as an organically produced agricultural product under this title, an agricultural commodity shall not be produced on land to which any prohibited substances, including synthetic chemicals, have been applied during the 3 years immediately preceding the harvest of such agricultural product.

(d) COMPLIANCE WITH ORGANIC PLAN.—To be sold or labeled as an organically produced agricultural product under this title, an agricultural commodity shall be produced and handled in compliance with an organic plan agreed to by the producer and handler of such product and the Certifying Agent.

SEC. 1909. PROHIBITED CROP PRODUCTION PRACTICES AND MATERIALS.

(a) SEED, SEEDLINGS AND PLANTING PRACTICES.—For a farm to be certified under this title, producers on such farm shall not apply materials to, or engage in practices on, seed or seedlings that are determined by the Secretary or by the applicable governing State official to be contrary to, or inconsistent with, this title or the applicable State organic certification program.

(b) SOIL AMENDMENTS.—For a farm to be certified under this title, producers on such farm shall not—

(1) use any fertilizers containing synthetic ingredients or any commercially blended fertilizers containing materials prohibited under this title or under the applicable State organic certification program; or

(2) use as a source of nitrogen: phosphorous, lime, potash, or any materials determined by the Secretary or the governing State official to be inconsistent with the purposes of this title.

(c) CROP MANAGEMENT.—For a farm to be certified under this title, producers on such farm shall not—

(1) use natural poisons such as arsenic or lead salts that have long-term effects and persist in the environment, as determined by the applicable governing State official or the Secretary;

(2) use plastic mulches, unless such mulches are removed at the end of each growing or harvest season; or

(3) use annual transplants that are treated with any synthetic or prohibited material.

SEC. 1910. ANIMAL PRODUCTION PRACTICES AND MATERIALS.

(a) IN GENERAL.—Any meat, poultry, wild or domesticated game, or other nonplant life that is to be slaughtered and sold as organically produced shall be raised in accordance with this title.

(b) BREEDER STOCK.—Breeder stock may be purchased from whatever source if such stock is not in the last third of gestation.

(c) FEED.—For a farm that produced livestock to be certified under this title, producers on such farm—

(1) shall feed such livestock organically produced feed that meets the requirements of this title; and

(2) shall not use the following feed—

(A) plastic pellets for roughage;

(B) manure refeeding; or

(C) feed formulas containing urea.

(d) SUPPLEMENTS.—For a farm that produces livestock to be organically certified under this title, producers on such farm shall not use growth promoters and hormones, whether implanted, ingested, or injected, including antibiotics and synthetic trace elements used to stimulate growth or production of livestock covered by this title.

(e) HEALTH CARE.—

(1) PROHIBITED PRACTICES.—For a farm that produces livestock to be organically certified under this title, producers on such farm shall not—

(A) use subtherapeutic doses of antibiotics;

(B) use synthetic internal parasiticides on a routine basis; or

(C) administer medication other than vaccinations in the absence of illness.

(2) STANDARDS.—The National Organic Standards Board shall recommend to the Secretary standards in addition to those in paragraph (1) for the care of livestock to ensure that the animal is organically produced.

(e) ADDITIONAL GUIDELINES.—

(1) POULTRY AND LIVESTOCK.—With the exception of day old poultry, all poultry from which meat or eggs will be labeled as organically produced shall be managed in accordance with this title prior to and during the period in which such meat or eggs are sold.

(2) DAIRY LIVESTOCK.—A dairy cow from which milk or milk products will be labeled as organically produced shall be raised in accordance with this title for not less than the 12-month period immediately prior to the sale of such milk and milk products.

(3) OTHER SLAUGHTER LIVESTOCK.—Other meat, from wild or domesticated game, or other nonplant life that is to be slaughtered and sold as organically produced shall be raised in accordance with this title.

(f) LIVESTOCK IDENTIFICATION.—

(1) IN GENERAL.—In order for a farm that produces livestock to be certified under this title, producers shall keep adequate records and maintain a detailed, verifiable audit trail so that each animal or flock can be traced back to such farm.

(2) RECORDS.—In order to carry out paragraph (1), each producer shall keep accurate records on each slaughter animal including—

(A) amounts and sources of all medications administered; and

(B) all feeds and feed supplements bought and fed.

SEC. 1911. HANDLING.

(a) IN GENERAL.—For a handling operation to be certified under this title, each individual on such handling operation shall not, with repsect to any agricultural product covered by this title—

(1) add any synthetic ingredient during the processing or any post harvest handling of the product;

(2) add any ingredient known to contain the levels of nitrates, heavy metals, or toxic residues in excess of those permitted by the Secretary of applicable governing State official;

(3) add any sulfites, nitrates, or nitrites;

(4) add any ingredients that are not organically produced in accordance with this title and the applicable State organic certification program, unless such ingredients are included on the National List and represent not more than 5 percent of the weight of the total finished product (excluding salt and water);

(5) use any packaging materials that contain fungicides, preservatives, or fumigants;

(6) use any bag or container that had previously been in contact with any substance that would compromise the organic quality of such product; or

(7) use, in processed food to be labeled organically produced, water that does not meet Safe Drinking Water Act requirements.

(b) MEAT.—For a farm or handling operation to be organically certified under this title, producers on such farm or individual on such handling operation shall ensure that organically produced meat does not come in contact with nonorganically produced meat.

SEC. 1912. ADDITIONAL GUIDELINES.

(a) IN GENERAL.—The Secretary, the governing State official, or the Certifying Agent shall use a system of residue testing of products labeled as organically produced under this title to assist in the enforcement of this title.

(b) PREHARVEST TESTING.—The Secretary, the applicable governing State official, or the Certifying Agent may require preharvest tissue testing of any crop grown on soil suspected of harboring contaminants.

(c) PRODUCT RESIDUE TESTING.—

(1) INSPECTION.—If the Secretary, the applicable governing State official, or the Certifying Agent determines that an agricultural product sold or labeled as organically produced under this title contains any detectable pesticide or other non-organic residue or prohibited natural substance, the Secretary, the applicable governing State official, or the Certifying Agent shall conduct an investigation to determine if the organic certification program has been violated, and may require the producer or handler to prove that any prohibited substance was not applied to such product.

(2) NONCOMPLIANCE WITH ORGANIC CERTIFICATION.—If, as determined by the Secretary, the applicable governing State official, or the Certifying Agent, the investigation conducted under paragraph (1) indicates that the residue is—

(A) the result of intentional application of a prohibited substance; or

(B) present at levels that are greater than unavoidable residual environmental contamination as prescribed by the Secretary or the applicable governing State official, in consultation with appropriate environmental regulatory agencies; such agricultural product shall not be labeled or sold as organically produced under this title.

(c) RECORDKEEPING REQUIREMENTS.—Producers who operate certified farming or handling operations under this title shall maintain records for 5 years concerning the production or handling of organically produced agricultural products by such operation, including—

(1) a detailed history of substances applied to fields or agricultural products;

(2) the names of persons who applied such substances, dates, the rate and method of application of such substances; and

(3) for handlers, records of the sources, handling, and disposition of all ingredients or production aids acquired for the production of organically produced products.

SEC. 1913. OTHER PRODUCTION AND HANDLING PRACTICES.

If a production or handling practice is not prohibited or otherwise restricted under this title, such practice shall be permitted unless the Secretary or the applicable governing State official determines that such practice would be inconsistent with the purposes of this title.

SEC. 1914. CONTENTS OF ORGANIC FARM PLAN.

(a) IN GENERAL.—A producer seeking certification under this title must submit an organic farm plan to the Certifying Agent which meets all the requirements of this title, and such plan must be reviewed by the Certifying Agent and be determined to meet the requirements of such programs.

(b) CROP PRODUCTION FARM PLAN.—

(1) SOIL FERTILITY.—An organic farm plan shall contain provisions designed to foster soil fertility, primarily through the management of the organic content of the soil through proper tillage, crop rotation, and manuring.

(2) MANURING.—

(A) INCLUSION IN ORGANIC FARM PLAN.—An organic farm plan shall contain terms and conditions that regulate the application of manure to crops.

(B) APPLICATION OF MANURE.—Such organic farm plan shall provide for the application of raw manure only to—

(i) any green manure crop;

(ii) any perennial crop;

(iii) any crop not for human consumption; and

(iv) any crop for human consumption,

but only if such crop is harvested after a reasonable period of time after the most recent application of raw manure, determined by the Certifying Agent to ensure the safety of such crop, but in no event shall such period be sooner than 60 days after such application.

(C) CONTAMINATION BY MANURE.—Such plan shall provide that raw manure may not be applied to any crop in a way that significantly contributes to water contamination by nitrates or bacteria.

(c) LIVESTOCK PLAN.—An organic livestock plan shall contain provisions designed to foster the organic production of livestock consistent with the purposes of this title, as determined appropriate by the Secretary and the applicable governing State official.

(d) MIXED CROP LIVESTOCK PRODUCTION.—An organic plan may encompass both the crop production and livestock production requirements in subsections (b) and (c) if both activities are conducted by the same producer.

(e) HANDLING PLAN.—An organic handling plan shall contain provisions designed to ensure that organically produced agricultural products are processed or packaged in a manner that is consistent with the purposes of this title, as determined appropriate by the Secretary and the applicable governing state official.

(f) MANAGEMENT OF WILD CROPS.—An organic plan for the harvesting of wild crops shall—

(1) designate the area from which the wild crop will be gathered or harvested;

(2) include a 3 year history of the management of the area showing that no prohibited substances have been applied;

(3) include a plan for the harvesting or gathering of the wild crops assuring that such harvesting or gathering will not be destructive to the environment and will sustain the growth and production of the wild crop; and

(4) include provisions that no prohibited substances will be applied by the producer.

(g) LIMITATION ON CONTENT OF PLAN.—An organic farm plan shall not include any production practices that are inconsistent with this title and the applicable State organic certification program.

SEC. 1915. ACCREDITATION PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture shall implement a program whereby a governing State official or a private individual that meets the requirements of this section shall be accredited as a Certifying Agent for the purpose of certifying a farm or handling operation as an organically certified farm or handling operation.

(b) REQUIREMENTS.—In order to be designated as a Certifying Agent under this title, a governing State official or private individual must—

(1) prepare and submit, to the Secretary, an application for such accreditation;

(2) have sufficient expertise in organic farming and handing techniques as determined by the Secretary; and

(3) fully comply with the provisions of this title.

(c) DURATION OF DESIGNATION.—An accreditation under this title shall be for a period not to exceed 5 years, or for a shorter period, as determined by the Secretary.

(d) FEES.—The Secretary may provide for the collection of reasonable fees from Certifying Agents seeking accreditation or reaccreditation under this section to assist in defraying the costs of the program established under this title.

SEC. 1916. REQUIREMENTS OF CERTIFYING AGENTS.

(a) ABILITY TO IMPLEMENT REQUIREMENTS.—To be accredited as a Certifying Agent under section 1915, a governing State official or an individual must be able to fully implement the organic program established under this title.

(b) INSPECTORS.—Any Certifying Agent must employ a sufficient number of inspectors to implement the program established under this title, as determined by the Secretary.

(c) RECORDKEEPING.—

(1) MAINTENANCE OF RECORDS.—Any Certifying Agent must maintain all records concerning its activities under this title for a period of not less than 10 years.

(2) ACCESS FOR SECRETARY.—Any Certifying Agent must allow representatives of the Secretary and the governing State official access to any and all records concerning the Certifying Agent's activities under this title.

(3) TRANSFERENCE OF RECORDS.—If any private individual that was certified under this title is dissolved or loses its accreditation, all records concerning such individual's activities under this title shall become the property of the Secretary and shall be transferred to the Secretary and made available to the applicable governing State official.

(d) AGREEMENT.—Any Certifying Agent must enter into an agreement with the Secretary under which such agent shall—

(1) agree to carry out the provisions of this title; and

(2) agree to such other terms and conditions as the Secretary determines appropriate.

(e) PRIVATE CERTIFYING AGENT AGREEMENT.—Any Certifying Agent that is a private individual, in addition to the agreement required in subsection (e), shall—

(1) agree to hold the Secretary harmless for any failure on the part of the agent to carry out the provisions of this title; and

(2) furnish reasonable security, in an amount determined by the Secretary, for the purpose of protecting the rights of participants in the program established under this title.

(f) COMPLIANCE WITH STATE PROGRAM.—Any Certifying Agent must fully comply with the terms and conditions of the applicable State organic certification program implemented under this title.

(g) CONFIDENTIALITY.—Except as provided in section 1906(a)(9), any Certifying Agent must maintain strict confidentiality with respect to its clients under this program and may not disclose to third parties (with the exception of the Secretary or the applicable governing State official) any business related information concerning such client obtained while implementing this title.

(h) CONFLICT OF INTEREST.—Any Certifying Agent shall not—

(1) carry out any inspections of any operation in which such agent, or employee of such agent has, or has had, a commercial interest, including the provision of consultancy services;

(2) accept payment, gifts, or favors of any kind from the business inspected in excess of prescribed fees; or

(3) provide advice concerning organic practices or techniques for a fee, other than fees established under such program.

(i) ADMINISTRATOR.—A Certifying Agent that is a private individual shall nominate the person who cotrols the day to day operation of the agent.

(j) LOSS OF ACCREDIATION.—

(1) NONCOMPLIANCE.—If the Secretary or the governing State official (if applicable) determines that a Certifying Agent is not properly adhering to the provisions of this title, the Secretary or such governing State official may suspend such Certifying Agent's accreditation.

(2) EFFECT ON CERTIFIED OPERATIONS.—If the accreditation of a Certifying Agent is suspended under paragraph (1), the Secretary or the governing State official (if applicable) shall promptly determine whether farming or handling operations certified by such agent may retain their organic certification.

SEC. 1917. PEER REVIEW OF CERTIFYING AGENTS.

(A) PEER REVIEW.—In determining whether to approve an application for accreditation submitted under section 1916, the Secretary shall consider the report concerning such applicant prepared by a peer review committee established in accordance with subsection (b).

(b) PEER REVIEW COMMITTEE.—In order to assist the Secretary in evaluating applications under section 1916, the Secretary may establish a panel consisting of no less than 3 persons who have expertise in organic farming and handling methods for the purpose of evaluating the State or private individual seeking approval as a Certifying Agent under this title. At least 2 members of such committee shall not be employees of the United States Department of Agriculture or of the applicable State government.

SEC. 1918. NATIONAL LIST.

(a) IN GENERAL.—The Secretary shall establish a National List of approved and prohibited substances that shall be included in the standards for organic production established under this Act in order for such products to be labeled "organically produced" under this title.

(b) CONTENT OF LIST.—The list established under subsection (a) shall contain an itemization, by specific use or application, of each synthetic substance permitted under subsection (c)(1) or each natural substance prohibited under subsection (c)(2).

(c) GUIDELINES FOR PROHIBITIONS OR EXEMPTIONS.—

(1) EXEMPTION FOR PROHIBITED SUBSTANCES.—The National List may provide for the use of substances in an organic farming or handling operation that are otherwise prohibited under this title only if—

(A) the Secretary of Agriculture determines, in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, that the use of such substances—

(i) would not be harmful to human health or the environment;

(ii) is necessary to the production or handling of the crop because of the unavailability of wholly natural substitute products; and

(iii) is consistent with organic farming and handling; and

(B) the substance (i) is used in production and contains an active synthetic ingredient in the following categories: copper and sulfur compounds; toxins derived from bacteria; pheremones, soaps, horticultural oils, fish emulsions, treated seed, vitamins and minerals; livestock paraciticides and medicines;

(ii) is used in handling and is non-synthetic but is not organically produced; and

(C) the specific exemption is developed using the procedures described in subsection (d).

(2) PROHIBITION ON THE USE OF SPECIFIC NATURAL SUSBSTANCES.—The National List may provide for the prohibition on the use of specific natural substances in an organic farming or handling operation that are otherwise allowed under this title only if—

(A) the Secretary of Agriculture determines, in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, that the use of such substances—

(i) would be harmful to human health or the environment; and

(ii) is inconsistent with organic farming and handling, and the purposes of this title; and

(B) the specific prohibition is developed using the procedures specified in subsection (d).

(d) PROCEDURE FOR ESTABLISHING NATIONAL LIST.—

(1) IN GENERAL.—The National List established by the Secretary shall be based upon a proposed national list or proposed amendments to the National List developed by the National Organic Standards Board.

(2) NO ADDITIONS.—The Secretary may not include exemptions for the use of specific synthetic substances in the National List other than those exemptions contained in the Proposed National List or Proposed Amendments to the National List.

(3) PROHIBITED SUBSTANCES.—In no instance shall the National List include any substance, the presence of which in food has been prohibited by Federal regulatory action.

(4) NOTICE AND COMMENT.—Before establishing the National List or before making any amendments to the National List, the Secretary shall publish the Proposed National List or any Proposed Amendments to the National List in the Federal Register and seek public comment on such proposals. The Secretary shall include in such Notice any changes to such proposed list or amendments recommended by the Secretary.

(5) PUBLICATION OF NATIONAL LIST.—After evaluating all comments received concerning the Proposed National List or Proposed Amendments to the National List, the Secretary shall publish the final National List in the Federal Register, along with a discussion of comments received.

(e) SUNSET PROVISION.—No exemption or prohibition contained in the National List shall be valid unless the National Organic Board has reviewed such exemption or prohibition as provided in this section within 5 years of such exemption or prohibition being adopted or reviewed.

SEC. 1919. NATIONAL ORGANIC STANDARDS BOARD.

(a) IN GENERAL.—The Secretary shall establish a National Organic Standards Board (in accordance with the Federal Advisory Committee Act (5 U.S.C. App. 2 et seq.)) to assist in the development of standards for substances to be used in organic production and to advise the Secretary on any other aspects of the implementation of this title.

(b) COMPOSITION OF BOARD.—The Board shall be composed of 15 members, of which—

(1) 4 shall be individuals who own or operate an organic farming operation;

(2) 2 shall be individuals who own or operate an organic handling operation;

(3) 1 shall be an individual who owns or operates a retail establishment with significant trade in organic products;

(4) 3 shall be individuals with expertise in areas of environmental protection and resource conservation;

(5) 3 shall be individuals who represent public interest or consumer interest groups;

(6) 1 shall be an individual with expertise in the fields of toxicology, ecology, or biochemistry; and

(7) 1 shall be an individual who is a certifying agent as identified under section 1916(i).

(c) APPOINTMENT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall appoint the members of the Board from nominations received from organic certifying organizations, States, and other interested persons and organizations.

(d) TERM.—A member of the Board shall serve for a term of 5 years, except that the Secretary may shorten the terms of the original members of the Board in order to provide for a staggered term of appointment for all members of the Board. Members cannot serve consecutive terms unless they are members whose terms have been reduced by the Secretary.

(e) MEETINGS.—The Secretary shall convene a meeting of the Board not later than 60 days after the appointment of its members and shall convene subsequent meetings on a periodic basis

(f) COMPENSATION.—A member of the Board shall serve without compensation, but may be reimbursed by the Secretary for transportation expenses incurred in performing duties as a member of the Board.

(g) CHAIR.—The Board shall select a Chairperson for the Board.

(h) QUORUM.—A majority of the members of the Board shall constitute a quorum for the purpose of conducting business.

(i) DECISIVE VOTES.—Two thirds of the votes cast at a meeting of the Board at which a quorum is present shall be decisive of any motion.

(j) OTHER TERMS AND CONDITIONS.—The Secretary shall authorize the Board to hire a staff director and shall detail staff of the Department of Agriculture or allow for the hiring of staff and may, subject to necessary appropriations, pay necessary expenses incurred by such Board in carrying out the provisions of this title, as determined appropriate by the Secretary.

(k) RESPONSIBILITIES OF THE BOARD.—

(1) IN GENERAL.—The Board shall provide recommendations to the Secretary regarding the implementation of this title.

(2) NATIONAL LIST.—The Board shall develop the proposed National List or proposed amendments to the National List or proposed amendments to the National List for submission to the Secretary in accordance with section 1918.

(3) TECHNICAL ADVISORY PANELS.—The Board shall convene technical advisory panels to provide scientific evaluation of the materials considered for inclusion in the National List. Such panels may include experts in agronomy, entomology, health sciences and other relevant disciplines.

(4) SPECIAL REVIEW OF BOTANICAL PESTICIDES.—The National Organic Standards Board shall, prior to the establishment of any list, review all botanical pesticides used in agricultural production and consider whether any such botanical pesticide should be included in the list of prohibited natural substances.

(5) PRODUCT RESIDUE TESTING.—The board shall advise the Secretary concerning the testing of organically produced agricultural products for residues as a result of unavoidable residual environmental contamination.

(l) REQUIREMENTS.—In establishing the proposed National List or proposed amendments to the National List, the National Organic Standards Board shall—

(1) review available information from the Environmental Protection Agency, the National Institute of Environmental Health Studies, and such other sources as appropriate, concerning the potential for adverse human and environmental effects of substances considered for inclusion in the proposed National List;

(2) work with manufacturers of substances considered for inclusion in the proposed National List to obtain a complete list of ingredients and determine whether such substances contain inert materials that are synthetically produced; and

(3) submit to the Secretary, along with the proposed National List or any proposed amendments to such list, the results of the National Organic Standards Board evaluation and the evaluation of the technical advisory panel of all substances considered for inclusion in the National List.

(m) EVALUATION.—In evaluating substances considered for inclusion in the proposed National List or proposed amendment to the National List, the National Organic Standards Board shall consider—

(1) the potential of such substances for detrimental chemical interactions with other materials used in organic farming systems;

(2) the toxicity and mode of action of the substance and of its breakdown products or any contaminants, and their persistance and areas of concentration in the environment;

(3) the probability of environmental contamination during manufacture, use, misuse or disposal of such substance;

(4) the effect of the substance on human health;

(5) the effects of the material on biological and chemical interactions in the agroecosystem, including the physiological effects of the substance on soil organisms (including the salt index and solubility), crops and livestock;

(6) the alternatives to using the substance in terms of practices or other available materials; and

(7) its compatibility with a system of sustainable agriculture.

(n) PETITIONS.—The National Organic Standards Board shall establish procedures under which individuals may petition the Organic Standards Board for the purpose of evaluating substances for inclusion on the National List.

(o) CONFIDENTIALITY.—Any business sensitive material obtained by the National Organic Standards Board in carrying out this section shall be treated as confidential business information by such Board and shall not be released to the public.

SEC. 1920. VIOLATIONS OF TITLE.

(a) MISUSE OF LABEL.—Any individual who knowingly sells or labels a product as organic, except in accordance with this title, shall be subject to a civil penalty of not more than $10,000.

(b) FALSE CERTIFICATION.—Any individual who issues a false certification under this title to the Secretary, a governing state official, or a Certifying Agent shall be subject to the provisions of section 1001 of title 18, United States Code.

(c) INELIGIBILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any producer who—

(A) issues a false certification;

(B) attempts to have an organically produced label affixed to an agricultural product that such producer knows, or should have reason to know, to have been produced in a manner that is not in accordance with this title;

or

(C) otherwise violates the purposes of the national organic certification program established under section 1904(a) as determined by the Secretary or the applicable governing state official, after notice and an opportunity to be heard, shall not be eligible, for a period of 5 years from the date of such occurrence, to receive certification under this title with respect to any farm or handling operation in which such producer has an interest.

(2) WAIVER.—Notwithstanding paragraph (1), the Secretary may reduce or eliminate such period of ineligibility if the Secretary determines that such modification or waiver is in the best interests of the national organic certification program established under this title.

(d) REPORTING OF VIOLATIONS.—A Certifying Agent shall immediately report any violations of this title to the Secretary or the governing State official (if applicable), and shall decertify any individual determined to be in violation of this title.

(e) VIOLATIONS BY CERTIFYING AGENT.—A Certifying Agent that is a private individual that violates the provisions of this title or that falsely or negligently certifies any farming or handling operation and that does not meet the terms and conditions of the applicable organic certification program as an organic operation, as determined by the Secretary or the governing State official (if applicable) after notice and an opportunity to be heard, shall—

(1) lose its accreditation as a Certifying Agent under this title; and

(2) be ineligible to be accredited as a Certifying Agency under this title for a period of not less than 3 years subsequent to such determination.

(f) EFFECT OF OTHER LAWS.—Nothing in this title shall alter the authority of the Secretary of Agriculture under the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.) concerning meat and poultry products, nor any of the authorities of the Secretary of Health and Human Services under the Federal Food, Drug and Cosmetic Act (21 U.S.C. 301 et seq.).

SEC. 1915. ADMINISTRATIVE APPEAL.

(a) EXPEDITED APPEALS PROCEDURE.—The Secretary shall establish an expedited administrative appeals procedure under which persons may appeal an action of the Secretary, the applicable governing State official, a Certifying Agent, or a certified farming or handling operation under this title that—

(1) adversely affects such person; or

(2) is inconsistent with the organic certification program established under the title.

(b) APPEAL OF FINAL DECISION.—A final decision of the Secretary under such process may be appealed to the United States Court of Appeals of the District in which such person is located.

SEC. 1921. ADMINISTRATION.

(a) REGULATIONS.—Not later than 180 days after the date of enactment of this title, the Secretary shall issue proposed regulations to carry out this title.

(b) ASSISTANCE TO STATE.—

(1) TECHNICAL AND OTHER ASSISTANCE.—The Secretary shall provide technical, administrative, and Extension Service assistance to each state that implements an organic certification program under this title.

(2) FINANCIAL ASSISTANCE.—The Secretary may provide financial assistance to any state that implements an organic certification program under this title.

SEC. 1922. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each fiscal year such sums as necessary to carry out this title.

By Mr. DORGAN of North Dakota:

—At the end of subtitle A of title XI, insert the following new section:

SEC. 1121. SENSE OF THE CONGRESS.

It is the sense of the Congress that any future reduction in spending provided by any budget reconciliation bill that affects agricultural commodity support programs should be made by Congress on a targeted basis to protect the support prices for the amount of commodities produced by family-sized farms, and should achieve budgetary savings, to the extent possible, through lower support prices on production from the largest farms.

Redesignate the succeeding section accordingly.

—Amend section 1101(a) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by inserting at the end the following new paragraph:

(7) by striking subparagraph (A) of paragraph (5) and inserting the following:

"(5)(A) The Secretary shall issue regulations defining the term 'person', and prescribing such rules as necessary to assure a fair and reasonable application of the limitations established under this section, except that as the term applies to section 1001 (1) and (2) of this Act—

"(i) each person must meet the requirements of material participation within the meaning of section 469(h) of the Internal Revenue Code of 1986 as prescribed in section 1.469-5T of the Internal Revenue Code of 1986, and

"(ii) each person and any related terms, such as individual, joint operation, and entity shall be defined in such manner that no combination of farming or business organization shall result in any one natural person qualifying as more than one person.".

—In the amendment made by section 901 to section 107A of the Agricultural Act of 1949, at the end of the subsection (c)(1)(A) insert the following:

The farm program payment yield times the acreage used to compute payments to a producer under this paragraph shall not exceed 15,000 bushels of wheat.

—In the amendment made by section 901 to section 107A(c)(1)(E)(i) of the Agricultural Act of 1949, strike "$4" and insert "$4.50".

—In the amendment made by section 1001 to section 105A of the Agricultural Act of 1949, at the end of subsection (c)(1)(A) insert the following:

The farm program payment yield times the acreage used to compute payments to a producer under this paragraph shall not exceed 21,000 bushels of corn or, in the case of other feed grains, a comparable amount, as determined by the Secretary.

—In the amendment made by section 1001 to section 105A(c)(1)(E)(i) of the Agricultural Act of 1949, strike "$2.75" and insert "$3.10".

By Mr. DOWNEY:

—Strike title II and insert the following:

TITLE II—SUGAR

SEC. 201. SUGAR PRICE SUPPORT.

(a) Section 901 of the Food Security Act of 1985 (7 U.S.C. 1446 nt) is amended by striking "1986 through 1990 crops" and inserting "1986 through 1991 crops".

(b) Section 201(j) of the Agricultural Act of 1949 is amended by striking "1990" and inserting "1991" each place it appears.

—Strike subtitles A and B of title II and insert the following:

TITLE II—SUGAR

SEC. 201. SUGAR PRICE SUPPORT.

(a) Section 901 of the Food Security Act of 1985 (7 U.S.C. 1446 nt) is amended by striking "1986 through 1990 crops" and inserting "1986 through 1991 crops".

(b) Section 201(j) of the Agricultural Act of 1949 is amended by striking "1990" and inserting "1991" each place it appears.

Redesignate the succeeding sections accordingly.

—Strike title II and insert the following:

TITLE II—SUGAR

SEC. 201. SUGAR PRICE SUPPORT.

Effective only for the 1991 through 1995 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by—

(1) striking "honey, and milk" in the first sentence and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) amending subsection (h) to read as follows:

"(h)(1) The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this subsection.

"(2) The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 16 cents per pound for raw cane sugar, except that such level may be increased under paragraph (4).

"(3) The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines is fair and reasonable in relation to the loan level for sugarcane.

"(4)(A) The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(B) If the Secretary makes a determination not to increase the support price under subparagraph (A), the Secretary shall submit a report containing the findings, decision, and supporting data for such determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(5) The Secretary shall announce the loan rate to be applicable during any fiscal year under this subsection as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this subsection.

"(6) Loans under this subsection during any fiscal year shall be made available not earlier than the beginning of such fiscal year and shall mature before the end of such fiscal year.".

—Strike subtitles A and B of title II and insert the following:

TITLE II—SUGAR

SEC. 201. SUGAR PRICE SUPPORT.

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"(h)(1) The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this subsection.

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"(3) The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines is fair and reasonable in relation to the loan level for sugarcane.

"(4)(A) The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(B) If the Secretary makes a determination not to increase the support price under subparagraph (A), the Secretary shall submit a report containing the findings, decision, and supporting data for such determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(5) The Secretary shall announce the loan rate to be applicable during any fiscal year under this subsection as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this subsection.

"(6) Loans under this subsection during any fiscal year shall be made available not earlier than the beginning of such fiscal year and shall mature before the end of such fiscal year.".

Redesignate the succeeding sections accordingly.

By Mr. DURBIN:

—At the end of title XIII (relating to research, page 614, after line 10) insert the following new section:

SEC. 1396. PUBLIC EDUCATION CONCERNING THE DANGERS OF TOBACCO USE.

"(a) PUBLIC EDUCATION.—The Extension Service of the Department of Agriculture, in consultation with the Office on Smoking and Health in the Centers for Disease Control in the Department of Health and Human Services, shall carry out a program of public education (with a special emphasis on reaching children and minorities) on the hazards of tobacco use and the advantages of quitting or not starting tobacco use.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for each of the fiscal years 1991 through 1995 to carry out this section.

—At the end of title XII (relating to trade, page 385, after line 22) insert the following new section:

SEC. 1243. PROHIBITION OF USE OF PROGRAMS WITH RESPECT TO THE EXPORT OF CERTAIN COMMODITIES AND PRODUCTS.

No program authorized or extended by this title shall be used to assist or encourage the export of tobacco in its raw or processed form.

—At the end of title XIII (relating to research, page 614, after line 10) insert the following new section:

SEC. 1396. PUBLIC EDUCATION CONCERNING THE DANGERS OF TOBACCO USE.

(a) PUBLIC EDUCATION.—The Extension Service of the Department of Agriculture, shall carry out a program of public education (with a special emphasis on reaching children and minorities) on the hazards of tobacco use and the advantage of quitting or not starting tobacco use.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for each of the fiscal years 1991 through 1995 to carry out this section.

—At the end of title XIII (relating to research, page 614, after line 10) insert the following new section:

SEC. 1396. PUBLIC EDUCATION CONCERNING THE DANGERS OF TOBACCO USE.

(a) PUBLIC EDUCATION.—The Extension Service of the Department of Agriculture, using methods and materials such as those of the Office on Smoking and Health in the Centers for Disease Control in the Department of Health and Human Services, shall carry out a program of public education (with a special emphasis on reaching children and minorities) on the hazards of tobacco use and the advantage of quitting or not starting tobacco use.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for each of the fiscal years 1991 through 1995 to carry out this section.

By Mr. DYSON:

—Page 821, after line 17, insert the following:

"(4) CONSERVATION PRIORITY AREAS.—(A) Upon application by the appropriate State agency, the Secretary shall designate watershed areas of the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia), the Great Lakes Region, and other areas of special environmental sensitivity as conservation priority areas.

"(B) Watersheds eligible for designation under subparagraph (A) shall include areas with actual and significant adverse water quality or habitat impacts related to agricultural production activities.

"(C) Conservation priority area designation under subparagraph (A) shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw a watershed's designation—

"(i) upon application by the appropriate State agency; or

"(ii) in the case of areas specified in subparagraph (B), if the Secretary finds that such areas no longer contain actual and significant adverse water quality or habitat impacts related to agricultural production activities."

—Page 825, line 3, strike "and"." and insert ";"; and insert after line 3 the following:

(3) by striking the period at the end of paragraph (3) and inserting "; and"; and

(4) by adding the following at the end:

"(4) maximize water quality and habitat benefits by ensuring that program participation in each conservation priority area is equal to at least 50 percent of the national average rate of program participation measured by the ratio of participating acres to eligible acres, which the Secretary may accomplish by—

"(A) providing a one-time cash bonus or an annual rental premium to eligible owners or operators;

"(B) accepting filter strips of less than 66 feet, but not less than 25 feet;

"(C) entering into contracts for not less than 5, and not more than 15 years;

"(D) paying up to 50 percent of the costs of establishing conservation measures and practices as provided for in section 1234(b); or

"(E) promoting program participation in any other fashion that the Secretary deems appropriate that is consistent with the purposes of this title.".

By Mr. FORD of Michigan (or his designee):

—In subsection (a) of section 1842 of the bill—

(1) insert after "Secretary" the following: ", in consultation with the Secretary of Education"; and

(2) strike "physical".

—In section 1382 of the bill—

(1) in subsection (b), insert after "such as" the following: "the Occupational Safety and Health Administration,"; and

(2) in subsection (f)—

(A) insert after "Agriculture" the following: "and the Committee on Education and Labor"; and

(B) insert after "Forestry" the following: "and the Committee on Labor and Human Resources".

—In subsection (a) of section 1842 of the bill—

(1) insert after "Secretary" the following: ", in consultation with the Secretary of Education"; and

(2) strike "physical".

By Mr. FRENZEL:

—Strike section 1705 (and redesignate references and succeeding sections as may be necessary).

—Strike section 1711 (and redesignate references and succeeding sections as may be necessary).

—In section 1794 of the bill, strike "1711,".

—In section 1795 of the bill, strike "1711," each place it appears.

—Strike section 1701 (and redesignate references and succeeding sections as may be necessary).

—In section 1795(b) of the bill, strike "1701,".

—Strike section 1712 (and redesignate references and succeeding sections as may be necessary).

—In section 1795 of the bill, strike "1712," each place it appears.

—Strike subsection (d) of section 1715 (and redesignate references and succeeding sections as may be necessary).

—In section 1795 of the bill, strike "1715(d)," each place it appears.

—Strike section 1717 (and redesignate references and succeeding sections as may be necessary).

—In section 1794 of the bill, strike "1717,".

—Strike section 1721 (and redesignate references and succeeding sections as may be necessary).

—In section 1794 of the bill, strike "1721,".

—Strike section 1728 (and redesignate references and succeeding sections as may be necessary).

—In section 1794 of the bill, strike "1717, and 1728" and insert "and 1717".

—In section 1795 of the bill, strike "1728" each place it appears.

—In section 1729(a)(2) of the bill, strike subparagraph (B) (and make such technical corrections as may be necessary).

—Strike section 1733 (and redesignate references and succeeding sections as may be necessary).

—Strike section 1734 (and redesignate references and succeeding sections as may be necessary).

—Strike section 1745 (and redesignate references and succeeding sections as may be necessary).

—In section 1794 of the bill, strike "1733 and 1745" and insert "and 1733".

—In section 1795 of the bill, strike "1728 and 1745" each place it appears and insert "and 1728".

—Strike section 1751 (and redesignate references and succeeding sections as may be necessary).

—Strike section 1752 (and redesignate references and succeeding sections as may be necessary).

—In section 215(e) of the Temporary Emergency Food Assistance Act of 1983, as added by the bill—

(1) amend the first sentence to read as follows: "There are authorized to be appropriated to purchase, process, and distribute additional commodities under this section, $175,000,000 for fiscal year 1991 and $190,000,000 for fiscal year 1992."; and

(2) in the last sentence strike "1993" and insert "1991".

—In section 19(a)(1)(A) of the Food Stamp Act of 1977, as added by section 1782 of the bill—

(1) strike "$985,000,000" and insert "$974,000,000",

(2) strike "$1,029,000,000" and insert "$1,014,000,000",
(3) strike "$1,074,000,000" and insert "$1,054,000,000",
(4) strike "1,121,000,000" and insert "$1,096,000,000", and
(5) strike "$1,170,000,000" and insert "$1,140,000,000".

—Strike section 1702 (and redesignate references and succeeding sections as may be necessary).

—In section 1795 of the bill, strike "1702," each place it appears.

—Strike section 1703 (and redesignate references and succeeding sections as may be necessary).

—In section 1794 of the bill, strike "1703,".

By Mr. GIBBONS:

—At the end of the bill, insert the following new title:

TITLE XX—EFFECTIVE PERIOD

SEC. 2001. TERMINATION OF AUTHORITY.

Notwithstanding any other provision of law, any amendment made by, or provision of, titles I through XI of this Act (except subtitle B of title VI) that extends or authorizes any program, project, or activity until the end of calendar, fiscal, or crop year 1995 or through the 1995 crop of a commodity shall instead only extend or authorize that program, project, or activity until the end of calendar, fiscal, or crop year 1992 or through the 1992 crop of that commodity, and in the case of title XII, that title (except sections 1222 through 1236) and all amendments made by it shall be deemed to authorize programs, projects, and activities only until the end of fiscal year 1992.

By Mr. GLICKMAN:

—On page 266, after line 21, insert the following new subsection:

"(e) DEFICIENCY PAYMENT INELIGIBILITY.—Effective beginning with the 1991 crops, the Food Security Act of 1985 is amended by inserting after section 1001D (as added by subsection (d)) the following new section:

'SEC. 1001E. DEFICIENCY PAYMENT INELIGIBILITY.

'(a) IN GENERAL.—Any person that has qualifying gross revenues in excess of $1,000,000 annually shall be ineligible to receive deficiency payments on program crops.

'(b) DEFINITIONS.—(1) Qualifying gross revenues.—For purposes of this section, the term 'qualifying gross revenues' means the gross income derived by a person from the sale of program crops.

'(2) DEFICIENCY PAYMENTS.—For purposes of this section, the term 'deficiency payments' means payments authorized to be made to producers of program crops under sections 107A(c)(1), 105A(c)(1), 103B(c)(1), 103(h)(3)(A), and 101A(c)(1) of the Agricultural Act of 1949.

'(3) PROGRAM CROPS.—For purposes of this section, the term 'program crops' means wheat, feed grains, upland cotton, extra long staple cotton, and rice.'.".

—Strike out paragraph (5) of section 1204(d) of the amendment reported by the Committee on Agriculture and insert in lieu thereof the following:

(5) in paragraph (2) of subsection (b) (as so redesignated)—

(A) by striking the last sentence of subparagraph (B), and

(B) by adding at the end the following:

"(C)(i) Local currency proceeds used for private sector development activities pursuant to this paragraph may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete, as determined by the President, in world markets with similar agricultural commodities (or products thereof) produced in the United States if such competition would cause substantial injury to United States producers, subject to clause (ii).

"(ii) Clause (i) does not apply to the use of such local currency proceeds in a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961) for the purpose of reducing dependence on the production of crops from which narcotic and psychotropic drugs are derived.".

—Strike out subparagraph (E) of section 1204(e)(2) of the amendment reported by the Committee on Agriculture (page __ through line __ on page __) and insert in lieu thereof the following:

(E) by amending paragraph (5) to read as follows:

"(5)(A) Currency made available under this section may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete, as determined by the President, in world markets with similar agricultural commodities (or products thereof) produced in the United States if such competition would cause substantial injury to United States producers, subject to subparagraph (B).

"(B) Subparagraph (A) does not apply to the use of currency proceeds in a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961) for the purpose of reducing dependence on the production of crops from which narcotic and psychotropic drugs are derived."; and

In section 1207(e) of the amendment reported by the Committee on Agriculture—

(1) in paragraph (2) (page ___, line ___) strike out "(g)" and inset in lieu thereof "(h)"; and

(2) in paragraph (3), strike the closing quotation marks and the second period at the end of proposed new subsection (f) of section 408 (page ___, line ___), and after proposed new subsection (f) of section 408 (page ___, after line ___) insert the following:

"(g) Not later than February 15 of each year, the President shall submit to the Congress a report containing—

"(1) an assessment of the effectiveness of the use in major illicit drug producing countries of local currencies made available pursuant to section 106(b)(4)(C)(ii) or 108(c)(5)(B) in reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived; and

"(2) an analysis of the impact of exports of agricultural commodities whose production is financed under those sections on the competitive position in world markets of United States agricultural exports.".

By Mr. GLICKMAN:

—On page 1006, after line 20, add the following new Title XIX:

SECTION 1901. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Soybean Promotion, Research, and Consumer Information Act".

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and declaration of policy.
Sec. 3. Definitions.
Sec. 4. Issuance and amendments of orders.
Sec. 5. Required terms in orders.
Sec. 6. Referenda.
Sec. 7. Petition and review.
Sec. 8. Enforcement.
Sec. 9. Investigations; power to subpoena; aid of courts.
Sec. 10. Administrative provisions.
Sec. 11. Regulations.
Sec. 12. Authorization.

SEC. 1902. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) soybeans are an important source of nutritious foods that are a valuable part of the human diet and are an important feedstuff for the livestock industry;

(2) the production of soybeans plays a significant role in the economy of the United States in that soybeans are produced by thousands of soybean producers, processed by numerous processing entities, and soybeans and soybean products produced in the United States are consumed by people and livestock throughout the United States and foreign countries;

(3) soybeans and soybean products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of soybean products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for soybeans and soybean products are vital to the welfare of soybean producers and processors and those concerned with marketing soybeans and soybean products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of soybeans and soybean products;

(5) there exist established State and national organizations conducting soybean promotion, research, and consumer education programs that are valuable to the efforts of promoting the consumption of soybeans and soybean products;

(6) the cooperative development, financing, and implementation of a coordinated national program of soybean promotion, research, consumer information, and industry information are necessary to maintain and expand existing markets and develop new markets for soybeans and soybean products; and

(7) soybeans and soybean products move in interstate and foreign commerce, and soybeans and soybean products that do not move in such channels of commerce directly burden or affect interstate commerce in soybeans and soybean products.

(b) POLICY.—Congress declares that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this title, of an orderly procedure for developing, financing through assessments on domestically-produced soybeans, and implementing a program of promotion, research, consumer information, and industry information designed to strengthen the soybean industry's position in the marketplace, to maintain and expand existing domestic and foreign markets and uses for soybeans and soybean products, and to develop new markets and uses for soybeans and soybean products.

(c) CONSTRUCTION.—Nothing in this title may be construed to provide for the control of production or otherwise limit the right of individual producers to produce soybeans.

SEC. 1903. DEFINITIONS.

As used in this title:

(1) The term "Board" means the United Soybean Board established under section 1905(b) of this title.

(2) The term "commerce" includes interstate, foreign, and intrastate commerce.

(3) The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the pruchase, preparation, and use of soybeans or soybean products.

(4) The term "Department" means the Department of Agriculture.

(5) The term "first purchaser" means—

(A) except as provided in subparagraph (B), any person buying or otherwise acquiring from a producer soybeans produced by such producer, or

(B) the Commodity Credit Corporation, in any case in which soybeans are pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation.

(6) The term "industry information" means information and programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the soybean industry, and activities to enhance the image of the soybean industry.

(7) The term "marketing" means the sale or other disposition of soybeans or soybean products in any channel of commerce.

(8) The term "net market price" means—

(A) except as provided in subparagraph (B), the sales price or other value received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors, as determined by the Secretary, or

(B) for soybeans pleded as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation, the principal amount of the loan.

(9) The term "order" means an order issued under section 1904.

(10) The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, buying or any other legal entity.

(11) The term "producer" means any person engaged in the growing of soybeans in the United States who owns, or who shares the ownership and risk of loss of, such soybeans.

(12) The term "promotion" means any action, including paid advertising, technical assistance, and trade servicing activities, to enhance the image or desirability of soybeans or soybean products in domestic and foreign markets, and any activity designed to communicate to consumers, importers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of soybeans or soybean products or the benefits of importation, use, or distribution of soybeans and soybean products.

(13) The term "qualified State soybean board" means a State soybean promotion entity that is authorized by State law. If no such entity exists in a State, the term "qualified State soybean board" means a soybean producer-governed entity—

(A) that is organized and operating within a State,

(B) that receives voluntary contributions and conducts soybean promotion, resarch, consumer information, or industry information programs, and

(C) that meets criteria established by the Board relating to the qualifications of such entity to perform duties under the order, as determined by the Board, and is recognized by the Board as the soybean promotion and research entity within the State.

(14) The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of soybeans or soybean products, including any research activity designed to identify and analyze barriers to export sales of soybeans and soybean products.

(15) The term "Secretary" means the Secretary of Agriculture.

(16) The term "soybean products" means products produced in whole or in part from soybeans or soybean by-products.

(17) The term "soybeans" means all varieties of Glycine max or Glycine soya.

(18) The terms "State" and "United States" consist of the fifty States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1904. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—To effectuate the declared policy of section 1902(b) of this title, the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this title applicable to producers and first purchasers of soybeans. Any such order shall be national in scope, and not more than one order shall be in effect under this title at any one time.

(b) PROCEDURE.—(1) The Secretary may propose the issuance of an order under this title, or an association of soybean producers or any other person that would be affected by an order issued pursuant to this title may request the issuance of, and submit a proposal for, such an order.

(2) Not later than 30 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) After notice and opportunity for public comments are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements under this title. Such order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any order issued under this section. Except as otherwise provided in sections 1905(b)(2)(F) and 1905(d)(1), no amendment to an order shall be effective until approved by a referendum of soybean producers and the provisions of this title applicable to orders shall be applicable to amendments to orders.

SEC. 1905. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—Any order issued under this title shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE UNITED SOYBEAN BOARD.—(1) The order shall provide for the establishment of, and appointment of members to, a United Soybean Board to administer the order. Members of the Board shall be soybean producers appointed by the Secretary, on a geographic basis, from State or combined units, as provided in this subsection. The cumulative number of seats on the Board shall be the total number of seats to which all the units are entitled.

(2) The Secretary shall establish State units and combined units and seats on the Board for such units, as follows:

(A) Except as provided in subparagraph (B), each State shall be considered as a unit.

(B) A State in which average annual soybean production is less than 3 million bushels shall be grouped with other States into a combined unit. To the extent practicable, each State with average annual soybean production of less than 3 million bushels shall be grouped with other States with average annual soybean production of less than 3 million bushels into a combined unit, in a manner prescribed in the order, and each combined unit shall consist of geographically contiguous States. Each combined unit shall have an average annual production of soybeans of at least 3 million bushels.

(C) Subject to subparagraph (F), each unit, as established under subparagraph (A) or (B)—

(i) if its average annual soybean production is less than 15 million bushels, shall be entitled to one seat on the Board;

(ii) if its average annual soybean production is 15 million bushels or more but less than 70 million bushels, shall be entitled to 2 seats on the Board;

(iii) if its average annual soybean production is 70 million bushels or more but less than 200 million bushels, shall be entitled to 3 seats on the Board; and

(iv) if its average annual soybean production is 200 million bushels or more, shall be entitled to 4 seats on the Board.

(D) At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Secretary, if necessary, shall adjust any unit to conform with subparagraphs (A) and (B) and any modifications pursuant to paragraph (F). If the Secretary makes such an adjustment, the Secretary shall re-establish the seats on the board to conform with subparagraph (C) and any modifications pursuant to paragraph (F).

(E) For purposes of subparagraphs (A), (B), (C), and (D), the Secretary shall determine average annual soybean production applicable to a crop year by using the average of the 5 previous crops of soybeans, excluding the crop in which production was the highest and the crop in which production was the lowest.

(F) At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Board may recommend to the Secretary, to the extent it determines appropriate, changes in the levels of production used in subparagraphs (A), (B), and (C) to determine per-unit representation on the Board. The Secretary may amend the order to make such changes in levels of production used to determine per-unit representation. Any such amendment to the order shall not be subject to a referendum of producers. A unit may not, as a result of any modification under this subparagraph, lose Board seats to which it is entitled at the time the order is initially issued unless its average annual production, as determined under subparagraph (E), declines below the levels required for representation, as specified in subparagraphs (A), (B), and (C).

(3)(A) The Secretary shall appoint soybean producers to seats established under paragraph (2) from nominations submitted by each unit. Each unit shall submit to the Secretary at least 2 nominations for each appointment to the Board to which such unit is entitled.

(B)(i) The Secretary shall solicit nominations for each seat on the initially-established Board to which a State unit is entitled from the State soybean board in the State that submits satisfactory evidence to

the Secretary that such board meets the criteria of section 1903(13), other than section 1903(13)(C), of this title. If no such organization exists in the unit, the Secretary shall solicit nominations for appointments in such manner as the Secretary determines appropriate.

(ii) The Secretary shall solicit nominations for each seat on the initially-established Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any State soybean board operating in the unit that submits satisfactory evidence to the Secretary that such board meets the criteria of section 1903(13), other than section 1903(13)(C), of this title.

(C)(i) The Secretary shall solicit nominations for each subsequent appointment to a seat on the Board to which a State unit is entitled from the qualified State soybean board in the unit. If no such organization exists in the unit, the Secretary shall solicit nominations for such appointment in such manner as the Secretary determines appropriate.

(ii) The Secretary shall solicit nominations for each subsequent appointment to a seat on the Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any qualified State soybean board operating in the unit.

(4) The Secretary may reject any nomination submitted by a unit. If there are insufficient nominations from which to appoint members to the Board as a result of the Secretary rejecting the nominations submitted by a unit, the unit shall submit additional nominations, as provided in paragraph (3).

(5) The Secretary shall ensure, to the extent practicable, that at leasts 5 of the members appointed to the Board are members in good standing, and were members for a least 3 years prior to appointment to the Board, of a national general farm organization. Each of the 5 members shall be a member of a different national general farm organization.

(6) Each appointment to the Board shall be for a term of 3 years, except that appointments to the initially-established Board shall be proportionately for 1 year, 2 years, and 3 year terms. No person may serve more than 3 three-year-terms. Board members shall serve without compensation, but shall be reimbursed by the Board for their reasonable expenses incurred in performing their duties as members of the Board.

(7)(A) Notwithstanding the foregoing provisions of this subsection, the Secretary, under procedures established by the Secretary, may appoint to the initially-established Board up to 3 temporary members to serve in addition to the members appointed as otherwise provided in this subsection, as the Secretary determines appropriate for transition purposes under the criteria set out in subparagraph (B). Each such temporary member shall be appointed for a single term not to exceed 3 years.

(B) The Secretary, in making any temporary appointments to the initially-established Board, shall ensure, to the extent practicable, that each State with a State soybean board that, prior to the enactment of this title, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts has representation on the intially-established Board that reflects the relative contributions of such State to the national soybean promotion and research effort.

(8) The order shall provide for at least one meeting of the Board annually and specify the circumstances in which additional special meetings of the Board may be held.

(c) POWERS AND DUTIES OF THE BOARD.—The order shall define the powers and duties of the Board and shall include the following powers or duties:

(1) to administer the order in accordance with its terms and provisions;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to elect members of the Board to serve on committees;

(4) to submit budgets to the Secretary for the Secretary's approval or disapproval;

(5) to contract with appropriate persons to implement plans or projects;

(6) to contract with qualified State soybean boards to implement programs in their States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order;

(8) to provide the Secretary with prior notice of meetings of the Board to allow the Secretary, or a designated representative, to attend such meetings;

(9) to recommend to the Secretary amendments to the order;

(10) to provide at least annually a report to producers accounting for funds and describing programs implemented and make such report available to the public upon request; and

(11) to ensure, in carrying out the order, that the development of the budget and activities conducted under the order do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level.

(d) BOARD VOTING PROCEDURES.—(1) The order shall establish procedures for the conduct of voting by the Board, as specified in this subsection. At the end of the 3 year period beginning on the effective date of the order, the Board may recommend to the Secretary changes in such procedures for the conduct of voting by the Board, and the Secretary may amend the order to make such recommended changes in voting procedures. Such amendment to the order shall not be subject to a referendum of producers.

(2) Each member of the Board shall be entitled, in any vote conducted by the Board, to cast the number of votes determined under the following rules;

(A) Each member shall be entitled to cast one vote unless a roll call vote is conducted. On a roll call vote, each member shall be entitled to cast such additional votes as are assigned to the member under subparagraph (B).

(B) The additional votes that each member is assigned for roll call votes shall be computed as follows:

(i) Except as provided in clause (ii), each unit shall be allotted one vote for each percent, or portion of a percent, of the total amount of assessments remitted to the Board that was remitted from the unit, net of any refunds made under subsection (j)(2), on the average, during each of the 3 previous fiscal years of the Board.

(ii)(I) During the first fiscal year of the Board, each unit shall be allotted one vote for each percent, or portion of a percent, of the total production of soybeans in the United States that was produced in the unit, on the average, during each of the 3 immediately preceding crop years.

(II) The order shall provide appropriate adjustments of the procedures for the allotment of votes under clause (i) to apply to allotments of votes during the second and third fiscal years of the Board.

(iii) A unit's total votes under clause (i) or (ii) shall be divided equally among all the members representing that unit. The procedures established by the order shall provide for the equitable disposition of fractional votes assigned to a member under such division of a unit's votes.

(3)(A) Except as provided in subparagraph (B), a motion shall carry if approved by a simple majority of members of the Board casting votes.

(B) Any member of the Board may call for a roll call vote on any motion. Except as otherwise provided in the bylaws adopted by the Board, whenever a roll call vote is conducted, the motion shall carry only if approved by a simple majority of all votes cast and a simple majority of all units voting, with the vote of each unit determined by a simple majority of all votes cast by members in that unit.

(4) In any vote conducted by a committee of the Board, each member of the committee shall have one vote.

(5) A member may not cast votes by proxy.

(e) BUDGETS.—The order shall provide that the Board shall develop budgets on a fiscal year basis of anticipated expenses and disbursements under the order, including probable costs of administration and promotion, research, consumer information, and industry information projects. The Board shall submit such budgets or any substantial modification thereof to the Secretary for the Secretary's approval. In approving or disapproving such budget or modification, the Secretary shall, among other considerations, ensure that the activities conducted under the order do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level. Each such budget or modification shall be approved or disapproved by the Secretary within 45 days after the Secretary receives the budget or modification. No expenditures of funds may be made by the Board unless such expenditure is authorized under a budget or modification approved by the Secretary.

(f) PLANS AND PROJECTS.—The order shall provide that the Board shall review or, on its own initiative, develop plans or projects of promotion, research, consumer information, and industry information, to be paid for with funds received by the Board.

(g) ADMINISTRATION.—(1) The order shall provide that the Board shall be responsible for all expenses of the Board.

(2)(A) The order shall provide that the Board may establish an administrative staff or facilities of its own or contract for the use of the staff and facilities of national, nonprofit, producer-governed organizations that represent producers of soybeans.

(B) If the Board establishes an administrative staff of its own, the Board is authorized to expend for administrative staff salaries and benefits an amount not to exceed one percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (j)(2), for that fiscal year.

(C) If the staff of national, nonprofit, producer-governed organizations that represent producers of soybeans are used by the Board, the staff of such organizations shall

not receive compensation directly from the Board, but such organizations shall be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of, and authorized by, the Board.

(3) The order shall provide that costs incurred by the Board in administering the order (including the cost of staff but not including administrative costs incurred by the Secretary) during any fiscal year shall not exceed 5 percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (j)(2), for that fiscal year.

(h) CONTRACTS AND AGREEMENTS.—To ensure coordination and efficient use of funds, the order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of the activities authorized by this title with national, nonprofit, producer-governed organizations that represent producers of soybeans, and for the payment thereof with funds received by the Board under the order.

(2) To enhance coordination, the Board, when entering into contracts or agreements for the implementation and carrying out of activities authorized by this title, shall ensure that all plans or projects implemented for consumer information, industry information, promotion, or research are implemented by a single entity. There shall not be in force, at any one time, more than one contract or agreement for implementation or plans or projects for consumer information for industry information, for promotion, or for research, except that, upon approval of the Secretary, the Board may contract with qualified State soybean boards to implement plans or projects within their respective States.

(3) Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project;

(B) the plan or project shall not become effective unless it has been approved by the Secretary, and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, including staff time, salaries, and expenses expended on behalf of Board activities, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(i) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records, which shall be available to the Secretary for inspection and audit, as the Secretary may prescribe,

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe, and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

The Board shall cause its books and records to be audited by an independent auditor at the end of each fiscal year and a report of such audit to be submitted to the Secretary. The Secretary shall make such report available to the public upon request.

(j) ASSESSMENTS.—(1)(A)(i) The order shall provide that each first purchaser of soybeans from a producer shall collect, in the manner prescribed by the order, an assessment from the producer and remit the assessment to the Board. If a qualified State soybean board is operating in the State, the Board shall permit such State board to collect such assessments on behalf of the Board from first purchasers in the State in which such board is operating.

(ii) The rate of assessment prescribed by the order shall be one-half of 1 percent of the net market price of soybeans bought or otherwise acquired by the first purchaser from the producer.

(iii) No more than one assessment shall be made with respect to any particular soybeans.

(iv) The order shall provide that no person may engage in any scheme or device regarding the net market price of soybeans for purposes of affecting the assessment under the order.

(B) The order shall provide that any person processing soybeans of that person's own production and marketing such soybeans or soybean products made from such soybeans shall remit to the Board or the qualified State soybean board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for in subparagraph (A)(ii).

(2)(A) The order shall provide that, during the period prior to the approval of the continuation of the order in the referendum provided for in section 1906(a), as determined by the Secretary, each producer shall have the right to demand and receive from the Board a refund of any assessment collected from such producer if—

(i) such producer is responsible for paying the assessment; and

(ii) such producer does not support the programs, projects, or activities implemented under the order.

(B) Subject to the provisions of subparagraph (C)(i), any demand by a producer for a refund of an assessment under this paragraph shall be made in accordance with regulations, on a form, and within the time period, not to exceed 90 days from the date of collection, prescribed by the Board.

(C)(i) In each State in which a qualified State soybean board collects assessments, as provided in paragraph (1)(A)(i), producers shall submit demands for refunds of assessments to the qualified State soybean board. Such board shall process such submissions under procedures established under State statute applicable to refunds of assessments on soybeans, except that if no refunds are allowed under State statute, such submissions shall be processed under procedures established under this paragraph.

(ii) In each State not specified in clause (i), producers shall submit demands for refunds of assessments directly to the Board.

(D) Subject to the provisions of subparagraph (C)(i), each refund to a producer of an assessment under this paragraph shall be made as soon as practicable, but in no case more than 60 days, after submission of proof satisfactory to the qualified State soybean board or the Board that the producer paid the assessment for which refund is demanded.

(3) The assessments shall be used for payment of the expenses incurred in implementation and administration of the order, the establishment of a reasonable reserve, and reimbursement to the Secretary of administrative costs incurred by the Secretary after the order has been proposed.

(4) A producer who can establish that such producer is contributing to a qualified State soybean board shall receive credit, in determining the assessment due to the Board from such producer, for contributions to the qualified State soybean board of up to one-quarter of 1 percent of the net market price of soybeans or the equivalent thereof. A producer may receive a credit under this paragraph only if the contribution is to the qualified State soybean board in the State in which the soybeans are produced, except that the Board, with the approval of the Secretary, may authorize exceptions to such State-of-origin rule as appropriate to ensure effective coordination of collection procedures among States.

(5) The procedures in the order for the collection of assessments shall ensure, to the extent practicable, that such soybeans are subject to a single process of assessment under the order.

(k) CREDIT FOR CERTAIN COSTS TO STATES.—The order shall provide that the Board may provide a credit against the amount of collected assessments due from each qualified State soybean board of an amount not to exceed one-half of any fees paid to State governmental agencies or first purchasers for collection of the assessments if the payment of such fees by the qualified State soybean board is required by State statute enacted prior to the date of enactment of this title. Any credit provided to any qualified State soybean board under this subsection may not exceed 2.5 percent of the amount of assessments collected and remitted to the Board under subsection (j).

(l) MINIMUM LEVEL OF ASSESSMENTS TO STATES.—(1) The order shall contain provisions to ensure that, during the period prior to conduct of the referendum provided for in section 1906(a), each qualified State soybean board retains annually an amount of money equal to the average amount that the State board collected from assessments during each of the State board's fiscal years 1984 through 1988, excluding the year in which such collections were the highest and the year in which such collections were the lowest, as determined by the Secretary and subject to paragraph (3).

(2) The order shall provide, effective after the conduct of the referendum provided for in section 1906(a), subject to paragraph (3), that the Board annually shall provide a credit to each qualified State soybean board of an amount by which—

(A) the amount equal to one cent times the average number of bushels of soybeans produced in the State during each of the preceding 5 years, excluding the year in which the production is the highest and the year in which the production is the lowest, exceeds

(B) the total amount collected by the qualified State soybean board from assessments on producers under this title and State law minus the amount of assessments remitted to the Board during such year under subsection (j).

(3) The total amount of assessment funds retained by a qualified State soybean board under paragraph (1) or (2) and subsection (j)(4) for a year may not exceed the total amount of assessments collected in the State under subsection (j), net of any refunds made under subsection (j)(2), for that year.

(m) INVESTMENT OF FUNDS.—The order shall provide that the Board, with the approval of the Secretary, may invest funds received by the Board under the order, pending their disbursement, only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully

guaranteed as to principal and interest by the United States. Income from any such investment may be used only for such purposes as the invested funds may be used.

(n) PROHIBITION.—(1) Except as otherwise provided in paragraph (2), the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing any action or policy of the United States Government, any foreign, State, or United States territory or possession government, or any political subdivision thereof.

(2) The prohibition in paragraph (1) shall not apply to—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, and industry information under the order; or

(C) any action designed to market soybeans or soybean products directly to a foreign government or political subdivision thereof.

(o) BOOKS AND RECORDS OF FIRST PURCHASERS AND CERTAIN PRODUCERS.—(1) The order shall require that each first purchaser of soybeans and any person processing soybeans of that person's own production maintain and make available for inspection by the Board or the Secretary such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. The order shall exempt small producers processing soybeans of their own production from such recordkeeping and reporting requirements if they are not required to pay assessments under the order.

(2)(A) Information maintained under paragraph (1) shall be made available to the Secretary as is appropriate for the administration or enforcement of this title, or any order or regulation issued under this title.

(B) The Secretary shall authorize the use under this title of information regarding first purchasers that is accumulated under a law or regulation other than this title or regulations under this title.

(3)(A) Commercial or financial information obtained under paragraphs (1) and (2) and that is privileged or confidential shall be kept confidential by all officers and employees of the Department, the Board, and agents of the Board, subject to the provisions of subparagraph (B).

(B) Information obtained under the authority of this title shall be made available to any agency or officer of the Federal Government for—

(i) the implementation of this title;

(ii) any investigatory or enforcement action necessary for the implementation of this title; or

(iii) any civil or criminal law enforcement activity if the activity is authorized by law.

(4) Any person who intentionally or knowingly violates the provisions of this subsection, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if an agent of the Board or an officer or employee of the Department, shall be removed from office.

(p) INCIDENTAL TERMS AND CONDITIONS.—The order shall provide terms and conditions, not inconsistent with the provisions of this title, as necessary to effectuate the provisions of the order, including provisions for the assessment of a penalty for each late payment of assessments under subsection (j).

SEC. 1906. REFERENDA.

(a) INITIAL REFERENDUM.—Not earlier than 18 months nor later than 36 months following the issuance of an order under section 1904 of this title, the Secretary shall conduct a referendum for the purpose of ascertaining whether the order then in effect shall be continued. Such referendum shall be conducted among producers who, during a representative period as determined by the Secretary, have been engaged in the production of soybeans. Such order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum. If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate the collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) ADDITIONAL REFERENDA.—(1)(A) After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of soybeans, of which group of requesting producers not in excess of one-fifth are producers in any one State, as determined by the Secretary.

(C) Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of soybeans to determine whether such producers favor the termination of the order.

(2) If the Secretary determines, in any referendum conducted under paragraph (1), that termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall terminate, as appropriate, collection of assessments under the order within 6 months after such determination and shall terminate the order, as appropriate, in an orderly manner as soon as practicable after such determination.

(3)(A) To facilitate the periodic determination as to whether producers favor the conduct of an additional referendum under this subsection, the Secretary, 5 years after the conduct of a referendum under this section and every 5 years thereafter for as long as an order is in effect, shall provide soybean producers an opportunity to request an additional referendum, as provided in this paragraph.

(B)(i) To implement the requirements of subparagraph (A), the Secretary shall establish a procedure under which producers may request a reconfirmation referendum in person at county extension offices during a period established by the Secretary, or as provided in clause (ii).

(ii) In lieu of making such requests in person, producers may make requests by mail. Mail-in requests must be postmarked no later than the end of the period established under clause (i) for in-person requests. To facilitate such submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for in-person requests, of the producers' opportunity to request the additional referendum. Such notification shall explain the producers' rights to, and the procedures specified in this subsection for, the conduct of an additional referendum, the purpose of the referendum, and the date and method by which producers can act to request the additional referendum under this paragraph. The Secretary shall take such other actions as the Secretary determines necessary to ensure that producers are made aware of the opportunity to request an additional referendum on the order.

(D) As soon as practicable following the submission of requests for a reconsideration referendum, the Secretary shall determine whether a sufficient number of producers have requested an additional referendum, and take other steps to conduct an additional referendum, as required under paragraph (1).

(E) Any additional referendum requested under the procedures provided in this paragraph shall be conducted not later than one year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of such referendum.

(c) PROCEDURES.—(1) The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any activity required under this section, except for the salaries of Government employees.

(2) Each referendum shall be conducted for a reasonable period (not to exceed 3 days) established by the Secretary, under a procedure whereby producers intending to vote in the referendum shall certify that they were engaged in the production of soybeans during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) Referenda shall be conducted at county extension offices and provision shall be made for absentee mail ballots to be provided upon request.

SEC. 1907. PETITION AND REVIEW.

(a) PETITION.—Any person subject to an order issued under this title may file with the Secretary a petition stating that such order, any provision of such order, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or an exemption from the order. The petitioner shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary. After such hearing, the Secretary shall make a ruling on the petition.

(b) REVIEW.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within twenty days after the date of the entry of a ruling by the Secretary under subsection (a). Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure. If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further action as, in the opinion of the court, the law requires.

SEC. 1908. ENFORCEMENT.

(a) IN GENERAL.—(1) Each district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain a person from violating, an order or regulation issued by the Secretary under this title.

(2) A civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation if the Secretary believes that the administration and enforcement of this title would be adequately served by providing a suitable written notice or warning to the person who committed such violation or by administrative action under subsection (b).

(b) ADMINISTRATIVE REMEDIES.—(1)(A) A person who willfully violates an order or regulation issued by the Secretary under this title may be assessed by the Secretary—

(i) a civil penalty of not more than $1,000 for each such violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by the order, an additional penalty equal to the amount of such assessment.

(B) Each such violation shall be a separate offense.

(C) In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from violating such order or regulation.

(D) No order assessing a penalty or cease and desist order may be issued by the Secretary under this paragraph unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record with respect to such violation.

(E) An order assessing a penalty or cease and desist order issued under this paragraph by the Secretary shall be final and conclusive unless the person against whom the order is issued files an appeal from such order with the appropriate district court of the United States, as provided in paragraph (2), not later than 30 days after the date of such order.

(2)(A) A person against whom an order is issued under paragraph (1) may obtain review of such order in the district court of the United States for the district in which such person resides or does business, or in the United States district court for the District of Columbia, by—

(i) filing a note of appeal in such court not later than 30 days after the date of such order; and

(ii) simultaneously sending a copy of such notice by certified mail to the Secretary.

(B) The Secretary shall file promptly in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(C) A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(3)(A) A person who fails to obey a valid cease and desist order issued under paragraph (1) by the Secretary, after an opportunity for a hearing, shall be subject to a civil penalty assessed by the Secretary of not more than $500 for each offense.

(B) Each day during which such failure continues shall be considered a separate violation of such order.

(4)(A) If a person fails to pay a valid civil penalty imposed under this subsection by the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business.

(B) In such action, the validity and appropriateness of the order imposing such civil penalty shall not be subject to review.

(c) OTHER REMEDIES UNAFFECTED.—The remedies provided in subsections (a) and (b) shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 1909. INVESTIGATIONS; POWER TO SUBPOENA; AID OF COURTS.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary deems necessary—

(1) for the effective administration of this title, or

(2) to determine whether any person subject to the provisions of this title has engaged or is about to engage in any act that constitutes or will constitute a violation of any provision of this title, or of any order or regulation issued under this title.

(b) POWER TO SUBPOENA.—For the purpose of any such investigation, the Secretary may require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the production of records. The court may issue an order requiring such person to appear before the Secretary to produce records. Any failure to obey such order of the court may be punished by such court as a contempt thereof. Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

SEC. 1910. ADMINISTRATIVE PROVISIONS.

(a) CONSTRUCTION.—Except as provided in subsection (b), nothing in this title may be construed to—

(1) preempt or supersede any other program relating to soybean promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State; or

(2) authorize the withholding of any information from Congress.

(b) STATE LAWS.—(1) In order to ensure the proper administration of this title, any provision of State law automatically requiring a State referendum relating to the continuation or termination of a qualified State soybean board shall, to the extent it automatically requires such a referendum, be suspended for the period beginning on the date an order is issued under section 1904 and ending 18 months after the referendum on such order is conducted under section 1906(a). Such suspension shall not be construed to apply to any State referendum regarding a State soybean promotion program that is originated by soybean producers.

(2) In order to ensure adequate funding of the operations of qualified State soybean boards under this title, whenever an order is in effect under this title, no State law or regulation that limits the rate of assessment that the qualified State soybean board in the State may collect from producers on soybeans produced in such State, or that has the effect of limiting such rate, may be applied to prohibit such State board from collecting, and expending for authorized purposes, assessments from producers of up to the full amount of the credit authorized for producer contributions to qualified State soybean boards under section 1905(j)(4).

SEC. 1911. REGULATIONS.

The Secretary may make such regulations as may be necessary to carry out the provisions of the title.

SEC. 1912. AUTHORIZATION.

There are hereby authorized to be appropriated annually such funds as are necessary to carry out the provisions of this title. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Board in administering any provision of any order issued under this title.

By Mr. GUNDERSON:

—Strike section 402 and insert in lieu thereof the following:

"Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by amending subsection (e) to read as follows:

"(e) Notwithstanding any other provision of law—

"(1) During the period beginning on January 1, 1991 and ending on December 31, 1991, the price of milk shall be supported as provided in this subsection.

"(2)(A) During the period beginning on January 1, 1991 and ending on December 31, 1991, the price of milk shall be supported at a rate not less than $10.10 per hundredweight for milk containing 3.67 percent milkfat.

"(B)(i) The price of milk shall be supported through the purchase of the products of milk.

"(ii) The Commodity Credit Corporation price support for each of the products butter, cheese and nonfat dry milk, respectively, shall be the same for all of that product sold by persons offering to sell such product to the Corporation. Such purchase prices shall be sufficient to enable plants of average efficiency receiving such price for dairy products to pay producers, on average, a price not less than the rate of the price support for milk in effect during calendar year 1991.

—Strike section 403 and insert in lieu thereof the following:

SEC. 403. MILK MANUFACTURING MARGIN ADJUSTMENT.

The Secretary of Agriculture shall prohibit any State from using an allowance to establish a Grade A price for milk for manufacturing butter, nonfat dry milk and cheese greater than the allowance established by the Department.

—Strike section 403 and insert in lieu thereof the following:

SEC. 403. MILK MANUFACTURING MARGIN STUDY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study of state milk pricing programs for submission to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, not later that one year after enactment of this act.

(b) EVALUATION.—The study submitted under subsection (a) shall evaluate—

(1) whether the current federal manufacturing allowance is at a level that enables plants of average efficiency in manufacturing butter and nonfat dry milk or cheese to pay the support price when they market these products to the CCC;

(2) whether the provisions under Section 401(e) (7 USC 1446(d)) are adequate to ensure that producers are receiving the maximum benefits from the price support program;

(3) the impacts on the federal government dairy price support program, the dairy in-

dustry, and consumers, of state manufacturing allowances in states currently operating under state milk pricing programs, including a comparative analysis under the alternative allowance levels on farm and retail prices, production levels, and the supply-demand balance;

(4) the extent to which over-order premiums under federal milk marketing orders compensate for the low federal manufacturing allowance;

(5) comparative weighted average plant operating cost data, including labor, utilities, product yields, by-product revenues, and other specialized factors in any state that produces manufactured dairy products for purchase by CCC.

(c) PROHIBITION OR ADJUSTMENT.—If the Secretary finds, as a result of the study conducted pursuant to subsection (a), and after considering all the factors enumerated in subsection (b), that a state's use of a manufacturing allowance that is different from the federal manufacturing allowance used for purposes of price support purchases under section 201 of the Agricultural Act of 1949 (7 USC 1446) has an adverse effect on the efficient and effective operation of the federal dairy program from a national perspective, then the Secretary may, after conducting public hearings nd providing for a public comment period not less than 90 days from the conclusion of such hearings, prohibit that state from using an allowance which is different from the federal manufacturing allowance to establish a price for Grade A milk used for manufacturing cheese, butter and nonfat dry milk, or establish an alternative allowance for that state. The Secretary may authorize a state to use an allowance which is different from the federal manufacturing allowance if the weighted averages of the manufacturing cost, by-product revenue, and yield data from that same state justifies an alternative manufacturing allowances in that state and will not adversely affect the efficient and effective operation of the federal price support program from a national perspective. The adjusted manufacturing allowance shall be no greater than the weighted average cost of producing cheese, butter and nonfat dry milk during 1990 by all plants in the state. Returns received by manufacturers from by-products sold should be included in the calculation of costs.

(d) APPEAL.—Any state that is prohibited from establishing a manufacturing allowance different from the federal manufacturing, or if a state's allowance is adjusted, may file an appeal with the Secretary under procedures provided for under title 5 of the USC 556 et seq.

By Mr. HEFNER:

—On page 614, insert after line 10 the following:

SEC. 1396. STUDY OF THE COST OF PRODUCTION OF HIGH FRUCTOSE CORN SYRUP.

(a) STUDY.—The Secretary of Agriculture shall conduct a study of the cost of production of high fructose corn syrup. The Secretary shall compare such cost to the price support level for sugar under title II and shall analyze whether the differential between the two amounts will impair the operation of the sugar program.

(b) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall publish a report of such study and submit the report to Congress.

(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of fulfilling the study under this section, there is hereby authorized to be appropriated such as may be necessary.

—1. On page 328, line 5, strike "INGREDIENTS OF TITLE II COMMODITIES.—" and insert "TITLE II COMMODITIES.—(1) INGREDIENTS".

—2. On page 328, after line 8, add the following:

(2) Section 402 is further amended in the second sentence by striking the word "not".

By Mr. HENRY:

—On page 582, line 23, after the word "as", insert "the Occupational Safety and Health Administration,".

—On page 584, line 7, after "Agriculture" insert "and the Committee on Education and Labor".

—On page 584, line 8, after "Forestry", insert "and the Committee on Labor and Human Resources".

By Mr. HUCKABY:

—In section 1101—

(1) strike paragraphs (1) through (6) of subsection (a) and insert the following:

"(1) in paragraph (1)—

"(A) by inserting '(A)' after '(1)';

"(B) by striking '1987 through 1990' and inserting '1991 through 1995';

"(C) by adding at the end the following new subparagraphs:

'(B) Subject to sections 1001A through 1001C, for each of the 1991 through 1995 crops, the total amount of payments set forth in clauses (i) through (iv) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, oilseeds, upland cotton, extra long staple cotton, and rice shall not exceed $100,000. For purposes of this subparagraph, the term 'payments' includes—

'(i)(I) any gain realized by a producer from repaying a loan for a crop of wheat, feed grains, oilseeds, upland cotton, or rice at the rate permitted under section 107A(a)(4), 105A(a)(4), 201(g)(4), 103B(a)(5), or 101B(a)(5) respectively, of the Agricultural Act of 1949, or (II), except as provided in subparagraphs (C) and (D), any gain realized by producer from repaying a loan for a crop of any other commodity at a lower level than the original loan level established under the Agricultural Act of 1949;

'(ii) any loan deficiency payment received for a crop of wheat, feed grains, oilseeds, upland cotton, or rice under section 107A(b) or 105A(b), 201(g)(5), 103B(b), or 101B(b) respectively, of the Agricultural Act of 1949;

'(iii) any inventory reduction payment received for a crop of wheat, feed grains, upland cotton, or rice under section 107A(g)(1), 105A(g)(1), 103B(f), or 101B(f), respectively, of the Agricultural Act of 1949; and

'(iv) any deficiency payment received for a crop of wheat or feed grains under section 107A(c)(1) or 105A(c)(1), respectively, of the Agricultural Act of 1949 as the result of a reduction of the loan level for such crop under section 107A(a)(3) or 105A(a)(3) of such Act.

'(C) Subject to sections 1001A through 1001C, for each of the 1991 through 1995 crops, the total amount of payments that a person shall be entitled to receive under the annual program for honey established under section 201(b) of the Agricultural Act of 1949 shall not exceed $200,000. For purposes of this subparagraph, the term 'payments' includes—

'(i) any gain realized by a producer from repaying a loan for a crop of honey at a lower level than the original loan level established under section 201(b)(2) of the Agricultural Act of 1949; and

'(ii) any loan deficiency payment received for a crop of honey under the Agricultural Act of 1949.

'(D) Subject to sections 1001A through 1001C, for each of the 1991 through 1995 marketing years, the total amount of payments that a person shall be entitled to receive under the annual program established under the National Wool Act of 1954 for wool and mohair shall not exceed $200,000.';

"(2) in paragraph (2) (A)—

"(A) by striking '1987 through 1990' and inserting '1991 through 1995'; and

"(B) by inserting 'oilseeds,' after 'feed grains,';

"(C) by inserting 'wool and mohair,' after 'honey';

"(D) by striking '(with respect to clause (iii) (II) of subparagraph (B))'; and

"(E) by striking '$250,000' and inserting '$200,000';

"(3) in paragraph (2)(B) by striking clauses (iii) through (vi);

"(4) by amending paragraph (5)(B)(i)(I) to read as follows:

'(I) an individual, including any individual participating in a farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, a beneficiary of an irrevocable trust, or a participant in a similar entity (as determined by the Secertary), and, except for purposes of deficiency payments and land diversion payments (as described in paragaaph (1)(A)), the term person shall also include any individual holding a substantial beneficial interest in any entity described in subclause (II);';

"(5) in paragraph (5)(B)(i)(II) by inserting 'only for purposes of deficiency payments and land diversion payments described in paragraph (1)(A),' beeore 'a corporation';

"(6) in paragraph (5)(B)(ii)(I) by inserting 'irrevocable trust or any' before 'cooperative'.

"(7) in paragraph (5)(B)(ii)(II) by—

"(A) striking 'irrevocable trusts and; and

"(B) striking 'trusts and'.";

—(2) insert the following new subsection after subsection (b):

"(c) AMENDMENT OF SECTION 1001A OF THE FOOD SECURITY ACT OF 1985.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308-1(a)) is amended—

"(1) by striking 'farm program payments (as described in paragraphs (1) and (2) of this section' and inserting 'deficiency payments and land diversion payments (as described in section 1001(1)(A)';

"(2) by striking paragraph (2);

"(3) by redesignating paragraph (3) as paragraph (2); and

"(4) by redesignating paragraph (4) as paragraph (3).";

—(3) redesignate subsection (c) as subsection (d); and

—(4) redesignate subsection (d) as subsection (e).

—1. Strike section 207(b)(4)(A) and (B) and insert the following:

"(A) The acreage base for any crop shall be the number of acres that is equal to the average of the acereage planted and considered planted for harvest for sugar or seed on the farm in each of the 5 crop years preceeding such crop year.".

—2. Redesignate section 207(b)(4)(C) as section 207(b) (4) (B).

—Strike all of subtitle C of title II.

—Strike all of subtitle C of title II and insert the following:

Subtitle C—Sugar for Re-Export

SEC. 221. DEFINITIONS.

For purposes of this subtitle, the term—

(1) "Corporation" shall mean the Commodity Credit Corporation.

(2) "eligible country" shall mean—

(A) any country whose per capita gross national product was less than $1500 in 1987 if such country received an allocation under additional U.S. note 3.(c)(i) of chapter 17 of the Harmonized Tariff Schedule of the United States as of April 1, 1990; and

(B) any beneficiary country, as defined in section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) "market" means to sell or otherwise dispose of in commerce.

(4) "processor" shall mean any person engaged in the processing of—

(A) sugarcane to produce raw cane sugar;

(B) sugar beets; or

(C) corn to produce a corn sweetener.

(5) "program" shall mean the special sugar re-export program required to be established and implemented pursuant to section 222.

(6) "Secretary" shall mean the Secretary of Agriculture.

(7) "United States" shall consist of each of the States, the District of Columbia, and Puerto Rico.

SEC. 222. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—(1) The Secretary, in accordance with the provisions of this subtitle, shall establish and implement a special sugar re-export program for sugar imported from eligible countries. Such program shall be operated—

(A) during each of the fiscal years 1992 through 1996, as required under paragraph (2); and

(B) using the funds and facilities of the Corporation.

(2)(A) Subject to the limitation under subsection (b), the program shall be implemented for a fiscal year whenever the Secretary determines that imports of sugar into the United States for domestic human consumption during such fiscal year will be less than 1,700,000 short tons, raw value. The Secretary shall make such determination for a fiscal year, and publish such determination in the Federal Register, not later than 30 days prior to the beginning of such fiscal year.

(B) In implementing the program for a fiscal year, the Secretary shall ensure, to the extent practicable, if funds are available for such purpose under section 225 and there are acceptable bids, that there is imported and re-exported during such fiscal year under the program a quantity of sugar that, when combined with the quantity of sugar otherwise imported into the United States for domestic human consumption during such fiscal year, will cause the total quantity of sugar imported into the United States during such fiscal year to be 1,750,000 short tons. In no event may the quantity imported and re-exported under the program for the fiscal year be less than 100,000 short tons, raw value, or more than 500,000 short tons, raw value, subject to such availability of funds and acceptable bids.

(b) LIMITATION.—The program implemented for a fiscal year shall be suspended whenever the Secretary determines that the 10-day moving average future price for raw cane sugar under the Number 11 contract, New York basis (or successor contract), of the closest trading month equals or exceeds the current national average loan rate for raw cane sugar, as established under section 201(h) of the Agricultural Act of 1949. The program shall remain in suspension until such time as the 10-day moving average Number 11 or successor contract price, as determined under the preceding sentence, falls below such national average loan rate. Any such suspension shall not affect any bid already accepted by the Secretary under the program. If the Number 11 or successor contract price is not available, the Secretary may use an equivalent price, as determined by the Secretary.

SEC. 223. IMPORTS OF SUGAR.

(a) PAYMENTS.—(1) The Corporation shall make payments available under the program each fiscal year, as provided in section 222, in connection with the importation of sugar from eligible countries. Such payments for a fiscal year shall be—

(A) made out of the fund established under section 225(d); and

(B) in a total amount not to exceed the amount of funds available in such fund at the beginning of the fiscal year, less administrative expenses.

(2) The payment to any sugar processor, operator, or refiner for an importation under the program shall be—

(A) in an amount determined on a competitive bid basis; and

(B) in an amount determined by the Secretary to be sufficient to permit the payment of the premium specified in subsection (b) and the re-exportation of an equivalent quantity of sugar under this subtitle.

(3) For purposes of ranking bids received from sugar processors, operators, and refiners, the Secretary shall make appropriate adjustments in such bids to reflect differing transportation costs based on refinery and factory location.

(b) PREMIUM.—The Secretarty shall ensure that the price paid for the sugar imported into the United States to the person exporting the sugar to the United States under the program reflects a premium above the world market price, as determined by the Secretary, equal to the lesser of—

(1) 7 cents per pound, or

(2) the current national average loan rate for raw cane sugar, as established under section 201(h) of the Agricultural Act of 1949, less the world market price (but in no event less than zero), where such difference is computed as of the time of the bid.

(c) EXEMPTION—Imports of sugar from an eligible country under the program shall be exempt from any provisions of law restsricting the importation of sugar and shall not be included in determining the amount of any sugar imported for purposes of any such law.

(d) PRORATION.—The Secretary shall prorate imports under the program among eligible countries based on those countries; share of total imports of sugar to the United States during a previous representative period, taking into consideration any special factors that may have afected or be affecting such trade.

SEC. 224. EXPORTS OF SUGAR.

The Secretry shall ensure that, no later than 60 days after a quantity of sugar is imported under the program, as equivalent quantity has been exported under the program.

SEC. 225. MARKETING CERTIFICATES.

(a) IN GENERAL.—Effective for each of the fiscal years 1991 through 1995, no processor may market in the United States any sugar or fructose sweetener processed by such processor unless such processor has a marketing certificate for such sugar or fructose sweetener under this section.

(b) PURCHASE OF CERTIFICATES.—A processor shall require each marketing certificate by purchase from the Corporation. The price of each such certificate shall be an amount computed by multiplying the pounds of sugar or equivalent amount of fructose sweetener covered by the certificate by a uniform per pound rate that the Secretary determines will ensure that the total amount collected from certificates purchases during the fiscal year will equal—

(1) one-third cent times the number of pounds of sugar or equivalent amount of fructose sweetener the Secretary estimates will be marketed from domestic sources during such fiscal year, minus

(2) any amount in the fund established under subsection

(d) as of the beginning of the fiscal year. In no event may the price of any certificate exceed one-third cent per pound for each pound of sugar or equivalent amount of fructose sweetener covered by the certificate.

(c) NON-TRANSFERABILITY OF CERTIFICATES.—Marketing certificates under this section may not be transferred.

(d) PROCEEDS FROM SALE—The Corporation shall establish a separate interest-bearing fund into which it shall deposit the proceeds from all sales of marketing certificates under this section. Such fund may be used only to make payments under section 223 or to pay the administrative costs of operating the program.

(e) REMAINING FUNDS.—Any money remaining in the fund establsihed udner subsection (d) after all re-export agreements under the program have been honored shall be available for use in any successor program or, if no successor program is in effect when such agreements have been honored, shall be covered into the general account of the Corporation.

SEC. 226. REGULATIONS.

(a) REQUIREMENT.—The Secretary shall promulgate, after notice and an opportunity for public comment, regulations to implement this subtitle. Such regulations shall require, among other things, that—

(1) a certification be provided from an appropriate agency of the government of the eligible country exporting sugar to the United States that the exporter of the sugar was paid the premium under section 223 for the sugar; and

(2) a performance bond be provided to the Corporation with respect to the importation of sugar under this subtitle, in an amount equal to the value of a quantity of refined sugar equivalent to the corresponding quantity of sugar imported under this subtitle, conditioned on the export of sugar from the United States in accordance with the provisions of this subtitle.

(b) DEADLINE FOR ISSUANCE.—The Secretary shall issue proposed regulations to implement this subtitle no later than 180 days after the date of enactment of this Act.

SEC. 227. RECORD AND REPORTS.

This section shall apply to all persons required to obtain marketing certificates pursuant to section 225 and to all persons importing sugar or exporting sugar under the program. Any such person shall keep such records and, from time to time on request of the Secretary, report to the Secretary such informaton, as the Secretary finds to be necessary to enable the Secretary to carry out the provisions of this subtitle. Such information shall be reported and such recordss shall be kept in such manner as the Secretary shall prescribe. The Secretary is

authorized to examine such books, records, accounts, or any other documents as the Secretary has reason to believe are relevant and are within the control of any such person for purposes of implementing this subtitle.

SEC. 228. ENFORCEMENT.

(a) CIVIL PENALTIES.—The Program Fraud Civil Remedies Act of 1986 (31 U.S.C 3801 et seq.) shall be applicable to the program carried our pursuant to subtitle B.

(b) CRIMINAL PENALTIES.—Any person who knowingly violates or attempts to violate or who knowingly participates or aids in the violation of any provision of this subtitle or of any regulation issued under the authority of this subtitle or who knowingly fails to make any report or keep any records as required by this subtitle shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

By Mr. JOHNSON of South Dakota:

—At the end of the title, insert the following section:

SEC. —. TRIBALLY CONTROLLED COMMUNITY COLLEGES.

(a) The Secretary of Agriculture is authorized to make annual grants to accedited tribally controlled community colleges, as defined in section 2(4) of the Tribally Controlled Community Colleges Assistance Act of 1976 (25 U.S.C 1801(4)), in the amount of $50,000 per institution for the purposes of carrying out the agriculturally-related research and higher education programs of such institutions.

(b) There are authorized to be appropriated in each fiscal year such sums as may be necessary to carry out the activities described in this section.

—At the end of the title, insert the following section:

SEC. . RESERVATION EXTENSION AGENTS.

(a) ESTABLISHMENT.—The Secretary of Agriculture, through the Extension Service, shall establish appropriate extension education programs on Indian Reservations and tribal jurisdictions. In establishing these extension programs, the Secretary shall consult with the Bureau of Indian Affairs, the Intertribal Agriculture Council, and the Southwest Indian Agriculture Association, and shall make such interagency cooperative agreements or memoranda of understanding as may be necessary. The programs to be developed and delivered on Reservations, and within tribal juridictions, shall be determined with the advice and counsel of Reservation or tribal program advisory committees.

(b) ADMINISTRATION AND MANAGEMENT.—Extension agents shall be employees of and administratively responsible to the Cooperative Extension Service of the state within which the Reservation or tribal jurisdiction is located, and employment and personnel management responsibilities shall be vested with the State Cooperative Extension Service. In cases where a Reservation or tribal jurisdiction is located in two or more states, the Secretary shall make the determination of administrative responsibility, including possible divisions along state boundaries.

(c) ADVISORY COMMITTEES.—With the assistance of the Tribal authorities, an advisory committee shall be formed to give overall policy and program advice to the State Extension Director with regard to programs conducted on reservations or within tribal jurisdictions. Program advisory committees may be formed to assist extension staff in development and conduct of program activities.

(d) STAFFING.—Insofar as possible, agent and specialist staff shall include individuals representative of the tribal grouping being served. Programs will emphasize training and employment of local people as program aides, master gardeners, volunteers, etc. Staffing at a particular location will be dependent on the needs and priorities as identified by the advisory committees and the State Extension Director, and may make use of existing personnel and facilities as appropriate.

(e) PLACING OF AGENTS.—The number of offices and their placement shall be jointly determined by the Secretary and the State Extension Directors and tribal authorities of the respective States by taking into consideration the agricultural acreage within the boundaries of an Indian Reservation or tribal jurisdiction, the soil classifications of such acreage, and the population of such Reservation or tribal jurisdiction.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

By Mr. JONTY:

—At the end of subtitle A of title XI, insert the following:

SEC. 1121. BUDGET BASE EQUITY ADJUSTMENT.

There are authorized to be appropriated such sums as may be necessary to adjust payments to producers participating in any annual program under the Agricultural Act of 1949 for any program crop as defined in section 502 of such Act by an amount determined by the Director of the Office of Management and Budget to be equitable considering increased costs to producers and increased costs reflected in other budget baseline adjustments. The Secretary of Agriculture is authorized to make payment adjustments to producers to carry out this section, but any such adjustment shall only be to the extent as is provided in advance in appropriation Acts. The payment is to be calculated by multiplying the percentage increase in the budget baseline adjustments referred to in the first sentence of this section by $4.00 per bushel for wheat, $2.75 per bushel for corn, with appropriate adjustments for other feed grains, $10.71 per hundred weight for rice, and $0.729 per pound for cotton, multiplied by yield per acre determined by the average of the farm program payment yields for the farm for the 1981 through the 1985 crop years, excluding the year in which the yield was the highest and the years in which the yield was the lowest, multiplied by the planted acreage of each producer participating in annual programs under the Agricultural Act of 1949.

Redesignate the succeeding section accordingly.

—In the amendment made by section 1121 to title V of the Agricultural Act of 1949, at the end of section 505, insert the following new subsection:

"(e) OFFSETS.—In order to offset any cost of the use of the actual yield per harvested acre in establishing farm program payment yields for feed grains under subsection (a), the Secretary shall increase the uniform percentage reduction to the crop acreage base applied to each crop of feed grains under any acreage limitation program under this Act by an amount sufficient to result in a reduction of program costs equal to any costs associated with such use of actual yields.".

—In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(a), after "1985 crop years" insert the following: "(or, at the option of the producer, the actual yields for the 1986 through 1990 crop years in the case of feed grains)".

—In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(b)(1), after "1985" each place it appears insert the following: "(or 1990 in the case of feed grain producers who elect the 1986 through 1990 crop years)".

—In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(b)(2), after "1981 through 1985" insert the following: "(or 1986 through 1990 as appropriate)".

—At the end of Title XIII insert the following:

PESTICIDE RECORD KEEPING

SEC. 1397. RECORD KEEPING PESTICIDE USE.

(a) REQUIREMENTS.—Any person using pesticides for agricultural production, including post-harvest treatment of agricultural products, or other commercial purposes shall maintain records of each pesticide application. Such records shall include at least the product name, amount and rate of application, method of application, target pest, crop or site treated, date and approximate time of application, and location of application of each pesticide used for a 2-year period after use.

(b) ACCESS.—Information maintained under subsections (a) and (f) shall be made available to the principal State pesticide regulatory agency. Upon the request of any Federal, State, or local agency that deals with pesticide use, or any health or environmental issues related to the use of pesticides, the principal State pesticide regulatory agency shall provide such information to such federal, state, or local agency. Information maintained under this section by any government agency shall be subject to the public disclosure under the Freedom of Information Act, 5 U.S.C. section 552 or any similar State law. The principal state pesticide regulatory agency shall compile, maintain, and make publicly available information on pesticide use by county, provided that such information protects the identity and address of individual record keepers.

(c) HEALTH CARE PERSONNEL.—When health professional (as defined in 29 C.F.R. 1910.1200) determines that perticide information maintained under this section is necessary to provide medical treatment or first aid to an individual who may have been exposed to such pesticides. Any persons covered by this section shall immediately provide record and label information to that health professional.

(d) INFORMATION.—Upon the request of an employee, such persons covered by this section shall provide label information on a pesticide to which such employee has come into contact.

(e) PENALTY.—The Secretary of Agriculture shall be responsible for the enforcement of subsections (a), (b), c), and (d). A violation of this section shall—(1) in the case of the first offense, be subject to a fine not more than $500; and (2) in the case of subsequent offenses, be subject to a fine of not less than $1,000 for each violation, except that the penalty shall be less than $1,000 if the Secretary determines that the person made a good faith effort to comply with the section.

(f) FEDERAL OR STATE PROVISIONS.—The requirements of this section shall not affect provisions of other Federal or State laws.

(g) SURVEYS AND REPORTS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall

survey the records maintained under this section to develop and maintain a database that is sufficient to enable the Secretary and the Administrator to publish annual comprehensive reports concerning agricultural and nonagricultural pesticide use. Such report shall be filed April 1 of each year.

(h) REGULATIONS.—The Secretary of Agriculture in consultation with Administrator of the Environmental Protection Agency, shall promulgate regulations implementing this section within 180 days after enactment of this provision.

By Mr. KASTENMEIER:

—Strike all of section 402 and insert the following:

SEC. 402. ALTERNATIVE MILK PRICE SUPPORT PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—Paragraph (1) of section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1445(d)(1)) is amended to read as follows:

"(1)(A) During the period beginning January 1, 1991, and ending December 30, 1995, the price of milk shall be supported in accordance with this paragraph.

"(B)(i) During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported at a rate equal to $10.60 per hundredweight of milk containing 3.67 percent milkfat, as adjusted in accordance with clause (ii).

"(ii) On January 1 of each of the calendar years 1992, 1993, 1994, and 1995, the Secretary shall adjust the level of price support for milk in effect immediately before such date, to reflect the percentage change in the general level in the preceding calendar year of prices for articles and services that milk producers buy, wages paid hired farm labor, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate.

"(C)(i) For each of the calendar years 1991 through 1995, the Secretary shall determine individual milk marketing bases of milk producers.

"(ii) For each calendar year and subject to subparagraph (D), each milk producer shall have a milk marketing base equal to the product of—

"(I) 99 percent of the milk marketing history of the producer; and

"(II) the milk marketing allocation factor for the calendar year;

but not to exceed 99 percent of the milk marketing history.

"(D)(i) In addition to any quantity of marketing base determined for a producer under subparagraph (C), a producer shall have any quantity of marketing base transferred to the producer under clause (iii) by the county committee.

"(ii) There shall be available for each calendar year to the county committee for transfer among producers in accordance with clauses (iii) and (iv) an aggregate quantity of milk marketing base equal to the sum of—

"(I) a pro rata share of the product of the allocation factor and 1 percent of the aggregate of the milk marketing histories determined for the calendar year for all producers in the United States;

"(II) if the production allocation factor for the calendar year exceeds 100 percent, a pro rata share of the product of the percentage of the allocation factor in excess of 100 percent and the aggregate quantity of the milk marketing histories determined for the calendar year for all producers in the United States;

"(III) the product of the allocation factor and any quantity of milk marketing history of a producer in the county who does not engage throughout the calendar year in the production of milk and who does not transfer such quantity under clause (vii) to another person; and

"(IV) during the period beginning January 1, 1991, and ending December 31, 1991, a pro rata share of the product of the allocation factor and 1 percent of the aggregate of the milk marketing histories determined for the calendar year for all producers in the United States.

"(iii) Subject to clause (v) and to the extent practicable, the county committee shall transfer any milk marketing base of a producer on a farm that is available under subclause (I), (II), or (III) of clause (ii) to persons in the following order of priority:

"(I) A family member who wishes to assume operation of the farm.

"(II) Subject to clause (vi), a new milk producer in the county.

"(III) Subject to clause (vi), a beginning milk producer in the county.

"(IV) An existing milk producer in the county who demonstrates to the committee that the producer is using sound management practices and that the additional milk marketing base is necessary to enable the producer to earn a net income that is at least as great the average net income of milk producers in the State.

"(V) An existing milk producer in the county who demonstrates to the committee that the additional milk marketing base is necessary to permit a family member to form or join a partnership for the purpose of producing milk.

"(VI) A new milk producer in the State.

"(VII) A beginning milk producer in the State.

"(VIII) An agricultural commodity producer in the county.

"(IX) An agricultural commodity producer in the State.

"(X) An agricultural commodity producer in the United States.

"(iv) Subject to clause (v) and to the extent practicable, the county committee shall transfer any milk marketing base of a producer that is available under subclause (IV) of clause (ii) to milk producers who as determined by the committee—

"(I) demonstrate a need for additional milk marketing base as a result of unusual or special circumstances; or

"(II) subject to clause (vi), are beginning milk producers.

"(v) Subject to clause (vi), not less than 25 percent of the quantity of milk marketing base available under subclauses (II) through (IV) of clause (ii) shall be available for transfer by the county committee to new milk producers or beginning milk producers.

"(vi) For purposes of carrying out clauses (iii), (iv), and (v), in any county in which at least 5 percent of the milk producers are members of a socially disadvantaged group and to the extent practicable, the county committee shall transfer to producers who are members of such group not less than the quantity of milk marketing base that bears the same ratio to the quantity of milk marketing base available under subclauses (II) through (IV) of clause (ii) for transfer by the county committee as the number of such milk producers in such county bears to the number of agricultural commodity producers in such county who are members of such group.

"(vii) Notwithstanding any other provision of this paragraph, no additional milk marketing base may be transferred under this subparagraph by a county committee to a nonfarm corporation or investor.

"(viii) A producer may transfer the milk marketing history of the producer to a new milk producer or a beginning milk producer by devise, sale, or lease of that portion of the farm on which is located the milk production facility owned by the producer. Except as provided in the preceding sentence, no producer may transfer a milk marketing history by sale, lease, exchange, or other means.

"(ix) The State director of the Agricultural Stabilization and Soil Conservation Service shall select an Appeal Committee composed of 5 milk producers who are members of county committees. The Appeal Committee shall be responsible for the prompt hearing and judgment of appeals of milk marketing base determinations and base transfers made under this paragraph.

"(E) In any calendar year for which a national milk marketing base program is in effect under this paragraph, the Secretary shall provide for a reduction to be made in the price to be received by each producer for any quantity of milk produced in the United States and marketed by such producer, for commercial use, in excess of the milk marketing base of such producer for the calendar year.

"(F) The amount of the reduction under subparagraph (E) in the price received by such producer shall be equal to the product of—

"(i) 75 percent of the level of price support per hundredweight of milk having 3.67 percent milkfat in effect for the calendar year involved; and

"(ii) the quantity of milk (measured in hundredweights) that exceeds the milk marketing base of such producer for the calendar year involved.

"(G) The funds represented by the reduction in price, required under subparagraph (F) to be applied to the marketings of milk by a producer, shall be collected and remitted to the Commodity Credit Corporation, at such time and in such manner as prescribed by the Secretary, by each person making payment to a producer for milk purchased from such producer, except that in the case of a producer who markets milk of the producer's own production directly to consumers, such funds shall be remitted directly to the Corporation by such producer.

"(H) The funds remitted to the Corporation under this paragraph shall be considered as included in the payments to a producer of milk for purposes of the minimum price provisions of the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

"(I) Funds remitted to the Corporation under this paragraph shall be available to the Secretary for expenditure without fiscal year limitation to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), to the extent provided in advance in appropriations Acts.

"(J) Each milk producer and each county committee shall provide to the Secretary such information and records as the Secretary may require to permit the Secretary to determine the milk marketing base of the producer.

"(K) For purposes of this paragraph:

"(i) The term 'beginning milk producer' means a milk producer who is in the process of establishing a milk production operation and who has not assumed the full control

and risk of such operation for longer than 5 years, except that such term excludes a new milk producer.

"(ii) The term 'county committee' means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is located.

"(iii) The term 'family member' means the spouse, parent, sibling, child, or grandchild.

"(iv) The term 'milk marketing allocation factor' means the ratio of—

"(I) the aggregate quantity of milk, as estimated by the Secretary, necessary to satisfy domestic consumption (including Government purchases for its own consumption and Government purchases to carry out domestic food assistance programs) and exports of milk and the products of milk in the calendar year during which a milk marketing base program is in effect under this paragraph; to

"(II) the aggregate quantity of milk produced in the United States in the calendar year.

"(v) The term 'milk marketing history' means—

"(I) the average annual quantity of milk marketed by a producer for commercial use in the calendar years 1985 through 1989, excluding the calendar year in which the largest quantity is marketed and the calendar year in which the smallest quantity is marketed; or

"(II) the quantity of milk marketed by a producer for commercial use in calendar year 1989;

whichever is greater.

"(vi) The term 'new milk producer' means a person who has no milk marketing history.

"(vii) The term 'nonfarm corporation' means a corporation that obtains less than 50 percent of its gross annual earnings from agricultural production.

"(viii) The term 'socially disadvantaged group' means a group of individuals that has been subjected to racial or ethnic discrimination, or adverse cultural bias, in the United States.

"(L) The price of milk shall be supported through the purchase of milk and the products of milk.".

(b) CONFORMING AMENDMENTS.—Section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended—

(1) in paragraph (5)(B)(i)—

(A) by striking "paragraph (2)" and inserting "paragraph (1) or (2)", and

(B) by striking "paragraph (2)(B)" and inserting "paragraph (1)(H) or (2)(B)", and

(2) in paragraph (6) by striking "(2) and (3)" and inserting "(1), (2), and (3)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1991.

Section 405 is amended by adding the following:

REPEALER.

Section 8c(5)(A) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(A)), enacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking "Throughout the 2 year period" and all that follows through "handlers."

—Strike all of section 402 and insert the following:

SEC. 402. ALTERNATIVE MILK PRICE SUPPORT PROGRAM

(a) MILK PRICE SUPPORT PROGRAM.—Paragraph (1) of section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(i)) is amended to read as follows:

"(1)(A) During the period beginning January 1, 1991, and ending December 30, 1995, the price of milk shall be supported in accordance with this paragraph.

"(B)(i) During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported at a rate equal to $13.10 per hundredweight of milk containing 3.67 percent milkfat, as adjusted in accordance with clause (ii).

"(ii) On January 1 of each of the calendar years 1992, 1993, 1994, and 1995, the Secretary shall adjust the level of price support for milk in effect immediately before such date, to reflect the percentage change in the general level in the preceding calendar year of prices for articles and services that milk producers buy, wages paid hired farm labor, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate.

"(C)(i) For each of the calendar years 1991 through 1995, the Secretary shall determine individual milk marketing bases of milk producers.

"(ii) For each calendar year and subject to subparagraph (D), each milk producer shall have a milk marketing base equal to the product of—

"(I) 99 percent of the milk marketing history of the producer; and

"(II) the milk marketing allocation factor for the calendar year;

but not to exceed 99 percent of the milk marketing history.

"(D)(i) In addition to any quantity of marketing base determined for a producer under subparagraph (C), a producer shall have any quantity of marketing base transferred to the producer under clause (iii) by the county committee.

"(ii) There shall be available for each calendar year to the county committee for transfer among producers in accordance with clauses (iii) and (iv) an aggregate quantity of milk marketing base equal to the sum of—

"(I) a pro rata share of the product of the allocation factor and 1 percent of the aggregate of the milk marketing histories determined for the calendar year for all producers in the United States;

"(II) if the production allocation factor for the calendar year exceeds 100 percent, a pro rata share of the product of the percentage of the allocation factor in excess of 100 percent and the aggregate quantity of the milk marketing histories determined for the calendar year for all producers in the United States;

"(III) the product of the allocation factor and any quantity of milk marketing history of a producer in the country who does not engage throughout the calendar year in the production of milk and who does not transfer such quantity under clause (vii) to another person; and

"(IV) during the period beginning January 1, 1991, and ending December 31, 1991, a pro rata share of the product of the allocation factor and 1 percent of the aggregate of the milk marketing histories determined for the calendar year for all producers in the United States.

"(iii) Subject to clause (v) and to the extent practicable, the county committee shall transfer any milk marketing base of a producer on a farm that is available under subclause (I), (II), or (III) of clause (ii) to persons in the following order of priority:

"(I) A family member who wishes to assume operation of the farm.

"(II) Subject to clause (vi), a new milk producer in the county.

"(III) Subject to clause (vi), a beginning milk producer in the county.

"(IV) An existing milk producer in the county who demonstrates to the committee that the producer is using sound management practices and that the additional milk marketing base is necessary to enable the producer to earn a net income that is at least as great as the average net income of milk producers in the State.

"(V) An existing milk producer in the county who demonstrates to the committee that the additional milk marketing base is necessary to permit a family member to form or join a partnership for the purpose of producing milk.

"(VI) A new milk producer in the State.

"(VII) A beginning milk producer in the State.

"(VIII) An agricultural commodity producer in the county.

"(IX) An agricultural commodity producer in the State.

"(X) An agricultural commodity producer in the United States.

"(iv) Subject to clause (v) and to the extent practicable, the county committee shall transfer any milk marketing base of a producer that is available under subclause (IV) of clause (ii) to milk producers who as determined by the committee—

"(I) demonstrate a need for additional milk marketing base as a result of unusual or special circumstances; or

"(II) subject to clause (vi), are beginning milk producers.

"(v) Subject to clause (vi), not less than 25 percent of the quantity of milk marketing base available under subclauses (II) through (IV) of clause (ii) shall be available for transfer by the county committee to new milk producers or beginning milk producers.

"(vi) For purposes of carrying out clauses (iii), (iv), and (v), in any county in which at least 5 percent of the milk producers are members of a socially disadvantaged group and to the extent practicable, the county committee shall transfer to producers who are members of such group not less than the quantity of milk marketing base that bears the same ratio to the quantity of milk marketing base available under subclauses (II) through (IV) of clause (ii) for transfer by the county committee as the number of such milk producers in such county bears to the number of agricultural commodity producers in such county who are members of such group.

"(vii) Notwithstanding any other provision of this paragraph, no additional milk marketing base may be transferred under this subparagraph by a county committee to a nonfarm corporation or investor.

"(viii) A producer may transfer the milk marketing history of the producer to a new milk producer or a beginning milk producer by devise, sale, or lease of that portion of the farm on which is located the milk production facility owned by the producer. Except as provided in the preceding sentence, no producer may transfer a milk marketing history by sale, lease, exchange, or other means.

"(ix) The State director of the Agricultural Stabilization and Soil Conservation Service shall select an Appeal Committee composed of 5 milk producers who are members of county committees. The Appeal Committee shall be responsible for the prompt hearing and judgment of appeals of milk marketing base determinations and base transfers made under this paragraph.

"(E) In any calendar year for which a national milk marketing base program is in effect under this paragraph, the Secretary shall provide for a reduction to be made in the price to be received by each producer for any quantity of milk produced in the United States and marketed by such producer, for commercial use, in excess of the milk marketing base of such producer for the calendar year.

"(F) The amount of the reduction under subparagraph (E) in the price received by such producer shall be equal to the product of—

"(i) 75 percent of the level of price support per hundredweight of milk having 3.67 percent milkfat in effect for the calendar year involved; and

"(ii) the quantity of milk (measured in hundredweights) that exceeds the milk marketing base of such producer for the calendar year involved.

"(G) The funds represented by the reduction in price, required under subparagraph (F) to be applied to the marketings of milk by a producer, shall be collected and remitted to the Commodity Credit Corporation, at such time and in such manner as prescribed by the Secretary, by each person making payment to a producer for milk purchased from such producer, except that in the case of a producer who markets milk of the producer's own production directly to consumers, such funds shall be remitted directly to the Corporation by such producer.

"(H) The funds remitted to the Corporation under this paragraph shall be considered as included in the payments to a producer of milk for purposes of the minimum price provisions of the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

"(I) Funds remitted to the Corporation under this paragraph shall be available to the Secretary for expenditure without fiscal year limitation to carry out title II of the Agricultural Trade Development and Assistant Act of 1954 (7 U.S.C. 1721 et seq.), to the extent provided in advance in appropriations Acts.

"(J) Each milk producer and each county committee shall provide to the Secretary such information and records as the Secretary may require to permit the Secretary to determine the milk marketing base of the producer.

"(K) For purposes of this paragraph:

"(i) The term 'beginning milk producer' means a milk producer who is in the process of establishing a milk production operation and who has not assumed the full control and risk of such operation for longer than 5 years, except that such term excludes a new milk producer.

"(ii) The term 'county committee' means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is located.

"(iii) The term 'family member' means the spouse, parent, sibling, child, or grandchild.

"(iv) The term 'milk marketing allocation factor' means the ratio of—

"(I) the aggregate quantity of milk, as estimated by the Secretary, necessary to satisfy domestic consumption (including Government purchases for its own consumption and Government purchases to carry out domestic food assistance programs) and exports of milk and the products of milk in the calendar year during which a milk marketing base program is in effect under this paragraph; to

"(II) the aggregate quantity of milk produced in the United States in the calendar year.

"(v) The term 'milk marketing history' means

"(I) the average annual quantity of milk marketed by a producer for commercial use in the calendar years 1985 through 1989, excluding the calendar year in which the largest quantity is marketed and the calendar year in which the smallest quantity is marketed; or

"(II) the quantity of milk marketed by a producer for commercial use in calendar year 1989;

whichever is greater.

"(vi) The term 'new milk producer' means a person who has no milk marketing history.

"(vii) The term 'nonfarm corporation' means a corporation that obtains less than 50 percent of its gross annual earnings from agricultural production.

"(viii) The term 'socially disadvantaged group' means a group of individuals that has been subjected to racial or ethnic discrimination, or adverse cultural bias, in the United States.

"(L) The price of milk shall be supported through the purchase of milk and the products of milk.".

(b) CONFORMING AMENDMENTS.—Section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended—

(1) in paragraph (5)(B)(i)—

(A) by striking "paragraph (2)" and inserting "paragraph (1) or (2)", and

(B) by striking "paragraph (2)(B)" and inserting "paragraph (1)(H) or (2)(B)", and

(2) in paragraph (6) by striking "(2) and (3)" and inserting "(1), (2), and (3)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1991.

Section 405 is amended by adding the following:

REPEALER.

Section 8c(5)(A) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(A)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking 'Throughout the 2 year period' and all that follows through 'handlers.'."

By Mr. LANCASTER:

—On page 1006, after line 20, add the following:

SEC. 1856. PASS THROUGH OF SAVINGS FROM PRICE REDUCTIONS.

It shall be unlawful for any individual, manufacturer, processor, retailer, or wholesaler of an agricultural product to fail to pass through all savings, achieved as a result of reduction in prices paid to farmers, to the ultimate consumer of such agricultural product. Violations of this section shall be punishable by a $5,000 fine and/or 1 month in prison.

—1. On page 357, after line 2, insert the following new subparagraph:

"(C) MAXIMUM LEVEL OF ASSISTANCE.—Assistance provided under this section to any single private organization shall not exceed—

"(i) $7,000,000 in the case of an organization carrying out activities in the promotion of a program crop; and

"(i) $3,500,000 in the case of any other organization.

—2. On page 352, line 18, strike "case of an unfair trade practice." and insert "case of—

"(A) an unfair trade practice;

"(B) program crops in surplus supply; or

"(C) other program crops."

By Mr. LEACH of Iowa:

—At the end of title XIII (page 614, after line 10) insert after section 1395 the following new section:

SEC. 1396. SCRAPIE ERADICATION AND RESEARCH PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) scrapie, a fatal disease of the central nervous system of sheep and goats, has no known cure and cannot be detected until the infected animal becomes symptomatic;

(2) countries other than the United States that have significant sheep industries, such as Australia, New Zealand, and the United Kingdom, have determined that the most effective approach to dealing with the problem of scrapie is through eradication of the infected populations;

(3) there is a substantial possibility that scrapie may be spread laterally among sheep and goat flocks as well as vertically through sheep and goat bloodlines;

(4) there is a possibility that scrapie can spread to other forms of livestock; and

(5) the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") should implement a national program to eradicate scrapie in the United States.

(b) ERADICATION PROGRAM.—(1) The Secretary shall establish and carry out a program—

(A) to control and eradicate the disease of scrapie in sheep and goats;

(B) to examine flocks of sheep and goats for the presence of scrapie and to certify those flocks that are free of scrapie; and

(C) to indemnify the owners of any sheep or goats destroyed under the program.

(2) The Secretary may consult, cooperate with, and involve State and local agencies, farmers' associations, and other interested organizations and individuals, in establishing and carrying out the program established under this subsection.

(3) The Secretary shall provide for the appraisal of sheep and goats destroyed under the program established under this subsection to determine their fair market value.

(4) The amount paid to an owner for each sheep or goat destroyed under the program established under this subsection shall be the lesser of—

(A) 80 percent of the amount equal to the fair market value of the sheep or goat, as determined by appraisal under paragraph (3); and

(B) $500.

(c) RESEARCH PROGRAM.—(1) The Secretary shall establish and carry out a program to conduct research regarding the disease of scrapie in sheep and goats. The program shall include research regarding the following:

(A) Methods for detecting infection of animals with scrapie before the animals become symptomatic.

(B) Methods for treatment, prevention, and cure of scrapie.

(C) Methods for controlling the spread of scrapie.

(2) In carrying out the research program established under this subsection, the Secretary of Agriculture may make grants to and contract with Federal, State, and local agencies and any other organizations that are experienced in research regarding animal diseases.

(3) The Secretary shall coordinate the research program established under this subsection with other research programs regarding encephalopathies, in particular re-

search regarding bovine spongiform encephalopathy in cattle.

(d) REGULATIONS.—The Secretary may issue such regulations as the Secretary considers necessary to carry out this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year—

(1) $9,000,000 to carry out subsection (b); and

(2) $2,000,000 to carry out subsection (c).

By Ms. LONG:

—Subtitle A of title XI is amended by adding at the end the following new section:

SEC. 1121. FAMILY FARM PROTECTION PROVISION.

It is the sense of the Congress that to achieve necessary savings which may be required of the Committee on Agriculture as a result of budget reconciliation instructions for fiscal year 1991, the committee should, pursuant to such instructions, report legislation to establish a floor below which deficiency payments may not be reduced in order to protect family farming operations by requiring that the first $20,000 of annual deficiency payments to be paid at a rate of 100 percent and that additional payments be paid at graduated declining rates to 60 percent.

Redesignate the succeeding section accordingly.

By Mrs. LOWEY of New York:

—At the end of title XIII, add a new section as follows:

SEC. . DEER TICK ECOLOGY AND RELATED RESEARCH.

There are authorized to be appropriated $250,000 for each of the fiscal years 1991 through 1995 to be used by the Agricultural Research Service to assist research in the field of population ecology of deer ticks and other insects and pests which transmit Lyme Disease. This research is to be conducted at the New York Medical College located in Valhalla, New York.

—At the end of title XIII, add a new section as follows:

SEC. . DEER TICK ECOLOGY AND RELATED RESEARCH.

There are authorized to be appropriated $250,000 for each of the fiscal years 1991 through 1995 to be used by the Agricultural Research Service to assist research in the field of population ecology of deer ticks and other insects and pests which transmit Lyme Disease.

By Mr. McCANDLESS:

—Section 1411 is amended by inserting "(a)" before "Section 3(b)" and by inserting at the end the following new subsection:

(b) Section 2(5) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499b(5)) is amended—

(1) by striking "or deed" and inserting "deed, or failure to mark,";

(2) in subparagraph (B), by inserting ", or failure to mark," after "label"; and

(3) by striking "$2,000" and inserting "$50,000".

By Mr. MACHTLEY:

—At the end of the bill, insert the following new title:

TITLE —TOBACCO DEREGULATION

SEC. 0001. SHORT TITLE.

This Act may be cited as the "Tobacco Deregulation Act of 1990".

SEC. 0002. REPEAL OF PROVISIONS OF LAW CONCERNING PRICE SUPPORT FOR TOBACCO.

(a) PRICE SUPPORT LEVELS.—(1) Section 101(a) of the Agricultural Act of 1949 (7 U.S.C. 1441(a)) is amended by striking "tobacco (except as otherwise provided herein), corn," and inserting "corn".

(2) Section 101(c) of such Act (7 U.S.C. 1441(c)) is repealed.

(3) Section 101(d)(3) of such Act (7 U.S.C. 1441(d)(3)) is amended—

(A) by striking ", except tobacco", and

(B) by striking "and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;".

(b) NO NET COST PROVISIONS.—Sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445-1, 1445-2) are repealed.

(c) DEFINITIONS.—Section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)) is amended by striking "tobacco,".

SEC. 0003. REPEAL OF PROVISIONS OF LAW CONCERNING TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS.

(a) DECLARATION OF POLICY.—Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking "tobacco,".

(b) DEFINITIONS.—Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) in paragraph (3) by striking out subparagraph (C),

(2) in paragraph (6)(A) by striking "tobacco,",

(3) in paragraph (7) by striking

"Tobacco (flu-cured), July 1-June 30;

"Tobacco (other than flue-cured), October 1-September 30;",

(4) in paragraph (10) by striking subparagraph (B),

(5) in paragraph (11)(B) by striking "and tobacco,",

(6) in paragraph (12) by striking "tobacco,",

(7) in paragraph (14)—

(A) by striking "(A)", and

(B) by striking subparagraph (b),

(8) by striking paragraph (15), and

(9) in paragraph (16) by striking subparagraph (B).

(c) PARITY PAYMENTS.—Section 303 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1303) is amended by striking "rice, or tobacco," and inserting "or rice,".

(d) MARKETING QUOTAS.—Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is repealed.

(e) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking "tobacco,".

(f) ADJUSTMENT OF QUOTAS.—(1) Section 371(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371(a)) is amended by striking "peanuts, or tobacco" and inserting "or peanuts".

(2) Section 371(b) of such Act (7 U.S.C. 1371(b)) is amended by striking "peanuts, or tobacco" and inserting "or peanuts".

(g) REPORTS AND RECORDS.—(1) Section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended—

(A) in the first sentence—

(i) by striking "peanuts, or tobacco, and" and inserting "or peanuts, and",

(ii) by striking "peanuts, or tobacco from" and inserting "or peanuts from", and

(iii) by striking "all persons engaged in the business of redrying, prizing, or stemming tobacco for producers,", and

(B) in the last sentence by striking "$500;" and all that follows through the end thereof and inserting "$500.".

(2) Section 373(b) of such Act (7 U.S.C. 1373(b)) is amended by striking "peanuts, or tobacco" and inserting "or peanuts".

(h) REGULATIONS.—Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking out "peanuts, or tobacco" and inserting "or peanuts".

(i) SPECIAL PROVISION RELATING TO BURLEY TOBACCO.—Section 378(f) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378(f)) is repealed.

(j) BURLEY TOBACCO ACREAGE ALLOTMENTS.—The Act entitled "An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended", approved July 12, 1952 (7 U.S.C. 1315), is repealed.

(k) ACREAGE-POUNDAGE QUOTAS.—Section 4 of the Act entitled "An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes", approved April 16, 1965 (7 U.S.C. 1314c note), is repealed.

(l) TRANSFER OF ALLOTMENTS.—Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is repealed.

SEC. 0004. EXCLUSION OF TOBACCO FROM CONCESSIONAL EXPORT SALES PROVISIONS OF PUBLIC LAW 480.

The proviso to the first sentence of section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking ", and for the purposes of title II of this Act," and inserting in lieu thereof "or".

SEC. 0005. PROHIBITION AGAINST COMMODITY CREDIT CORPORATION USING POWERS WITH RESPECT TO TOBACCO.

Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by adding at the end the following new undesignated paragraph:

"Notwithstanding any other provision of law, the Corporation may not exercise any of the powers specified in this section or in any other provision of this Act with respect to tobacco.".

SEC. 0006. PROHIBITING AGAINST TOBACCO MARKETING ORDERS.

Section 8c(2) of the Agricultural Adjustment Act (7 U.S.C. 608c(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking "tobacco,",

(2) by inserting "tobacco" after "(B) any agricultural commodity (except honey,", and

(3) by adding at the end the following new sentence: "Notwithstanding any other provision of law, no order concerning tobacco may be issued or enforced under this Act.".

SEC. 0007. WITHDRAWAL OF CONSENT RELATING TO COMPACTS AMONG STATES FOR REGULATING TOBACCO PRODUCTION AND COMMERCE.

(a) REPEAL.—The Act entitled "An Act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes", approved April 25, 1936 (7 U.S.C. 515 et seq.), commonly known as the Tobacco Control Act, is repealed.

(b) WITHDRAWAL ON CONSENT.—The Congress hereby withdraws its consent to any compact or agreement entered into under the Act referred to in subsection (a).

SEC. 0008. FEDERAL FINANCIAL ASSISTANCE TO FARMERS SWITCHING FROM TOBACCO TO OTHER CROPS.

The Secretary of Agriculture shall establish and administer a program of Federal financial assistance to encourage persons who are producers of tobacco to switch to the production of other agricultural commod-

ities. The Secretary shall by rule establish the terms and conditions of such assistance, and the procedures for obtaining it.

SEC. 0009. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided by this Act, the amendments made by this Act shall apply with respect to the 1991 and subsequent crops of tobacco.

(b) SECTION 7.—Section 0007 shall take effect January 1, 1991.

By Mr. MADIGAN:

—Section 107A of the Agricultural Act of 1949, as amended by section 901 of the bill, is amended by:

In subsection (a)(3)(C) (page 193, lines 4 and 5) striking "not to exceed 5 percent" and inserting "not to exceed 10 percent"; and

In subsection (c)(1)(E)(ii) (page 200, at lines 11 and 12 and at lines 16 and 17) striking "7.5 percent (10 percent in the case of the 1994 and 1995 crops)" and inserting at those two points "22.5 percent".

—Section 105A of the Agricultural Act of 1949, as amended by section 1001 of the bill, is amended by:

In subsection (a)(3)(C) (page 226, lines 16 and 17) striking "not to exceed 5 percent" and inserting "not to exceed 10 percent"; and

In subsection (c)(1)(E)(ii) (page 233, lines 17 and 18, and line 22) striking "15 percent and inserting at those two points "17.5 percent".

By Mr. MARLENEE:

—At the end of title XVIII, add the following new section:

SEC. . (a) Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report which contains specific proposals for reducing and simplifying the recordkeeping and other paperwork required of agricultural producers and cooperatives (hereinafter referred to in this section as "producers") who apply for participation in, or in complying with the requirements of—

(1) agricultural price and income support programs administered by the Secretary, including programs under the Agricultural Act of 1949 (7 U.S.C. 1421, et seq.);

(2) voluntary or mandatory soil or water conservation programs administered by the Secretary, including programs under the Food Security Act of 1985 (7 U.S.C. 1281, note); and

(3) any other related programs administered by the Secretary, including programs under the Consolidated Farm and Rural Development Act (7 U.S.C. 1981, et seq.) marketing order programs, and programs of crop insurance under the Federal Crop Insurance Corporation.

(b)(1) In the report required by subsection (a) of this section, the Secretary shall set forth the results of a thorough examination of the feasibility of reducing current levels of paperwork and recordkeeping required of producers by providing such producers with access to a computerized Departmental network or system (including the utilization of computer capability and equipment which has been or will be acquired by the Department of Agriculture and its various agencies) and which network or system could be used by producers: (A) to communicate voice, data, video, or a combination thereof for the purpose of submitting electronically all of (or a significant portion of) any necessary and appropriate applications, reports, or other documentation, and (B) to provide updated electronic information and data pertinent to the producer's agricultural operation and marketing activities, or information-sharing by means of video conferencing. For the purpose of preparing the report required by this section, the Secretary shall retain the consulting services of at least one private sector business firm having experience and possessing technical expertise in the fields of wide area computer network design, function, installation, and maintenance, integrated video conferencing, and data base management systems and may in his discretion award a contract for such services on a sole source basis.

(2) In determining the feasibility and costs of providing a computerized network or system as described in paragraph (1) of this subsection, the Secretary may also recommend a schedule of nominal fees which could be charged to producers and others for a pro-rata share of a portion of the costs associated with access to and use of such system, which fees would partially or entirely defray the costs (after taking into consideration any ongoing savings to the Department) associated with the operation and maintenance and future expansion of such portion of the network or system and its capabilities, but not to include any reimbursement for existing equipment and capabilities nor for the costs associated with the initial establishment of the network or system. The report should also contain initial recommendations outlining additional categories of users who might be also permitted access to the network or system for a fee, and the types of safeguards which would be reasonably necessary to limit file access as may be necessitated in accordance with provisions of the Privacy Act of 1974 (5 U.S.C. 552a) and other relevant authorities governing the disclosure of individual or proprietary information.

(c)(1) Insofar as practicable, in preparing the report required by subsection (a) of this section, the Secretary of Agriculture shall take into consideration and incorporate the recommendations of the commission created by title V, section 501 of the Farm Credit Amendments Act of 1985 as contained in the Report of the National Commission on Agricultural Finance, dated February 22, 1989, insofar as such recommendations relate to the need to develop a universal loan application form and uniform accounting standards for farm businesses. In considering such recommendations, the Secretary shall strive to design and adopt forms and standards which are as brief and succinct as possible, and shall consult with representatives of the Farm Credit System and with representatives of the commercial banking system as well as with those representing other significant providers of farm ownership and operating credit.

(2) In order to increase the efficiency of agricultural programs administered by the Department of Agriculture and to reduce the burden of paperwork on participants in such programs, the Secretary shall design and adopt, insofar as practicable, one brief application form to be used by applicants for participation in the agricultural programs of the Department of Agriculture, including, but not limited to, the programs described in subsection (a) of this section. The report required by subsection (a) shall include information with regard to the progress made by the Department toward compliance with this subsection, and shall also identify any statutory impediments to the use of such single brief form.

(d) Notwithstanding the foregoing provisions of this section, the Secretary shall take appropriate action to integrate the various data bases of the Department of Agriculture relating to agricultural program data, and shall facilitate the sharing of relevant data among the various agencies of the Department, including, but not limited to, the Agricultural Stabilization and Conservation Service and the Soil Conservation Service and the Farmers Home Administration.

—At the proper place in the bill, add the following new sections:

SEC. . Notwithstanding any other provision of law or of this Act, the amount of any reductions in farm program payment outlays (as compared to outlays which would have been made in accordance with program eligibility requirements and/or individual payment limitations levels which were in existence on the date of enactment of this Act) which reductions are attributable to any provisions of this Act which limit farm program participation based on income levels of otherwise eligible individuals or which reduce the total payments available to an eligible individual to an amount less than an eligible individual could have received prior to the date of enactment of this Act shall be utilized by the Secretary of Agriculture for the purpose of funding the following section.

SEC. . (a) SHORT TITLE.—This section may be referred to as the Farm Spouse Fairness and Equity Act of 1990.

(b) Effective beginning with the 1991 crops, section 1001(5)(B)(iii) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(B)(iii)) is amended by striking out in its entirety all of clause (iii) and inserting in lieu thereof the following:

"(iii) Such regulations shall provide that, with respect to any married couple, the husband and wife shall be considered to be one person, except—

"(I) in the case of a married couple which owns or operates a farming operation otherwise eligible for farm program payments under paragraph (1) of this section, the couple may designate one spouse as the 'primary recipient' for the purpose of receiving such payments and the other spouse (secondary recipient) shall be considered to be a separate person actively engaged in farming for the purpose of receiving farm program payments not to exceed the per-person limitation amount contained in paragraph (1) of this section, provided such other spouse makes a significant contribution (based on the total value of the farming operation) of active personal management or personal labor; or

"(II) in the case of a married couple consisting of spouses who, prior to their marriage, were separately engaged in unrelated farming operations, each spouse shall be treated as a separate person actively engaged in farming with respect to the farming operation brought into the marriage by such spouse, so long as such spouse continues to provide a significant contribution of active personal management or labor in relation to the farming operation brought into the marriage; or

"(III) in the case of a married couple wherein, following their marriage, either of the spouses shall become the owner of an unrelated farming operation by way of gift (in anticipation of death or upon disability of the donor), devise, or descent, such spouse shall be treated as a separate person actively engaged in farming with respect to the acquired farming operation, so long as such spouse shall provide a significant con-

tribution of active personal management or labor in relation to the farming operation so acquired.".

By Mr. MOLLOHAN:

—At the end of subtitle J of title XVII of the bill add the following new section:

SEC. 1796. AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT.

(a) IN GENERAL.—Subsection (a) of section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in the second sentence—

(A) by inserting after "Social Security Act" the following: "or pursuant to a State's job opportunities and basic skills training program under section 402(a)(19) and part F of title IV of such Act"; and

(B) by inserting after "under such title" the following: "or pursuant to such program"; and

(2) in paragraph (1), by inserting after "Social Security Act" the following: "or pursuant to a State's job opportunities and basic skills training program under section 402(a)(19) and part F of title IV of such Act".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1990.

By Mr. NAGLE:

—In the amendment made by section 1001 to section 105A insert at the end of subsection (a)(3) the following new subparagraph:

"(E) Notwithstanding paragraph (3), the loan rate for corn shall not be less than $1.76 per bushel, unless such rate would exceed 85 percent of the five-year average market price determination, in which case loan rates shall not be less than 85 percent of such average.".

—In the amendment made by section 901 to section 107A insert at the end of subsection (a)(3) the following new subparagraph:

"(E) Notwithstanding paragraph (3) and except as provided by paragraph (2)(A), the loan rate for wheat shall not be less than $2.42 per bushel, unless such rate would exceed 85 percent of the five-year average market price determination, in which case loan rates shall not be less than 85 percent of such average.".

—Section 1382 (relating to the National Farm Safety Study), insert after subsection (d)(2) (page 503, after line 24) the following new paragraphs:

"(3) The Secretary shall use the information gathered pursuant to subsection (a) to prepare a listing of farm injuries and disease-related hazards showing the frequency of such injuries and hazards. The list shall be updated annually by the Secretary.

"(4) The Secretary shall establish prioritized objectives for reducing farm accidents, provide a method to evaluate the improvement in farm safety and health achieved, and implement education programs to meet those objectives. The objectives, methods of evaluation, and programs shall be reviewed annually by the Secretary. Any educational program conducted under this paragraph shall be prioritized consistent with the list prepared under paragraph (3).".

By Mr. NEAL of North Carolina:

—Notwithstanding any other provision of law, any authorization that may be construed to authorize the appropriation of funds for the National Soybean Research Lab or any soybean research conducted at the University of Illinois located at Champaign-Urbana is, as it relates to such research at such facility, hereby repealed.

—On page 614, insert after line 10 the following:

SEC. 1396. STUDY OF THE COST OF ETHANOL PROMOTION.

The Secretary shall conduct a study on the taxpayer costs associated with the promotion of ethanol production. Such study shall include a determination of—

(1) the amount of federal assistance ethanol producers receive from any and all sources, giving due consideration to the relationship of all federal programs;

(2) whether or not any hidden subsidies exist; and

(3) whether ethanol production incentives are necessary in light of recent revisions of the Clean Air Act.

—On page 224, line 11, insert after "producers" the phrase", other than producers of alcohol who receive an alcohol fuels credit under section 232(b)(1) of the Act of April 2, 1980.".

By Mr. OLIN:

—On page 440, line 10: strike "'six'" and insert "'five'".

—On page 440, strike lines 12-16.

—On page 442, strike lines 6-18 and insert the following:

SEC 1476. AQUACULTURE RESEARCH FACILITIES.

(a) GRANTS AUTHORIZED.—In order to gain further knowledge of intensive water recirculating aquaculture systems, the Secretary may make grants for the purpose of further developing and expanding aquaculture research facilities at Illinois State University in Normal, Illinois, and Virginia Polytechnic Institute and State University in Blacksburg, Virginia, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized, in the event the Secretary decides to take action under subsection (a), to be appropriated $500,000 for each of the two facilities for fiscal years 1991 through 1995 to carry out this section.

By Mr. PENNY:

—Proposed research purposes amendment:

SEC. 1403A. STATEMENT OF PURPOSES

(a) PRIMARY PURPOSE.—The primary purposes of Federal involvement in agricultural research and extension activities are to—

(1) enhance the sustainability, profitability, and competitiveness of the food production and agricultural system of the United States; and

(2) ensure that research and extension education will not only benefit farmers and the agricultural system, but will also contribute to environmental, human health, social, food security, and international interests of the United States

(b) SPECIFIC PURPOSES.—Subject to the varying conditions and needs of States, to carry out subsection (a), Federally funded agricultural research and extension programs should, among other things—

(1) provide research knowledge and education programs to users that are designed to increase income, employment and entrepreneurial opportunities in agricultural and rural communities, support the family farm system of agriculture, enhance the economic viability of U.S. farms (including emphasis as appropriate on small, moderate sized and minority operated farms), and increase the competitiveness of U.S. agriculture in global markets;

(2) provide research knowledge and educational programs on methods and systems of production and resource management that can be used by farmers and citizens to protect the environment and natural resources, including reducing soil erosion, enhancing wildlife habitat and populations and protecting ground water and surface water from pollution.

(3) provide research knowledge and educational programs that help to increase availability, quality, variety, safety, and affordability of food products and also provide consumers with authoritative information on nutritional value, selection, and preparation of foods that meet their needs, preferences, and budgets;

(4) develop, test, demonstrate, and disseminate research-based knowledge on production practices, technologies, and systems of agricultural production for U.S. and developing nation farmers that—

(A) provide alternatives to the use of nonrenewable resources, including petroleum, for which few (if any) economic alternatives exist;

(B) preserve, enhance, and sustain the productivity of natural resources, including farmland;

(C) maintain genetic and species diversity while allowing for the introduction of new discoveries, including those derived through biotechnology;

(D) have the capability for meeting future food and fiber needs of an expanding national and world population;

(E) reduce the potential for adverse impacts on the health and safety of consumers, farmers, farmworkers, and other persons involved in the food and fiber system;

(5) provide U.S. citizens, state and local government leaders, and public employees as well as leaders in developing countries with research knowledge and education programs that enable them to improve rural, social, and economic conditions and the quality of life in rural communities;

(6) provide research knowledge and education programs that can be used to enhance the efficiency, profitability, and competitiveness of United States agriculture through the development of production systems that address site specific and economic constraints and that allow producers to reduce production costs and risks through more intensive application and use of management, skilled labor, and other means;

(7) conduct research and provide for the transfer of technology relating to the commercialization of new agricultural crops, new food and industrial products using agricultural products as feedstocks, and new processes and marketing methods that increase utilization, expand markets, and increase incomes to the farming and agribusiness sectors; and

(8) provide research-based knowledge and educational programs that can be used by individuals and families both in the U.S. and the developing world to develop their personal potential, achieve economic goals, improve social and environmental conditions within their communities, and that particularly enhance human development programs for young people by emphasizing personal, social, and economic opportunities.

(c) APPLICATION.—This Section shall not apply to basic research, except for that which is integrated with or designed to contribute to, particular areas of applied research. Nor shall it be construed to prohibit individual projects in conflict with Section 1403A(a) and (b). However, the total federally funded agricultural research and extension program shall have the effect of advancing each of these purposes and projects consistent with these purposes shall be prioritized and emphasized.

SEC. 13. PROCEDURES TO ASSURE IMPLEMENTATION OF PURPOSES OF AGRICULTURAL RESEARCH AND EXTENSION PROGRAMS.

(a) IN GENERAL.—The National Agricultural Research, Extension and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1406 the following new section:

"SEC. 1406A. PROCEDURES TO ASSURE IMPLEMENTATION OF PURPOSES OF AGRICULTURAL RESEARCH AND EXTENSION.

"(a) GUIDELINES REQUIRED.—Not later than 18 months after the date of enactment of this Section, the Secretary shall adopt guidelines that implement and make specific the purposes stated in Section 1403A to agricultural research and extension projects sponsored by the Secretary and inform persons participating in the program of the purposes. The Secretary may, but need not, promulgate guidelines in accordance with Subchapter II of Chapter 5, United States Code. If they are not so promulgated, the Secretary shall disseminate the proposed guidelines as broadly as possible to persons and organizations who might reasonably be expected to have an interest in commenting thereon. The proposed guidelines shall be accompanied by an explanatory preamble comparable to that used pursuant to Subchapter II. Sixty days shall be allowed for public comment. Final guidelines shall be accompanied by a statement of basis and purpose which shall include the Secretary's response to the major salient public comments.

"(b) The Secretary shall report annually to the Congress on action taken and progress made toward implementation and fulfillment of the purposes specified in Section 1403A.

"(c) REQUESTS FOR PROPOSALS.—(1) Requests for proposals issued by the Secretary as part of the competitive grants programs shall include a comprehensive analysis which—

"(A) identifies the purpose or purposes under Section 1403 (a) and (b) of this title which the project seeks to further and significant effects of the project on any other of those purposes.

"(B) explains to the extent reasonably possible the extent to which, and the manner by which, a successful project would further or affect the identified purpose or purposes.

"(d) DUTIES OF APPLICANTS.—(1) Before the Secretary undertakes or approves an agricultural research or extension project to be funded in whole or in part under this title, with the exception of proposals for competitive grants and that basic research exempted under Section 1403(a), the project proposal shall in a succinct but comprehensive manner—

"(A) identify the purpose or purposes under Section 1403A (a) and (b) of this title which the project seeks to further and significant effects of the project on any other of those programs.

"(B) explain to the extent reasonably possible the extent to which, and the manner by which, a successful project would further or affect the identified purpose or purposes.

"(2) Section 1406A(d) shall be implemented in a manner which does not require the involvement of professionals in technology assessment nor add excessively to the time and paperwork burdens of proposal preparation.".

—Competitive grants:

Insert in Section 1301 at the appropriate place:

(a) Title 7 U.S.C., Section 4501(b), is amended by adding the following:

"(a) To better assure attainment of the objectives of Section 1403A, the Secretary shall expand an appropriate portion of the funds appropriated for grants under this Section for grants to conduct research to assess the effects of existing and emerging farm technologies and farming systems on attainment of the purposes expressed in 1403A.".

—Section 1101(a) is amended to read as follows:

(a) LIMITATION ON PAYMENTS.—(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "provision of law" and inserting "provision of law, subject to sections 1001A and 1001C".

(2) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by inserting "(a)" before "Notwithstanding", by redesignating paragraphs (3), (4), and (5) as subsections (d), (e), and (f), respectively, and by striking paragraphs (1) and (2) and inserting the following:

"(1) For each of the 1991 through 1995 crops, the total amount of deficiency payments (excluding any deficiency payments described in paragraph (2)) and land diversion payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, and rice shall not exceed $50,000.

"(2) For each of the 1991 through 1995 crops, the total amount of—

"(A) any gain realized by a producer from repaying a loan for a crop of wheat, feed grains, upland cotton, rice, and honey at the rate permitted under section 107D(a)(5), 105C(a)(4), 103A(a)(5), 101A(a)(5), or 201(b)(2), respectively, of the Agricultural Act of 1949, or any gain realized by a producer from repaying a loan for a crop of any other commodity at a lower level that the original loan level established under the Agricultural Act of 1949;

"(B) any loan deficiency payment received for a crop of wheat, feed grains, upland cotton, or rice under section 107D(b), 105C(b), 103A(b), or 101A(b), respectively, of the Agricultural Act of 1949;

"(C) any deficiency payment received for a crop of wheat or feed grains under section 107D(c)(1), 105C(c)(1), respectively, of the Agricultural Act of 1949 as a result of the reduction of the price support level for such crop under section 107D(a)(4) or 105(a)(3) of such Act;

"(D) any inventory reduction payment for a crop of wheat, feed grains, uplan cotton, or rice under section 107D(g), 105C(g), 103A(g), or 101A(g), respectively, of the Agricultural Act of 1949; and

"(E) any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation,

shall not exceed $100,000.

"(3) For each of the 1991 through 1995 crops, the total amount of disaster payments made under one or more of the annual programs established under the Agricultural Act of 1949, or under any other act which authorizes the Secretary or the Commodity Credit Corporation to make a payment with respect to the loss of production of an agricultural commodity due to natural disaster or other condition beyond the control of a producer (excluding indemnities paid by the Federal Crop Insurance Corporation), shall not exceed $100,000.

"(4) For each of the 1991 through 1995 marketing years, the total amount of payments that a person shall be entitled to receive under the annual program established under the National Wool Act of 1954 for wool and mohair or under the program established for honey shall not exceed $100,000. For purposes of subsection (b), such payments shall be considered to be made on a crop year basis.

"(5) For each of the years 1991 through 1995, the Secretary shall provide that payments made under title VI of the Agricultural Act of 1949 shall be considered to be made on a crop year basis for purposes of subsection (b).

"(6) For each of the 1991 through 1995 crops, no certificate redeemable for stocks of commodities held by the Commodity Credit Corporation may be redeemable for honey held by the Corporation.".

(3) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by adding at the end thereof the following new subsections:

"(b) For each of the 1991 through 1995 crops, the total amount of all payments specified in subsection (a) shall not exceed $250,000. For the purposes of this section and sections 1001A through 1001C, the term payment includes marketing loan gains.

"(c) For any of the 1991 through 1995 crops, the total amount of marketing gains and payments specified in subsection (a)(2)(A) and (B) when combined with the value of commodities for which a marketing gain may be realized which is forfeited to the Commodity Credit Corporation shall not exceed $100,000.".

(4)(A) Section 1001(d) of the Food Security Act of 1985 (7 U.S.C. 1308), as redesignated by subsection (a), is amended by striking "paragraph (2)" and inserting "subsection (a)(2)(A) of this section".

(B) Subsection (f) of section 1001 of the Food Security Act of 1985 (as redesignated by section 3) (7 U.S.C. 1308) is amended by striking subparagraph (A) and by inserting the following:

"(f)(1)(A) The Secretary shall issue regulations—

"(i) defining the term 'person'; and

"(ii) prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of the limitations established under this section and sections 1001A through 1001C.".

"(C)(i) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended by striking "1001(5)(B)(i)" each place it appears and inserting "1001(f)(1)(B)(i)".

"(ii) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1307-1) is amended by striking "1001(5)(B)(i)(II)" each place it appears and inserting "1001(f)(1)(B)(i)(II)".

"(iii) Section 1001A(b)(1) of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended by striking "paragraphs (1) and (2)" and inserting "subsection (a)(1) through (3)".

"(iv) Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308-2) is amended by striking "paragraphs (1) and (2)" and inserting "subsection (a)(1) through (3)".

"(v) Section 1001C of the Food Security Act of 1985 (7 U.S.C. 1308-3) is amended by striking out "1989 and 1990" and inserting "1991 through 195".

—Section 1101(a) is amended by striking "and" at the end of paragraph (5), by striking the period and inserting "; and" at the end of paragraph (6), and by inserting at the end of the following new paragraphs:

(7) in paragraph (5)(A) by striking clause (i) and inserting the following:

"(i) defining the term 'person' so that no combination of farming as an individual or participation in any combined farming venture shall result in an individual qualifying as more than one person; and"; and

(8) in paragraph (5)(B) by striking clause (iii) and inserting the following:

"(iii) The regulations shall provide that, with respect to any married couple, the husband and wife shall be considered to be one person, except that, for the purpose of the application of the limitations established under this section—

"(I) in the case of any married couple consisting of spouses who, prior to their marriage, were separately engaged in unrelated farming operations, each spouse shall be treated as a separate person with respect to the farming operation brought into the marriage by the spouse so long as the operation remains as a separate farming operation; and

"(II) in the case of any married couple consisting of spouses who do not hold, directly or indirectly, a substantial beneficial interest in more than one entity (including the spouses themselves) engage in farm operations that also receives farm program payments (as described in paragraphs (1) and (2)) as separate persons, the spouses may be considered as separate persons if each spouse meets the other requirements established under this section and section 1001A to be considered to be a separate person".

—At the end of subtitle A of title XI, insert the following new section:

SEC. 1121. COMMODITY PROGRAM ELIGIBILITY.

(a) PROGRAM ELIGIBILITY.—A producer who has gross revenues in excess of $1,000,000 annually from sales of program crops, as determined by the Secretary of Agriculture, shall not be eligible to receive any loans, purchases, or payments under any commodity program for a program crop or oilseeds under the Agricultural Act of 1949.

(b) DEFINITION.—As used in this section, the term "program crop" has the same meaning as under section 502 of the Agricultural Act of 1949.

Redesignate the succeeding section accordingly.

—The amendment made by section 1108 to section 113 of the Agricultural Act of 1949 is amended by inserting after the last sentence of such section 113 the following: "Producers shall be allowed to meet acreage limitation or set-aside requirements by idling end rows, regardless of whether they meet the minimum acreage limitation or set-aside width and acreage if—

"(1) the end rows are planted to a perennial cover crop;

"(2) it would result in substantial soil loss reductions, relative to idling other land, as determined by the Soil Conservation Service; and

"(3) each area idled under this provision shall count as .9 acres toward meeting the acreage limitation or set-aside requirement.".

—In the amendment made by section 201(a) to section 210(h)(2)(A) of the Agricultural Act of 1949, strike "18 cents per pound for raw cane sugar" and insert "17.6 cents per pound for raw cane sugar for the 1991 crop. For each of the 1992, 1993, 1994, and 1995 crops, the loan level shall be the same as the level established for the preceding crop year reduced by .4 cents.".

By Mr. ROSE:

—Amend section 1001 on page 258, after line 18, by inserting the following new paragraph:

"(3) ETHANOL PRODUCERS.—The Secretary may not make available any loans, purchases, payments, or other benefits under this section to producers who sell feed grains to producers of alcohol who receive an alcohol fuels credit under section 232(b)(1) of the Act of April 2, 1980,".

—On page 1006, after line 20, add the following:

SEC. 1856. MEAT PRODUCTS CONTAINING SOYBEANS.

Notwithstanding any provision of law, it shall be unlawful for any individual to label meat or meat products containing any soybean product as a meat or meat product. Such products shall bear a label stating that such product is an imitation meat product.

—On page 1006, after line 20, add the following:

SEC. 1856. MEAT PRODUCTS CONTAINING SOYBEANS.

Notwithstanding any provision of law, it shall be unlawful for any individual to label meat or meat products containing any soybean product as a meat or meat product. Such products shall bear a label stating the percentage of soybean products contained therein.

—On page 354, strike lines 4 through 8.

—1. On page 357, line 3, insert after "LEVEL.—"the heading "(1) TOTAL ASSISTANCE.—".

—2. On page 357, after line 6, insert the following:

"(2) STATE LEVEL.—In no event may the aggregate allocation to all eligible trade organizations in any one State exceed $4 million.".

—On page 353, after line 7, insert the following:

"No organization, State agency, or private organization promoting the sale of pork, pork products or pork by-products, if ethanol by-products have been used to produce such pork or pork products, shall be eligible to receive funding under this provision.".

—On page 1006, after line 20, add the following:

SEC. 1856. MEAT PRODUCTS CONTAINING SOYBEANS.

Notwithstanding any provision of law, it shall be unlawful for any individual to label meat or meat products containing any soybean product as a meat or meat product. Such products shall bear a label stating the percentage of soybean products contained therein.

By Mr. SARPALIUS:

—Page 39, line 21, insert after the period the following: "The Secretary may not exclude irrigated or irrigatable acreage not planted in alfalfa when exercising the discretion of the Secretary under this clause.".

—Page 103, line 10, insert after the period the following: "The Secretary may not exclude irrigated or irrigatable acreage not planted in alfalfa when exercising the discretion of the Secretary under this clause.".

—Page 214, line 15, insert after the period the following: "The Secretary may not exclude irrigated or irrigatable acreage not planted in alfalfa when exercising the discretion of the Secretary under this clause.".

—Page 250, line 12, insert after the period the following: "The Secretary may not exclude irrigated or irrigatable acreage not planted in alfalfa when exercising the discretion of the Secretary under this clause.".

By Mr. SCHUETTE:

—1. Title XVIII—Improvement of the Agricultural Economy is amended by inserting after section 1847 the following new section:

SEC. 1848. COMMODITY REPORTS.

(a) CROP REPORTS.—The Secretary shall gather from producers a monthly crop report, which shall be printed and distributed on or before the twelfth day of each month, and shall contain statements of the conditions of crops by States, with such explanations, comparisons, and information as may be useful for illustrating such reports. Reports shall be submitted to and officially approved by the Secretary before being issued or published.

(b) SPECIAL REPORTS.—(1) In addition to the reports compiled pursuant to paragraph (a), the Secretary shall survey producers for information for reports regarding supply, acreage, production, disposition, and prices for the following commodities as determined by the Secretary:

(a) fresh market vegetables;

(b) processing vegetables;

(c) fruits and nuts;

(d) forage and turf seeds;

(e) vegetable seeds; and

(f) maple syrup.

(2) The Secretary shall conduct and report the results of the surveys described in paragraph (1) at least annually in such states as determined by the Secretary. Reports shall be submitted to and officially approved by the Secretary before being issued or published.

(c) TREE INVENTORIES.—The Secretary shall survey producers for information for reports regarding fruit and nut tree inventories. Such surveys and reports shall be conducted, printed, and distributed on a regular basis every three to five years as determined by the Secretary. Reports shall be submitted to and officially approved by the Secretary before being issued or published.

(d) CONFORMING AMENDMENTS.—The proviso under the heading "Bureau of Crop Estimates" in the Act of March 4, 1917 (Chapter 179; 39 Stat. 1157) and the first proviso under the heading of the "Bureau of Statistics" in the Act of March 4, 1909 (Chapter 301; 35 Stat. 1053) (7 U.S.C. 411a) are repealed.

By Mr. SCHUMER:

—In section 503—

(1) insert "(1)" after "LIMITATION.—",

(2) strike "$250,000" and insert "$50,000",

(3) strike the close quotation marks and the period at the end, and

(4) add the following at the end:

"(2) For purposes of determining who is a producer referred to in paragraph (1), sections 1001(5), 1001A, and 1001B of the Food Security Act of 1985 (7 U.S.C. 1308(5), 1308-1, 1308-2) shall apply in the same manner as such sections apply for purposes of determining who is a person under such sections.".

—In section 101(6)(B)(ii) of the Agricultural Trade Act of 1978, as contained in section 1211 of the bill, strike the period at the end of subclause (III) and insert a comma, and add the following after subclause (III): "except that the percentage of agricultural components not entirely produced in the United States that are contained in a product designated by the Secretary under this clause may not exceed such percentage as the Secretary shall establish.".

—In section 103(a) of the Agricultural Trade Act of 1978, as contained in section 1211 of the bill, redesignate paragraph (4) as paragraph (5), strike "and" at the end of para-

graph (3), and insert after paragraph (3) the following:

"(4) establish criteria to monitor the operations of financial institutions making loans eligible for guarantees by the Commodity Credit Corporation, so as to ensure that the Corporation does not assume undue risk in providing such guarantees; and".

—Add the following at the end of subtitle B of title XII:

SEC. 1214. PROHIBITION ON LOAN GUARANTEES FOR SALES TO IRAQ.

No guarantees may be made by the Commodity Credit Corporation for the repayment of loans made to finance export sales of agricultural commodities or products thereof to Iraq.

—At the end of subtitle A of title XI, insert the following new section:

SEC. 1121. ELIGIBILITY REQUIREMENT.

(a) GENERAL RULE.—(1) a person shall not be eligible to receive, directly or indirectly, any payment, purchase, or loan for wheat, feed grains, cotton, honey, rice, oilseeds, wool, and mohair under the Agricultural Act of 1949 if that person has adjusted gross income of at least $100,000 for the taxable year during which such payment, purchase, or loan is made available to that person or the preceding taxable year.

(2) Except as provided by paragraph (4), in the case of a person who is not an individual, paragraph (1) shall be applied by substituting "taxable income" for "adjusted gross income".

(3) For purposes of this section, a partnership shall be treated as a person who is not an individual.

(4) In the case of any person who is exempt from tax under chapter 1 of the Internal Revenue Code of 1986, that person shall not be eligible to receive any payment, purchase, or loan under the Agricultural Act of 1949 if that person has gross revenues of at least $1,000,000 for the calendar year during which such payment, purchase, or loan is made available to that person or the preceding calendar year.

(5) In the case of estates and trusts, the Secretary of Agriculture shall prescribe rules based on the principles of paragraph (1) to carry out this section.

(b) DEFINITIONS.—For purposes of this section:

(1) The terms "adjusted gross income" and "taxable income" shall have the meanings given such terms by the Internal Revenue Code of 1986.

(2) The term "person" shall have the same meaning it has for purposes of section 1001 of the Food Security Act of 1985.

(c) RULES.—The Secretary of Agriculture shall prescribe rules to carry out this section.

(d) EFFECTIVE DATE.—This section shall apply to the 1991 crop and all subsequent crops.

Redesignate the succeeding section accordingly.

—In section 202(e)(4) of the Agricultural Trade Act of 1978, as contained in section 1211 of the bill, strike "may provide" and insert "may not provide" and strike "under such terms and conditions as may be established by the Secretary".

—In section 202(f) of the Agricultural Trade Act of 1978, as contained in section 1211 of the bill, add the following new paragraph at the end:

"(6) PHASING OUT OF ASSISTANCE.—Assistance under this section to an eligible trade organization for export promotion activities relating to an agricultural commodity in a particular country may not be provided for a period of more than 5 years. The Secretary shall establish criteria for phasing out such assistance before such assistance is terminated under this paragraph.".

—In section 202(g) of the Agricultural Trade Act of 1978, as contained in section 1211 of the bill, strike "$200,000,000" and insert "$110,000,000".

—In section 202 of the Agricultural Trade Act of 1978, as contained in section 1211 of the bill, add the following new subsection at the end:

"(i) COMBINING OF PROGRAMS.—In order to more effectively carry out export promotion programs, in particular by avoiding duplication of effort, the Secretary shall, by the beginning of fiscal year 1995, combine the cooperator market development program of the Foreign Agricultural Service and the program established under this section.".

By Mr. SLATTERY:

—At the end of section 1601, insert the following:

(e) RESOURCE-CONSERVING CROP.—(1) Notwithstanding any other provision of law, that portion of a producer's crop base acreage that—

(A) is highly erodible cropland (as defined by section 1201(a) of the Food Security Act of 1985);

(B) is devoted to a resource-conserving crop (as defined in section 1611 of this Act) in accordance with a conservation plan (referred to in section 1212(a)(2) of the Food Security Act of 1985); and

(C) does not exceed 25 percent of the producer's total base acreage,

shall be taken into account, for the purpose of determining crop acreage base and farm program payments, as if such acreage had been planted to the program crop for which the resource-conserving crop was substituted, except as provided by paragraph (2).

(2) The Secretary shall eliminate any farm program payment a producer is otherwise eligible to receive with respect to acreage planted to resource-conserving crops under this subsection if such producer hays or grazes such acreage during the 5-month period in each State during which haying and grazing of conserving use acres is not allowed under the provisions of the Agricultural Act of 1949, or, if the crop plant is a small grain, before the producer harvests the small grain crop in kernel form, whichever is sooner.

(3) The Secretary shall not reduce a producer's farm program payment yields as a result of planting resources-conserving crops under this subsection.

By Mrs. SMITH of Nebraska:

—Section 1327(c) is amended on page 477 line 12 by inserting after the word "subtitle." the following: "Such training may occur at a college or university located within each state as designated by the coordinator designated under this section.".

—1. Section 1315(b)(2) page 450, line 22 is amended by striking the words "other research institutions and organizations,".

—2. Section 1315(b)(2) page 450, line 22 is amended by striking the words "private organizations or corporations, and individuals.".

—3. Section 1322(c) page 462, line 7 is amended by striking the words "nonprofit organizations with demonstrable expertise,".

—4. Section 1322(d)(2)(F) page 463, line 8 is amended by striking the words "nonprofit organizations with demonstrable expertise,".

By Mr. STAGGERS:

—At the end of the bill, add the following new title:

TITLE XIX—IMPROVEMENT OF WATER SYSTEMS IN AGRICULTURAL COMMUNITIES

SEC. 1901. IMPROVEMENT OF WATER SYSTEMS IN AGRICULTURAL COMMUNITIES.

The first sentence of section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by inserting "and ending before October 1, 1991," after "commencing after September 30, 1981,".

—At the end of subtitle C of title XIII, insert the following new section:

SEC. 1848. IMPROVEMENT OF WATER SYSTEMS IN AGRICULTURAL COMMUNITIES.

The first sentence of section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by inserting "and ending before October 1, 1991," after "commencing after September 30, 1981,".

By Mr. STANGELAND:

—1. Section 17(a)(2)(A)(i)(I) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 1360) is amended by striking the phrase "that pesticide is" and inserting in lieu thereof "the active ingredients in that pesticide are".

—On page 189 after line 22 add the following new section:

SEC. 810. AMENDMENTS TO SECTIONS 358 AND 359 OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938.

(a) Section 358(v)(3) (7 U.S.C. 1358) of the Agricultural Adjustment Act of 1938 is amended by adding after "and seed" the following: ", and use for processing for distribution by private non-profit food banks for food to needy people".

(b) Section 359(m)(1)(c) of that Act is further amended by striking the "or" after subsection (iii) and the "." after the words "subsection (q)" and adding the following: "(iv) used for processing for distribution by private non-profit food banks for food to needy people."

(c) Section 359(q)(1) of that Act is further amended by striking the "." after the word "both" and adding the following: ", and use for processing for distribution by private non-profit food banks for food to needy people.

By Mr. STENHOLM:

—At the end of title XIV, add the following new subtitle:

Subtitle D—Organic Food Standards

SEC. 1494. SHORT TITLE AND FINDINGS.

(a) SHORT TITLE.—This subtitle may be cited as the "Organic Food Standards Development Act of 1990".

(b) FINDINGS.—It is the sense of Congress that—

(1) a number of consumers are seeking fresh and processed foods that have been produced using organic methods;

(2) producers and processors of food desire a single set of national standards to define the term "organic food" and to govern the production and processing of organic food;

(3) significant differences of opinion exist among consumers, producers, and processors with respect to what production and processing practices are organic practices;

(4) several States have adopted standards governing the production and processing of organic food that conflict and may hamper interstate commerce;

(5) the United States Department of Agriculture possesses the resources to create a

forum by which to achieve the resolution of the conflicts among the various opinions regarding the nature of organic food and among the various governmental approaches to certifying food as having been organically produced; and

(6) without resolution of the current conflicts regarding the labeling of organic food, consumers have inadequate assurance that such food is organically produced.

SEC. 1495. PURPOSES.

It is the purpose of this subtitle to—

(1) achieve, through public hearings and formal rulemaking conducted by the Secretary of the Department of Agriculture, adoption of standards to govern the production and processing of food that is to be labeled as organically produced;

(2) established a national definition of the term "organic" in connection with food;

(3) determine what definition should be employed for the term "organic" in connection with food;

(4) determine what consumers expect constitutes an organic food or food product and what "organic" characteristics would affect their purchasing patterns and to provide consumers with reliable information concerning organic food products;

(5) determine the cost to the Federal and State governments, to producers, processors, and consumers of an organic food labeling program;

(6) determine impact of labeling recommendations by the National Academy of Sciences in its efforts to harmonize labeling activities among agencies;

(7) evaluate the impact that a national organic food label would have on consumer purchasing decisions and organic food markets;

(8) assess whether availabiity of a national organic food label would provide a significant incentive to motivate farmers to adopt organic farming practices;

(9) determine the size and projected growth of the organic industry;

(10) determine which organic farming and processing methods are commonly used;

(11) determine criteria for a National List of acceptable farming inputs and methods to be used in the production of organically produced foods and the feasibility of applying organic standards to the meat and poultry industries;

(12) determine need for a producer—financed national program of research, promotion, and consumer education; and

(13) determine the most appropriate regulatory mechanisms.

SEC. 1496. ADMINISTRATION.

(a) The Secretary of Agriculture shall hold public hearings and conduct a study to enable the Secretary to prepare and submit recommendations, to be submitted in the form of reports, on the purposes set forth in section 3, to the Committee on Agriculture of the United States House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. An interim report shall be submitted not later than 1 year, and a final report not later than 2 years, after the date of enactment of this subtitle.

(b) The Secretary shall establish an organic food standards program by regulation, based on the findings and purposes of this subtitle and the recommendations submitted under subsection (a), within 3 years after the date of enactment of this subtitle.

SEC. 1497. AUTHORIZATION OF APPROPRIATIONS

There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.

By Mr. TALLON:

—Page 1002, after line 21, insert the following new sections:

SEC. 1848A. AMENDMENTS TO THE DISASTER ACT OF 1989.

(a) DOUBLE CROPPING OF NONPROGRAM CROPS GROWN IN A PRESIDENTIAL DISASTER AREA.—Section 104(a) of the Disaster Assistance Act of 1989 (Public Law 101-82; 103 Stat. 570) is amended by adding at the end the following new paragraph:

"(5) DOUBLE CROPPING.—

"(A) TREATED SEPARATELY.—In the case of a 1989 nonprogram crop that is historically doubled cropped by the producers on a farm, the Secretary shall treat each cropping separately for purposes of determining under paragraph (1)—

"(i) whether the crop was affected by damaging weather or related conditions in 1989; and

"(ii) the total quantity of the crop that the producers are able to harvest.

"(B) APPLICATION OF PARAGRAPH.—This paragraph shall—

"(i) apply only in the case of 1989 nonprogram crop that is grown in a county declared to be a Presidential disaster area for that crop; and

"(ii) not apply in the case of a replacement crop described in section 110.".

(b) EXCLUSIONS FROM HARVESTED QUANTITIES.—Section 104(a)(4) of that Act is amended by adding at the end the following new sentence: "For a 1989 nonprogram crop that is grown in a county declared to be a Presidential disaster area for that crop, the exclusion required by the preceding sentence shall be 100 percent.".

(c) APPLICATION OF AMENDMENTS.—Section 152(a) of that Act is amended by adding at the end the following new paragraph:

"(3) EXTENDED APPLICATION PERIOD.—In the case of producers of a nonprogram crop affected by the amendments made to section 104(a) of subtitle A by section 1105 A of the Food and Agricultural Resources Act of 1990, the Secretary shall—

"(A) allow such producers to submit applications for payments under section 104 until December 31, 1990, and

"(B) in the case of applications submitted by such producers before the date of the enactment of that Act, recompute (not later than 90 days after such date) the payment to such producers under section 104 in light of those amendments.".

SEC. 1848B. HURRICANE HUGO FORESTRY ASSISTANCE ACT.

(a) COST-SHARING ASSISTANCE.—

(1) ESTABLISHMENT.—For the purpose of encouraging tree owners to reestablish stands of trees damaged by Hurricane Hugo, the Secretary of Agriculture shall develop and implement a cost-share program to provide financial assistance to owners of private timber stands that were damaged, as determined by the Secretary, in 1989 by Hurricane Hugo. This assistance shall only be made available in those counties in South Carolina, North Carolina, Virginia, Puerto Rico, and the United States Virgin Islands declared by the President to be disaster areas as a result of Hurricane Hugo and any county contiguous to those counties.

(2) ELIGIBLE PRACTICES.—Practices eligible for cost-share assistance under this title are—

(A) reforestation;

(B) site preparation; and

(C) such other timber stand reestablishment practices as may be prescribed by the Secretary.

(3) PRIVATE TIMBER STANDS.—

(A) For the purpose of this title, the term "private timber stand" means a stand of trees damaged by Hurricane Hugo held continuously during the period described in paragraph (b) for commercial purposes by a private individual, group, association, corporation, Indian tribe or other native Indian group, or other legal entity, owning 1,000 acres or less of land planted to trees, except agencies of Federal, State, or local governments. Such term does not include a stand of trees transferred after the date on which such stand was damaged by Hurricane Hugo except for a stand of trees transferred by bequest, devise or inheritance, or acquired from a decedent by reason of death because of the form of ownership or other condition (including trees acquired through the exercise or nonexercise of a power of appointment).

(B) The period referred to in paragraph (a) is the period beginning on the date on which such trees were damaged by Hurricane Hugo and ending at the time the request is made for assistance under this title.

(4) INDIVIDUAL FOREST MANAGEMENT PLANS.—The Secretary may provide assistance under this title only after a management plan for the private timber stand has been developed by the holder of the stand in cooperation with, and approved by, the State forester or equivalent State official. Such management plan shall—

(A) include provision for the replacement of the timber stand through reforestation by tree plantings or other means; and

(B) be the basis for an agreement between the holder and the Secretary under subsection (e).

(5) COST SHARE.—The Secretary shall enter into agreements to share the cost of implementing eligible practices set forth in the agreement with holders who agree to implement those eligible practices. The amount of the Federal cost-share (including labor) for an eligible practices shall be 75 percent of the total cost of implementing eligible practices. The Secretary may consider, in determining the total cost of implementing eligible practices, any revenues from the sale of timber from private timber stands.

(6) DEADLINE.—Requests for assistance under this title must be filed with the Secretary not later than December 31, 1993.

(7) PAYMENT LIMITATION.—The total amount of payments that a person shall be entitled to receive under this title may not exceed $50,000. The Secretary shall issue regulations defining the term "person" which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).

(8) REGULATIONS.—The Secretary shall issue regulations to implement the provisions of this title as soon as practicable after the date of the enactment of this title, without regard to the requirement for notice and public participation in rulemaking prescribed in section 553 of title 5, United States Code.

(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this Act such sums as needed for fiscal years 1990, 1991, 1992, 1993, 1994 and 1995.

By Mr. THOMAS of Wyoming:

TITLE X—FEED GRAINS

Section 1001 is amended—

—(1) by inserting on page 237, line 14 after the word "producers" the following: "includ-

ing such condition resulting from the adjudication of Indian water settlement disputes,".

—(2) by inserting on page 238, line 11 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(3) by inserting on page 239, line 13 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

TITLE IX—WHEAT

Section 901 is amended—

—(1) by inserting on page 203, line 1 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(2) by inserting on page 203, line 22 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(3) by inserting on page 204, line 23 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

TITLE III—RICE

Section 301 is amended—

—(1) by inserting on page 96, line 21 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(2) by inserting on page 97, line 18 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(3) by inserting on page 98, line 20 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

TITLE I—COTTON

Section 101 is amended—

—(1) by inserting on page 32, line 11 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(2) by inserting on page 33, line 7 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(3) by inserting on page 34, line 9 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

By Mr. TOWNS:

—On page 389, after line 14, add the following new section:

"(4) CONTINUATION OF SMALL FARMER TRAINING AND TECHNICAL ASSISTANCE PROGRAM.—Section 1328 of that Act (7 U.S.C. 1918 note) is amended by striking "1988" and inserting "1995"."

—On page 411, after line 2, add the following new section:

"(3) The Secretary may set-aside a portion of funds appropriated for the award of grants under this section and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full participation of minority groups in research in the nation's schools of veterinary medicine.'

—On page 418, after line 9, add the following new section:

"(c) The Secretary may set-aside a portion of funds appropriated for the award of grants under this section and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full participation of minority groups in research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products."

—On page 420, on line 20 after the word "farmers" add the following: ", including small and limited resource farmers,"

—On page 440, on line 22, add the following new section:

"(E) To the extent practicable, one of the centers established under this subsection shall be at a college eligible to received funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University."

—On page 473, on line 3, after the word "farms" add the following: ", including small amd limited resource farms,"

By Mr. TRAFICANT:

—Add at the end of the bill the following:

TITLE XX—BUY AMERICA

SEC. 2001. SENSE OF CONGRESS.

It is the sense of the Congress that a recipient (including a nation, individual, group, or organization) of any form of farm subsidy, aid, or other Federal assistance under this Act should, in expending that assistance, purchase American-made equipment and products.

SEC. 2002. NOTICE.

The Secretary of Agriculture shall provide to each recipient of farm subsidy, aid, or other Federal assistance under this Act a notice describing the sense of the Congress stated under section 2001.

By Mr. VOLKMER:

—Strike section 1509 and insert the following in lieu thereof:

SEC. 1509. AMERICA THE BEAUTIFUL FOUNDATION.

(a) PURPOSE.—The purpose of this section is to authorize the President to designate a private non-profit Foundation as eligible to receive a grant from the Department of Agriculture to be used—

(1) to provide grants, including matching grants, to qualifying nonprofit organizations, municipalities, counties, towns and townships for the implementation of programs to promote public awareness and a spirit of volunteerism in support of tree planting, maintenance, management, protection, and cultivation projects in rural areas, communities and urban areas, communities and urban areas throughout the United States;

(2) to solicit public and private sector contributions through the mobilization of individuals, businesses, governments, and community organizations with the goal of increasing the number of trees planted, maintained, managed, and protected in rural areas, communities and urban environments;

(3) to accept and administer public and private gifts and make grants, including matching grants, to encourage local participation, for the planting, maintenance, management, protection, and cultivation of trees; and

(4) to ensure that our descendants will be able to share their ancestors' pride when referring to their land as "America the Beautiful".

(b) AUTHORITY.—The President is authorized to designate a private nonprofit organization, hereafter in this section referred to as the "Foundation", as eligible to receive funds pursuant to subsections (d) and (e), upon determining that such organization can, consistent with its charter, carry out the purposes stated in subsection (a), and that the officers of such organization have the experience and expertise necessary to direct the activities of the organization. Nothing in this section shall be construed to make officers, employees, or members of the board of directors of the Foundation officers or employees of the United States. The Foundation shall be a private and nonprofit organization and not an agency or establishment of the United States.

(c) IMPLEMENTATION.—The Foundation shall carry out this section in accordance with the purposes stated in subsection (a).

(d) FUNDING.—For fiscal year 1991, the Secretary is authorized to make a grant of not to exceed $25,000,000 to the Foundation.

(e) USE OF FUNDS.—Funds made available pursuant to subsection (d) shall be granted to the Foundation by the Secretary to enable the Foundation to carry out the purposes specified in subsection (a).

(f) INTEREST.—Notwithstanding any other provision of law, the Foundation may hold funds made available pursuant to subsection (e) in interest-bearing accounts, prior to the disbursement of the funds for purposes specified in subsection (a), and may retain to carry out such purposes any intereest earned on the deposits.

(g) LIMITATIONS ON USES OF FUNDS.—(1) IN GENERAL.—The Foundation may use funds provided by this section only for making grants to qualified organizations, municipalities, counties, towns and townships for the implementation of projects and activities that are consistent with the purposes specified in subsection (a).

(2) QUALIFIED ORGANIZATIONS.—For the purposes of this section, qualified organizations shall consist of those organizations that meet the requirements of section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)) and have demonstrated a capability to implement the project or activity for which the Foundation funds will be used.

(h) COMPENSATION FROM OUTSIDE SOURCES.—An officer or employee of the Foundation may not receive any salary or other compensation for services rendered to the Foundation from any source other than the Foundation.

(i) STOCK AND DIVIDENDS.—The Foundation shall not issue any shares of stock or declare or pay any dividends.

(j) LOBBYING.—The Foundation shall not engage in lobbying or propaganda for the purpose of influencing legislation and shall not participate or intervene in any political campaign on behalf of any candidate for public office.

(k) SALARY; TRAVEL AND EXPENSES; CONFLICTS OF INTEREST.—(1) PERSONAL BENEFIT FROM FUNDS.—No part of the funds of the Foundation shall inure to the benefit of any board member, officer, or employee of the Foundation, except as salary or reasonable compensation for services or expenses.

(2) TRAVEL AND EXPENSE REIMBURSEMENT.—Compensation for board members shall be limited to reimbursement for reasonable costs of travel and expenses.

(3) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, or organization in which such director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect finanical interest.

(l) RECORDS; AUDITS.—The Foundation shall ensure that—

(1) each recipient of assistance provided through the Foundation under this section maintains, for at least 5 years after the receipt of the assistance, separate accounts with respect to the assistance and such records as may be reasonably necessary to disclose fully—

(A) the amount and the disposition by the recipient of the proceeds of the assistance;

(B) the total cost of the project or undertaking in connection with which the assistance is given or used;

(C) the amount and nature of that portion of the cost of the project or undertaking supplied by other sources; and

(D) such other records as will facilitate an effective audit; and

(2) the Foundation and any duly authorized representative of the Foundation shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient that are pertinent to assistance provided through the Foundation under this section.

(m) AUDITS.—(1) INDEPENDENT AUDITS.—For the fiscal year in which the Foundation receives the grant awarded under subsection (e), and for the succeeding 5 fiscal years, the accounts of the Foundation shall be audited annually in accordance with generally accepted auditing standards by an independent certified public accountant or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The report of each such independent audit shall be included in the annual report required by subsection (n).

(2) AGENCY AUDITS.—For the fiscal year in which the Foundation receives the grant awarded under subsection (d), and for the succeeding 5 fiscal years, the financial transactions undertaken pursuant to this section by the Foundation may be audited by any agency designated by the President.

(n) ANNUAL REPORT.—(1) IN GENERAL.—Not later than 3 months after the conclusion of each fiscal year, the Foundation shall publish an annual report that includes a comprehensive and detailed report of the operations, activities, financial condition, and accomplishments of the Foundation under this Act during the fiscal year.

(2) TERMINATION.—The obligation of the Foundation to publish annual reports pursuant to this subsection shall terminate after publication of the report incorporating the findings of the final audit required by subsection (1).

(o) PROHIBITION ON COMMERCIAL HARVEST.—Trees planted pursuant to a program receiving funds under this section may not be commercially harvested and sold for Christmas trees.

(p) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $25,000,000 to be granted by the Secretary of Agriculture to the Foundation. All funds appropriated under this section remain available until expended.

—On page 117, after line 19, insert the following:

"(4)(A)(i) Notwithstanding any other provision of this subsection, if for any of the fiscal years 1991, 1992, 1993, 1994, and 1995 the level of purchases under this subsection of milk and the products of milk, less sales under section 407 for unrestricted use, as estimated by the Secretary on August 1 of each year, will exceed 6 billion pounds, milk equivalent total solids basis, during such year, beginning October 1 of such year the Secretary shall provide for a reduction to be made in the price received by any producer for milk produced in the United States and marketed for commercial use by such producer in excess of such producer's individual base for milk marketing during such year. In estimating the level of purchases of milk and the products of milk under this subsection, the Secretary shall deduct an amount equal to the difference between the milk equivalent of total milk solids of all dairy products imported into the United States during the most recent year, and the annual average of the milk equivalent of total milk solids of all dairy products imported into the United States during the period January 1, 1986, through December 31, 1990.

"(ii) The reduction made under this paragraph shall be assessed and collected by the purchaser of milk from the producer. The purchaser shall remit within 30 days all amounts so collected from producers to the Commodity Credit Corporation.

"(B) If the Secretary provides for a reduction to be made in the price received by producers for milk under this paragraph, the price received by any producer may not be reduced under this subsection for milk marketed for commercial use in total quantity not in excess of such producer's base for milk for effect during such year.

"(C) The amount of the reduction under subparagraph (A) shall be 65 percent of the support price.

"(D)(i) Each producer's marketing history shall, at the option of the producer, consist of the marketings of milk by such producer for commercial use during the most recent year, or the average marketings of milk by the producer for commercial use during the two most recent years.

"(ii) A producer's marketing history established under this paragraph shall not be transferable to any other person, unless the producer's entire dairy herd is transferred.

"(E)(i) The Secretary shall establish a national milk marketing base for each year from October 1, 1991 through September 30, 1995. The national marketing base shall consist of the total quantity of milk producer's marketing histories of milk for commercial use, less the purchases of milk and the products of milk made by the Commodity Credit Corporation under this section, less sales under section 407 for unrestricted use, that exceed 6 billion pounds of milk, plus an additional amount determined by the Secretary each year to reflect increased milk use based on historical data. The Secretary shall announce the national milk marketing base not later than October 1 each year.

"(ii) If the Secretary is required to provide for a reduction in price under this paragraph for any year, the Secretary shall establish a national milk production factor by dividing the national milk marketing base for such year by the total milk production for the previous year.

"(iii) The Secretary shall establish each individual producer's base by multiplying the producer's marketing history by the national milk marketing base.

"(iv) In the case of individual producers that have no marketing history, the Secretary shall establish such producer's base at 75 percent of the annualized total milk marketed for commercial use by the producer in the month immediately prior to implementation of the reduction in price provided under this paragraph.

"(F) If the Secretary is required to provide for the reduction in price under this paragraph, the Secretary shall so advise the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate by August 1 of the previous year.

"(G) Any money remitted to the Commodity Credit Corporation by purchasers of milk under this paragraph shall be utilized to purchase dairy products for use in the domestic food programs to the extent that net outlays under paragraphs (2) and (3) of this subsection do not exceed $725 million annually. Net outlays shall consist of the total amount expended by the Commodity Credit Corporation for the price support program under this section less remittances received from purchasers of milk under this paragraph."

Page 117, line 20, strike "(4)" and insert in lieu thereof "(5)".

Page 119, beginning on line 12, strike all that follows through page 120, line 24.

By Mr. WALSH:

—In section 201(e)(4)(C)(i) of the Agricultural Act of 1949, as amended by section 402 of the bill (page 119, lines 17-18), strike "7 billion" and insert "6 billion".

By Mr. WOLPE:

—Add the following subsection at the end of section 1101:

(e) IRRIGATION WATER SUBSIDY.—Effective beginning with the 1991 crops, section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as amended by subsection (a), is further amended by amending paragraphs (1) and (2)(A) to read as follows:

"(1) Subject to sections 1001(A) through 1001(C) for each of the 1987 through 1990 crops, the total amount of deficiency payments (excluding any deficiency payments described in paragraph (2)(B)(iv) of this section) and land diversion payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains, upland cotton, extra long staple cotton, and rice, and irrigation water subsidies, may not exceed $50,000.

"(2)(A)(i) Subject to sections 1001A through 1001C for each of the 1991 through 1995 crops, the total amount of payments set forth in subparagraph (B) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, rice, honey, and (with respect to subparagraph (B)(iii)(II)) other commodities, when combined with payments for such crop described in paragraph (1), and irrigation water subsidies, shall not exceed $250,000.

"(ii) As used in paragraphs (1) and (2)—

"(I) the term 'irrigation water subsidy' means the amount which is the difference between the contract rate of irrigation water and full cost for such water, plus all operation, maintenance, and replacement charges required under Federal reclamation law allocated to such water; and

"(II) the terms 'contract rate', 'full cost', and 'Federal reclamation law' have the same meaning given such terms under the Reclamation Reform Act of 1982.".

—Add the following subsection at the end of section 1101:

(e) IRRIGATION WATER SUBSIDY.—Effective beginning with the 1991 crops, section 1001 of the Food Security Act of 1985 (7 U.S.C.

1308), as amended by subsection (a), is further amended by amending paragraph (1) and (2)(A) to read as follows:

"(1) Subject to sections 1001(A) through 1001(C) for each of the 1987 through 1995 crops, the total amount of deficiency payments (excluding any deficiency payments described in paragraph (2)(B)(iv) of this section) and land diversion payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains, upland cotton, extra long staple cotton, and rice, and irrigation water subsides, may not exceed $50,000.

"(2)(A)(i) Subject to section 1001A through 1001C for each of the 1991 through 1995 crops, the total amount of payments set forth in subparagraph (B) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, rice, honey, and (with respect to subparagraph (B)(iii)(II)) other commodities, when combined with payments for such crop described in paragraph (1), and irrigation water subsidies, shall not exceed $250,000.

"(ii) As used in paragraphs (1) and (2)—

"(I) the term 'irrigation water subsidy' means the amount which is the difference between the contract rate of irrigation water and full cost for such water, plus all operation, maintenance, and replacement charges required under Federal reclamation law allocated to such water; and

"(II) the terms 'contract rate', 'full cost', and 'Federal reclamation law' have the same meaning given such terms under the Reclamation Reform Act of 1982.".

EXTENSIONS OF REMARKS

SECURITIES ENFORCEMENT AND PENNY STOCK REFORM ACT OF 1990

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. MARKEY. Mr. Speaker, today I am introducing the Securities Enforcement and Penny Stock Reform Act of 1990. This bill combines the precise texts of H.R. 4497, the Penny Stock Reform Act of 1990, and H.R. 975, the Securities Law Enforcement Remedies Act of 1990, both of which were reported from the Committee on Energy and Commerce on June 27, 1990. The purpose of this introduction is to facilitate House floor consideration of both of these original bills on Monday, July 23.

I would like to thank my good friend and colleague and ranking minority member of the Subcommittee on Telecommunications and Finance, Mr. RINALDO, for his help in bringing this merged measure to the floor, and note the extraordinary leadership of Chairman DINGELL, who introduced H.R. 975 and cosponsored H.R. 4497. This combined measure is cosponsored by Representatives WYDEN, RICHARDSON, MOORHEAD, MCMILLEN of Maryland, SLATTERY, and BATES.

Attached is a brief summary of the provisions of this legislation, which reflects the combination of H.R. 975 (in Titles I–IV) and H.R. 4497 (Title V):

BRIEF SUMMARY OF PROVISIONS OF THE SECURITIES ENFORCEMENT AND PENNY STOCK REFORM ACT OF 1990

(Combined Text of H.R. 975 and H.R. 4497)

[Titles I-IV Are the Text of H.R. 975]

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

Section 101. Authority of federal court to impose money penalties and to prohibit persons from serving as officers and directors.

Fining Authority

This section amends section 20 of the Securities Act of 1933 ("Securities Act") to provide the Securities and Exchange Commission ("Commission") with the authority to ask the federal courts to impose penalties in civil proceedings. A court may impose such a penalty in any case in which it finds a violation of the federal securities laws or a violation of a Commission cease-and-desist order (see Sec. 102).

The Insider Trading Sanctions Act of 1984 gave the Commission the authority to seek civil penalties against those who have engaged in insider trading, and was amended in 1988 to provide for penalties to be imposed against "controlling persons" who fail to take reasonable measures to prevent their employees from engaging in insider trading. The Commission believes that additional authority is needed to respond to increasing violations in such areas as the fraudulent sales techniques and price manipulation of the penny stock market, violation of disclosure of ownership rules including "parking," and short-selling violations such as those committed by Salomon Brothers during the market break of 1987. Because many of the charges in the most prominent securities fraud cases of the 1980's have involved violations other than insider trading, the Commission maintains that it needs the additional authority contained in this legislation to attack the wide range of potential fraudulent activity.

The penalties would be limited to $100,000 for natural persons and $500,000 for all other persons, or the gross amount of pecuniary gain to the defendant as a result of the violation, whichever is greater. The court would be allowed to assess penalties on a discretionary basis, and may impose them in addition to other sanctions. The court may also assess a penalty even when an injunctive action is not deemed necessary.

Officer and Director Bar

This section also amends the Securities Act to affirm expressly the authority of the federal courts to enter orders barring or suspending persons found to have violated Section 17(a)(1) of the Securities Act from serving as officers or directors of reporting companies. Section 17(a)(1) makes unlawful any fraud, untruthful statements, or omission of material information, in the issuance of new securities. Although some courts have imposed this remedy in prior cases, the securities laws do not expressly grant this authority. This legislation grants express statutory authority for such action. As revised, the proposed legislation would limit the federal court's authority to impose this remedy only to cases involving violations of securities-based fraud provisions. This requirement was not included in the original version of the bill.

This additional power is intended to protect public investors from persons who have already demonstrated, by engaging in fraudulent conduct, that they should not be entrusted with the custody of investor funds. The Commission has confirmed its intention to request this relief only in cases of particularly egregious violations or of repeat offenders. This relief may be sought in addition to other forms of relief which may be deemed necessary.

As originally introduced, this bill would have granted the Commission the authority to bar violators of federal securities laws from serving as officers or directors of reporting companies in its own administrative proceedings without going through the federal courts. The revised Commission proposal removes this language from the legislation.

Section 102. Cease-and-Desist Authority.

The revised Commission proposal adds Section 8A to the Securities Act which grants the Commission authority to issue both permanent and temporary cease-and-desist orders to enforce the provisions of the that Act.

A permanent cease-and-desist order directs the respondent to refrain from future violations, and may also order the respondent to take affirmative steps to ensure compliance, and to make disgorgement. The Commission is required to provide a respondent with notice and an opportunity for a hearing before an administrative law judge prior to issuing a permanent order. A respondent has the right to appeal an adverse decision to the full Commission. An adverse decision by the full Commission may be appealed to a U.S. Court of Appeals in the same way as any other Commission order.

A temporary cease-and-desist order may require the respondent to refrain from a violation, or may require the respondent to take action to prevent a violation in order to prevent dissipation or conversion of assets, or significant harm to investors or to the public interest. The availability of this remedy will enable the Commission to take emergency action before the completion of a cease-and-desist proceeding. The proposal would give the Commission the needed authority to commence enforcement actions rapidly, which could be of great consequence, especially in those instances where ongoing conduct places investors in continuing jeopardy.

The temporary cease-and-desist provisions have been devised to ensure that a respondent's due process rights are fully protected. At any time after a respondent has been served with a temporary cease-and-desist order, he may apply to the Commission to have the order set aside. Furthermore, if the Commission enters the order without notice, the Commission must, in response to a motion by the respondent within 10 days, provide a hearing and render a decision at the earliest possible time. A respondent may obtain, also within 10 days of the issuance of a temporary order, a review in a federal district court.

TITLE II—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

Section 201. Enforcement of Title.

This section makes amendments to the Securities and Exchange Act of 1934 ("Exchange Act") paralleling those made to the Securities Act by Section 101 of this bill. It adds a new paragraph to expressly affirm the authority of the federal courts to prohibit persons found to have violated Section 10(b) of the Exchange Act from serving as an officer or a director of a reporting company. Section 10(b) broadly prohibits fraud in the purchase or sale of securities. It also contains a special provision requiring a court to impose a penalty of not less than $100 per day for noncompliance with a cease-and-desist order against violations of the reporting requirements of the 1934 Act.

Section 202. Civil Remedies in Administrative Proceedings

This section adds new Section 21B to the Exchange Act to authorize the Commission or other appropriate regulatory agency to impose civil penalties in administrative proceedings. It authorizes the Commission to assess a penalty against persons found to have violated federal securities laws or found to have willfully aided, abetted, or counseled such a violation, or failed reasonably to supervise another person who has

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

committed such a violation, if the violator was subject to his supervision. The Commission does not currently possess the authority to impose civil penalties itself. It seeks the ability to impose civil remedies for the same reasons as those outlined to justify the additional authority granted in section 101.

The penalties would be limited to $100,000 for natural persons and $500,000 for all other persons. The legislation does not require that any particular penalty be imposed for any specific violation. Therefore, the Commission will maintain the needed flexibility to deal effectively with the vast array of violations that it encounters.

Additionally, this section provides that the Commission or the appropriate regulatory agency may enter an order requiring an accounting and disgorgement, including reasonable interest, in any proceeding where a penalty may be imposed under this section.

Section 203. Cease-and-Desist Authority

This section makes amendments to the Exchange Act paralleling those made to the Securities Act in Section 102 by authorizing the provisions of the Exchange Act.

Section 204. Procedural Rules for Cease-and-Desist Proceedings

This section instructs the Commission, within one year of enactment of this legislation, to establish rules providing for expeditious conduct of hearings and rendering of decisions in cease-and-desist proceedings.

Section 205. Conforming Amendment to Exchange Act

This section requires the Commission to inform the appropriate regulatory agency for a municipal securities dealer where the Commission is seeking to impose a penalty against the dealer pursuant to those powers granted by section 202 of this legislation.

TITLE III—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

Section 301. Civil Remedies in Administrative Proceedings

This section makes amendments to the Investment Company Act paralleling those made to the Exchange Act in Section 202 by granting the Commission the authority to assess monetary penalties in administrative proceedings instituted pursuant to the Investment Company Act, and by providing that the Commission may enter an order requiring accounting and a disgorgement, including reasonable interest, in any proceeding in which a penalty may be imposed under this section.

This section also makes amendments paralleling those made to the Securities Act in Section 102 by authorizing the Commission to issue both temporary and permanent cease-and-desist orders to enforce provisions of the Investment Company Act.

Section 302. Money Penalties in Civil Actions

This section makes amendments to the Investment Company Act paralleling those made to the Securities Act in Section 101 by permitting the Commission to seek and a court to impose monetary penalties in injunctive actions for violations of the Investment Company Act of the Commission cease-and-desist orders issued pursuant to that Act.

TITLE IV—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940

Section 401. Civil Remedies in Administrative Proceedings

This section makes amendments to the Investment Advisers Act parelleling those made to the Exchange Act in Section 202 by granting the authority to the Commission to assess monetary penalties in administrative proceedings instituted pursuant to the Investment Advisers Act, and by providing that the Commission may enter an order requiring an accounting and disgorgement, including reasonable interest, in any proceeding in which a penalty may be imposed under this section.

Section 402. Money Penalties in Civil Actions

This section makes amendments to the Investment Advisers Act paralleling those made to the Securities Act in Section 102 by authorizing the Commission to issue both temporary and permanent cease-and-desist orders to enforce the provisions of the Investment Advisers Act.

Section 403. Conforming Amendment

This section amends Section 214 of the Investment Advisers Act to expand the jurisdiction of the federal district courts in this area to include actions at law, as well as equitable or injunctive actions under the Act.

[Title V is the text of H.R. 4497]

TITLE V—PENNY STOCK REFORM

Section 501. Short Title

This Act is formally titled the "Penny Stock Reform Act of 1990."

Section 502. Findings.

The findings lay out the rationale underlying this legislation. They include the need to establish and maintain an honest and healthy secondary market for securities offerings; to provide investors with better information concerning low-priced penny stocks; to broaden Commission authority to regulate and redress wrongdoing in the penny stock market; to enhance Commission authority to sanction "promoters" and "consultants," among others, who operate at the fringes of the penny stock market; and to prohibit the use of certain practices, such as the issuance of blank check offerings, whose inherent characteristics promote fraud.

Section 503. Definition of Penny Stock

This section adds a new paragraph 51 to Section 3(a) of the Exchange Act by defining the term "penny stock" and thus setting the scope of securities covered under this Act. The definition focuses largely upon the non-exchange-listed and non-NASDAQ-quoted market, also known as the "pink sheet" market. This is the area of the securities markets furthest outside the scope of adequate regulation and surveillance.

The definition of penny stock largely follows the Commission's definition of "designated security" contained in its penny stock rule adopted last fall (Exchange Act Rule 15c2-6). It would exempt from the definition of penny stock any security which is registered or approved for registration on a national securities exchange, such as the New York or American, among others, which met operating criteria established by the Commission. The rule would also exempt securities traded on the National Association of Securities Dealers NASDAQ/NMS and NASDAQ system; investment company securities; and other securities the Commisison may exclude based on other relevant criteria, such as high trading price, low trading volume, or net assets of the stock issuer.

Section 504. Authority of Commission to Police Disqualified "Promoters" and "Consultants"

The hearings in the Subcommittee on Telecommunications and Finance last fall indicated that there currently exists a substantial problem in the large numbers of individuals who are barred from working as brokers, dealers or exchange or NASD members, but who emerge nonetheless as promoters or consultants operating illegally in the penny stock market. This section amends Section 15(b)(6) of the Exchange Act. It expands the scope of the Commission's authority to bar individuals from the securities business to include "promoters," "consultants" and others who work in the penny stock market yet may evade Commission sanction by avoiding formal registration as brokers and dealers. The section also includes within the definition of a broker those individuals associated with issuers, even if no formal association with a broker could be established.

Section 505. Requirements for Brokers and Dealers of Penny Stocks: Automated Quotations, Enhanced Disclosure

Subsection (a) of Section 505 adds a new paragraph (g) to Section 15 of the Exchange Act and thus establishes a system for more comprehensive disclosure and regulatory oversight for the operation of the penny stock market, from the initiation of broker-customer contact through the trading of these stocks and the maintenance of customer accounts in such stocks.

The section mandates that the Commission adopt rules to impose additional broker and dealer disclosure obligations prior to transactions, at the time of confirmation, and through monthly account statements. At a minimum, these rules require that prior to effecting any penny stock transactions, a broker or dealer must provide customers with a specific "risk disclosure" document. Brokers and dealers would also have to disclose the bid and ask prices at the time of the transaction or other comparable information if the bid and ask prices are unavailable, the number of shares to which such prices apply or other comparable information relating to the depth and liquidity of the market for that stock, the amount of commissions or other compensation the broker or dealer will receive if the investor consents to the transaction, and any additional information the Commission may deem necessary.

The "risk disclosure" document mandated under this section must contain a description of the nature of risk involved in the penny stock market, the method of pricing markups in that market, identification of means to receive information on broker-dealer disciplinary histories, and a description of other significant terms used which would assist customers in their understanding of the penny stock market.

At the time of confirmation, the section requires brokers and dealers to provide in writing similar price and volume information as that mandated prior to the purchase or sale of any penny stock. In addition, the monthly account statement required under this section must contain the present market value of a customer's holdings in penny stocks if firm quotes are available.

This section makes the effective date of these new requirements for brokers and dealers one year from the date of enactment of this Act.

Section 506. Development of automated Quotation Systems for Penny Stocks

Section 506 mandates that the Commission, at the earliest feasible time, facilitate the establishment and continued use of an automated quotation system ("AQS") to collect and provide information regarding all penny stocks. It requires that the AQS be operated by a national securities exchange or a registered securities association (such as the NASD), and that it gather and disseminate pricing and trading information

such as firm bid and ask quotations of participating brokers and dealers. It also requires that the Commission include in each of its first five annual reports submitted after enactment of this bill a status report regarding the development of this system.

Section 507. Review of Regulatory Structures and Procedures

Section 507 instructs the Commission to conduct a broad review of the enforcement and oversight activities of the self-regulatory organizations which monitor the penny stock market and to present this report and concurrent recommendations to the Congress within one year of enactment. The subjects of this review include an analysis of the adequacy of SRO resources devoted to penny stock regulation; cooperative efforts of SROs with state and federal regulators; present SRO rules to prevent excessive spreads and markups; and the adequacy of listing and maintenance standards in preventing evasion of penny stock regulations.

Section 508. Voidability of Contracts In Violation of Section 15(c)(2) of the Exchange Act

Section 508 effectively would void securities contracts made in violation of the Commission's penny stock rule and all other rules adopted pursuant to Section 15(c)(2) of the 1934 Act. This section would amend Section 29(b) of the 1934 Act to specify that any contract in violation of rules adopted under Section 15(c)(2) of the 1934 Act, which includes prohibition of fraudulent, deceptive or manipulative practices, would be deemed automatically void. The Commission would have the authority to exempt certain rules from this mandate.

Section 509. Restrictions of Blank Check offerings

Blank check companies are those in their development stage and in which the offeror discloses no specific business plan or purpose, or merely identifies an intent to engage in mergers and acquisitions but does not identify the business line of the anticipated merger or the anticipated management of the proposed merged entity. To combat the fraudulent and manipulative schemes associated with blank check offerings, this section requires the Commission to adopt rules to address this problem. These rules would include measures to require greater disclosure before the effective date of blank check company registration, and to place limitations on the use of the proceeds of the offering until the required disclosures are made. The rule would also include a right by shareholders to rescind a transaction after this disclosure was made.

Section 510. Broker/Dealer Disciplinary History

This section mandates that the NASD or other registered securities association establish a toll-free telephone listing to receive customer inquiries concerning the disciplinary history of its members and associated persons. The agency which provides this service is directed to respond to such inquiries promptly and in writing. Additionally, this section also provides immunity from liability regarding actions taken pursuant to this section.

A RESOLUTION AFFECTING THE GATT NEGOTIATIONS ON INTELLECTUAL PROPERTY RIGHTS FOR GENETIC AND BIOLOGICAL RESOURCES

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. PORTER. Mr. Speaker, today I am introducing a resolution which asks the United States Trade Representative to discontinue current negotiations at the Uruguay round of the GATT regarding the extension of intellectual property right protection to items or processes with biological or genetic content. No other negotiations regarding intellectual property rights would be affected.

It is my understanding that the impetus for negotiations on intellectual property rights was to curb piracy of goods manufactured or created in the United States and protected by U.S. law. However, anyone who deciphers the U.S. proposal on the matter will find that the implications of the proposal reach far beyond that goal.

The difficulty with the U.S. proposal on trade related aspects of intellectual property rights is that it fails to consider the value of biological and genetic material and processes in developing nations, as well as the invaluable and historic contributions of local people in the use of that material.

Since these people typically do not have access to representation to ensure that their interests are protected in the GATT process, we have an obligation to recognize their rights. If the trade related aspects of intellectual property rights, or TRIPS, provisions are finalized in their present form, their interests will be compromised.

We also cannot deny that international trade accords have immediate and significant consequences for sound natural resource use and for the practice of sustainable development. Mr. Speaker, none of these consequences have been considered during the negotiations.

I hope that the U.S. negotiators will heed this recommendation and following the conclusion of the GATT in December will conduct a much needed study to consider the social, environmental, economic and political ramifications of developing an international system for trade and ownership of biological and genetic resources.

Research on these matters should include participation of a wide variety of interests and should be conducted in full cooperaiotn with concerned agencies, trade, development and environmental experts, and nongovernmental organizations.

I am pleased that the National Wildlife Federation, Friends of the Earth, the Community Nutrition Institute, the Institute for Agriculture and Trade Policy, the National Toxics Campaign Fund, Greenpeace, and the Development GAP support this initiative.

I look forward to working with my colleagues and the administration to ensure an equitable and environmentally sensitive completion of the Uruguay round and continued discussions concerning genetic and biological resources.

HAZEL DAREN, THE U.S.-CONGO FRIENDSHIP COMMITTEE; THE NEW ALLIANCE PARTY; THE NATIONAL ALLIANCE NEWSPAPER; AND THE RAINBOW LOBBY

HON. MARVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. DYMALLY. Mr. Speaker, as part of my effort to expose a campaign of harassment against me by the U.S.-Congo Friendship Committee, Hazel Daren, coordinator; the New Alliance Party and the Rainbow Lobby, I bring to the attention of Members some background information about the organizations and individuals involved in this campaign of harassment:

WHO IS HAZEL DAREN?

Hazel Daren, listed as the coordinator of the U.S.-Congo Friendship Committee, can be traced back to an obscure document dated August 26, 1974. This document herealded the break between Fred Newman and his followers from LaRouche's National Caucus of Labor Committees (NCLC). (See the CONGRESSIONAL RECORD, 5/24/1990, page E1722-1723)

Even though the document remains unsigned, it has never been denied by Newman or his followers, the Newmanites. The document is significant because it establishes the link between the Newmanites and LaRouche, as well as revealing the names of many key Newmanites who are the leaders of the different front organizations established by Newman over the years. It also documents the creation of the International Workers Party (IWP)—a communist group purporting to be a leftist party. The first name which appears on this document, even before Newman himself, is that of Hazel Daren. Also appearing are Nancy Ross (Excutive Director of the Rainbow Lobby, the New Alliance Party (NAP) coordinator in 1982, its Vice Presidential candidate in 1984, and NAP's candidate for Governor of New York in 1982), Cathy Sadell, Cathy Salit, Ann Green, Harry Kresky, Gail Elberg, and Eunice Stronger. These are but a few of the hardcore followers of Newman who have stayed with him since 1974.

In a 1988 book Far Left of Center: The American Radical Left Today, published by Transaction Books, author Harvey Klehr traced the roots of the New Alliance Party to Fred Newman, a former philosophy instructor who is 1968 formed "a radical collective called If-Then which boasted that its pamphlets and brochures were the more obscence in New York. "(See the CONGRESSIONAL RECORD, May 24, 1990, page E1722-1723)

However, an indepth investigative report published in the Village Voice, by Joe Conason (June 1, 1982) traced Daren to the "Centers For Change" (CFC) which was incorporated in 1969. According to Conason, by 1972, the Centers For Change became a success after people who were in therapy themselves were trained to do therapy for profit, "With a staff of 28, CFC was run by an executive body of four who still dominate

much of NAP's activities: Newman, Hazel Daren, Gail Elberg, and Ann Green." Apparently, "Though many of the CFC members were "doing" therapy by this point, they were under the supervision of Newman, Green, Daren, and Sema Salit, the mother of Jacqueline Salit, now the editor of the weekly NAP organ, the New York Alliance. "[Jacqueline Salit is currently editor of the National Alliance Newspaper] Daren, also was helpful in formulating some of Fred Newman's writings. Conason wrote that Newman after supposedly resigning from LaRouche's organization worked on a "split document" with Daren, "Newman's document, written with the assistance of Hazel Daren, was a 64-page booklet called A Manifesto on Method. It admitted the failure of the effort to improve the NCLC and announced the formation of the 'International Workers Party,' a new organization which retained a substantial portion of LaRouchian ideology-including the Rockefeller/CIA road-to-fascism analysis. Indeed, Manifesto shows that even after leaving NCLC, Newman and company were still focused on LaRouche, despite public attacks emanating from NCLC accusing the IWP group of psychotic sexual practices and bestiality." (Exhibit #3)

Hazel Daren's closeness to cult leader Fred Newman is amply documented by serveral individuals. Klehr maintains that "A small core of people have been closely associated with Newman for many years and appear to have major roles in the NAP. They include Hazel Daren, Gail Elberg, Ann Green, and Nancy Ross." (Exhibit #2) In February 1990, a research report of the Anti-Defamation League of B'nai B'rith, titled The New Alliance Party: A Study in Deception, identified Fred Newman as the power behind the organization and the role played by his most trusted associates. The report quoted from Dennis Serrette's May 29, 1987 testimony in the lawsuit of NAP plaintiff Emily Carter against the Black-owned Mississippi newspaper Jackson Advocate. The report identified Hazel Daren as one of the small group of people who have actual power within the organization's structure by saying, "The inner circle to me was only Fred and those who Fred may have had to share his thinking, who carry out his bidding . . . his wives . . . I think Hazel Daren, Gail Elberg . . . and Debra Greene." (Congressional Record, 5/22/90, p. E1652-1656).

In a paper titled the New Alliance Party AKA Rainbow Alliance AKA Institute for Social Therapy and Research AKA East Side Center for Short Term Therapy AKA IWP 2AKA AKA AKA AKA AKA Dennis Serrette, a long-time black union activist and NAP's presidential candidate in 1984, explains what the nature of the Organization is by saying, "Most members join the organization through politics, therapy or sex. An individual who has been drawn close is met by two lieutenants and told that there is a secret underground organization, the International Working [sic] Party (IWP), allegedly a left party organization. Membership in the organization requires that you reveal all your resources, and that you turn over everything to the organization. (Even personal relationships are said to belong to the organization, so it is not uncommon for a member to report on the "deviations", etc. of his/her partner.) Bimonthly dues are assessed, but anything may be demanded at any time." (CONGRESSIONAL RECORD, 5/21/90, page E1626-1628)

Perhaps most chilling is the absolute control exerted by cult leader Newman on the recruits, according to Serrette: "When Newman is happy, everybody is happy. When Newman is mad, everyone is terrified. Members are kept busy from sun-up, way past sun down. Family ties, at best, are strained. Members no longer have time to call family, to visit, even to attend funerals, holiday, or other special events. When members do visit their families, more often than not, another IWP member accompanies them."

Serrette's two and one-half year experience on the Central Committee (CC) of the IWP conclusively reveals who controls the IWP, "The IWP has been chaired by Newman since its inception." According to Serrette, Daren's closeness to Newman is demonstrated by an exercise initiated by Newman "who once asked who would rule if something happened to him. The CC chose a body of three. Newman said that they were wrong; Hazel Daren (his woman partner for the longest period), would be chair. It was so ordained."

Hazel Daren's relationship with Fred Newman and her participation in other organizations he established earlier can be seen from the following:

According to reports filed with the Federal Election Committee, Hazel Daren contributed $3,500 to the New Alliance Party on June 3, 1987. While this shows a facet of her relationship to NAP, another more revealing fact is further information included on that form. Daren's occupation was listed as a "Partner" of the Institute for Social Therapy and Research, one of Newman's organizations for therapy which many cult insiders maintain is used for recruitment, manipulation, and control of cult members.

Hazel Daren's role as a therapist can be traced back to a newsletter called "Matter Over Mind" and published by the New York Institute of Social Therapy. The first issue of this newsletter is dated December 1977, its main feature is an editorial "In Defense of Progressive Social Science" written by Fred Newman, the Therapeutic Director for the New York Institute of Social Therapy. The editorial is devoted to the rebuttal of a negative article by Dennis King, a journalist who became famous for his expose on Lyndon LaRouche. Listed as members of the New York Institute therapy collective were Ann Green, Nancy Ross, Fred Newman, and Hazel Daren.

In a New Alliance Party promotional booklet, circulated in 1982, Hazel Daren is listed on page 36 as Chief Organizer of the "Association of Public Service Workers", one of nine groups listed as "Affiliated Organizations" of NAP. The address of this organization was listed as P.O. Box 1298, Cathedral Station, NY, NY 10025.

Within the same NAP promotional booklet, Hazel Daren's photo (captioned Winter 1982) is featured on page 66 presenting an award.

It is apparent that Daren faithfully participates in almost all enterprises of the Newmanites. For instance, her name appears together with other cult regulars like Gail Elberg, Lenora Fulani, Deborah Green, Harry Kresky, Fred Newman, and Jacqueline Salit on the editorial board of "Practice: The Journal of politics, economics, psychology, sociology and culture." Other familiar names which were advertised as part of the Practice staff included Abukari (whose business card identifies him as a legislative aide for the Rainbow Lobby) and Mike Klein of the National Alliance Newspaper. According to the Spring 1986 issue of Practice, subscription checks should be made payable to the "Institute for Social Therapy and Research".

One of the Classified ads listed in the June 2, 1988 issue of The National Alliance Newspaper under the headline Women, Anger, & Change, reads, "Social Therapist with 20 years experience with women's issues. Hazel Daren, (212) 362-1446."

THE ORGANIZATIONS

The U.S.-Congo Friendship Committee is a little known group which came to light first as one of the many groups demonstrating outside the Democratic National Convention in Atlanta in 1988. The Committee lists its address as 250 West 57th Street, Suite #317, New York, NY 10019 (January 10, 1990, letter to Ralph Lotkin signed by Hazel Daren. The same address appears on their early letter to the Committee on Official Standards dated September 7, 1989. However, the same address is listed by New Alliance Productions as both the owner and publisher of The National Alliance Newspaper on an October 1, 1989, (PS Form 3526) the U.S. Postal Service Statement of Ownership, Management and Circulation, and published on page 7 of the October 12, 1989, National Alliance Newspaper.

In an advertisement which appeared in the February 2, 1989, issue of The National Alliance Newspaper, the same address (250 W. 57th St., Suite 317, NY, NY 10019) is also listed as that of the "National Membership Department" of the New Alliance Party. The relationship between the New Alliance Party, and the Rainbow Lobby is detailed later on in this report.

Although, care has always been taken in all these organizations to list different addresses in order to perpetuate the appearance that they are separate and distinct groups (for instance, the New Alliance Party lists a different Suite # within the same Building housing the Rainbow Lobby in Washington, D.C.). In this case, all three organizations the New Alliance Party, its newspaper, The National Alliance Newspaper, and the U.S.-Congo Friendship Committee operate from the same suite. This should not come as a surprise once one examines the evidence linking all the groups and their officers to Fred Newman, who according to the following evidence is the "cult" leader.

To understand all these seemingly diverse groups, it is important to consider their historical development and the individuals purporting to be its leadership.

The best insight into the party comes from Dennis Serrette. In another unpublished paper titled Inside the New Alliance Party AKA Rainbow Alliance AKA Rainbow Lobby AKA the Organization AKA . . . (eventually, shortened, edited, and printed in the September/October 1987, issue of Radical America) Serrette, who served on the "Central Committee" of the New Alliance Party (NAP) explains who all these organizations really are: "I believe I have a responsibility to reveal the intense psychological control and millions of dollars Newman employs to get well-meaning individuals into our communities (they target the Black community) to *viciously attack Black leaders,* Black institutions, and progressive organizations for purposes of building Newman's power base." (Emphasis added.)

Dennis Serrette explains that all the organizations such as the Rainbow Lobby, and the New Alliance Party are ". . . one of many front organizations controlled by Fred Newman." He maintains that, "I have inter-

changeably used the names NAP, the organization, the International Workers Party (IWP), etc., for they are all run by, and consist of the same people."

Serrette sheds further light on this issue in a footnote saying,

"Others include New York Institute of Social Therapy and Research, Rainbow Alliance, East Side Center for Short Term Therapy, the Harlem Institute, Association of Better Communities, the New York City Unemployed and Welfare Council, George Jackson-Rosa Luxemberg Cultural Center, the National Alliance Newspaper, the New Black Alliance, Coalition of Grass Roots Women, the International Workers Party, and more. *All are created and put to rest by Newman, according to the group or person he is targeting.* (i.e. When they decided to go after me, they created the New Black Alliance (NBA). Once I agreed to be the presidential candidate, the NBA was disbanded. Similarly, Newman created the New York City Unemployed and Welfare Council to pull in some welfare activists and attack the National Welfare Rights Organization. When Newman decided to switch focus to electoral politics, he disbanded the New York City Unemployed and Welfare Council, deeply disappointing many of the "leaders" who had no say in the matter. [sic] James Scott, Alma Brooks, and Neter Brooks, whose names Newman continues to use, all left the organization. Newman creates the organization, chooses who among the inner circle will "lead" it, how it will be run, what it will do, and when it is no longer needed." (Emphasis added.)

In the same article Serrette refers to who is in charge of the operation of all the front organizations by saying,

"Newman controlled all the resources, personnel, and policies of the organizations. When I left in 1984, he was living with three "wives". One was in charge of all the organization's finances, which Newman boasted well-surpassed $1 million; another controlled all personnel/members; and the third was in charge of "national operations."

Serrette reveals that within the NAP there is a clandestine body called the International Worker's Party (IWP). According to Serrette, the abusive cult nature of the organization is obvious once the financial abuse of its members is known, he maintains, "Membership in the organization requires that you reveal all your resources, and that you turn over everything to the organization."

The Rainbow Lobby was initially registered under the name of the Rainbow Alliance according to papers filed with the Clerk of the House. The document signed by Nancy Ross was dated October 3, 1985. No other records were filed until October 16, 1986, when the organization was registered under its new name the Rainbow Lobby. Deborah Green signed the form as an officer with the Lobby, and one of the two lobbyists named was Nancy Ross. All quarterly reports for 1988 through the fourth quarter of 1989 show Eunice Stronger as the signer, and Nancy Ross continues to be one of the lobbyists.

In examining the NAP's Federal Election Reports and the reports filed by the Rainbow Lobby with the Clerk of the House, it is evident that both Ms. Eunice Stronger and Deborah Green filed these papers for both organizations at one time or the other. Ms. Eunice Stronger is listed as the Treasurer of the New Alliance Party—National Organizing Committee (Exhibit #20: FEC quarterly report dated April 14, 1987). However a January 6, 1987, letter sent to FEC from the New Alliance Party was signed by "Deborah Green for Eunice Stronger, Treasurer" at the same time that Deborah Green appears as an officer of the Rainbow Lobby. This conclusively shows that both organizations (like the rest of Newman's front organizations) are one and the same, and are run by the same small circle of individuals.

There is no doubt that each organization was formed with a certain design in mind: the New Alliance Party for election campaign work, and the Rainbow Lobby for lobbying and fundraising. However, in order to understand what the Rainbow Lobby and the New Alliance Party are, it is important to examine their historical development and the main players who are identified as its leaders. Following is a brief history:

In an article published in Radical America, Dennis Serrette explains the role played by cult leader Fred Newman in controlling all front organizations, their leadership and personal lives of his followers: "It was the IWP/Newman that assigned Nancy Ross to head NAP. It was Newman who decided that Ross would be moved into the Rainbow Alliance and that Emily Carter would be the head of NAP. It was Newman who decided that Carter would leave her child in New York, causing great pain to Emily, and be the Black face in the South. It was Newman who, as Lenora Fulani's therapist, decided he would shape her to become a front face for the organization."

Nancy Ross, the Executive Director of the Rainbow Lobby, is reported by Joe Conason in the Village Voice, to have been one of the earliest patients of Newman's therapy, "Among CFC's first therapy patients was Nancy Ross, NAP's coordinator and at large candidate for City Council from Manhattan last year."

Perhaps most terrifying about this cult is not only its vast resources but its potential danger. According to Serrette in Inside The New Alliance Party AKA Rainbow Alliance AKA Rainbow Lobby AKA the Organization AKA, ". . . in the last organization-wide meeting I attended in December, 1984. The theme of this meeting was 'to Kill.' Members were given readings and attended small group sessions prior to the meeting to rev up their zeal for the two day event. The theme was that it was not enough to give your life for the cause, you had to be ready to kill for it. In an analogue to a religious revival meeting, member after member stood up and gave witness to the fact that they would not just give their lives for 'Fred', they would kill for him also."

ATTACKS AGAINST OPPONENTS AND SMEAR CAMPAIGNS

Perhaps the frivolous nature of the ethics complaint by "the U.S.-Congo Friendship Committee' is best understood when the pattern of attacks by NAP and its other fronts is examined. According to Serrette, "When progressive newspapers and individuals fail to support Newman, they become legitimate targets for destruction, even those he previously acclaimed." Serrette states that when he spoke against Newman's racism and exploitation of Blacks, he was labelled a "nationalist" (a term that connotes a derogatory meaning within leftist circles, but for Newman this may carry a stronger meaning since he labelled black nationalism as facist in the 70's). Serrette, continues to explain the pattern of attack on him by saying, "When I spoke honestly about NAP to persons outside the organization, articles began to appear in the National Alliance that would have made J. Edgar Hoover proud." But this was not all, Serrette, continues by saying; "I even received calls from friends that NAP was calling up women friends of mine from years past to see if they could contribute "sexual" dirt to a paper about me. When they couldn't find the dirt, Lenora Fulani authored the article under the auspieces of the "Women's Caucus," another paper committee."

This pattern is witnessed in attacks on other individuals who broke with NAP, but in recent years with the extension of NAP's operations to the nation's capitol through the "Rainbow Lobby," these attacks were extended to members of the Congressional Black Caucus. The first subject of NAP's attacks was Rep. William Gray (D-PA). NAP ran a candidate, Linda Ragin, against him in 1986. Note the headlines which accompanied one article published in the National Alliance Newspaper of August 22, 1986: "Is Bill Gray Worth Dumping? Linda Ragin Says "Yes"!" The maliciousness of the attack can be seen in the caption "Linda Ragin is not a professional politician, which means she's not a crook." Later on Del. Walter Fauntroy (D-DC) became the subject of the NAP's criticism on the issue of Haiti. Their newspaper, this time, attempted to show on November 13, 1987 that there was a split within the Congressional Black Caucus between Rep. Mervyn Dymally (D-CA) and Rep. John Conyers (D-MI), and Rep. Floyd Flake (D-NY) on one side and Fauntroy on the other, claiming that all three members "pledged themselves to challenging Fauntroy's support of the CNG [Haiti's National Council of Government]."

A month later, the National Alliance Newspaper went further to claim that, "Up until the eve of the aborted election Congressman Walter Fauntroy (D-D.C.) a member of the Congressional Black Caucus and chair of the Congressional Task Force on Haiti, had supported U.S. military aid to the CNG. After a "fact finding" junket to Haiti earlier this month . . ." (Dec. 11, 1987)

Another Congressional Black Caucus Member who was a subject to the Newmanites' harassment is the late Rep. Mickey Leland who because of not cosponsoring a resolution to cut off aid to Zaire was written up more than once in the cult's newspaper The National Alliance. On December 22, 1988, under the headline "Mobutu's Lobby & the Politics of Hunger" Michael Klein wrote: "The poor of central Africa's Zaire don't get much of anything under the dictatorship of self-appointed President-for-Life Mobutu Sese Seko, but some international "businessmen" are making a killing from the food aid racket. And investigations by the National Alliance have revealed that two congressional Democrats—Mervyn Dymally of California and Texas Mickey Leland, who have ardently opposed the cutoff of aid to Mobutu—are closely tied to individuals who profit handsomely from the Food for Peace program."

Klein, an investigative journalist whose name appears on most cult publications such as Probe, Practice, and the National Alliance Newspaper, continued to say,

"When the program [PL480, Food for Peace] resumed in 1987, the contracts for the lion's share of the rice shipped to Zaire went to Connell Rice and Sugar, one of America's largest independent brokers of the two commodities. Connell's 1988 contract totals $3,948,892.

"The Alliance has discovered that company President Grover Connell, Jr. made a campaign contribution of $1,000 to Leland

in 1987, and that the Texas legislator received a $2,000 honorarium—the maximum allowed by law—from Connell Rice and Sugar in 1986. Connell was also instrumental in arranging a trip to Zaire for Leland in August, 1987."

To demonstrate the opportunism of the cult (and the absence of any consistent ideological line of this group) which pretends to be concerned for the working class or African Americans, one need only examine newspaper clippings from West Virginia which show that upon separating from LaRouche's organization, this cult entered into a coalition with the KKK in order to ban textbooks written either by Blacks authors or describing the Black experience in the U.S. (CONGRESSIONAL RECORD, 6/20/1990, pages 15051-15053

Finally, careful observer, may see several questionable activities practiced by cult members. First, the Rainbow Lobby's budget of $1,200,000 in 1989 is difficult to explain. Where did they get the money? What is hard to believe is that the money is supposedly collected at street corners or $5-$25 solicitations through the mail. When the group started in 1987 its budget was $765,329, this dramatically increased to $1,203,846.53 in no time. The group surpassed the amount spent by the AFL/CIO, AIPAC, and the League of Savings and Loan according to an AP wire story. It should be noted that their attempts to deceive the public, this cult established an organization initially called "The Rainbow Alliance" which is closer to the name of their New Alliance Party only to drop that and instead to use "The Rainbow Lobby" which not only plays on the term Rainbow as in Reverend Jackson's Rainbow Coalition, but also implies that this "Rainbow Lobby" is an arm or an extension of Rev. Jackson's Rainbow Coalition. It is evident from many sources that the cult plays on the confusion to raise funds.

The cult is also feared in journalistic circles for the ease of initiating law suits against their adversaries. It is worthy of note that when cult leaders felt that filing an ethics complaint against Representative Dymally, and placing negative stories in the media was not sufficient harassment, they resorted to initiating a $2,000,000 law suite to prevent Rep. Dymally from discussing or disseminating two cult memos revealing the fact that they have been peddling stories to reporters about him. The judge refused to accept a gag order on the Congressman and instead denied permission to one cult attorney, Alvaader Frazier, to appear before his court. (See the CONGRESSIONAL RECORD, June 13, 1990, page 14010

THE NATIONAL ADVISORY COMMITTEE FOR THE REVIEW OF THE FEDERAL EXCESS AND SURPLUS PERSONAL PROPERTY ACT

HON. PETE GEREN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. GEREN of Texas. Mr. Speaker, today I am introducing the National Advisory Committee for the Review of the Federal Excess and Surplus Personal Property Act. This legislation would establish an advisory committee within the General Services Administration [GSA] to investigate the system we now use to provide Federal excess and underutitlized property to the State and local governments.

Mr. Speaker, the Pentagon announced in February that it has a problem. It has stockpiled $30 billion in spare parts, uniforms, and other equipment for which it has no immediate use. There is another $1.8 billion on order that its auditors say should be canceled for the same reason.

Mr. Speaker, law enforcement officials in Tarrant County have a problem, too. They must somehow fight the war on drugs even though they do not have the funds to buy all of the hardware they need to get the job done. This shortfall may only get worse, since as the Federal pockets shrink, States and localities will no doubt feel the pinch first. Our State and city governments are already reeling from a decade in which Federal aid to them was cut 11 percent.

Many State and local agencies cannot afford much of the equipment they need to do their jobs and have attempted to make up for this budget shortage by asking that the excess property held by many Federal agencies be transferred to them. All too often, however, they are met by an impenetrable bureaucracy, cumbersome regulations, and confusion. There is also no accurate list of what Federal surplus property is available for transfer.

The GSA already has an Ad Hoc Interagency Committee on Property Management Systems which has done an excellent job of reviewing property management within the various agencies. It is not within the scope of this committee, however, to review whether the current system by which property is transferred to the States and localities is adequate. My advisory committee would do just that.

This advisory committee would develop a current inventory of excess and underutilized property held by Federal agencies and look into the methods these agencies use to make their surplus available. Do these methods adequately meet the needs of State and local agencies around the country trying to serve their citizens? Could the application procedures be simplified to help even the smallest departments and agencies compete?

The advisory committee would also investigate where our States and cities sit on the pecking order to receive this property. Under current law, foreign governments often receive property before it is classified as "excess" or "surplus." Our own Federal agencies and State and local governments, however, cannot touch this property until it is classified as excess or surplus.

This is a policy that must be changed. If valuable equipment is sitting idle in a government warehouse, it should not be gift-wraped for foreign countries already receiving millions in Federal aid; instead, it should be given back to the people who paid for if—the American taxpayers.

Local officials in Tarrant County have told me how vital this excess property could be to their efforts to not only fight the drug war, but to educate our children and repair our failing infrastructure. This property is not just dilapidated equipment dating back to World War II. Much of it is quite new, since the practice of overstocking equipment is routine in the Federal Government; doing so is often the only way to get the best price.

Our educational institutions, however, are only as effective as the resources they have at their disposal, and local school districts could benefit greatly from surplus computers, desks, and typewriters that are wasting away in Government warehouses. Our side can only win the war on drugs if it is well-armed. Local law enforcement could gain a significant advantage with the weapons, ammunition, vehicles, night surveillance equipment, and uniforms which the Pentagon owns but says it cannot use.

These warehouses filled with surplus property will certainly begin to bulge over the coming years if troops are brought home, military bases around the world are closed, and programs are scaled back. We must address this problem now before we waste more taxpayer money at the Federal level while depriving our States and communities of the tools they need.

Interest in how our surplus property system works is sweeping the country right now. My friend and colleague, Congressman JOHN MURTHA, has begun a pilot program in his district to provide surplus machinery to municipalities for infrastructure improvement. The job of this advisory committee would be to ask what is the best method of making this property available to States and localities nationwide?

Mr. Speaker, the issue of how we handle our inventory of Federal surplus property in a changing world cuts across many lines. It's a budget issue. It's a foreign aid issue. It's a federalism issue. Most importantly, though, it's an issue of good government and plain common sense.

FAIR LABOR STANDARDS EXEMPTION FOR SMALL BUSINESS

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. PENNY. Mr. Speaker, along with my principal cosponsor, the chairman of the House Small Business Committee, Congressman JOHN LAFALCE, I am today introducing legislation to clarify the intent of Congress that American firms with gross sales of $500,000 or less are exempt from the Fair Labor Standards Act [FLSA] even if one or more employees is engaged in interstate commerce. This change is necessary to restore a vigorous and expanded small business exemption many of us thought we had voted for in the minimum wage bill passed during 1989.

Mr. Speaker, our colleagues may not realize that many very small businesses, once exempted from the FLSA, will soon be required to pay the Federal minimum wage and adhere to Federal overtime and paperwork requirements because of an oversight in the new Federal minimum wage law. In an effort to simplify the law and to ensure its uniform application to all industries, an important section of the FLSA was deleted which has the unintended result of rendering the $500,000 small

business exemption virtually useless in most instances. Until the effective date of the changes to the minimum wage passed last year, businesses grossing less than $362,500 annually were exempt from FLSA coverage. When Congress passed the minimum wage bill amendments, that threshold was increased to $500,000. But because a section of the old law was deleted, the new statute, which took effect April 1, 1990, requires that all employees engaged in interstate commerce be fully covered by the FLSA regardless of their employer's gross level of sales.

Department of Labor officials indicate that they see no choice but to enforce the law as written and that they lack the flexibility to interpret the statute as originally intended by Congress. As a result, small firms that want to take advantage of the small business exemption will have to determine each week whether any of their employees were engaged in interstate commerce. By commonly used definitions, foods service workers involved in unloading trucks that have crossed State lines, waiters and cashiers handling or processing credit card charges and even workers answering or placing calls will now be covered by the FLSA.

Clearly, this law, which was meant to broaden and simplify the small business exemption, imposes tremendous complications on the very people it was intended to help. As one member involved in the early committee consideration of a minimum wage increase, I can attest that this result was never intended. The problem, while significant for small firms, can be cured with the legislation I am offering today.

I urge my colleagues to join me in restoring a true small business exemption to the FLSA.

H.R. —

A bill to amend the Fair Labor Standards Act of 1938 to provide that coverage under that Act shall only extend to employees of enterprises engaged in commerce or in the production of goods for commerce

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COVERAGE.

Section 3 of the Fair Labor Standards Act of 1938 (2 U.S.C. 203) is amended by adding at the end the following:

"(y) 'Employee who in any workweek is engaged in commerce or in the production of goods for commerce' means an employee who in any workweek is employed by an enterprise engaged in commerce or in the production of goods for commerce.".

REGULATORY ACCOUNTING PRINCIPLES ARE THE WRONG PRINCIPLES

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. OWENS of New York. Mr. Speaker, regulatory accounting principles [RAP] is a set of rules invented during the Reagan administration as one of the kingpin codes of deregulation. Before RAP was concocted there were only the general accounting principles [GAP] which have governed the accounting and financial world for many decades. But the Reagan regulators decreed that RAP should supersede GAP. This new set of accounting principles was really an invitation to fiscal conspiracy, a tool for deception and fraud, a vehicle for the perpetuation of elite stealing. RAP guaranteed the monumental expansion of phony bookkeeping. RAP made the present savings and loan debacle inevitable.

The S&L RAP is an amazing creation. In summary, it was an admission that the books could not be balanced and time-honored standards could not be met. The bureaucratic solution was to redefine the meaning of balanced books and set the standards lower. Instead of solving the problem a decision was made to hide the problem in a grand embrace.

A transfusion of new official jargon gave new life to the network of racketeering enterprises which infested the country. The day of reckoning was delayed with a device offered by that same government which would later have to pay the bill. More time was granted for new schemes and conspiracies. New opportunities were provided for the massive siphoning operations to be executed. The great swindlers knew that the day of reckoning was coming but RAP gave them a new extension.

RAP was an unfortunate and very damaging innovation. The folly of this phenomenon may be summarized with a rap poem, an interesting merger of form and substance.

THE S AND L RAP

Do the S and L RAP!
Live it up
Reach and grab
Fat Uncle Sam
Will pay the tab
Private jets
Soft blonde pets
Steal it all
Reach and grab
Let the country fall
Never mind the mother nation
We're a smart greedy generation.
Stay away from GAP!
Do the S and L RAP!
Don't be a fool!
Learn the millionaire's rule!
Stay away from honest GAP
Be smart and cool—
Do the S and L racketeer's RAP.
When Congress took a nap
Ronald Reagan concocted the S and L RAP:
GAP means General Accounting Principles
RAP means Regulatory Accounting Principles
RAP equals Reagan Allowed Pilfering
With our brilliant S and L RAP
We caught dumb taxpayers
In a tight fiscal trap.
Do the S and L RAP!
Grab it all
Let the economy fall
Money's not a care
We buy high priced china
And priceless silverware,
Drinks for the whole house!
A whore on every lap!
We got all decent people
In a patriotic trap.
Don't use the GAP!
Go for the S and L RAP!
With the S and L RAP
You can pay your sons
In dollars tons
Invest in Grandma
Contracts to Grandpa
Enjoy the good life
Send a hefty salary
Home to your wife
Pay your family the best
Practice savage fiscal incest
Don't let the big bucks roam
Keep a few million at home.
Why let the FBI play cop?
Who wants this giant orgy to stop?
Do the S and L RAP!
Reach and grab
Grab and reach
You learned a little lesson
That you have to teach
Crime does pay!
Just do it the S and L way.
When Congress took a nap
Ronald Reagan invented the S and L RAP.
Do the S and L RAP!
Live it up
Reach and grab
Fat Uncle Sam
Will pay the tab
Private jets
Soft blonde pets
Steal it all
Reach and grab
Let the country fall
Never mind the mother nation
We're a smart greedy generation.
Stay away from GAP!
Do the S and L RAP!

A TRIBUTE TO CHARLES M. VEST

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. PORTER. Mr. Speaker, it is my distinct pleasure to congratulate Charles M. Vest upon his election to the presidency of the Massachusetts Institute of Technology.

Dr. Vest's credentials speak for themselves. His training and experience both as a mechanical engineer and as a former dean of engineering affirm his ability to guide the institute through the 1990's. Dr. Vest is presently completing his term as provost and vice president for academic affairs at the University of Michigan. He will be the 15th in a distinguished line of MIT presidents when he assumes office in mid-October.

I commend Dr. Vest for his outstanding achievements in the field of technological education and wish him all the best in this new endeavor.

FINANCIAL SCRUTINY OF MEMBERS OF CONGRESS

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. DYMALLY. Mr. Speaker, I bring to the attention of Members details of financial scrutiny of some Members of Congress by the media and individuals representing the Rainbow Lobby and the National Alliance Party. Most of the Members whose financial statements were requested are members of the Congressional Black Caucus; two other Members visited Zaire.

REQUESTS OF FINANCIAL DISCLOSURE FORMS AND THE RESULTING MEDIA STORIES

DATE, NAME, AND REPRESENTATIVE(S)

10/7/87. Richard Sokolow, 170 T St. NW, "Journalist." Leland and Dymally.

2/18/88. "Bob Shapiro", 110 Constitution Ave., NW, Washington, DC, "Journalist." Leland.

2/19/88. Rep. Dymally, then-Chairman of the Congressional Black Caucus issues a memorandum to the Black Caucus explaining the difference between the Rainbow Coalition and the Rainbow Lobby/National Alliance Party and pointing out the negative campaign waged by the latter against Caucus members including Reps. Leland, Fauntroy, and himself. Chairman Dymally described the group as a divisive force and that it should be declared persona non grata.

7/28/88. Sara Fritz, Los Angeles Times, 1875 Eye St. NW., Dymally.

12/22/88. The National Alliance Newspaper publishes article critical of both Representatives Dymally and Leland. "Mobutu's Lobby and the Politics of Hunger."

2/10/89. Zairegate Press Conference by Rainbow Lobby: attended by Steve Askin, The Washington Post, The LA Times.

2/23/89. The National Alliance Newspaper admits that Dymally had been "the subject of a year and a half long Alliance investigation."

4/17/89. Steve Askin, 529 14th St, NW. Leland, Dymally, Savage, Burton,[1] Orduna K.[2]

5/1/89. Steve Askin writes first critical article in mainstream media (Business Week) "Suddenly the Business of Angola is Business."

5/18/89. The National Alliance Newspaper publishes first critical article of Rep. Savage after his trip to Zaire.

5/24/89. Howard Abramson, Journal of Commerce, 740 National Press, DC., Dymally.

5/26/89. Stan Harris, J. Anderson, 1531 P St. NW 20005. William Gray.

6/15/89. Howard Abramson & Rose Horowitz write two front page articles in the Journal of Commerce. One article focus is the Food for Peace program.

6/16/89. Another front page article by Abramson and Horowitz in the Journal of Commerce.

6/28/89. Rich Sokolow, (500 Greenwich St. NY), "Journalist." Dymally and Savage.

6/28/89. Ried Sokolow, (500 Greenwich St. NY, "Journalist." Savage.

7/19/89. Jim McGee writes front page story in the Washington Post about Rep. Savage.

7/24/89. Melissa Mathis, Researcher, Washington Post. Savage '86.

7/27/89. Rep. Dymally inserts in the Congressional Record "Clouds Blur the Rainbow" a critical report of the Rainbow Lobby, and other front organizations of political cult of Fred Newman.

7/27/89. Melissa Mathis. Dymally.

8/2/89. Jim McGee of the Washington Post writes another story of Rep. Savage.

8/17/89. Dan Morgan, "31 Oxford St, Chevy Chase, MD." Dymally & Leland (89, 88, 87, 86, 85, 84).

9/7/89. Rainbow Lobby retaliates against Rep. Dymally by filing an ethics complaint.

1/2/90. Jim McGee writes a lengthy Federal page story on Rep. Dymally using six-month old stories by Steven Askin & Abramson/Horowitz as the basis.

1/2/90. William J. Eaton, Los Angeles Times, 1875 Eye St. NW. Dymally.

1/4/90. Paul Houston, LA Times, 1875 Eye St. NW, DC 20006. Dymally.

1/25/90. Jim McGee writes a front-page story in the Washington Post linking Rep. Dymally to Maurice Tempelsman (a link discussed by the Rainbow Lobby almost a year ago).

1/29/90. Steven Askin, writing the first of several articles in Africa News repeating charges in the 12/22/88 issue of the National Alliance Newspaper and other issues of the paper receives credit for being the first to write up Rep. Dymally in a major publication.

2/8/90. Alan Frank, ABC News. Dymally.

6/1/90. "Bob Shapiro", (210 Mass Ave NE), "Congressional News Sender," "Journalist." Dymally, Savage, Conyers, Mrazek[1].

Richard Sokolow is a member of the security contingent of the Fred Newman cult. This cult can be traced to Lyndon LaRouche who organizes on the right of the political spectrum, while the Newman cult organizes on the left. Richard Sokolow is the author of an August 4, 1989 memo to other cult members which explains his peddling of stories to Dan Morgan, and Jim McGee of the Washington Post as well as his relationship with Steve Askin.

A comparison of handwriting on the requests for financial disclosure slips by Sokolow and a "Robert Shapiro" shows that both are identical.

Richard Sokolow's name appears nowhere on any of the cult's numerous publications despite reference recently that he is a staffer of Probe one of their magazines.

The only time Sokolow was positively identified on paper was in a Federal Election Report showing a reimbursment of $428.67 on 11/11/1987.

FOOTNOTES

[1] Visited Zaire.
[2] Dymally's chief of staff.

TRIBUTE TO SAM KEITH, BUSINESS AND CIVIC LEADER

HON. PETE GEREN

OF TEXAS

IN THE U.S. HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. GEREN of Texas. Mr. Speaker, Fort Worth, TX, suffered a tremendous loss on Wednesday, July 11. It was on that day that civic and business leader Sam E. Keith, Jr. passed away. Sam was the essence of the Great American, a man fully dedicated to his family, his country, and his community.

Sam Keith taught us all a lesson in living life to its fullest by dedicating his life to doing the thing he loved—aviation. Sam began his professional career at Consolidated Vultee—now known as General Dynamics—by building PBY "flying boats" for the U.S. Navy during World War II. After serving on the frontlines of U.S. industry fueling the war effort, Keith then joined the U.S. Army and served his country in Okinawa and Korea.

When Sam left the Army, he did not leave his love of aviation behind. In 1982, he retired from General Dynamics, where he had risen through the ranks from chief of traffic to plant engineer. But throughout his life, Sam was much more than a builder of planes. He was a man with a deep love for community, and he lived as an example of that commitment throughout his life.

Sam served two-terms as chairman of the board for the 200,000-member Air Force Association, and also completed two terms as national president of that fine organization. He was a winner of that organization's Man of the Year Award in 1986 and was bestowed with the Exceptional Service Medal in 1988, the highest award the Air Force gives to a civilian.

Along the way, Sam always found the time to give to others. He was active in many charitable civic pursuits and had been president of Goodwill Industries. He had also cochaired the Fort Worth military ball and was vice president of the Greater Fort Worth Civic Leaders Association.

Sam Keith numbered many prominent individuals among his friends, including former House Speaker Jim Wright, former Defense Secretary Caspar Weinberger, and former Air Force Secretary Edward C. Aldridge, Jr. I am proud to say that I was among that circle of friends as well. He was admired and respected by all who knew him.

He will be sorely missed.

FAMILY FARM AMENDMENTS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. DORGAN of North Dakota. Mr. Speaker, it has long been a goal of Tim Johnson and myself to change the priority of price support programs for wheat and feed grains. We think those programs should be, foremost, a safety net for family sized farms so that, when market prices are low, a family farmer who operates efficiently can earn a modest wage for his labors.

In responding to the severe budget crunch in Congress, we think that safety net is first priority and that other goals, such as subsidizing all farm production at a cheaper price, should be sacrificed before the safety net is abandoned.

Therefore, we have offered three amendments to H.R. 3950, the farm bill. They will guarantee a family sized farm a higher price for wheat and feed grains, but for only a limited amount of grain per farmer. And, our amendments tighten rules that now allow large farmers to, in effect, double-dip on Government price support payments.

In addition, we will offer an amendment requiring, in the case of cutbacks on farm program payments resulting from budget reconciliation, that the budget savings be taken primarily from the Government payments to large farms, keeping intact the safety net to family farms to the extent possible.

The amendments follow:

AMENDMENTS TO H.R. 3950, AS REPORTED, OFFERED BY MR. DORGAN OF NORTH DAKOTA

In the amendment made by section 1001 to section 105A of the Agricultural Act of 1949, at the end of subsection (c)(1)(A) insert the following: "The farm program payment yield times the acreage used to compute payments to a producer under this paragraph shall not exceed 21,000 bushels of corn or, in the case of other feed grains, a

comparable amount, as determined by the Secretary.".

In the amendment made by section 1001 to section 105A(c)(1)(E)(i) of the Agricultural Act of 1949, strike "$2.75" and insert "$3.10".

In the amendment made by section 901 to section 107A of the Agricultural Act of 1949, at the end of subsection (c)(1)(A) insert the following: "The farm program payment yield times the acreage used to compute payments to a producer under this paragraph shall not exceed 15,000 bushels of wheat.".

In the amendment made by section 901 to section 107A(c)(1)(E)(i) of the Agricultural Act of 1949, strike "$4" and insert "$4.50".

Amend section 1101(a) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by inserting at the end the following new paragraph:

(7) by striking subparagraph (A) of paragraph (5) and inserting the following:

"(5)(A) The Secretary shall issue regulations defining the term 'person', and prescribing such rules as necessary to assure a fair and reasonable application of the limitations established under this section, except that as the term applies to section 1001(1) and (2) of this Act—

"(i) each person must meet the requirements of material participation within the meaning of section 469(h) of the Internal Revenue Code of 1986 as prescribed in section 1.469-5T of the Internal Revenue Code of 1986, and

"(ii) each person and any related terms, such as individual, joint operation, and entity shall be defined in such manner that no combination of farming or business organizations shall result in any one natural person qualifying as more than one person.".

At the end of subtitle A of title XI, insert the following new section:

SEC. 1121. SENSE OF THE CONGRESS.

It is the sense of the Congress that any future reduction in spending provided by any budget reconciliation bill that affects agricultural commodity support programs should be made by Congress on a targeted basis to protect the support prices for the amount of commodities produced by family-sized farms, and should achieve budgetary savings, to the extent possible, through lower support prices on production from the largest farms.

Redesignate the succeeding section accordingly.

NELSON MANDELA'S COMMENTS MERIT CLOSE SCRUTINY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. BEREUTER. Mr. Speaker, like almost all Americans, this Member was very favorably impressed when Nelson Mandela addressed a joint session of Congress. While there were many, including this Member, who had some concern about his willingness to associate himself with the likes of Colonel Qadhafi and Fidel Castro, his comments before this body session were statesmanlike, and his tone was moderate. His speech received well-deserved acclaim. For all appearances he appeared to be the ideal person to help put an end to the turmoil in South Africa.

But Nelson Mandela's subsequent activity has once again raised serious questions about his ultimate objectives. Traveling to Kenya on the final leg of his international tour, Mandela associated himself with a government that is engaged in a sweeping crackdown against pro-democracy forces. Mandela's defense of the totalitarian Kenyan Government suggests that his commitment to democracy is highly situational.

As an individual who helps shape world opinion, Nelson Mandela can do much to influence the human rights policies of African nations. That is why his failure to condemn the abuses in Kenya is so disturbing. By his silence, Nelson Mandela has added legitimacy to the Kenyan Government's efforts to suppress its black population.

Mr. Speaker, the July 18 edition of the Omaha World Herald published an insightful editorial on this issue. The World Herald warns that Mandela's attitude "is not likely to encourage African autocrats, who lead the majority of African countries, to allow their fellow black citizens to enjoy political freedom." There is substance to this concern, and I commend this editorial to my colleagues.

[From the Omaha World Herald, July 18, 1990]

MANDELA SINGS HIS OTHER TUNE

The hero's mantle that has been draped around Nelson Mandela's shoulders would look more appropriate if Mandela did not continue to defend dictators.

Praise has been heaped on Mandela's head by people in free society (the fact that he was invited to address a joint session of the U.S. Congress comes to mind). Much of it is deserved, but some of it seems questionable when one considers some of the positions taken by Mandela.

It will be recalled that earlier in his triumphal tour across a good deal of the world. Mandela praised, among others, Libyan dictator Moammar Gadhafi and Cuban dictator Fidel Castro.

Now comes another example of tolerance for authoritarian government.

In Nairobi, Kenya, where an authoritarian government is cracking down hard on pro-democracy forces, Mandela said that Western nations have no right to pressure African nations to accept democratic reforms.

Apparently it does not occur to Mandela that this kind of pressure is exactly what he has been advocating in the Free World in recent weeks. He has been asking free countries to pressure an African country, South Africa, to move faster toward democratic reforms.

Apparently Mandela sings a different tune when the pressure is on black African governments, as in Kenya.

The 71-year-old African National Congress deputy president was speaking in Kenya four days after violent clashes that followed government attempts to stop a pro-democracy rally. He said:

"What right has the West, what right have the whites anywhere, to teach us about democracy when they executed those who asked for democracy during the time of the colonial era?"

This attitude, expressed by a lionized black African leader, is not likely to encourage African autocrats, who lead the majority of African countries, to allow their fellow black citizens to enjoy political freedom.

CHRONOLOGY OF POLITICAL HARASSMENT

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. DYMALLY. Mr. Speaker, I bring to the attention of Members of Congress a chronology of harassment of certain Members of Congress by the Rainbow Lobby, the National Alliance Newspaper, and certain members of the media.

The National Alliance Newspaper attributes to a Dymally staffer negative statements about a Congressional Black Caucus member, Representative Bill Gray (D-PA). (August 22, 1986).

The National Alliance Newspaper attempts to show a rift in the Congressional Black Caucus by painting a picture of Members being at odds with one another over the issue of Haiti. (November 13, 1987 and December 11, 1987).

Representative Dymally, now Chairman of the Congressional Black Caucus refuses to schedule meetings with the Rainbow Lobby/the National Alliance Newspaper. (November 1987).

Representative Dymally disputes information provided to a Member of Congress, by the Rainbow Lobby about events in Zaire which took place during his visit to that country. (February 3, 1988).

The Afro-American newspaper (a weekly paper) using info. supplied from the Rainbow Lobby and the National Alliance Newspaper reports that Dymally received a $250 contribution from Maurice Templesman sent to the Dymally Campaign Committee. (February 16, 1988). Interestingly enough, Maurice Templesman described as a diamond magnate becomes the subject of a negative Washington Post front page story written by Jim McGee.

An individual listing himself as a Bob Shapiro requests financial disclosure information on Representative Leland. (February 18, 1988).

Representative Mervyn Dymally, Chairman of the Congressional Black Caucus issues a memorandum to the Black Caucus explaining the difference between the Rainbow Coalition and the Rainbow Lobby/National Alliance (Party) and pointing out the negative campaign being waged against some Members of the Caucus listing himself, and Representatives Leland and Fauntroy. Chairman Dymally said that this group has become a very divisive force, and that it should be declared persona non grata. (February 19, 1988).

The same Bob Shapiro requests financial disclosure inforamtion on both Representatives Leland and Dymally. (May 27, 1988).

Mile Klein writes in the National Alliance Newspaper that "two Congressional Democrats—Mervyn Dymally of California and Texas Mickey Leland, who have ardently opposed the cutoff of aid to Mobutu—are closely tied to individuals who profit handsomely from the Food for Peace program. (December 22, 1988).

Rainbow Lobby holds press conference "Zairegate" accusing Rep. Dymally of inviting Mobutu to Los Angeles. In attendance are major media reporters including the Washington Post, the Los Angeles Times, and Steve Askin a stringer who writes on African issues. (February 10, 1989.)

Steve Askin writes the first negative piece on Representative Dymally in Business Week, "Suddenly, The Business of Angola is Big Business." (May 1, 1989.)

Journal of Commerce publishes a series of negative articles on Representative Dymally focusing on the Food for Peace program. (June 15, 1989.)

Representative Dymally inserts into the Congressional Record information distinguishing the Rainbow Coalition from the Rainbow Lobby, and a report published by Political Research Associates detailing the origin of the Rainbow Lobby and the New Alliance Party. (July 26, 1989.)

The Lobby retaliates by filing an ethics complaint with the Committee on Official Standards of Conduct signed by Hazel Daren, Coordinator of the U.S.-Congo Friendship Committee. (September 7, 1989.)

Financial disclosure information on Representatives Dymally, Burton, Savage, and Leland are requested by Steve Askin. (April 17, 1989.)

Financial disclosure information on Representatives Dymally and Savage are requested by a Rich Sokolow (traced to the Rainbow Lobby and the New Alliance Party through an FEC refund). (June 28, 1989.)

Financial disclosure information on Representatives Dymally and Savage is requested by Melissa Mathis a researcher with the Washington Post. (July 24, 1989.)

An internal memo written by Rich (Sokolow) to Jackie (Salit), Cathy (Sadell), and Mike (Klein) documents how Rick Sokolow attempted earlier to interest Dan Morgan of the Washington Post with the Dymally story, who expressed interest, requested newspaper clips, and said that he would talk to Jim McGee. (August 4, 1989.)

Financial disclosure information on Representatives Dymally and Leland is requested by Dan Morgan of the Washington Post. (August 17, 1989.)

The Journal of Commerce publishes an article headlined "Activists Urge Probe of Dymally Conduct." (September 12, 1989.)

First critical article on Representative Dymally written by Jim McGee of the Washington Post appears on January 2, 1990.

Second critical article on Representative Dymally written by Jim McGee of the Washington Post appears on January 25, 1990.

Analysis of McGee's writings reveals a distinct racial bias. Described in the Rainbow Lobby's own memo as a "beat up on Black congressman specialist", McGee's articles predominantly target Black Members of Congress. Nine out of the 12 stories he wrote about Members of Congress were on Congressional Black Caucus members. Equally, three of the four members he targerted were Black; therefore making some of the 24-member Congressional Black Caucus, which as a whole comprises no more than 7% of the House of Representatives, the targets of 75% of his stories.

ESSAY WINNER

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. JACOBS. Mr. Speaker, the following is a winning essay submitted by David Marshall Wigington to the contest conducted by the Veterans of Foreign Wars of the United States.

It's no wonder the essay was a winner.

"WHY I AM PROUD OF AMERICA"

(1989/90 VFW Voice of Democracy Scholarship Program Indiana Winner David Wigington)

Although I am not much of an artist, I would like to paint a picture for you. The title of my painting is "Why I'm proud of America." Many reasons for my pride appear on this work, but four stand out from all the rest.

The first is represented on this painting by a book: not just any book, but an American history book. I am proud of America because of its great past. Never before has a country fought through so much adversity to rise to greatness. From its humble beginnings in a small building in Philadelphia to its domination of the modern world, I am proud of America. This portion of my painting is covered with tones of red which represent the 1,160,000 American soldiers who have died in our past to protect and defend American liberty. This portion of my painting is always fresh, for each day a new stroke of paint is applied by the Creator's brush which updates America's great past.

Overlapping the portion of my painting which represents the past, is a mass of faces. These faces, many of which are unknown, represent the second reason for my pride in America: people. These people, past and present, are made out of every color on my palette. They are the American race: red, yellow, black, and white. Nowhere else in this world can you find such cultural, racial and religious diveristy. 99% of America's population is made up of ordinary people just like you and me, but these ordinary people somehow find a way to combine and make one extraordinary nation. I am proud of America because of these people who are not afraid to stand up for what they believe, who always find a way to conquer their problems and fears, and who always join together in spite of any differences they may have.

Just to the right of the history book and the mass of faces is a large area of unpainted canvas. This blank space represents the future of our great nation and my third reason for being proud of it: its potential. that potential is found in the classrooms of the thousands of educational institutions in America. That potential is found in you and it is found in me. On July 4, 1776, King George III retired to his chambers after making an entry in his diary which read, "Nothing of significance happened today".

I am proud that those delegates in Philadelphia saw more potential in that day than King George. Every since that day when those Americans turned an ordinary British day into one which has changed the world, Americans have been known for their great deeds in times of little hope. Our inspiration is in the past, our duty is in the present, but our hope is in the future. I am proud of where America is today as a nation, but I am even more proud of where we have the potential to be tomorrow.

These reasons: Its past, its people, and its potential are all important to me, but the final reason I am proud of America is so important to me that I have taken my brush and painted its letters at the very top of my picture. There is an H for hope, and O for optimism, an M for miraculous, and an E for extraordinary. These words represent for my pride in America, and these letters, painted by my hand make up the one word which reveals why I an proud of America: because it is my home.

HONORING THE 134TH BIRTHDAY OF NIKOLA TESLA

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. NOWAK. Mr. Speaker, this year marks the 134th annivesary of the birth of Nikola Tesla, one of the world's greatest scientists and inventors. This anniversary was brought to my attention by Nicholas Kosanovich, the executive secretary and treasurer of the Tesla Memorial Society Inc., in Lackawanna, NY, located in the 33rd District of New York, which I am privileged to represent.

Nikola Tesla was born in July 1856 in what is now modern-day Yugoslavia. His natural talents in science and engineering matured during his 4 years at the Polytechnic School at Graz and 1 year at the University of Prague. After his graduation, he worked as a telegraph engineer for the government and it was here he made the first of many inventions, the telephone repeater. Furthermore, at this time he conceived the idea of the rotating magnetic field, which would eventually become the pinnacle of his efforts.

After short stays in Paris and Strasbourg he moved to New Jersey where he briefly teamed up with Thomas Edison, before a contractual agreement separated the two men and commenced a rivalry that lasted through out the decade.

The two men and their respective followers disagreed over the best way to transmit electric power. Edison believed it was best to use direct currents, while Tesla advocated the use of an alternating current system. In the end, the alternating current system was selected for the Niagara Falls power project and The Chicago World's Colombian Exposition, a major lighting project.

In the midst of tremendous success, Tesla remained quiet and modest. In 1912, Tesla refused to accept the Nobel Prize offered jointly to him and Edison, but he did accept the Edison Medal of American Institute of American Engineers in 1917. When he died on January 7, 1943, he left the world with hundreds of his fastastic inventions, such as the induction motor, the Tesla coil and fluorescent lights. He also laid the foundations for wireless transmission. Tesla died the holder of more than 700 patents.

At this point in the RECORD, I would like to insert the message New York's Gov. Mario Cuomo issued marking the 133d anniversary of Tesla's birth, a copy of which Mr. Kosanovich provided:

NIKOLA TESLA

This year marks the 133rd anniversary of the birth of the distinguished scientist and inventor, Nikola Tesla.

Born in 1856 of Serbian parents in what is now Yugoslavia, Tesla emigrated to the United States at the age of 28. He worked with Edison for a short time and then went into business for himself.

At that time many scientists did not accept Tesla's ideas or his solution to the

problems of applying alternating current in light and power systems. Working in his own laboratory, and with George Westinghouse of Pittsburgh, Tesla brought the Tesla system to market as the standard in electricity in the 20th century. Tesla also invented the principle of the rotary magnetic field embodied in the apparatus used in the transmission of power from Niagara Falls. Some of his other inventions included new forms of dynamos, transformers, induction coils, condensers, arc and incandescent lamps and other electrical apparatus.

It is fitting that the people of New York join with the members of the Tesla Memorial Society to recognize Nikola Tesla for his contributions to science and to his fellow man.

MARIO M. CUOMO,
Governor.

REASSESSING THE NEEDS OF THE ARMED SERVICES

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. LAUGHLIN. Mr. Speaker, as a result of improvement in world relations, the United States has reassessed the role of the U.S. Armed Forces in Europe. Therefore, many agree that significant reductions in the Active Duty component of the Armed Forces will occur, which will dictate a greater reliance on our Reserve component.

As a lieutenant colonel in the Army Reserves, I know the vital role that the Reserves have in our national defense. Today, I am introducing legislation along with HAMILTON Fish of New York to minimize defense costs and ensure the preservation of our total deterrent force.

Our bill amends the duty obligation for U.S. Military Academy graduates to reflect a minimum of 8 years of total service. However, each graduate would serve at least 4 years of active duty followed by up to 4 years of Reserve duty. This legislation is consistent with Active component promotion timing to the rank of captain. It allows for flexibility in terms of retention and separation of officers as the Army's needs dictate; and it supports the Reserve components by providing additional high-quality officer leadership in the company grades.

Mr. FISH and I believe that the 4 and 4 solution is a balanced approach, which is good for retention and recruitment of quality officers for the total force.

SALUTING THE SUNRUNNER

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. PURSELL. Mr. Speaker, I rise today as the proud Representative from the University of Michigan—home of that champion solar-powered racer, the Sunrunner.

Mr. Speaker, as many are aware, the 1,640-mile GM Sunrayce USA concluded yesterday. How fitting that the winning car was built and raced by a team from Michigan, the birthplace and capital of the automotive world. Let's face it, we know how to build cars in Michigan.

The 11-day race, which started at the Epcot Center in Florida and finished in at the General Motors Tech Center in Warren, MI, drew entries from colleges and universities across the Nation—32 teams in all. The top three finishers from this race will represent the United States this November in the 1990 World Solar Challenge in Australia.

According to the rules for the GM Sunrayce, each student team entered with its own design, its own crew, and its own strategy to win. And Mr. Speaker, after the long journey through America's heartland, I'm glad to report it was the conservative strategy which paid off.

Sticking to the slogan, "Slower Is Faster," the University of Michigan team demonstrated how slow but steady wins the race. The team paced themselves and recorded the best time for the overall race, 72 hours, 50 minutes and 47 seconds. The Michigan car benefited from superior design too, including a solar cell arrangement which also gathered light reflected from the pavement.

Aside from the immediate goals of winning, the race helps explore and demonstrate the advantages of solar power. This aspect of the race cannot go without emphasis. At a time when Members of this House are faced with decisions regarding power sources for the future of our Nation, the Sunrunner victory reminds us that solar power is a clean, nonexhaustible source of energy.

Mr. Speaker, as we pay tribute to the victors, I wish to mention the names of all those associated with the University of Michigan team: Joe Bartlo, Dave Bell, Justin Beres, Micael Blackman, Jeff Boyne, Matt Brown, Kevin Czajkowski, Susan Fancy, Paula Finnegan, Chris Gregory, Daniel Hauri, Bill Kaliardos, Harpreet Lavana, Chetan Maini, Mike McAlear, Rahul Naik, Dave Noles, Doug Parker, Jeffrey Pavlat, Scott Sbihli, David Smith, Frank Stagg, Andy Swiecki, and Cyril White.

To the University of Michigan team, Mr. Speaker, I extend congratulations best wishes for success in Australia this November. And to those Members of the House who represent the other 31 schools which competed, I say better luck next year.

SOLVING THE AIR NOISE PROBLEM—HOUSE REQUIRES ENVIRONMENTAL IMPACT STUDY

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. GALLO. Mr. Speaker, I am pleased that New Jersey residents who have long suffered from the effects of the excessive air noise over our homes have finally won a victory in the House of Representatives. It is a small victory but a sign that people are finally listening to us.

As an original cosponsor, I strongly supported the amendment offered by Representative RINALDO. This amendment, which requires an environmental impact study of the east coast plan, gives the people of northern New Jersey an opportunity to be heard over the aggressive noise of large aircraft passing low over their heads.

Members of the New Jersey congressional delegation have been working in a bipartisan fashion for more than 2 years to get some action and, frankly, we have run into a stone wall.

This is not just a minor annoyance, Mr. Speaker. This is a recurring nightmare for thousands of people who have to keep their windows closed all summer and can't let their children play in their yards, because the noise is so oppressive.

Their lives have been changed dramatically as a result of a decision made in 1988 by the Federal Aviation Administration to send air traffic from all three major metropolitan airports directly over their homes at altitudes low enough that the wing markings are clearly readable from the ground.

This is not a problem confined to traffic from any single airport. It is a regional problem that involves flights from La Guardia and Kennedy Airports in New York, from Newark International Airport, and from traffic patterns used by flights from as far away as Logan Airport in Boston.

That 1988 FAA decision, known as the Expanded East Coast plan, was designed and implemented without the benefit of an environmental impact statement. In April 1988, six Members of the New Jersey delegation, including Mr. RINALDO, Mrs. ROUKEMA and myself, asked the General Accounting Office to review the plan and the decisionmaking process that was used to develop the plan.

The GAO concluded that an environmental impact statement should have been performed prior to implementation of the Expanded East Coast plan.

We have met repeatedly since that time with two successive Administrators of the FAA. I have personally pressed the case for rerouting these planes over the ocean repeatedly with the FAA and the Department of Defense, which hold joint review of the use of this airspace.

In spite of minor adjustments to the plan and promises of relief for the people of northern New Jersey, I am still getting a great number of angry calls and letters from people who are mad as hell and they aren't going to take it much more.

This amendment is the only way we have to require the Federal bureaucracy to hear the cries of our constituents for relief.

This amendment seeks to require an environmental impact statement, which frankly should have been done prior to the implementation of the Expanded East Coast Plan in February 1988.

We would not be pressing for this amendment as hard as we are today unless we had exhausted all other reasonable avenues to get relief for the people of northern New Jersey.

Mr. Speaker, the people of northern New Jersey are very angry and they are becoming very bitter because nothing has been done to give them relief.

I know I speak for all of the Members of Congress from northern New Jersey when I

say, we are sick and tired of talk and we want some action. Support this amendment so that we can get the action that we seek.

THE BUSINESS/EDUCATION CLEARINGHOUSE ACT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. RINALDO. Mr. Speaker, today I am introducing legislation that provides an effective response to some of the serious educational problems we face in our Nation's schools. This legislation is necessary if we expect to improve the education and employment conditions of at-risk students.

As we enter the last decade of the 20th century, startling statistics confront us. Although we spend approximately $185 billion per year, 4.1 percent of our GNP, on public education, grades K–12, nearly 3,800 youngsters are leaving school every day. But it doesn't stop there; each year's dropout class costs the Nation about $260 billion in lost earnings and uncollected taxes.

Even when our schools do graduate young people and send them out into the work force, many are incapable of meeting the job qualifications. Increasingly, businesses are being burdened with an illiterate, unproductive workforce. But beyond the problems that businesses face recruiting skilled workers, disadvantaged school children who drop out of school are more likely than not to end up on unemployment or welfare. These at-risk youngsters also contribute to the high rate of urban crimes, drug abuse, and teen pregnancy.

My bill addresses the problems of illiteracy amongst disadvantaged children and encourages at-risk youth to stay in school and graduate on time.

The Business/Education Clearinghouse Act amends the Job Training Partnership Act [JPTA]. The act establishes a communications network that encourages State and local schools to organize partnership programs between students, community activists, schools, and businesses. Often, these types of partnership coalitions enter into contractual agreements or compacts. For instance, a student will enter into a "compact" agreement with his or her parents, the high school, and a corporate sponsor, who promises the student employment upon successful completion of an accredited high school education.

Not only do the compact participants establish a set of measurable objectives for students, but everyone benefits in some way from the program. Students who participate in a business/education partnership program attend school, improve grades, and graduate. Business, in return, is supplied with a skilled work force. And for the first time, parents, teachers, and the community itself are better able to follow a student's academic progress and react swiftly when a student is in danger of leaving school.

By amending the existing Job Training Partnership Act, the Business/Education Clearinghouse Act would attract and encourage cities to participate in partnership programs. To ensure the long-range participation of businessess, schools, and communities, this legislation would:

First, direct the State Job Training Coordinating Council [SJTCC] to provide informational assistance to those groups or organizations interested in establishing a Business/Education Partnership Program.

Second, design a comprehensive nationwide information network to encourage businesses, State and local government agencies, and community organizations to form partnership programs with elementary and secondary schools.

Third, designate an individual on the SJTCC, appointed by the Governor in each State, to provide information and direction to business leaders, school district superintendents, and community activists in establishing partnership programs.

Funds for this program will be provided through the existing JTPA title II—A Educational allotments to States. It is important to emphasize that the Business/Education Clearinghouse Act promotes partnerships within an existing network and provides opportunities for communities to consider the establishment of their own partnership programs.

LEGAL SERVICES PROGRAMS REFORMS

HON. HARLEY O. STAGGERS, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. STAGGERS. Mr. Speaker, I am pleased to join my colleagues, Mr. STENHOLM and Mr. MCCOLLUM, today in introducing a package of reforms to the Legal Services Program.

Having always been an advocate for the Legal Services Program, I am interested in seeing it be as strong a program as possible, meeting the needs of the economically underprivileged across the country.

It is for this reason that I join my colleagues in offering this package of reforms. I believe these changes will strengthen the program and help restore confidence in the good work which is being done by legal services attorneys.

Last year when Mr. STENHOLM and Mr. MCCOLLUM offered a reform package to the relevant appropriations conference report, I opposed the amendment because I had serious reservations about some of the provisions, and because I lacked confidence in the Board of Directors at the Legal Services Corporation which would have implemented these reforms.

This year significant improvements have been made in the package. I am submitting for the RECORD a brief summary of those changes. These improvements, combined with a new Board at the Corporation are sufficient for me to now lend my support to this effort.

I particularly commend my chairman of the Administrative Law and Governmental Relations Subcommittee. Chairman FRANK has moved on a reauthorization bill, with markup scheduled for tomorrow. I certainly prefer the authorization process over appropriations for making any changes in the law and I appreciate my chairman's good faith efforts in that regard.

MAJOR CHANGES MADE IN 1990 LSC REFORM LEGISLATION

SOLICITATION

The 1989 legislation restricted LSC-attorneys from personally soliciting clients for agricultural suits. The 1990 legislation requires LSC-funded attorneys to adhere to the same solicitation rules as all other attorneys, based on DR-2-104 of the ABA Model Code of Professional Responsibility.

PROCEDURAL SAFEGUARDS FOR AGRICULTURAL LITIGATION

The 1990 legislation requires that LSC-funded attorneys either exhaust administrative remedies or pursue alternative dispute resolution, compared to 1989 which required them to do both. While the 1989 language required that all plaintiffs be identified, the new language permits plaintiff anonymity through a court order.

LOBBYING AND RULEMAKING

This new provision removes a major loophole in the current lobbying restriction by eliminating the exception in the LSC Act which allowed LSC-funded attorneys to lobby legislatures and challenge agency rulemaking on behalf of eligible clients.

TIMEKEEPING

The 1990 bill makes it clear that LSC programs do not have to adopt a particular timekeeping plan or to perform functional accounting.

AUTHORITY OF LOCAL GOVERNING BOARDS

The 1990 legislation adds ABA Model Rule 6.3 which prohibits a board member from "knowingly" participating in a decision or action which would cause an attorney-client conflict of interest.

REGULATION OF NON-PUBLIC RESOURCES

The 1990 legislation makes it clear that LSC-recipients can use non-LSC funds to match money from the Older Americans Act and other government funds while stipulating that IOLTA funds, and other non-LSC funds, are covered by the same limitations and prohibitions as federal funds.

PROHIBITION ON DRUG-RELATED REPRESENTATION

The 1989 section earmarking funds for child support activities and anti-drug activities has been deleted and been replaced with language prohibiting LSC-funded attorneys from participating in drug-related proceedings, if the recipient's executive director determines drug-related activity is likely to be an issue.

LAWYER ACCOUNTABILITY

This new provision enables LSC to sanction individual employees of LSC-funded programs who violate the LSC Act, its regulations, or state codes of professional responsibility. This provides an alternative to defunding whole programs for the actions of individual attorneys.

ATTORNEY FEES

This new provision prohibits the recovery of attorney's fees from private parties. If the defendant prevails in a lawsuit the Legal Services Corporation is required to pay 90 percent of defendant's attorney's fees. If the amount recovered is less than ten percent of the amount of damages sought, the court may award attorney's fees to the defendant.

TIGHTER DOD OVERSIGHT NEEDED

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. CAMPBELL of Colorado. Mr. Speaker, if there is anyone not yet convinced that there are better ways of reducing the deficit than raising taxes or slashing social programs, I would recommend reading an article in the June 19, 1990, Washington Post entitled: "Memo Accuses Air Force of Ignoring B-2 Costs."

Mr. Speaker, this article is not for the weak at heart. If you have problems with high blood pressure, or have a thing for happy endings, then I suggest you read elsewhere. But if you want to see another example of why we need to take a serious look at Government waste and the Federal procurement process before we think about raising taxes, then I suggest you take a good look at this textbook example of DOD mismanagement.

A secret, 2-year-old memo from the Justice Department tells the entire story. According to the memo, the Northrop Corp., with the full knowledge of the Air Force, provided consistently inaccurate cost and scheduling information about the B-2 Stealth bomber that may cost U.S. taxpayers over $2 billion. While this sort of blatant attempt to fleece U.S. taxpayers should result in jail sentences for those Northrop employees involved in this fiasco, the Justice Department was unable to pursue false representation claims against Northrop because Northrop was acting with the full knowledge of the Air Force.

While I am frustrated by the Justice Department's continuing lack of interest in pursuing corporate criminals, whether they be defense contractors or S&L executives, most of my anger about this issue is reserved for the Air Force, and it is my strong feeling that someone over there ought to get a pink slip handed to them over this.

And while we're giving out pink slips, we ought to take care of the guys responsible for ordering the $999 pliers and the $421,000 underwater fax machines, the only use for which that I can see is to ask headquarters for a ride home when one of the Air Force's multimillion-dollar albatrosses drops into the ocean after an unforeseen mechanical failure.

Is it just me, or does something seem terribly wrong with all of this? Year after year we see well-documented cases of Defense procurement fraud, and year after year the Pentagon complains that it has sustained all the budget cuts that it can take. But what about its $50 billion slush fund? And how, after refusing for years to address the pressing problems of Government waste, can the administration really expect us to believe that raising taxes and continuing to underfund important social programs such as Head Start and Medicare is the only way to reduce our deficit?

Frankly, I don't buy it. We spend more on our military now than we did during the height of the cold war, and what do we have to show for it? Sure, we can out-fax any Communist dictatorship on the face of this Earth, and our capacity to unscrew aircraft bolts may make us the envy of the industrialized world, but what about our national defense? What about Trident missiles that flop around like wounded ducks, or Stealth fighters that miss their targets? Sure, they can penetrate radar-free airspace at night, but that may have more to do with the black paint than anything else.

Mr. Speaker, I have little patience for demands for tax increases or draconian budget cuts when it is clear that so many of our tax dollars are currently being wasted by lack of oversight in various Government departments. I urge Members of the House and Senate to take a good hard look at some of the proposals put forward to reduce Government waste before we ask the taxpayers to contribute to what is amounting to a bailout of a mismanaged executive branch run amuck.

TRIBUTE TO COMMEMORATE CAPTIVE NATIONS WEEK

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. BONIOR. Mr. Speaker, I rise today to announce the commemoration of Captive Nations Week at the Ukrainian Cultural Center in Warren, MI, this Sunday July 22d. This week marks the 32d commemoration of Public Law 86-90, which instructed "the President to issue a proclamation each year until such time as freedom and independence shall have been achieved for all captive nations." Although there have been reasonably fair elections in 7 Eastern bloc nations in the past few months, we must continue to remember the plight of those who still struggle for freedom and self-determination.

The people of Central and Eastern Europe have risked much in their courageous bid for freedom and independence. In these times of promise and possibility we are excited by the present reforms, however, we must remain vigilant. Though it has diminished, the Soviet military threat is still very real. The Soviet leadership must be made aware that intervention, or any type of interference in the captive nations' affairs, is not tolerable and will continue to damage their potential political and economic ties with the United States.

For far too many years, the blessings of freedom, liberty, and justice have been denied to the people of the captive nations. Now, with what appears to be a thaw in the long cold war, we should continue pressing the Soviet Union with respect to human rights. This is no time for the United States to waver in what has been our historical and traditional commitment to freedom and democracy.

One sign that the Soviets may be sincere about reform is that, unlike last year, legal guarantees of religious liberty are being put in place in a number of Central and Eastern European nations, as well as in the Soviet Union. Until only recently, the Soviet authorities have persistently sought to crush any form of religious practice. Presently there are several Western organizations beginning to assist in the rebuilding of a religious infrastructure. We are especially excited at this development but must insist that these efforts are not inhibited and that they are allowed in all the captive nations.

I am sure that one fact of particular interest to the members of the Ukrainian Cultural Center is that the new democratized Parliament of Ukraine has become the most recent Soviet Republic to declare its national sovereignty. Only this past Monday, Ukraine adopted a declaration of sovereignty pushing for self-determination and greater control of its natural resources.

As we bear witness to these unprecedented social and political changes, it is important to remember the many years of struggle. Without the persistent effort of many individuals, I believe the present liberalization would have never occurred. Captive Nations Week is important for reminding us of how fortunate we are, and for paying tribute to those on the front lines of the world democratic movement. I commend the Captive Nations Week Committee for its diligence in organizing this important event.

FREE GITOBU IMANYARA

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. SPRATT. Mr. Speaker, last week, I sent a letter to President Moi of Kenya to protest the detention of a distinguished Kenyan journalist and attorney named Gitobu Imanyara. Mr. Imanyara founded and remains the head of the Nairobi Law Journal. He was jailed because he is an advocate for human rights and the rule of law. Apparently, the Kenyan Government found those ideas to be subversive and decided to place him in jail where he can be prevented from expounding on these dangerous principles. Mr. Imanyara is joined in Kenyan jails with at least 1,500 other political prisoners whose crime was to support democracy and human rights in Kenya. Kenyan forces are also responsible for the death of at least 22 other individuals who were killed during protests this month. Earlier this year, the Kenyan Foreign Minister was found dead under mysterious circumstances which the Government has termed a suicide and most others believe was a murder.

In my letter to President Moi, I asked a few basic questions about Mr. Imanyara's fate such as where he is being detained and what evidence exists, if any, to substantiate the charges against him. Since I sent my letter, I have received no reply and I frankly don't expect one any time soon. Since Kenya's birth, the United States and Kenyan Governments have had a long and close friendship. Kenya receives more United States foreign aid than any other sub-Saharan African nation. This year, it is slated for $46 million including $11 million in military assistance. The prospects for continued aid are very bleak and they ought to be. U.S. taxpayer money should not be going to governments which brutally repress their own citizens by denying them those fundamental human rights which Americans cherish. Unless the Kenyan Government immediately releases all political prisoners, in-

cluding Mr. Imanyara, and begins to respect the rule of law, the United States should consider sanctions, beginning with truncation of foreign aid.

EDUCATIONAL EXCELLENCE AT BALLARD HIGH

HON. JIM BUNNING

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. BUNNING. Mr. Speaker, in this body, we frequently discuss the shortcomings of education in our Nation as we search for solutions to this serious problem. However, we should never make the mistake of ignoring or overlooking the true success in our education system when they occur.

Five students from my district, who attend Ballard High School in Louisville, KY, recently provided us a very welcome success story for education in this country. Last month these high school seniors demonstrated extraordinary levels of knowledge, world-class wit and top-level technical expertise in winning the National Tournament of Academic Excellence in Orlando, FL.

Ballard High School's team, comprised of seniors Andy Colville, Daniel Frockt, Terran Lane, Ram Nagarajan, and Mark Roseberry, beat out teams from 40 States, from Guam and the Northern Mariana Islands in the 3-day competition to win the 1990 National Tournament of Academic Excellence Championship. I certainly believe that these five students, all of whom are national merit scholars, are to be commended for this outstanding accomplishment.

The team's coach, Mrs. Elaine Colley, and Ballard High School principal, Mrs. Sandy Allen, are to be congratulated for their efforts, leadership, and faith in their students which culminated in their becoming the national champions of this most prestigious tournament.

Each member of the team received a $2,000 scholarship, a computer, and a gold ring. Team members were also awarded the George Rogers Clark Award for outstanding contributions to Louisville, a key to the city, and June 28 was declared "Ballard High School Academic Team Day" in that city. Honors from Jefferson County and the Kentucky Board of Education are also forthcoming.

I think it fitting that these students, their families, their coach, and the high school principal also be recognized by this body of our Federal Government. I invite my colleagues to share in the pride I feel with the accomplishment of these outstanding students. They certainly proved that education excellence is possible in this Nation.

THE CONCORD

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. ROYBAL. Mr. Speaker, today I am pleased to recognize that hard work and sincere effort can succeed in overcoming abuse and mismanagement. Due to the constant efforts of a number of special individuals working with the city of Pasadena, an elderly housing complex was preserved as a viable senior citizen housing resource.

This victory comes after a long drawn out struggle that began when HUD approved the prepayment of the Concord-Pasadena. For 8 years the prepayment of the HUD loan created an environment where fear of dislocation of tenants, and escalating rents was constant. In 1982 I held a congressional hearing and introduced legislation to prevent future prepayments like the Concord-Pasadena. Eight years after the struggle began, the tenants, many in their eighties and nineties, and city officials were victorious.

On December 16, 1989, residents, local officials, past and present, and myself proudly rededicated this elderly housing complex.

The Concord has become a national role model for those trying to save the 300,000 low-income housing units this country may lose in the next decade. A comprehensive strategy to solve this problem has not been created, nor has a mechanism for funding new low-income housing units. Under an agreement with the Retirement Housing Foundation, a nonprofit sponsor, the city of Pasadena entered into a unique partnership. With their help and the use of funds from the city's fire and police retirement system, the city of Pasadena was able to purchase the Concord-Pasadena.

It would not be possible for me to recognize all of the people who contributed their time and concern, but I would like to mention a few very special people from the community and the city:

Active residents: Gordon Clements, Helen Goodrich, Naomi Haynes; city of Pasadena, board of directors; Mayor William Thomson, Vice Mayor Jess Hughston, Director Kathryn Nack, Director John Crowley, Director Rick Cole, Director Chris Holden; City Manager Donald McIntyre; development department, Director William Reynolds, Project Manager Gregory Robinson.

Retaining affordable housing is a critical goal for the country as the national housing crisis worsens. Saving the Concord has given communities all over the country incentive for saving their projects as well as creating new ones.

I would like to congratulate all the people whose hard work and valiant efforts saved the Concord-Pasadena.

LEGAL SERVICES REFORM PROPOSAL

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1990

Mr. STENHOLM. Mr. Speaker, it gives me great pleasure to join my colleagues HARLEY STAGGERS and BILL MCCOLLUM in introducing our legal services reform legislation. I believe that our proposal will strengthen the Legal Services Program and ensure the maximization of its resources for the clients for whom it was created to serve.

First let me make it perfectly clear that I support Federal legal services, and I would not be a party of a legislative or any other attempt to abolish or cripple this valuable program for America's poor. The legislation that my colleagues and I are proposing would remedy some of the abuses in the program by a small group of misguided legal service providers.

This year's proposal is significantly improved over the 1989 MCCOLLUM-STENHOLM legal services reform package offered to the Commerce-Justice-State appropriation conference report. Even though last year's package lost by only seven votes, we reviewed our language and discoverd a few provisions which we could improve upon, most notably the agricultural provision. With the assistance of HARLEY STAGGERS, BILL and I made several changes in the reform package which we believe significantly improve the package.

Federal legal services has not been reauthorized since 1981. It has always been my belief that any meaningful reform of the legal services program should be considered before the committee of jurisdiction. Our purpose for introducing this legislation at this time is to encourage public discussion and to submit to the Judiciary Committee our package for their consideration. We have testified before that committee about our proposed reforms and we are eager and willing to cooperate in the reauthorization process.

Finally, on behalf of my two colleagues, I want to commend Chairman BARNEY FRANK for scheduling hearings and markup on this most important issue, and I want to assure the chairman of my desire to work within the committee process so that this year we will improve the program in a way that helps to ensure the stability and success of Federal legal services.

FDIC HEAD SAYS FUND IS UNDER STRESS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday July 20, 1990

Mr. PEASE. Mr. Speaker, I call to my colleagues' attention a Washington Post article which appeared in last Monday's edition. The headline read: "FDIC Head Says Fund Is Under Stress." The article quotes FDIC Chairman William Seidman in a Sunday "Face the

Nation" appearance expressing his fears that the FDIC "would be in trouble" were the Nation to suffer a serious recession.

It appears that the deposit insurance fund, when viewed as a percentage of the total deposits it insures, is at a historically low point. The article points out that by the end of the year the FDIC will have less than 60 cents in reserves for every $100 in deposits it insures, less than half the cushion that Congress has recommended and "the lowest level of reserves in the FDIC's history."

The FDIC could probably weather a mild recession. By contrast, a severe recession, with a large number of banks going under, could cause serious problems. In short, the FDIC might run out of money with which to pay off depositors.

This unfortunate situation provides yet another reason why we need to reform our deposit insurance system. During the floor debate over the savings and loan legislation, I argued that our present system of unlimited deposit insurance was one major cause of the thrift debacle. Unlimited deposit insurance led to brokered deposits, with the big money chasing the highest interest rates, often located in the most poorly managed thrifts.

The strains that the FDIC is experiencing today also arise largely from our policy of ensuring multiple accounts of up to $100,000. This policy has created an enormous financial obligation for our Nation, one that is dangerous and unnecessary.

Last year, I introduced a bill, H.R. 1260, which would limit deposit insurance to $100,000 per person. I also tried, unsuccessfully, to offer my bill as an amendment to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Since that time, a consensus seems to have formed around the idea that we need to reform our deposit insurance system. The question is how. I'd like to urge my colleagues to join the debate, moving the discussions over deposit insurance reform into high gear. As our deposit insurance funds become less financially stable and the costs of the thrift bailout continue to grow, I contend that we can afford to wait no longer.

The Washington Post article follows:

[From the Washington Post, July 16, 1990]

FDIC Head Says Fund Is Under Stress

(By Jerry Kinght)

Federal Deposit Insurance Corp. Chairman L. William Seidman yesterday said the insurance fund that protects deposits in U.S. banks is "under considerable stress" and "would be in trouble" were the nation to suffer a serious recession.

An "ordinary recession" would not pose a threat to the banking system or the FDIC, Seidman said on CBS News's "Face the Nation." But "if it were a long, a deep recession, then we would be in trouble."

The deposit insurance fund, created after the Great Depression to restore confidence in the banking system, is "at a low point in history as a percentage of what it's insuring," Seidman said.

The FDIC insures deposits up to $100,000 in commercial banks. It is a separate fund from the one that insures deposits in the savings and loan industry, which experienced widespread failures in recent years as a result of adverse economic conditions, fraud and an excess of risky investments.

Seidman stressed that the nation's banks do not face the kinds of problems that led to the $300 billion rescue of the savings and loan industry.

"We can handle anything we can forsee right now," Seidman said on the program. "But if things come along, major failures that we're not able to foresee at this time, that would be another story."

"The system is under stress," he said, "there's no question about it and our insurance fund is under stress."

The U.S. economy has been growing slowly in recent months and economists fear that it could slip into a mild recession. But few economists anticipate the kind of severe recession that Seidman said would cause the FDIC serious problems.

During recessions, when the output of goods and services declines, there is an increase in the number of businesses, individuals and other borrowers who have trouble paying their loans on time or do not pay them at all. Most banks have sufficient reserves to absorb such losses.

But in a serious, long recession there might be so many companies going out of business and such high unemployment that a large number of banks would be unable to cope with loan losses. In such a serious economic downturn, there could be so many bank failures that the FDIC would run out of money ensuring that customers in those banks don't lose their deposits.

The Federal Reserve, the nation's central bank, Friday took steps to lower interest rates in an attempt to prevent even a mild recession.

Seidman's comments were his most negative public assessment of an issue that is lurking in the background of the growing political furor over the costly S&L debacle. The Bush administration and Congress are studying ways to revamp the deposit insurance system to prevent the kinds of abuses that caused a wave of failures in the S&L industry, the most costly financial scandal in the nation's history.

The General Accounting Office is nearing completion of a study of the health of the FDIC and by early fall expects to issue a report on the soundness of the insurance fund. "It's a concern and a valid one," said Robert Gramling, GAO's director of financial audits.

The FDIC has lost money for the last two years because of the worst series of bank failures since the Depression. It now has $13.2 billion to protect depositors in nearly all the nation's commercial banks.

The agency expects another $2 billion loss this year that will shrink its fund to only a little more than $11 billion, leaving the FDIC with less than 60 cents in reserves for every $100 in deposits it insures—roughly $1.9 trillion. That is less than half the cushion against losses that Congress wants the FDIC to maintain and the lowest level of reserves in the FDIC's history.

Economists hired by the Congressional Budget Office and the House Banking Committee to analyze the soundness of the deposit insurance system predict that to strengthen the fund the government will have to raise the premiums that banks pay for deposit insurance. They said the government might be forced to ask the taxpayers to pick up the tab for bank failures.

We are clearly at a point in which, in relatively short order, the taxpayers may have to make a contribution to the closure of insolvent banks," Stanford University economist Dan Brumbaugh, widely known in the financial industry for being one of the first to see the savings and loan crisis coming, said in an interview before Seidman's television appearance.

The House Banking subcommittee on financial institutions has commissioned a study of the soundness of the FDIC fund by Brumbaugh, Robert Litan of the Brookings Institution and James Barth of Emory University.

Litan and Brumbaugh warned Congress a year ago that banks have hidden losses that if made public would wipe out the FDIC's reserves. Professor Edward Kane of Ohio State University, a consultant on deposit insurance to the Congressional Budget Office, made a similar assessment.

Once you subtract expected losses from the FDIC's assets, "their net reserves are probably around zero," Kane said in an interview last week.

Rep. Frank Annunzio (D-Ill.), chairman of the banking panel that commissioned the study of the FDIC's soundness, plans to examine ways to replenish the insurance fund.

The FDIC insures all bank deposits of up to $100,000 by law. But when large banks get into trouble it pumps in enough cash to protect all depositors. The deposit insurance is financed by a small tax levied by the government on bank accounts, currently 12 cents for each $100 deposit.

The tax is described as an insurance premium, but the deposit "insurance" is not really insurance but a government guarantee that depositors will be paid if their bank fails, said banking consultant Bert Ely. Unlike conventional insurance, the deposit insurance premiums are not based on any mathematical calculation of how much it will cost to cover expected losses.

The premiums have historically covered all losses, but if the fund does not have enough money, the taxpayers must put up the money to keep the government's promise to protect depositors.

That is what happened with the Federal Savings and Loan Insurance Corp. fund, which ran out of money—leaving taxpayers to pick up an estimated $300 billion tab for the failure of hundreds of thrift institutions.

Although many banking experts disagree with their analysis, Kane and Brumbaugh contend that the depletion of the bank deposit insurance fund parallels the early stages of the collapse of the funds maintained by the Federal Savings and Loan Insurance Corp. to back deposits in savings and loan associations.

"We are in the midst of reliving the S&L crisis in the commercial banks," said Brumbaugh. "The stage we are in is about the same as 1984 and 1985 with the thrifts" when the problems at many savings and loan associations were far more serious than their financial reports revealed.

"We are moving down the same road" as the thrifts, said Kane, "but the road is not so steep and we are not so far along."

But FDIC officials and many private banking experts vigorously reject the comparison of the banking industry to the savings and loan industry.

"The thrift crisis is not a precursor to a bank crisis, the situation is very different," said Karen Shaw, head of the Institute for Strategy Development, a Washington consulting firm.

"The FDIC is a long way from a FSLIC-like problem. I don't subscribe to the theory that we have a crisis," said William Ferguson, president of Ferguson & Co., a Wash-

ington and Dallas firm specializing in analyzing bank finances.

Ferguson's firm provided much of the data on which Braubaugh and Litan based their conclusion last year that the FDIC is nearly broke. Ferguson said, "I looked at the same data and came to a different conclusion."

The most important difference between the bank and thrift situations, the analysis agreed, is that the three bank regulatory agencies—the FDIC, the Office of the Comptroller of the Currency and the Federal Reserve System—are far tougher than the Federal Home Loan Bank Board, which was considered so weak that Congress abolished it last year.

In addition to lax regulation, which allowed many savings and loans to make risky investments, the S&Ls were burdened with billions of dollars of low-interest mortgages on which they suffered huge losses when interest rates jumped after deregulation in the early 1980s.

FDIC officials challenge both the mathematics and the methodology of the studies suggesting the bank insurance fund is in trouble. Seidman has denounced previous research of Brumbaugh and Litan in congressional testimony and FDIC staff members have prepared a point-by-point rebuttal to comments made by Brumbaugh recently in the American Banker, the daily newspaper reporting on the industry.

"We disagree quite strenuously," said Seidman's deputy, John F. Bovenzi. "There's a big difference between concerns above weakness and stress on the system and a finding that it's insolvent."

Less than two months, Seidman said, "The decline in problem banks over the past year or so and fewer bank failures so far in 1990 suggest an improvement in the fund overall in 1990, provided no large bank failures occur."

But two weeks ago in a question-and-answer session following a speech, Bovenzi raised the possibility of another $2 billion drop in the fund this year. The $2 billion decline is "a possibility, not a prediction," he said in an interview Friday.

FDIC officials will not discuss their projections for bank failures this year, but the General Accounting Office is believed to be pressing the agency to set aside more funds to handle bank failures this year.

As Seidman stressed in the television interview yesterday, the fund has plenty of money to pay for all the bank failures now foreseen by the FDIC. The fund was never meant to be able to handle a repeat of the Great Depression, Bovensi said, but "I don't think anybody sees that happening now."

Before taxpayers would be called upon to pay off bank depositors, "our economy would be in such bad shape that would be the least of our problems," said Edward Yingling, a top executive of the American Bankers Association, the largest industry trade group.

Yingling said the bankers group believes Brumbaugh and Litan exaggerate the industry's ailments and has complained to Congress that they should not have been hired to research the soundness of the FDIC. By picking Brumbaugh, Litan and Barth, Yingling said legislators "are preordaining what the study will say" because the economists "have already testified that the FDIC fund is broke."

The ABA and two other bank lobbying groups—the Independent Bankers Association of America and the Association of Bank Holding Companies—said there is no need for additional increases in the premiums banks pay for deposit insurance. The premiums are already going up under provisions of the S&L cleanup law passed by Congress last year, from 8 cents for each $100 of deposits to 12 cents this year and to 15 cents next year.

The law says that if the bank insurance fund declines for two years in a row—as now appears likely—the FDIC can boost the premiums another 7.5 cents per $100 each year and can keep raising them until it builds up a reserve of $1.25 for each $100 of insured bank deposits. FDIC officials said they have not decided whether to raise the premium.

These rates are substantially higher than banks traditionally have paid. Until the early 1980s, the effective rate was less than 4 cents per $100.

SENATE—*July 23, 1990*

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. As we reverence Almighty God, our Creator and our Heavenly Father, the prayer will be led by the Senate Chaplain, Reverend Dr. Richard C. Halverson.

Dr. Halverson, please.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Gracious Father in Heaven, we unite our hearts in sympathy for Senator PRESSLER and his family in the loss of his father who died Saturday evening. Comfort those who grieve with the wonderful consolation of the Psalmist: "Yea, though I walk through the valley of the shadow of death, I will fear no evil: for thou art with me * * *"—Psalm 23:4.

"For promotion cometh neither from the east, nor from the west, nor from the south. But God is the judge: he putteth down one, and setteth up another."—Psalm 75:6,7.

"* * * For there is no power but of God: the powers that be are ordained of God."—Romans 13:1.

Eternal God, Lord of history, Ruler of the nations, we pray for the Senate of the United States, the most powerful deliberative body in the world, model for all nations, seeking to form democratic institutions. Protect this distinguished body of men and women, chosen by their peers to represent them and provide leadership to the Nation and the world. Protect the Senate from every influence, within or without, that jeopardizes its effectiveness and reputation. Rebuke those from within who, because of ambition or greed, would compromise the integrity of the Senate and bring it down to shame. Frustrate those from without who, because of self interests, would impose unjust and unfair pressures on public servants.

Sovereign Lord, rule in this place and in our minds and hearts, that truth and justice may prevail. In Jesus' name who is truth incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this afternoon following the time for the two leaders, there will be a period for morning business not to extend beyond 1 p.m., with Senators permitted to speak therein for up to 5 minutes each. At 1 p.m. today, the Senate will resume consideration of S. 2830, the farm bill, and Senator GRASSLEY will be recognized to offer his amendment relating to rural safety education. Other amendments will be offered and debated today and rollcall votes are expected to occur today, although not prior to 6 p.m.

So for the information of Senators, in preparing their schedules for today, there are expected to be rollcall votes no earlier than 6 p.m. and sometime after that hour.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I reserve all of the leader time of the distinguished Republican leader.

The PRESIDENT pro tempore. Without objection, the time of the two leaders that is unused will be reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business to extend to the hour of 1 p.m. today, during which time Senators are permitted to speak for not to exceed 5 minutes each.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Minnesota is recognized for not to exceed 5 minutes.

THE IMPORTANCE OF THE POPULATION GROWTH ISSUE

Mr. BOSCHWITZ. Mr. President, I read with great interest a recent article in the Washington Post, July 2, by Barbara Vobejda regarding the lack of attention paid by the United States to the world population problem. This article could not have been more timely, and I am inserting it in the RECORD in order that all my colleagues will be able to see it.

Ms. Vobejda's main point was that the issue of world population growth "has virtually disappeared from the public agenda." Indeed, I recently delivered a speech here on the Senate floor discussing the lack of attention given to this issue by both environmentalists and Congress alike. In light of the article in the Post, I thought that I would take this opportunity to reiterate some of my points.

The population problem truly lies at the heart of virtually all of our environmental problems. When I was born, there were 2 billion people on our planet. Now there are 5.4 billion people, and by the year 2000 that number will certainly exceed 6 billion, with the situation particularly acute in developing nations.

Each new person consumes additional energy and puts stress on resources and the world's ecological balance, and while people in the Third World use far less energy per capita than we do in developed countries, the practices in the Third World to scratch out a living are sometimes particularly harmful in the areas of deforestation and desertification. I chaired the panel on these subjects at the recent Interparliamentary Conference brilliantly organized and chaired by Senator AL GORE.

Yet the U.S. contribution to world population control program has declined over the past 5 years. Most of that and the lack of participation by the United States is due to the politics of abortion.

After the Interparliamentary Conference I sought out another Senator who expressed interest in the population problem. We agreed that together

we—who are on different sides of the abortion issue—should work to separate this issue from world population growth so the United States can become the lead player as it must if there is to be real progress. We must focus instead on promoting family planning, meaningful sex education and contraception.

The Washington Post is a powerful voice and Ms. Vobejda's article will be most useful in bringing this issue of issues to the forefront. I intend to help with that by delivering a series on the issue focusing as did Ms. Vobejda's article on different parts of the world.

I ask unanimous consent that the article by Ms. Vobejda be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 2, 1990]

AS GLOBAL POPULATION RISES, ATTENTION TO ISSUE IN U.S. DECLINES

(By Barbara Vobejda)

It has been a long time since Lewis Townsend, a local obstetrician, has heard a patient express any anxiety over world population. Some patients say they are limiting the size of their families for financial reasons; others, because of their age. But no one talks about doing her part for zero population growth.

"I heard 'zero growth' about 10 or 15 years ago," said Townsend. Now, "it's not a concern."

Two decades ago, overpopulation was widely perceived as an urgent global threat, a steady but volatile force fueling a host of other social, economic and environmental dangers. But today the issue has virtually disappeared from the public agenda, frustrating population specialists and environmentalists who argue that, if anything, the rapidly growing human population poses even more of a threat.

They point to several reasons for the diminished public concern, including a dramatic shift by the federal government in 1985 when the Reagan administration withdrew population-control funding from organizations it deemed had supported abortion in any country. The linkage to abortion has stifled efforts to control population internationally and chilled debate on the issue, these groups say.

Overpopulation also lost its immediacy because of the substantial decline in fertility rates in this country since the late 1960s, when rapid growth was cited frequently as a critical reason for American couples to limit the size of their families.

But while fertility is dropping in this and other developed countries, world population continues a steep expansion. Despite the link between population growth, pollution and resource depletion, environmentalists say the topic has been missing from the recent upsurge in environmental activism in this country.

"Public awareness about population issues has waned dramatically since the '60s," said Susan Weber, executive director of Zero Population Growth. She dated the change in attitude nationally to a CBS newscast in the early 1970s, when anchorman Walter Cronkite reported that fertility rates in this country had fallen below "replacement level."

"That was perceived as the end of our problems," she said. And as attention to the issue began to fade, the political climate of the Reagan and Bush administrations hastened the trend, she said. "All population birth control programs, even the notion that population is a problem," came under attack.

While the United States is still the major contributor to international population control, funding has dropped from more than $298 million a year in 1985 to about $256 million this year, according to the Agency for International Development.

Scientists do not agree on whether a crisis is imminent, but there is a consensus among demographers that rapid population growth, especially in certain "hot spots," is a serious global problem. And few dispute that the number of human beings on the planet is multiplying at breathtaking speed.

While world population in 1960 was just over 3 billion, there will be 3 billion people living in just the five largest countries by the turn of the century, and another 3 billion elsewhere around the globe.

Fertility rates have declined in about half of the Third World and virtually all industrialized countries. Globally, the rate of population growth has begun to decrease, from 2 percent in 1968 to 1.8 percent today.

Still, the current rate of growth means world population will double every 39 years. And the U.N. Population Fund estimated last year that world population—now 5.3 billion—would reach 14 billion before it stabilizes late in the next century. An earlier estimate said the stabilization would occur at 10 billion.

Numbers of such magnitude carry little meaning for the average American, however, and scientists hold a range of opinions on what conclusions should be drawn.

Most prominent among those who see disaster in the numbers is Stanford University biologist Paul Ehrlich, who launched the popular movement for zero population growth with his 1968 book, "The Population Bomb." In a new book published this spring with his wife, Anne, Ehrlich renewed his earlier warnings that overcrowding will lead to massive starvation and environmental catastrophe. Decreasing fertility in many industrialized countries should not bring complacency, he said.

"The biggest fallacy is that there is a population problem in Africa and India, but not here," he said. "It's not density, not numbers, it's what people do to the planet."

For example, the United States, with less than 5 percent of the world's population, produces more than 17 percent of the global "greenhouse" gases.

In his new book, "The Population Explosion," Ehrlich argues that couples in the United States should continue to limit their number of children to one, or at most two, because resource consumption is so much higher here.

"The birth of an American child is hundreds of times more of a disaster for Earth's life-support systems than the birth of a baby in a desperately poor nation," he writes.

At the other end of the spectrum are a handful of "pronatalists" who have issued admonitions that falling fertility in industrialized countries will lead to economic decline.

Economist Julian Simon, a professor of business at the University of Maryland, argues that population growth should be viewed as an economic stimulus because more people will mean greater innovation, production and market formation.

While the parameters may be defined by Ehrlich and Simon, the population debate is conducted elsewhere in more subtle tones.

"It's not as simply as either side would have you believe," said Michael Teitelbaum, a demographer at the Alfred P. Sloan Foundation.

"World population," said Teitelbaum, "doesn't mean that you're going to have a catastrophe next year. It doesn't mean you will have a world of catastrophes. But you could have some very serious problems in some countries and regions."

Demographers tend to focus on problems in south Asia and sub-Saharan countries. In Bangladesh, for example, 100 million people live in an area the size of Wisconsin.

Population-issue groups, which point to the political linkage between population control and abortion as a major barrier to addressing the problem spots, had hoped the election of George Bush would mean a change in policy. But Bush has continued to deny funding to organizations even for abortion referrals.

The decline of the U.S. fertility rate had little to do with overpopulation, according to experts.

Arthur Haupt, a population specialist at the Population Reference Bureau, said it is generally assumed that U.S. fertility fell—from 3.4 children per woman of child-bearing age in the early 1960s to 1.8 in the 1980s and 2 in the past year—because of the availability of contraceptives, higher educational levels among women, increased participation of women in the work force and other lifestyle changes such as delayed marriage.

Haupt suggested that the extraordinarily high fertility of the baby boom era may have been the reason for the attention devoted to overpopulation in the late 1960s.

Hundreds of Zero Population Growth chapters formed around the country, and Life magazine ran a cover story on the subject. The attention was heightened by the stark message in Ehrlich's "The Population Bomb," in which he declared that "the battle to feed all of humanity is over."

Ehrlich and others who have issued similar grim warnings have since been criticized as "doomsday theorists, and lingering skepticist created by that criticism may have further dampened public attention to population concerns.

Simon, for example, labled the warnings by Ehrlich and others as "nonexistent scares . . . every single prediction of the doomsayer has turned out wrong."

"Not as many died as we expected to die," Ehrlich said. But he defended his statement that "hundreds of millions" would starve, citing World Health Organization and U.N. estimates that between 10 million and 14 million people die each year from hunger and related diseases.

Alan Lopez, a statistician for the World Health Organization, said it is widely accepted that more than 14 million children under age 5 die each year worldwide, but a significant portion of those deaths are unrelated to hunger.

To assume that 10 million of the 14 million deaths are hunger related—as Ehrlich has done—is "taking the upper limit," Lopez said.

POPULATION PRESSURES IN THE NEAR EAST

Mr. BOSCHWITZ. Mr. President, I spoke recently in this Chamber on the link between the world population ex-

plosion and environmental degradation—and of my belief that the population problem lies at the heart of almost all of our environmental problems that we face today. Today I would like to examine that connection as it applies to the Near East.

With respect to the Near East, I am referring to 25 countries in northern Africa and western Asia, mostly Arab in ethnic origin and culture, with a population today of about 250 million. Their numbers, in other words, are about the same as those of the United States. But the similarity ends there.

The populations of those 25 countries are generally characterized by high fertility—about 5 children per woman. These countries have a very high rate of population growth—nearly 3 percent per year, compared to current growth rates, for instance, of 0.8 percent in our country, 0.4 percent in Japan, zero percent in West Germany, minus 0.2 percent in Hungary. A minus figure, by the way, means that total deaths each year exceed total live births.

These 3 percent population growth rates in the Middle East may not seem very dramatic at first hearing. But they translate into a doubling of population in these 25 countries in, on the average, about 25 years. The comparable number for the United States is 92 years.

Let us examine for a few moments the impact of these burgeoning numbers of resources, on economic development, and on the development, and on the daily quality of life of people in these countries. I am deeply concerned about these consequences.

First, sustained high fertility has led to a very young population in these countries. On average, more than 40 percent of the population in the Near East is under age 15. This creates a high burden on the working age population. It also severely taxes the ability of governments to provide adequate schooling, health services, and eventually, jobs for rapidly increasing numbers of children and young people.

Second, most of these countries are characterized by an arid climate. Rapid population growth has already resulted in per capita declines in arable land and usable water supplies for drinking, agriculture, and industry. Contention for land and water is a key underlying cause of much of today's strife in the Middle East.

Lastly, most of these countries are facing unplanned urbanization and very explosive growth in their largest cities. Approximately 50 percent of the population in this part of the world already live in urban areas. By the year 2025, this proportion will increase to nearly 70 percent. Cairo, to cite the region's most populous city, had 3.7 million inhabitants in 1960. Twenty years later, its population was almost 7 million. And, at current population growth rates, it will, unhappily, have close to 12 million by the end of this decade.

Why do I say "unhappily?" Because, even with all the hundreds of millions of dollars that our country, the World Bank, and other donors put into Egypt each year, we seem to consider ourselves very fortunate, very lucky indeed nowadays if Egypt's economic growth each year comes even close to the sheer growth of people—numbers that put ever increasing stress on both national infrastructure and natural resources, on its land, water, and air, on that proportionately very small fertile delta that precariously sustains most of Egypt's population.

The sheer size of a Cairo presents a situation for which we have no collective experience. Little precedent exists for feeding, sheltering, or transporting in a relatively poor country so many people in so dense an area, nor for removing their waste products or providing clean drinking water. The critical environmental degradation facing such cities will push to the limit their ability to sustain human life. And it is the urban poor who are the most vulnerable, the most subject to disease, starvation, and malnutrition.

The same phenomenon is, unfortunately, the case in many of the other countries of the Middle East. But there are some signs of improvement in parts of this gloomy scene, some rays of light.

The Agency for International Development provides significant population assistance in five Islamic Near East countries—Egypt, Morocco, Tunisia, Jordan, and Yemen. These programs have made some progress in improving access to family planning, increasing contraceptive use, and lowering fertility. In Tunisia, for instance, family planning is used by half of all women—and fertility has declined there by 25 percent in the last decade. In Egypt and Morocco, more than one-third of women today use contraception, up from less than one-quarter a decade ago.

But, obviously, a lot more needs to be done. Many challenges remain. Some have to do with local beliefs and customs. There's an urgent need to modify centuries-old attitudes. That a mother has to give birth eight, nine times, or more to ensure that half that number will survive until adulthood and provide needed farm labor. That family planning and the woman's ability to control conception will somehow reduce the husband's authority in his family. That family planning is unnatural.

Well, those attitudes are hard to change in the Middle East, and in most other developing regions of the world. But family planning is acceptable among many Islamic populations. The blocks are often sociological and cultural. AID's experience and that of other donors and researchers is, however, that change is possible, particularly if you can get the attention and public support of top leaders in the country and if you can provide an adequate network to make known and supply contraceptive devices.

Most Near Eastern countries still have official policies that are either neutral on the population issue or are pronatalist, that is, they intentionally favor having more children through provision of child allowances, tax incentives, or other means. AID and other donors will have to make the need for family planning an important part of their high level policy dialogs with leaders of those countries where burgeoning populations threaten to cancel out any fruits of economic development and bar for most people the possibility of a better life for their children.

The challenge is also one of financial resources. Demand for family planning services continue to grow. More funds are needed not only for contraceptive supplies, but also, of equal importance, for training and paying skilled local people, doctors, nurses, pharmacists, and other health care providers, who can enlighten their neighbors' consciousness on this subject and who can provide specific guidance and materials.

Mr. President, as I said in my remarks here a few weeks ago, I believe that AID needs and can effectively use more funds than the roughly $200 million they have requested for population programs this year. I will be working with some of my colleagues in this body to ensure some relatively modest, but important, increases for AID's population activities—but not at the expense of other AID programs. I look forward to your support.

POPULATION PRESSURES IN SUB-SAHARAN AFRICA

Mr. BOSCHWITZ. Mr. President, I make today a third statement about population because, as I have noted on the floor, there is a relationship between population pressures and environmental degradation in different parts of our globe.

I have just spoken about the problems of the Near East and North Africa, and now I wish to turn to the situation in sub-Saharan Africa.

The African countries south of the Sahara face an historic challenge. Never before have so many nations tried to modernize in the face of such extraordinary population growth. The combination of rapidly growing population and stagnating economies has made the issue of population and development in Africa one of the great unfolding dramas of our time.

The population of that region's 47 nations numbers over 500 million. It is

increasing by nearly 3 percent per year, faster than in any other region on Earth. According to U.N. estimates, nearly a billion persons will be added to Africa's population between 1990 and 2025.

Africa's population is growing rapidly because its birth rates are collectively the world's highest, about 6.5 children per woman. Any birth rate declines that have occurred have been proportionately smaller than declines in death rates.

Africa's population is extremely young, a result of the long history of high birth rates and, to a lesser extent, the more recent declines in infant and child mortality. According to U.N. estimates, at least 45 percent of the population is under age 15 in most African countries. The youthful age structure constitutes an economic burden because an exceptionally large share of development resources must go to meet the immediate needs of the young. Education, for example, commands 20 to 25 percent of government expenditures in many African countries.

Rapid population growth has had serious consequences for Africa's environment. It has contributed, for example, to deforestation and desertification, a particular concern of mine because of its relation to global warming.

Forests are being depleted at a disturbing rate due to encroachment of farm settlements onto forest land, and due to uncontrolled cutting, mostly for wood to be used for household fuel by poor people struggling to survive and feed their many children. In a country such as Niger, where only 1 percent of the land is forest, and the population of 8 million is growing at 3 percent per year, one can anticipate grave problems in the not too distant future.

In many countries, increasing numbers of people result in larger cattle herds, which lead to overgrazing on pasturelands, which leads, in turn, to erosion and desertification. These expanding herds also increase demands on increasingly limited water supplies.

Some experts think Africa is losing its forests at a rate of 50 acres per minute. At least 18 countries are facing acute firewood shortages. It takes a long time to replace a forest, 20 or more years. It takes a lot longer to replace topsoil that runs off due to erosion after vast amounts of trees are cut or burned—sometimes hundreds of years.

The consequences of rapid population growth are far-reaching. Rivers and lakes have died, due to serious overuse, silting from erosion, and pollution. Aquifers have been seriously deplenished. Some natural resources, like unique flora and fauna in the forest, can never be replaced. These losses of forests, arable farm and pasture lands, and water have seriously undermined the ability of many African nations to achieve sustainable development.

Most African leaders entered the 1980's with at best lukewarm attitudes toward developing population policies and programs. And most of them probably didn't think too much about the relationship between rapidly expanding populations and rapidly diminishing natural resources.

But attitudes change, as realities become more evident. By the end of the decade, throughout much of the region, a new, very favorable environment existed for population policies and programs designed to reduce growth. For example, in 1975 only four countries in Africa favored lower rates of population growth. Today, more than 30 countries do so.

The Agency for International Development supports and promotes voluntary family planning in many of its African programs. It encourages population growth consistent with the growth of economic resources and productivity. Its programs emphasize the advantages of family planning, benefits that make sense to me, and are beginning to make sense to many African leaders and to many more African couples.

These include the critical health benefits for mother and young children when women are able to limit or space their births, the decrease of illicit abortion through increased access to voluntary family planning services, and the decline of population growth rates to levels that can be supported by the economy and the environment.

Within the last 5 years, the first evidence of fertility decline within the region began to appear in three countries, Botswana, Kenya, and Zimbabwe. There, fertility has declined significantly. Contraceptive prevalence, especially of modern methods, has risen dramatically. In these countries, the governments support family planning, many women want smaller families, and the institutional structure exists to make contraceptives and health care available to the community.

Although these changes are important, they are representative of only a small proportion of the population of the region and considerable work remains to be done. For example, in Nigeria, the largest country in the region with nearly 120 million people—fully one-quarter of the population of all of Africa—women on average have more than 6 children, and only 1 percent of women are using effective contraceptives.

The World Bank has said of Africa:

> At no time in history has any group of nations faced the challenge of development in a situation of such rapid population growth.

In combination with stagnating economies, this imposing demographic reality has led African governments to adopt policies to reduce high fertility and high population growth rates. The 1990's will test the ability to implement new programs, increase contraceptive prevalence, and lower birth rates. The effort expended in confronting this challenge will determine if a new Africa can emerge in the 21st century, one free from hunger, disease, illiteracy, and poverty.

In 1989, AID projects provided $70 million in population assistance to 39 African nations. The needs are, in my view, greater than that funding level can handle. I will be working to try to get AID some additional funds for these crucial family planning programs, funds that won't have to be carved out of the Agency's other important development activities.

Mr. President, I am concerned that the United States has a responsibility, both a moral responsibility and a political responsibility, to help our African neighbors do something about their exploding populations. Keeping the population of Africa and other parts of the developing world at some reasonable levels will help prevent other kinds of explosions, and will help protect our precious natural heritage. I look forward to your support in this important endeavor.

THE BUDGET SUMMITEERS NEED AND DESERVE OUR SUPPORT: THE NATION NEEDS A GOOD SUMMIT AGREEMENT

Mr. BOSCHWITZ. Mr. President, the budget summit has been proceeding for many weeks now, and the results are certainly not clear. But I have been at least somewhat encouraged by the reports I have heard, including statements made in the public by some of the participants recently that the negotiators are finally getting down to business.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. BOSCHWITZ. I ask unanimous consent, Mr. President, that I be granted another 1½ minutes.

The PRESIDENT pro tempore. Without objection, the Chair hears none, the Senator is recognized for an additional 2 minutes.

Mr. BOSCHWITZ. The negotiators must reach agreement on four basic points if their efforts will either be acceptable, as far as I am concerned, or accepted, in my judgment, by the majority of my colleagues.

The first agreement must be specific with respect to areas where spending will be constrained.

Second, it must be enforceable over several years and must, by fundamental reform of the budget process, protect, if not strengthen, the existing enforcement processes so that we cannot get back into this mess after we are freed from the specific constraints of the agreement.

Third, the agreement must not harm the national security; it should provide for a thought-out build-down of our defense establishment that maintains our deterrence and allows us to defend our vital national interests around the world. This includes, I would add, our vital assistance programs to allies who truly help us shoulder the burdens of being the world's leading democracy and force for stability, as well as our efforts to help developing countries control the growth of their populations and protect the environment we all share.

Fourth, any new revenues should be raised by means designed to stimulate growth. We can use tax policy to make the economy grow. A meaningful capital gains provision can increase GNP over 5 years by a total of 2.8 percent, increasing tax revenues by between $30 and $40 billion, according to Dr. Allen Sinai of the Boston firm "Economic Advisers."

For many years, I have supported constraints in all spending, other than that directed at helping the poorest Americans, so that it would increase at a rate somewhat less than the rate of inflation. Economic growth and inflation would drive government receipts up slightly faster than spending would increase. Combining some restraint in spending and economic growth means that we should be able to eliminate the budget deficit over just a few years.

With continued effort on the part of the members of the budget summit, Mr. President, we can achieve an agreement we can all be proud of, and that will help us achieve prosperity and security in the coming decades.

I ask unanimous consent that two articles on how economic stimulation can lead to additional revenues be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, July 18, 1990]

A BUM TRADE ON CAPITAL GAINS?

(By Warren Brookes)

Last week, the administration and Congress stumbled into gridlock over President Bush's desire to have a capital gains tax cut part of any budget deal.

On the one hand, Senate Majority Leader George Mitchell, Maine Democrat, insisted there be no capital gains cut without raising the top rate to 33 percent.

On the other hand Senator Robert Packwood, Oregon Republican, ranking member of the Senate Finance Committee and architect of the 1986 tax reform, said he won't accept such a trade, while the White House said without capital gains there will be no revenue agreement.

This may explain why the White House turned Vice President Dan Quayle loose at the Republican National Committee meeting in Chicago last Friday with some stakes-raising rhetoric:

"During the 1988 election President Bush and I campaigned across the country to reduce the capital gains tax to 15 percent, because we believe that small business and risktaking entrepreneurs are the motors of economic growth.

"Meanwhile, Governor Dukakis argued the case for income redistribution. The American people rejected that argument and gave us a resounding mandate. But today, nearly two years later, the Democratic congressional leadership have denied the voters that mandate. In fact, Congress' failure to pass the president's capital gains proposal last year is partly responsible for the current slowdown in economic growth.

"The fact is, ladies and gentlemen, a tax cut, the capital gains tax cut, not a tax increase is the single most important thing we can do for economic growth."

Mr. Quayle is absolutely right.

Ironically, his economic case was strongly endorsed the day before at a Joint Economic Committee hearing by Allen Sinai of the Boston Company Economic Advisers.

Mr. Sinai surprised his former liberal Keynesian colleague and JEC staff director Joe Minarik with a study projecting positive economic and revenue impacts of the full-scale 50 percent capital gains tax cut laid out by Mr. Bush in 1988 and now co-sponsored by Republican Senators Robert Kasten of Wisconsin and Connie Mack of Florida.

Mr. Sinai said that such a proposal would increase total GNP by 2.8 percent (or $155 billion in current dollars) by 1995. That's about 0.5 percent more GNP growth per year from present baseline projections. This is because the cut would raise total business investment by 1.3 percent per year, or 6.7 percent 1990–1995 (see table).

That in turn reflects Mr. Sinai's projection that the Kasten-Mack cut would lower the effective cost of capital, debt and equity by 4 percent a year and drive the stock market up 16 percent a year, a massive improvement in investment returns.

This would fuel a substantial 2.5 million expansion in jobs, or 500,000 new jobs a year. The result of all of this would not be a tax loss, as fraudulently argued by the Congressional Joint Committee on Taxation and others, but a substantial tax revenue increase of $30 billion to $40 billion over five years.

Since Mr. Sinai has been a harsh critic of Reaganomics, his projections are a reminder it's impossible to escape the evidence—namely, that taxing captial gains at high rates is both economically and fiscally self-defeating while cutting such rates as low as possible is not simply a "payoff to the rich."

Incidentally, because of the capital gains tax increase in 1986, for the first time in six years the share of the tax burden paid by the top 1 percent fell almost 2 percent in 1987, after soaring more than 42 percent from 1981 to 1986. Wealthy risktakers suddenly started pulling in job-creating horns and paid less.

The best proof: From 1982 to 1986 following the reduction of the capital gains rate to 20 percent in 1981, U.S. investment grew at an average annual real rate of more than 7 percent. Following the raise in capital gains taxes in 1986 to 28 percent, investment growth 1986–1989 fell by nearly 50 percent to 3.6 percent a year. From 1982 to 1986, new business formations rose 5.7 percent a year. Since 1986, they have actually fallen by about 3 percent.

A study by Federal Reserve economist Richard Kopcke in 1989 showed that raising the capital gains tax rate to 28 percent increased U.S. capital costs by 20 percent. He said, "This additional tax burden tends to increase the cost of equity financing and deter the growth of corporate enterprise."

There is no question that had Senator Mitchell not single-handedly thwarted the majority will of the Senate and the House last fall and blocked final passage of capital gains, the U.S. economy would be stronger today, the deficit would be far smaller and everyone but Democratic politicians better off.

Unfortunately, the administration has been too willing to trim its sails on this issue, cutting its original proposal from a 15 percent top rate to a 20 percent rate and raising the holding period for that best rate to three years. Precisely as they did this, the economic case for their proposal melted—so much so that both administration and Hill leaders are now considering abandoning the whole exercise unless the Democrats give up their demonic quest for raising income tax rates. Such a trade would be tragic, and lacks even a "fairness" premise.

As Sen. Bill Bradley, Democrat of New Jersey, told his colleagues in a recent letter: "Unfortunately many people believe—incorrectly—that taxpayers subject to the 33 percent rate [bubble] are being treated unfairly compared with higher income taxpayers. . . . In fact, the bubble does not reward the rich. On the contrary, it enhances the system's progressivity."

That is because the temporary 33 percent rate bubble is only a device to phase out a whole series of tax benefits to the very rich, including the personal exemption. In other words, the bubble, like so much liberal thinking, is a phoney issue.

Mr. Bush should go back to the people with the Kasten-Mack proposal, which stands on its own merits. It generates both economic growth and higher revenues and is likely the only proposal on the table that would actually cut the deficit.

Macro effects of a capital gains tax reduction

For all taxpayers, FY 1990–1995:	
Real GNP total change (percent)	+2.8
Per year (percent)	+.5
Employment total change (millions)	+2.5
Per year (million)	+.5
Business capital spending (percent)	+6.7
Per year (percent)	+1.3
Cost of capital (percent)	−18.9
Per year (percent)	−4.1
S & P 500 stock index (percent)	+112.8
Per year (percent)	+16.3
Total Federal tax revenues over 5 years (billions)	+$30–$40

Source: Dr. Allen Sinai—Sinai-Boston Model—U.S. Economy.

[From the Wall Street Journal, July 5, 1990]

WANT MORE MONEY, MR. BUSH? CUT TAXES

(By Alan Reynolds)

Those who spent the past week trying to divine the meaning of President Bush's words on taxes focused on one phrase. Early on—the first time the issue came up publicly—the president acknowledged a need for greater "tax revenues." Later, at the week's end, the president said that in his negotiations to solve the budget problem a number of things would be considered "including tax increases." The difference here between

"higher tax revenues" and "tax increases" is crucial. The important fact is that, the government's new posture notwithstanding, the two do not usually coincide.

One way to raise tax revenues, Mr. Bush's first stated goal, would be to cut the capital-gains tax. Ever since maximum tax rates on capital gains were increased by 62, after the 1986 reform, many more investors have preferred immediate interest income to possible future gains. Companies in recent years have catered to this preference by increasing their debt equity ratios through stock buybacks and leveraged buyouts. The result has been larger corporate interest deductions, and therefore smaller taxable profits.

A lower capital-gains tax would therefore raise corporate tax receipts by tilting the debt-equity decision back toward equity, while making it possible for credit-constrained small entrepreneurs to raise capital by selling stock. Interest rates would be held down by the reduced business demand for credit, as well as by the increased incentive for individuals to hold taxable bonds for capital gains, thus reducing the government's interest expense.

CAPITAL-GAINS ADVANTAGE

A lower capital-gains tax would also increase the pace at which capital gains were realized, raising revenues directly as well as through the increased economic growth arising from more efficient mobility of capital. It would bid up the value of assets subject to the capital-gains tax and thus raise the amount of taxable gain, move more ventures capital out of tax-exempt funds into the hands of taxable individuals, raise personal incentives to save and to take longer-term risks and greatly reduce the cost of the S&L bailout by raising the value of the thrifts' real estate and bonds. A lower capital-gains tax could shave tens of billions off the deficit.

As the chart shows, inflation-adjusted federal revenues have expanded at an unprecedented rate since fiscal 1983. Measured in constant 1982 dollars, tax revenues were nearly stagnant during the 1970s, hovering between $500 and $600 billion. Since 1980, real federal revenues have increased by more than one-third: Tax collections are about the same percentage of GNP as they were 10 years ago, but, thanks largely in the Reagan tax cuts, the U.S. economy is nearly one-third larger—largely because the 1980s were the years of important tax cuts.

If the government in 1960 had instead set out to increase taxes by one-third, average federal tax rates would have had to have been increased by one-third. It is hard to believe the economy could have grown at all in the 1980s under such an onerous tax increase, much less experienced, as it did, a huge increase in growth.

Even a seemingly modest increase in tax rates on incomes or sales can be self-defeating. In the short run, it can cause a recession. In the long run, it can slow economic growth. Yet the U.S. government's own budgetary accountants' revenue estimates from various increases in tax rates always assume that taxes do no damage whatsoever to the economy.

The Congressional Budget Office predicts, for example, that a one percentage point increase in the corporate tax rate would yield an extra $1.3 billion next year, on the untenable assumption that it would have no effect on corporate investment or employment. But if it really had no effect, then an extra $65 billion could be collected by simply raising the corporate tax rate to 84%. A $5 oil import fee is likewise supposed to raise $7.7 billion on the assumption that higher energy prices do no damage. If that made sense, we could raise $65 billion by imposing an oil import fee to raise prices to $60 a barrel.

Consider a less-extreme example, the $3.8 billion that is said to be available if the president and Democratic leaders opt for what is currently a popular "budget fix": Raising marginal tax rates on high-income families to 33% from 28%. This is proposed as a "trade" for a lower capital-gains tax, even though young professional couples with high salaries often have negligible capital gains, while people nearing retirement have large capital gains and small taxable incomes. Since tax reform made the average tax rate virtually the same as the marginal rate among the top-bracket taxpayers, an increase of 5 percentage points in marginal rates amounts to a brutal increase of nearly 18 percentage points in average tax rates. That increase would amount to a $10,000 added burden on a taxable income of $200,000.

To avoid that, though, affected taxpayers would hold more tax-exempt bonds and make greater use of the lower alternative minimum tax; many more salaried people would become self-employed; professionals would play more golf and retire earlier. The alleged $3.8 billion revenue increase, which assumes that people don't react to their taxes, would soon turn out to be an "unexpected" loss.

Raising the top rate to 33% could hurt the economy, and therefore the budget, in many different ways. The higher tax rate on interest income and dividends would raise interest rates and sink the stock market by reducing the demand for taxable securities. Those losses in the stock and bond markets would in turn damage the budget (through higher interest expense, lower capital-gains tax receipts, weak taxable sales and profits due to reduced wealth, etc.). The result of such a higher tax rate could easily widen the budget deficit by tens of billions of dollars for many years to come.

The alleged beneficial effect of higher tax rates on savings is another myth arising from static accounting. The whole idea assumes that higher tax rates would in fact yield higher revenues over time, that higher revenues would actually be devoted to reduced deficits and that increasing the government's revenue at the expense of the private sector would not reduce the private sector's ability or willingness to save. Not one of these assumptions is consistent with experience. Instead, the ability of private households and firms to save would be seriously undermined by higher tax rates on what people earn or buy, and the value of U.S. stocks, bonds and real estate would also be depressed by the reduction in prospective after-tax returns.

Actually, the U.S. has had some instructive expereince with trying to raise federal revenues by increasing the tax share of GNP, rather than by increasing GNP itself. The first major effort was in mid-1932, when individual income tax rates were roughly tripled. Revenues subsequently fell by 16%. The next experiment was the surtax of 1969–70. Interest rates rose sharply for many months after the higher rates were imposed, falling only as the economy was shoved into a recession that did not end until the surtax was removed.

MEASURING BY THE GNP

Then there were the unlegislated tax increases resulting from inflation and "bracket creep" in 1974–75 and 1981–82, when revenues once again declined with the contracting economy. In fact, federal tax receipts have never exceeded the current 19.6% of GNP since World War II without tipping the economy into recession. The option of attaining significant and sustained "tax revenue increases" through higher tax rates is a politician's illusion; it have never worked.

Couldn't the contractionary effect of higher tax rates be offset by an easier monetary policy? Not really. Even if higher tax rates generated more real revenue, which they do not, it makes no sense to argue that smaller deficits justify any easier monetary policy than would otherwise be appropriate. This amounts to saying that if the government sold fewer bonds, then it could safely print more money. But bonds and money are not at all the same. Higher tax rates would weaken the supply side of the economy, while an easy money policy merely stimulates spending or "demand." The result of that "policy mix" is always stagflation—witness Britain.

There is actually only one way in which real tax revenues can be significantly increased over the next decade, and that is the same way that real revenues were increased over the past decade—namely, by increases in employment, profits, capital gains and sales. That is why President Bush's proposed "growth incentives"—lower tax rates on capital gains—are not at all inconsistent with real and substainable "tax revenue increases." Higher tax rates, on the other hand, are inconsistent with growth incentive, and therefore with the preservation of the past decade's remarkable increase in real revenues.

(Mr. Reynolds is director of economic research at the Hudson Institute of Indianapolis.)

Federal tax receipts in billions of constant 1982 dollars

1969	$519.4
1970	502.0
1971	453.6
1972	474.2
1973	495.5
1974	516.6
1975	492.1
1976	488.9
1977	541.0
1978	568.0
1979	607.5
1980	611.7
1981	642.0
1982	617.8
1983	575.8
1984	616.6
1985	659.1
1986	674.2
1987	730.1
1988	751.4
1989	786.5
1990(e)	817.9

Source: 1991 U.S. budget.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The point of no quorum having been raised, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NO NEW TRANSFER TAX ON SECURITIES

Mr. MOYNIHAN. Mr. President, as the distinguished Presiding Officer and other Members of the Senate will know, at one point this morning the Dow Jones average on the New York Stock Exchange had dropped 107 points. At that point a circuit-breaker program took effect, which halts trading for a temporary period when prices drop very sharply. This trading halt helps everybody get their wind and their perspective.

However, Mr. President, there is no doubt about the alarm that was evidenced in New York this morning. Mr. Chung Lew, who is the head trader at Kleinwort, Bentsen North America, is quoted in the Associated Press wire: "There was panic, without a doubt."

Panic. The situation of that panic, sir, calls to mind the situation on Black Monday, 2½ years ago, nearing 3, when the stock market went into a sudden free-fall. Before it was over, a trillion dollars in stock values had disappeared, the sharpest 1-day decline in the history of the New York Stock Exchange, an event that sent tremors around the world, as of course it would do.

I was in New York City, and in the course of that day I learned that one of the key events affecting investor behavior on Black Monday as it came to be known—the reference was to the 1929 crash—Black Tuesday was a little noticed tax measure which had been approved the previous Wednesday night by the Committee on Ways and Means. It was a measure offered by a Representative from North Dakota which limited the amount of interest charges that could be deducted for debt used in mergers and acquisitions. I think it is fair to say, sir, there was not any likelihood that this proposal would ever become law.

I would have been a conferee on the final version of any tax legislation. The Senate conferees would not have wanted it. I am not sure the House indeed would have wanted it once they'd fully considered some of the arguments against it. It was a measure of accommodation, and yet it cost the stock market a trillion dollars, which meant it cost every pension fund, every charitable foundation, every financial institution in the country and probably most in the world.

Efforts to say it would not pass, may have had some effect; they may not have. But by the time our reassurances were making their way onto the wires, as we say, the market had lost enormous sums of money.

A commission to study the crash was appointed by the President. It was headed by our now distinguished Secretary of the Treasury, Mr. Brady. He identified two triggering events: One was the announcement of an unexpectedly high merchandise trade deficit for August 1987, and the other was the rumor that a tax measure limiting interest deductions on merger and acquisition indebtedness might be adopted in the forthcoming reconciliation bill. It never became law. It was only rumor, but it was a rumor that cost $1 trillion.

I can report from conversations today that something very similar almost happened, and still could happen. The discussions going around financial centers are that the budget summit negotiations between the Executive and the Congress include consideration of a stock transfer tax of one-half of 1 percent to be imposed on securities trading on America's exchanges. This will raise—I have heard myself a range—$7 billion the first year and $11 to $12 billion in the fifth year out. So we have something like $50 billion or so to be gotten in the 5-year package that is being considered—$50 billion. But look at what the stock markets have lost in value today alone. And one of the events that may have triggered it, Mr. President, is a very fair-minded but forceful article in this morning's Wall Street Journal, on the editorial page, by Mr. Joseph Grundfest, who was formerly a Commissioner of the Securities and Exchange Commission, now a professor at Stanford Law School. It is entitled, "The Damning Facts of a New Stocks Tax."

Mr. Grundfest makes two points.

First of all, he makes the point that this tax is, for practical purposes, as difficult to collect as a tax could be. The millions of transactions, the endless regulations, the elusive nature of many of these activities is just a nightmare from the point of view of the IRS. But he also said this should not be the primary concern because the real effect will be to send stock trading abroad rapidly: abroad to London, abroad to Tokyo. It seems like a small sum of money, a small rate of taxation. It is nothing of the sort. It is a curious fact.

Mr. Grundfest cites an article in the Financial Times of London which says, "City Sees Advantage in U.S. Levy on Volume." The Financial Times piece says "If the U.S. Administration decides to go ahead with a securities turnover tax, it will have strong support in the City of London."

And why ought they not?

The Swedes imposed such a tax, I am informed by Mr. Chris Finn of the American Stock Exchange. The Swedes did this on an options exchange in Stockholm and the exchange promptly moved to London. There are, indeed, taxes on stock transfers in other countries. Almost every country in the world which has such a tax, that is a significant trading nation, is proposing to abolish it. Only the United States proposes to add it, or is considering doing so.

The fact that we are considering this arises in the context of the President's statement that everything should be on the table. This idea is on the table.

In contrast to Professor Grundfest, Prof. Lawrence Summers of Harvard University proposes in this morning's New York Times that we indeed impose a stock turnover tax. The New York Times says yes, the Wall Street Journal, no. They are both published in New York City. Barron's this morning says there's a 50/50 chance that a securities transaction tax will pass. The stock market was down 107 points before people went to lunch.

The point Mr. Grundfest makes very carefully is that the real tax is on the people who are taking part in pension funds, in mutual funds, who depend on charitable foundations, where the real costs of transactions will be very real. It sounds like a small tax: 20 cents on a $40 share. But the stock broker's price for that transaction will be about 5 cents. In effect the cost of transactions goes up by a factor of 400 percent.

I will read the concluding paragraph of Mr. Grundfest's statement. He says:

> Perhaps the best short criticism of a transaction tax was presented to the Senate Government Affairs Committee in January 1989:
>
> A stock transfer tax has no evident justification. It could cause distortions in the financial markets and could cause many investors, particularly institutions, to shift their equity trading away from organized exchanges and to foreign countries. Who—

Mr. Grundfest asks—

> Should have analyzed the issues so succinctly and so well? Only the head of the Office of Management and Budget, Richard Darman. Need we say more?

Mr. President, I hope my remarks are heard in New York, in Chicago, and elsewhere. This tax must not pass. We ought to stop even talking about it. One certain useful outcome of our summit would be for them to issue at the earliest possible date a statement they are not going to consider this self-destructive and dangerous proposal. They are not going to take this self-destructive and dangerous act.

Mr. President, I ask unanimous consent that Mr. Grundfest's article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 23, 1990]

THE DAMNING FACTS OF A NEW STOCKS TAX

(By Joseph A. Grundfest)

A decision has apparently been made to raise revenues through new taxes. The question facing Congress and the administration now is whose ox to gore and where to gore it. Needless to say, ox-goring is never pleasant or riskless. But, if you're going to gore, you should at least do it intelligently. And there lies the rub.

Budget negotiators are reportedly toying with the idea of a securities transfer tax

that would levy a fee of up to 0.5% on sales of stocks, bonds, futures and other instruments, with the exception of Treasury securities. The hope is that this tax will raise billions, while reducing volatility in financial markets. There is only one problem with this plan. It won't work.

In the course of its failure, this tax is likely to destroy part of the U.S. financial market, enrich foreign competitors, increase the cost of capital for U.S. firms, drive down U.S. stock and bond prices, hurt small investors and increase volatility in capital markets.

Let's march through the logic. The transaction tax has strong support from the British financial services sector. London's Financial Times led its coverage of the proposal with the headline "City Sees Advantages in U.S. Levy on Volume," and explained that "if the U.S. Administration decides to go ahead with a securities turnover tax, it will have strong support in the City of London."

The British are excited about the tax because, if it is set at a high enough level, it is certain to drive billions of dollars to London. It is easy for traders to shift their activities to any market via a phone line and a fax machine. A meaningful financial transaction tax in one jurisdiction can drive business to other, lower-tax jurisdictions in the shake of an electron's tail.

The natural bureaucratic response is to write rules that would gather the tax regardless of where the relevant transaction takes place. But even bureaucrats who might be charged with this Herculean task know they would fail.

The Congressional Budget Office recognizes, for example, that the tax "would be difficcult to administer." The CBO allows that "it would be difficult for the IRS to audit these transactions, so compliance would be low." The staff of the Joint Committee on Taxation joins in the chorus, explaining cautiously that it "may prove difficult to exert jurisdiction over foreign situs transfers," and that "transactions by U.S.-owned foreign intermediaries could present significant avoidance possibilities. Broadening the base of the tax to include such intermediaries may entail modifying tax treaties."

English translation: If the government adopts this tax it won't be able to collect a big piece of it. Even an army of bureaucrats producing a mind-numbing blizzard of regulations would fail. An informal survey shows that tax lawyers have already come up with several ideas for legally avoiding the tax. One example involves setting up investment vehicles offshore. U.S. taxpayers would hold interests in these vehicles for relatively long periods of time, but the vehicles' portfolios would trade rapidly in newly designed foreign securities that would be carefully structured to mimic highly taxed U.S. stocks and bonds. To reach these transactions, American authorities would have to tax foreign entities trading foreign securities in foreign markets. Good luck.

History unfortunately demonstrates that the government has the gumption to embark on such pointless ventures. Recall the Interest Equalization Tax adopted during the Kennedy administration and the baroque set of regulations designed to prevent capital flight in connection with that tax. That ill-fated experiment created the Eurodollar market—a market that is today the backbone of Europe's financial services industry.

Better yet, compare the American plan to what's going on overseas. Britain is now eliminating its transaction tax, as are West Germany and the Netherlands. Pressure is building on French and Swiss authorities to abolish their transfer taxes. The Swedish transfer tax was recently abolished after resourceful Swedes successfully transferred much trading to London from Stockholm. The U.S. is, at the moment, the only nation in the world thinking of bucking the trend by raising transaction taxes.

But suppose the inevitable doesn't happen, and the U.S. adopts a transaction tax that raises billions of dollars and doesn't drive business offshore. Is that the end of the matter? Hardly.

To start with, it is important to understand that a 0.5% transaction tax looks "bigger" to the world's capital markets than a 0.5% sales tax looks to consumers. On a $40 share of stock, a 0.5% sales tax amounts to 20 cents per transaction. Institutions, however, pay as little as 5.3 cents per share in brokerage fees. For these investors, a 0.5% tax on a $40 transaction would almost quadruple brokerage costs. The tax is even costlier for those in foreign-exchange and other markets that are more liquid than the U.S. stock exchanges. Consider transaction costs in the government securities industry, where primary dealers can earn as little as $312 on a $1 million bond transaction. A tax of 0.5% on $1 million amounts to $5,000—16 times the primary dealer's income on the trade.

There's another way a tax on financial transactions differs from a consumer sales tax. A sales tax is paid once, at the point of consumption. In contrast, a transaction tax is like a diamond—it is forever. It is paid again and again, every time a security is traded. To adjust for this compounded transactions cost, markets are likely to reduce the current price of all financial instruments subject to the tax. The Congressional Research Service estimates that such a tax would cause at least a 9.3% drop in the value of the stock market.

It seems clear that the administration also understands the harm its proposals can do. Notice that the proposals floating around Washington all exempt federal debt securities from the tax—so that the price of Treasury securities won't fall while other prices decline. But why would we want to raise capital costs for the private sector while effectively subsidizing federal debt creation. Sauce for the goose seems not to be sauce for the gander.

DISAPPOINTING REVENUE

As for those who believe the tax will raise substantial revenue, they are likely to be disappointed. One of the axioms of tax economics is that you should try to tax behavior that won't change much in response to the imposition of the tax. Here, the government is considering a tax on one of the world's most quickly moving targets. Even absent forcing migration, the imposition of the tax will reduce the volume of trading and lower value of the instruments traded, thereby reducing the Treasury's take.

The bulk of the tax burden is likely to fall on a silent but solidly middle class group of investors whose wealth is invested in pension funds, mutual funds, insurance companies and other collective investment vehicles. It will also weigh on charitable foundations and educational institutions, which will see the value of their endowments decline and the rate of return on their assets decrease. Hard hit too will be small investors who want to buy and sell but don't have the means to make sophisticated trades offshore. This is a middle-class tax that will be paid out of middle America's pockets. The burden won't fall on Wall Street fat cats.

To be fair, I must mention that there is a theory popular among some economists that low transaction costs lead to "trend-following" trading rules that exacerbate market volatility and promote excessive speculation. In theory the transactions tax will slow this type of trading, diminish speculation and reduce volatility.

CREATING A CHOPPY MARKET

The trouble with this theory is that it is at least as speculative as the speculation it hopes to drive from the market. As the CBO has noted, "The October 1987 crash seemed to be no less severe in Japan and the United Kingdom despite the existence of [transaction taxes] in both."

The anti-volatility argument also seems to fall apart once it is cast in the real world. If traders are able to engage in portfolio insurance in foreign markets, and if international pricing mechanisms transmit that selling pressure to back to the U.S. (in larger, more discrete "chunks" designed to avoid the cumulation of transaction tax payments), then the U.S. will still experience the price effects of portfolio insurance emanating from abroad.

Indeed, because the transaction tax will have to be paid by all investors—not just trend-followers, speculators and other vermin—it could well make the markets "choppier." Investors would be loathe to trade until markets have moved far enough for or against their positions to make it worthwhile for them to bear transaction tax costs.

Perhaps the best short criticism of a transaction tax was presented to the Senate Government Affairs Committee in January 1989: "A stock transfer tax has no evident justification. It could cause distortions in the financial markets, and could cause many investors, particularly institutions, to shift their equity trading away from organized exchanges and to foreign countries." Who could have analyzed the issue so succinctly and so well? Only the head of the Office of Management and Budget, Richard Darman. Need we say more?

(Mr. Grundfest, a former commissioner of the Securities and Exchange Commission, teaches at Stanford Law School.)

TIME FOR PROGRESS ON CYPRUS

Mr. KENNEDY. Mr. President, last Friday marked the 16th anniversary of the Turkish invasion of Cyprus and the illegal occupation of the northern part of the island which continues to this day.

It is time for all sides to redouble their efforts to bring about a prompt and peaceful resolution of this crisis. Unfortunately, over the past year, the intransigence of the Turkish Cypriots has continued. They have refused to negotiate in good faith with U.N. Secretary General Javier Pérez de Cuéllar and President Vassiliou of Cyprus. They appear to be feigning interest in negotiations as part of their strategy to maintain the status quo, which is unacceptable.

In his most recent report to the Security Council, the U.N. Secretary

General described his frustration with the lack of progress toward a solution. I continue to believe that the best hope for lasting peace in Cyprus lies with the efforts of the Secretary General. I urge the Bush administration to give higher priority to supporting these efforts, and to impress upon the Government of Turkey the importance of achieving a just and expeditious settlement of this crisis.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,955th day that Terry Anderson has been held in captivity in Beirut.

I would note also some important work being done on behalf of all the hostages by the Journalists' Committee to Free Terry Anderson. The committee has begun a campaign urging the public to send notes to President Bush to remind the administration that we cannot stop caring about the hostages and that we must contiue to press for their freedom.

The message on the committee's postcards reads:

A nation that chooses not to pursue freedom for an innocent captive resigns its own freedom. Those who choose not to listen will themselves cry out and never be heard.

Indeed. The ordeal of the hostages and their families is our ordeal as a nation. We cannot rest easy until it is over.

Mr. President, I ask unanimous consent that an AP wire story describing the committee's efforts be printed in the RECORD at this point.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

POSTCARD CAMPAIGN SEEKS RELEASE OF U.S. HOSTAGES

(By Diane Duston)

WASHINGTON.—Organizers of a postcard campaign seeking the release of U.S. hostages in Lebanon are asking the public to send a new wave of cards to the White House in hopes of bringing home the remaining six American captives.

The first campaign in which 450,000 postcards were mailed to President Bush was started last year to show the administration that the public cares about the hostages and wants them released, said Anne Zickl, who is running the campaign for the Journalists' Committee to Free Terry Anderson.

Anderson, the Associated Press' chief Middle East correspondent, was taken hostage March 16, 1985. He has been held the longest of the six Americans and 10 hostages from other countries.

Zickl said White House statements about the hostages changed after the first postcard camapign began.

"From that time on, the administration has been saying what the Reagan administration never said that we will talk to anyone to bring about the release of these innocent people," she said.

"We do believe that the heightened awareness across the country helped bring about the release of (Robert) Polhill and (Frank) Reed," she said.

Reed, director of the Lebanese International School, was freed April 30 after 3 years in captivity. Polhill, assistant professor at Beirut University College, was held almost 2 years before being released April 22.

Zickl said the idea for the postcard campaign started with a journalist committee member who heard a State Department official say the American people didn't care about the hostages.

That's not true, said Zickl.

"The American people are not passive on issues of human rights if they are informed," she said. She said that once the campaign started getting publicity, she couldn't answer the telephone fast enough.

"I had people call me and say we didn't even know those people were still there," she said.

The new campaign began July 4. The postcard carries photographs of the hostages with the message:

"A nation that chooses not to pursue freedom for an innocent captive resigns its own freedom. Those who choose not to listen will themselves cry out and never be heard."

A note to Bush on the card urges him to intensify his administration's efforts to win freedom for the six U.S. hostages.

Besides Anderson, the remaining hostages and dates they were kidnapped are Thomas Sutherland, June 9, 1985; Joseph James Cicippio, Sept. 12, 1986; Edward Austin Tracy, Oct. 21, 1986; Jesse Turner and Alann Steen, both Jan. 24, 1987.

The committee includes journalists from the broadcast and newspaper industry, including network anchors and national news executives.

The postcards are being distributed by the journalists' committee at a cost of $14 for 250 cards and can be ordered by calling or writing Anne Zickl, P.O. Box 652, Batavia, N.Y. 14021, 716-343-6198.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is closed.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The PRESIDENT pro tempore. Under the order, the Senate will resume consideration of S. 2830, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bradley amendment No. 2314, to extend the current sugar program for five years and decrease the loan rate from 18 cents to 16 cents.

The PRESIDENT pro tempore. Under the order, if the Senator from Ohio will withhold, Mr. GRASSLEY is to be recognized at this time to call up an amendment.

Mr. GLENN. I yield the floor to the Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the Senator for yielding. Let me mention that Senator GRASSLEY will not be present for a few moments. In view of that, the managers of the bill would like for other business to proceed. I understand that the Senator from Ohio is prepared to do that. We would favor his proceeding.

The PRESIDENT pro tempore. Without objection and without prejudice to the Senator from Iowa [Mr. GRASSLEY] the Senate will proceed to consider the bill, during which time other Senators may be recognized.

Staff will please take seats.

The Senator from Ohio is recognized.

PRIVILEGE OF THE FLOOR

Mr. GLENN. Mr. President, I ask unanimous consent that Charlene Waggoner, an AAAS congressional science and engineering fellow assigned to my office, be granted the privileges of the floor during the Senate's consideration of S. 2830, the 1990 farm bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GLENN. Mr. President, Senator DASCHLE has an amendment that he will be prepared to offer. I am here in support of that amendment. It involves a matter I have been involved in for a number of years when agricultural legislation has been before the body.

I understand Senator DASCHLE is on the way, and until he arrives, unless there is other business, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 2325

(Purpose: To earmark a portion of the amount appropriated for the Agricultural Research Service for research that has the goal of increasing demand or utilization of farm and forest products)

Mr. DASCHLE. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, and Mr. GLENN, proposes an amendment numbered 2325.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 661, line 2, insert after "1995" the following: ", and not later than October 1, 1993, and for each fiscal year thereafter, not less than 20 percent of the amount appropriated in each such fiscal year under this subsection shall be used for research that has the goal of increasing the demand or utilization of farm or forest products, with special emphasis on the development of new nonfood uses for traditional commodities and the development of alternative farm and forest products.".

The PRESIDENT pro tempore. First of all, the Chair should state the time of this amendment is limited to 3 hours to be equally divided between the mover of the amendment and manager of the bill, that being the usual form.

However, if the manager of the bill supports the amendment, then the time in opposition thereto is controlled by the minority leader or his designee.

Does the Senator from Oklahoma [Mr. BOREN], support the amendment?

Mr. BOREN. The managers of the bill, I understand, will support the amendment on both sides of the aisle; and the distinguished acting minority leader, I presume, controls time on that side.

The PRESIDENT pro tempore. Under the rules, the usual form means that if the manager of the bill supports the amendment offered, then the minority leader or his designee controls time in opposition thereto.

Therefore, Mr. LUGAR, being the designee of Mr. DOLE, will control the time in opposition thereto.

The Senator from South Dakota, [Mr. DASCHLE].

Mr. DASCHLE. Mr. President, I yield myself such time as I may consume.

The PRESIDENT pro tempore. The Senator is recognized for such time as he may consume.

Mr. DASCHLE. Mr. President, I am very satisfied with many of the aspects of the research title. We have made tremendous improvements with regard to ground water, sustainable agriculture, global climate change, and improved financial commitment for certain aspects of research. From a financial point of view, in particular, this bill represents a significant new commitment to research, and for that I am especially pleased.

Again, as I did last week, I should cite the contribution made by the ranking minority member of the Research Subcommittee, Senator BOND, the distinguished Senator from Missouri, for his cooperation, his efforts. As chairman of the committee, I feel very pleased with much of the progress we have made.

If I have one disappointment, it is in regard to the continuing overemphasis, in my view, on the research on increasing production. We are spending 34 percent of the Agricultural Research Service budget on production, $209 million during this fiscal year. We are spending $500 million in total. That is 50 percent of the total USDA budget is for production research.

Yet, we are only spending 9 percent, some $57 million to increasing the demand or developing alternatives of agricultural products. How much sense does it make to be making that kind of a commitment, I might say $2½ billion over the next 5 years on research to increase production at the very time we are spending over $9 billion over the period of the next 5 years to decrease production?

We will be spending $9 billion on the Conservation Reserve Program over the next 5 years, to set aside 34 million acres. We are going to require 22 million acres in set-aside. That is 6.6 million acres of wheat, and 15.4 million acres of feed grains. So all total, we are setting aside almost 22 million acres of land this year to control production. Ironically or coincidently, perhaps, this is equal to the State of Indiana, or I am sure many other States of equal size.

We are setting aside that much land at the time we are spending $2½ billion to find ways to produce more. It just does not make sense. As one who has been given some responsibility for research this year, it is unacceptable as we continue to try to cope with the fact that we are dealing with fewer dollars, and as those dollars are better understood the fact that we have to spend that much on continuing production at the very time when we are trying to discourage production to the scale that this year, $500 million is being spent on production research and almost 50 million acres, are being set aside. This is unacceptable, and as part of this bill, simply cannot be tolerated.

But it is not just the gross inconsistency we are perpetuating. It is also the lack of results which disturbs me. Setting aside, for the moment, whether it is right to encourage production and require supply controlled simultaneously, which is what we are doing in the farm bill right now, the fact is that we are getting the results in production research the way we once did.

It is not like it was in the forties and fifties and sixties. Back then, through production research, the United States became the world leader in production. The USDA and land grant colleges frankly should be applauded for that. If it were not for the emphasis of production over the last 50 years, we would not be in the position we are.

But times have changed. The dollars for production research are fast reaching diminishing returns. The current corn, soybean, and wheat yields in many parts of the country, including South Dakota, are the same as they were in the late 1970's. During the past decade, the yields of major commodities have reached a plateau. We are no longer in a production-oriented research program, which resulted year after year with the same result that we had in the last 20 years. We are not resulting any longer in the dramatic increases in yield that we had back then.

It should also be noted that the private sector is spending a great deal on research for production. Last year, that figure alone was $2½ billion. That means that the private sector is spending in 1 year on production what we are going to be spending in 5 years to enhance our research for production purposes. A majority of that research will continue to be spent on production, regardless of what we do in this bill.

I said there are many ways to increase income to farmers within the budgetary confines that we have been relegated, and I understand that. Last week, the Senate adopted an amendment which would increase the storage payments to farmers, which would equalize the storage payments provided to farmers and elevators. That is one very minor way of doing it. I am absolutely convinced there is another.

This week we are going to see a number of other proposals that work within the budget to make sure that we divide up the pie more equitably. But this amendment will do it, as well.

Income in the future is no longer purely a function of volume and availability of more supply through greater production. We have to come to that realization. Incomes will increasingly be determined by the quality of the product and the demand for that product over the next few years. The greater the demand, the greater the income.

So this amendment in part is designed to do that, to create an even greater demand, and greater demand comes in part from greater consumptive research. Already, we have seen some encouraging developments in consumptive research. We have developed alternatives to road salt which are biodegradable, the market for which ought to expand dramatically in the years ahead. We have produced soybean oil as a pesticide carrier. We have developed milkweed as a lightweight clothing fiber that appears to have great market opportunities. We have heard a good discussion about biodegradable plastics, and have now produced a nontoxic ink using soybeans.

Each one means more income and reduced cost to taxpayers, because as we create greater demand, there obviously is less need to provide subsidy. The General Accounting Office has reported by doubling ethanol consump-

tion, there would be a savings in farm bill cost of up to $800 million.

So not only does this research provide savings in farm bill outlays, and increased income opportunities to farmers, but in virtually every one of these products, there is also substantial environmental benefits to be realized as well. And we really cannot tell at this point, and cannot calculate what the environmental savings may be as a part of our budgetary consideration.

But by requiring ethanol blends in merely the nine most polluted cities in the United States, we would reduce carbon monoxide by 25 percent, and toxics and ozone by at least 15 percent, not to mention providing the much-needed balance to carbon dioxide as well.

In spite of our productive research, farmers increasingly appear to be locked into growing the same commodity crops year after year. Our research system has not succeeded in developing alternatives to today's major crops.

There has not been an alternative crop developed with any success since the soybean. As a result, throughout farm country there are miles and miles of monocultures of corn, wheat, and soybeans. Instead of focusing on solving the surplus problem through research, USDA continues to focus on squeezing out an additional bushel of corn, soybeans, wheat, cotton, or rice.

It is ironic that this farm bill would emphasize flexibility when farmers in this particular year, as we consider the farm bill for the next 5 years, have even fewer crops to choose from in maximizing their marketability. Farmers in much of the country are locked into planting the same crops year after year because the research system has not provided the alternatives to choose from. Nearly 20 percent of USDA research budget is for major commodity crops. Four-tenths of 1 percent is used for developing new crops today. It is time USDA uses its research system, the same one that has focused on production research for the past 50 years, to make major advances in demand and utilization.

The priority-setting language in the research title begins that effort, but earmarking a reasonable part of the Agricultural Research Service budget to conduct demand and utilization research will ensure that this happens over the next few years.

The amendment that is currently at the desk simply provides that 20 percent be directed to demand enhancement, to utilization, and to alternative crop and product research, and it does not make that requirement until 1993.

We realize this is something we cannot do overnight. We realize that this is going to be gradual; going from 9 percent to 20 percent cannot be done tomorrow. But we also realize that unless we mandate it, unless we take a larger share of that utilization budget and do what is right, create the kind of markets that will create the income that will ultimately reduce the subsidy, we just have no prospects of realizing that in this particular bill. It no longer makes sense to me to be spending $2.5 billion in production research and $9 billion in supply control. That is what we are doing, and that is the whole essence of this legislation.

How can we turn that around? How can we be in a position of not having to pay farmers $9 billion in an effort to increase price, and, also, at the same time, create a research program that recognizes the change in priority, the change in agriculture policy that this farm bill represents in many very applaudable ways?

This will be our best opportunity to change that formula, Mr. President. If the subsidy safety net is no longer what it was, then let us do all we can to develop the markets, which is what we all subscribe to. From a cost, from an income, environmental, and research point of view, this amendment makes sense, and I am very pleased that the managers of the bill have seen fit to support the legislation, and I am hopeful the Senate will do so as well.

I yield and retain the remainder of my time.

The PRESIDENT pro tempore. Who yields time?

Mr. DASCHLE. Mr. President, I yield such time as the distinguished Senator from Ohio may consume.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. GLENN] is recognized for such time as he may require.

Mr. GLENN. Thank you, Mr. President, and I thank Senator DASCHLE.

Mr. President, I join my colleague, Senator DASCHLE, in sponsoring the amendment to earmark 20 percent of the agriculture research budget for increasing the demand or uses for farm or forest products. This research will emphasize the development of new nonfood uses for traditional commodities and the development of alternative farm and forest products.

Mr. President, before we get into more detail on this, let me back up a little bit and put this in historical perspective for our country. If we look at the United States of America and why we have catapulted ahead of most other nations around the world in our tiny little time frame in history, we would have to say education was one item. Education was not just for the kids from the castle but it was for all the young people in this country. We have not done a perfect job, but we wound up with a better educated citizenry than anywhere else in the world, at least up to now.

But in a different direction, we spent more on basic research. We tried to learn the new things first. Out of that research came inventions such as automobiles, roads, aviation, and plastics. These represent our finest examples of all of our efforts in research, that have paid off around this world. But what has done more for us and for the rest of the world is what this country has done through the years with agriculture research. It has been phenomenal. It is not only that we have the Great Plains and that we have a favorable area for producing food. A lot of places in the world have favorable areas for producing food. But what we had was a research service that improved how we produce food that was second to none in the world. It led the way.

I can give you a couple of examples, one in particular, that I think illustrates what has happened because of our research. Our farmers back home in Ohio around the area where I grew up in east central Ohio have the same land lying there today that they are farming as they did when I was a boy growing up. But what is the difference? When I was growing up there, a good corn crop was somewhere around 46, 48 bushels per acre. Now they are farming on that same land and per acre today do you know what they get out of that land? They get somewhere on average, depending on whether we have a good growing year to little less advantageous growing year, we average now somewhere from 120 and 130 bushels per acre.

Now we did not do that just because the farmers were all out there working that much harder. They are not working three times as hard as they were when I was a boy. But look at the production. Why do we have that kind of production coming off the same acreage? It is because of agriculture research.

The point I want to make is we are very good at research. When we put our minds to things in the laboratory or the fields in this country, there is no end to what we can do. And what we have done is concentrate on agriculture production, to grow more food, help furnish food for the rest of the world, not only for our people here, where we have surpluses.

Mr. President, this legislation addresses very directly that specific problem because it says that we want to channel some of this research over into utilization with emphasis on new nonfood uses for trational commodities. In other words, if you grow a bushel of corn, do you have to use it to eat? Do you have to eat whatever we can, like the sweet corn we like to get at this time of the year, or do we use it to feed the animals out there? How do we use it? Are those the only things it can be used for? We now have enthanol being produced, sometimes at too high a price to be fully competitive with gasoline and diesel fuel. And yet,

with some research, we are very confident we can do even more. Can we produce some kind of plastics out of this? I do not know. But I do know we should be doing the research in these areas.

So, Mr. President, it is with that thought in mind that I want to discuss the reasons we are offering this amendment.

I would like to congratulate Senators LEAHY and LUGAR and other members of the committee for their efforts in putting together this comprehensive bill. It does, indeed, set forth the basic food and fiber policies of our Nation for the next 5 years.

I want to especially congratulate the committee, and Senator DASCHLE in particular, the chairman of the Agriculture Research Subcommittee, the one that oversees this research effort I was just referring to.

There is a great need for new investment in agricultural research, and this bill addresses this need. First, it authorizes new funding to strengthen our competitive grants program. Second, it establishes ARCC, the Alternative Agriculture Research and Commercialization Corporation Program, which will provide competitive grants for the development of new industrial uses for agricultural and forestry commodities as well as business financing and technical assistance for the commercialization of these products. I am a cosponsor of the legislation which created ARCC.

The bill also establishes new priorities for research and extension for all research conducted by the Department of Agriculture. Among these is an enhanced emphasis on new product development.

I certainly agree that this is a priority but, Mr. President, at the same time I say it is a priority, and I agree with that priority, let me say with the past experience I and I believe members of the Agriculture Committee have had, I am not confident that the USDA's Agriculture Research Service will give this priority the consideration it deserves when it allocates its research dollars. That is the reason why I feel this amendment is necessary.

I have had personal, one-on-one conversations, over the past—I believe it is 5 years—with Secretaries of Agriculture Block and Lyng and Yeutter. And every single one of them sits there with their assistants when we discuss this particular matter and they say yes, we have to do utilization research, we really have to get into that research on new nonfood uses. That holds more promise than anything else. People and animals can only eat so much, but the other uses that might come up for some of these nonfood uses of agricultural products may well be unlimited if we just do what we are very good at, and that is do a little bit of the research on how to use these agricultural products for nonfood uses.

Utilization research, especially in the area of new nonfood uses for traditional crops such as corn and wheat and feedgrains, has been a major concern of mine for a number of years. While I certainly do commend USDA for its accomplishments in production research, I believe it is time we begin to shift the focus to utilization research. Research into new, nonfood products has remained stable over the last several years.

Mr. President, last year we spent somewhere above $600 million on agricultural research. I do not know whether you have an idea of how much of that went to nonfood uses research, but to bring it down to the bottom line the funding level of approximately $14 million out of that plus $600 million.

The picture is a little bit worse than even that because much more can be done within this service, if we look at this factor: Out of that $14 million, only about half went to research for traditional agricultural commodities of corn, wheat, and feedgrains.

That is $7 million we are talking about out of plus $600 million in the Agricultural Research Service. We are still way over lopsided, still trying to concentrate on production research that has given us these surpluses. I think it is high time, now, we started moving some of this research effort over into utilization research which holds the greatest promise, I believe, for our farmers and for a stable farming community in the future, for stable financing and for food for the whole world.

There is no reason why we should be cutting back on the planting the way we do. We are so good at increasing yields that we say we have to take acres out of production. And then what do we do at the same time?

We go out and do $200 million or so worth of production research each year to develop new methods to produce more on the acreage that is remaining in production, so next year there will probably be more surpluses, so we cut out more acreage.

By any test of logic, that has to be a crazy way to do things. You would think, with the surpluses we produce, we would have long ago have moved into researching areas that would show us how to use these commodities so it would not be a continual game of, as we say in the agriculture business, "slippage." Slippage means this. Because of whatever we predicted this year, a certain percent is taken out of production. Slippage occurs when we produce more on those acres remaining under production, so we end up with an unrealistic view of how much we are actually reducing production.

What we are saying is, we would like to see developed in this country an agricultural community where we produce everything we want to produce but we have plenty of other uses for it, quite apart from feed and from eating.

The funding level of approximately $14 million I mentioned, is seriously deficient, and I think much more can be done within the Agricultural Research Services' total budget, especially since this bill raises total budget authority for ARS to $730 million for 1991 through 1995. Mr. President, the mission of the ARS is to perform agriculture research and demonstration relating to production, utilization, marketing and distribution, home economics, nutrition, and consumer use.

In 1988 the ARS budgeted $14 million for new nonfood products research and in 1989–90 few additional dollars were budgeted for nonfood use research. But even the modest amount of $14 million currently being invested by the Department of Agriculture on new nonfood use research is not being targeted in the right direction.

As I said before, last year I met with Secretary Yeutter and ARS Administrator Dean Plowman on this issue and they provided me with detailed information that I had requested on projects being funded for new nonfood use research. I found that well over half of the $14 million expenditure is actually for research on improving production from traditional, nonfood commodities such as cotton and wool.

I believe that the department's understanding of the nonfood concept must be expanded. As far as I am concerned, new nonfood use research should focus on developing innovative nonfood production from food crops that have traditionally been used for food production. Research in this area offers the most promise for creating new and expanding markets for farm commodities.

There is potential for great gains in the development of new nonfood uses for agricultural commodities. Right now, corn starch is used, not just in producing alcohol but also in manufacturing paper products, building materials, textiles and adhesives. A component of corn starch can be used as an additive to polyethylene to create biodegradable plastics; soybean oil can be used to manufacture printer's ink. Industrial uses for corn byproducts also include application as a highway deicer, for desulfurizing coal, and improving the quality of motor fuel.

A commitment to develop these uses further will not only increase domestic demand for agricultural products, but may increase demand from overseas as well. And that is just with the little bit, comparatively small amount of nonfood uses research we have done to date.

In 1985 I introduced the Agricultural Research and Development Act along

with Senator LUGAR. Part of this legislation was incorporated in the 1985 farm bill. This legislation authorized not less than $10 million to be used to conduct a research and development program to formulate new uses for farm and forest products.

Since that time I have urged, in testimony before the Agriculture Appropriations Subcommittee and with officials at USDA, that we provide more funds for this program.

In 1988 I was successful in persuading the Senate Appropriations Committee to earmark $15 million of the ARS appropriation for nonfood uses. But unfortunately that provision was deleted in conference.

During this process I became acutely aware of the difficulty in moving ARS away from just production research that they have traditionally concentrated on. USDA officials kept telling me that new funding was not needed because the Department was already spending enough on alternative uses for agriculture commodities.

Last year, after looking at a detailed analysis of the ARS budget on utilization research for both food and nonfood, I found that the Department was spending over $50 million on utilization. However, only $14 million is related to new product research and only about half of the $14 million being used for new nonfood uses is used for development of new uses for traditional food crops such as corn, wheat and feed grains.

I would like to go over the figures for the ARS once more. Total funding for 1989 was a little over $600 million. The ARS budget includes seven program categories. Utilization research for both food and nonfood is $57 million, but only $14 million is for research into new nonfood uses and over half of this amount is for research for agricultural commodities such as cotton and wool.

I ask unanimous consent to have printed at this point in the RECORD the breakdown of the ARS budget on food and nonfood uses for 1988.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, DC, June 8, 1990.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Rural Development, Agriculture, and Related Agencies, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to a directive in Senate Report No. 101-84, accompanying Public Law 101-161, making appropriations for Rural Development, Agiculture, and Related Agencies for Fiscal Year 1990, we are enclosing a report on research regarding new nonfood uses for traditional food commodities.

A similar letter and a copy of the report are being sent to Congresswoman Smith and Senators Burdick and Cochran.

Sincerely,

CLAYTON YEUTTER,
Secretary.

Enclosure.

ARS RESEARCH ON NEW USES FOR AGRICULTURAL COMMODITIES

This report is submitted by the Agricultural Research Service (ARS), U.S. Department of Agriculture, to the U.S. Congress in response to a directive contained in Senate Report 101-84, accompanying the Rural Development, Agriculture, and Related Agencies Appropriation Act, 1990, which reads:

"New nonfood uses: The Department is directed to initiate, and make substantial progress toward, the reallocation of no less than $50,000,000 of the ARS budget to research on new nonfood uses for traditional food commodities such as wheat, corn, and soybeans, as newly appropriated and previously committed funds become available. The Committee further directs ARS to report to Congress on its progress in achieving this objective no later than April 30, 1990. This allocation should help ensure a better balance between production and utilization research as well as higher prices for farmers, expanded international trade opportunities, and smaller Federal outlays for farm programs."

ARS has a long history of commitment to agricultural product utilization and development research. In 1990, the four ARS regional utilization laboratories at Peoria, Illinois, New Orleans, Louisiana, Albany, California, and Philadelphia, Pennsylvania are celebrating their 50th anniversaries. Originally authorized by the U.S. Congress in 1938, these regional laboratories were established in 1940 with the technological mission to increase the value and stimulate the use of agricultural commodities being produced by U.S. farmers in quantities in excess of market demands at that time. Since their beginning, the laboratories have developed an impressive array of agricultural technologies and contributed significantly to the use and marketability of U.S. agricultural commodities.

Now, five decades later at a time when U.S. agriculture is again experiencing record production, high cost farm programs, and soft market demands and prices, it is fitting that the ARS utilization research capability is once more being called upon to stimulate the development of and contribute technological solutions to problems of agricultural commodity utilization and marketing.

The ARS commitment to utilization is already strong at the present time. Currently, twenty percent, or $110 million, of the total ARS program is directed to all forms of commodity conversion and delivery research. This includes more than $14 million specifically allocated to research to develop nonfood uses of agricultural commodities.

Furthermore, ARS is committed to provide increased emphasis and to refocus additional resources to product development research. The ARS strategy for achieving this objective will be to carefully combine a reallocation of existing base resources with targeted budget increases over a period of several budget cycles. Caution will be taken to minimize disruption to ongoing programs before reallocation of resources occurs. This will permit ARS to achieve the objective through a cumulative series of incremental increases during the early 1990's. The specific ARS target for the fiscal years 1990 and 1991 will be to reallocate up to $10 million into value-added and product development research from base resources at the four regional research centers, as well as the Athens, Georgia, research center. The mission of the Athens center includes research on animal and plant physiology, poultry processing, food safety and quality evaluation.

In direct response to the Congressional directive, a comprehensive and systematic research planning process has been underway in ARS since September 1989. This process has involved strategic planning, identification of specific research project and development of plans to terminate some ongoing development research and enhanced technology transfer. Agency research managers and scientists have participated fully in this planning process and specific actions to effect increased product development research are being implemented. These planning activities provide the basis for ARS to move toward the $50 million long-term objective; in fact, the planned near-term reallocation of $10 million, plus the current base of $14 million, indicates that ARS will be appropriately halfway to meeting the Congressional directive in 1990.

The new research will include transforming renewable resources such as cereal starch, vegetable oils, and dairy materials to specialty industrial nonfood products. Examples are bioplastics from corn- and wheat-starch and soybean oil printing ink. Environmental issues are being addressed and oportunities identified within market movements worldwide towards the "greening" of business, e.g., starch is used to encapsulate chemical pesticides. These new formulated products permit lower pesticide application rates and reduced groundwater pollution. Fermentation processes for manufacturing biopesticides from starch as a substrate are being developed.

ARS also will continue to respond to the changing face of the food industry. Consumer demands for natural components are increasing. Biotechnological methods for manufacturing natural flavors, colors, textures, and preservatives are being exploited. Novel functional foods to minimize dietary risk of disease are being designed.

Mr. GLENN. Mr. President, I was disappointed with this level of funding and again with the Appropriations Committee. We were successful in incorporating report language which directed the Department of Agriculture:

To initiate, and make substantial progress toward, the reallocation of no less than $50 million of the ARS budget to research on new, non-food uses for traditional food commodities such as wheat, corn and soybeans as newly appropriated and previously committed funds become available.

I received a copy of the USDA's report on research regarding new nonfood uses for traditional food commodities this past June. I ask unanimous consent to have a copy of this report also printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[Department of Agriculture, Agricultural Research Service [ARS]]

ALTERNATIVE USES FOR AGRICULTURAL COMMODITIES

BACKGROUND

Despite resilience in recovery from economic set-back, United States agriculture needs to be strengthened. There is room for improving our competitive position relative to mounting challenges from agricultural sectors in other developed countries and the developing world.

During the early 1980's a world recession, coupled with a sharp increase in the value of the dollar, resulted in agricultural commodity surpluses. Agricultural technology diffusion has led to expanded production in other countries. There is a worldwide trend toward national self-sufficiency in major food crops. Non-traditional subsidized competitors are entering the world marketplace leading to vigorous rivalry for global market share. Several countries are assiduously building up research programs as a key to sharpening their competitive positions.

The United States needs to recapture and expand its share of the world market. A solid base in agricultural research is a sure avenue to achieving this goal: it produces goods that provide for economic growth and exports.

Awareness of the need to but ress and advance the United States' competitive position in agriculture has fostered interest in the Congress and resulted in several Congressional initiatives toward that end.

ARS STRATEGY

ARS strategy is focused toward capturing markets for U.S. agricultural commodities through greater product diversification; satisfying consumer needs by means of new or modified products, in both food and nonfood product classes. The range of consumer needs in identified in market studies performed by USDA agencies and other sources of market information.

Harvested commodity conversion to diverse higher value products is thus a prime target. These novel products can be derived from conventional commodities by transforming them to value-added materials using, for example, new biotechnological methods.

There are additional opportunities for exploiting new crops, which synthesize compounds of possible strategic or commercial interest, and which can be cultivated in the United States.

A feature of ARS strategy is coupling innovative research with a system for facilitating technology transfer to the commercial sector. Such a mechanism is provided by the recent Public Law 99-502, the Federal Technology Transfer Act of 1986, already productively utilized by the ARS.

RESEARCH PROGRAM STRUCTURE

There is a tradition within the ARS of research efforts geared toward novel and diverse products. In this "utilization" research, conventional commodities such as surplus cornstarch, soybean oil, and dairy materials are transformed to novel products which are sought after, for example, by the plastics, detergent, paint, lubricants, and cosmetics industries. There are four ARS product utilization research centers: the Western, Eastern, Northern, and Southern Regional Research Laboratories located in Albany, California; Philadelphia, Pennsylvania; Peoria, Illinois; and New Orleans, Louisiana respectively. A number of other ARS laboratories are actively involved in this line of research work. In addition, there is a new crops research program. The programs are structured to utilize advanced biotechnology, chemistry, and bioprocess engineering techniques. The knowledge base created from these research efforts is available as a resource to solve problems related to developing novel, high value-added, products from agricultural commodities.

The FY 1990 ARS budget for developing novel agricultural products is $52,282,000, approximately equally divided between food and nonfood products. From this budget, new crops research work is funded to a level of $3,661,000.

FOOD PRODUCTS

The food products industry is changing rapidly. Health, convenience, novelty, and luxury demands are propelling the industry toward new opportunities. There are increasing demands for freshness, nutrition, and "natural" ingredients.

ARS research is directed toward controlling and extending shelf-life of fresh foods such as fruits, vegetables, meat, and fish. New techniques are being brought into play from modern biotechnology and molecular genetics to retard senescence in fruits and vegetables. Methods for removing cholesterol from dairy products are being devised. Through genetic manipulation of oilseed plants, profiles of fatty acids are being changed leading to reduced dietary risk for cardiovascular and cancer problems. Natural flavors, textures, colors, and preservatives are being designed, using biotechnological methods. Novel food products based on surplus non-fat dried milk are being developed. Taste, nutrition, and shelf-life are prime considerations.

NON-FOOD PRODUCTS

The product class chosen for research focus is based on product price-range and potential market volume. Large-volume, low-price bulk chemicals are excluded; the U.S. petrochemicals industry turns out these products with a cost-structure which, at present, tends to defy competition from agricultural sources. The very high priced market end (e.g. biomedical products) has little appeal because only small quantities of major agricultural commodities would be utilized.

In contrast, the intermediate price range products (greater than a dollar per pound) such as specialty chemicals appear to be an attractive category for agricultural commodity transformation. ARS has chosen such products as a focus for research work.

The commodity conversion research thrust includes both biological and chemical technology. Using these various tools, a resource base of technical know-how is being created. The projects which have been undertaken could open up large new multi-billion pound markets for cereal starch, soybean oil, and dairy materials (such as lactose and milk protein).

The ARS Northern Regional Research Center, Peoria, has developed technology for incorporating starch from corn or wheat into plastic films. This provides an agricultural mulch film that biodegrades. Other market possibilities include biodegradable trash can liners, grocery bags, and food packaging. Injection-molded articles such as beverage bottles are targets too. Substitutes for imported gums are being sought by altering starch structure biochemically to imitate gum-like characteristics.

Groundwater quality has become a nationwide concern. Starch can be mixed with pesticides to make granules which release the pesticide gradually. Pesticide losses through leaching and evaporation are diminished. The result is lower application rates for pesticides and reduced groundwater pollution.

There is increasing concern that chemical pesticides could pose health risks. Possible substitutes are biopesticides, such as fungal spores, that destroy noxious weeds. ARS research has been directed toward developing bioprocess systems for manufacturing natural pesticides from starch and other commodities. These biopesticides are expected to be future substitutes for a considerable portion of the $15 billion pesticide market worldwide.

Vegetable oils and dairy materials also offer opportunities for novel applications.

Useful soybean oil products are now being made: for example, printer's ink at present requires 300 million pounds per annum of petroleum-based oil; a soybean oil substitute would use about 25 million bushels/year of U.S. soybeans. Biochemical research is being applied to provide hydroxy acids from soybean oil and replace imports of castor oil (100 million pounds/yr.). Novel catalysts are being investigated for preparing lauric acid (for the detergents and lubricants industry) with the view of replacing coconut and palm kernel oil imports. Soybean oil is being developed as a fuel for farm tractors; also to make cosmetics, specialty lubricants, and other higher value products.

Lactose from the dairy industry is being upgraded, through fermentation systems, to health-care products. Experiments in which milk proteins are cross-linked have led to manufacture of thin, durable, and biodegradable films for packaging.

The United States annually imports natural rubber worth more than a half a billion dollars from tropical countries. To develop a U.S.-based source of natural rubber, the ARS has a collaborative research program with industry. The research thrust involves development of an industrial process in which rubber would be synthesized in a fermentation/bioreactor system based on genetically engineered microorganisms. This approach differs from that of the guayule program (see under "New Crops") in which an arid-zone crop is being developed agronomically to enhance its production of rubber latex.

There are projects for improving cotton products. Modifying the internal crystalline structure of cotton fibers has resulted in better processing and utilization characteristics. Wrinkle resistant fabrics amenable to dyeing have been made. Distinctive thermal storage properties have been built into cotton fibers using special polymers.

The conversion of hides to leather is being optimized, for example, by finding out how salts interact in the tanning process in leather manufacture. By removing grease, vegetable matter, stains, and dark fibers the quality of U.S. wool is being improved.

NEW CROPS

The United States needs less dependence on foreign sources for certain strategic and essential industrial materials. This has been a motivating force for developing new agronomic crops. USDA has screened thousands of wild plant species to find candidates for industrial materials production. The Office of Critical Agricultural Materials of the Cooperative State Research Service (CSRS) coordinates research and development of materials for industrial use. This initiative arose from the Critical Agricultural Materials Act of 1984 (PL 98-284).

Several crop species have been chosen by CSRS as candidates for commercial development: kenaf, guayule, winter rapeseed, and crambe.

Encouraged by the American Newspaper Publishers Association, a cooperative agreement has been set up between USDA and industry to promote kenaf as a fiber source for newsprint manufacture. Other uses for kenaf are being explored and appear to have potential.

The DOD and USDA have an agreement for a joint Guayule Domestic Rubber Project. This could provide a domestic source of natural rubber to satisfy 20% of DOD end-product needs. Research efforts are supplied by the ARS and State universities.

Erucic acid is needed for specialty lubricants. The practicality of developing an industrial supply of erucic acid using domestically grown winter rapeseed and crambe has been examined by the USDA and various State colleges. Under the Critical Agricultural Materials Act a market development program for lubricants, plastics, and other products has been set up by the CSRS with seven states involved.

The ARS has research efforts on other new crops as well. Meadowfoam produces long-chain fatty acids suitable for cosmetics and lubricants; the Oregon Meadowfoam Growers' Association has promoted extensive plantings and already a small amount of oil is being marketed to a cosmetics manufacturer.

The primary source at present of lauric acid for manufacturing soaps, detergents, lubricants, and related products is imported coconut and palm kernel oils. Moreover, the U.S. depends on imported castor oil for its total supply of hydroxy fatty acids: this strategic material is used in the production of plasticizers, coatings, lubricants, surfactants, and pharmaceuticals. Seed oils from species of Cuphea and Lesquerella are good candidates for a domestic production of lauric acid, and for hydroxy fatty acids respectively. Research toward agronomic development is in progress.

A species with promise is guar. The gum product is used in a variety of industries. Most of the guar is imported. There are, however, increasing plantings in Texas, Oklahoma, and Arizona. There is potential for agronomic improvement of this hardy crop.

TECHNOLOGY TRANSFER

The Federal Technology Transfer Act (Public Law 99-502) signed by President Reagan in October 1986, has provided a new avenue for the commercialization of ARS research results. The new Cooperative Research and Development Agreements differ from previous ARS research contracts and agreements by providing the cooperating industrialist/entrepreneur with a first right to exclusive licenses on patented inventions made under the agreement. ARS scientists work closely with companies to commercialize the technology arising from their research results.

The company either provides funds for specified ARS research expenses or enters into a Memorandum of Understanding which does not involve transfer of funds. ARS scientists seek opportunities for cooperative industry/ARS research and development agreements while ensuring that several conditions are met: i) consistency with the ARS research mission; ii) no conflicts of interest; iii) a fair chance has been provided to all potential cooperators interested in participating.

The ARS Office of Cooperative Interactions provides guidance and assistance. Members of the ARS National Program Staff are consulted to ensure that the collaborative project is in harmony with national program goals. The scientist/inventor, however, is essentially responsible for transferring the research work to the commercial sector.

Apart from one-to-one agreements, the ARS is permitted by P.L. 99-502 to establish consortia to enable industry to capitalize on scientific discoveries made by ARS and universities. Such a consortium has been formed in Illinois recently. Known as the Biotechnology Research and Development Corporation (BRDC) the major partners comprise six industrial companies, the State of Illinois, and ARS. Since the market interests of the shareholder companies are diverse, the research program has a broad-based charter. For example, core technologies are being developed through research on novel bioprocessing techniques, more efficient genetic engineering methods, process control sensors, and new separation systems for product recovery. These areas of work are consistent with ARS national program goals.

SUMMARY

There is need to recapture and expand the U.S. share of international commerce. A solid base in agricultural research and technology transfer is imperative to achieving this goal. ARS research is focused toward transforming conventional agricultural commodities to value-added materials using new biotechnological methods, exploiting new crops which synthesize compounds of strategic or commercial interest, and by developing new or modified food and nonfood products. Innovative research must be coupled with a system for facilitating technology transfer.

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL RESEARCH SERVICE, ARS RESEARCH ON UTILIZATION OF AGRICULTURAL COMMODITIES, SUMMARY TABLE

[In thousands of dollars]

Description	Fiscal year— 1988 estimated	1989 estimated	1990 budget
New products/process:			
Nonfood	$13,060	$12,879	$12,879
Food	10,296	9,822	9,822
Total, new products/process	23,356	22,701	22,701
Enzyme/microbial conversion:			
Nonfood	3,449	3,493	3,493
Food	1,422	1,683	1,683
Total, enzyme/microbial	4,891	5,176	5,176
Biotechnological manipulation to increase end use value:			
Nonfood	2,555	2,476	2,476
Food	7,069	7,665	7,665
Total, biotechnological manipulation	9,624	10,141	10,141
Processing/handling to increase end use value;			
Nonfood	2,671	2,770	2,770
Food	7,756	7,833	7,833
Total, process/handling	10,427	10,603	10,603
New crops	3,411	3,661	3,661
Total	51,709	52,282	52,282
Summary:			
Nonfood	25,146	25,279	25,279
Food	26,563	27,003	27,003
Total	51,709	52,282	52,282

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL RESEARCH SERVICE, ARS RESEARCH ON UTILIZATION OF AGRICULTURAL COMMODITIES, SUMMARY TABLE—Continued

[In thousands of dollars]

Description	Fiscal year— 1988 estimated	1989 estimated	1990 budget
New products/process—Nonfood	13,060	12,879	12,879
New products/process—Food	10,296	9,822	9,822
Enzyme/microbial conversion:			
Nonfood	3,449	3,493	3,493
Food	1,442	1,683	1,683
Subtotal, enzyme/microbial	4,891	5,176	5,187
Biotechnological manipulation to increase end use value	9,624	10,141	10,141
Processing/handling to increase end use value	10,427	10,603	10,603
New crops	3,411	3,661	3,661
Total	51,709	52,282	52,282

New Products/Process Nonfood

Engineering studies of triglyceride hydrolysis and restructuring in an immobilized enzyme reactor	407,436
Elimination of contaminants from greasy and scoured wool	389,945
Effect of structure of connective tissue on properties of products	514,817
Production of polyunsaturated fatty acid enriched lipids from carbohydrates by fermentation	177,911
Influence of noncollagenous component on cattlehide processing characteristics	510,433
Regulation of lipid behavior in mixtures and at phase interfaces	50,791
Property enhancement of cereal starch for expanded agricultural uses	615,591
Modifications of cereal starches, dextrins, and cycloamyloses and their derivatives for new uses	309,082
Vegetable oil as diesel fuel: fundamental properties and physical/chemical modifications	349,965
Chemical systems for soybean oil conversion to industrial products	464,864
Chemical and physical modification of starch in extruders for nonfood industrial application	448,015
Noncellulosic constituents and the fiber and processing quality of cotton	190,814
Pilot spinning laboratory evaluation of the fiber quality and processing performance of cotton	451,160
High volume instrument systems and techniques for cotton market quality measurement	333,545
Cotton fiber surface properties as related to quality	721,458
Cotton fiber quality as related to maturity and the tendency to form neps	824,149
High cotton-content core yarn fabrics with improved performance characteristics	425,045
Technique to produce quality all-cotton and cotton-rich core/wrap yarns of fine counts	598,736

New Products/Process Nonfood—Continued

Quality improvement by identification/control of fiber damage during mechanical processing	599,900
Better cotton products through improved opening/cleaning/carding technology	527,367
Structural features that maximize strength in chemically modified cotton	488,960
Dyeable durable-press resin-finished cotton fabric	339,074
Optimizing thermal properties of textiles for agricultural and consumer uses	470,001
Reactions of cotton applicable to low- or no-formaldehyde textile finishing	608,669
Improved permanent press cotton-containing fabrics	494,645
Use of cotton in nonwoven products	420,655
Processing cottonseed using aqueous ethanol to extract oil and remove gossypol and aflatoxins	763,874
Utilization of biotechnology to enhance value of agricultural commodities	333,552
Development of guayule super propagules	48,136
Total	12,878,589

Biotechnological Manipulation To Increase End Use Value Nonfood

Biotechnological systems for soybean oil conversion to industrial products	585,839
Application of recombinant DNA technology to enhance agricultural oleochemical utilization	572,663
Biochemical control of protein and starch synthesis during seed development and plant senescence	292,402
Biochemical control of oligosaccharide synthesis during soybean seed development	250,433
Plant cell transformation for consumer/processor quality improvement of vegetable crops	22,679
Physical behavior and deterioration of seed membranes	251,336
Utilization of biotechnology to enhance value of agricultural commodities	500,327
Total	2,475,679

Enzyme/Microbial Conversion Nonfood

Enzymatic and Microbial modifications of polymeric starch	398,899
Regulation and expression fungal genes for utilization of agricultural commodities	576,876
Bioreactor systems for efficient production of biocontrol agents	565,983
Utilization of plant polysaccharides by microorganisms	636,292
Cornstarch-based biodegradable molded plastics	408,790
Application of enzyme technology to enhance agricultural oleochemical utilization	281,360
Use of endogenous enzymes to obtain sugar from corn starch granules	49,623
Production of microbial polymers from sucrose-based substrates	133,540
Studies on mixed microbial cultures	441,845
Total	3,493,208

Processing/Handling To Increase End Use Value Nonfood

New technologies for cotton ginning research	392,699
Ginning and production methods to enhance fiber quality and producer income	583,296
Cotton gin system design and evaluation to maximize product quality and minimize processing costs	327,028
Cotton quality measurement and gin plant control and automation	228,233
Prevent quality losses during export of soybeans	294,535
Export quality evaluation, maintenance and improvement	169,252
Development of improved seed conditioning	226,937
Determining grading methods and end-use properties of grain for marketing	202,364
Computer-aided design and operation of grain handling and processing systems	57,782
Develop models to simulate the environment- cotton- plant-harvesting-processing interactions	138,465
Reduction of storage losses in oilseeds	149,317
Total	2,769,898

New Crops

New or alternative corps for production of critical materials and chemicals	570,702
Infrastructural evaluation of guayule as a source of natural rubber	137,490
Meadowfoam production and use for critical materials and chemicals	247,544
Germplasm maintenance, evaluation and enhancement of cuphea and other new crop species	263,663
Introduction, inventory, preservation, maintenance, evaluation and distribution of crop germplasm	119,635
Mechanism of bioregulation of synthesis of cos-polyisoprene rubber in plants	160,284
Germplasm and cultural management improvement of guayule and other new crops	445,215
Germplasm development and domestication of cuphea and other new crop species	180,685
Guayule production potential and technology for south Texas	169,057
Development of equipment and techniques for producing, harvesting and transporting kenaf	148,526
Germplasm development, environmental stresses and cultural practices for cuphea	107,550
Potential of rapeseed oil as a source of fuel for agriculture	95,257
Production practices and managing nematodes and root diseases on kenaf	148,526
Introduce, increase, evaluate, document, maintain and distribute plant germplasm	90,470
Conservation tillage practices for the great plains	55,615

New Crops—Continued

Weed management systems to improve conservation practices in corp production and range land	13,656
Development of guayule super propagules	48,136
Bioreactor production of natural rubber	214,896
Understanding water and thermal tolerance in species adapted to dryland agriculture	69,300
Kenaf	300,000
Kenaf 89 increase	75,000
Total	3,661,207

Processing/Handling To Increase End-Use Value Food

Reduction of storage losses in oilseeds	149,317
Basic rheological aspects of quality and processing	431,688
Improved tenderness and juiciness of meat	567,884
Effect of metabolic regulation of safety aspects and nutrient/antinutrient composition of meat	48,702
Physical-chemical changes in frozen CCC-owned cheddar cheese	245,503
Role in pectin structure as a determinant in fruit softening	240,543
Concentrating model liquid foods and effluents by freeze concentration; physical-chemical and eng. studies	526,542
Improve oxidative stability and flavor quality of vegetable oils	91,614
Prevent quality losses during export of soybeans	294,525
Predicting the effects of stress of handling and extended storage on potato quality	44,286
Export quality, evaluation, maintenance and improvement	169,252
Chemical, physical and microbial control monoliria and botrytis in stone fruits, grapes in marketing	47,937
Reduce phytotoxicity and physiological deterioration to nectarines, melon, citrus, grapes and sweetcorn	241,482
Reduction of senescence of whole and cut fruits, vegetables using environmental modification	77,213
Ripening and thermal sensitivity in tropical and subtropical fruits	154,671
Characterization of fresh tomato flavor	347,614
Bioreactor production of natural rubber	214,896
Determining grading methods and end-use properties of grain for marketing	101,182
Computer-aided design and operation of grain handling and processing systems	57,782
Flavor, quality and processing in catfish	60,011
Develop new or improved post-harvest practices for quality and shelf life extension	154,279
Muscadine grape processing research	40,995
Origin of off-flavors in peanuts	524,607
Etiology and control of undesirable flavors of meat, poultry and fish	696,138
Ecosystem related off-flavors in farm-raised catfish	664,523

Processing/Handling To Increase End-Use Value Food—Continued

Automated objective system for grading farmers stock and shelled peanuts	311,219
Improve flavor, texture and juiciness of processed poultry meat	246,607
Extending shelf life and reducing postharvest losses in stone fruits during maturation and senescence	249,596
Reduce losses and develop quarantine treatments for horticultural crops in domestic/export systems	378,559
Red. in losses caused by decay and external stress of sub fruits and vegs related to quarantine treatments	159,189
Critical control factors for the preservation of vegetables by fermentation or direct acidification	185,094
Biochem. basis of storage stability and text. prop. of processed prod. made from stored hort. crops	75,659
Quality changes in freeze-damaged peanuts	34,027
Total	7,833,136

Biotechnological Manipulation To Increase End-Use Value Food

Environmental control of lipid metabolism in soybeans	253,533
Effect of metabolic regulation of safety aspects and nutrient/antinutrient composition of meat	97,403
Regulation of metabolism to maintain quality and limit water loss of lightly processed vegetables	379,309
Reduce quality loss caused by effects of chilling on membranes and physiology of tomato and apples	189,432
Increasing shelf life and controlling senescence through an analysis of fruit cell wall metabolism	211,464
Induction and control of ACC synthase during tomato fruit ripening	419,636
Protein synthesis as related to tonoplast membrane-function and init. Steps of ripening in tomato fruit	140,248
Soybean oil body membrane proteins; regulation, expression, and trasfer to tobacco plants	223,325
Cellular regulation of the expression of dormant genes in cereal grains	175,075
Regulation of gene expression by ethylene	161,929
Role of pectin structure as a determinant in fruit softening	60,136
Physical behavior and deterioration of seed membranes	251,336
Biochemical control of protein and starch synthesis during seed development and plant senescence	292,402
Biochemical processes that control or influence market quality and losses from potatoes in storage	321,554
Reduce phytotoxicity and physiological deterioration to nectarines, melon, citrus, grapes and sweetcorn	241,482

Biotechnological Manipulation To Increase End-Use Value Food—Continued

Biochemical and physiological processes and phytohormal control and citrus fruit and juice quality	647,294
Wheat storage protein gene control systems	481,951
Lipid biosynthesis and metabolism in plants	360,556
Regulation of ripening and senescence in plants	466,248
Plant cell transformation for consumer/processor quality improvement of vegetable crops	128,512
Increasing U.S. winter wheat quality to allow it to be more competitive in export markets	474,198
Biotechnological approach to prevent expression of senescence pectinase/polyphenoloxidase activities	264,069
Retardation of biochemical processes of post-harvest senescence in fruits and vegetables	205,805
Molecular and biochemical regulation of wheat grain dormancy and pre-harvest sprouting	182,093
Biochemical mechanisms affecting quality and degeneration of fruit delivery storage and marketing	450,026
Biochemical and physical mechanisms regulating postharvest quality of horticultural crops	363,109
Growth physiology and quality/flavor development in peanuts	77,029
Regulatory role of lipids in developmental regulation of vegetables and fruits	145,528
Total	7,664,682

Enzyme/Microbial Conversion Food

Microbial and biochemical technology of cholesterol removal from dairy foods	569,009
Enzymatic removal of cholesterol from milk	204,233
Value added fruit and vegetable products made by enzyme processing	220,039
Production of microbial polymers from sucrose-based substrates	133,540
Vacuum infusion process to preserve fresh quality in fruit and vegetable products	136,875
Application of enzyme technology to enhance agricultural oleochemical utilization	281,360
Processing cottonseed using aqueous ethanol to extract oil and remove gossypol and aflatoxins	137,497
Total	1,682,553

New Products/Process Food

New improvements in slicing technology to maintain plant cell integrity	363,802
Prevention by microbial growth in lightly processed fruits and vegetables	406,964
Edible films for encasing cut fruit and vegetable surfaces	465,076
New processing concepts to improve marketing efficiency of fruits and vegetables	405,508
Physical-chemical changes in frozen CCC-owned cheddar cheese	245,503

New Products/Process Food—Continued

Enhanced textural properties of casein components	439,680
Coagulation/gelation phenomena of casein and other food proteins	422,268
New strategies to improve protein functionality of nonfat dry milk as a food ingredient	710,792
Mechanisms for the retention of quality of lightly processed fruits and vegetables	631,101
Optimum potato processing system—role of salient production parameters	577,917
Supercritical fluid systems for extraction and processing of agricultural products	486,707
Relationship of structure to thermal denaturation of soybean proteins	324,511
Stabilization and formulation of foods for expanded utilization of commodities in export programs	233,762
Improved oxidative stability and flavor quality of vegetable oils	366,455
Regulation of lipid behavior in mixtures and at phase interfaces	118,512
Predicting the effects of stress of handling and extended storage on potato quality	146,143
Improve flavor, texture and juciness of processed poultry meat	123,304
Reduction of senescence of whole and gut fruits, vegetables using environmental modification	98,833
Develop new or improved postharvest practices for quality and shelflife extension	30,856
Engineered foods from nonfat dry milk, vegetable proteins and other agricultural commodities	661,315
Soy protein conformation and its relationship to the physical properties of foods	369,237
Modification of soy proteins for improved functionality in foods	454,301
Improve stability of quality in aseptically packed orange and grapefruit juice products	532,383
Vacuum infusion process to preserve fresh quality in fruit and vegetable products	277,898
Edible films and coatings to sustain product freshness during storage	409,954
Quality changes in freeze-damaged peanuts	34,027
Critical control factors for the preservation of vegetables by fermentation or direct acidification	185,094
Characterization and prevention of gelation in milk concentrate	300,000
Total	9,821,903

Mr. GLENN. Mr. President, the report states:

ARS is committed to provide increased emphasis and to refocus additional resources to product development research.

The ARS strategy for achieving this objective will be to carefully combine a reallocation of existing base resources with targeted budget increases over a period of several budget cycles. Caution will be taken to minimize disruption to ongoing programs before reallocation of resources occurs. This will permit ARS to achieve the objective

through a cumulative series of incremental increase during the early 1990's. The specific ARS target for the fiscal years 1990 and 1991 will be to reallocate up to $10 million into value-added and production development research. * * *

In fact, we enhance the likelihood that the family farms will still be there decades to come as the family farm.

I believe it is time to give the ARS some direction in shaping its budget. Production research has made us the envy of the world.

There is not a nation around this world that does not envy the United States of America and what we have done with regard to agriculture.

We can outinvent, outproduce, and outresearch anyone in the world. It is time that we put this same energy into finding new uses for the abundant agricultural resources we have in this country. I urge my colleagues to join Senator DASCHLE and me in supporting a directive to the ARS to use this increased percentage of its research budget, 20 percent for utilization research.

I am particularly gratified that the floor managers of the bill have agreed that they will accept this legislation. Mr. President, I add I hope this is the minimum. I hope the Department of Agriculture takes this as the bare minimum that is to be put into these nonfood uses research programs.

I would personally like to see us go with a much higher percentage than 20 percent and then maybe increase at a certain percent per year. I would hope that the Agriculture Department, once they look into this and set their teeth into this, are going along with it so that we really can see them deciding on their own that a higher percentage of their research budget can very well be beneficially spent researching nonfood uses of our traditional agricultural commodiites.

Mr. President, if there are other people to speak, I will move in that direction. If not, I will be prepared to go to a vote, depending on the wishes of Senator DASCHLE.

Mr. DASCHLE. I yield such time as he may consume to the distinguished Senator from Oklahoma.

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. BOREN] is recognized.

Mr. BOREN. Mr. President, I thank my colleague from South Dakota and my colleague from Ohio for the outstanding remarks they have just made in explaining this amendment.

I am certainly in full sympathy with the aims of this amendment. I think it is an amendment that is needed. We do need to emphasize in our agricultural research programs the creation of new markets and new uses for agricultural products, as well as simply emphasizing production as we have done so often in the past.

This is a period of time of global change. There is a change in markets for our agricultural production. There is a change in terms of the economic mix of the agricultural sector. I think that it is wise that we move in this direction in terms of research. In the long run, it will be very, very beneficial to the farmers of this country that we explore additional uses for agricultural products, including nonfood uses for those products.

I want to commend the Senator from South Dakota, who does chair the reseearch subcommittee so ably and is a very effective member of the Agriculture Committee, a very farsighted member of the Agriculture Committee. I also want to commend my colleague from Ohio, Senator GLENN, who has long had an interest in this subject, as he has had an interest in many areas of research policy for this country. We would be in a much more competitive situation internationally, we would have a much stronger economy in this country if the ideas and the suggestions offered by the distinguished Senator from Ohio had been heeded by those making policy in this country over the last several years. So I commend both my colleagues for joining together and offering this amendment.

I have discussed this amendment with the chairman, the distinguished Senator from Vermont, Senator LEAHY, and it is fully acceptable to him. I believe that it is enthusiastically supported by a vast majority of the members of the Agriculture Committee.

Mr. President, I am pleased to join with my two colleagues in urging the adoption of this particular amendment and indicate that it has been cleared on this side of the aisle.

The PRESIDENT pro tempore. The Senator from South Dakota [Mr. DASCHLE].

Mr. DASCHLE. Mr. President, let me just thank the distinguished Senator from Oklahoma for his kind remarks, as well as his support. I am very grateful. He has been a tremendous partner in the effort to put together a comprehensive and a worthwhile piece of legislation. Obviously, his support in this amendment in particular is a very productive and helpful indication of the kind of support that we think exists in the Senate.

Let me also thank the Senator from Ohio for his comments. I do not know anyone who has fought this fight harder and longer than the distinguished Senator from Ohio. He has taken this issue up on many occasions and has made the case that he made so eloquently this afternoon on a number of occasions and I think has continually impressed the Senate as to the need in moving in this direction. Certainly given the case he made and given the fact that we must make some major changes in the way we look at research as we look to the next 5 years, this amendment deserves the support that he has indicated and he has shown.

At this time, I reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator from Indiana.

Mr. LUGAR. I yield myself as much time as I may require.

The PRESIDENT pro tempore. The Senator is recognized for such time as he may require.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from South Dakota who has offered excellent leadership in the Subcommittee on Research of the Agriculture Committee, and has produced another amendment which we believe is worthy of the Senate's attention and should be adopted this afternoon. I appreciate the explanation the Senator has given of his amendment and likewise the strong support given by the distinguished Senator from Ohio [Mr. GLENN].

I appreciate Senator GLENN's mention of collaboration with the two of us in the Glenn-Lugar effort of the 1985 farm bill, in which the amounts were sizably less than the amounts the Senator from South Dakota mentions today, but the thrust was very similar then. The distinguished Senator from Ohio, as has been pointed out by other colleagues, has offered leadership since that time and almost each year. I can recall his testimony before the Senate Committee on Agriculture on behalf of research on other uses of food products.

So it is with real pleasure on this side of the aisle that we commend the amendment and indicate our support. We look forward to watching the impact of this amendment come through the research laboratories, land grant universities and others that are working on these products in our Nation for the benefit of American citizens.

Mr. President, I know of no one else on our side of the aisle who wishes to speak on the amendment. Therefore, I yield back all time on our side.

Mr. DASCHLE. Mr. President, I see no request for time on this side. I yield back the remainder of my time, again reiterating my sincere thanks to the managers for their cooperation and support of the legislation.

The PRESIDENT pro tempore. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment (No. 2325) was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I ask unanimous consent that I might proceed as if in morning business for 3 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

The Senator from Oklahoma will be recognized for 3 minutes as in morning business.

EXPORT ENHANCEMENT PROGRAM

Mr. BOREN. Mr. President, I rise this afternoon to bring to the attention of my colleagues a very serious matter. In the last few weeks, we have had a very steep decline in the price of wheat in this country, and I am convinced that part of the reason why we have had such a decline is that we have not been using the Export Enhancement Program as aggressively as we should have been using it.

Wheat prices in my home State of Oklahoma are $1 per bushel less than they were 1 year ago. More recently, Kansas City futures have declined 17 percent just since the first week in May. The reason for much of the current price erosion is the lack of export sales. The sales under the Export Enhancement Program have fallen dramatically since the first of the year.

During the first quarter of this year, the United States sold nearly 5 million metric tons of wheat under the Export Enhancement Program. But second quarter sales had fallen to just about half the level of the first quarter, to less than 2.7 million metric tons. So we have had very much of a curtailment in the use of the Export Enhancement Program, and that curtailment has been going on at the very same time that we have had a very severe erosion of per bushel prices for wheat.

Even more disturbing is the fact that our competitors have made very large export sales during just the last few weeks. Trade sources indicate that 70 to 80 percent of the Soviet and Chinese purchases through mid-October have already been booked primarily by the European Community and the Canadians.

I think immediate steps must be taken to capture exports for shipment through the last half of 1990. The low price of U.S. wheat will not only cause farm income to decline, it will dramatically increase program costs as well if we do not do something about it. During this age of budgetary constraints and budgetary difficulties, the U.S. Department of Agriculture can ill-afford to cause income support costs to increase without failing to aggressively utilize the Export Enhancement Program to expand exports and support prices.

This is a very critical period of time. This is a time of the year in which major sales are made. Our competitors are out there, obviously, as we look at what has happened with Soviet sales and with Chinese sales. We need to be out there in the market.

We have at least $300 million still available to us in terms of the Export Enhancement Program for this year. That is money that can be used. That is money that will help get farm incomes up. That is money that will help save the taxpayers' money in terms of keeping the cost of the farm program down because as market prices go down, the cost of the support program is going up. These are markets that we should not lose. These are sales that we should not be losing.

As many of my colleagues on my committee know and other colleagues in the Senate understand, the European Community, in particular, has a program which has been outspending our Export Enhancement Program sometimes as much as 10 to 1. They have been known to subsidize wheat sales in the neighborhood of $6 to $9 a bushel in order to steal sales away from the United States.

The GATT negotiations are going on right now. It is one of the reasons why I think it is very important that we work in a bipartisan fashion to enable ourselves to get a farm bill passed as soon as possible to strengthen the hand of those now negotiating in Geneva. But in the meantime, let us not allow wheat prices to erode further. Let us use the tools at hand.

I urge the Secretary of Agriculture and the Department to act right away to make full use of the Export Enhancement Program that is in effect available to them at this moment in order to regain our market share. Let us not have another quarter of declining use of the Export Enhancement Program while our market prices for wheat continue to fall.

I thank the Chair.

I suggest the absence of a quorum.

Mr. METZENBAUM addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oklahoma withhold his suggestion?

Mr. BOREN. Mr. President, I withhold my suggestion.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I ask unanimous consent to proceed at this time as if in morning business for a period not to exceed 15 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Ohio [Mr. METZENBAUM] is recognized for not exceeding 15 minutes.

CIVIL RIGHTS ACT FOLLOWUP

Mr. METZENBAUM. Mr. President, I rise to call attention of my colleagues to an article that appeared on the front page of last Friday's New York Times regarding the Civil Rights Act of 1990. The article presents a clear, accurate summary of the issues surrounding the definition of "business necessity" that were the subject of intensive negotiations between the sponsors of the bill and the administration.

I ask unanimous consent that a copy of the article be printed in the RECORD at the conclusion of my statement.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METZENBAUM. I thank the Chair.

During the debate last week on the Civil Rights Act, there was a great deal of discussion about the possibility of reaching an accord with the White House. A number of Senators on the other side of the aisle claimed that a deal in fact had been agreed to but that Senator KENNEDY, the bill's chief sponsor, had reneged on the deal. I believe the New York Times article sets the record straight.

The article points out that it was the business community that prevented the White House from reaching agreement on the bill.

The article cites a memorandum from the executive director of the Labor Policy Association, a business lobbying group that took credit for scuttling an agreement in principle between Senator KENNEDY and the White House. The article states that a coordinated effort by the Labor Policy Association, the U.S. Chamber of Commerce, and the National Association of Manufacturers prevented a final agreement by the administration.

There you have it, Mr. President. The White House, not Senator KENNEDY, reneged on the deal. The Bush administration, regrettably, bowed to the political pressure of the business lobbyists and then sought to blame Senator KENNEDY.

Part of this coordinated business effort was to scare people into thinking that this bill would somehow mandate hiring and promotion quotas. All this talk about quotas has become a political game. But the red herring of the quotas should not divert attention from the fact that the White House gave in to the business lobbyists, who have made an all-out effort to kill the civil rights bill.

The Civil Rights Act of 1990 does not require quotas. The bill's language is absolutely clear on this point. The bill expressly restores the Griggs decision, which had been the law of the land from 1971 to 1989. No employer was required to adopt quotas because of the Griggs decision and no employ-

er will be required to do so by restoring Griggs and overturning the Wards Cove decision.

The act expressly provides that nothing in the act "shall be construed to require an employer to adopt a hiring or promotion quota."

Throughout the debate, we made a good-faith effort to address the legitimate concerns of Senators. Regarding the critical definition of "business necessity," we made a series of changes to alleviate concerns that we were placing too onerous a burden on employers.

We started out requiring that an otherwise discriminatory practice must be justified as "essential to effective job performance."

In response to Senator DANFORTH'S concerns, we reduced the burden to "bears a substantial and demonstrable relationship to effective job performance." Finally, we accepted the suggestion that there should be one standard for selection practices, such as hiring and promotion and another standard for practices unrelated to selection, such as layoffs resulting from a plant closing or a bankruptcy.

As enacted by the Senate, the bill allows employers to justify otherwise discriminatory practices by showing that those practices bear a significant relationship to successful job performance or to a significant business objective. That is a tough, but reasonable standard. In particular, the bill provides that for selection practices, the employer must show a significant relationship to successful job performance. For nonselection practices, the employer must show a significant relationship to a significant business objective.

This of course is not what the business community wants. They want a standard so weak that it amounts to the continuation of Wards Cove. But this bill is about overturning Wards Cove. If President Bush is serious about favoring civil rights, he should be ready to sign a bill that overturns Wards Cove. That is the bill Congress will give him.

We also made other changes. We added language to ensure protection of due process rights under the Wilks decision. We gave assurances to our colleagues that a cap on punitive damages—not to exceed the greater of $150,000 or the amount of compensatory damages including back pay—would be included in the bill. We also guaranteed that Senator PRYOR'S amendment would be included in the final bill to clarify that a mere statistical imbalance in the work force is not sufficient to create a prima facie case of disparate impact discrimination.

Mr. President, these changes are significant and they all favor employers. Yet the Republicans objected when we tried to add some of these provisions to the bill. I am confident that most Members of the Senate supported these changes.

As a matter of fact, I heard the distinguished Senator from Oklahoma [Mr. BOREN] trying to explain how the cap with respect to damages was reasonable, was the right approach, and how he and others on this side of the aisle, some on that side of the aisle as well, wanted to put these limiting provisions into the bill that Senator KENNEDY and I and others who were supporting the civil rights bill were prepared to accept but the Republicans would not permit us to do so.

What happened was that the Republicans used procedural tactics to block our ability to improve the bill, and to make improvements that were more important to the employer community than to the worker community.

Frankly, using procedural tactics to keep the sponsors from improving the bill in the direction of the opponents of the language is not the way to legislate if you are truly interested in having a civil rights bill.

Because of those tactics, there is a legitimate question whether the Republicans want a civil rights bill. President Bush still threatens to veto the legislation. Unfortunately he is receiving bad advice. Regrettably he is listening to the business lobbyists who want to kill this bill.

I urge him, instead, to listen to the women and minority workers in this country. Listen to the vast majority of Americans in this country. They need the Civil Rights Act of 1990 to restore fair treatment and equal opportunity in the workplace.

In the next few weeks, President Bush will face a moment of truth. He will have to choose between the naysaying corporate lobbyists, and millions of women and minority workers who are looking to him for support. He will have to decide if there will be a civil rights bill in 1990 protecting the minorities and women in this country. He will have to determine whether he wants to follow in the footsteps of Ronald Reagan, who was the first President in my memory to veto a civil rights bill. I am hopeful that President Bush will do the right thing, by signing the Civil Rights Act of 1990 into law.

Finally, Mr. President, I call your attention to this morning's New York Times, which contains an editorial that completely supports the position that the Civil Rights Act of 1990 has nothing to do with quotas. I ask unanimous consent that a copy of that editorial, entitled "A Red Herring in Black and White," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 23, 1990]

A RED HERRING IN BLACK AND WHITE

Calling the proposed Civil Rights Act of 1990 a "quota bill," as President Bush does, doesn't make it so. It may confuse some citizens and allow the Bush Administration to fool itself.

Scare words about quotas didn't fool the Senate, which passed the bill last week by a vote of nearly two-thirds. They won't fool the House as it takes up this needed legislation. Nor will they fool minorities that have a chance to regain rights in Congress that they have lost in the courts.

The provisions the President professes to be horrified by would only restore the nation's job discrimination law as it was applied from 1971 to 1989. That's hard to do precisely, but the bill comes close.

In the 1971 Griggs case a unanimous Supreme Court held that if a plaintiff could show that an employer disproportionately screened out blacks, the employer must show that its job policy was "significantly related to successful job performance." That was a fair, legally familiar assignment of burden to the party best equipped to provide the crucial evidence. But last year in the Wards Cove case, a 5-to-4 majority overruled Griggs and placed new, heavy burdens on civil rights plaintiffs.

The new bill would make clear that Congress thinks the Court, interpreting the 1964 Civil Rights Act in both cases, got it right the first time. It would require companies to show "a significant relationship to successful performance on the job."

The quota charge is a red herring, part speculation and part fabrication. The Administration speculates that companies will be driven to adopt reverse-discriminatory quotas to avoid the law's intolerable burden of proof.

The best evidence of that danger would be that from 1971 to 1989, many employers in fact adopted quotas. But the Administration cites no such evidence. It only complains that the Senate rejected Administration language—language the bill's supporters said resembled the Wards Cove decision more than the Griggs decision.

More seriously, Attorney General Dick Thornburgh claims that the bill permits lawsuits based solely on a statistical imbalance between the makeup of the employer's work force and that of the community. That's false. The bill requires a plaintiff to prove that a specific employment practice or group of practices results in a disparate impact by race, religion, sex or national origin. Only then does the burden shift to the employer to justify the challenged practice or practices.

President Bush enjoys remarkable support among black Americans compared with the chill inspired by President Reagan. But he risks that standing with his loose talk of quotas. On examination, calling this a "quota bill" does this remedial legislation a profound injustice. Mr. Bush needs to make that examination.

Mr. METZENBAUM. Mr. President, I yield the floor.

I want to publicly extend my appreciation to the managers of the bill for permitting the Senate to go into morning business for the purpose of making these remarks. I am very grateful to both of them.

EXHIBIT 1

WORK IS RENEWED FOR ACCORD ON CIVIL RIGHTS BILL—RIGHTS SUPPORTERS SEEK COMPROMISE TO AVERT A VETO

(By Steven A. Holmes)

WASHINGTON, July 19.—Supporters of a major bill to prevent job discrimination, approved by the Senate Wednesday night, said today that they would work with the White House to avert a veto.

But both sides were equally firm in suggesting that there was only limited room for compromise. At the heart of the dispute is the Bush Administration's argument that the measure in its current form would force businesses to adopt quotas to protect themselves from lawsuits that allege discrimination in the hiring and promotion of minority members, women and members of religious groups.

ALL DEMOCRATS BACKED BILL

The Senate passed the legislation by a vote of 65 to 34 in a victory that was important but far from conclusive because it left the bill's supporters two votes short of the margin needed to override a veto. All the Senate's 55 Democrats voted in favor of the bill, joined by 10 Republicans. One Senator, William L. Armstrong, a Colorado Republican, was absent and did not vote.

"We'll continue to consider any proposals from the President," said Senator Edward M. Kennedy, Democrat of Massachusetts, the chief sponsor. "But we're not going to sacrifice the essential principles of this legislation."

QUAYLE ASSAILS LEGISLATION

Vice President Dan Quayle used strong language to denounce the legislation today, saying, "The Administration is not going to have a quota bill crammed down its throat disguised as a civil rights bill." But the White House used noticeably milder language, saying President Bush still hoped to avoid a veto.

"We'll work to change it in the House," said Marlin Fitzwater, the White House spokesman, as he traveled today with Mr. Bush in Anaheim, Calif. "We still want a bill we can sign."

The bill moves to the House where approval by the House Judiciary Committee is expected, possibly next week. Speaker Thomas S. Foley said today that he doubted that the measure would be considered by the full House before the summer recess, which is scheduled to begin on Aug. 6. Passage by the House appears certain.

The White House hopes to avert a veto, in part because passage of the bill has been a top priority of civil rights groups and Mr. Bush has sought to reach out to minority voters. White House officials fear that a veto would be a severe setback to Mr. Bush's efforts to win black support, which have paid off in poll ratings that show the President with an extraordinary level of popularity among blacks, for a Republican President.

The bill, which has the backing of civil rights groups, women's organizations, unions and major Jewish organizations, seeks to reverse six decisions by the Supreme Court in recent years that advocates for civil rights and women's groups say greatly weakened Federal anti-job discrimination efforts. It would also increase the potential awards that juries could grant to plaintiffs who proved willful discrimination.

COOPERATION PROMISED

The chairman of the House Judiciary Committee, Jack Brooks, a Texas Democrat, said today that he believed there were enough votes in the House to pass the bill without any alterations even if the Administration was "still screaming about quotas."

But other Democrats said they were willing to work to reach an accommodation with the White House.

"We're going to discuss the one or two items that might make them feel a little better," said Representative Don Edwards, a California Democrat.

Participants in the negotiations say the differences between the Administration and the bill's backers were slight. Indeed, on the critical issue of the standard of proof that businesses must meet to successfully defend themselves in certain types of large-scale discrimination lawsuits, the differences come down to a few words. However, both sides are looking ahead to how these words will be interpreted by the Federal courts.

These types of lawsuits involve allegations that a concern's policies have the effect, though unintended, of excluding individuals on the basis of their race, sex, color, religion or national origin.

Plaintiffs would have grounds for bringing these suits if they could show a gap between the number of minorities or women who are actually working for the company and the number of minority and female applicants who are qualified to perform the job. Plaintiffs would also have to identify the policies that produced the disparity. For example, a height requirement that could bar many women, or a requirement for a high school diploma that excluded black applicants.

Under Mr. Kennedy's bill, companies could defend themselves against these charges by demonstrating that the practice or policies that caused the exclusion were needed to do business.

The argument continues to be over the standard of proof companies would have to meet to show the practice was necessary to do business. The higher the standard of proof that businesses have to meet, the more advantage the plaintiffs would have. Administration officials say that high standards of proof would cause companies to adopt quotas to bring their work force in line with the demographics of the local community.

Last week, Mr. Kennedy and the White House chief of staff, John H. Sununu, agreed in principle to a two-part definition of business necessity. But, the White House wanted language saying that business necessity "in the case of employment practices primarily intended to measure job performance" must "bear a significant relationship to successful performance of the job." This, experts in the field agree, is a rather tough standard for businesses to prove.

For all other employment policies, business necessity would be defined as having "a significant relationship to a significant business objective of the employer." This is a markedly less stringent standard, experts say.

Civil rights advocates objected to the use of the words "primarily intended to," asserting that by definition these cases have nothing to do with intent. More importantly, civil rights groups wanted the bill to specifically say policies like hiring, promotion, recruitment and job assignments are included in the definition with the higher standard of proof. The White House refused.

While the differences between the two sides seem slight, the Administration was under intense pressure from conservatives and business lobbyist not to agree to the deal.

Last week, the two sides reached their agreement in principle on the two-part definition. But the Labor Policy Association Inc. a research and lobbying organization, took credit for scuttling the deal. In a memorandum to his board of directors, Jeffrey C. McGuiness, the organization's executive director, said a coordinated effort on the part of his group, the United States Chamber of Commerce, the National Association of Manufacturers and other business groups had brought pressure on the White House and prevented a final agreement.

Mr. McGuiness memo also cited business's distrust of Mr. Sununu's efforts. "For Republicans, the negotiations have become something of a death watch, wondering when and if Sununu will cave," the memo said.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

Mr. BAUCUS. Mr. President, I ask unanimous consent that I might offer an amendment at this point.

The PRESIDENT pro tempore. What is the Senator's request?

Mr. BAUCUS. I ask unanimous consent that I might be recognized for the purpose of offering an amendment to the underlying bill.

The PRESIDENT pro tempore. The Senator's name is not on the list with an amendment. Is he asking unanimous consent, notwithstanding that fact, that he be recognized to offer an amendment?

Mr. BAUCUS. The Chair is correct.

The PRESIDENT pro tempore. Is there objection to the Senator's request?

Hearing no objection, it is so ordered. The Senator may proceed to call up his amendment.

Mr. BAUCUS. Mr. President, I rise to offer an amendment to make wood products eligible for all agricultural export programs.

The forest products industry is critical to my State and it is critical to many other States. It is the largest industry in Montana and Oregon, and the second largest in Washington and Idaho.

Increasingly, the thousands of workers employed by the forest products industry depend upon exports. For example, currently, about 16 percent of U.S. wood products are exported.

Unfortunately, a disturbingly high percentge of those exports have been

raw, unprocessed logs instead of finished products. For example, until recently, about 70 percent of the United States forest product exports to Japan—the largest export market—were unprocessed. They were not linerboard, or paper, or fiberboard, but unprocessed raw logs.

This is a pattern that must change. Every time we export a shipment of raw logs, we export jobs right along with them. Instead, we must strive to keep the logs and the jobs in America.

In the last year, I have worked with other timber State Congressmen to shift U.S. forest product exports from logs to processed products, and we have had some major successes.

For example, our country recently reached a major trade agreement with Japan to remove many Japanese barriers to processed forest product exports. The industry predicts that this agreement will eventually increase American processed forest product exports by $1 billion annually and create 10,000 to 20,000 new jobs.

The Senate has also passed legislation to ban the export of logs from public land. Assuming this measure can be successfully agreed to with the House, it will shift forest product exports from logs to finished products and increase employment in the forest products industry.

But this goal, this shift from raw logs to processed forest products, does not seem to be shared by all parts of the U.S. Government. While we have worked to increase processed forest product exports, certain executive branch agencies, such as the Treasury Department and the Office of Management and Budget, have systematically excluded forest products from agricultural export programs—particularly export credit guarantee programs.

These agencies argue that forest products should be treated as manufactured products, not agricultural products, and as such should not have full access to agricultural export credit guarantee programs.

They take this position even though it directly contradicts the definitions of agricultural products established in the 1988 Trade Act. In addition, the intent of Congress as expressed in report language is clearly to include forest products in all agricultural export programs.

Further, there is a long precedent for treating forest products as agricultural products, not manufactured products. For example, in the ongoing negotiations on agriculture in the GATT talks the U.S. Government has taken the position that forest products should be treated as agricultural products.

Yet, these executive branch agencies have chosen to ignore these extensive precedents and instead cite guidelines for extending export credit established under the OECD. These guidelines hold that export financing for manufactured products should be extended for no longer than 2 years.

But there is nothing in these guidelines to define the term "manufactured products" to include forest products. Further, these guidelines are not binding and certainly would not take precedence over American law.

Obviously, this is just another example of certain executive agencies being pennywise and pound foolish.

As many representatives of the forest product industry testified before the Agriculture Committee, access to export credit guarantees is critical if U.S. forest product exports are to break into new markets. Even Foreign Agricultural Service officials have conceded that export credit financing is critical in making arrangements to sell processed forest products to developing countries.

By denying processed forest products access to export credit financing, these executive branch agencies are costing the United States hundreds of millions of dollars in exports and thousands of jobs.

To reverse this shameful situation, I am today offering an amendment to direct the executive branch to grant forest products access to all export credit programs. The amendment has two sections.

The first section defines the term "wood products" to include a full range of processed forest products. This definition is drawn directly from the 1988 Trade Act. The farm bill already defines wood products as agricultural products.

The second section mandates that all export credit guarantee programs—including both GSM 102 and 103—both be extended to forest products on terms no less favorable than those extended to other agricultural commodities. This provision should make it clear once and for all that forest products are eligble for both GSM 102 and 103.

At a time when the United States has undertaken a policy of expanding processed forest product exports, we must ensure that the left hand and the right hand work together.

Thousands of jobs in the forest product industry are now jeopardized by environmental concerns. If we are to keep those workers working, we must be ready to use all tools that are available, including all agricultural export programs.

I hope this amendment permanently puts to rest the issue of whether or not forest products are to have access to export credit guarantee programs.

AMENDMENT NO. 2326

(Purpose: To clarify provisions of the Agricultural Trade Act of 1978 affecting wood and processed wood products)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 2326.

Mr. BAUCUS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 429, between lines 2 and 3, insert the following paragraph:

"(6) WOOD AND PROCESSED WOOD PRODUCTS.—The term 'wood and processed wood products' includes logs, lumber (such as boards, timber, millwork, molding, flooring, and siding), veneer, panel products (such as plywood, particle board, and fiberboard), utility and telephone poles, other poles and posts, railroad ties, wood pulp, and wood chips.".

On page 445, between lines 19 and 20, insert the following new subsection:

"(n) CONDITIONS FOR WOOD AND PROCESSED WOOD PRODUCTS.—The Secretary shall make guarantees available under subsections (a) and (b) for wood and processed wood products under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to other agricultural commodities under such subsections.".

Mr. BAUCUS. Mr. President, I have described the amendment. I understand the amendment has been agreed to by the managers of the bill, both on the majority and minority sides, and at the conclusion of their remarks, if any, I ask that the amendment be adopted.

Mr. BOREN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BOREN. Mr. President, the staff on this side of the aisle and the chairman, Senator LEAHY, are aware of this amendment. We have had an opportunity to study it, and there is absolutely no objection to the adoption of this amendment from this side of the aisle.

I commend the Senator from Montana for his continued interest and attention to the needs of the forest product industry in this country. No one has fought harder than he for those that are employed in this industry, and no one has worked harder than he has to assure that the continued vitality of this industry will make a very strong contribution to the economy of our country.

Time and time again, in trade negotiations and in other circumstances, we have heard from the Senator from Montana on these kinds of issues. He has effectively presented the case of those who are employed in this great

industry. He has effectively taught the rest of us about the importance of this industry to the total economy of the country, to our balance of trade, and he has sensitized the need for fair trade practices in this area.

The offering of this amendment is just a continuation of a longstanding effort on his part. I commend him for it. The Senator has been sound and solid on the points he has made, and we are happy to endorse this amendment on this side of the aisle.

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. The Senator from Indiana.

Mr. LUGAR. This amendment emphasizes that wood products should be an integral part of our foreign aid and commercial export programs. It is in fact a very clear statement of the intent which Congress first established in the 1988 trade bill.

Wood products should be an important part of our foreign aid and trade efforts. This amendment makes that clear. I am pleased to accept it on our side.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2326) was agreed to.

Mr. BAUCUS. Mr. President, I move to reconsider the vote.

Mr. BOREN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that an amendment might be eligible for consideration that is not on the list before the Chair.

The PRESIDENT pro tempore. Would the Senator repeat his request?

Mr. LUGAR. Yes. I will further clarify that the amendment is an amendment that the distinguished chairman of the committee, Senator LEAHY, has crafted and has asked me in his absence to offer dealing with options for debt forgiveness.

The PRESIDENT pro tempore. The Chair does not see on the list an amendment by Mr. LEAHY.

Mr. LUGAR. The Chair is correct. The amendment is an additional amendment that Senator LEAHY has crafted to be part of the consideration of the farm bill. At this point it seemed useful to offer the amendment and take action on it, if there would be unanimous consent for that procedure.

The PRESIDENT pro tempore. Is there objection to the request?

Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair.

AMENDMENT NO. 2327

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. LEAHY (for himself and Mr. LUGAR), proposes an amendment numbered 2327.

Mr. LUGAR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 415, (section 403(b))—
(a) line 12 strike "or".
(b) line 16 strike the period and insert "; or"; and
(c) between lines 16 and 17 insert:
"(4) if such an agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long term economic development.".

Mr. LUGAR. Mr. President, the distinguished chairman of the Agriculture Committee, Senator LEAHY, offers the amendment which I am delighted to cosponsor.

This amendment adds to the conditions under which the President may provide debt forgiveness for countries in debt to the Commodity Credit Corporation. In general, the existing provision allows debt forgiveness for those countries which have formal agreements for economic reform with major international financial institutions.

The amendment before the Senate says:

If such formal agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic market-oriented development, and long term economic development.

The amendment would add to the President's flexibility and ability to respond to debt forgiveness requests thus encouraging the kind of free-market orientation that is badly needed in many developing countries. The amendment is a very positive addition to the bill.

Mr. President, I ask unanimous consent that I be added as a cosponsor with this legislation.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I commend the amendment for adoption and yield to my distinguished colleague.

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. President, the amendment just offered by the distinguished ranking minority member of the committee is enthusiastically supported on this side of the aisle. It has been offered on behalf of the chairman as well as on behalf of Senator LUGAR. It is sound policy. I ask unanimous consent that I might also be added as a cosponsor of the amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BOREN. Mr. President, as I say there is no objection on this side of the aisle. It is strongly supported.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 2327) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I ask unanimous consent I be permitted to offer an amendment on behalf of the Senator from New York [Mr. MOYNIHAN] in spite of the fact that no amendment by the Senator MOYNIHAN in included in the list of those amendments previously cleared under the unanimous-consent agreement for action at this time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oklahoma is recognized for that purpose.

AMENDMENT NO. 2328

(Purpose: To require the Secretary of Agriculture to conduct a study of the New York-New Jersey Highlands)

Mr. BOREN. Mr. President, on behalf of Senator MOYNIHAN the distinguished Senator from New York, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. MOYNIHAN, proposes an amendment numbered 2328.

Mr. BOREN Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 857, between lines 20 and 21, insert the following new chapter:

CHAPTER 6—NEW YORK-NEW JERSEY HIGHLANDS

SEC. 1545. STUDY CONCERNING NEW YORK-NEW JERSEY HIGHLANDS.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the region known as the "New York-New Jersey Highlands", located in New York, New Jersey, and Pennsylvania, including the Sterling Forest in Orange County, New York (here-

inafter referred to in this section as the "region").

(b) SCOPE OF STUDY.—The study authorized under subsection (a) (hereinafter referred to in this section as the "study") shall include an identification and assessment of—

(1) the physiographic boundaries of the region referred to in subsection (a);

(2) forest resources of the region, including timber and other forest products, fish and wildlife, lakes and rivers, and recreation;

(3) historical land ownership patterns in the region and projected future land ownership, management, and use, including future recreational demands and deficits and the potential economic benefits of recreation to the region;

(4) the likely impacts of changes in land and resource ownership, management, and use on traditional land use patterns in the region, including economic stability and employment, public use of private lands, natural integrity, and local culture and quality of life;

(5) alternative conservation strategies to protect the long-term integrity and traditional uses of lands within the region; and

(6) the impact of forest land conversion to alternative uses on the surrounding area and any threats that this may pose.

(c) ALTERNATIVE CONSERVATION STRATEGIES.—The alternative conservation strategies referred to in subsection (b)(5) shall include a consideration of—

(1) sustained flow of renewable resources in a combination that will meet the present and future needs of society;

(2) public access for recreation;

(3) protection of fish and wildlife habitat;

(4) preservation of biological diversity and critical natural areas; and

(5) new local, State, or Federal designations.

(d) PUBLIC PARTICIPATION.—In conducting the study, the Secretary shall provide an opportunity for public participation.

(e) TIME LIMIT.—The study shall be complete not later than 12 months after the date on which funds are appropriated under subsection (f).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $250,000 to carry out this section.

Mr. MOYNIHAN. Mr. President, I offer this amendment to authorize a study of the New York-New Jersey Highlands area, including Sterling Forest, which is located less than 40 miles from New York City. This study is important to understand the value of this natural resources and the impact of alternative land use decisions.

Sterling Forest is 21,000 acres of wooded ridges, lakes, and wetlands in New York's Orange County and New Jersey. The study would identify and evaluate the natural, recreational, scenic, and cultural resources of undeveloped areas in the New York-New Jersey Highlands region and would predict what the impact of residential, commerical, and industrial development would be on those resources and on nearby communities.

As one of the last remaining large tracts of undeveloped land in the New York metropolitan area, Sterling Forest is a valuable natural resource. This study will simply permit us to make informed decisions on the future of Sterling Forest and other forest areas in the New York-New Jersey Highlands region. I thank the distinguished chairman of the committee, Senator LEAHY, and ranking member, Senator LUGAR, for their support.

I thank the Chair, and yield the floor.

Mr. BOREN. Mr. President, this amendment which I have sent to the desk on behalf of Senator MOYNIHAN is an amendment which provides for a $250,000 study to be conducted on the effects of deforestation in the New York-New Jersey highlands.

I think that the amendment is a particularly sound idea. A study of this kind has already been conducted on problems of deforestation in the Adirondack region of Vermont, New Hampshire, and Maine, the northern forest lands study and eventually some of the forested lands in New York and New Jersey might qualify for the Forest Legacy Program in our title of the farm bill.

We have had significant problems of changes in this area, the need to consider ways to protect the forest lands and return these areas to alternative economic uses.

There are a number of uses which could be considered, including recreational uses among them. As I have indicated, this kind of study has been particularly beneficial in the past in the Adirondack area.

I believe that this amendment has been cleared on both sides of the aisle. It is supported by the managers of the bill on this side of the aisle, and I urge the adoption of the amendment.

Mr. LUGAR. Mr. President, indeed, we do support the amendment.

As the distinguished Senator from Oklahoma has pointed out, such studies have already been conducted in the Adirondacks, specifically in Vermont, New Hampshire, and Maine, the so-called Northern Forest Lands Study. Eventually some of the forested highlands in New York and New Jersey might qualify for the Forest Legacy Program which has been included in the farm bill now before the Senate. Our Forest Legacy Program calls for Federal cost-sharing of up to 75 percent of the cost of permanent easements to keep forest lands specifically from being converted to nonforest uses.

We recommend strongly that the Senate adopt the Moynihan amendment.

Mr. BOREN. Mr. President, knowing no further debate on this particular amendment, I urge adoption of the amendment.

The PRESIDENT pro tempore. If no Senator seeks recognition, the Chair will automatically put the question.

The question is on agreeing to the amendment.

The amendment (No. 2328) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro termpore. Without objection, it is so ordered.

AMENDMENT NO. 2329

Mr. BOREN. Mr. President, I ask unanimous consent that, notwithstanding the fact that there is no amendment listed by Senator LEAHY under the previous unanimous-consent request, I might be recognized to send an amendment to the desk on his behalf at this time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The Senator from Oklahoma may send the amendment to the desk on behalf of Mr. LEAHY.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. LEAHY, proposes an amendment numbered 2329.

On page 1079, in section 1943, line 8, after "Secretary of Agriculture" insert ", in consultation with the Secretary of Energy,".

Mr. BOREN. Mr. President, this is a very simple amendment. There is already established in the farm legislation a demonstration project under which the Secretary of Agriculture will undertake to determine the benefits for energy production of biomass conversion, forest products essentially being converted into energy.

This amendment is offered at the request of the Energy Committee and, it is my understanding, also at the request of the Secretary of Energy. It merely requires that in carrying out this directive to study biomass conversion as a source of energy that the Secretary of Agriculture consult with the Secretary of Energy in the carrying out of this particular demonstration project. It is a very simple, straightforward amendment and it is supported on this side of the aisle and acceptable to the managers on this side.

Mr. LUGAR. Mr. President, we accept the amendment and support the amendment on this side of the aisle.

The PRESIDENT pro tempore. The question is on the adoption of the amendment.

The amendment (No. 2329) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Montana is recognized.

AMENDMENT NO. 2314

Mr. BAUCUS. Mr. President, the Senate is considering an amendment to lower the price support for sugar. I strongly oppose the amendment.

If you listen to the supporters of this amendment, you would be left with the impression that the U.S. Sugar Program is a great affront to the principle of free trade. In their view, this is just another example of an inefficient industry being protected at the expense of consumers. But, Mr. President, this interpretation simply does not match the facts.

Look around the world. The U.S. sugar support system pales in comparison with those of our trading partners.

Our main competitor in world agriculture markets, the European Community, maintains a sugar program that makes ours appear anemic. The European Community program is complicated. It includes export subsidies, it includes import barriers, it includes price controls, and it includes minimum prices. It is very complicated. It is also, therefore, difficult to compare the European Community program directly with our American Sugar Program.

But most sugar in the EC was supported at a rate of about 30 cents per pound compared to 18 cents per pound in the United States.

While critics bemoan the fact that the U.S. program has decreased sugar imports, they should consider that the EC's Sugar Program has converted the Community from a major sugar importer to one of the world's largest sugar exporters.

The EC sells its high priced sugar by dumping it on the world market with the help of extensive export subsidies.

Certainly, the EC program is far more damaging to developing country exporters than the U.S. program.

OTHER NATIONS' PROGRAMS

And the EC is not alone. Many other nations, including Argentina, India, Poland, Cuba, China, and Japan all maintain sugar supports.

The International Trade Commission recently completed a study that compared relative sugar support in major nations. According to the ITC's analysis the Sugar Program in the EC provides European farmers with protection equivalent to a 360-percent tariff. The Japanese program is equivalent to a 170-percent tariff. The U.S. program was judged equivalent to a 102-percent tariff—quite modest by comparison.

In other words, our major trading partners provide two to three times as much support to their sugar farmers as we do.

U.S. SUGAR PRODUCERS ARE COMPETITIVE

In light of these figures it should come as no surprise that the U.S. sugar industry has supported dropping sugar subsidies if—and I emphasize if—our trading partners would do likewise.

In fact, a recent study by USDA indicates that U.S. sugar producers would fare well in a world in which the trade in sugar was completely free.

USDA found that U.S. producers had the seventh lowest production costs among the 31 nations that produce beet sugar. And the United States ranked 33d among the 61 nations that produce sugar from cane.

We are the low cost producers in beet sugar and we are in the middle or average among cane producers. Therefore we could very easily sustain and in fact we encourage a completely free trading system where no country supports the price of sugar.

UNILATERAL DISARMAMENT

But even the most competitive industry could not survive in a world in which the United States practices free trade and the rest of the world does not. Yet, that is exactly what the sponsors of this amendment are proposing.

For the last 4 years, the United States has been involved in an intense negotiation with our trading partners to lower agricultural subsidies under the rubric of the GATT. Those negotiations are expected to conclude in December this year. Just last week, President Bush personally attempted to convince our trading partners to move in these negotiations. But he was not successful.

The EC doggedly maintains that they will not accept elimination of agricultural subsidies. The EC has dragged its feet throughout these negotiations. Still our negotiators hope to force the EC to accept liberalization. I hope they succeed. But they will not succeed unless the United States keeps the pressure on our competitors with a strong farm program.

At such a critical stage in these negotiations, it shocks me that some—including the administration—would press for cuts in the Sugar Program.

Consumers, developing nations, and farmers would all benefit far more from a multilateral cut in sugar subsidies than in an American unilateral cut.

But, as in arms control negotiatons, the United States must be prepared to bargain from strength.

If the United States is willing to unilaterally eliminate its Sugar Program without any similar cuts in other nation's sugar programs, those other nations will have little incentive to negotiate. The United States will have signaled that it is willing to bear the burden of adjustment unilaterally without similar steps by our trading partners.

And believe me the EC would far rather have their cake and eat it. They would very much like us to make a unilateral cut when they do not have to make one themselves.

But if the United States keeps its Sugar Program and keeps the budgetary pressure on its competitors, other nations will have an incentive to come to the bargaining table and negotiate cuts.

From the perspective of developing nations and consumers, cutting our Sugar Program unilaterally at this stage amounts to taking a half step forward and four steps backward.

Not only will it do little to improve their situation, it will ensure that the real villains in the world sugar market—the EC—will continue to distort world markets.

If we are really interested in worldwide reform of the sugar trade, a unilateral cut is one of the most counterproductive steps I can imagine.

THE ADMINISTRATION'S POSITION

I am aware that proponents of this amendment will introduce statements from the Bush administration's leading trade negotiators indicating their support for this amendment. In my view, these statements represent a victory for ideology over common sense.

Apparently, this administration's negotiators are so committed to abolition of the Sugar Program that they are willing to do so at any cost—even if it jeopardizes its goals in the GATT negotiations and means sacrificing our farmers. I have worked with the administration's trade negotiators on many issues as chairman of the Senate Finance Committee's International Trade Subcommittee. I have generally found them to be quite capable. But endorsing this amendment is a serious

error on their part. We simply cannot bargain from a position of weakness.

CONCLUSION

If we are willing to cut back our agricultural supports and get nothing in return from our competitors, rest assured our competitors are more than willing to avoid making any sacrifices.

Farmers, consumers, and developing nation exports would all be better off if we focused our efforts on successful international negotiations rather than unilateral cuts.

Free trade principles apply to all nations, not just the United States. I urge my colleagues to keep focused on the long-term goal of worldwide agricultural reform and reject this amendment as counterproductive.

I yield the floor.

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. CONRAD] is recognized.

AMENDMENT NO. 2330

(Purpose: To modify the repayment requirements for advance deficiency payments for certain producers)

Mr. CONRAD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from North Dakota, [Mr. CONRAD], proposed an amendment numbered 2330.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 329, between lines 5 and 6, insert the following new subsection:

(c) REPAYMENT REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, effective only for producers on a farm who received an advance deficiency payment for the 1988 or 1989 crop of a commodity and are otherwise described in paragraph (2), the Secretary of Agriculture—

(A) shall not charge an annual interest rate for any delinquent refund for the advance deficiency payment in excess of 9 percent;

(B) shall withhold no more than one-third in each of the next three crops years of farm program payments to the producers as a result of any delinquency in providing the refund; and

(C) shall permit the producers to make the refund in three equal installments during each of the crop years 1990, 1991, and 1992, if the producers enter into an agreement to obtain multiperil crop insurance for each of the crop years to the extent the Secretary determines is similar to section 107 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.).

(2) APPLICATION.—This subparagraph shall apply in the case of producers on a farm if—

(A) the producers received an advance deficiency payment for the 1988 or 1989 crop of a commodity under section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2(a);

(B) the producers are required to provide a refund under subparagraph (G) or (H) of section 107C(a)(2) of such Act with respect to the advance deficiency payment; and

(C) the total quantity of the 1988 or 1989 crop of the commodity that the producers were able to harvest is less than the result of multiplying 65 percent of the farm program payment yield established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of natural disaster, as determined by the Secretary) for the crop.

On page 329, line 6, strike "(c)" and insert "(d)".

The PRESIDENT pro tempore. Time on this amendment is 1 hour to be equally divided and controlled in accordance with the usual form, which means that the Senator who has 30 minutes in opposition to the amendment is the manager of the bill. Does the manager of the bill oppose the amendment, the Chair inquires?

Mr. BOREN. Mr. President, the manager of this bill as of this moment in its current form is not prepared to accept the amendment and is obligated to oppose the amendment.

The PRESIDENT pro tempore. The Chair thanks the Senator.

The Senator from North Dakota [Mr. CONRAD] is recognized for 30 minutes.

Mr. CONRAD. Mr. President, this amendment allows farmers hit with drought or other natural disasters in 1988 or 1989 to repay excess advance deficiency payments in 1988 and 1989 over 3 years at a 9-percent rate of interest.

It requires farmers taking advantage of this delay to purchase multiperil crop insurance for the 3-year period.

Mr. President, the reason for the amendment is to give farmers already suffering from drought or other natural disasters in 1988 or 1989, a chance to repay USDA overpayments under reasonable terms and interest rates. In 1988 and 1989 the United States suffered the worst drought in 50 years. As production was cut by the drought, prices rose substantially. The rise in prices sharply reduced the advance payments due farmers, requiring them to return much of the payments that had been paid in advance. Unfortunately, farmers hit by the drought had little production to sell at the higher prices. Not only did they have no crop, they were required to pay back the advance payments.

Mr. President, what we have here, really, is a double whammy on already hard-pressed farmers. They were faced with a situation in which payments were made to them based on an estimation of what their deficiency payment would be for the year. Then came the drought. The drought wiped out much of the farm production in this country. As a result, prices rose wiping out the deficiency payment due farmers.

Unfortunately, the whole advance deficiency payment schedule is predicated on the notion that if prices rise, farmers will get the benefit of the price increase. In this case, farmers did not. They did not get the benefit because their crops had been destroyed, and so when the prices went up, they had no crop to sell.

While the drought has been broken in most of the northern plains, spots of drought continue in Montana, Minnesota, North Dakota, and South Dakota. In Texas, Arkansas, and Missouri, and Oklahoma, floods have reduced income again this year.

In my own State of North Dakota, the 1988 drought reduced the farm income by 50 percent below 1987 levels. The 1989 drought was not as severe but still reduced income from 1987 levels by 30 percent.

After the farm recession of the 1980's and two droughts, many family farmers simply do no have enough money to make the whole repayment this year. This legislation allows them 3 years to repay: One-third this year and one-third each of the next 2 years at 9 percent interest.

Mr. President, the Secretary of Agriculture currently has the authority to allow farmers to repay over 3 years without paying the penalty rate of interest. Unfortunately, the Secretary has not used this authority. If the Secretary had chosen to exercise his authority to allow farmers hard hit by natural disasters to repay over 3 years, this amendment would not be necessary.

This bill will not increase Government spending over the next 3-year period. I want to emphasize that. Over the 3-year period, it is budget neutral. It will, however, increase the deficit in fiscal year 1990 by about $150 million and reduce the deficits in fiscal years 1991 and 1992 by an equal amount, $75 million each year.

Mr. President, this amendment will help family farmers hit hardest by the drought and other natural disasters over the past few years. Instead of demanding an immediate repayment, it would give them 3 years to repay.

Mr. President, I want to acknowledge at this moment that the estimates that we have used from CBO are subject to some alteration and change because the underlying amendment has been altered somewhat. For that reason, I ask unanimous consent that we put off any vote on this amendment until tomorrow so that we have a chance to get CBO's new analysis so that my colleagues will be voting on the precise number that would result in the budget from this legislative enactment.

Mr. BOREN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. Reserving the right to object, and I will not object to this request, I stated just a few moments ago that as acting manager of the bill, I will be forced to oppose this amendment in its current form. The reason for my opposition is not lack of sympathy in regard to the plight of those farmers who have suffered in the State of North Dakota and the Plains States in general from the terrible drought of 2 years ago. I understand full well the devastating impact that it has had, the inability of the farmers through cash flow and this period of time over the last 3 years to bring themselves back to a position in which they are able to repay these funds to the Government.

So I have great sympathy for the difficulty of these famers who have been highlighted by the distinghished Senator from North Dakota who has so forcefully and ably given their case in the Agriculture Committee and on the floor of the Senate previously.

This bill has been carefully crafted to stay within the bounds of the budget available to us this year. We have all had to reach compromises. We have all had to strike out elements of the bill that we favor very strongly because of the cost of these particular proposals. So, therefore, unless we can find some way to bring this proposal back into budget with the new analysis, it will be very difficult for the managers of the bill to accept this amendment.

So I think the Senator's proposal is a reasonable one. We might have the latest analysis from CBO available to us before we actually bring this amendment to the floor for a vote.

I will not object on behalf of the managers on this side to the request that the vote be delayed until this latest analysis is available.

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. LUGAR. Reserving the right to object.

The PRESIDENT pro tempore. The Senator from Indiana.

The Chair would ask, is the time in speaking upon the reservation of the objection being charged to the Senator from Oklahoma? Or is it being charged to the Senator from North Dakota?

Mr. LUGAR. Mr. President, I ask the distinguished Senator from Oklahoma to yield to me 3 minutes that I might speak.

Mr. BOREN. I will be happy to yield to my distinguished colleague from Indiana and to request that the time that I have taken previously and the time of the Senator from Indiana be charged against this side.

The PRESIDENT pro tempore. Without objection, it is so ordered. The time will be so charged.

The Senator from Indiana.

Mr. LUGAR. Mr. President, I reserve the right to object because the arrangement of the Senate with regard to this amendment is that an hour of debate should occur today and then a vote pertaining to the amendment should occur not before 6 o'clock. Certainly, it was the intent of the managers that a certain number of amendments should be debated today. The distinguished majority leader had high hopes, and he so stated, that such debate would occur and that such amendments would be disposed of at the end of the day. Senators were on notice that that would occur.

My own judgment, in reserving the right to object, is that however one changes the impact of the costs of this amendment, whether it be for a year or spread out or other arrangements are made, there is still a substantial cost involved in the event that farmers do not repay their deficiency or advanced deficiency payments. That impact, as the Senator from North Dakota has pointed out, could be in the order of $150 million if these payments are not repaid. His assumption is that they will be repaid. I gather the intent of the amendment is to space out the payments so that they may occur.

I will argue this point further, Mr. President, with regard to the merits of the amendment itself, at least the experience of this Senator having noted that already the payment of these debts have been delayed three times. There is a growing assumption on the part of this Senator that the underlying intent is to make certain they are never repaid. In essence, by deleting or pushing back the date and the circumstances of repayment, the circumstances of repaying amounts stemming from the 1988 crop grow more dim all of the time. I argue the fact there is a fiscal impact and it is substantial. It comes at a very unfortunate time in the life of this country and this bill.

With regard to the procedure, Mr. President, my suggestion, I suppose, while I reserve the right to object to the procedure offered by the distinguished Senator from North Dakota, is that if we are to take up the new amendment on its merits tomorrow, then it ought to be offered tomorrow, time ought to be reserved for it so we can hear the argument and Senators coming to a vote will have some idea of the substance on which they are voting.

Therefore, respectfully, Mr. President, I object to the current request, having given this advice as to how the Senator might proceed.

The PRESIDENT pro tempore. Objection is heard.

Mr. CONRAD addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I simply say to my colleague from Indiana that the amendment is not changing. The amendment that I am offering is the amendment that is at the desk. The fiscal analysis of the effect may be altered because what we have the CBO response to was a different amendment, not a great difference but somewhat different.

So the reason for my request was to try to honor the desire of the manager to have the debate occur today but the vote occur subsequent.

That was the reason for my request. It seemed to me that we would be able to debate the underlying question today but then vote at a later date.

I might add that there was no unanimous-consent agreement, as I understood it, that indicated we would vote on this amendment today. The unanimous-consent agreement was that we would debate this amendment today—and I have been trying to honor that by coming forward and debating it—but putting off the vote until we have the most recent CBO information.

Perhaps at this point it would be appropriate to put in a quorum call and have a chance to discuss this matter and perhaps that is the way we could make the most progress. With that, I note the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been noted. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CONRAD. I yield such time as the Senator from Montana may consume.

The PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I ask the Senator to yield, say, 10 minutes.

Mr. CONRAD. I yield 10 minutes to the Senator from Montana.

The PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Senator.

I rise in support of the Conrad amendment.

The effect of the amendment will be to defer the repayment of barley advance deficiency payments from 1988 to 1989 crops years. Under the amendment, any farmer who had suffered a 50-percent crop loss in 1988 or 1989 or a 25-percent loss in each of those years would be able to repay their advance deficiency payments over 3 years at 9 percent interest.

I believe this is the least we can do for our barley producers who suffered great crop losses as a result of the droughts of 1988 and 1989. I know that we have voted on this issue before and the position of the Senator from North Dakota and myself is well known. I urge my colleagues this time

to support us because this amendment will merely provide a delay in the repayment. It is not a forgiveness.

I repeat that point, Mr. President. This amendment merely provides for a delay in repayment. It is not a forgiveness. I wish the amendment did provide forgiveness because I believe that is what barley farmers deserve. This is not that amendment.

The farmers in my State have been greatly disadvantaged by the USDA's method of calculating deficiency payments. And now because of an unexpected decrease in the market price of barly as a result of droughts in 1988 and 1989, they are being asked to repay money they do not owe.

The basic flaw with the USDA's current system is that it fails to recognize that there are two types of barley, malting barley and feed barley. Malting barley is used for brewing beer and normally sells at a premium. Feed barley is primarily used for animal feed and sells at a much lower price. Much of the barley produced in my State is feed barley.

Currently, the USDA calculates the target price for barley based on the relative value of feed barley to corn. It assumes that the barley will be used to feed animals, not for malting. However, the USDA then calculates the market price by averaging the price of all barley sold on the market. Both feed and malting barley are therefore, grouped together. Malting barley normally sells for 25 to 35 cents per bushel more than feed barley. In most years, far more feed barley is produced than malting barley, so malting barley sells at a relatively small impact on the average price for barley.

However, due to the drought of 1988, the barley crop was much smaller than expected. Malt barley market prices skyrocketed to $3.24 a bushel as compared to $2.29 per bushel for feed barley. Consequently, the USDA calculated the national average market price for barley as a whole to be $2.83 or 32 cents a bushel above the actual market price of feed barley at $2.51.

This inequitable calculation places feed barley preoducers at a unique disadvantage. USDA estimated that the average market price for barley would be much lower and made advance deficiency payments assuming a lower market price. Remember, a lower market price means larger Government payments and vice versa.

It later became apparent that the USDA advance deficiency payment exceeded the value of the entire year's deficiency payment if the artificially high market price for barley was used.

Thus USDA demanded that feed barley producers repay a large portion of their deficiency payment because the market price was higher than expected. But including malting barley in USDA's calculation skewed the market price of barley up and forced producers to pay their deficiency payment even though the real market price was far lower than USDA's estimate.

This is an outrage. USDA's 32-cent miscalculation could put many Montana barley farmers out of business. The error will force 16,400 Montana barley producers to repay $19 million in advance deficiency payments for 1988 and 13,200 producers will have to repay $6,750,000 for 1989.

This error would be bad enough if it was not exacerbated by the drought.

Many barley farmers lost most of their crop to the drought in 1988 and 1989 but managed to survive. In northeastern Montana, they are now struggling to survive yet another drought year.

But instead of helping, the USDA has now delivered a knockout blow by demanding they repay money they do not really owe.

Because USDA is unwilling to own up to its mistake, many Montana barley farmers will be driven off the farms.

But we are not here even seeking to completely right this wrong with the amendment we should be debating. Instead, we are only asking a little more time for barley farmers to work out their finances to repay the advance deficiency payments. Surely, this is not too much to ask.

Fortunately, this problem will not likely recur in the future because the current farm bill that the Agriculture Committee reported out and is now before the floor recognizes the formula used to calculate barley deficiency payments is unfair and partially addresses the problem by calculating the average price of malt and feed barley together for deficiency payment purposes, that is, until the price difference reaches 22 cents.

For any price differential over 22 cents malt and feed barley will be calculated separately. While this formula does not completely fix the problem, it is a step in the right direction.

It was my initial plan to make this formula retroactive to the 1988–89 crop years so that feed barley producers would be treated more fairly, but unfortunately the Senate has passed no appropriations bills which could be utilized to offset such an amendment.

Therefore, delaying repayment is the best we can do for the time being, given our current budget situation.

I strongly urge my colleagues to support the amendment of the Senator from North Dakota. It will provide at least temporary relief to barley producers who have been penalized because of the faulty USDA formula.

Mr. President, I yield the remainder of my time. I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. LUGAR. Mr. President, I ask unanimous consent the distinguished Senator from Oklahoma yield to me 2 minutes to speak in opposition to the amendment.

Mr. BOREN. I am happy to yield.

The PRESIDENT pro tempore. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, the distinguished Chair will recall that debate concerning repayment of these debts has occurred three times. As a matter of fact, the Senate has previously taken action that has been dramatic and substantial.

The Chair in fact was managing an appropriations bill on the last occasion on April 30 when by a vote of 52 to 43, an amendment by Senator CONRAD offering similar relief was defeated.

Mr. President, the dilemma presented by the distinguished Senator's amendment is that farmers were paid, as he has described, for crops that were to be harvested in due course. The advanced deficiency payment concept is to forward to farmers money that they can use for cash flow as they get into the planting of crops.

So the money was paid to the farmers, not only barley farmers, but corn farmers and wheat farmers. I make this point because there are others involved in this equation in addition to the barley farmers cited by the distinguished Senator from North Dakota. In fact, in his own State, there are farmers who produce other crops. But, barley farmers are the focus of our attention for the moment, and have been the focus of our attention several times already in committee and on the floor.

The dilemma came down to the fact that there was a great drought in 1988. It affected at least 20 States. This body considered emergency drought legislation in August 1988 and offered very substantial relief. We estimated at the time that the cost of that relief to farmers who were in need might be on the order of about $3.5 to $4 billion.

Indeed, that was a reasonably accurate estimate as payments were finally made to those who had suffered very substantial losses of over 35 percent of their crops. We made it a comprehensive bill covering, as the distinguished Senator from Kansas pointed out, as many as 400 or 500 different crops and commodities in this country.

So there was equity, and payments were made to try to compensate farmers for a substantial amount of those losses. There were grievous losses in the State of North Dakota. As I recall the figure, the North Dakota farmers received more than any other State save maybe one or two, and perhaps they received the absolute highest level of payments. That reflected very substantial drought, and in fact moisture deficiency in that State from the preceding year.

So therefore I understand the basis with which the Senator from North Dakota compassionately takes a look at farming devastated by that drought. I would simply point out that the farmers already have been helped in one way by having money in hand. Time, in money terms, is worth a lot—to have money in hand and to be able to use that capital prior to planting a crop by farmers in North Dakota and Indiana. Indiana also suffered a drought that was very, very devastating—the worst one we had seen since the 1930's.

So many, including those in Indiana, were beneficiaries of that drought legislation. I know how welcome those payments were, both the advanced deficiency payments we received in Indiana, as well as the drought payments.

But there comes a time, Mr. President, when the payments that are not merited, have to be returned. There are only two ways in which the payments would not have been merited. One is that the price of the crop rises, and therefore the advanced deficiency payment, the payment that contemplates that there will be a deficiency between the target price and the market price, diminishes. That is what the deficiency payment is all about—this gap between target price and market price.

If in fact there is not much of a gap, if in fact the market price rises up toward the target price to meet it, then a payment to a farmer for a deficiency that does not occur, results in a profit to the farmer from the fact that the price rose. The farmer profits again when he sells the crop at that point.

If the farmer did not have the crop to sell, he was protected when he received a disaster payment to cover a good part of his loss. We estimate coverage in most cases at about 65 percent of a normal loss.

So in due course, through the farm programs the farmer has the money, and the requirement, that he pay it back.

Not only has the Senator from North Dakota argued on other occasions, but so have other Senators, that given these disasters there ought to be a degree of forbearance. That has occurred. This is the reason in the middle of 1990 we are still in the process as a country of collecting back these payments made as advanced deficiency payments in the crop year of 1988—over 2 years ago.

How could this be? It could be because the Congress has delayed these payments or repayments from time to time.

Mr. President, in an earlier argument that I made, I reserved the right to object to the unanimous-consent request. I suggested that there is a growing suspicion on the part of some of us that to delay and to delay and to delay is almost to forgive and forget.

At some point, in all equity, that money ought to come back to the general taxpayers. Most other farmers paid it. Corn farmers in Indiana have repaid, and as far as I can tell, most of the advanced deficiency payments that were made to those farmers were made at about the same time as these barley payments in North Dakota.

That would be true of most other States in the Union.

Let me just point out, Mr. President, that the Senator from North Dakota can speak, and will very eloquently, to the condition of crops in his State. But of these reports that have been published nationally, say that as of July 10, a few days ago, 81 percent of North Dakota's spring wheat crop was in good to excellent condition; 84 percent of North Dakota's Durum wheat crop was in good to excellent condition. While the same was true of 89 percent of the barley crop, there is some distance to go before harvest. That is the challenge, and, likewise, the cause of the precarious existence of the farmer.

But I would suggest that there is a very good chance that relatively few North Dakota farmers who are involved in those three crops I have cited will have 35 percent losses this year.

The Senator from North Dakota has suggested that perhaps we ought to take a look at the accounting aspects of this. First of all, basically, who has not repaid the deficiency payments? Really, how much money is out there? That is a very important question. As of the 1st of June, our staff was advised that the repayments by farmers of all crops was somewhere on the order of $400 million.

We have tried to make a staff estimate applying it just to barley farmers and just to those who had had very substantial losses. In such cases it might be $150 million. But I suggest, Mr. President, that either of those figures—and I am inclined to think it is the smaller rather than the larger figure, because a lot of repayment has been occurring in June and July throughout the country—is still a substantial sum of money. If one argued that all of it will be repaid, one can argue it is merely an accounting problem in which year the money falls, therefore, which year suffers the deficit and which suffers the surplus.

My fear, frankly, is that a lot of this money will not be repaid. It will be delayed, perhaps, with the distinguished Senator from North Dakota coming before the body again. However, there may be other Senators suggesting there are great problems.

Mr. President, I ask that I might have 3 more minutes.

Mr. BOREN. I yield 3 more minutes.

The PRESIDENT pro tempore. The Senator is recognized for 3 additional minutes.

Mr. LUGAR. I fear that the argument will be made that the same farmers that had problems at that stage still have them. Why not? If a Senator has had success in delaying the repayment several times already, why not try it out again for the fourth, fifth, or sixth time? How many times is this body to be visited with the problem of 1988 deficiency payments for barley? I say, Mr. President, I hope not again.

I think that the occasion is at hand in which we are noticing a good year of crops, not only in North Dakota but in Indiana and in many States of our country. We pray that will continue to be the case. We pray we will not be visited with drought, disaster, and flood, that there will be the wherewithal to make repayments, as almost all farmers would prefer to do.

Therefore, Mr. President, I do not know at what point we shall vote on the question, or whether we shall have further debate or further accounting information in front of us. All of that is still to be decided. As the amendment stands, I oppose it. I ask the Senate to resolve the issue finally, once and for all, and to put behind us the 1988 crop year.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I yield myself 3 minutes.

The PRESIDENT pro tempore. The Senator is recognized for 3 minutes.

Mr. CONRAD. Mr. President, I ask unanimous consent to add Senators BURDICK, BAUCUS, and BURNS as original cosponsors of the amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, the Senator from Indiana has advanced a number of interesting arguments in opposition. I must say there are very few in this body for whom I have more respect than the Senator from Indiana. He is one who always does his homework, and I think he is very level-headed in the way he goes at these issues. In this one particular instance, I think perhaps he is a bit mistaken, but I certainly respect the difference.

Let me just say, Mr. President, we are not asking for forgiveness here. We are asking, basically, for a payment schedule. This is not some thing that is unusual or unique. In fact, it is in the law now. Past Congresses have seen the wisdom of allowing a payment schedule under unusual circumstances, and I assert that this is one of them, a situation in which we had absolutely devastating drought in this country in 1988 and 1989. In my State,

even with the payments that the Senator from Indiana referenced, even with hundreds of millions of dollars of payments, North Dakota's farm income was cut in half. That is how devastating the drought was in my State, and my State was not alone.

Mr. President, we are simply asking that what is already law be invoked. I must ask, under what circumstances would we invoke this law if not now, if not under this set of facts? My goodness, this is a devastating loss. Prices skyrocketed, but farmers did not have the production to sell. So they were forced to have advance payments repaid, when they had no money to make the repayments.

Now what we are saying under this amendment is, please, give us time; we will pay, but give us time.

Again, Mr. President, I ask unanimous consent that we hold off voting on this amendment until we have the most recent information and, hopefully, have time to work something out here, and that we leave 20 minutes of debate, 10 minutes on each side, for action on this at a later time.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. It is so ordered.

Mr. CONRAD. I thank the Chair and yield the floor.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, when we discuss a farm bill, there are a lot of things related to the prosperity of agriculture that does not deal directly with price supports and things like that. In the committee report there is considerable discussion of the subject of cargo preference. There is considerable discussion of the subject of the negotiations going on in Geneva under the General Agreement of Tariffs and Trade. I want, for a few minutes, without offering an amendment, to discuss some of these issues at this point.

Mr. President, every time we try to engage in a discussion of cargo preference, maritime supporters come running in with the argument that since farmers get a subsidy, so should our seafarers and ship owners. After all, we are told, fair is fair. What is good for the goose is good for the gander.

Let me make it perfectly clear that I am quite willing to support maritime programs, but only if they prove to be reasonably related to the goals and policies upon which they rest, and only if they prove to be reasonably successful. Our maritime policies fail on both accounts, and I will explain what I mean by this very fully.

The problem with cargo preference is even far more perverse. Cargo preference is a hidden, back-door cost that rarely can be scrutinized by budget-deficit sensitive Members of Congress. It is one of those hidden items in the budget. You try to pick it out and you just cannot pick it all out.

Cargo preference is unaccountable and virtually untraceable. Cargo preference allows U.S.-flag operators a monopoly over certain government cargoes. They can charge Uncle Sam as much as they want with no fear of competition from far cheaper, more competitive foreign-flag vessels.

So let me say at the outset that I would be very happy, and am happy, to support the maritime industry, if they are willing to replace cargo preference with a subsidy program that requires the maritime interests to come to Congress every year to justify their costs and a program that renders itself to simple, clear accountability year in and year out. It is a little bit like the farmers of the United States of America who have to come to Congress to get some of their programs appropriated on a year-to-year basis and we have a way of keeping track pretty closely to the exact cost of those farm programs to the taxpayers. Not so with the maritime subsidy.

So how else can Congress and the administration determine whether or not our maritime programs are worth what they cost unless they are fully accounted for and fully appropriated subject to debate from year to year.

So, as far as this Senator is concerned, fair is fair, and I am willing to work toward that end.

But in view of what I have been reading recently from maritime interests, I have to wonder if they are really interested in fairness and equal treatment.

It has been no secret that for the last few years the United States has been leading the charge in the Uruguay round of General Agreement of Tariff and Trade, or GATT for short, and we have been doing this against the unfair domestic and export farm subsidies as well as protectionist trade barriers of our competitors.

Mr. President, U.S. farmers are the most productive and competitive in the world. On the average, one American farmer produces enough food and fiber for 123 people, 98 in the United States and 25 overseas. Our farmers believe, and rightfully so, that if all the unfair trade barriers and subsidies were eliminated, they could compete with anybody in the world. What they cannot compete with, however, are the treasuries and unfair protectionist policies of foreign governments.

Therefore, American farmers have been supportive of our efforts in the GATT to put these subsidies and policies on the table. I know that our farmers have not been willing to trade them for the income protections provisions, but I am talking about the European Community export subsidies with which we now have to compete. They know that if we succeed, American farmers will be better off; they know as well that the cost of farm programs to the U.S. Treasury will be less. There will not be the need for programs such as the Export Enhancement Program which the maritime union officials erroneously criticize as a ripoff for exporting companies.

But when it comes to GATT, the maritime industry cries out that it is special, that its subsidies and protectionist policies should not be left on the GATT table for negotiation at Geneva.

In one breath maritime supporters argue that they, too, prefer free and fair trade, but that the foreign governments with their policies and subsidies do not allow this ideal.

But in the next breath, maritime interests cry out that maritime problems relating to subsidies and policies must not be negotiated at GATT.

So, I say to them that you cannot have it both ways. If you truly want a free and fair trade, like American farmers want, where else besides GATT are you going to resolve these problems?

Mr. President, let me quote to my colleagues an editorial from the March 1990 edition of the American Maritime Officer, the official publication of District 2 MEBA-AMO of the AFL-CIO's Maritime Trades Department:

> If the international bulk shipping market were indeed free and fair, District 2 MEBA-AMO would encourage open competition. * * * But the fact is that foreign governments protect their bulk fleets, while the U.S. does not—direct and indirect subsidies, commercial cargo reservation, and state ownership—put the struggling American-flag dry bulk fleet at a built-in disadvantage.

Mr. President, if the maritime unions honestly, truly wanted a free and fair international shipping market with open competition, they would be demanding that the U.S. GATT negotiators put the maritime problems at the top of the priority list, so that there would be bargaining as far as maritime interests were concerned in Geneva just like they are bargaining on agricultural subsidies in Geneva.

But is this what they are pushing? No way whatsoever. They are demanding just the opposite. They want all maritime discussions to be taken off the GATT table.

The July 9, 1990, edition of the American Maritime Congress reported that 46 Senators had agreed to sponsor Senate Concurrent Resolution 63, a concurrent resolution calling upon the President to remove maritime

from the GATT negotiations. In view of the fact that our farm interests are so prominently debated at the GATT, I was surprised to see that a handful of farm State Senators would lend their support for special treatment for maritime.

Mr. President, I ask unanimous consent to print in the RECORD this article to which I referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[American Maritime Congress Washington Letter, July 9, 1990]

SUPPORT GROWS FOR BREAUX RESOLUTION TO EXCLUDE MARITIME FROM GATT

(July 5) Senate support for the exclusion of maritime from the services section of the General Agreement on Tariffs and Trade (GATT) is growing as negotiations reach a critical stage. Forty-six Senators have agreed to sponsor S. Con. Res. 63, introduced by Senator John B. Breaux (D-LA), chairman of the Senate Commerce, Science and Transportation Committee's Subcommittee on Merchant Marine.

S. Con. Res. 63 calls upon the President to remove maritime services from the General Agreement of Tariffs and Trade (GATT) negotiations. The co-sponsors of the resolution agree that the inclusion of maritime in GATT would have a devastating effect on the U.S.-flag Merchant Marine.

The resolution declares that ". . . a strong and economically healthy United States-flag merchant marine has been encouraged and promoted since the founding of this Nation to provide essential service to the national defense of the United States, and to promote our commerce in foreign and domestic markets." A draft text of the services section of GATT is scheduled to be completed by the end of July.

The Senate sponsors now are follows: Brock Adams (D-WA), Daniel K. Akaka (D-HI), Joseph R. Biden, Jr. (D-DE), John B. Breaux (D-LA), Richard H. Bryan (D-NV), Dale Bumpers (D-AR), Quentin N. Burdick (D-ND), Thad Cochran (R-MS), William S. Cohen (R-ME), Kent Conrad (D-ND), Alan Cranston (D-CA), Alfonse D'Amato (R-NY), Dennis DeConcini (D-AZ), J. James Exon (D-NE), Wendell H. Ford (D-KY), John Glenn (D-OH), Albert Gore, Jr. (D-TN), Slade Gorton (R-WA), Bob Graham (D-FL), Tom Harkin (D-IA), Mark O. Hatfield (R-OR), Orrin G. Hatch (R-UT), Howell Heflin (D-AL), Ernest F. Hollings (D-SC), Daniel K. Inouye (D-HI), J. Bennett Johnston (D-LA), Frank R. Lautenberg (D-NJ), Carl Levin (D-MI), Joe Lieberman (D-CT), Trent Lott (R-MS), Connie Mack (R-FL), John McCain (R-AZ), Howard M. Metzenbaum (D-OH), Barbara Mikulski (D-MD), Frank H. Murkowski (R-AK), Claiborne Pell (D-RI), David Pryor (D-AR), Harry Reid (D-NV), Donald W. Riegle, Jr. (D-MI), Charles S. Robb (D-VA), Jay Rockefeller (D-WV), Jim Sasser (D-TN), Paul S. Sarbanes (D-MD), Richard C. Shelby (D-AL), Paul Simon (D-IL), and John Warner (R-VA).

Mr. GRASSLEY. So, it appears, Mr. President, "what's fair is fair, what's good for the goose is good for the gander," really does not apply to the agriculture and maritime situation.

What Senate Concurrent Resolution 63 suggests is that some in Congress believe that a few thousand American seafarers are more important or more special, than America's millions of farm families.

But, of course, maritime supporters will argue, as it states in this resolution that "a strong and economically healthy U.S.-flag merchant marine has been encouraged and promoted since the founding of this Nation to provide essential service to the national defense of the United States, and to promote our commerce in foreign and domestic markets."

My response to that is, "So what?"

If our maritime industry is so important to national defense and foreign commerce, is that not all the more reason to fight unfair, damaging foreign maritime policies at this very moment during the GATT discussions so that our maritime industry has a level playing field with the industries in other countries? In other words, would not our maritime industry be better off if there were not subsidies of other foreign countries of their maritime industry? I would suggest what do we have to lose?

Our maritime programs and policies have been a colossal failure in meeting our national defense and foreign commerce objectives. Everyone knows that is the truth. The facts don't lie. Simply look at the fruits of our maritime policies during the last 40 years.

In 1950, our U.S.-flag fleet consisted of 1,050 vessels. Today, there are only about 360, and fewer than 200 of those are considered to have any military usefulness.

In 1950, we had 56,629 U.S. seafaring jobs. Today, there are fewer than 10,000.

If our U.S.-flag maritime sector is truly important to national security, you sure wouldn't know it from what has been produced by cherished maritime subsidies like cargo preference.

Maritime supporters in Washington should be clamoring to keep maritime on the GATT table to aggressively pursue a resolution of these problems. Maritime supporters should be clamoring to revamp the entire maritime government support mechanisms to eliminate cargo preference and replace it with a system where cost effectiveness can readily be assessed.

But that is not what is happening because people supporting these programs would like to have the arguments go away, would like to have the discussion go away. Instead, we get resolutions insisting on continued protectionist policies and more bills calling for more of the same—more cargo preference, more operating differential subsidies—and thus unfortunately, if history of the last 40 years is any evidence, continue these same Federal programs that unfortunately lead to more decay of the U.S.-flag fleet.

The objective of promoting foreign commerce has met similar, miserable failure. And again, the facts do not lie.

Since 1950, when we had those 1,050 vessels that I referred to and those 56,629 seafaring jobs sailing under the U.S.-flag, our American-flag merchant marine carried 43 percent of the volume of U.S. foreign trade.

Today, U.S.-flags carry less than 4 percent of our foreign commerce.

Thank goodness, the development of our foreign commerce did not depend upon U.S.-flag vessels and our maritime policies, because we would be an utter failure as a trading nation. We would be an utter failure as far as international trade is concerned.

From 1950 to 1985, our foreign trade skyrocketed from 117 million metric tons to 641 million metric tons. Our foreign commerce has thrived in spite of our merchant marine policies.

Since our maritime programs have failed miserably to promote national defense and foreign commerce, why have we allowed them to perpetuate this decay?

Unfortunately, a lot has to do with the political clout of the maritime union bosses whose aim is to protect the high-priced salaries of their seafaring union members.

So I was encouraged by some remarks I read by the former commander of the Military Sealift Command. His name was Vice Adm. Kent Carroll. He warned us that the outrageously high wages and benefits of U.S.-flag seafarers were crippling our U.S. merchant marine. He was quoted in the Defense and Foreign Affairs Daily as stating:

Why are we in such a mess? * * * One of the reasons is that U.S. crew costs continue to be the highest in the world. Monthly crew costs of U.S.-flag ships are as much as three times higher than those of countries with comparable standards of living, such as Norway. * * *

Vice Admiral Carroll once testified before the House Armed Services Subcommittee on Seapower that it took over $300,000 per year to support the master of some U.S.-flag commercial vessels, while in sharp contrast it took about $70,000 per year to pay the salary and benefits of a U.S. Navy aircraft carrier captain.

The vice admiral's warning about the crippling effect that the high priced cost of U.S.-flag seafarers was having on our national defense and foreign commerce needs fell at that time on deaf ears. And I hope that they do not fall upon deaf ears today because we should not be ignoring this problem any longer.

In the meantime, the maritime unions brag of their successes in negotiating even higher wage and benefit packages. Well, of course, that is the point of union negotiation. You cannot blame them for trying to get all that they can.

The June 1990 edition of the Seafarers Log, reported that Seafarers International Union was able to secure a

new contract guaranteeing them a 15-percent increase over the next 3 years, plus a cost-of-living increase during the 2d and 3d year of the contract for anything over 5-percent inflation. Furthermore, they were able to keep the high manning crew numbers. The U.S.-flag maritime operators had tried to hold the seafarers to a 6-percent increase over 3 years with a reduction in crew sizes. No luck there.

The seafarers bragged in their publication that this new contract exceeded the national average of wage increaes negotiated by unions around the country which averaged 3.3 to 3.8 percent annually.

But, as long as they can depend upon the taxpayers to foot the bill through hidden subsidies like cargo preference, who cares? Right? Mr. President, one final word about GATT and this fairness issue between farm programs and maritime programs. With the passage of the 1985 farm bill, Congress included language stating that Congress finds and declares that "a productive and healthy agricultural industry and a strong and active U.S. maritime industry are vitally important to the economic well-being and national security objectives of our Nation."

Again, I ask, since Congress thinks both are equally important to our economy and defense, why does maritime believe they should be excluded from GATT, while our farmers know it to be in their interests to fight protectionist policies at the GATT?

Mr. President, the evidence is clear. The fight to protect and expand cargo preference has nothing to do with national defense or the health of U.S. foreign commerce. It has nothing to do with fairness.

It has everything to do with protection of a gravy train for high priced union bosses and their seafaring members. The Des Moines Register said it best when it recommended:

> Scuttle cargo preference. Its alleged purpose is to keep a U.S. merchant marine intact in case of war, but the subsidy has more to do with political power and PAC donations of shipowners and maritime unions than any real military need.

Common Cause was very much involved in this issue in the 1970's. Common Cause argued that Americans should be protected from the maritime interests attempts to apply cargo preference to oil imports which would have shot up gasoline and heating costs even higher. We ought to thank Common Cause for their help in keeping oil imports free of the cargo preference requirement.

But we have not heard too much from Common Cause since then while efforts have been made to expand cargo preference to apply to additional Government cargo and foreign case assistance, and recently even to the grain that we sell to the Soviets.

Mr. President, hopefully it is not too late to keep maritime on the GATT table, just like we are keeping agriculture on the GATT table, but the President needs to know the facts and needs to know that not all Members of Congress agree with Senate Concurrent Resolution 63.

I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDENT pro tempore. The Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, as debate continues on S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990, we must remember how important the farmer is to this great Nation. Although farmers account for only about 3 percent of the total population of this country, they have the responsibility of working to feed the total population of our country. While they represent a small segment of the population, their contribution to society is absolutely vital and one on which we all depend.

Nationally, there are over 2 million farms with nearly a billion acres of farm land in production. Of all the industries in the United States, agriculture is the largest. Nearly 21 million people, or almost 19 percent of the work force of this country, are employed in agriculture. Agriculture contributes nearly one-fifth of our gross national product.

In my home State of South Carolina, agriculture is the third largest industry in terms of cash receipts, behind textiles and tourism. In 1985, farm income was $151 million for South Carolina. The 1982 Census of Agriculture reports that 29 percent of the land area of the State was used for crop production. Further, there are 24,929 farms which plant almost 5.6 million acres. Approximately 57 percent of this acreage was cropland, 34 percent was woodland, and 9 percent was in miscellaneous usage such as house and barn lots, roads, as well as ponds.

Having grown up on a farm in Edgefield, SC, I know firsthand the long hours and hard work required to produce a crop. Daily, these dedicated men and women must labor in the fields from dawn until dusk in good weather and bad. The nature of their business requires farmers to be the biggest gamblers in the world. The farmer is no stranger to adversity. They must face risks which are unlike any faced by other businesses. They are susceptible to the unpredictable whims of nature. Without any warning, an entire season's crop can be wiped out by drought, flooding, freezing temperatures and pest infestations in a matter of hours. In spite of these hardships, they continue to work to raise our food and fiber.

Agriculture has been an integral part of the Nation's economy since its beginning. In 1987, the Nation celebrated the 200th anniversary of the signing of the Constitution. Thirteen of the thirty-nine signers of the Constitution depended on agriculture for their livelihood. For over 200 years, farmers have remained the backbone of our country.

The bill we are considering today recognizes the important role that agriculture continues to play in our economy. It includes changes in farm, environmental, and consumer policy. Although this bill includes many improvements, there are issues about which concerns have been expressed. I look forward to continuing the debate on this important measure.

Mr. President, I learned the following quote in my studies of agriculture at Clemson University, from where I graduated, which eloquently expresses the importance of agriculture:

> At the head of the arts and sciences, at the head of civilization and progress, stands not militarism, the science that kills, nor commerce, the art that accumulates wealth, but agriculture, the mother of all industry and the maintainer of all human life.

Mr. President, I yield the floor.

The PRESIDENT pro tempore. The Senator from Nevada [Mr. REID] is recognized.

AMENDMENT NO. 2331

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> The Senator from Nevada [Mr. REID], proposes an amendment numbered 2331.

Mr. REID. Mr. President, I ask unanimous consent that reading to the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, further reading of the amendment will be dispensed with.

The amendment is as follows:

> At the end of the bill add the following:
>
> SEC. . FINDINGS AND POLICY.
>
> (a) FINDINGS.—The Congress finds that—
>
> (1) The LD50 test is an acute toxicity test on animals which has been shown to be inaccurate, misleading, and unnecessary in product testing;
>
> (2) other tests have been developed which are less costly, more humane, and more accurate;
>
> (3) nonanimal alternatives have been developed for other acute toxicity tests using animals;
>
> (4) the Federal Government has encouraged the use of the LD50 test and other animal acute toxicity tests through regulations which mandate their use, encourage their use, or do not prescribe other less costly, more accurate and humane alternatives;
>
> (5) private industry is reluctant to use other tests without encouragement from the Federal Government; and

(6) private industry and the consumer will benefit from the promotion of alternative methods of testing when these alternatives are more accurate and humane than animal tests.

(b) POLICY.—Federal departments and agencies shall encourage the development and use of product testing procedures which accurately reflect human reactions to products, including consumer products and products containing hazardous or toxic substances, but which do not rely upon animal models.

SEC. . FEDERAL ACTION.

(a) PROHIBITION OF USING LD50 Test for Product Safety, Labeling, and Transportation Requirements.—Effective 1 year after the date of enactment of this Act, Federal department or agency heads may not consider LD50 test results when determining product safety, labeling, or transportation requirements for the purposes of Federal regulation.

(b) REGULATIONS CONCERNING TESTS OTHER THAN ANIMAL TOXICITY TESTS.—(1) Not later than 1 year after the date of enactment of this Act, each Federal department or agency head shall—

(A) review and evaluate any regulation, guideline, or recommendation issued by that department or agency which requires or recommends the use of an animal toxicity test for the purpose of pre-market evaluation of the relative acute toxicity of a product; and

(B) promulgate regulations which specify that nonanimal toxicity tests be used instead of animal toxicity tests, unless that Federal department or agency head determines that in certain limited cases the nonanimal toxicity test has less validity than the animal toxicity test.

(2) If a determination is made that a specific nonanimal toxicity test is less valid than an animal toxicity test, the appropriate Federal department or agency head shall publish in the Federal Register an explanation of all options considered and the justification for continuing the animal toxicity test, which shall be subject to public comment before a final regulation is promulgated.

(c) PERIODIC REVIEW OF ANIMAL TOXICITY TESTING REGULATIONS.—At least every 2 years (beginning 3 years after the date of enactment of this Act), each Federal department or agency head, after considering the most recent technological advances available, shall determine whether continued use of any animal toxicity test is justified. If a Federal department or agency head determines that such a use is justified, then that Federal department or agency head shall publish in the Federal Register an explanation and justification of such continued use, which shall be subject to public comment.

SEC. . DEFINITIONS.

For purposes of this Act—

(1) ANIMAL.—The term "animal" means any vertebrate.

(2) ANIMAL TOXICITY TEST.—The term "animal toxicity test" means an animal model acute toxicity test including (but not limited to) the Draize eye or skin irritancy test, approximate lethal dose test and the limit test.

(3) FEDERAL DEPARTMENT OR AGENCY HEAD.—The term "Federal department or agency head" means the head of a Federal department or agency who—

(A) has authority to promulgate regulations, guidelines, and recommendations with respect to procedures to be used in the testing of products, including consumer products, veterinary products, and products containing hazardous or toxic substances; or

(B) licenses or approves products, labeling requirements for products, or the transportation of products based on the results of these tests.

(4) NONANIMAL TOXICITY TEST.—The term "nonanimal toxicity test" means a nonanimal model acute toxicity test including (but not limited to) cell culture, computer modeling, protein alteration, and chorioallantoic membrane techniques.

The PRESIDENT pro tempore. The Senator from Nevada [Mr. REID] is recognized.

Mr. REID. Mr. President, this amendment that I have just sent to the desk is comparable to a bill that has been introduced on several occasions in the Senate. There is presently a bill pending that has been cosponsored by Senators JEFFORDS, WIRTH, COHEN, BURDICK, and AKAKA.

The amendment I am offering today encompasses the provisions of S. 891, which is entitled the Consumer Product Safety Testing Act. An identical bill has been introduced in the other body on many occasions. As we speak, H.R. 1676 is pending in the House with more than 100 cosponsors.

The purpose of my amendment is to encourage modernization of consumer product testing. First of all, the amendment precludes Federal agencies from accepting the results of the lethal dose 50 test, an outdated and unreliable test. Second, this bill calls upon Federal agencies to review regulations, some of which are decades old, and to substitute nonanimal for animal tests in situations in which the nonanimal test would protect humans equal to or better than the animal methodology.

The bill does not mandate any changes not endorsed by the regulatory agencies. It does not place restrictions on medical research. I repeat, this amendment places no restrictions on medical research or places any substantial economic burden on industry or Government.

What then is the lethal dose 50 test, the LD50 test? Mr. President, the test is easy to say, LD50, but is horrible and gruesome to consider. In the LD50, rabbits and other laboratory animals are force-fed poisons and other chemical substances until 50 percent of them die. That is the LD or lethal dose 50, a needlessly cruel lab test. What are they force-fed? Drain stoppers, all kinds of things for cleaning ovens, for cleaning toilets—anything you can imagine, these animals are force-fed until half of them die.

But LD50 is not just inhumane, Mr. President; it is scientifically suspect and unreliable. According to an Office of Technology Assessment report on animal testing alternatives—and, by the way, this report is 5 years old—the LD50 test has poor reproducibility. In other words, the results cannot be duplicated or confirmed in another laboratory. This is one of the foundations of sound, reliable scientific research. The Office of Technology Assessment also concluded: "The results are difficult to extrapolate to humans because there are so many mechanisms by which death could occur."

We cannot even be sure, Mr. President, what the LD50 test means to the people who use and buy the products being tested. The Consumer Product Safety Commission has stated that it has a policy to discourage the classical LD50 test. The Food and Drug Administration and the Environmental Protection Agency have both stated that they do not require or encourage the continued use of this test.

In 1984, the chairman of the Medical Research Modernization Committee called the LD50 test an anacronism. The World Health Organization toxicology consultant considers the LD50 test to be a "ritual mass execution of animals."

But 5 years later, after the Office of Technology Assessment has done their work, we are still using this outdated, behind-the-times study because the written regulations have simply not changed in that 5-year period of time. Industry believes that existing guidelines make animal testing necessary for market approval and protection in liability suits. As long as the Federal Government refuses to change the rules, companies will fail to use or create more effective tests.

My amendment attempts to break this logjam, to encourage innovation and accuracy in product testing. Companies will be able to pursue the use of more effective and more humane methods.

Critics will claim that valid alternatives do not exist. Considerable progress, though, has been made to render the Draize eye irritancy test—another test often referred to as the rabbit blinding test—extinct.

In the Draize test, high concentrations of irritants are squirted into the eyes of rabbits. The rabbits endure excruciating pain. Reports indicate, Mr. President, that rabbits cry like human babies during this painful procedure. The irritants squirted into the open eyes of these rabbits could be pesticides, cosmetics, or other irritating chemicals. The drops are applied until the rabbits' eyes are painfully swollen. At the end of the Draize test, the rabbits are killed. I might add, Mr. President, at that time death is merciful.

Draize test alternatives have already been developed by the private sector. Last year, for example, Avon Corp. discontinued the Draize test and is now using something called Eytex, a nonanimal alternative toxicity test that the company validated for its products as part of its product safety evaluation program.

Other companies, including Mary Kay, Amway, Revlon, and Faberge have dropped animal testing to verify the safety of their products.

The protection of human health is also of paramount concern, but I do add, Mr. President, that if these major companies about which I have spoken have given tests to the necessary governmental agencies that satisfied those agencies, certainly others should follow suit.

The Federal Government should be setting a better standard and advance safety product testing. For example, right now, Mr. President, in at least six States throughout the Nation, legislation has been introduced like this. We should set a better example and not have this done on a hodgepodge basis throughout the various States.

A letter from a California assemblyman—this letter was written to Congressman HENRY WAXMAN—outlines the problems that State legislatures face surrounding the problem of the use of animals in acute toxicity testing. Assemblyman O'Connell wrote:

The issue of the use of animals in acute toxicity tests was recently brought before the California assembly. This specific bill sought to criminalize the use of the Draize or LD50 skin irritating test for the purpose of testing consumer or household products. This legislation arose out of frustration with the lack of initiative on the part of industry to change from animal to in vitro acute toxicity testing where possible without sacrificing human health and safety. As recently exemplified by Avon's initiatives, industry is capable of significant changes in this area.

The assemblyman continued:

The bill failed in large part because of confusion over the Federal Government's role in determining the safety of cosmetics and household products and the Government's continued support for the Draize test despite a lack of initiative to validate new technologies.

We need to give some direction to the various States. It can be done by adopting this amendment.

This amendment calls upon Federal agencies to review these regulations regarding animal toxicity tests, and if nonanimal alternatives exist—I repeat, if nonanimal alternatives exist—to substitute these alternatives. It is not fair to the consumer to continue using such tests, especially, if viable alternatives exist.

Mr. President, without Federal guidance to the contrary, companies conducting LD50—remember, it stands for lethal dose 50—and the Draize test will stick to the tried and true. But these tests have proven to be less than true. They have been tried, but they have been proven to be less than true. These tests are certainly cruel, and they are also certainly unreliable.

When it comes to product safety, we cannot afford these half-truths. These tests fail miserably where it counts the most—on humanitarian and scientific grounds. The U.S. Congress is the appropriate forum for initiating change in this area. This modest amendment will do nothing more than require agencies to review scientific progress. In the name of product safety, consumer safety, and scientific integrity, I urge adoption of this amendment.

I want to repeat, Mr. President, that this amendment does not deal with medical research. I quote from a statement made by my colleague in the hearings that took place on the bill in the Senate. Congresswoman BARBARA BOXER testified before the Senate Commerce Committee as follows:

I would like to add that claims that this legislation will force all animal testing to a grinding halt are patently misleading and irresponsible. This bill is directed specifically at toxicity testing of consumer products and in no terms involves biomedical research.

Additionally, while this bill bans use of the classical LD50 test in the first part, animal toxicity tests may continue to be required and the results accepted provided that they are justified.

I also direct the Senate's attention to a statement that will, I am sure, be brought up, that this is not the right place to do it. Maybe there should be more hearings held.

I submit that, first, this legislation arose in 1985 at the same time that the Office of Technology Assessment was asked by Senator ORRIN HATCH to make a determination as to how these products are used and should be used, and how these tests are used and should and should not be used. That was in 1985.

In that year, H.R. 1877 was introduced. In that year in the House, there were 105 cosponsors. In 1987, H.R. 1635 was introduced again by Congresswoman BOXER. Then there were 112 cosponsors in the House. At this time, the bill was referred to the House Subcommittee on Health, where it died, and at that same time I introduced S. 2814. There was no hearing held on it.

Again, I introduced H.R. 1676, not in the 100th Congress, but in the 101st Congress, and that matter is now languishing in committee. During the 101st Congress in the House, a bill was introduced by Congresswoman BOXER, and now there are 123 cosponsors, as of the last date, on that legislation.

So, Mr. President, I think it is time we acted on this legislation. The claims as to it being something that would interfere with medical testing are simply not valid.

I ask that this matter be overwhelmingly supported by this body.

Mr. President, parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his parliamentary inquiry.

Mr. REID. It is my understanding this amendment is proceeding under a time agreement of 1 hour. Is that correct?

The PRESIDENT pro tempore. There is no time agreement on the Senator's amendment.

Mr. REID. There is no time agreement. I yield the floor.

The PRESIDENT pro tempore. Who seeks recognition?

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. The Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I rise in opposition to the amendment of the distinguished Senator from Nevada. I commend him for his thoughtful explanation and sense of humanity and compassion that certainly motivates this amendment.

Mr. President, the basic dilemma that many scientists face is that while nonanimal testing has progressed substantially, there is not overwhelming confidence in nonanimal tests. This is a simple way of stating what can be said in much more complex fashion, but this is the dilemma.

The amendment of the Senator simply states that the LD50 test, 1 year after enactment of this amendment, will not be recognized.

I state specifically: Effective 1 year after the date of enactment of this act, Federal department or agency heads may not consider LD50 test results when determining product safety, labeling, or transportation requirements for purposes of Federal regulation.

Mr. President, the distinguished Senator has pointed out the Commerce Committee has received this legislation and the comparable House committee has received the legislation. Those committees have apparently had hearings, and not acted on this amendment.

The amendment arises in this farm bill context I suspect because some of the tests involve pesticides, insecticides, and various chemical situations that are part of agriculture.

The Senator has mentioned specifically cosmetics, and the fact that in some cosmetics testing something other than animal tests appear to work effectively. I would commend those who are doing that testing to use in every instance, if those tests are effective, other than animal tests.

But we are advised by the relevant governmental agencies that are involved in testing of all sorts—FDA, the Food and Drug Administration, the EPA, Environmental Protection Agency, and the Department of Commerce—of deep concern about this amendment because of its broad-brush approach. If 1 year after enactment of this amendment LD50 tests can no longer be utilized—that is a very severe and broad-brush stroke of all the testing being then done, much of it are very relevant to human health and safety.

I am simply advised that with regard to pesticide testing in particular there

is not confidence that the effects upon human beings can be foretold with the same degree of certainty that animal testing now gives in their so-called nonanimal testing mode.

I suggest that the amendment prophesied that progress will be made at a fairly rapid rate across the board in terms of this testing. Many Senators pray that would be so. But there does not appear to be substantial evidence that that will occur, and 1 year is a fairly short-term time for this complex evolution.

I suggest, Mr. President, that the amendment may or may not belong on this bill. It has been offered. So it is here. But the thrust, certainly, of, I think, all arguments that will lodge against this come down to simply the efficacy of the testing methods, and the gravity of the human concerns that are involved. Those are a very different set of concerns than concerns about cosmetics or about the products that do not affect the health and safety of individuals.

Mr. President, I rise in opposition to the amendment, and I am hopeful it will not be included as part of the farm bill. It clearly is a subject that will occupy the attention of thoughtful Americans for many years to come. Hopefully, those funds and resources, and the originality of topflight scientists will be devoted to ways in which these tests might proceed to a nonanimal type in a broad gamut of methods. But we are not yet at that point, in my judgment.

The intent of the Senator from Nevada may be to stimulate research, and to jog the thoughts of people who may be able to come up with alternatives. But that is clearly something else than mandating 1 year after the time of enactment the LD50 tests can no longer be taken as a part of the background of testing on things that may vitally affect our health and safety.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Thank you very much, Mr. President.

I respond to the manager of the bill for the minority on this matter, this important farm bill, that statements made by the Senator, with all due respect, are not in keeping with the testimony that has been rendered before committees of this Congress by administration officials.

For example, late last year Victor Kimm, who is the leader of the Office of Pesticides and Toxic Substances of the Environmental Protection Agency, testified that basically the LD50 test is not necessary. I will speak specifically to what he said. I give you a general statement. But he said specifically: "In 1984 we revised our position and"—this is his word—"renounced classical LD50 tests that utilize a large number of animals for a singular purpose, the calculation of a median lethal dose. Instead, we suggested a cured approach that results in the saving of animal lives."

That is what this amendment is all about. Yes, it does do away with the classical LD50 test. But that is all it does because it sets up, as the Senator from Indiana has indicated, in the second section of the bill a program that the Federal Government will look into to make a determination if, in fact, there are alternatives available so that you do not need to use animals.

This bill does not outlaw animal testing. It does not even come close. In fact, the language of the amendment allows for, in effect, animal testing if the Federal Government says there are no alternatives. It is as simple as that.

The legislative intent should clearly apply and state that the term "LD50 test" means the classical LD50 test or one in which the calculated dose of a substance is measured to cause the death of 50 percent of an entire defined population. It does not include tests such as the limit test, multiple end point test, the up and down method, or the approximate lethal dose test, which are other scientific methods that are used that are, in effect, not as cruel to animals. Some of these may be unnecessary, but that is up to the Federal Government to decide. This legislation does not outlaw those tests.

I further submit that on a hearing of this bill, again in November of last year, before the Commerce Committee, at that time the Assistant Secretary for Health in the Department of Health and Human Services, Dr. James O. Mason, testified. He testified at great length about the need for animal testing.

Without debating those statements that he made, because we would all recognize that there is some validity in his statement that progress has been made as a result of some of the testing done on animals in the past—without debating that at this time as to whether or not it is necessary, and repeating that this legislation does not prevent animal testing, I submit that Senator BRYAN, who was chairman of that subcommittee and was conducting the hearing, said: "May I conclude from that at this time there is no particular type of research in which LD50 would be absolutely, in your judgment, necessary to do a proper job of research, but that your fear or apprehension is that there may come a time in the future in which there is a test in which LD50 may be necessary? Is that the thrust of it?"

He said: "I think you are very close to it."

So, in effect, what Victor Kimm has said is that the classical test is not necessary, and what Dr. Mason has said is that they do not have any use for the test right now. They may have a use for it sometime in the future.

I respectfully submit to the manager of this bill that we do not in this amendment stop, prevent, slow down in anyway animal testing if a Federal agency thinks it is important. We do away with the classical LD50 test, lethal dose 50, and we have done it based upon not only technology assessment, but there are other witnesses who testified on this. In addition to that, what the Government agencies have said is that it simply is not necessary. We have Victor Kimm's statement and we have that of Dr. James Mason.

Mr. CONRAD addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. CONRAD].

Mr. CONRAD. Mr. President, on this side we would like to commend Senator REID for introducing this legislation. It certainly merits serious consideration. The legislation, we believe, would require and urge that alternatives to animals be used in research, wherever possible. Obviously, we should eliminate unnecessary testing on animals, wherever that is practicable.

However, Mr. President, on behalf of the committee, I want to register objection to this amendment for jurisdictional reasons. This is not a bill that has been examined by the Agriculture Committee. Rather, it is legislation that has been referred to the Commerce Committee. Senator REID, in referring to hearings and witnesses, is referring to testimony that was made not before the Agriculture Committee, but before the Commerce Committee. The Agriculture Committee, therefore, has never had an opportunity to review the testimony of those witnesses, to have a chance to question them, to have a chance to review this legislation, to be able to be certain that it has the sort of limited effect that the Senator from Nevada is suggesting here.

On behalf of the committee, we recommend that the Senator work this bill through the members of the Commerce Committee that are the ones that have had the benefit of the hearings, the testimony, and the legislative process.

With that, Mr. President, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Nevada [Mr. REID].

Mr. REID. Mr. President, I have been in Congress almost 8 years now, and I am disturbed every day by this jurisdictional matter. I understand if

in fact a bill was just introduced, there can be jurisdictional disputes over it. But remember, this legislation has been kicking around for 5 years. Are we going to wait another 5 years and have another million animals killed as a result of this test?

There comes a time when you have to cut people a little slack. I think in this instance we have cut about all the slack that should be cut. I think that in this instance, there has been enough done. There has been legislation introduced now in three Congresses—the 99th, the 100th, and the 101st Congress.

We are winding to a close with the 101st, and now we are going to say we need not only have the Commerce Committee keep it bottled up in their committee, but now we are going to put it over to another committee and bottle it up there for a while.

I think the evidence is very clear that it is time to stop killing these animals unnecessarily. This amendment does not affect medical research. This amendment does not affect animal testing with medical research, if in fact there is a reason for it.

What we are saying is, as Avon and other companies have said, there is no reason for it any more. What we are saying is the same thing Victor Kimm says, who is head of the Office of Pesticides and Toxic Substances. In effect, he is saying that we have done enough. We do not need the classical LD50 test. Let us have the other tests. That is where we have a second section of this amendment, which allows all the other testing to go on, if the Government can show there is a reason for it.

So I submit to my colleagues of the Senate, let us not get hung up on jurisdictional matters. We are talking about humane treatment. We are talking about animals being killed, not by scores, or by the hundreds or thousands, but by the tens of thousands. It is simply unnecessary.

The classical LD50 test does just what it says—lethal dose 50. When you have a number of these animals together, half of them die, you stop the test.

We do not need to do that. We are a civilized society. I repeat for the fifth time, this amendment does not interfere with or slow down medical research in any manner. If there are animals that are necessary to be used in medical testing, the Government simply has to show that it is necessary, that there are not other tests that exist. I submit that this amendment should be adopted overwhelmingly by this body.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Let me reiterate that no Senator wants the unnecessary slaughter of animals. Every Senator, I think, has to act in a prudent manner. And all the distinguished Senator from Nevada has pointed out is that his amendment has been around in one form or another for 5 years, and the Commerce Committee has had several opportunities to have hearings to discuss it.

The fact is, they have not taken action. One reason they have not, I submit, is that high level officials in the Department of Commerce, FDA and EPA, do not want to see action on this amendment. They do not want to see action, because they believe that they would be precluded from utilizing tests that are important for the health and safety of human beings.

That is a very important consideration for all of us. No Senator wants to see the slaughter of animals, but most Senators, in a prudent manner, would say that given the scientific evidence, scientific procedures, the sorts of tests that apparently are required to make certain that a pesticide and insecticide, agricultural chemicals—and I gather that is one reason the amendment comes into our purview at all, as opposed to being strictly a Commerce Committee jurisdiction are suitable for human use. But let us accept on face that there is at least a portion of agricultural jurisdiction, even if a narrow one, at least the aggregate of those in EPA, that have consulted with our committee and are not prepared to see adoption of this amendment.

Therefore, Mr. President, I conclude, as has the Senator from North Dakota, the distinguished comanager of the bill right now has said, that it would have been better if the motion was based in hearings. We have not had hearings. We have been approaching this amendment on the floor of the Senate because it has not made headway in the Commerce Committee after a hearing, after Senators have seen a great deal more testimony than we have.

But we have consulted with relevant agencies of our Government, and they oppose the amendment. They oppose it because they believe that it is a broad brushstroke, and certainly the alternative testing methods simply are not available in the force and number that are required.

Therefore, Mr. President, I repeat again that it seems to me that this is an amendment whose time has not yet come, whatever the jurisdiction or whatever the venue in which the discussion occurs. This is an important amendment in the sense of spurring consideration of alternative means, and humaneness with regard to animal testing.

I join the distinguished Senator from North Dakota in commending the Senator from Nevada for his interest. But at the same time, I must oppose the amendment and advise Senators I think it should not be part of this farm bill.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The chair recognizes the Senator from Nevada [Mr. REID].

Mr. REID. I think that the time has come to stop going back and forth, but I do feel it is important to bring out testimony that was rendered before the Commerce Committee. This was a statement of Dr. Martin Stephens, a representative of the Humane Society of the United States. I think it is very probative to listen to what he said:

> The goal of this bill is to make testing more humane, and certainly that is the goal shared by the American public. I had many remarks to make on the LD50 test, but it seems that there is no opposition to eliminating the LD50 test.

The administration testified; Dr. Kimm, Dr. Mason, both testified, and Dr. Stephens responded to their testimony and said "As I have said, it seems that there is no opposition to eliminating the LD50 test. Both Dr. Kimm and Dr. Mason agreed that the test had seen better days. They talked about the need for continued animal testing on modification of the LD50 test.

This bill does not prohibit those modifications, which include the approximate lethal dose test, the limit test, the up-and-down method, and others. These still involve animals but far fewer animals, and in some cases there is less suffering per animal. I think Dr. Mason was under the mistaken impression that this bill would not allow those modifications."

He goes on to say Dr. David Rall, Director of the National Toxicology Program, head of the Department of Health and Human Services called the test an anacronism.

He went on, "I do not think that the LD50 test provides much useful information about the health hazards to humans from chemicals," and this from the head of the agency that tests chemicals for components, FDA, NIH, and the Centers for Disease Control. He also stated that the National Toxicology Program itself does not use the LD50 test. The International Scientific Journal states it is now widely recognized among toxicologists and regulators that the precise LD50 value is an unattainable vision.

Dr. Gerhard Zbinden, of the University of Missouri, called the LD50 test a ritual mass execution of animals. And he states, "I could go on."

Mr. President, I could go on and on. There is simply no basis for not supporting this amendment. The only basis is one of this vague illusionary things we chase around here and I have seen for 8 years, this thing called jurisdiction, which is meaningless. What we need to do is do something to

stop unnecessary suffering and in the process we will make this country a better and more humane society.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota [Mr. CONRAD].

Mr. CONRAD. Mr. President, I ask unanimous consent to add Senator LEAHY as an original cosponsor of the Reid amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I would also like to commend to Senator REID on behalf of Senator LEAHY that he would be willing and eager to work with the Senator in order to achieve some of the goals that have been outlined by the Senator from Nevada and to further indicate that Senator LEAHY and the committee believes that while there is much merit in the amendment from the Senator from Nevada that it is inappropriate for this amendment to be added to this bill.

Again, often people hide behind jurisdiction in this body. But in this case we have a situation in which there have been hearings held before another committee, witnesses have been called before another committee, in which the expertise that has been generated in this Congress really resides somewhere else.

Therefore, again on behalf of the committee we would resist the amendment.

Mr. REID. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, during the course of this debate others in Washington have been listening to our words and I have received a memo from Secretary Sullivan of the Department of Health and Human Services in which he and his department made the following comments with regard to this amendment.

He points out that the amendment has never been voted out of any committee, whether it be Agriculture or Commerce, and it is strongly opposed by the administration. The Assistant Secretary of Health stressed that biomedical medical research and drug development programs will be adversely affected by this amendment.

This is a disastrous amendment. It would wreak havoc on biomedical research and drug development, because it places restrictions on the choice of scientific methods and creates sizable administrative burdens for justifying the use for each type of toxicity testing.

The amendment outlaws the test for establishing product safety; while it is true that this test is used less and less frequently, it is still available as an option when science demands it.

A particularly damaging portion of the amendment, as the Secretary points out, is the requirement that all agencies review regulations and guidelines concerning the use of any animal toxicity testing of products that may go onto the market. The agencies concerned with product safety already go to great lengths to assure that the test involving animals are conducted humanely and with the minimum number of animals. The amendment would require an unacceptable amount of unproductive work to continue using these test methods.

Finally the thoughts of the Secretary, and I quote:

> The products potentially affected by this bill are not just additional soaps or deoderants or cosmetics but include life-saving and life-sustaining commodities such as new drugs and medical devices. We do not want to hamstring our scientists as they try to develop safe and effective drugs, vaccines, and other treatments for persons in this Nation.

I make these additional points, Mr. President, prompted by the interest of the Department of Health and Human Services.

Mr. President, at the time that the distinguished Senator from Nevada or others are completed with their debate and therefore we know the debate is at an end I will be asked to be recognized to table the amendment of the distinguished Senator from Nevada, but I am withholding that motion, seeing he is on his feet and wishes to proceed with the debate.

Mr. President, I ask unanimous consent that a letter from Dr. Louis Sullivan, Secretary of Health and Human Services, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, July 23, 1990.

DEAR SENATOR: I am writing out of concern that the provisions of S. 891 may be offered by Senator Reid as an amendment to the farm bill, currently under discussion on the Senate floor.

The Administration, and this Department in particular, is strongly opposed to the adoption of this amendment. S. 891 would seriously curtail the use of animal toxicity testing of products to be introduced into the American marketplace. One such test, the LD50 test, would be completely outlawed by this measure; while this test, in fact, is being employed less and less frequently, it does play an important role in some situations and should remain available when the scientific circumstances demand it. A particularly damaging aspect of the Reid amendment is the requirement that all Federal agencies review and justify any animal toxicity testing that they utilize or require. In fact, Federal agencies already go to great lengths to assure that animal testing is conducted humanely as possible and is designed to involve a minimum number of animals. The proposed amendment would require that a great deal of effort be committed to justifying the continued use of testing methods that seem to be working quite well. This would be government waste of taxpayers money, pure and simple.

The products affected by this bill include life-saving and life-sustaining commodities such as new drugs and vaccines, such as those that might be targeted toward cancer and AIDS. We should not hamstring our scientists and doctors as they try to develop safe and effective products for our nation's people.

I hope you will join me in opposing the incorporation of the provisions of S. 891 into the farm bill. The future health and well being of our citizens may well depend on a firm rejection of this amendment.

Sincerely,

LOUIS W. SULLIVAN, M.D.,
Secretary.

Mr. KENNEDY. Mr. President, I am opposed to this amendment. It is clear, on the basis of testimony given by the Assistant Secretary for Health, Dr. Mason, that reliable alternatives to these tests do not now exist in all conditions. Although all of us wish to minimize injury to animals, we must not do this by placing human beings at risk. NIH has informed me that there are a number of potentially life-saving cancer drugs that cannot be administered safely to human beings without animal testing of the kind this amendment would prohibit.

This is a complicated matter. It has not yet been thoroughly reviewed by any committee. It is clearly inappropriate to adopt an amendment based on conflicting and disputed scientific arguments without a thorough committee review.

Mr. REID. Mr. President, I have a brief statement to make before the Senator seeks recognition to ask for a motion to table.

I submit that Dr. Sullivan, and I respect his interest to this body, should determine what his own people had to say. I have related what Dr. Mason has said, and I have stated what another agency has had to say, namely the Environmental Protection Agency.

I repeat now for the sixth time, this amendment does not affect any type of medical research. It does outlaw a test that even the administration officials have stated is an anachronism. It is time to do away with this test. I do state I do appreciate the kind offer of the chairman of the Agriculture Committee, Senator LEAHY, and his interest to look into this but I think the time has come that we should vote on this amendment.

I now yield to the Senator from Indiana.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Nevada.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUGAR. Mr. President, is it the opinion of the Chair that the vote on this will occur after 6 p.m. this evening per the order under which we are debating today?

The PRESIDING OFFICER. There is no formal order that establishes when the votes will occur. There has been an informal understanding.

Mr. LUGAR. Mr. President, then in line with the informal understanding, I ask unanimous consent that the vote occur after 6 p.m. this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

The vote on the motion to table the amendment of the Senator from Indiana will occur after 6 p.m. this evening.

Mr. LUGAR. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURNS. Mr. President, I take this time, as we have now started the second full day of debate, on what I consider probably the most important legislation that will come before this body, and that is the redoing of a Food and Agriculture Act.

I would like to premise this just a little bit because I think a lot of times the American people have been misguided that this is a farm welfare bill. We are talking around an outlay of $50 billion a year out of a budget of $1.2 trillion. Now that does not sound like very much. In fact, it is less than 1 percent of the total outlay of tax dollars that this Government will spend.

It has been done for a very specific reason. It is not done to guarantee an income to our farmers and ranchers, the people that live on our ranches and farms that produces the food and fiber for this country. It is done because the American society as a society made a commitment that they want a stable, healthy, nutritional supply of food, and also fiber. It touches the lives of every one of us.

Every day people go to the grocery store. Foreign visitors when they come to this country do not marvel at our transportation system and they sometimes do not marvel at our communications system. They do not marvel at the big buildings that we have built. They marvel at our supermarkets.

Right here in the Washington area, I think, last year was a prime example, when the wife of a Russian hockey player for the first time visited an American supermarket. She filled up two pushcarts full of meat. She had never seen that much meat in a grocery store in her life. Because over there you spend 2 hours standing in line to make a selection of 19 items, and most of the time there is no meats involved. She had both of those carts full because she did not think tomorrow there would be any there, until she was told otherwise. Foreign visitors marvel at our supermarkets.

So basically what we are talking about here—and we are going to batter around in this body trying to justify outlays and dollars into the agricultural community at the production level. Let us understand this budget just a little bit. We are talking about $50 billion. Half of that budget goes to food stamps, to help our less fortunate feed themselves—school lunch programs; food to nursing homes and convalescent centers; a whole array of programs that are sponsored by this Government that provides food and nutrition and, yes, fiber for clothing to some of our less unfortunate. Only $11 billion in this budget actually gets to the farmer and rancher. If you want to take the percentage on that, I think that would be all right.

I do not have any problems dealing with the money that this Government spends to ensure the supply of food.

I asked a man one time, "Do you buy insurance on your car?" Sure, he does.

"What do you spend for it?"

"$1,000 a year, couple of cars."

"How about insurance on your house?"

"You bet."

"How about insurance on your life?"

"You bet."

"Health insurance?"

"Yes."

I said, "What if I could provide you with an insurance policy that would guarantee you that you could spend all of your hours in the day dealing with your chosen vocation. I do not care what you do. I do not know what your line of work is. I do not care what your line of work is. What if I could guarantee that you would never have to plant, prepare a seedbed, hoe, harvest, process, freeze, and do all those things it takes in to lay a food supply for the winter, if I could guarantee you would never have to do that or any of your family would have to do that so that you could contribute all of your time to your chosen vocation? Would you buy an insurance policy like a that?"

He said, "You bet. It is worth quite a lot to me."

How much is it worth?

Right now the average family spends $129 a year for that insurance policy. That is not very much. That is not very much, guaranteeing them that any time of day, 7 days a week and in a lot of areas 24 hours a day, You can come to the grocery store and get from, yes, soup to nuts, fresh meats, any amount that you want, processed in any manner that you want; you want it canned, frozen, dried, however; a little bit or a lot of it. But it is for sale.

This society called the United States spends less of its disposable income for food than any other citizen of any other nation in this world. Think about that for a little bit. Here is what we are doing with these programs. We are insuring America that there will always be something in the grocery store. It is only costing you $129 a year. That is not a bad deal.

You look at health and human services, I think something like $172 billion a year. That does not count Social Security that amounts $227 billion; defense $294 billion. And I agree it is important.

It is important. We spend $21 billion for education. We are talking about $11 billion, in this Government, to ensure that those people who know how to make land produce and produce very efficiently can do it. Keep those people on the land. Keep them producing.

Agriculture does not want a welfare program. They want to be able to produce. They want to be able to get their paycheck at the marketplace. They should have that freedom to do so. They should have the freedom to put on an acre of lands whatever they think they can make a profit at. These programs, some of them, do not allow you to do that.

Back to the old story about two good friends of mine; they were two brothers and they used to go down in Mississippi and buy watermelons for 50 cents apiece and haul them all the way back to Montana and sell them for 49 cents apiece. Cecil looked at Leonard and said, "We are not making any money." Leonard said, "I know it. We have to get a bigger truck."

It is not going to happen that way. We cannot do it by volume.

The people who want to limit production on one side are the same people who, for environmental reasons, want to shut it down altogether, production agriculture. That makes it pretty tough.

It is the role of this body, of this Government, the Department of Agriculture, to start taking a look at what their real role is, and that is representing the producer, taking care of those people who produce, and also ensuring this country of a safe supply of food. That is what we are talking about here.

We will kick around a lot of amendments and some of them will mean something. I know I have 16 or 17 here I will be offering. We are still dealing with them. They do not mean much.

But we will make great speeches on how we are going to get the farm vote and all of this.

Basically what we are talking about, America, this is a consumer bill. This is a bill that makes sure you have fiber in the store to protect you against weather. This makes sure you have food in those grocery stores. Because we all use it, most of us more than three times a day. I show the effects of that. Maybe some of us only two times a day. But the first thing we do in this life is eat. You will not miss it until it is not there.

So, as we go down the road and we start talking about this farm bill, do not forget what the priorities are in this Nation. It is the largest industry there is in this Nation. I expect half of all the trucks rolling up and down the interstates have something to do with food and fiber. It is our largest export.

If you want to know how bad our balance of payments could be, just imagine if agriculture was not in the black. We can sell it, but we have to be allowed to sell it. We need policy that allows us to sell it.

If we want to do something for the farmer, let us take a look at the grain standards. If we are going to grow and develop a quality product, let us give our customers a quality product. Take a look at that.

This is a consumer bill. This ensures that we will have food on the table and that it is readily available. Make no mistake about it, America, we are going to pay for this food one way or another.

I venture to say there are a lot of folks in this body, if you gave them a ranch or a farm, they could not make it go. They could not make a profit on it.

I can tell you about the poor times. I was born right in the middle of the Depression; 160 acres, two rocks and some dirt, in northwest Missouri—I will tell you about the hard times, folks. We did not know what ties were, and fancy shirts. But those people hung on, they stayed on their farms and they farmed them and they built a nation, and it was their spirit that did it.

As we look at these bills we can argue about a lot of things, whether they are germane or not germane or whatever. I do not think agriculture is looking for a welfare check. It is unique. We can go into a manufacturing line and they can say—well, take the automobile industry—this model is not selling, shut that line down. This one is, increase that one. Agriculture does not work that way. We cannot turn it on and turn it off in a year's time. It cannot be done. So we need a policy, something that keeps us going, and keeps the people in place that know how to make it produce.

Mr. President, as we look into this, we are not looking at budget busters. Sure, money has to be some sort of constraint. I agree with that. But keep in mind, agriculture has made a commitment to this society and society has made a commitment to agriculture. We do not want to violate that commitment.

As the debate goes on we will be speaking on some amendments and some we will not; some we will oppose and some we will support, and offer our own. But what we have to look at is a Department of Agriculture that truly reflects the desires of the producers and is based on providing a food supply that is healthful, wholesome, and safe.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Chair recognizes the Senator from Vermont [Mr. LEAHY].

Mr. LEAHY. Mr. President, first I thank the distinguished Senator from Indiana [Mr. LUGAR] who has been holding down the fort here, Senator CONRAD of North Dakota, who filled in for me, and Senator BOREN who did prior to Senator CONRAD. I was returning by air to Washington today and got back a little later than I had anticipated. I do want to thank the Senators who helped move the bill along.

I know staff has been working hard throughout the weekend and during the day today to find those amendments that might be cleared for action. I know there is a vote that will occur after 6 today—that is my understanding—on the Reid amendment. I also note there will be other votes tomorrow, beginning with the sugar amendment.

I do not know if there will be more than this one vote tonight. But tomorrow there will be many. It will be very busy. We will be going well into the evening tomorrow because of the nature of those amendments that will be debated and will require rollcall votes.

I say this, Mr. President, to urge any of my colleagues who have amendments they think may receive enthusiastic responses from the managers of the bill, that this might not be a bad time to come over because the traffic situation may be a tad congested tomorrow. Whereas today, it is a pleasant day on the floor; the mood of the managers, while always serious, and always with concern for the best order of the country, is probably in the best frame it will be this week. So I urge my colleagues to come forth and see what happens. The result might be better than it will be tomorrow.

With that, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2332

(Purpose: To modify the processor-funded milk promotion program)

Mr. LEAHY. Mr. President, I have an amendment on behalf of Mr. BOSCHWITZ which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BOSCHWITZ, proposes an amendment numbered 2332.

Mr. LEAHY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 15, strike "129(b)" and insert "128(b)".

Beginning on page 36, strike line 22 and all that follows through page 38, line 14, and insert the following:

SEC. 124. AUTHORITY TO ISSUE ORDERS.

The Secretary—

On page 39, line 3, strike "126" and insert "125".

On page 39, lines 4 and 5, strike "sections 125(a) and 135" and insert "section 135".

On page 39, line 9, strike "may" and insert "shall".

On page 39, line 15, strike "127" and insert "126".

On page 39, lines 16 and 17, strike "After notice and opportunity for public comment are given," and insert "Not later than 90 days after publication of the proposed order,".

On page 39, line 17, strike "126" and insert "125".

On page 39, line 25, strike "135" and insert "134".

On page 40, line 1, strike "128" and insert "127".

On page 40, line 5, strike "129" and insert "128".

On page 40, strike lines 15 through 25 and insert the following:

(2) SERVICE TO THE ENTIRE INDUSTRY.—In carrying out this subtitle, the Board shall carry out programs and projects that will provide maximum benefit to the fluid milk industry and promote only Class I fluid milk products. The Board shall, to the extent practicable, ensure that advertising coverage in each region is proportionate to the funds collected from each region.

(3) REGIONS.—The Secretary shall establish not less than 10 nor more than 25 regions in order to ensure appropriate geographic representation on the Board.

On page 41, line 4, strike "marketing".

On page 43, line 6, strike "131" and insert "130".

On page 44, line 14, strike "131" and insert "130".

On page 44, line 24, before the period, insert the following: ", except that this subsection shall not preclude the Board from offering its programs and projects for use by commerical parties, under such terms and conditions as the board may prescribe".

On page 50, between lines 12 and 13, insert the following new subsection:

(l) EXEMPTIONS.—The order shall exempt Class I fluid milk products exported from the United States.

On page 50, line 13, strike "(l)" and insert "(m)".

On page 50, line 16, strike "130" and insert "129".

On page 50, strike lines 20 through 25.

On page 51, line 1, strike "(c)" and insert "(b)".

On page 51, line 6, strike "(d)" and insert "(c)".

On page 51, line 17, strike "(e)" and insert "(d)".

On page 51, line 21, strike "(f)" and insert "(e)".

On page 52, line 4, strike "(g)" and insert "(f)".

On page 52, line 8, strike "131" and insert "130".

On page 54, line 4, strike "137(b)" and insert "136(b)".

On page 54, line 6, strike "132" and insert "131".

On page 55, line 20, strike "133" and insert "132".

On page 55, line 21, strike "133" and insert "132".

On page 59, line 1, strike "134" and insert "133".

On page 60, line 9, strike "135" and insert "134".

On page 62, line 1, strike "136" and insert "135".

On page 62, line 10, strike "135(a)" and insert "134(a)".

On page 63, line 2, strike "135" and insert "134".

On page 63, line 4, strike "137" and insert "136".

On page 63, line 11, strike "135(a)" and insert "134(a)".

On page 63, line 20, strike "131(e)" and insert "130(e)".

On page 64, line 2, strike "135" and insert "134".

On page 64, line 4, strike "138" and insert "137".

On page 64, line 22, strike "139" and insert "138".

On page 56, strike lines 13, through 21 and insert the following new paragraph:

(1) CIVIL PENALTIES.—Any person who violates any provision of this subtitle or a regulation issued under this subtitle may be assessed—

(A) a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation; or

(B) in the case of a willful failure or refusal to pay, collect, or remit any assessment or fee duly required of the person under this subtitle or a regulation issued under this subtitle, a civil penalty by the Secretary of not less than $10,000 nor more than $100,000 for each such violation.

Each violation shall be considered as a separate offense.

On page 60, line 22, after "products", insert the following: "represented in the referendum".

On page 63, lines 21 through 24, strike "class I processors voting in the referendum who represent, as determined by the Secretary, 60 percent or more of the volume of class I fluid milk products" and insert "class I processors representing 60 percent or more of the volume of class I fluid milk products represented by the processors voting in the referendum ".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment (No. 2332) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

NOMINATION OF JUDGE SOUTER

Mr. LEAHY. Mr. President, I understand that the President has nominated Judge Souter of the first circuit for a position on the U.S. Supreme Court.

Mr. President, I hope that we will not see a rush of Senators saying that they will vote automatically for him, or automatically vote against him.

I remind my colleagues that we should have a full confirmation hearing where everybody can be heard. The President deserves to have his nominee looked at seriously. If we are going to fulfill the constitutional requirements of advice and consent, then we should be prepared to consider the nomination carefully.

The President will state what he sees as the strong reasons for his nominee. The Senate will consider them, read the opinions the judge wrote both on the New Hampshire Supreme Court and on the First Circuit Court of Appeals, and then honestly make up our minds.

The President has said he did not use litmus tests in selecting this nominee, and the U.S. Senate will not use litmus tests. Instead we will follow the normal constitutional—advice and consent. Senators should listen to the evidence, make up their minds, then declare their positions. Not the other way around.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

Mr. BOSCHWITZ. Mr. President, I have gone through my State of Minnesota many years and have made hundreds of onfarm visits. Starting with the drought in 1988, I did so very systematically. I made 62 onfarm stops that year in 62 different counties throughout our State, all the counties that were affected by the drought.

One of the things that I said as I proceeded along there is that I am going to come back next year, and see whether or not the drought package that we passed was adequate so that you can attend the meeting next year. The drought package that we passed did not enrich the farmer, but nevertheless allowed him to get through what was a very, very difficult year.

It was a sad thing to see the farms and the crisis that occurred that year. What a difference this year is. Minnesota is all in bloom. Minnesota's crops look as beautiful as I have ever seen them. There is a feeling of buoyancy just as there was a feeling of despondency in 1988 when everything was just dry as a bone.

So I had gone from farm to farm back in 1989, and have been back to many of them in 1990. In 1989, and again this year, we talked about the 1990 farm bill. At each stop I would ask, "What do the farmers want? What do they seek in the 1990 farm bill?"

They would, almost without exception say—certainly there were some exceptions, if you get three or four farmers together, they seem to have quite a variety of views—but it really was certainly with a much larger majority than usual that people would say, "Why do you not just continue the 1985 farm bill?"

There were many who felt that in the event this whole procedure of trying to pass a new 5-year farm bill fell upon too great a contention we would indeed just continue the 1985 farm bill. It would have been a very popular act in rural Minnesota, and all of rural America.

What was there about the 1985 farm bill that made it so successful? If there was a very successful element to that farm bill, is that element in the 1990 farm bill?

One of the principal elements that was in the 1985 farm bill was the ability of the Secretary of Agriculture to establish competitive loan rates. Loan rates really are the market floor. Loan rates are the price that the farmer will get in any event. He makes a loan from the Federal Government, and in the event that the market is lower than that loan rate, he simply surrenders the crop to the Government and is excused from repaying the loan and the interest on that loan.

So the loan rate, plus the interest that is accumulated, really is the base of the market. Make that loan rate high, and you will encourage producers to produce more. Make that loan rate high, and you will encourage producers not only in the United States but in other parts of the world. And indeed, the loan rates during my stay in the Senate have often been so high that they began to farm further and further out on the Outback of Australia, closer and closer to the Arctic Circle in Canada. Production increased throughout Europe, and other parts,

particularly in South America. Crops were planted because of the incentive they were given because the world market has a low point. It is the American loan rate.

In the 1985 farm bill the formula was established that the loan rate would be 75 to 85 percent of the market price in the preceding 5 years, taking out the high year and the low year, and averaging the other three.

That is a sensible approach. You have them take out the low year because this might have been a bumper crop that drove down the price. You have to take out the high year because you can have a drought like in 1988 when there was a very short crop when crop prices do not have any semblance of normalcy.

So taking out the high and the low year makes sense.

Averaging the other 3 years makes sense. Then the Secretary of Agriculture can take 75 to 85 percent of that 3-year average, and say that this is the loan rate.

The Secretary of Agriculture has always taken the 75-percent route. In this farm bill there has been a change. The same formula exists, but a minimum, a floor is put in, and that floor is the 1990 loan rate. Even if the Secretary of Agriculture could, under the formula, lower the loan rate under this bill, he could not because there is a floor to the loan rate.

I do not want low prices in agriculture but I want competitive loan rates so that production around the world will not start up, so that our products will be competitive on the world market, and so that the other very fruitful programs, the EEP, the Export Enhancement Program that we instituted in the 1985 farm bill can operate and not be too expensive.

The amendment that I will offer on this farm bill, but will not offer at this moment, is that the loan rates continue to be established as they were under the 1985 farm bill. It is an important amendment. It is at the crux of the success of the 1985 farm bill. As a result it is important that we continue it in this farm bill as well.

The 1985 farm bill is widely regarded in rural America as having been a most successful effort. It alone did not create the return of prosperity to rural America. A good rain very often is more important than the farm bill, and certainly we see now throughout my State and throughout most States that we have good moisture. Without good moisture it almost does not matter what is in the farm bill.

The trade balances in the world are very affected by the economic conditions of many nations. The trade balance of the United States is very much impacted by the rate of exchange of the dollar. When the dollar is very expensive, a farm bill is not enough of a cure. When the dollar is very expensive, then our grains are very expensive and our competitors enter into the picture. But the farm bill is a factor. These other things are factors as well.

The farm bill is an announcement. It announces to all the world what the minimum price of a commodity will be. That is why it is important that the Secretary of Agriculture continue to have the ability to establish a loan rate in a competitive manner.

That is what I will seek to restore to this farm bill, and what I argued for in committee.

The farmer continues to be protected, however, because of the deficiency payments. There is a target price and a loan rate. The difference between them is the deficiency payment.

If the market price goes up, then the deficiency payment is a small one. If the market price hovers around the loan rate, then the deficiency payment can be the entire difference between the loan rate and the target price. Only when the market price goes above the target price does the market reward the farmer. If the market is to reward the farmer, when indeed, we have to have trade throughout the world, and if we are to do that, we have to have competitive loan rates.

So my amendment will, again, return the basic loan rate to the 1985 formula. It will do a couple of other things, as well. It will eliminate the advance Findley payment, which is an interest-free loan, which is designed to make it more difficult for the Secretary of Agriculture to use the Findley adjustment. It will also eliminate the requirement that the Secretary of Agriculture submit a report before using the Findley provision. Finally, it will make marketing loans discretionary rather than mandatory.

Once again, Mr. President, this is a constructive amendment. If we were to go out and ask farmers, "Should we pass a new farm bill?" The vast majority of them would say why fool with a good thing, why fix something that is not broken. The 1985 farm bill has performed so well. It has performed so well, Mr. President, because of the ability to establish competitive loan rates.

So that is an amendment that I will offer. I will offer it tomorrow. I suggest to Senators that they look at a "Dear Colleague" letter that I have sent to their office which outlines this amendment and some other amendments, as well. This will be an amendment that will be well received in rural America, well received by the farmers of our country, and for good reason, Mr. President, because it has worked well in the last 5 years.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that I may proceed for not to exceed 6 minutes as in morning business.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. I thank the Chair.

(The remarks of Mr. BOSCHWITZ pertaining to the introduction of S. 2889 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KERREY). Without objection, it is so ordered.

AMENDMENT NO. 2333

(Purpose: To provide for the establishment of a Sustainable Agricultural Research and Education Program.)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 2333.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 732, line 3 all through page 759, line 3 and insert in lieu thereof the following:

"Subtitle C—Sustainable Agricultural Research and Education Program

"SEC. 1461. DEFINITIONS.

"For purposes of this subtitle:

"(1) AGRIBUSINESS.—The term 'agribusiness' includes a producer or organization engaged in an agricultural enterprise with a profit motive.

"(2) EXTENSION.—The term 'extension' shall have the same meaning given to the term by section 1404(7) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

"(3) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means an organization, group, institute, or institution that—

"(A) has a demonstrated capacity to conduct agricultural research, demonstration, education, or information delivery on sus-

tainable agricultural practices or systems; and

"(B) is exempt from tax under section 501 of the Internal Revenue Code of 1986.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(5) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(6) STATE AGRICULTURAL EXPERIMENT STATIONS.—The term 'State agricultural experiment stations' shall have the meaning given to the term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101(13)).

"(7) SUSTAINABLE AGRICULTURE.—The term 'sustainable agriculture' means an agricultural system that is economically viable and environmentally sound over short and long terms.

"SEC. 1462. FINDINGS.

"Congress finds that—

"(1) to be sustainable, any system must be environmentally sound and economically profitable over short and long terms;

"(2) highly productive and efficient agricultural systems and sound conservation practices are essential to ensure the long-term agricultural sustainability of farms and ranches in the United States;

"(3) sustainable agriculture can embrace methods included in systems known as alternative, low-input, ridge-, no- and minimum tillage, regenerative, biological, organic, ecological, and conventional agriculture that meets the economic and environmental criteria to achieve short and long term sustainability;

"(4) United States farmers and the nonfarm public want a sustainable agricultural system that will continue through time to be productive and profitable, conserve natural resources, protect the environment, protect the health and safety of agricultural workers, provide safe and ample food and nonfood products, and compete efficiently in global markets;

"(5) improved management of all inputs, increased diversification among enterprises, and increased global understanding are essential to ensure the sustainability of the American agriculture system;

"(6) agricultural research and technology transfer activities of the Secretary (including activities of the Extension Service, the Agricultural Research Service, and the Cooperative State Research Service), State cooperative extension services, land grant and other colleges and universities, and State agricultural experiment stations—

"(A) have contributed greatly to innovation in agriculture; and

"(B) have a continuing role to play in improving agricultural sustainability;

"(7) the annual irretrievable loss of an estimated 3 billion tons of topsoil through wind and water erosion reduces agricultural sustainability;

"(8) farmers and ranchers have demonstrated an interest in participating directly in research and extension efforts, a practice that improves farming methods and benefits research and extension programs;

"(9) many farmers and ranchers are dependent on nonrenewable production inputs and natural resources for agricultural production;

"(10) public funding of a properly planned and balanced agricultural research and education program is essential to improving efficiency in agricultural production and conservation practices; and

"(11) the expansion or redirection, or both, of agricultural research and extension efforts are needed to assist farmers, ranchers, and other persons engaged in agribusiness to—

"(A) improve agricultural sustainability;

"(B) implement soil, water, and energy conservation practices;

"(C) manage chemical, genetic, capital, labor, machinery, and other resources to optimize the economic and environmental results of their operations;

"(D) diversify their enterprises and practices to more effectively manage risk;

"(E) understand and compete in the global economy;

"(F) reduce nonrenewable production inputs when feasible and practicable and optimize the use of onfarm resources; and

"(G) protect the health of farmers, farmworkers, and consumers.

"SEC. 1463. PURPOSES.

"It is the purpose of this subtitle to—

"(1) facilitate and promote scientific investigation and education in order to—

"(A) enhance agricultural sustainability;

"(B) maintain the productivity of land, labor, capital, and technology;

"(C) reduce soil erosion and loss of water and plant nutrients;

"(D) conserve energy and natural resources;

"(E) improve competitiveness of agriculture producers and processors in global (domestic and foreign) markets; and

"(F) protect the health of farmers, farmworkers, and consumers through safe practices that provide safe food; and

"(2) facilitate the conduct of research and extension projects in order to—

"(A) study agricultural production, marketing, and management systems that are located, to the extent practicable, in areas that possess various soil, climatic, and physical characteristics;

"(B) study farms that have been, and will continue to be, managed using farm production practices that rely on a variety of conservation practices;

"(C) take advantage of experience and expertise of farmers and ranchers through their direct participation and leadership in projects;

"(D) promote a partnership between farmers, nonprofit organizations, agribusiness, and public and private research and extension institutions; and

"(E) transfer practical, reliable, and timely information to farmers and ranchers on sustainable farming systems and practices.

"SEC. 1464. INFORMATION ASSESSMENT AND UTILIZATION.

"(a) IN GENERAL.—Subject to section 1468, the Secretary shall inventory and classify by subject matter all studies, reports, and other materials developed by any person or governmental agency with the participation or financial assistance of the Secretary, that could be used to promote the purposes of this subtitle.

"(b) DUTIES.—In carrying out subsection (a), the Secretary shall—

"(1) identify, assess, and classify existing information and research reports that will further the purposes of this subtitle, including information and research relating to—

"(A) production practices;

"(B) marketing strategies for existing products;

"(C) globalization of American agriculture;

"(D) application of sustainable natural ecosystem principles to agroecosystems;

"(E) environmentally sound cropping, livestock, tillage, nutrient management, pest management, water conservation, and alternative energy systems;

"(F) the social, global competitiveness, economic, and environmental effects of alternative production and marketing systems and technologies; and

"(G) the role of public policies and programs in fostering and hindering the purposes of this subtitle;

"(2) identify which of the reports provides useful information and make the useful reports available to farmers and ranchers, and other agribusiness persons; and

"(3) carry out educational programs to facilitate the systematic application of information generated from research.

"SEC. 1465. RESEARCH, EDUCATION, AND TECHNOLOGY TRANSFER PROJECTS.

"(a) IN GENERAL.—Subject to section 1468, in cooperation with Federal and State research and extension agencies and agricultural producers, the Secretary shall conduct such research and education projects as are needed to obtain data, draw conclusions, and demonstrate technologies necessary to promote the purposes of this subtitle. The Secretary shall ensure that—

"(1) the projects are open for public observation at specified times; and

"(2) the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is observed in the development and conduct of the projects.

"(b) BROAD REPRESENTATION.—In carrying out subsection (a), the Secretary shall conduct projects and studies in areas that are broadly representative of United States agriculture.

"(c) AREAS OF LAND.—In carrying out subsection (a), the Secretary may conduct research projects involving crops, soils production methods, and weed, insect, and disease pests on individual fields or other areas of land.

"(d) ONFARM RESEARCH.—In carrying out subsection (a), the Secretary shall conduct onfarm research.

"(e) STUDIES.—In carrying out subsection (a), the Secretary shall conduct studies on the national and regional economic, global competitiveness, and social and environmental implications of adoption of sustainable agriculture systems and practices.

"(f) SEQUENCE OF CROPS.—In the case of a research project conducted under this section that involves the planting of a sequence of crops, the Secretary shall conduct the project for a term that is appropriate to the sequence involved.

"(g) SELECTION OF PROJECTS.—In carrying out subsection (a), the Secretary shall select projects on the basis of the relevance of the project to the purposes of this subtitle, the appropriateness of the design of the project, the feasibility of obtaining the objectives of the project, and the scope of the potential applicability of the findings and outcomes. Priority shall be given to those projects that—

"(1) closely coordinate research and extension programming, including extensive farmer input and feedback and specific plans for making findings readily useable;

"(2) maximize the involvement and cooperation of farmers, including onfarm research and demonstrations;

"(3) involve an interdisciplinary systems approach; and

"(4) involve cooperation between farmers, nonprofit organizations, colleges and universities, agribusinesses, and government agencies.

"(h) NATIONAL INFORMATION AND COMMUNICATION SYSTEM.—In coordination with the Extension Service, State cooperative extension services, private information delivery systems, and farmers, the Secretary may implement a national sustainable agriculture information and communication system using the cooperative extension service to ensure that farmers and ranchers and other agribusiness persons are aware of sources of information identified within section 1464 and projects conducted under this section, including—

"(1) demonstrations of components and systems through field days, tours, workshops, conferences, and short courses; and

"(2) multimedia information sources including publications, videotapes, broadcasts, computer information systems, and other technologies.

"SEC. 1466. COORDINATION.

"(a) IN GENERAL.—The Secretary may—

"(1) establish regional administrative councils that include representatives of—

"(A) the Cooperative State Research Service;

"(B) the Agricultural Research Service;

"(C) the Extension Service and State cooperative extension services;

"(D) State agricultural experiment stations;

"(E) the Soil Conservation Service;

"(F) State Departments of Agriculture;

"(G) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(H) farmers utilizing sustainable agriculture systems and practices;

"(I) agribusinesses; and

"(J) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities;

"(2) establish a national advisory council that includes representatives of—

"(A) the Agricultural Research Service;

"(B) the Agricultural Marketing Service;

"(C) the Farmers Home Administration;

"(D) the Agricultural Cooperative Service;

"(E) the Cooperative State Research Service;

"(F) the Extension Service;

"(G) the State cooperative extension services;

"(H) the State agricultural experiment stations;

"(I) the Soil Conservation Service;

"(J) the Economic Research Service;

"(K) the National Agricultural Library;

"(L) State Departments of Agriculture;

"(M) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices; and

"(N) farmers utilizing sustainable agriculture systems knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities; and

"(3) in conjunction with the regional administrative councils, develop criteria to identify the individuals, organizations, or other entities capable of assisting the Secretary and the land grant universities in carrying out this subtitle.

"(b) DUTIES OF REGIONAL ADMINISTRATIVE COUNCILS.—The regional administrative councils shall—

"(1) appoint regional technical committees consisting of—

"(A) scientists with expertise in a wide cross-section of disciplines;

"(B) Extension specialists or agents, or both;

"(C) farmers who use sustainable agriculture systems and practices;

"(D) members of nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(E) agribusiness persons; and

"(F) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and the viability of rural communities;

"(2) promote the program at the regional level;

"(3) recommend goals and criteria for selection of projects within the region;

"(4) review and take action on the recommendations of the technical committee; and

"(5) provide an annual report on funded projects and an evaluation of project activity.

"(c) DUTIES OF TECHNICAL COMMITTEES.—The technical committees established under subsection (b)(1) shall—

"(1) evaluate project proposals;

"(2) submit recommendations for funding; and

"(3) assess further research and education needs.

"(d) DUTIES OF NATIONAL ADVISORY COUNCIL.—The responsibilities of the national advisory council established under subsection (a)(2) shall include—

"(1) promoting the program at the national level;

"(2) advising Department of Agriculture agencies relative to activities funded by the program;

"(3) recommending general procedures for awarding and administering funds within the regions;

"(4) coordinating recommendations for improving the program;

"(5) exploring opportunities for increased integration among programs in sustainable agriculture, water quality, integrated pest management, alternative agriculture, food safety, and other related programs; and

"(6) providing an annual report to the Secretary.

"SEC. 1468. AGREEMENTS.

"The Secretary shall carry out sections 1464 and 1465 through agreements with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, for-profit organizations, or Federal or State governmental entities, that have demonstrated appropriate expertise in agricultural research and technology transfer and in commercialization of new processes and products to and from agriculture.

"SEC. 1469. DISSEMINATION OF DATA.

"The Secretary may—

"(1) make available through the Extension Service and State cooperative extension services and via the outreach of the cooperative extension system through other public and private agencies—

"(A) the information and research reports identified under section 1464; and

"(B) the information and conclusions resulting from any research project conducted under section 1465; and

"(2) otherwise take such steps as are necessary to ensure that the material is made available to the public.

"SEC. 1470. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated each fiscal year up to $40,000,000 to carry out this chapter, to remain available until expended.".

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents for subtitle C of title XIV of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1359) (as affected by subsection (a) of this section) is amended to read as follows:

"Subtitle C—Sustainable Agricultural Research and Education Program

"Sec. 1461. Definitions.
"Sec. 1462. Findings.
"Sec. 1463. Purposes.
"Sec. 1464. Information assessment and utilization.
"Sec. 1465. Research, education, and technology transfer projects.
"Sec. 1466. Coordination.
"Sec. 1468. Agreements.
"Sec. 1469. Dissemination of data.
"Sec. 1470. Authorization of appropriations.".

Mr. GRASSLEY. Mr. President, this amendment that I propose deals with the subject of the low-input sustainable agriculture subtitle of the legislation that is before us. This amendment deals with a very popular part of the bill, and I know the committee has worked long and hard on this subtitle.

As I offer an amendment that modifies part of the subtitle and only part of the subtitle, I suggest to the Agriculture Committee and to the respective staffs, I commend all efforts toward sustainable agriculture and the promotion of that concept.

I commend particularly the part that includes the National Training Program in sustainable agriculture, the Extension Service Pesticide Application Service, and the biotechnology risk assessment research sections in this legislation. These provisions will help us get to the goals of sustainable agriculture.

I offer an amendment to the research title. Just in case there is any doubt about what my amendment deals with, it deals with just the portion of the bill that is the first chapter of the sustainable agriculture section, and it leaves all of the previous-cited sections I mentioned untouched.

If I were to consider a general categorization of what Senator LEAHY and the Senate Agriculture Committee is trying to do with their legislation, they are very definitely trying to broaden the understanding of sustainable agriculture and encourage it, and legitimately so.

My fear in the approach that is used in this section we are spending a great deal of time preaching to the choir, people who have worked long and hard on the subject of sustainable agriculture, both from the standpoint of people preaching it as well as those

practicing it. And most of the time they are one and the same.

My effort is directed at what to do with all the research that is going to be done. Are we going to be able to involve enough people who are not part of the choir to accomplish our goals of getting a broad base of acceptance of the concept of sustainable agriculture?

As a practicing farmer myself, I have to say I have an awful lot to learn in this whole process of low-input sustainable agriculture. Even though I read and my family reads a great deal about it, we have a long ways to go in practicing the essence of sustainable agriculture. I spend a majority of my time away from the farm, so my son is really the farmer in my family. But whether it is this generation or whether it was his grandfather or great-grandfather, we have all been farmers. I do not pretend to be any different than any of the other Members of this body who can point back to succeeding generations of being involved with agriculture in America. Any of my colleagues could point out the handing down from one generation to another of practices in agriculture. Every one of my colleagues who is involved in agriculture could be talking about crop rotations and the utilization of animal manure for fertilizer as always being part of the farming operation. That is very elementary.

For generations, these principles, which are now referred to as sustainable agriculture, have been among the first farming lessons passed on from one generation to another. Today, we also have the benefits of technology and science in farming. Crop yields have soared with the introduction of chemical fertilizers and pesticides. To a degree, chemicals have reduced the need for traditional crop rotation.

But also we have Government program that lock producers into planting crops on the basis of their given crop base. This has further limited traditional crop rotation. I do not know it is realized as we talk about farm programs here, but there are an awful lot of bureaucratic and political decisions made in Washington, DC. Those decisions put an economic penalty upon farmers practicing some of the things that over a long period of time have been considered very wise decisions in farming. Things that today we would call sustainable agriculture because there is emphasis upon uses other than pesticides and commercial fertilizers.

By overemphasizing a corn base, we have encouraged people to plow up a lot of land that should never have been planted in row crops. Once that corn base is built up and we have not allowed enough flexibility in the farm programs, requiring a planting of every acre to certain specified crops, like corn, to maintain crop bases. In my State, we have discouraged the rotation of crops that are integral to a lot of sustainable agricultural approaches. We must encourage farmers to combine responsible stewardship of natural resources with farm profitability, but we cannot ignore the bottom line in agriculture any more than you can ignore the bottom line in any business.

So that brings me to this amendment. I am concerned that language currently in this farm bill will move sustainable agriculture away from this goal into areas that may dramatically reduce farm productivity through reduction of chemical usage. There is more to sustainable agriculture than reducing chemicals.

In my home State of Iowa, we have a reputation for being leaders in sustainable agriculture. There is even a definition in Iowa law put there, of course, by the legislature. This legal definition reads this way, defining sustainable agriculture:

> Appropriate use of crop and livestock systems and agricultural imports supporting those activities which maintain economic and social viability while preserving the high productivity and quality of Iowa's land.

I feel that the amendment I am offering will help American farmers to achieve these goals set forth in Iowa's legal definition of sustainable agriculture. Both the committee bill and my amendment emphasize the environment, conservation, and ground-water concerns. They both include the establishment of the national sustainable councils on farm research and competitive research programs. Although the differences between the current language and that of my amendment may appear subtle, there are significant differences.

First, the definition chosen for the committee bill emphasizes the reduction of inputs. So I am proposing a definition closer to the definition that has achieved positive results in my State and also a definition suggested by the U.S. Department of Agriculture. Their definition:

> An agricultural system that is economically viable and environmentally sound over the short term and the long term.

I feel strongly that all types of classifications of farming need to be recognized as we work for truly sustainable agriculture using the definition that I have in my amendment.

Sustainable agriculture can and should embrace methods in systems known as alternative, low input, no till, ridge till, minimum tillage, regenerative, biological, organic, ecological, and conventional farming, if those methods meet the economic envirionmental criteria to achieve short- and long-term sustainability.

The committee also included the term "alternative" and "low-input livestock" in their amendment. The committee's reference to this raises a lot of questions in my mind. There is no definition provided in the committee bill of what the committee means by alternative and low-input livestock. For as long as I can recall and as far as I know, long before I even remember, there has been only one kind of livestock farming and they all require the same amount of inputs.

I have a letter from 10 agricultural groups representing the Nation's livestock and poultry producers, including the American Farm Bureau Federation, the American Sheep Industry Association, the National Broiler Council, the National Cattlemen's Association, the National Pork Producers Council, the National Turkey Federation, the United Egg Association, and the United Egg Producers. Their concerns mirror my own.

So I ask unanimous consent, Mr. President, to have printed in the RECORD a copy of this letter that was sent to me.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 25, 1990.

Hon. CHARLES GRASSLEY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRASSLEY. The 10 national groups signed below, representing the nation's livestock and poultry producers and industries which serve them, are generally supportive of action taken by the Senate Agriculture Committee to increase funding and broaden the scope of U.S. Department of Agriculture research efforts. We fully recognize the need for a strong Farm Bill research title in maintaining a competitive agriculture economy. However, we have several concerns.

In reviewing amendments to traditional research programs and as part of the Senate's intent to increase funding for "sustainable agriculture," we are troubled by language used throughout the bill that implies there is sufficient concern with current livestock and poultry production systems and practices as to need "alternatives" in the pursuit of "animal welfare" or "well-being."

In Title XIV, "Findings," Sec. 1402 (15)(B), page 9, current law is amended by discussing "continuing or increased" efforts under traditional research programs to include ". . . development, of new animal alternatives and alternative animal rearing systems, animal husbandry and welfare . . ."

In the absence of report language describing the Senate's confidence in current production practices, this language does not describe what an "animal alternative" might be, nor why "alternative animal rearing systems, animal husbandry and welfare" would be necessary, unless it is the consensus of the committee that current systems do not adequately address "welfare." The groups signed below strongly disagree if that is the assumption.

Interestingly, there is no similar language under "Purposes" Sec. 1403A, unless under Sec. 1403A (c)(1) page 17, "tak(ing) greater advantage of natural processes and beneficial onfarm biological interactions so as to sustain and enhance interactions for use in agronomic and livestock farm management . . ." is supposed to apply.

We have included the relevant sections from the House Agriculture Committee's version of the research title that we strongly believe show a pragmatic approach to broadened livestock and poultry production research. We urge the Senate to take a similar approach so that behavioral and physiological animal needs are researched in the context of production efficiency and animal well-being. We believe this to be the proper balance of these factors in maintaining producer efficiency and competitiveness.

Similarly, under Subtitle C, Sec. 1461 (a)(F), page 211, in the findings and purposes for sustainable agriculture research, there is now the need to "explore alternative livestock production systems that lead to low-input livestock production * * *" and Sec. 1461(b)(5) that contends one purpose of this research is to "promote animal wellbeing (sic)"

We question why researching "alternative systems" is preferable to studying methods by which current systems can be adapted to sustainable priorities, and why an "alternative" automatically means better animal care, unless the Senate believes current systems somehow ignore "well-being." The fact that under current LISA programs, similar research is already being funded does not mean this section is automatically "harmless."

We urge the Senate to also consider the potential anti-competitive implications of federal research dollars going to demonstration projects conducted on working farms, especially in the context of sustainable agriculture priorities.

Currently, there are producers in every segment of livestock and poultry production involved in the commercial raising of animals marketed as "chemical free" "organic", etc. In many cases, such contemplated demonstration projects—especially if cooperating producers are to be indemnified for any loss due to participation—could create automatic, government subsidized competition for these private producers, individuals who have invested money and time in developing their niche market operations.

We urge the Senate to either indemnify current commercial operators if unfair competition can be documented, or take steps to mitigate potential anti-competitive results of such projects.

Our final concern with the research title as currently drafted is the role of the "nonprofit organizations," both as they are eligible for research dollars and their role on various advisory boards, etc. The statutory definition limits "nonprofit" to only those organizations demonstrating agricultural expertise which qualify as 501(c)(3) organizations under the Inernal Revenue Code of 1986.

A 501(c)(3) is a charitable designation. This restriction is unreasonably narrow, and would preclude any recognized producer organization or trade association from participating either in legitimate research or in the oversight functions described in the program. We strongly urge the Senate to broaden this requirement to include all 501(c) organizations.

Thank you for your consideration of our concerns.

Sincerely,

American Farm Bureau Federation, American Feed Industry Association, American Agri-Women, American Sheep Industry Association, National Broiler Council, National Cattlemen's Association, National Pork Producers Council, National Turkey Federation, United Egg Association, United Egg Producers.

Mr. GRASSLEY. Mr. President, I will also highlight for the immediate concern of my colleagues this statement from the letter.

* * * in the findings and purposes for sustainable agricultural research, there is now the need to "explore alternative livestock production systems that lead to low-input livestock production. . . " and Sec. 1461(b)(5) that contends one purpose of this research is to "promote animal wellbeing (sic)".

The letter goes on to say that "We," meaning the 10 groups that signed the letter:

We question why researching "alternative systems" is preferable to studying methods by which current systems can be adapted to sustainable priorities, and why an "alternative" automatically means better animal care, unless the Senate believes current systems somehow ignore "well-being."

It is not clear what the committee meant. But it is very possible that this can be read into the language since there is not any definition.

Since the beginning of our history, America has often been touted as the land of plenty. Everyone, including farmers, is just now fully understanding the sensitivity of our natural resources, the inter-reaction of everything within the ecosystem, the dependency of one part of it on another.

Obviously, there is more that needs to be done. I do not question that. The committee shows its leadership in the language they brought before us, but I think we need to bring more people under the umbrella. I think we need to make sure that we can involve as many people in the process of all the research possible on sustainable agriculture.

I hope in doing this we understand that no one wants to be told they must radically change how they make their livelihoods, especially when those changes may dramatically reduce their income. So there is a parallel between what changes farmers make and the bottom line of their operation. The process of educating people about low-input sustainable agriculture means bringing them along.

It does not mean only for those who are already sold on the project, making those people more committed to it. They do not have to be more committed to it. I know a lot of people who, for probably a couple decades, have been involved in the movement of sustainable agriculture. They would be the first to admit to you that every year they are learning more, but they are sold on the movement.

I think a problem we have is how do you bring more people into the movement. The thrust of my amendment is to get more people involved so that what has been good for a few thousand people in the United States and good for the entire country will mean more food for the entire country—as we bring more people under that umbrella, to move them along slowly, to change traditional farming practices, to emphasize sustainable agriculture, but to do it in a way that is economically sound.

The approach that I am suggesting will show farmers how they can incorporate alternative methods in their current farming practices that will protect the environment while maintaining their current income; alternatives that allow farmers to maintain our competitive position in the marketplace. In fact, many sustainable practices actually reduce farm input costs while maintaining income levels. That is a worthy goal.

The Federal Government must be more than a mandator of change. It must become an active partner in discovering avenues and workable solutions that allow us to achieve sustainable agriculture, a partner with sensitivity to both the environment and economic ramifications on all facets that make up the agriculture industry. That is in what we ought to be involving the Federal Government. A unified front will evolve from the farming community, the environmental community, and consumers, if the move from conventional practices offers alternatives that maintain high quality and volumes of products in an economically viable manner.

We must remember our success will be mitigated if any one action is not in concert with the efforts of the group. I hope that a unified front will evolve and that a truly sustainable agriculture will become commonplace in all areas of the United States very soon. I hope Senators will join me and many of the national agriculture and commodity organizations in support of this amendment.

I yield the floor.

Mr. LEAHY. Mr. President, I apologize to the Senator from Iowa because I have been in a number of discussions, primarily on the Senate schedule. Has the Senator from Iowa sent his amendment to the desk?

The PRESIDING OFFICER. Yes.

Mr. LEAHY. I thank the Chair.

Mr. President, I have, as the Senator knows, a sense of friendship with the Senator from Iowa. With regard to his amendment, I hope he understands that it does not reflect anything on that friendship when I must say I oppose his amendment. I might also say that I suspect that the Senator from Iowa is probably not taken by surprise.

We have worked very hard on the issue of sustainable agriculture. The committee met a number of times, the staff has met, and individual Senators have met to forge a compromise on sustainable agriculture with which we could feel comfortable to pass out of committee.

The proponents of sustainable agriculture and those who have reservations about it each had to compromise to get where we are now. The amendment of the distinguished Senator from Iowa would give too much to the opponents. It would take out some major new initiatives that we have included in the farm bill.

The farm bill includes a new program to assist States in developing sustainable agricultural programs through Federal-State matching grants. It is my understanding that the amendment of the distinguished Senator would delete this program. The bill also includes the requirement to develop technical guides for farmers in order to provide them with the latest information on sustainable agriculture with this amendment. That, too, would be gone.

In the bill, we also have a definition of sustainable agriculture developed by the National Academy of Sciences. I think it is a good definition. It includes lower chemical use, which is deleted by this amendment. It is replaced with vague language that ignores the chemical question in farming. That is not what farmers want.

The Farm Bureau released a survey last week. They found that 78 percent of farmers support research leading to reduced pesticide use. Three out of four farmers, in fact, think that too many chemicals are used on U.S. farms. We have gone over this title very carefully, Mr. President. The language was developed by a broad coalition. It had representatives of the Department of Agriculture, sustainable agricultural groups, farmers, environmental organizations and others. The final language in the committee bill reflects countless hours of negotiation. The distinguished Presiding Officer of the Senate was included in those negotiations. Other Senators on the floor—the Senator from Indiana, the Senator from North Dakota, the Senator from Alabama and others who were on the floor were also a part of the negotiations.

Let me talk about some of the compromises. We made adjustments to the definition of sustainable agriculture that retained the low input language in the National Academy of Sciences definition for the research component of the title, substituting more general language for the extension service training section.

We are really talking about a research program. We are not requiring farmers to do things that they do not want to do. We are authorizing research to provide farmers with the information they seek to farm without harm to their health, to their children's health, to the environment, or to their own pocketbooks.

I do not think there is anything controversial about the committee's approach. I would also mention that we worked on this title hearings and meetings, but now we see that we have a 17-page substitute for an entire title in the farm bill. There have not been any hearings on this amendment. There has not been any debate, and there has been no compromise. Are we saying that we should take a chapter of the farm bill that has been worked on for months and voted on and just throw it out?

I would hope that we would not do that. I would urge all Members to oppose Senator GRASSLEY's proposal, and support the committee bill that Senator LUGAR and I worked carefully to craft.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I want to speak in opposition to the Reid amendment dealing with the Consumer Products Safe Testing Act. It is my understanding that the U.S. Public Health Service, including the Food and Drug Administration, the Environmental Protection Agency, the National Academy of Sciences, and Congressional Office of Technology Assessment, and the Society of Toxicology all agree that now and for the foreseeable future the use of laboratory animals is an essential element of product safety evaluation.

This amendment would require all Federal agencies involved in regulating safety testing of any product, be it drugs, pesticides, chemicals, cosmetics, households or other products to promulgate rules mandating nonanimal tests be used instead of animal tests unless it can be proven in limited cases the nonanimal test is less valid.

I believe we all agree that the best available scientific methods should be used to assure public health and safety. The Commerce, Science, and Transportation Committee has a responsibility pertaining to Senator REID's proposal but has not made a report. Because it sounds as though we have significant conflicting opinions on the advisability of approving a major policy change of this type, I urge that Senator REID's amendment be tabled until such time as we have a recommendation from the Commerce Committee.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I will speak in support of the Grassley substitute on sustainable agricultural research. I do so mindful of the points our chairman has made that this is an area that the committee has discussed at some length, and able staff on both sides of the aisle have been involved in a number of compromises.

The language in the bill that Senator GRASSLEY seeks to change with this substitute, the language we have now, is a reasonable set of propositions. But I support the Grassley substitute not only because I support the thinking of the distinguished Senator from Iowa but the substitute is substantially the language that I offered originally in a comprehensive farm bill. Further the chapter of my bill that dealt with this subject is in fact the basis of the Grassley amendment.

So it is only logical that I would see value in that language, and I want to support it once again recognizing that a great, great deal of work has proceeded in the current legislation.

Many in the Department of Agriculture, farmers outside the department, agriculture scientists, extension field agents, many of my colleagues on the committee and in the Senate believe that "low-input" sustainable agriculture is only a part of the direction that production agricultural research needs to explore.

"Input efficient" agriculture is the goal that needs to be achieved. I underline that point, Mr. Chairman. It is input efficiency that we need to be emphasizing, not low-input per se, or necessarily an overall reduction of inputs.

Many farmers, consumers, and members of the agriculture science community, have reservations about low-input sustainable agricultural research as it currently stands. In many cases low-input farmers are not reducing their inputs. They are exchanging one input for another.

For example, a low-input farmer may use less herbicides to control weeds but then perhaps till more often using more fuel and mechanical expense, and increasing the chance of soil erosion.

This is simply using more efficient inputs that are available at the time and with less expense. The most efficient use of inputs is the goal that science and farmers are trying to achieve and the goal the Grassley sustainable substitute proposes.

Unfortunately the low input research directives as written in the research title, suggest that producers must "reduce" inputs to be sustainable. But sustainable agriculture is much more. It involves efficient use of inputs while maintaining productivity.

Sustainable agriculture is not a new science or even a new philosophy. Rather, sustainable agriculture is a collection of various farming practices that have been used in conventional agriculture on a site-specific basis for decades. Sustainable agriculture focuses on farming practices such as crop rotation, nutrient management, integrated pest management, conservation tillage, and crop variety selection, all recommended components of conventional agriculture.

I support sustainable agriculture. I agree that agriculture must be sustain-

able not only for our soil, water, and natural resources but also for our consumers and farmers.

The Grassley subsitute realizes that important concept, allowing researchers and producers the flexibility to make the most efficient use of inputs, whether commercial or organic—I underline that, "whether commercial or organic"—so that the best economic, agronomic, and environmental results can be achieved from those mixtures.

Sustainability is a goal that our Nation's agriculture production system can and must achieve. But keep in mind it must not stop there. Agriculture's challenge is not only to produce as much as it does today more efficiently; the challenge has been and will continue to be to produce more with less tomorrow.

Since 1945, agriculture production activity in this country has grown 230 percent. Allowing Americans to use only 12 percent of their disposable income for food and the remainder for housing, clothing, automobiles, education, and possessions makes our Nation's standard of living one of the highest, if not the highest, in the world.

The same agriculture productivity that has been asked to feed the world's 1.2 billion people today, and will be asked to feed the planet's estimated 10 billion people in the year 2025, is in fact the product of sustainable agriculture. To feed those 10 billion people, American agriculture cannot be content with sustaining just current production levels. Sustainable agriculture is not a alternative to conventional agriculture, it is a part of conventional agriculture that will help guide the most efficient use of chemical and organic inputs to minimize soil and water contamination, while at the same time increasing productivity and farmer profitability.

In summary, Mr. President, the differences between the Grassley substitute—the amendment we are considering—and the existing language in the bill before us, are very subtle, but they are important. I will try to underline them for the consideration of my collegues.

The Grassley amendment prioritizes sustainable agriculture as an economically viable and environmentally sound system which can include a reduction of inputs—it can include a reduction—but it is primarily focusing on maintaining the farm productivity and competitiveness that we have come to value.

The existing language in the bill defines sustainable agriculture as a reduction of inputs—and there the emphasis lies on "reduction of inputs," as well as including low-input livestock and alternative production systems.

The Grassley amendment would remove references to low-input livestock and production systems that promote animal well-being, and includes low input as part of a sustainable agricultural method.

Therefore, Mr. President, subtle though it may be, there is a difference. Let me simply state that I appreciate the emphasis on lowering the use of inputs. By and large, the tough time that agriculture in America has faced in the past 8 years has required farmers to take a look at each input very carefully, to measure out the dollars required for putting that input into the mix of an agricultural operation.

So I value the idea of economy. And I believe—as the chairman pointed out—American farmers are very thoughtful about the use of fertilizers and pesticides, and any other purchased inputs. They have to be, if they are to be successful and stay alive in the agricultural situation.

But having said that, there is value in limiting input, and that is not the emphasis that I place least upon our agricultural future. I look at sustainable as meaning a reduction of inputs, wherever possible and wherever useful, but only as a part of a combination of those things which are found to be conventionally successful. As we have boosted agricultural productivity by almost three times in only four decades, we are challenged to do that in the future.

We are not talking strictly about an agricultural picture of our own, we are talking about leadership in which literally we have the basis to feed the hungry of the world for many years to come, as we reduce at the same time that portion of our own gross national product that is used for food and allow our standard of living to continue to grow, as has been our history.

For these reasons, I support the amendment of the distinguished Senator from Iowa, even while recognizing the very great value of the language for which this substitute is offered.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, I rise in opposition to the amendment. I do so with great respect for the author. He and I have been on the same side of a number of farm issues, and it is with some reluctance that I rise at all. But I must say I share the views expressed by the chairman of the committee, the manager of the bill, that the current language is a compromise. I say, in addition, the manager on the other side has made a number of very good points that no one can dispute. He is right in many of the comments he made in defense of the amendment.

So every one understands what the amendment does, the amendment eliminates, for all intents and purposes, our opportunity to devote research to sustainable agriculture. We have a $1.2 billion research budget in this year's farm bill. $4.5 million dollars of that $1.2 billion is dedicated to sustainable agriculture. That is, fourtenths of 1 percent of the entire research budget is devoted to sustainable agriculture. That is hardly an amount which threatens research and production methods, which rely upon more intensive chemical applications.

Let there be no mistake, I do not think anybody on the committee says that somehow this year there ought to be a watershed, the change in direction we make with regard to research in productive agriculture. We understand the importance of traditional agricultural methods. We understand the need to continue to move in the direction we have for many years, but we also understand that there are things that are changing in agriculture today.

There is a realization that we need a lot more information than we have had in the past. As we look to the next 5 years, many of the questions that are being raised today simply cannot be answered, given the kind of information we have available to us within the Department of Agriculture or, frankly, anywhere else.

As we are called upon to make policy, as we are called upon to make some decisions here in the Senate with regard to the direction we take in productive agriculture, this minor amount of money, this four-tenths of 1 percent could be some of the best research investment that we are going to make in the entire $12 billion research budget this year.

So it eliminates the goal of reducing chemical application for farming, and eliminates the Federal-State matching programs designed to help States promote sustainable agriculture.

And just so everyone understands, the Farm Bureau recently did a poll asking its members, "What do you think about the need for research in sustainable agriculture? Do you think it is an important goal?" More than 78 percent, three-fourths of those who responded, said there ought to be a research program for sustainable agriculture; there ought to be an opportunity to get the information necessary; there ought to be the kind of minute budget that we have in research this year to give us the facts and to give us the flexibility.

If we are talking about flexibility in agriculture, if we are talking about an opportunity to apply new techniques to ensure that farmers have greater flexibility in the future, then clearly this minuscule amount of money is

one of the best investments we can make.

The legislation before us provides that. That is, the farm bill itself provides us with that flexibility. It provides an option of using the guidelines set forth by the National Academy of Sciences here. It does not mandate that anybody use that.

I am simply giving the opportunity for them to avail themselves of this research program. Nobody is mandated to do anything. I hope as we consider what this small program can do, when we consider what small amount of money it actually means in the research budget, when we consider the need for maximum flexibility, then certainly we have to consider this amendment, as well intended as I know the Senator from Iowa is in offering it, as one that simply does not merit the support of the majority of the Senate. So I urge at the appropriate time the amendment be defeated.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I would like to ask the Senator from South Dakota not in the form of a question but just to consider in opposition to one statement he made about the elimination of the research. We specifically on page 9, line 4, establish research education and technology transfer projects. We also have $40 million in our amendment just as in the original bill.

I think the key thing you want to remember about our approach is the use of the Extension Service well grounded in every county in the United States for the dissemination of information. I know that there is a very good organization of people in low-input agriculture trying to get their information out. I think they do a pretty good job of it.

If the intention of the committee's bill is to help them get their information out even better than they are presently doing, I do not find fault with that. That is a very worthy goal.

But how can you deny that the Extension Service, of all the organizations in rural America, is better prepared to get information disseminated than any other organization? It seems to me like we ought to take that strong and rural America and build on it, and that is what my amendment does.

Also, I wish to make very clear the organizations in low input agriculture in trying to get their information out. Just this summer in my State several of these farmers held field days where people from all over the State of Iowa or I guess from any place that could come on a specific day on a specific farm and see how low-input agriculture was working on that specific farming operation. These were staggered in different parts of the State on a different day. So that any farmers who wanted to take advantage of seeing what was involved could actually see demonstrations. I appreciate that.

But you cannot beat the Extension Service for disseminating information as well. I think we ought to make use of that.

Mr. DASCHLE. Mr. President, will the Senator yield?

Mr. GRASSLEY. I am glad to stop and listen to the Senator's point of view, Mr. President, or even glad to respond to a question.

The PRESIDING OFFICER. The Senator from Iowa yields to the Senator from South Dakota.

Mr. DASCHLE. Mr. President, I apologize for interrupting. I only say this. I think I am after the same thing. I want to be sure we understand one another as we discuss the Extension Service. The Extension Service is authorized in the legislation to utilize the broad definition of sustainable agriculture as it applies to research authority as on page 760 of the bill it says:

> The Secretary shall establish a National Training Program in Sustainable Agriculture to provide education and training for Extension Service agents and other professionals involved in the education and transfer of technical information concerning sustainable agriculture to develop understanding, competence, and ability to teach and communicate the concepts of sustainable agriculture to Extension Service agents and to farmers and urban residents needing information on sustainable agriculture systems.

The point the distinguished Senator from Iowa makes is a good one. No one is more qualified to provide better information on a broad range of agricultural techniques than is the Extension Service. Clearly in the bill, and I do not know how much clearer we can make it, we designate the authority to utilize this program to the very people that he and I both agree ought to have this responsibility.

I thank the Senator for yielding.

Mr. GRASSLEY. Again, Mr. President, I do not think we have any fight. Part of what the Senator from South Dakota refers to we do not change in our legislation whatsoever. We only change chapter 1. I want to emphasize that. I think the other section he refers to is the Development Technical Guides, which allows anyone to come in and give direction to the Extension Service. We use the Extension Service for the dissemination of this information.

In other words, the Extension Service would do as they traditionally do. My amendment will provide the extension with additional materials and resources.

I think in final analysis, and maybe we are being too friendly here, too appreciative of each other's positions, too respectful of each other's positions on this, and I do not want to detract from that because that is a good environment for us to be working in. However, I sense that when I come along and I include low imput with a lot of other approaches to agriculture, than I am like the skunk at the Sunday afternoon picnic, not very welcome in the debate. I am working to change agriculture, so it is environmentally and economically sound.

No one should understate or have any doubt about my appreciation of alternative agriculture. I will draw just a little bit of a picture, if I could, for the Senator on a farm in Boone County, IA. The Thompsons in Boone County, IA, are very well known in low-input sustainable agriculture. On the occasion of our visiting their farm, as part of a tour that I have every other year I remember particularly 1988 when there was a drought in Iowa. There was only a very small section in the State of Iowa that was not by August 31, very brown all over.

We visited the Thompson farm in Boone County, and it was just like an oasis in the middle of the desert in the sense that everything, without irrigation everthing on the Thompson farm was green and growing when everything else in Iowa was mature and dry because of the drought.

You do not have to be in agriculture to appreciate the fact that that farmer was doing something different than any of his other neighbors for mile after mile after mile.

The difference was low-input sustainable agriculture practices used on his farm, that received no more rain than his neighbor. It was still green because of his farming operations that basically gave the soil the ability to soak up and absorb every inch of rain that fell, and at that particular time there was only about 50 percent of normal rainfall for that year had fallen.

So I hope that Senator LEAHY, any other opponents of my amendment, do not think that those of us supporting this amendment, come in here to gut what the committee is trying to do.

What we are trying to do is get more people involved so that the fruits of the labor of all the missionaries involved in low-input sustainable agriculture will be received and used and have the most benefit from their efforts. And we see the heavy emphasis just upon low input as driving people that would otherwise be interested away, and not encouraging enough farmers to come under the umbrella and not getting the information out as readily as we can through the Extension Service.

Our goal is to see that the research done is received by more farmers than presently being done in low-input sustainable agriculture. When you have organizations like the American Farm

Bureau Federation, American Feed Industry Association, Association of American Agri-Women, American Sheep Industry Association, National Broiler Council, National Cattlemen's Association, the National Pork Producers Council, National Turkey Federation, United Egg Association, United Egg Producers, United Pork Producers, United Cattlemen's Association, and probably a lot of other farming organizations that are interested in this, I hope you understand they speak for a lot of farmers; they appreciate the approach of low-input sustainable agriculture, but they want to be involved with a program that will help disseminate the information and involve more people in the process instead of less people.

I guess maybe the best way to say it is that we want more people brought under the umbrella and not less.

I yield the floor.

Mr. KERREY. Mr. President, I would like to speak on this particular amendment, but I wonder if the distinguished Senator from Iowa will yield for a question or will answer a question in regard to a change that the Senator is apparently making, and I want to make it clear that he is making the change; that I do not quite connect the details of your 17-page amendment with the underlying bill itself.

Mr. GRASSLEY. Mr. President, I will yield.

Mr. KERREY. If you have a copy of the bill.

The PRESIDING OFFICER. The Senator from Iowa has yielded to the Senator from Nebraska.

Mr. KERREY. On page 743 of the bill, it appears where we are talking about the definitions of sustainable agriculture, under part B, as I understand the distinguished Senator from Iowa is concerned about the definitions of sustainable agriculture, and one of the definitions has to be with part B, which is reduction of input, and is referring to the fact that sustainable agriculture is not just reduction in input.

I totally agree with that, that sustainable agriculture is not just an option where you are saying to producers that you must reduce inputs. However, this particular language I find in the current bill to be quite acceptable because it goes on to say it is reduction of inputs with potential to harm significantly the environment or the farmer or the consumer.

And it just seems to me that we are talking about a rather reasonable, broadly defined, as a matter of fact, definition of these inputs, and that we are not proscribing in any way that a farmer must select in all cases, if sustainable agriculture is the alternative used, a farmer must select in any way an automatic reduction of inputs.

I guess the question for the distinguished Senator from Iowa is what do you find objectionable in the language that says:

The reduction in the use of inputs with potential to harm significantly the environment or the health of the farmer and consumer.

Mr. GRASSLEY. Well, it is not just the paragraph that the Senator from Nebraska refers to. It is taken in the whole, the definition. And we want to make sure, as in our definition, a connection is made between the economic benefits and the environmental benefits. It seems to me like that is missing in the definition in the original bill. We want to emphasize a broad range of farming system, not just low inputs but all inputs in the process. That is what we do in our amendment.

Mr. KERREY. It seems to me that it does do more than that. My concern is it narrows it down rather than broadening it. In fact, the amendment itself is restrictive in the definition of inputs. It seems to me in the compromise language that we reached in the bill, we were attempting to make certain we were not going to restrict sustainable agriculture so much that what we were doing was forcing producers who wanted to try sustainable agriculture to always reduce inputs. That is why the definition included the potential to harm significantly the environment or the health of the farmer and consumer.

I would just make some comments about the sustainable agriculture portion of the bill. I find it to be reasonable.

I do appreciate both the arguments that the distinguished Senator from Iowa and the distinguished Senator from Indiana make. Both of those individuals understand production agriculture very well. I do not question that at all.

My concern is that we are getting behind the curve on environmental issues related to agriculture. I have spoken in fact last week with my Farm Bureau representatives who were in town. I have talked to my chemical people in Nebraska as well who were almost vehement at times in their concerns about sustainable agriculture.

One only has to mention the acronym LISA and it produces an immediate response that I am trying to force or mandate someone to use a particular practice when they are farming, when in fact neither the legislation in the farm bill or, for that matter, the amendment the distinguished Senator from Iowa is offering does any such thing.

We are fighting against the clock, I fear. The administration last year when they presented their budget did not provide any funds to sustainable agriculture. They argued that $4.5 million was being spent. Actually,. I believe it is 30 times or so in other programs. They came to a list of other things they designed as sustainable agriculture.

I accept the fact that we are in our budget, particularly in our research areas, as the distinguished Senator from Iowa mentioned, we are spending money on sustainable agriculture and in other areas. But I fear we are getting behind the curve because our consumers out there are not just consumers. They are not just people that are buying large quantities of grain. It is not just the elevators.

Consumers have become customers. And our customers are increasingly concerned about residues in their food. We can say we ought to have only a scientific basis about which we evaluate that concern. But the fact of the matter is most people, when they purchase food, have a significant emotional contact with that purchase. They have emotional involvement. It seems to me that we are playing far more defense on this sustainable agriculture input than is advisable for mainstream agriculture.

I have told the Farm Bureau in Nebraska, as I have told other farm organizations in Nebraska that are concerned about the potential for mandates, that if they want to avoid customers requiring and mandating even more stringent language than we have in this bill, then they need to embrace the sustainable agriculture, make sure it becomes exactly what the Senator from Iowa and the Senator from Indiana are describing, whereby they can learn how to reduce their costs, not have some Federal bureaucracy mandating what they do. To avoid that very mandate, they need to embrace it; make it their own; make sure the extension in fact is provided with the research they need to make a good decision. Typically, they do not have the information available to them.

It is a risky proposition. Any time you change the inputs that you are farming with, it is a risky proposition. You may not get the yields.

It is important, I think, for us to listen, as a consequence of that, to the distinguished Senator from Iowa and the distinguished Senator from Indiana, who understand what it means to be making decisions when you are producing what could be adverse to your capacity to sustain yourselves economically.

We do have the knowledge that sustainable agriculture ought to be first and foremost one of economic sustainability. But those of us who are concerned about production agriculture and providing an environment where it can prosper I think have to say to our producers and farmers who are trying to avoid the mandate that our customers are concerned about environmental sustainability.

They are coming at us increasingly with concern about it, and they are making emotional decisions. I have had an opportunity to get into discussions in the past with producers who say we have to have some scientific way, rather than having these Alar scares and other things like that that might produce a reaction that is adverse to our economic interests.

I urge my colleagues to reject this amendment. I believe the language of the bill itself is altogether reasonable. It contains a significant effort to compromise the concerns that we will be mandating that farmers adopt certain procedures.

I urge, as well, my colleagues to consider that we have a long ways to go, I believe, until we can comfortably say we have reached a balance between legitimate consumers' concerns about environmental conditions and legitimate producers needs to sustain themselves economically on the farm.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, it is with some reluctance but with firm conviction that I rise to oppose the amendment offered by my colleague and good friend from Iowa.

Mr. CHAFEE. I wonder if, before the Senator starts, I could ask a quick question of the managers of the bill?

Mr. HARKIN. If I can get my time after the Senator is finished, certainly.

Mr. CHAFEE. I thank the Senator from Iowa very much.

Can we get some indication of what the voting situation is here? Originally there were to be no votes on Monday; then there would be some votes on Monday. Here it is 7:30, or close to it, and we have not had our first vote. It would be helpful if somebody could give us an indication of where we are going here, timewise.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, if I hear of anyone giving such an indication I will tell the Senator from Rhode Island immediately, posthaste, with glee and with great satisfaction.

I can take a stab at it, however, and that is to say we have a tabling motion that was put off until after 6 this evening. I believe it is a motion to table made by the distinguished Senator from Indiana of an amendment by the distinguished Senator from Nevada [Mr. REID].

Mr. CHAFEE. That is the Reid amendment which has been debated and is ready for a vote.

Mr. LEAHY. We are now awaiting the Grassley amendment, which also will require a rollcall vote at the completion of the debate on that. There is an effort to bring yet a third amendment up by the distinghished Senator from Maine [Mr. COHEN], which would require a vote.

It is my understanding that the leadership—I speak now of the leadership of the Senate, not of this committee—would like to have those votes go in a row, all three of them. In other words, complete the debate on the Grassley amendment and the debate on the Cohen amendment, and then go to vote on all three.

I wish I could tell my good friend from Rhode Island. I always try to cooperate with those from the Southern States any time I can; we northerners feel that way. I wish I could tell him when it is going to be, but I do not know.

Mr. CHAFEE. Are there any time agreements on either the Grassley amendment or the Cohen amendment?

Mr. LEAHY. No.

Mr. CHAFEE. Is there any chance of getting a time agreement on the Grassley amendment?

Mr. LEAHY. Certainly there is a chance of getting it. I should state neither the Senator from Iowa [Mr. GRASSLEY] nor the Senator from Iowa [Mr. HARKIN] nor the Senator from Vermont nor anybody else involved in this has done anything at all to delay it. I think everybody who has spoken has only spoken really for a matter of a very few minutes.

It is a very important amendment. It is a very complicated amendment, and many people want to speak on it.

Mr. CHAFEE. Do not discourage them from having a time agreement.

Mr. LEAHY. I want to make sure everybody has a chance to speak. But nobody has spoken, really, at length.

I have been up since 4 o'clock this morning. I would like to go home and go to bed; too; go home and have supper; go home and have lunch, even. But we are looking at a while longer.

Mr. CHAFEE. Could somebody ask for a time agreement? I will ask.

Is there any chance for a time agreement?

Mr. LEAHY. If the Senator from Rhode Island will yield yet again, I believe it was Hotspur in the discussion with Glendower, Glendower spoke of calling the "spirits from the vasty deep," saying he could do that. The response was: 'Why, so can I, or so can any man; But will they come when you do call for them?"

So, of course, the Senator from Rhode Island or anybody else is free to ask for a time agreement.

The PRESIDING OFFICER. The Senator from Iowa has yielded to the Senator from Rhode Island for a series of questions to the managers.

Does the Senator from Indiana have further illumination on this issue?

Mr. LUGAR. May I raise a question to the Senator from Rhode Island, if the Chair will allow that? I do not wish to enter beyond where anybody would want to go at this point, but it appears to me the Senator from Rhode Island might have a point. I respectfully ask the chairman of the committee whether perhaps we might ask for a time agreement at this point of 20 minutes more debate, 10 minutes on a side, with a vote on this amendment to follow that 20 minutes?

Mr. LEAHY. I might say, Mr. President, if I can also step in and have the floor, I have no objection to that. We still have the problem with the Cohen amendment, and I hope we might still be able to stack votes. But as far as debate on this is concerned, I would have no objection to such a unanimous consent.

Mr. LUGAR. If the chairman will yield, perhaps during this 20 minutes of time we could clarify the status of the Cohen amendments. Either they will be voted on tonight or they will not be. At the end of that time either we would have two votes or we would go on to the Cohen amendment for debate.

Mr. CHAFEE. Could I make another suggestion to the distinguished managers, since I seem to be on a roll here? I suggest that they suggest to Senator COHEN that he debate his amendment tonight and we vote on it tomorrow. I do not know what the majority leader's views are on all this.

It seems to me we could have two votes tonight, on the Reid amendment and the Grassley amendment—that is a pretty good day's work for a Monday—and go on to the Cohen amendment tomorrow.

As I say, I do not know what the majority leader's views are.

The PRESIDING OFFICER. The Senator from Iowa has the floor. Does the Senator from Rhode Island have any further questions?

Mr. CHAFEE. That completes my suggestions.

Mr. HARKIN. I would like to pick up the cudgel here, if I might. I am willing to put my remarks in the RECORD. It seems that the Grassley amendment has been debated enough. I only have 2 minutes more I would like to speak. I do not know why we cannot vote on the Grassley amendment 5 minutes from now and have a vote on the Reid amendment, which I guess is going to come after that, have a vote on those two and we will be done by 8.

Mr. LEAHY. If the Senator will yield, Mr. President, I ask unanimous consent there be no more than 20 minutes further debate on the Grassley amendment, divided in the usual fashion, 10 minutes to a side, and that no amendments be in order to the Grassley amendment, and reserve the right to a tabling motion, although it is not my intent at this point to do so.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, I wonder if the distinguished

chairman would add to that, that as soon as the vote on the Grassley amendment is finished, we proceed immediately without any intervening action, motion, or debate to vote on the Reid amendment.

Mr. LEAHY. Mr. President, if the Senator yields, does he mean to proceed to a vote in relation to the Reid amendment?

Mr. HARKIN. Yes, tabling or whatever it might be.

The PRESIDING OFFICER. The Chair informs the Senator that, based on previous action, immediately upon the vote on the Grassley amendment, we will proceed to vote on a motion to table the Reid amendment.

Mr. LEAHY. With that understanding, Mr. President, I have no objection to that.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request stated by the Senator from Vermont? Without objection, it is so ordered.

Twenty minutes equally divided. Who yields time?

Mr. HARKIN. If I can have a couple of minutes?

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. I yield such time of my 10 minutes as the Senator from Iowa [Mr. HARKIN] needs.

Mr. HARKIN. Thank you, Mr. President.

I started a few minutes ago. I have worked very closely with Senator GRASSLEY over the years on many matters of importance to agriculture in our State, and I respect his knowledge and judgment on agriculture. However, this amendment represents a step backward for farmers, for agriculture research and agricultural States like Iowa. Farmers have a tremendous interest in ensuring that farming practices they use are safe for themselves, their families, consumers, and the environment.

Last year, I conducted a mail survey of Iowa farmers to learn their views on farm policy. I received over 6,000 responses from Iowa farmers; 93.6 percent of them said they were concerned that some modern farming practices may have harmful effects on human health, the environment, and natural resources; 89.3 percent said they would be willing to change some of their farming practices to help protect and conserve ground and surface waters, soils and other natural resources.

Various other surveys, more scientifically designed than mine, reach the same conclusions.

As a Senator from Iowa these survey results do not surprise me. Because I have watched as farmers themselves have worked to develop farming practices that protect the environment and that maintain productivity, profitability and efficiency.

These farming methods are given various names: Low-input sustainable agriculture [LISA], alternative agriculture, sustainable agriculture. Unfortunately, the labels too often get in the way; to some it may sound like these farmers are radicals, or organic hippie farmers. In truth, these farming methods simply build on the basic knowledge of farming accumulated over the years. It is just that additional considerations, including the environment and cutting costs of production, now receive greater emphasis.

Nowhere are farmers accomplishing more in this effort than in Iowa. One group in Iowa that has done excellent and valuable work is named the Practical Farmers of Iowa. They are so named because their efforts focus on practical, profitable farming methods that are also friendly to the environment. Through onfarm research and demonstrations, they have shown that farmers can both protect the environment, cut costs and improve their bottom line.

In addition, the State of Iowa has taken the lead in research and education on farming methods that are environmentally and economically sound. With the Landmark Ground Water Protection Act of 1987 and the establishment of the Leopold Center at Iowa State University, Iowa is the preeminent State in this kind of research.

Unfortunately, farmers in Iowa and elsewhere have had to develop these farming methods and conduct their own on-farm research with virtually no help from the Federal Government—despite the huge research apparatus at USDA.

At field hearings held by the Agriculture Committee in Iowa—as Chairman LEAHY well knows—farmers said clearly that they need more research, education, and extension on the kinds of farming methods encompassed by this chapter of the bill.

In my survey of Iowa farmers, 49.9 percent of the respondents said they did not have enough information available to evaluate so-called low-input sustainable agriculture practices and adopt some of them on their farms.

That is why I was very pleased to sponsor this legislation with Chairman LEAHY.

So I urge my colleagues not to reverse the progress we have made in this bill, not to stand in the way of the vital agricultural research and education that this bill provides.

I want to reemphasize that farmers are very concerned about the soil, and water, and the environment, and they want to make changes in their farming practices. Quite frankly, though, they are caught on a treadmill. They often do not have the information. They do not have the outreach and the services they need to make wise decisions on how to reduce some of the inputs and how to operate on a more sustainable basis. That is what this bill does and that is what this section of the bill does.

Quite frankly, I do not have too much of a problem with Senator GRASSLEY's changing of the definition. Definitions are definitions. I do not see a lot there that bothers me one way or the other with his definition. But two other parts of Senator GRASSLEY's amendment do bother me and that is, one, it eliminates the Federal-State matching grant program. I think that is most important because we want to encourage and assist in the creation of State-sustainable agriculture research, extension, and education programs to complement those at the Federal level. States may know better what is best for their individual circumstances rather than have the Secretary of Agriculture decide that. That is why we have this Federal-State matching program in the bill. I would hate to see it eliminated. The Grassley amendment eliminates that.

Also, I think it is important to have technical guides available to farmers. The committee bill requires USDA to develop these technical guides that foster sustainable agricultural systems and make the guides available to farmers.

This is an important step in getting the research off the shelf and into the hands of farmers. Again, I point out that the Grassley amendment eliminates this requirement. I think that is unwise.

For those reasons, I will have to oppose the amendment offered by my distinguished colleague.

I have heard some comments about language in the bill stating that one of the purposes of the chapter is to "promote animal well-being." That is, one of the purposes is "to encourage research designed to increase our knowledge concerning agricultural production systems that promote animal well-being."

I have heard some suggestions that this language may promote animal rights and all the animal rights activists. That certainly was not our intention when we put that language in the bill, that language was put in to encourage farmers to help promote the well-being of animals because that will make them more profitable. For example, I think the average now—my colleague can correct me on this; he probably knows it better than I do—but I think the average now is about eight or nine pigs per litter that are saved. I know some farmers who are saving 10 and 11 pigs per litter because of the way they take care of their sows, the way they treat their animals.

A lot of farmers do not have that information. That is what we are seeking to do here, to promote animal well-being so that farmers make more

money from the animals they produce. I want to lay that concern about the language of the bill to rest because I heard some talk that it had to do with animal rights; nothing could be further from the truth.

Mr. President, I just wanted to make those points and to point out why I believe the compromise we worked out and the language we have in the bill is the best we can do. It promotes the Federal-State matching grant program and gets the technical assistance out to the farmers that they need to help them make the wisest and best decisions so that they do not lose money when they want to make changes from the systems they are now using to more sustainable agricultural programs and practices. I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Iowa controls 9 minutes 15 seconds.

Mr. GRASSLEY. I yield myself such time as I may use.

Mr. KOHL. Mr. President, I rise in opposition to this amendment.

As an original cosponsor of S. 2334, the Sustainable Agriculture Research and Education Act, I was pleased to see most of this bill included by the Agriculture Committee in the 1990 farm bill. The Grassley amendment would weaken key provisions of that bill.

The amendment before us eliminates one of the bill's most valuable features—the development by USDA of technical guides to help farmers reduce their agricultural chemical use. Let me explain why these guides are so important.

Earlier this month, the Wisconsin Department of Agriculture proposed a ban on most uses of Atrazine—a popular weed killer—in nine Wisconsin counties. The department took this action in response to the detection of Atrazine in one-third to one-half of the wells tested in these nine counties.

Should this ban become effective, farmers in these counties will have lost their traditional means of controlling weeds. They will need help in developing alternative means of weed control. And that is the purpose of these technical guides—to help farmers adopt less chemically intensive, yet economically viable, farming practices. These guides will become all the more important as States move to ban the use of certain pesticides or fertilizers because of ground water pollution problems.

This amendment also eliminates the bill's Federal-State matching grant program in sustainable agriculture—one of the most cost-effective programs in this legislation. Many States, including the State of Wisconsin, have strong State programs in sustainable agriculture. We would be very foolish not to make use of these State programs to leverage our limited Federal funding in this area.

Mr. President, sooner or later, we are going to have to face the environmental costs of our current agricultural practices. We can either recognize that now, while there is still time to help farmers find alternative, economically viable ways of producing crops—or we can continue to stall, as the Senator from Iowa's amendment would do, which will ultimately hurt the very farmers the Senator seeks to protect. Not offering our farmers the means to adapt to the inevitable—the limitations on chemical use that are already, and will become ever more commonplace—will only cost them money in the long run.

I commend the Agriculture Committee for its foresight in including a strong sustainable agriculture program in this legislation, and urge my colleagues to oppose this amendment.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Iowa, which contains language originally proposed in committee by the distinguished ranking Republican on the Senate Agriculture Committee. This amendment more appropriately addresses the research needs of a modern agriculture which must provide for a rapidly growing world.

The concept of low-input agriculture has generated much debate throughout the farm bill proceedings this year. The bottom line is that most farmers, consumers, and members of the scientific community have justifiable concern about directing the emphasis of research toward a low-input agenda.

The suggested intent of a low-input research initiative seems practical; researching alternative production methods which reduce the need for chemical and other inputs. The emphasis here is on the reduction and potential elimination of certain inputs which some have deemed unnecessary in light of alternative farming practices.

The existing language of the research title misses the mark. The driving force of agricultural research is to increase input efficiency, not the limitation of inputs. Farmers utilize the necessary productive inputs to the extent that they fit their own financial as well as time constraints. If a farmer reduced one input, it is necessary to offset that by a corresponding rise in other inputs. In agriculture, like any other industry, a producer simply cannot reduce his optimum input mix and maintain productivity unless there is a corresponding rise in efficiency. Improving upon that efficiency is the goal of agricultural research, and should not be undermined by an initiative which rejects that basic premise.

The Grassley amendment focuses upon productivity and economic stability. The amendment recognizes that the dominance of American agriculture is based upon our tremendous efficiency and productivity. It is a commonsense approach to the research needs of a modern agriculture. For today's agriculture, we need to focus upon our productive efficiency rather than low-input systems which will be quickly outpaced by a growing world demand.

This amendment will prevent the existing language from establishing a precedent for research which does not provide for the long-term interests of farmers and U.S. agriculture. Our agricultural producers will always be free to try alternative farming practices, but it would be dangerous to mandate that those practices become our primary goal. Limiting inputs is not the answer to future agricultural production, but a continuing effort to expand upon our input efficiency will preserve our preeminence in the field of agriculture.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, at this point debate is summary and repetition for people who have just returned to town or started to pay attention to the debate. I will try to summarize my approach, except to comment on one thing my distinguished colleague from Iowa said. It is not that he is wrong, but I do want to emphasize that we have not left States out of this process. He made an accurate statement as to the specific Matching Grant Program. But States are part of the administrative council, so States are a very integral part of the process. Then State organization may make application for a grant as well.

We do not intend to keep States out of the process. They are very much a part of the process. I want to emphasize that because I believe that States ought to be a very important part of the process.

I want to remind my colleagues again of a letter from several farm organizations supportive of this amendment. I want to remind my colleagues the distinguished Republican leader on the Agriculture Committee spoke very eloquently and authoritatively about my amendment, in support of the amendment, and particularly to emphasize what he said, that it was part of his original farm bill that he introduced.

These farm organizations have expressed some concern about chapter 1 of the committee's language, and I emphasize to the body that I am only changing chapter 1. All the rest of the committee's provisions dealing with the sustainable agriculture are left intact. But these organizations have much concern: The American Farm Bureau Associations, the American Feed Industry Association, American

Agri-Women, American Sheep Industry Association, National Broiler Council, National Cattleman's Association, the National Pork Producers Council, the National Turkey Federation, United Egg Association and the United Egg Producers, along with other organizations that have expressed some interest.

Research is important, Mr. President. I do not detract from that emphasis on research, but it is important that the research completed must serve all 2.5 million American farmers, not just a few. So the whole emphasis of my amendment is to bring more farmers into the educational process that is going to come as a result of the education being done under this subtitle.

We need to provide alternatives so that more farmers want to try, and I think in this respect, the committee's approach is just too narrow. My approach broadens it showing farmers how to use alternative tillage methods and lower costs through lowering some inputs. This is all part of the process. But you have to get more farmers involved in that process.

I think the point that needs to be made is that the purpose of this legislation is to research and not to mandate a certain type of agriculture.

I am concerned also about consumer reaction. If we want widespread acceptance of sustainable practices for the consumer, then we are going to have to involve as many farmers as possible and get them interested. Research is important, but it is important that we get as many farmers as possible involved in the process, and that is what my amendment does. If nobody wants to speak and Senator LEAHY wants to yield back his time, I will be glad to yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Vermont has 48 seconds.

Mr. LEAHY. I will just take 1 minute, Mr. President. That, with all due respect, is a 17-page amendment. It replaces a whole chapter. It would eliminate the research goal of reducing chemical inputs in farming, places very vague language, ignores a research program that farmers throughout this country want. It ignores the ability to do something for those farmers who want to change.

The agriculture bill mandates nothing but at least makes some real alternatives available to people who want low inputs and sustainable agriculture. I hope the Senate will defeat the amendment.

Mr. President, I am prepared to yield back all time if the Senator from Iowa is so willing.

The PRESIDING OFFICER. Is the Senator from Iowa prepared to yield back the remainder of his time?

Mr. GRASSLEY. Yes, I yield back the remainder of my time.

Mr. LEAHY. I yield back time.

The PRESIDING OFFICER. The Senator from Iowa and the Senator from Vermont have yielded back the time. The Chair observes that the yeas and nays have not been requested on this amendment.

Is there further debate?

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested by the Senator from Iowa. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MITCHELL. I announce that the Senator from California [Mr. CRANSTON], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I also announce that the Senator from Maryland [Ms. MIKULSKI] is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "nay."

Mr. DOLE. I announce that the Senator from Utah [Mr. GARN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 32, nays 60, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—32

Armstrong	Gorton	Murkowski
Bond	Gramm	Nickles
Boschwitz	Grassley	Packwood
Burns	Hatch	Sanford
Coats	Helms	Sasser
Cochran	Lott	Specter
Cohen	Lugar	Stevens
Danforth	Mack	Symms
Dole	McCain	Thurmond
Domenici	McClure	Wallop
Durenberger	McConnell	

NAYS—60

Adams	Burdick	Fowler
Akaka	Byrd	Glenn
Baucus	Chafee	Gore
Bentsen	Conrad	Graham
Biden	D'Amato	Harkin
Bingaman	Daschle	Hatfield
Boren	DeConcini	Heflin
Bradley	Dixon	Heinz
Breaux	Dodd	Hollings
Bryan	Exon	Humphrey
Bumpers	Ford	Inouye
Jeffords	Levin	Robb
Kassebaum	Lieberman	Rockefeller
Kasten	Metzenbaum	Roth
Kennedy	Mitchell	Rudman
Kerrey	Moynihan	Sarbanes
Kerry	Nunn	Shelby
Kohl	Pryor	Simon
Lautenberg	Reid	Warner
Leahy	Riegle	Wirth

NOT VOTING—8

Cranston	Mikulski	Simpson
Garn	Pell	Wilson
Johnston	Pressler	

So the amendment (No. 2333) was rejected.

Mr. LEAHY. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2331

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Nevada.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. MITCHELL. I announce that the Senator from California [Mr. CRANSTON], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Georgia [Mr. NUNN], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I also announce that the Senator from Maryland [Ms. MIKULSKI] is absent because of illness.

Mr. DOLE. I announce that the Senator from Utah [Mr. GARN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

The PRESIDING OFFICER (Mr. BRYAN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 62, nays 29, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—62

Armstrong	Exon	Mack
Baucus	Ford	McCain
Bentsen	Glenn	McClure
Bond	Gore	McConnell
Boren	Gorton	Metzenbaum
Boschwitz	Gramm	Murkowski
Breaux	Grassley	Nickles
Bumpers	Harkin	Packwood
Burdick	Hatch	Pryor
Burns	Hatfield	Riegle
Chafee	Heflin	Robb
Coats	Helms	Rockefeller
Cochran	Hollings	Rudman
Conrad	Kassebaum	Sanford
D'Amato	Kasten	Shelby
Danforth	Kennedy	Simon
Daschle	Kerrey	Symms
Dixon	Kerry	Thurmond
Dole	Leahy	Wallop
Domenici	Lott	Warner
Durenberger	Lugar	

NAYS—29

Adams	Fowler	Mitchell
Akaka	Graham	Moynihan
Biden	Heinz	Reid
Bingaman	Humphrey	Roth
Bradley	Inouye	Sarbanes
Bryan	Jeffords	Sasser
Byrd	Kohl	Specter
Cohen	Lautenberg	Stevens
DeConcini	Levin	Wirth
Dodd	Lieberman	

NOT VOTING—9

Cranston	Mikulski	Pressler
Garn	Nunn	Simpson
Johnston	Pell	Wilson

So the motion to table the amendment (No. 2331) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INDIAN EXTENSION AGENT PROVISION IN THE 1990 FARM BILL

Mr. McCAIN. Mr. President, I would like to express my strong support for the provisions in the 1990 farm bill which reestablishes agricultural extension agents on Indian reservations. In testimony before the Senate Select Committee on Indian Affairs, we heard from tribal witnesses, the Bureau of Indian Affairs, and the Department of Agriculture that agriculture is the largest single contributor to the economic and social well being of the reservation communities. Additionally, tribal governments rely heavily on agricultural enterprises to fund basic government services. Unfortunately, American Indians and Alaska Natives have been largely excluded from the past farm programs due to a multitude of barriers including governmental indifference and statutory barriers.

A joint hearing was held in February of this year, by the Select Committee on Indian Affairs and the Committee on Agriculture, Nutrition, and Forestry which reinforced the critical need for reservation extension agents. The presence of Agents on Indian reservations is the first step in removing the barriers to full Indian participation in national farm programs.

Cooperative extension agents provide the link between new agriculture technologies developed by the land grant colleges and the application of these developments by the Nation's farmers and ranchers. They also serve a liaison function with other USDA programs, such as FmHA, assist in developing farm plans for financial institutions, provide training in farm and ranch business management and recordkeeping, supervise youth activities such as 4-H, and coordinate special training programs such as food storage techniques, nutrition, and subsistence gardening. With the absence of this information flow to the reservations, Indians are falling further and further behind in agriculture technologies.

Reservation residents all too often do not have access to existing county extension agents. The reason most frequently given is that Indian trust lands are not under county and State jurisdiction and therefore do not directly contribute to the county or State tax rolls. This leads to pressures from the local county governments or Agriculture Stabilization Conservation Service boards on the local extension agents to exclude services to Indian farmers and communities.

We have worked closely with Indian tribes and USDA officials to develop a proposal to reestablish agents on the larger Indian reservations which would provide $6.5 million to be earmarked from appropriations for the Department of Agriculture's Extension Service for the reservation extension agents. Authorizing language for this purpose has been included in the research and extension title of the 1990 farm bill. This proposal is not a new idea, in the early 1970's, $10 million was appropriated to the Bureau of Indian Affairs to provide extension services on Indian reservations. Over the years, funding has fallen to slightly more than $400,000 per year, effectively denying extension services to all but a few Indian communities. I believe that the proposal to earmark $6.5 million in the Department of Agriculture for extension services on Indian reservations is extremely modest, but the benefits to our Nation's first citizens will be substantial.

I want to thank my friends, Senator LEAHY and Senator LUGAR for their assistance on this matter. I hope that these provisions of the farm bill mark the beginning of a new era for Indians in the programs of the Department of Agriculture.

FARMER-TO-FARMER PROGRAM

Mr. SIMON. Mr. President, the farm bill we are now considering contains a provision called "Farmer-to-Farmer." It was begun in the 1985 farm bill, and its use was encouraged in the SEED I legislation we passed last year for Poland and Hungary. It's a good program and deserves our support.

The program is administered by VOCA, Volunteers in Overseas Cooperative Assistance, a private voluntary organization that has done outstanding work in 87 developing countries since 1970. Farmer-to-Farmer sends American volunteers to help farmers in Africa, Latin America, Asia and the Middle East—and now Eastern Europe—increase their production and improve their standard of living. The focus is rightly on private farmers.

And here I would like to commend some Illinoisans who have recently participated in Farmer-to-Farmer: Hilmer Albrecht of Sparta, IL, volunteered in Colombia; Armin Grossman of Cambridge, IL, went to Honduras; Roy Harrington of Moline, IL, went to Burundi; Wanda and Leonard Slotkowski of Glen Ellyn, IL, went to Poland; John Temple of Springfield, IL, went to Honduras; Robert Von Der Ohe of Rockford, IL, went to Ecuador; and Ernest Winnings of Monticello, IL, went to the West Bank.

In Poland, for example, 23 volunteers have already lent a hand to help Polish farmers set up private cooperatives and help convert state-owned farms to private farms. In the next year, more than 100 American farmers will go to Poland to help that country shift to a free market economy in agriculture.

I mentioned the Slotkowskis of Glen Ellyn. For many years, they owned the Slotkowski Sausage Co. in Chicago. When they were in Poland, they undertook a feasibility study for establishing a small meatpacking plant. I know that their advice will be put to good use.

Mr. President, I urge my colleagues to support section 209 of title XI of S. 2830 which continues the Farmer-to-Farmer Program and expands its authority to operate in Poland and other East European countries.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL RIGHTS ACT OF 1990

Mr. DOLE. Mr. President, last week, I spent a good deal of time on the floor arguing that the so-called Civil Rights Act of 1990 would distort, not restore, the civil rights vision that has served this country well for more than 25 years. I also argued that the bill would alter the careful balance of title VII by allowing sky's-the-limit jury awards—unlimited compensatory damages, unlimited punitive damages, and unlimited opportunities for the plaintiff's bar to make a killing in the courtroom.

Apparently, I am not alone in this view.

In an op-ed piece appearing in today's Washington Post, Attorney Zachary Fasman points out that lawsuits for compensatory and punitive damages—lawsuits which the so-called Civil Rights Act of 1990 would allow, if not actively encourage—will "benefit no one but lawyers."

Not title VII plaintiffs. Not those who are the real-life victims of employment discrimination.

But the lawyers of this country.

No wonder the American Bar Association put the full weight of its lobbying muscle behind this bill. It could

see the pot of gold beyond the civil rights rainbow.

Mr. Fasman also points out that compensatory and punitive damages will promote litigation, not conciliation and settlement, which has always been one of the fundamental premises underlying title VII.

Mr. Fasman writes that:

An employer's economic incentive to settle is largely destroyed if compensatory and punitive damages become available. Six-figure liability automatically will increase settlement costs in most individual cases beyond the employer's projected litigation costs, and thus employers will have an economic incentive to litigate rather than to settle.

Six-figure liability and endless litigation. That's the Senate's new vision of the civil rights for the 1990's.

Mr. President, I ask unanimous consent that the text of the op-ed be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRACTICAL PROBLEMS OF THE CIVIL RIGHTS ACT

(By Zachary D. Fasman)

The quota issue continues to dominate debate about the Civil Rights Act of 1990, obscuring several serious practical problems presented by the bill. Foremost among these is the proposal to allow compensatory and punitive damages under Title VII of the Civil Rights Act of 1964. The omnibus federal employment discrimination statute, Title VII currently allows monetary relief for economic injuries alone. An employee improperly discharged because of his race can be reinstated to his job and recover lost wages and benefits; a woman wrongfully refused promotion because of her sex can obtain the lost promotion and back pay as well. Neither can recover damages for mental anguish or pain and suffering, nor can either obtain punitive damages. The Civil Rights Act of 1990 would change this, and allow their claims to be tried before a jury rather than before a judge.

This proposal to create a federal tort law system for employment discrimination cases is likely to benefit no one but lawyers. Authorizing recovery of compensatory and punitive damages will lead to a dramatic increase in Title VII litigation, with accompanying judicial delays. At present, Title VII emphasizes obtaining full economic redress quickly and without litigation. Discrimination charges must be filed promptly, the Equal Employment Opportunity Commission is supposed to investigate expeditiously and if reasonable cause exists to believe that the statute has been violated, the EEOC must attempt to conciliate prior to suit.

Early in the process, even full recompense for an employee's economic injury is relatively slight in comparison to the employer's projected litigation costs, to say nothing of the plaintiff's legal fees that the employer will incur in the event of a loss. While some cases involve matters of principle, most cases are resolved early in the process because the employer has strong economic incentives to settle rather than to litigate.

An employer's economic incentive to settle is largely destroyed if compensatory and punitive damages become available. Experience in state worngful discharge litigation reveals that compensatory and punitive damage awards regularly average in the hundreds of thousands of dollars. Six-figure liability automatically will increase settlement costs in most individual cases beyond the employer's projected litigation costs, and thus employers will have an economic incentive to litigate rather than settle. In cases where an employer believes he has a reasonable chance of prevailing, the proverbial reasonable person would choose litigation on the basis of economics alone contrary to the current situation.

Such an increase in litigation is not justified by the claim that Title VII remedies are inadequate. Title VII's remedial structure certainly is not unique. Congress repeatedly has concluded that employment principally is an economic relationship and that employment injuries do not require tort remedies. Almost every federal statute addressed specifically to the employment relationship—the National Labor Relations Act and ERISA spring to mind—provides relief for economic injuries alone rather than pain and suffering or punitive damages. These statutes, like Title VII, long have been regarded as successful. The multimillion-dollar Title VII class actions that have resulted in redesign of so many employment pracitces have not required the enhanced remedial scheme envisioned by the Civil Rights Act of 1990.

Our tort system, long renowned for its unfairness and glacial pace, has little to recommend it in employment discrimination cases. It is ironic that a majority of the Senate and at least 180 representatives apparently support creating a new federal tort system for employment discrimination cases at the same time that legislators on both the federal and state levels actively are seeking alternatives to the tort system itself in areas such as products liability and medical malpractice.

This irony is even more pronounced given the increasing congestion in the federal courts, evidenced by the recent Report of the Federal Courts Study Commission, which concluded that the "recent surge in federal criminal trials . . . is preventing federal judges in major metropolitan areas from scheduling civil trials, especially civil jury trials, of which there is a rapidly growing backlog." That report recommended arbitration rather than federal litigation of individual employment discrimination cases.

Proponents of the Civil Rights Act of 1990 argue that compensatory and punitive damages and jury trials already are available to blacks under the Civil Rights Act of 1866 and that the new law merely seeks to preserve parity among groups by making such remedies available to all victims of employment discrimination. But this argument does not address whether it makes practical sense to extend tort remedies any further. The Civil Rights Act of 1866 initially was extended to employment discrimination by a Supreme Court decision in 1976, more than a century after its passage, and there is no evidence that Congress (either in 1866 or subsequently) ever debated the wisdom of applying the statute to the workplace.

More thoughtful proponents of the bill claim that certain injuries actionable under Title VII have no economic component. In 1986, the Supreme Court held that pervasive racial or sexual harassment in the workplace was actionable under Title VII even absent an economic injury. Shouldn't there be some financial remedy for this conduct?

Perhaps so. But even assuming it is appropriate to create a greater financial remedy for harassment in the workplace, surely this limited lacuna in the law does not justify creating a federal tort system that would apply to almost every employment discrimination case.

That certainly is the purport of this legislation. Courts traditionally distinguish between disparate treatment cases—in which an individual claims to have been treated less favorably because of his race or her sex—and disparate impact cases, which generally involve systemic barriers to equality. The Civil Rights Act of 1990 would provide compensatory relief in all disparate treatment cases, not just those involving egregious intentional misconduct. Thus a run of the mill absenteeism discharge, in which a black or a woman claims that his or her absenteeism record was not as bad as that of another employee who was retained, would fall within the ambit of compensatory relief even though there was no direct evidence of race or sex animus in the workplace. So would broadly based class actions that allege that the employer engages in a "pattern or practice" of discrimination, thus inveigling juries in adjudicating sophisticated statistical issues with millions in compensatory and punitive damages hanging in the balance.

The monumental delays and the inordinate expense involved in litigating such cases before juries are daunting. Only lawyers would want to multiply this type of litigation by making settlements less likely or making it normal to introduce psychiatric testimony attempting to quantify the pain and suffering of an employee who has been discharged. The remedial provisions of the Civil Rights Act of 1990 need to be amended if the bill is to benefit anyone but members of the bar.

Mr. DOLE. Mr. President, an article also appeared in today's Washington Post highlighting the fact that the so-called Civil Rights Act of 1990 has more to do with the "politics of race" than with racial justice and equal opportunity.

According to the article, the bill "may hold pitfalls for Democrats." The article even quotes one Democratic operative as warning that "it's in the best interests of the Democrats to have President Bush sign this bill" to prevent the GOP from "playing the race card."

Well, President Bush does not have a "race card" in his deck, and he does not seek to divide this Nation by playing the cheap game of racial politics.

But the cards are on the table: President Bush will not sign a bill that will force employers to hire by the numbers. And he will not sign a bill that is a lawyers' bonanza, guaranteeing the plaintiffs' bar full employment for decades to come.

As currently drafted, the Civil Rights Act of 1990 is a quota bill, pure and simple, and the American people will not be fooled.

Mr. President, I ask unanimous consent that the text of the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 23, 1990]

CIVIL RIGHTS BILL MAY HOLD PITFALLS FOR DEMOCRATS

(By Thomas B. Edsall)

While public attention has focused on President Bush's anguish over the Civil Rights Bill of 1990, the legislation highlights one of the difficulties Democratic presidential candidates have experienced in trying to maintain the support of blacks as well as working- and lower-middle-class whites.

"In the long run, the bill could place us in the position once again of choosing between loyal blacks and Reagan Democrats," one Democratic congressional strategist said. "It depends on how the bill plays out and, if it becomes law, how much it is seen as forcing racial preferences."

"It [the 1990 bill] is not a free lunch for Democrats," said Robert Beckel, a Democratic political strategist who, as manager of Walter F. Mondale's 1984 campaign, experienced the full brunt of the defection of once-loyal white Democrats. "It's in the best interests of the Democrats to have Bush sign this bill" to prevent the GOP from "playing the race card," he said.

"Democrats are trying to say to the middle class, 'We care about you. You are our primary concern,'" said Democratic pollster Stan Greenberg. "What affirmative action says is that poor people, disadvantaged minorities, have primacy. That limits the ability of the Democrats to be credible as the party that works for the middle class."

In a series of focus groups held in 1985 in Macomb County—white, working-class suburbs of Detroit once dominated by the Democratic Party—Greenberg found a deep hostility to a Democratic Party seen as favoring blacks. "The special status of blacks is perceived by almost all these individuals as a serious obstacle to their personal advancement," Greenberg said of his findings from the focus groups. "Indeed, discrimination against whites has become a well-assimilated and ready explanation of their status, vulnerability and failures."

Democratic pollster Ed Reilly found similar racial conflict, also working to the severe disadvantage of the Democratic Party, in a post-1988 election study. And in the current election, the opening salvo in the bid of Sen. Pete Wilson (R-Calif.) for the governorship is an attempt to portray Democratic nominee Diane Feinstein as an advocate of racial quotas.

Voters who are moved by the issues of affirmative action and quotas, Beckell said, "are the swing voters, the Central Valley in California, the white working class, the working-class suburbs of Oakland County."

As passed by the Senate and sent to the House last week, the civil rights measure would effectively set federal employment discrimination and affirmative action policy so as to strengthen the hand of employees claiming discrimination. Proponents contend that the measure would not prompt business to hire on the basis of quotas, the charge leveled by some administration officials, conservative groups and much of the business community.

Democratic pollster Harrison Hickman, while arguing that the bill does not pose significant liabilities for the Democratic Party, said Bush has gained control of "the definition of the bill. Any bill he signs will be a civil rights bill and any bill he vetos will be a quota bill."

Polls show blacks and whites are severely divided on the questions of quotas, preferential hiring and special government intervention in behalf of blacks. "When we hold focus groups, if the issue of affirmative action comes up, you can forget the rest of the session. That's all that's going to get talked about," said Natalie Davis, an Alabama Democratic national committeewoman and pollster.

"There is a perception on the part of whites—working-class whites, ethnic groups, white southerners—that the Democratic Party is the party of the blacks," Rep. John Lewis (D-Ga.), who is black, said in an earlier interview. "I think there is in some cases a perception that blacks are taking jobs away . . . making it impossible for white males, working-class whites, to advance, to be promoted."

For blacks, Lewis said, affirmative action "is important. In the black community, people are not prepared to throw that chip in. . . . When it comes to the black community, it's not negotiable."

In private, a number of Democratic strategists noted that the issues of affirmative action and racial preference embodied in the complex language of the 1990 bill have the potential to split the presidential and congressional wings of the Democratic Party.

House Democrats can generally avoid racially polarizing issues by declaring support for civil rights, a position widely backed by the public, one strategist noted. Democratic presidential candidates and the national party, in contrast, are more closely associated with racial preferences and consequently have more to lose from legislative conflicts that draw sharp distinctions between the parties on these issues, he said.

Lewis, a former civil rights leader, described the political problem of affirmative action this way:

"Whites perceive it as a less-qualified black, woman or some other minority getting a position or advancing to a certain level, not because of qualification, but simply because of race—that it is taking something away from them. I think black voters see it as affirming, as compensating for the wrongs of the past, and that is something that society must do. It is a moral obligation."

ROSE KENNEDY: 100 YEARS OF COURAGE AND CONTRIBUTION

Mr. DOLE. Mr. President, every year at this time I am reminded that I share my July 22 birthdate with a very distinguished American, a woman revered for her grace and devotion to family.

I am talking about Rose Kennedy. This weekend, she reached a remarkable milestone with the celebration of her 100th birthday.

As the mother of two U.S. Senators and a President, Mrs. Kennedy has helped make the Kennedy name synonymous with dedication to public service.

Although she has endured terrible personal tragedies that would have buckled most people, Rose Kennedy has done far more than survive. She has remained a buoyant, loving woman of faith and endurance who continues to inspire us all. She is one of America's most remarkable mothers, grandmothers and great grandmothers—and I salute her.

I know all of my colleagues join me in wishing a happy birthday to Rose Kennedy. America admires her century of courage and contribution.

CYPRUS

Mr. D'AMATO. Mr. President, the 20th of July marks the 16th anniversary of the brutal Turkish invasion of Cyprus. Sadly, in this year of great political upheaval and progress, we are no closer to resolving the Cyprus dispute today than we were a year ago. Thirty-five thousand Turkish troops, armed with United States military equipment, continue to illegally occupy Cyprus, while the Turkish Cypriot leader, Mr. Rauf Denktash, continues his unproductive separatist policies. Still, the Greek Cypriots have not given up hope and continue to take steps aimed at benefiting all of Cyprus.

On July 4, the Republic of Cyprus announced that they had applied for full membership to the European Economic Community. This historic step by the Government in Nicosia illustrates its commitment to cooperation, unity and concern for both Greek and Turkish Cypriots, as full membership in the EC will provide long-term political and economic stability for the entire country. I commend Cyprus President George Vassiliou for taking this bold step forward, and encourage the EC to act favorably.

The Turkish Cypriot leadership responded to the EC application in the most irresponsible way. Instead of joining President Vassiliou in this bold step forward, Mr. Denktash threatened to colonize the occupied Greek Cypriot town of Famagusta with Turkish settlers. Famagusta, once a beautiful coastal tourist resort, has been a ghost town since the Turkish invasion of 1974.

Despite numerous calls by the Congress and the entire international community, the Turkish Cypriots have refused to allow the Greek Cypriot inhabitants of Famagusta to return to their homes. In fact, Mr. Denktash's threat to settle Famagusta is contrary to U.N. Security Council Resolution 550 of 1984 which considers any attempts to settle any part of the city by people other than its inhabitants as inadmissible and calls for the transfer of the area to the administration of the United Nations.

Mr. Denktash's threat to settle Famagusta is irresponsible and cannot be tolerated by the Congress. The settlement of Famagusta by Turkish Cypriots will greatly heighten tensions of Cyprus and prolong the current delay in the negotiations. The Congress and the administration must use its best

efforts to see that Mr. Denktash does not act on his threats.

At the same time, we must let the Government in Turkey know that the status quo on Cyprus is unacceptable and that we are serious about resolving the Cyprus dispute. The presence of Turkish troops on Cyprus is intolerable and must end.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Agriculture, Nutrition, and Forestry.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTIONS SIGNED

At 1:35 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 75. Joint resolution relating to NASA and the International Space Year, and

H.J. Res. 591. Joint resolution designating the third Sunday of August of 1990 as "National Senior Citizens Day."

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

At 3:58 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3468. An act to amend the act entitled "An Act to extend the Wetlands Loan Act," to provide for the expansion of the Stewart B. McKinney National Wildlife Refuge, and

H.R. 5257. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1991, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3468. An act to amend the act entitled "An act to extend the Wetlands Loan Act," to provide for the expansion of the Stewart B. McKinney National Wildlife Refuge; to the Committee on Environment and Public Works, and

H.R. 5257. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1991, and for other purposes; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 23, 1990, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 75. Joint resolution relating to NASA and the International Space Year.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 639. A bill to establish a Hydrogen Research and Development Program (Rept. No. 101-385).

H.R. 4521. A bill to establish a Hydrogen Research and Development Program (Rept. No. 101-386).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1067. A bill to provide for a coordinated Federal research program to ensure continued United States leadership in high-performance computing (Rept. No. 101-387).

H.R. 3000. A bill to require that certain fasteners sold in commerce conform to the specifications to which they are represented to be manufactured, to provide for accreditation of laboratories engaged in fastener testing, to require inspection, testing, and certification, in accordance with standardized methods, of fasteners used in critical applications to increase fastener quality and reduce the danger of fastener failure, and for other purposes (Rept. No. 101-388).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LAUTENBERG (for himself, Mr. KASTEN, Mr. PELL, and Mr. DIXON):

S. 2887. A bill to amend the Caribbean Basin Economic Recovery Act, the generalized system of preferences, and section 301 of the Trade Act of 1974 to require countries to maintain certain environmental standards, and for other purposes; to the Committee on Finance.

By Mr. DASCHLE:

S. 2888. A bill relating to Indian health care; to the Select Committee on Indian Affairs.

By Mr. BOSCHWITZ:

S. 2889. A bill to establish a National Commission charged with considering the causes of the failure of the savings and loan system and to consider proposals to prevent future failures of this type; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. GLENN, Mr. METZENBAUM, Mr. LEVIN, Mr. RIEGLE, Mr. LUGAR, Mr. COATS, Mr. KOHL, Mr. KASTEN, Mr. LAUTENBERG, Mr. JEFFORDS, Mr. LEAHY, Mr. BRADLEY, Mr. SPECTER, Mr. GRASSLEY, Mr. SIMON, Mr. BIDEN, Mr. SARBANES, Mr. BURDICK, Mr. KENNEDY, Mr. KERRY, Mr. DIXON, Mr. CHAFEE, Mr. HEINZ, Mr. PELL, Mr. LIEBERMAN, and Mr. BOSCHWITZ):

S. Res. 312. A resolution to express the sense of the Senate regarding the need to develop a zebra mussel research and control program through the Great Lakes Fishery Commission; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. SIMON, Mr. PELL, Mr. KERRY, Mrs. KASSEBAUM, Mr. CRANSTON, and Mr. DODD):

S. Con. Res. 141. A concurrent resolution expressing the sense of the Congress regarding the deteriorating human rights situation in Kenya; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LAUTENBERG (for himself, Mr. KASTEN, Mr. PELL, and Mr. DIXON):

S. 2887. A bill to amend the Caribbean Basin Economic Recovery Act, the generalized system of preferences, and section 301 of the Trade Act of 1974 to require countries to maintain certain environmental standards, and for other purposes; to the Committee on Finance.

GLOBAL ENVIRONMENTAL PROTECTION AND TRADE EQUITY ACT

● Mr. LAUTENBERG. Mr. President, I rise on behalf of myself, Senator KASTEN, Senator PELL, and Senator DIXON to introduce a revised version of the Global Environmental Protection and Trade Equity Act. This bill is essentially the same as S. 2553, the original bill we introduced on April 23, 1990, but with two technical changes.

The first change is simply the addition of a title for the bill, which we have named the Global Environmental Protection and Trade Equity Act.

The second change makes the bill language reflect our original stated intent that the U.S. Trade Representative be given the option to refuse to pursue a section 301 unfair trade practice case against a polluter country in either of two instances. He or she may decline to pursue a section 301 case if the country accused of unacceptable efforts against pollution is making progress toward achieving effective, generally observed environmental standards, or has environmental standards commensurate with its level of economic development. Due to a

technical drafting error, that option was not provided in the original legislation, although we intended it to be.

I ask unanimous consent that a copy of the revised bill be included following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2887

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Global Environmental Protection and Trade Equity Act".

SEC. 2. CARIBBEAN BASIN.

Section 212(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(b)) is amended—

(1) by striking "and" at the end of paragraph (5),

(2) by striking the period at the end of paragraph (6), and inserting "; and",

(3) by inserting immediately after paragraph (6) the following new paragraph:

"(7) if such country does not have effective natural resource protection and effective pollution abatement and control standards to protect air, water, and land or if such country's standards are generally not observed.", and

(4) by striking "and (5)" in the last sentence and inserting "(5), and (7)".

SEC. 3. GENERALIZED SYSTEM OF PREFERENCES.

Section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended—

(1) by striking "and" at the end of paragraph (6),

(2) by striking the period at the end of paragraph (7), and inserting "; and",

(3) by inserting immediately after paragraph (7) the following new paragraph:

"(8) if such country does not have effective natural resource protection and effective pollution abatement and control standards to protect air, water, and land or if such country's standards are generally not observed.", and

(4) by striking "and (7)" in the last sentence and inserting "(7), and (8)".

SEC. 4. DEFINITION OF UNREASONABLE ACT OR POLICY.

(a) IN GENERAL.—Section 301(d)(3)(B) of the Trade Act of 1974 (19 U.S.C. 2411(d)(3)(B)) is amended—

(1) by striking "or" at the end of clause (ii),

(2) by striking the period at the end of subclause (V) of clause (iii) and inserting ", or", and

(3) by adding at the end of the following new clause:

"(iv) constitutes a failure to establish effective natural resource protection and effective pollution abatement and control standards to protect air, water, and land.".

(b) DETERMINATION BY TRADE REPRESENTATIVE.—Subparagraph (C)(i) of section 301(d)(3) is amended by striking "subparagraph (B)(iii)" each place it appears and inserting "subparagraph (B) (iii) or (iv)".●

By Mr. BOSCHWITZ:

S. 2889. A bill to establish a national commission charged with considering the causes of the failure of the savings and loan system and to consider proposals to prevent future failures of this type; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL FINANCIAL INSTITUTIONS INQUIRY COMMISSION ACT

Mr. BOSCHWITZ. Mr. President, I rise today to introduce legislation calling for the creation of a National Commission on Savings and Loans. It will be comprised of five persons, and the Commission would be charged with examining the causes of the current crisis in the savings and loan industry, and to consider proposals to prevent future failures of this type.

By now, all of us have heard from constituents who are wondering how the S&L crisis came about. They are entitled to an answer to those queries.

Recently, both political parties have begun pointing fingers to blame one another in order to avoid the political fallout in the upcoming November elections. The American people deserve better than that.

It is for this reason that I have concluded that a national commission, comprised of individuals who understand the financial services industry, should be convened to conduct an objective and scholarly review. Such a review not only can help us gain a better understanding of all of the factors which contributed to the current dilemma but, perhaps even more important, it would help identify similar difficulties yet to be encountered.

By now, we are all generally aware of some of the factors which contributed to the decline of the S&L industry. But allow me briefly to review the history, Mr. President.

As you know, through the 1970's, the thrift industry was highly regulated and very restricted in terms of market opportunities. It was very regulated and restricted as to what it could do. Thrifts were allowed to make long-term mortgage loans and to accept short-term deposits, on which the amount of interest they can pay was limited.

Everything was fine, because housing during the 1950's, 1960's, and 1970's went up in an unabated manner, and so the security of the S&L's was very sound. Interest rates were quite level, so that they were in a position of having to lend long and borrow short, but in the lending long, the interest rates in the marketplace did not exceed even those long-term loans, the interest on those long-term loans.

When the Nation was hit with record inflation and skyrocketing interest rates, thrifts found themselves unable to compete. As interest rates rose, depositors pulled their money out of S&L's and put their money into money market funds and other investments paying much higher returns. We had what we spoke about at that time as disintermediation of money flight from the S&L's.

In 1980, fearing a collapse of the thrift industry, Congress passed legislation to deregulate the industry. Among other things, the legislation phased out interest rate limits on deposits, permitted thrifts to engage in new banking services, and raised deposit insurance levels from $40,000 to $100,000. We look back on some of that stuff, we regret it, but at that time, it seemed the right thing to do.

In spite of this legislative effort, most savings and loans continued to lose money, though they lost less than they did before. While thrifts were free to pay market interest rates on deposits, long-term notes paid relatively low rates.

During the period, the Nation's thrifts lost nearly two-thirds of their capital base. In response, Congress adopted new legislative remedies, giving thrift regulators expanded authority over troubled thrifts, but also allowing federally chartered thrifts to make loans in new and unfamiliar areas.

At almost the same time, a number of States—particularly those in the Southwest, such as Texas—granted their State-chartered thrifts broader powers, including the authority to make direct equity investments. In hindsight, this action may have been the most significant one in terms of the losses which have occurred thus far.

By 1987, it was clear we were not out of the woods. Thrifts were still losing money. It was estimated that between $16 billion and $27 billion in taxpayer assistance was going to be necessary to keep the thrift insurance fund solvent. The Reagan administration requested $15 billion to shut down insolvent S&L's. Unfortunately, both the House and Senate Banking Committees were unwilling to meet the administration's request. Finally, after months of delay, a $10 billion recapitalization plan was adopted by Congress.

Frankly, all of the changes I have described above probably were factors in creating the crisis in the thrift industry. It is my sincere hope that a panel of experts can help us sift through the evidence, not so much to assign blame as to help us understand where we could have acted differently and, more important, what policies should be adopted to keep a crisis of this magnitude from recurring.

I urge my colleagues to carefully consider my proposal. I plan to offer it as an amendment to the next piece of banking legislation considered by the Senate. I welcome the support and cosponsorship of my colleagues.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD in its entirety.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

39-059 O-91-17 (Pt. 13)

S. 2889

Be it enacted by Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Financial Institutions Inquiry Commission Act."

ESTABLISHMENT

SECTION 1. There is established the National Commission on Savings and Loans.

DUTIES OF THE COMMISSION

SEC. 2. (a) The Commission shall—

(1) advise the Congress, the President, and Federal agencies on policies and programs which may have contributed to the problems in the savings and loan industry and such policies and programs which may be needed to prevent future problems of this type.

(2) prepare the report required by subsection (b).

(b) Within 6 month after the date of enactment of this Act, the Commission shall prepare and transmit to the President and the Congress a report describing the activities of the Commission and containing such recommendations as the Commission considers appropriate for legislative and administrative actions.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) The Commission membership shall be determined in the following manner: the Speaker of the House of Representatives, the Majority Leader of the Senate and the Minority Leaders of the House and of the Senate shall each be allowed to select one member. The President of the United States shall select the final member who shall serve as the Commission Chairman.

(b)(1) The members of the Commission described in subsection (a) shall be appointed within 30 days after the date of enactment of this Act.

(2) In appointing members of the Commission under subsection (a), the President and the leadership of the House and the Senate shall ensure that the members of the Commission have knowledge and technical expertise in the areas of responsibility specified for the Commission.

(c) A vacancy in the Commission shall be filled in the same manner as the original appointment was made. A vacancy in the Commission shall not affect its powers.

(d) Except as provided in paragraph (2), members shall be appointed for the life of the Commission.

(e) Three members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) The Commission shall hold its first meeting on a date specified by the President, which shall not be later than 60 days after the date of enactment of this Act. Thereafter, the Commission shall meet at the call of the Chairman or a majority of its members, but shall meet at least three times during the life of the Commission.

(g)(1) Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 2, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties as a member of the Commission. Each member of the Commission who is an officer or employee of the United States shall receive no additional compensation.

(2) While away from their homes or regular places of business in the performance of duties for the Commission, all members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at the rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

DIRECTOR AND STAFF AND COMMISSION

SEC. 4. (a) The Commission shall appoint an Executive Director who shall be compensated at a rate not to exceed the rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) With the approval of the Commission, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Commission.

(c) The Executive Director and the additional personnel of he Commission referred to in subsection (b) may be appointed without regard to the provisions of title 5, United States code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates.

(d) Subject to such rules as may be prescribed by the Commission, the Executive Director may procure temporary or intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed $200 per day.

(e) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the commission in carrying out its duties under this Act.

(f) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative and support services as the Commission may request.

POWERS OF COMMISSION

SEC. 5. (a) For the purpose of carrying out this Act, the Commission may hold such hearings, sit and act as such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmation to witnesses appearing before the Commission.

(b) Any member or employee of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any Federal agency such information as may be necessary to enable the Commission to carry out this Act. Upon request of the Chairman of the Commission, the head of such agency shall furnish such information to the Commission.

DEFINITIONS

SEC. 6. For purposes of this Act—

(1) the term "Commission" means the National Commission on Savings and Loans established by section 1; and

(2) the term "Federal agency" has the meaning given to the term "agency" in section 551(1) of title 5, United States Code.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. For fiscal years beginning after September 30, 1990, here are authorized to be appropriated such sums as may be necessary to carry out this Act.

TERMINATION

SEC. 8. The Commission shall terminate 90 days after the date on which the Commission transmits the report required under section 2(b) to the President and the Congress.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. JEFFORDS, his name was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 160

At the request of Mr. THURMOND, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 160, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 1577

At the request of Mr. BOREN, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 1577, a bill to amend the Internal Revenue Code of 1986 to provide that charitable contributions of appreciated property will not be treated as an item of tax preference.

S. 1850

At the request of Mr. CONRAD, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1850, a bill to require sequestration for a fiscal year if the actual deficit for the preceding fiscal year exceeds the target by more than $10,000,000,000.

S. 1880

At the request of Mr. DANFORTH, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1880, a bill to amend title VI of the Communications Act of 1934 to ensure carriage on cable television of local news and other programming and to restore the right of local regulatory authorities to regulate cable television rates, and for other purposes.

S. 1890

At the request of Mr. THURMOND, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 1890, a bill to amend title 5, United States Code, to provide relief from certain inequities remaining in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes.

S. 1942

At the request of Mr. ROCKEFELLER, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1942, a bill to provide for home and community care as optional statewide service, and for other purposes.

S. 2186

At the request of Mr. MCCONNELL, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2186, a bill to repeal the provisions of the Revenue Reconciliation Act of 1989 which require the withholding of income tax from wages paid for agricultural labor.

S. 2214

At the request of Mr. PACKWOOD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2214, a bill to provide incentives to health care providers serving rural areas, to eliminate the Medicare reimbursement differential between hospitals located in rural and urban areas, and for other purposes.

S. 2319

At the request of Mr. GARN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2319, a bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to protect the deposit insurance funds, to limit the depository institutions, credit unions, and other mortgage lenders acquiring real property through foreclosure or similar means, or in a fiduciary capacity, and for other purposes.

S. 2384

At the request of Mr. BOREN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 2384, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain real estate activities under the limitations on losses from passive activities.

S. 2438

At the request of Mr. BAUCUS, the name of the Senator from Wyoming [Mr. SIMPSON], was added as a cosponsor of S. 2438, a bill to amend title XVIII of the Social Security Act to make certain modifications in the Medicare Program with respect to payments made under such program to hospitals located within rural areas with 50 beds or fewer, to improve the delivery of health services to individuals residing in rural areas, and for other purposes.

S. 2584

At the request of Mr. BOREN, the name of the Senator from Mississippi [Mr. COCHRAN], was added as a cosponsor of S. 2584, a bill to amend the Internal Revenue Code of 1986 to provide that the deduction for State and local income and franchise taxes shall not be allocated to foreign source income.

S. 2591

At the request of Mr. BAUCUS, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Wyoming [Mr. SIMPSON], the Senator from Wyoming [Mr. WALLOP], the Senator from Colorado [Mr. WIRTH], the Senator from Virginia [Mr. WARNER], the Senator from Louisiana [Mr. JOHNSTON], the Senator from North Dakota [Mr. BURDICK], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 2591, a bill to amend title XVIII of the Social Security Act to provide relief from certain regulations relating to physicians' services

S. 2601

At the request of Mr. INOUYE, the name of the Senator from Minnesota [Mr. BOSCHWITZ], was added as a cosponsor of S. 2601, a bill to amend the Internal Revenue Code of 1986 to allow individuals who do not itemize deductions a deduction for charitable contributions to the extent in excess of $100 per year.

S. 2605

At the request of Mr. PRYOR, the name of the Senator from Vermont [Mr. JEFFORDS], was added as a cosponsor of S. 2605, a bill to amend title XIX of the Social Security Act to provide mechanisms to control Medicaid drug prices while assuring that beneficiaries receive quality medical care, physicians' prerogative to prescribe is protected and the role of pharmacists is enhanced.

S. 2616

At the request of Mr. DASCHLE, the name of the Senator from Illinois [Mr. SIMON], was added as a cosponsor of S. 2616, a bill to amend title XVIII of the Social Security Act to provide coverage under such title for certain chiropractic services authorized to be performed under State law, and for other purposes.

S. 2640

At the request of Mr. DASCHLE, the name of the Senator from Vermont [Mr. JEFFORDS], was added as a cosponsor of S. 2640, a bill to amend title XVIII of the Social Security Act to prevent fraud and abuse and encourage competition in the sale of medicare supplemental insurance.

S. 2649

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. AKAKA], was added as a cosponsor of S. 2649, a bill to provide for improved drug abuse treatment and prevention.

S. 2677

At the request of Mr. LAUTENBERG, the name of the Senator from Minnesota [Mr. BOSCHWITZ], was added as a cosponsor of S. 2677, a bill to extend for 2 years the operation of sections 599D and 599E of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990.

S. 2736

At the request of Mr. SIMON, the name of the Senator from Michigan [Mr. LEVIN], was added as a cosponsor of S. 2736, a bill to amend the Follow Through Act, and for other purposes.

S. 2761

At the request of Mr. D'AMATO, the name of the Senator from Louisiana [Mr. BREAUX], was added as a cosponsor of S. 2761, a bill to deem certain interests to be reasonably incidental to the operation of a gas utility company for the purpose of the Public Utility Holding Company Act of 1965.

S. 2807

At the request of Mr. MCCAIN, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from New Jersey [Mr. BRADLEY], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Washington [Mr. GORTON] were added as cosponsors of S. 2807, a bill to direct the Secretary of the Interior to establish and implement power operating criteria at Glen Canyon Dam, to protect the environmental and recreational resources of Grand Canyon National Park, and for other purposes.

S. 2886

At the request of Mr. GLENN, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2886, a bill to amend the Stewart B. McKinney Homeless Assistance Act to clarify requirements regarding the use of unutilized, underutilized, surplus, and excess Federal buildings and real property to assist the homeless, and for other purposes.

SENATE JOINT RESOLUTION 277

At the request of Mr. LUGAR, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Joint Resolution 277, a joint resolution designating October 6, 1990, as "German-American Day."

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 16, 1990, as "National Give the Kids a Fighting Chance Week."

SENATE JOINT RESOLUTION 305

At the request of Mr. THURMOND, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Iowa [Mr. GRASSLEY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Ohio [Mr. METZENBAUM], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from California [Mr. WILSON], the Senator from Utah [Mr. HATCH], the Senator from Vermont [Mr. JEFFORDS], the Senator from North Carolina [Mr. SANFORD], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of Senate Joint Resolution 305, a joint resolution to designate the month of September 1990, as "National Awareness Month of Children with Cancer."

SENATE JOINT RESOLUTION 337

At the request of Mr. SIMON, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of Senate Joint Resolution 337, a joint resolution designating Labor Day weekend, September 1 through 3,

1990, as "National Drive for Life Weekend."

SENATE JOINT RESOLUTION 339

At the request of Mr. DECONCINI, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Joint Resolution 339, a joint resolution to designate August 1, 1990, as "Helsinki Human Rights Day."

SENATE JOINT RESOLUTION 351

At the request of Mr. BYRD, the names of the Senator from California [Mr. WILSON], the Senator from Indiana [Mr. COATS], the Senator from North Dakota [Mr. BURDICK], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Joint Resolution 351, a joint resolution to designate the month of May 1991, as "National Trauma Awareness Month."

SENATE RESOLUTION 288

At the request of Mrs. KASSEBAUM, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Resolution 288, a resolution expressing the sense of the Senate regarding the reopening of universities in the West Bank and Gaza without delay.

SENATE CONCURRENT RESOLUTION 141—RELATIVE TO HUMAN RIGHTS IN KENYA

Mr. KENNEDY (for himself, Mr. SIMON, Mr. PELL, Mr. KERRY, Mrs. KASSEBAUM, Mr. CRANSTON, and Mr. DODD) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 141

Whereas the United States and Kenya have enjoyed friendly relations based on their mutual respect for human rights and democratic freedoms;

Whereas Kenya has been an important and politically stable ally to the United States in Africa;

Whereas Kenya is one of the largest recipients of United States aid in sub-Saharan Africa;

Whereas such aid has been offered to encourage democatic freedoms, human rights, and political stability in Kenya;

Whereas the Government of Kenya has been waging a campaign of repression designed to eliminate criticism and dissent;

Whereas the Government of Kenya has compromised the independence of the Kenyan judiciary and increasingly restricted freedom of the press;

Whereas government security forces have harassed and detained government critics, including former Cabinet Members and others advocating multi-party democracy, and assaulted their families and co-workers;

Whereas government security forces have targeted human rights attorneys by interfering with their work and arresting and detaining them;

Whereas the government crackdown compelled Gibson Kamau Kuria, one of the world's foremost human rights attorneys and the recipient of the Robert F. Kennedy Human Rights Award in 1988, to seek refuge in the United States Embassy in Nairobi for five days, and forced his partner, human rights attorney Paul Muite, into hiding;

Whereas the Government of Kenya has resorted to the use of force against demonstrators calling for multi-party democracy and peaceful political change;

Whereas at least 1,500 peaceful demonstrators have been arrested and detained by government security forces during the first two weeks of July;

Whereas the Government of Kenya's ongoing campaign against its citizens violates basic standards of international law with respect to human rights and fundamental freedoms; and

Whereas Kenya's political stability is threatened by the government's crackdown on individual rights and democratic freedoms and intolerance of political dissent: Now, therefore, be it

Resolved, That—

(1) the Senate (the House of Representatives concurring)—

(A) condemns the arrest and detention of Kenyan citizens for the peaceful expression of their political views and the recent violence against unarmed civilians by Kenyan security forces;

(B) condemns the Government of Kenya's disregard of human rights and fundamental freedoms;

(C) calls upon the Government of Kenya to end the intimidation and harassment of those who are critical of government policies, particularly individuals within the church, the press, and the legal and academic communities; and

(D) calls upon the Government of Kenya to implement effective safeguards to ensure unrestricted freedom of the press and the independence of the judiciary and to guarantee due process and other fundamental civil rights and human rights for individuals imprisoned or otherwise detained by the government; and

(2) it is the sense of the Congress that the President of the United States should suspend all military assistance and economic support fund assistance to the Government of Kenya until that government—

(A) restores basic human rights and fundamental freedoms, including the rights of free speech, free press, and free association;

(B) releases all detainees and persons arrested for the peaceful expression of their political views;

(C) ends the harassment and detention of its political opponents and human rights lawyers by security forces; and

(D) enables the Kenyan people to determine whether they want to pursue a multiparty democratic system.

Mr. KENNEDY. Mr. President, during the past few weeks, government security forces in Kenya arrested, detained, assaulted, and killed peaceful advocates of human rights and democratic reforms. This escalating cycle of violence and repression in Kenya is a deep concern to all friends of democracy.

The United States should not be backing governments that deny the most basic rights to their citizens. If we are true to our heritage, we should stand with the forces of freedom, not those who deny it.

Therefore, I am introducing legislation calling on the administration to suspend military and economic assistance to the Government of Kenya. The resumption of this assistance would be conditioned on the restoration of democratic freedoms and the release of all persons arrested and detained for the peaceful expression of their views.

Kenya was once a model of political stability in Africa. But today, its constitution and its democratic tradition are threatened by the government's repression of the rights of its citizens.

President Moi has mounted a harsh campaign against those who speak out against the government, who oppose the nation's single-party system, or who call for free expression. The President has emphasized his opposition to a pluralistic democracy. He has vowed to hunt down political dissidents "like rats."

In recent weeks, the repression has intensified. Security forces have arrested and detained more than 1,500 people. Hundreds of people were injured, and at least 22 were killed, when security forces fired into crowds and used clubs against demonstrators protesting the government crackdown. down.

Among those detained are two former Cabinet Ministers and the editor of a publication that criticized President Moi.

The government crackdown compelled Gibson Kuria, one of the world's most courageous champions of human rights, to seek refuge in the U.S. Embassy in Nairobi. Although the Kenyan Government permitted Mr. Kuria to leave the country after a few days, his leadership is needed by his fellow countrymen. His forced exile is a distressing commentary on the tragic situation in his native land. We look forward to working with him to bring about the day when he can return home to a free and democratic Kenya.

Kenya is the largest recipient of United States aid in sub-Saharan Africa. It is scheduled to receive $46 million in aid this year, including $11 million in military assistance. The administration has requested $42 million in aid for Kenya in 1991, $16 million of which is in military aid and economic assistance.

Americans should not send these tax dollars to a government that denies its citizens their basic rights. It is time to suspend all military and economic assistance to the Government of Kenya, until it restores fundamental civil and human rights.

Gibson Kuria and other brave Kenyans at the forefront of democratic and human right reforms are entitled to the individual freedoms guaranteed under the Constitution of Kenya. I urge Congress to ask the administration to support them in their cause.

SENATE RESOLUTION 312—RELATIVE TO THE ZEBRA MUSSEL

Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. GLENN, Mr. METZENBAUM, Mr. LEVIN, Mr. RIEGLE, Mr. LUGAR, Mr. COATS, Mr. KOHL, Mr. KASTEN, Mr. LAUTENBERG, Mr. JEFFORDS, Mr. LEAHY, Mr. BRADLEY, Mr. SPECTER, Mr. GRASSLEY, Mr. SIMON, Mr. BIDEN, Mr. SARBANES, Mr. BURDICK, Mr. KENNEDY, Mr. KERRY, Mr. DIXON, Mr. CHAFEE, Mr. HEINZ, Mr. PELL, Mr. LIEBERMAN, and Mr. BOSCHWITZ) submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 312

Whereas the zebra mussel (Dreissena polymorpha) is a filter feeding mollusk able to filter approximately a quart of water a day, and in doing so substantially reduce the quantity of phytoplankton essential to a health fishery;

Whereas the zebra mussel is native to temperate freshwater habitats of the Black, Caspian, and Azov Seas in Southern Asia, and canals built during the late 18th century allowed the species to expand into Western Europe by the 1830's;

Whereas the zebra mussel is believed to have arrived in North America in the ballast water of a ship arriving from Europe in the summer of 1986, and discharged into the Great Lakes system at Lake St. Clair and the St. Clair River;

Whereas by the year 1990 this infestation has spread eastward through Lakes Erie and Ontario into the St. Lawrence River, and westward into Green Bay, Lake Michigan, and Duluth Harbor, Laker Superior;

Whereas it is likely that within the coming two decades, if left unchecked, the zebra mussel will have infested the majority of the surface water system of the United States and Canada; and that this migration is irreversible and cannot be quarantined;

Whereas the United States Fish and Wildlife Service has estimated that the zebra mussel in the Great Lakes will cost $5,000,000,000 over the next ten years in environmental and economic losses; and

Whereas the Great Lakes Fishery Commission was established in 1955 by Convention between the United States and Canada to develop and coordinate fishery research and management, and to advise governments on measures to improve the fisheries: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the zebra mussel, if left unchecked, may devastate the fisheries of the Great Lakes; and

(2) the President of the United States should direct the Secretary of State to negotiate with the Government of Canada to establish a program of zebra mussel research and control, through the auspices of the Great Lakes Fishery Commission. This program shall be coordinated with other research and control activities taking place within and outside the Great Lakes Basin.

SEC. 2. The Clerk of the United States Senate shall transmit a copy of this resolution to the President of the United States with the request that the President further transmit a copy to the Secretary of State.

● Mr. MOYNIHAN. Mr. President, I rise today to submit a Senate resolution concerning zebra mussels. The measure, cosponsored by 27 Senators, is a simple request to the President. And that being, to instruct the Secretary of State to begin negotiations with Canada through the Great Lakes Fishery Commission on a program of zebra mussel control. To my friends and colleagues who have yet to hear or experience the effects of this foreign mollusk which is presently working its way through the surface water system of our Nation, I encourage you to take notice.

The zebra mussel is a dangerous new infestation. It presents a threat to our entire surface water system and ultimately will affect the way we live and work.

The zebra mussel—the scientific name is *Dreissena polymorpha*—is not indigenous to North America. It is native to the Black, Caspian, and Azov Seas of Soviet Central Asia. It has been in Europe for more than 150 years, and now it is here.

Unlike other infestations, this one is irreversible. The zebra mussel is here to stay. It cannot be quarantined or eradicated. Within 20 years time it will have spread through the entire surface water system of North America. How this occurred and what it will mean is worthy of our attention.

The zebra mussel is native to the fresh waters of Southern Asia. It was first identified there in 1771. Canals built during the late 18th century allowed the species to expand its range. It took less than a century for the mussel to spread over much of Europe—by the 1830's, zebra mussels had reached the British Isles.

Infestations of *Dreissena* created difficulties for the water supplies in Hamburg in 1886 and in Rotterdam in 1887 by clogging intake pipes. In 1895, Berlin's waterworks were closed for 27 days due to fouling of pipes by thousands of decaying mussels. In 1921, a hydroelectric plant in northern Germany closed because a 1.5 meter thickness of mussels severely restricted water flow.

But still, as of only 5 years ago, the zebra mussel had not reached North America. Or perhaps it had, but if so, it had not survived.

Nonetheless, it is believed that in the summer of 1986, zebra mussels arrived in North America in the ballast water of a ship arriving from Europe, and that this event or series of similar events has led to the infestation we now face. It is thought that ballast water taken on in a European port contained immature zebra mussels, that these mussels survived the 5- to 7-day trip that is now commonplace, and that this water was released into Lake St. Clair, which lies north of Detroit between Lake Huron and Lake Erie.

The first confirmed sighting of the zebra mussel in the Great Lakes was in the Canadian waters of Lake St. Clair on June 1, 1988. Zebra mussels now have been found throughout the entire Great Lakes system. As far west as Duluth, MN, and as far east as the St. Lawrence River in New York.

The mussel can move between different bodies of water in several ways. The larvae—called veligers—can be transported downstream or downwind by water currents. Mussels attach to the hulls of boats, and larvae can survive for up to a week in the cooling water of boat engines. They can be carried by the feet of water birds and other wildlife.

Some advocate using natural predators of the zebra mussel to control its population. Diving ducks prey upon the mussel. In Lake Erie, where the zebra mussel is abundant, observers are reporting an increase in the diving duck population. Unfortunately, there are limits to the ability of the duck to control this organism. Wetland habitat in the Great Lakes may be too small to support the duck population needed to control this infestation.

Mr. President, the Senate Committee on Environment and Public Works has held three hearings in the last 3 months concerning the zebra mussel and the effects it will have on infrastructure and fishery habitats. The picture is rather grim. The U.S. Fish and Wildlife Service has estimated that the zebra mussel in the Great Lakes will cost $5 billion over the next 10 years in environmental and economic losses. As the zebra mussel moves throughout the surface water system of our Nation this figure will surely rise dramatically.

In 1955, the United States and Canada created by convention, the Great Lakes Fishery Commission. The Commission was created to develop and coordinate fishery research and management, and to advise governments on measures to improve the fisheries. Not since the sea lamprey have our fisheries been at such peril. We have in place a Commission which, if given the directive, could begin research tomorrow. That we do this, working with our friends to the North, seems only reasonable.

Mr. President, there are currently three separate measures under consideration in the Senate concerning zebra mussels. In time, they will become law. However, we cannot wait. We must act now.

Although only a resolution, a request to the President by 28 Members of the U.S. Senate is no small matter. I encourage the President to begin negotiations immediately.●

● Mr. GLENN. Mr. President, I rise today in support of Senate Resolution 312, to express the sense of the Senate that dialog with Canada begin immediately regarding the role of the Great Lakes Fishery Commission in zebra mussel research and control. I have long supported an active role for the

Great Lakes Fishery Commission in addressing the zebra mussel problem. This organization will be a key player in organizing that joint effort of the United States and Canada much as they have done for the sea lamprey. My bill S. 2244, the Non-Indigenous Aquatic Nuisance Act of 1990, invites the participation of the Great Lakes Fishery Commission on the Great Lakes Regional Commission for aquatic nuisance species and mandates international cooperation in cases where an aquatic nuisance species occurs in waters shared with a foreign country. This resolution furthers the goals of this bill and starts the negotiation process with Canada, and that is why I am proud to be a cosponsor of Senate Resolution 312.

Mr. President, we must coordinate the efforts of all agencies and individuals active in solving the problem of zebra mussels and other aquatic nuisance species. I would hope that all research initiated by a binational organization such as the Great Lakes Fishery Commission would encompass those agencies and individuals that are best capable of carrying out the tasks. This would include the U.S. Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, university researchers, and the Canadian counterparts. We must bring all of our knowledge and resources forward cooperatively so that we can most efficiently address this problem.●

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

DASCHLE (AND GLENN) AMENDMENT NO. 2325

Mr. DASCHLE (for himself and Mr. GLENN) proposed an amendment to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, as follows:

On page 661, line 2, insert after "1995" the following: ", and not later October 1, 1993, and for each fiscal year thereafter, not less than 20 percent of the amount appropriated in each such fiscal year under this subsection shall be used for research that has the goal of increasing the demand or utilization of farm or forest products, with special emphasis on the development of new nonfood uses for traditional commodities and the development of alternative farm and forest products.".

BAUCUS AMENDMENT NO. 2326

Mr. BAUCUS proposed an amendment to the bill S. 2830, supra, as follows:

On page 429, between lines 2 and 3, insert the following paragraph:

"(6) WOOD AND PROCESSED WOOD PRODUCTS.—The term 'wood and processed wood products' includes logs, lumber (such as boards, timber, millwork, molding, flooring, and siding), veneer, panel products (such as plywood, particle board, and fiberboard), utility and telephone poles, other poles and posts, railroad ties, wood pulp, and wood chips.".

On page 445, between lines 19 and 20, insert the following new subsection:

"(n) CONDITIONS FOR WOOD AND PROCESSED WOOD PRODUCTS.—The Secretary shall make guarantees available under subsections (a) and (b) for wood and processed wood products under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to other agricultural commodities under such subsections.".

LEAHY (AND BOREN) AMENDMENT NO. 2327

Mr. LUGAR (for Mr. LEAHY, for himself and Mr. BOREN) proposed an amendment to the bill S. 2830, supra, as follows:

On page 415, (section 403(b))—

(a) line 12 strike "or".

(b) line 16 strike the period and insert "; or"; and

(c) between lines 16 and 17 insert:

"(4) if such an agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long-term economic development.".

MOYNIHAN AMENDMENT NO. 2328

Mr. BOREN (for Mr. MOYNIHAN) proposed an amendment to the bill S. 2830, supra, as follows:

On page 857, between lines 20 and 21, insert the following new chapter:

CHAPTER 6—NEW YORK-NEW JERSEY HIGHLANDS

SEC. 1545. STUDY CONCERNING NEW YORK-NEW JERSEY HIGHLANDS.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the region known as the "New York-New Jersey Highlands", located in New York, New Jersey, and Pennsylvania, including the Sterling Forest in Orange County, New York (hereinafter referred to in this section as the "region").

(b) SCOPE OF STUDY.—The study authorized under subsection (a) (hereinafter referred to in this section as the "study") shall include an identification and assessment of—

(1) the physiographic boundaries of the region referred to in subsection (a);

(2) forest resources of the region, including timber and other forest products, fish and wildlife, lakes and rivers, and recreation;

(3) historical land ownership patterns in the region and projected future land ownership, management, and use, including future recreational demands and deficits and the potential economic benefits of recreation to the region;

(4) the likely impacts of changes in land and resource ownership, management, and use on traditional land use patterns in the region, including economic stability and employment, public use of private lands, natural integrity, and local culture and quality of life;

(5) alternative conservation strategies to protect the long-term integrity and traditional uses of lands within the region; and

(6) the impact of forestland conversion to alternative uses on the surrounding area and any threats that this may pose.

(c) ALTERNATIVE CONSERVATION STRATEGIES.—The alternative conservation strategies referred to in subsection (b)(5) shall include a consideration of—

(1) sustained flow of renewable resources in a combination that will meet the present and future needs of society;

(2) public access for recreation;

(3) protection of fish and wildlife habitat;

(4) preservation of biological diversity and critical natural areas; and

(5) new local, State, or Federal designations.

(d) PUBLIC PARTICIPATION.—In conducting the study, the Secretary shall provide an opportunity for public participation.

(e) TIME LIMIT.—The study shall be complete not later than 12 months after the date on which funds are appropriated under subsection (f).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $250,000 to carry out this section.

LEAHY AMENDMENT NO. 2329

Mr. BOREN (for Mr. LEAHY) proposed an amendment to the bill S. 2830, supra, as follows:

On page 1079, in section 1943, line 8, after "Secretary of Agriculture" insert ", in consultation with the Secretary of Energy,".

CONRAD (AND OTHERS) AMENDMENT NO. 2330

Mr. CONRAD (for himself, Mr. BURDICK, Mr. BAUCUS, and Mr. BURNS) proposed an amendment to the bill S. 2830, supra, as follows:

On page 329, between lines 5 and 6, insert the following new subsection:

(c) REPAYMENT REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, effective only for producers on a farm who received an advance deficiency payment for the 1988 or 1989 crop of a commodity and are otherwise described in paragraph (2), the Secretary of Agriculture—

(A) shall not charge an annual interest rate for any delinquent refund for the advance deficiency payment in excess of 9 percent;

(B) shall withhold no more than one third in each of the next three years of farm program payments to the producers as a result of any delinquency in providing the refund; and

(C) shall permit the producers to make the refund in three equal installments during each of the crop years 1990, 1991, and 1992, if the producers enter into an agreement to obtain multiperil crop insurance for each of the crop years to the extent the Secretary determines is similar to section 107 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.).

(2) APPLICATION.—This subparagraph shall apply in the case of producers on a farm if—

(A) the producers received an advance deficiency payment for the 1988 or 1989 crop of a commodity under section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2(a);

(B) the producers are required to provide a refund under subparagraph (G) or (H) of section 107C(a)(2) of such Act with respect to the advance deficiency payment; and

(C) the total quantity of the 1988 or 1989 crop of the commodity that the producers were able to harvest is less than the result of multiplying 65 percent of the farm program payment yield established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of natural disaster, as determined by the Secretary) for the crop.

On page 329, line 6, strike "(c)" and insert "(d)".

REID (AND LEAHY) AMENDMENT NO. 2331

Mr. REID (for himself and Mr. LEAHY) proposed an amendment to the bill S. 2830, supra, as follows:

At the end of the bill add the following:

SEC. . FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) The LD50 test is an acute toxicity test on animals which has been shown to be inaccurate, misleading, and unnecessary in product testing;

(2) other tests have been developed which are less costly, more humane, and more accurate;

(3) nonanimal alternatives have been developed for other acute toxicity tests using animals;

(4) the Federal Government has encouraged the use of the LD50 test and other animal acute toxicity tests through regulations which mandate their use, encourage their use, or do not prescribe other less costly, more accurate and humane alternatives;

(5) private industry is reluctant to use other tests without encouragement from the Federal Government; and

(6) private industry and the consumer will benefit from the promotion of alternative methods of testing when these alternatives are more accurate and humane than animal tests.

(b) POLICY.—Federal departments and agencies shall encourage the development and use of product testing procedures which accurately reflect human reactions to products, including consumer products and products containing hazardous or toxic substances, but which do not rely upon animal models.

SEC. . FEDERAL ACTION.

(a) PROHIBITION OF USING LD50 Test for Product Safety, Labeling, and Transportation Requirements.—Effective 1 year after the date of enactment of this Act, Federal department or agency heads may not consider LD50 test results when determining product safety, labeling, or transportation requirements for the purposes of Federal regulation.

(b) REGULATIONS CONCERNING TESTS OTHER THAN ANIMAL TOXICITY TESTS.—(1) Not later than 1 year after the date of enactment of this Act, each Federal department or agency head shall—

(A) review and evaluate any regulation, guideline, or recommendation issued by that department or agency which requires or recommends the use of an animal toxicity test for the purpose of pre-market evaluation of the relative acute toxicity of a product; and

(B) promulgate regulations which specify that nonanimal toxicity tests be used instead of animal toxicity tests, unless that Federal department or agency head determines that in certain limited cases the nonanimal toxicity test has less validity than the animal toxicity test.

(2) If a determination is made that a specific nonanimal toxicity test is less valid than an animal toxicity test, the appropriate Federal department or agency head shall publish in the Federal Register an explanation of all options considered and the justification for continuing the animal toxicity test, which shall be subject to public comment before a final regulation is promulgated.

(c) PERIODIC REVIEW OF ANIMAL TOXICITY TESTING REGULATIONS.—At least every 2 years (beginning 3 years after the date of enactment of this Act), each Federal department or agency head, after considering the most recent technological advances available, shall determine whether continued use of any animal toxicity test is justified. If a Federal department or agency head determines that such a use is justified, then that Federal department or agency head shall publish in the Federal Register an explanation and justification of such continued use, which shall be subject to public comment.

SEC. . DEFINITIONS.

For purposes of this Act—

(1) ANIMAL.—The term "animal" means any vertebrate.

(2) ANIMAL TOXICITY TEST.—The term "animal toxicity test" means an animal model acute toxicity test including (but not limited to) the Draize eye or skin irritancy test, approximate lethal dose test and the limit test.

(3) FEDERAL DEPARTMENT OR AGENCY HEAD.—The term "Federal department or agency head" means the head of a Federal department or agency who—

(A) has authority to promulgate regulations, guidelines, and recommendations with respect to procedures to be used in the testing of products, including consumer products, veterinary products, and products containing hazardous or toxic substances; or

(B) licenses or approves products, labeling requirements for products, or the transportation of products based on the results of these tests.

(4) NONANIMAL TOXICITY TEST.—The term "nonanimal toxicity test" means a nonanimal model acute toxicity test including (but not limited to) cell culture, computer modeling, protein alteration, and chorioallantoic membrane techniques.

BOSCHWITZ AMENDMENT NO. 2332

Mr. LEAHY (for Mr. BOSCHWITZ) proposed an amendment to the bill S. 2830, supra, as follows:

On page 35, line 15, strike "129(b)" and insert "128(b)".

Beginning on page 36, strike line 22 and all that follows through page 38, line 14, and insert the following:

SEC. 124. AUTHORITY TO ISSUE ORDERS.

The Secretary—

On page 39, line 3, strike "126" and insert "125".

On page 39, lines 4 and 5, strike "sections 125(a) and 135" and insert "section 135".

On page 39, line 9, strike "may" and insert "shall".

On page 39, line 15, strike "127" and insert "126".

On page 39, lines 16 and 17, strike "After notice and opportunity for public comment are given," and insert "Not later than 90 days after publication of the proposed order,".

On page 39, line 17, strike "126" and insert "125".

On page 39, line 25, strike "135" and insert "134".

On page 40, line 1, strike "128" and insert "127".

On page 40, line 5, strike "129" and insert "128".

On page 40, strike lines 15 through 25 and insert the following:

(2) SERVICE TO THE ENTIRE INDUSRY.—In carrying out this subtitle, the Board shall carry out programs and projects that will provide maximum benefit to the fluid milk industry and promote only Class I fluid milk products. The Board shall, to the extent practicable, ensure that advertising coverage in each region is proportionate to the funds collected from each region.

(3) REGIONS.—The Secretary shall establish not less than 10 nor more than 25 regions in order to ensure appropriate geographic representation on the Board.

On page 41, line 4, strike "marketing".

On page 43, line 6, strike "131" and insert "130".

On page 44, line 14, strike "131" and insert "130".

On page 44, line 24, before the period, insert the following: ", except that this subsection shall not preclude the Board from offering its programs and projects for use by commerical parties, under such terms and conditions as the board may prescribe".

On page 50, between lines 12 and 13, insert the following new subsection:

(l) EXEMPTIONS.—The order shall exempt Class I fluid milk products exported from the United States.

On page 50, line 13, strike "(l)" and insert "(m)".

On page 50, line 16, strike "130" and insert "129".

On page 50, strike lines 20 through 25.

On page 51, line 1, strike "(c)" and insert "(b)".

On page 51, line 6, strike "(d)" and insert "(c)".

On page 51, line 17, strike "(e)" and insert "(d)".

On page 51, line 21, strike "(f)" and insert "(e)".

On page 52, line 4, strike "(g)" and insert "(f)".

On page 52, line 8, strike "131" and insert "130".

On page 54, line 4, strike "137(b)" and insert "136(b)".

On page 54, line 6, strike "132" and insert "131".

On page 55, line 20, strike "133" and insert "132".

On page 55, line 21, strike "133" and insert "132".

On page 59, line 1, strike "134" and insert "133".

On page 60, line 9, strike "135" and insert "134".

On page 62, line 1, strike "136" and insert "135".

On page 62, line 10, strike "135(a)" and insert "134(a)".

On page 63, line 2, strike "135" and insert "134".

On page 63, line 4, strike "137" and insert "136".

On page 63, line 11, strike "135(a)" and insert "134(a)".

On page 63, line 20, strike "131(e)" and insert "130(e)".

On page 64, line 2, strike "135" and insert "134".

On page 64, line 4, strike "138" and insert "137".

On page 64, line 22, strike "139" and insert "138".

On page 56, strike lines 13 through 21 and insert the following new paragraph:

(1) CIVIL PENALTIES.—Any person who violates any provision of this subtitle or a regulation issued under this subtitle may be assessed—

(A) a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation; or

(B) in the case of a willful failure or refusal to pay, collect, or remit any assessment or fee duly required of the person under this subtitle or a regulation issued under this subtitle, a civil penalty by the Secretary of not less than $10,000 nor more than $100,000 for each such violation.

Each violation shall be considered as a separate offense.

On page 60, line 22, after "products", insert the following: "represented in the referendum".

On page 63, lines 21 through 24, strike "class I processors voting in the referendum who represent, as determined by the Secretary, 60 percent or more of the volume of class I fluid milk products" and insert "class I processors representing 60 percent or more of the volume of class I fluid milk products represented by the processors voting in the referendum ".

GRASSLEY AMENDMENT NO. 2333

Mr. GRASSLEY proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 732, line 3 all through page 759, line 3 and insert in lieu thereof the following:

"Subtitle C—Sustainable Agricultural Research and Education Program

"SEC. 1461. DEFINITIONS.

"For purposes of this subtitle:

"(1) AGRIBUSINESS.—The term "agribusiness" includes a producer or organization engaged in an agricultural enterprise with a profit motive.

"(2) EXTENSION.—The term 'extension' shall have the same meaning given to the term by section 1404(7) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

"(3) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means an organization, group, institute, or institution that—

"(A) has a demonstrated capacity to conduct agricultural research, demonstration, education, or information delivery on sustainable agricultural practices or systems; and

"(B) is exempt from tax under section 501 of the Internal Revenue Code of 1986.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(5) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(6) STATE AGRICULTURAL EXPERIMENT STATIONS.—The term 'State agricultural experiment stations' shall have the meaning given to the term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101(13)).

"(7) SUSTAINABLE AGRICULTURE.—The term 'sustainable agriculture' means an agricultural system that is economically viable and environmentally sound over short and long terms.

"SEC. 1462. FINDINGS.

"Congress finds that—

"(1) to be sustainable, any system must be environmentally sound and economically profitable over short and long terms;

"(2) highly productive and efficient agricultural systems and sound conservation practices are essential to ensure the long-term agricultural sustainability of farms and ranches in the United States;

"(3) sustainable agriculture can embrace methods included in systems known as alternative, low-input, ridge-, no- and minimum tillage, regenerative, biological, organic, ecological, and conventional agriculture that meets the economic and environmental criteria to achieve short and long term sustainability;

"(4) United States farmers and the nonfarm public want a sustainable agricultural system that will continue through time to be productive and profitable, conserve natural resources, protect the environment, protect the health and safety of agricultural workers, provide safe and ample food and nonfood products, and compete efficiently in global markets;

"(5) improved management of all inputs, increased diversification among enterprises, and increased global understanding are essential to ensure the sustainability of the American agriculture system;

"(6) agricultural research and technology transfer activities of the Secretary (including activities of the Extension Service, the Agricultural Research Service, and the Cooperative State Research Service), State cooperative extension services, land grant and other colleges and universities, and State agricultural experiment stations—

"(A) have contributed greatly to innovation in agriculture; and

"(B) have a continuing role to play in improving agricultural sustainability;

"(7) the annual irretrievable loss of an estimated 3 billion tons of topsoil through wind and water erosion reduces agricultural sustainability;

"(8) farmers and ranchers have demonstrated an interest in participating directly in research and extension efforts, a practice that improves farming methods and benefits research and extension programs;

"(9) many farmers and ranchers are dependent on nonrenewable production inputs and natural resources for agricultural production;

"(10) public funding of a properly planned and balanced agricultural research and education program is essential to improving efficiency in agricultural production and conservation practices; and

"(11) the expansion or redirection, or both, of agricultural research and extension efforts are needed to assist farmers, ranchers, and other persons engaged in agribusiness to—

"(A) improve agricultural sustainability;

"(B) implement soil, water, and energy conservation practices;

"(C) manage chemical, genetic, capital, labor, machinery, and other resources to optimize the economic and environmental results of their operations;

"(D) diversify their enterprises and practices to more effectively manage risk;

"(E) understand and compete in the global economy;

"(F) reduce nonrenewable production inputs when feasible and practicable and optimize the use of onfarm resources; and

"(G) protect the health of farmers, farmworkers, and consumers.

"SEC. 1463. PURPOSES.

"It is the purpose of this subtitle to—

"(1) facilitate and promote scientific investigation and education in order to—

"(A) enhance agricultural sustainability;

"(B) maintain the productivity of land, labor, capital, and technology;

"(C) reduce soil erosion and loss of water and plant nutrients;

"(D) conserve energy and natural resources;

"(E) improve competitiveness of agriculture producers and processors in global (domestic and foreign) markets; and

"(F) protect the health of farmers, farmworkers, and consumers through safe practices that provide safe food; and

"(2) facilitate the conduct of research and extension projects in order to—

"(A) study agricultural production, marketing, and management systems that are located, to the extent practicable, in areas that possess various soil, climatic, and physical characteristics;

"(B) study farms that have been, and will continue to be, managed using farm production practices that rely on a variety of conservation practices;

"(C) take advantage of experience and expertise of farmers and ranchers through their direct participation and leadership in projects;

"(D) promote a partnership between farmers, nonprofit organizations, agribusiness, and public and private research and extension institutions; and

"(E) transfer practical, reliable, and timely information to farmers and ranchers on sustainable farming systems and practices.

"SEC. 1464. INFORMATION ASSESSMENT AND UTILIZATION.

"(a) IN GENERAL.—Subject to section 1468, the Secretary shall inventory and classify by subject matter all studies, reports, and other materials developed by any person or governmental agency with the participation or financial assistance of the Secretary, that could be used to promote the purposes of this subtitle.

"(b) DUTIES.—In carrying out subsection (a), the Secretary shall—

"(1) identify, assess, and classify existing information and research reports that will further the purposes of this subtitle, including information and research relating to—

"(A) production practices;

"(B) marketing strategies for existing products;

"(C) globalization of American agriculture;

"(D) application of sustainable natural ecosystem principles to agroecosystems;

"(E) environmentally sound cropping, livestock, tillage, nutrient management, pest management, water conservation, and alternative energy systems;

"(F) the social, global competitiveness, economic, and environmental effects of alternative production and marketing systems and technologies; and

"(G) the role of public policies and programs in fostering and hindering the purposes of this subtitle;

"(2) identify which of the reports provides useful information and make the useful reports available to farmers and ranchers, and other agribusiness persons; and

"(3) carry out educational programs to facilitate the systematic application of information generated from research.

"SEC. 1465. RESEARCH, EDUCATION, AND TECHNOLOGY TRANSFER PROJECTS.

"(a) IN GENERAL.—Subject to section 1468, in cooperation with Federal and State research and extension agencies and agricultural producers, the Secretary shall conduct such research and education projects as are needed to obtain data, draw conclusions, and demonstrate technologies necessary to promote the purposes of this subtitle. The Secretary shall ensure that—

"(1) the projects are open for public observation at specified times; and

"(2) the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is observed in the development and conduct of the projects.

"(b) BROAD REPRESENTATION.—In carrying out subsection (a), the Secretary shall conduct projects and studies in areas that are broadly representative of United States agriculture.

"(c) AREAS OF LAND.—In carrying out subsection (a), the Secretary may conduct research projects involving crops, soils production methods, and weed, insect, and disease pests on individual fields or other areas of land.

"(d) ONFARM RESEARCH.—In carrying out subsection (a), the Secretary shall conduct onfarm research.

"(e) STUDIES.—In carrying out subsection (a), the Secretary shall conduct studies on the national and regional economic, global competitiveness, and social and environmental implications of adoption of sustainable agriculture systems and practices.

"(f) SEQUENCE OF CROPS.—In the case of a research project conducted under this section that involves the planting of a sequence of crops, the Secretary shall conduct the project for a term that is appropriate to the sequence involved.

"(g) SELECTION OF PROJECTS.—In carrying out subsection (a), the Secretary shall select projects on the basis of the relevance of the project to the purposes of this subtitle, the appropriateness of the design of the project, the feasibility of obtaining the objectives of the project, and the scope of the potential applicability of the findings and outcomes. Priority shall be given to those projects that—

"(1) closely coordinate research and extension programming, including extensive farmer input and feedback and specific plans for making findings readily useable;

"(2) maximize the involvement and cooperation of farmers, including onfarm research and demonstrations;

"(3) involve an interdisciplinary systems approach; and

"(4) involve cooperation between farmers, nonprofit organizations, colleges and universities, agribusinesses, and government agencies.

"(h) NATIONAL INFORMATION AND COMMUNICATION SYSTEM.—In coordination with the Extension Service, State cooperative extension services, private information delivery systems, and farmers, the Secretary may implement a national sustainable agriculture information and communication system using the cooperative extension service to ensure that farmers and ranchers and other agribusiness persons are aware of sources of information identified within section 1464 and projects conducted under this section, including—

"(1) demonstrations of components and systems through field days, tours, workshops, conferences, and short courses; and

"(2) multimedia information sources including publications, videotapes, broadcasts, computer information systems, and other technologies.

"SEC. 1466. COORDINATION.

"(a) IN GENERAL.—The Secretary may—

"(1) establish regional administrative councils that include representatives of—

"(A) the Cooperative State Research Service;

"(B) the Agricultural Research Service;

"(C) the Extension Service and State cooperative extension services;

"(D) State agricultural experiment stations;

"(E) the Soil Conservation Service;

"(F) State Departments of Agriculture;

"(G) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(H) farmers utilizing sustainable agriculture systems and practices;

"(I) agribusinesses; and

"(J) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities;

"(2) establish a national advisory council that includes representatives of—

"(A) the Agricultural Research Service;

"(B) the Agricultural Marketing Service;

"(C) the Farmers Home Administration;

"(D) the Agricultural Cooperative Service;

"(E) the Cooperative State Research Service;

"(F) the Extension Service;

"(G) the State cooperative extension services;

"(H) the State agricultural experiment stations;

"(I) the Soil Conservation Service;

"(J) the Economic Research Service;

"(K) the National Agricultural Library;

"(L) State Departments of Agriculture;

"(M) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices; and

"(N) farmers utilizing sustainable agriculture systems knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities; and

"(3) in conjunction with the regional administrative councils, develop criteria to identify the individuals, organizations, or other entities capable of assisting the Secretary and the land grant universities in carrying out this subtitle.

"(b) DUTIES OF REGIONAL ADMINISTRATIVE COUNCILS.—The regional administrative councils shall—

"(1) appoint regional technical committees consisting of—

"(A) scientists with expertise in a wide cross-section of disciplines;

"(B) Extension specialists or agents, or both;

"(C) farmers who use sustainable agriculture systems and practices;

"(D) members of nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(E) agribusiness persons; and

"(F) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and the viability of rural communities;

"(2) promote the program at the regional level;

"(3) recommend goals and criteria for selection of projects within the region;

"(4) review and take action on the recommendations of the technical committee; and

"(5) provide an annual report on funded projects and an evaluation of project activity.

"(c) DUTIES OF TECHNICAL COMMITTEES.—The technical committees established under subsection (b)(1) shall—

"(1) evaluate project proposals;

"(2) submit recommendations for funding; and

"(3) assess further research and education needs.

"(d) DUTIES OF NATIONAL ADVISORY COUNCIL.—The responsibilities of the national advisory council established under subsection (a)(2) shall include—

"(1) promoting the program at the national level;

"(2) advising Department of Agriculture agencies relative to activities funded by the program;

"(3) recommending general procedures for awarding and administering funds within the regions;

"(4) coordinating recommendations for improving the program;

"(5) exploring opportunities for increased integration among programs in sustainable agriculture, water quality, integrated pest management, alternative agriculture, food safety, and other related programs; and

"(6) providing an annual report to the Secretary.

"SEC. 1468. AGREEMENTS.

"The Secretary shall carry out sections 1464 and 1465 through agreements with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, for-profit organizations, or Federal or State governmental entities, that have demonstrated appropriate expertise in agricultural research and technology transfer and in commercialization of new processes and products to and from agriculture.

"SEC. 1469. DISSEMINATION OF DATA.

"The Secretary may—

"(1) make available through the Extension Service and State cooperative extension services and via the outreach of the cooperative extension system through other public and private agencies—

"(A) the information and research reports identified under section 1464; and

"(B) the information and conclusions resulting from any research project conducted under section 1465; and

"(2) otherwise take such steps as are necessary to ensure that the material is made available to the public.

"SEC. 1470. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated each fiscal year up to $40,000,000 to carry out this chapter, to remain available until expended.".

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents for subtitle C of title XIV of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1359) (as affected by subsection (a) of this section) is amended to read as follows:

"Subtitle C—Sustainable Agricultural Research and Education Program
"Sec. 1461. Definitions.
"Sec. 1462. Findings.
"Sec. 1463. Purposes.
"Sec. 1464. Information assessment and utilization.
"Sec. 1465. Research, education, and technology transfer projects.
"Sec. 1466. Coordination.
"Sec. 1468. Agreements.
"Sec. 1469. Dissemination of data.
"Sec. 1470. Authorization of appropriations.".

ADMIRALTY ISLAND NATIONAL MONUMENT LAND MANAGEMENT ACT

JOHNSTON AMENDMENT NO. 2334

Mr. MITCHELL (for Mr. JOHNSTON) proposed an amendment to the amendments of the House to the bill (S. 666) to enroll 20 individuals under the Alaska Native Claims Settlement Act, as follows:

On page 2, line 22, strike "101" and insert "201."

On page 5, after line 2, insert the following new sentence: "Nothing in subparagraphs (C) or (D) shall create a right or cause of action by Kootznoowoo, Incorporated, or any other party against the United States.".

On page 5, lines 19 and 20, strike the word "Cooper" each time it appears and insert in lieu thereof, "Cooper".

On page 6, line 5, strike "8756;" and insert "3756;".

On page 6, line 9, strike "876.60" and insert "376.60".

On page 6, line 13, strike "876.60" and insert "376.60".

On page 6, line 14, strike "8756," and insert "3756,".

ADDITIONAL STATEMENTS

PERSONAL FINANCIAL DISCLOSURE OF SENATOR DENNIS DeCONCINI

● Mr. DeCONCINI. Mr. President, pursuant to longstanding belief that all public officials should make full financial disclosure, I am submitting for the RECORD this date a financial report dated December 31, 1989, for Dennis and Susan DeConcini.

The report follows:

TIZZARD PLOTKIN,
KNUTTINEN & DONNELLY, P.C.,
Tucson, AZ, May 11, 1990.

DENNIS AND SUSAN DeCONCINI,
Washington, DC.

We have reviewed the accompanying statement of financial condition of Dennis and Susan DeConcini as of December 31, 1989, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in this financial statement is the representation of Dennis and Susan DeConcini.

A review of personal financial statements consists principally of inquiries of the individuals whose financial statements are presented and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying statement of financial condition in order for it to be in conformity with generally accepted accounting principles.

The historical cost/basis information in the accompanying statement of financial condition is presented only for supplementary analysis purposes and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statement. We did not become aware of any material modification that should be made to the supplementary information.

RODERIC D. TIZZARD, C.P.A.
DAVID PLOTKIN, C.P.A.
1965-87
DAVID C. KNUTTINEN, C.P.A.
JOANE E. DONNELLY, C.P.A.
G. JAMES WRIGHT, C.P.A.

DENNIS AND SUSAN DeCONCINI STATEMENT OF FINANCIAL CONDITION DEC. 31, 1989

	Estimated current value	Historical cost basis
Assets:		
Cash, checking and savings accounts	$141,494	$141,494
Certificates of deposit	886,114	886,114
Miscellaneous receivables arising from rental properties	11,082	11,082
Notes receivable (note 2)	559,264	559,264
Investments:		
Marketable securities (note 3)	100,245	63,486
Real estate (note 4)	4,477,975	1,495,616
Monterey Water Company (note 5)	345,181	3,000
Partnerships, closely held (note 6)	5,573,846	155,665
Partnerships and S-corporations, not closely held (note 7)	331,653	140,696
Annuity	42,962	22,573
Vested interest retirement plans:		
Individual retirement accounts (IRA's)	50,943	
Civil service retirement fund	49,532	
Cash value of life insurance (note 8)	100,527	100,527
Residence (note 9)	470,000	195,657
Personal property (note 9)	165,000	65,000
	13,305,818	3,840,174
Liabilities:		
Miscellaneous payables arising from rental properties	12,125	12,125
Deferred gain (note 2)	213,927	213,927
Income taxes—current year balance	201,782	201,782
Morgages:		
Wraparound mortgages (note 2)	361,914	361,914
Real estate investments (note 4)	910,732	910,732
Residence (note 9)	96,505	96,505
	1,796,985	1,796,985
Income taxes: Estimated on the difference between the estimated current values of the assets and the estimated current amounts of liabilities and their tax bases (note 10)	3,126,663	
Net worth	8,385,170	2,043,189

DENNIS AND SUSAN DeCONCINI STATEMENT OF FINANCIAL CONDITION DEC. 31, 1989—Continued

	Estimated current value	Historical cost basis
Total	13,305,818	3,840,174

Note.—See accountants' review report.

NOTES TO FINANCIAL STATEMENT

Note 1—Basis of accounting: The accompanying financial statement includes the assets and liabilities of Dennis and Susan DeConcini. Assets are stated at their estimated current values and liabilities at their estimated current amounts.

Note 2—Note receivable, 4-D properties:

	Receivable	Mortgage
In 1985 a residence on Crystal Drive, San Diego, California was sold to 4-D Properties with the note receivable being "wrapped around" the underlying mortgage for the same terms and amount. The monthly receivable/payable is $589 per month including interest at 11 percent	$41,914	$41,914
In 1989 a shopping center at Cave Creek & Bell Road, Phoenix, Arizona was sold to an unrelated party. The note receivable is for monthly payments of $7,168 including interest at 10 percent; the note receivable matures April, 1999. The note payable is for monthly payments of $7,996 including interest at 9.5 percent; the note payable matures December, 1991. Deferred gain on this installment sale is $213,927	517,350	320,000
Total	559,264	361,914

Note 3—Marketable securities: The estimated current values of marketable securities are either (a) their quoted closing prices or (b) for securities not traded on the financial statement date, amounts that fall within the range of quoted bid and asked prices. Marketable securities consist of the following:

	Number of shares or bonds	Estimated current values
Stocks:		
Fidelity Trend Mutal Fund	312	$13,782
First National Corporation	1,743	24,568
James Madison Bank	200	1,175
Lasertechnics, Inc.	1,000	1,500
Liberty Corp	100	4,338
National Education Corp	50	344
Pacific Telesis	200	10,075
Southern Arizona Bancorp of Yuma, Inc	3,150	25,200
The Price Co	200	9,250
Valley National Corp	700	9,245
Bonds:		
State of Israel	1	1,000
Total marketable securities		100,245

Note 4—Real estate: The estimated current values were determined by use of assessed value for property taxes, inquiries of realtors familiar with similar properties in similar areas, acquisition price of recently acquired properties and appraisals of some properties. Ownership is 100 percent unless otherwise noted:

Property description	Estimated current value	Mortgage balance	Mortgage terms		
			Monthly payment including interest	Interest rate	Maturity
Joint interests:					
Alpha Beta Shopping Center, 44th & Broadway, Phoenix, AZ (50 percent interest)	$414,625	$380,540	$7,854	9%	1995
Avra Valley/Pioneer Trust, unimproved land, Pima County, AZ (3.125 percent interest)	5,630				
Grant/Oracle Circle K, Ground lease, Pima County, AZ (10.89 percent interest)	132,730				
St. Mary's & Silverbell Road, Ground lease, Pima County, AZ (10.89 percent interest)	180,000				
Investment properties:					
Casas Adobe Vistas, Lots 17 & 18, vacant land, Tucson, AZ	100,000				
1122 S. 6th, vacant land (formerly Victory Outreach), Tucson, AZ	25,000				
Rancho Sin Vaca, Lot 64, vacant land, Tucson, AZ	86,000	50,000	[1] 8,000	10	1995
12th & Michigan, vacant land (Serrano land), Tucson, AZ	52,000				
12th & Ajo, Nat'l City Annex, Lot 23, Block A, behind Circle K, vacant land, Pima County, AZ	13,200				
Commercial properties:					
Action Suds & Circle K, 3812/3816 S. 12th, Tucson, AZ	106,440				
Drachman Building, 2345 E. Broadway, Tucson, AZ	150,000				
L & L Furniture, 1140–1150 S. 6th, 1133–1135 S. Russell, Tucson, AZ	112,000				
Tijuana Taco, 615 S. 6th Avenue, Tucson, AZ	100,000				
Pizza Hut 12th & Ajo, 605 W. Ajo, Tucson, AZ	162,850				
39 cent Hamburger, 625 S. 6th Avenue, Tucson, AZ	125,000				
Residential properties:					
Canyon View Apartments, 381 Cedar Lane, Sedona, AZ	340,000	338,078	3,602	10.25	2018
House: Alta & San Carlos Street, Carmel By The Sea, CA	300,000				
House: 5686 Dolphin Street, La Jolla, CA	600,000				
House: 1901 N. George Mason Drive, Arlington, VA	150,000	100,920	934	10.5	2117
Condo: 303 Helopen, Rehobeth Beach, DE	200,000				
Salem Court Apartments: 705 Salem Court, Mission Beach, CA	800,000				
Sunset Cliff Apartments: 1961 Sunset Cliff, Ocean Beach, CA	322,500	41,194	554	9	1992
Total	4,477,975	910,732			

[1] Annual payment plus interest.

Note 5—Monterey Water Co.: 30 shares of a total of 430 shares outstanding (7%) were owned as of December 31, 1989. The Company primarily holds real estate investments. The estimated current value is based upon appraisal. Net income of the Company for 1989 was $284,399. The balance sheet of Monterey Water Co. at December 31, 1989 is prepared on the accrual basis and is summarized below.

Cash	$183,579
Other current assets	2,666
Notes receivable	118,536
Investment, partnership	627,541
Depreciable property	122,777
Accumulated depreciation	(7,891)
Land	481,943
Other assets	16,310
Total assets	1,545,461
Other current liabilities	240,463
Stockholder loans	413,624
Notes payable	270,111
Other liabilities	10,810
Capital stock	41,300
Capital in excess of par	10,750
Retained earnings	558,403
Total liabilities and equity	1,545,461

Note 6—Partnerships, closely held: Interests in the listed partnerships are as a general partner. Partnership activities are primarily in the area of real estate. The estimated current value of the partnerships is based upon their assessed value for property taxes, or inquiries of realtors familiar with similar properties in similar areas, or acquisition price of recently acquired properties and appraisals of some properties. Following are the condensed historical cost balance sheets and the net income or (loss) for the year ended December 31, 1989 for each partnership. The income tax method of accounting is used by the partnerships.

	2–D Properties	3–D Properties	4–D Properties	Total
Cash	$5,016	$(4,264)	$88,178	$88,930
Receivables/loans	99,224		125,167	224,391
Other current assets		223,110	339,271	562,381
Investments		88,661	6,403,383	6,492,044
Depreciable property	41,524	2,085,484	6,912,017	9,039,025
Accumulated depreciation	(15,455)	(717,934)	(2,074,331)	(2,807,720)
Land	21,726	168,320	9,937,466	10,127,512
Intangibles		41,465	194,835	236,300
Accumulated amortization		(8,040)	(54,612)	(62,652)
Other assets		10,272	42,391	52,663
Total assets	152,035	1,887,074	21,913,765	23,952,874
Other current liabilities	143	28,252	480,396	508,791
Loans		1,205,089	10,244,750	11,449,839
Deferred gains	86,969		60,018	146,987
Other liabilities		6,439	28,516	34,955
Capital	64,923	647,294	11,100,085	11,812,302
Total Liabilities and equity	152,035	1,887,074	21,913,765	23,952,874
Net income (loss) for the year ended Dec. 31, 1989	149,892	7,249	166,216	323,357
Percent ownership of Dennis and Susan DeConcini	50	33	20	NA
Estimated current value of Dennis and Susan DeConcini's partnership interests	165,196	394,429	5,014,221	5,573,846

Note 7—Partnerships and S-corporations, not closely held:

Haras Sonoita, Ltd.—25 percent interest in an S-Corporation owning a race horse. Managing officer estimated the net realizable value of the horse $2,500

Pinacle Peak North Investors—2 percent interest in a real estate general partnership. Estimated current value was based upon the managing partner's estimated value of the undeveloped land 183,600

Roadrunner Radio & Television—4.07 percent interest in a limited partnership collecting a note receivable. Estimated current value based upon percent ownership of the note 15,323

Southwest Radio & Television, Ltd.—2.44 percent interest in a limited partnership collecting a note receivable. Estimated current value based upon percent ownership of the note 23,165

Tonopah Partners I General Partnership—16.67 percent ownership in a real estate general partnership. Estimated current value was based upon a realtor's estimated value of the undeveloped land 82,312

Tonopah Partners II General Partnership—same as Tonopah I 12,090

W.M. Investments Partnership—13.33 percent ownership in a real estate general partnership. Estimated current value was based upon the general partner's estimated value of the apartment and commercial buildings owned by the partnership 12,663

Total 331,653

Note 8—Life insurance: The face value of thirteen whole life policies is $604,494. These policies have a cash surrender value of $100,527.

Note 9—Residence/personal property: The estimated current value was determined by the good faith estimates of Dennis and Susan DeConcini. The residence mortgage is payable in monthly installments of $906 including interest at 8.5 percent through 2006.

Note 10—Income taxes: Estimated income taxes have been provided on the excess of the estimated current values of assets over their tax bases as if the estimated current values of the assets had been realized on the statement date, using applicable tax laws and regulations. The provision will probably differ from the amounts of income taxes that eventually might be paid because those amounts are determined by the timing and the method of disposal or realization and

the tax laws and regulations in effect at the time of dispoal or realization.

Note 11—Other related party disclosures: Other family members and closely held businesses had the following amounts receivable from or payable to the following entities at December 31, 1989:

	3-D Properties	4-D Properties
Individuals:		
Receivable	$25,000	
Payable	40,974	$338,554
Closely held business:		
Receivable	22,757	
Payable		22,757

Note.—The notes all bear interest at prevailing interest rates.

Note 12—Future interests: Remainder interests in trusts have not been presented because the rights are not fixed or determinable amounts.●

PUERTO RICO PROCLAMATION OF EQUALITY

● Mr. SIMON. Mr. President, I rise today to bring to the attention of our colleagues a proclamation in support of Puerto Rican equality of rights, opportunities, obligations, participation, privileges, and responsibilities. This proclamation, initiated by former Puerto Rico Governors Luis Ferre and Carlos Romero Barcelo, was signed by a number of distinguished citizens and residents of Puerto Rico at Ponce on March 10, 1990.

Since being granted U.S. citizenship 73 years ago, the people of Puerto Rico have enjoyed most but not all of the honor, liberties, and freedoms associated with being U.S. citizens. However wonderful those freedoms are, the Puerto Rican people are deprived of voting representation in the U.S. Congress. they are subject to Federal laws which govern trade, commerce, labor relations, wages, and the environment. But they are denied representation in the development and implementation of these laws.

Puerto Ricans have a strong sense of loyalty to the United States and to democracy. They have fought alongside their fellow U.S. citizens in wars and have sacrificed their lives to serve democracy and to serve their Nation even while they have not had a vote or voice in congressional declarations of war and in foreign policy.

Mr. President, they have earned their right to political equality. Equality of rights, obligations, privileges, responsibilities, opportunity, and participation are what the Puerto Rican people actively strive for. We are "one nation, indivisible," committed to "liberty and justice for all." We can do no better to live up to that pledge than by passing S. 712, the Johnston-McClure bill I have cosponsored for a 1991 plebiscite vote on Puerto Rico status. I ask that the proclamation previously referred to be printed in full immediately following my remarks.

The proclamation follows:

PROCLAMATION OF EQUALITY

Four Hundred and Ninety Seven years ago, the first European set foot on our island and soon thereafter we became a colony of Spain;

Ninety Two years ago, as a result of the Spanish American War, we were ceded to the United States and became a colony thereof;

Seventy Three years ago, Congress granted United States citizenship to all the inhabitants of Puerto Rico;

Since then, we have been blessed with many of the Liberties and Freedoms guaranteed to each of its citizens by the world's greatest democracy;

Nevertheless, we continue to be denied representation; we remain disenfranchished citizens who are deprived of equality in our voting rights and our economic rights;

In order to maintain tax privileges which benefit only the wealthiest of corporations and individuals, our poor and our workers are deprived of equal minimum wages and equal economic benefits;

Without representation in their enactment, we are subject to federal laws which govern our trade and commerce, our labor relations, our wages, our environment, and foreign immigration to our homeland; likewise, we are subject to laws which establish crimes and punishments, and which impose customs duties and other federal taxes, even though we lack participation in their adoption and subsequent amendment;

Although called "Commonwealth" we are, undeniably and unequivocally, a colony of the United States. Indeed, ours is the oldest colony in the world!

Yet, is spite of these and other disadvantages, through five centuries of valiant struggle we have formed and forged a People;

A People which has overcome disease, proverty, catastrophe, scarcity of natural resources, and the perennial yokes of civic injustice and political inequality, to create a society of exceptional dynamism, productivity, and promise;

Having overcome so much to achieve so much, we are today a proud People; a People offended by the unequal responsibilities and obligations which ostensibly justify our disenfranchisement and our unequal economic participation;

We have, however, looked beyond the political and economic discrimination: with our faith placed in the true meaning of American citizenship, our People's loyalty to the United States of America and to democracy has steadily intensified throughout Ninety Two years of Federal Sovereignty;

This loyalty has been manifested to the maximum in two World Wars, in Korea, in Vietnam, in Lebanon, in Libya and wherever else Puerto Ricans have been called to sacrifice their lives to serve their Nation;

Our sons have died on battlefields alongside their fellow citizens from the States of the union.

In time of war, we have been equal in death—in time of peace, we want to be equal in life!

We have earned our right to participate as equals in our Nation's democracy;

We have earned our right to political and economic equality;

A century of international torment and violence is at its end, as events in Europe, Africa and Latin America herald the advent of a New Millennium in which tyranny, bigotry and colonialism shall be banished from this Earth.

Just as East Germans tore down a wall of stone which symbolized totalitariansim and repression, so must we, the American citizens of Puerto Rico, tear down a wall of shame—that invisible but insidious wall which confines us in a colonial relationship with our Nation, depriving us of our political rights and shutting us out of the economic mainstream;

Conscious of these Truths, impatient with disenfranchisement and inequality, and with unyielding faith in our Creator, we do now solemnly proclaim—as American citizens assembled at Ponce, Puerto Rico on this Tenth Day of March in the Year 1990—that our lives, our fortunes and our sacred honor are hereby pledged to the cause of Equality for our People—for ourselves, for our children, and for our children's children.

Dignity, Decency and Democracy demand Equality;

Equality of Rights. Equality of Obligations. Equality of Privileges. Equality of Responsibilities. Equality of Opportunity. Equality of Participation;

These fundamental principles of civilization shall apply in full to the United States citizens of Puerto Rico. That is our solemn vow.

Equality now! Equality forever!

CARLOS ROMERO BARCELO,
Former Governor of Puerto Rico.
LUIS A. FERRE,
Former Governor of Puerto Rico.●

FEDERAL LEAVE SHARING PROGRAM

● Mr. DOMENICI. Mr. President, I rise to share with my colleagues some preliminary results of the Federal Leave Sharing Program.

In 1988, Congress enacted the Federal Leave Sharing Act. I consider this program to be the good deed legislation of the 100th Congress because it allows Federal employees to donate vacation leave to fellow coworkers in need—those workers experiencing seri-

ous illnesses or extreme family emergencies.

The concept of leave sharing recognizes that life comes with no guarantees. It takes into account the unpredictable, yet inescapable, fact of life that every once in awhile a coworker is faced with losing his or her job because he or she has used up all of his or her leave time. Often, that person has been a fine employee and, given the opportunity, would add to the work force again.

The Federal agencies have now had a year's experience in administering the Leave Sharing Program, which was implemented in April 1989 on a Governmentwide basis. The Office of Personnel Management is compiling information about leave sharing from all Federal agencies that will be reported to Congress on October 31. I am anixous to see the results of this report, and I am pleased to share information from an informal survey of eight large Federal agencies or installations in New Mexico.

These 8 agencies have approved a total of 122 leave recipients for participation in the voluntary Leave Transfer Program. To date, 2,447 fellow employees have generously donated 44,481 hours of annual leave to these recepients—an average of 365 hours per recipient.

One of the recipients, Carolyn Miller, works as a buying agent at Kirkland Air Force Base buying everything from nuts and bolts to aircraft parts and parachutes. Carolyn is a handicapped employee and is wheelchair bound. In August 1988, Carolyn developed an infection in her hip that led to two surgeries to remove her infected hip bone.

Her accumulated sick leave and annual leave were depleted in the months that she was off work recovering. Carolyn was approved as a leave recipient under the fiscal year 1988 Temporary Leave Transfer Program and then as a recipient of the current Leave Transfer Program in 1989. She received a total of 936 hours of donated annual leave from her fellow employees—enough to cover an absence of almost 6 months.

As Carolyn describes the donated leave, it was "such a godsend, such a big help." Prior to becoming ill Carolyn had just bought a house. The infection hit right after she had moved into her new house. As a single breadwinner, this shared leave kept a medical crisis from also becoming a financial crisis.

I know there are many other such cases where the Leave Sharing Program has benefited valued members of our Federal work force, and I look forward to reviewing the results of the report that the Office of Personnel Management is preparing on the Governmentwide implementation of this program.●

NO MORE GAMBLING

● Mr. SIMON. Mr. President, recently, Mortimer B. Zuckerman, editor-in-chief of U.S. News & World Report, had a column about our fiscal problems and the need to face our problems.

While I do not agree with every sentence in the report, the fundamental call for us to face our problems and do something about them and not continue to drift is an admonition that we greatly need.

I urge my colleagues in the House and Senate to read his comments and consider them thoughtfully.

I ask that they be printed in the RECORD at this point.

The column follows:

[From U.S. News & World Report, July 2, 1990]

NO MORE GAMBLING

(By Mortimer B. Zuckerman)

Are you concerned that the slowdown in the economy may lead to a slump or that the value of your home is diminishing? You are not alone. Sixty percent of the public feels the country has gotten off track. There is no sense of national crisis as in the '70s, but there is a deep unease about the economy and our social ills of drugs and urban crime and rotting infrastructure. The tide is coming in and we are tied to a stake: The budget deficit.

The deficit stems from the Reagan tax cut of 1981, which the then Senate Republican majority leader called "a riverboat gamble." The bet was that tax cuts would bring more savings, investment and productivity, and hence increased federal revenues. We lost the bet. In relative terms, all went down. But up went consumption, the national debt and real interest. An how! Interest absorbs all the taxes of everybody west of the Mississippi. Their money does not go to solving problems. It only pays for past excesses. Reagan's program was a demand-side success, but a supply-side failure.

Five years ago, in the face of the cowardice of both Republicans and Democrats, we had the Gramm-Rudman-Hollings law (GRH) that was supposed to trigger automatic spending cuts if budget targets were not met. Our politicians responded in typical form with every fudge and gimmick imaginable to suggest the deficit was being reduced. Don't believe it. If one excludes money from trust funds like Social Security, the non-trust-fund budget deficit at $276 billion in 1989 is greater than its counterpart in 1985 when it was $266 billion.

But now the party's over. The estimated deficit for fiscal 1991, beginning in October, is so far above the $64 billion target mandated by GRH that congressional inaction threatens calamitous cutbacks. Air-traffic controllers would be laid off, national parks closed, state services slashed, food inspection reduced, the war on drugs abandoned, toxic dumps left as they are.

Everybody in Washington now wakes up every morning hoping that overnight a fairy godmother has left a present on the doorstep, a bundle of budget solutions achieved by immaculate conception and miraculous consensus, all tied up in blue ribbon, so that no one will be blamed for the one essential fact of any serious program—increased taxes. It does not take genius to see that this is the only way out. Every major Western industrial democracy functions with higher top income-tax rates than our 28 percent and with gas prices at least double our own. Yet countries like Germany and Japan outproduce us, outsave us, outinvest us and outgrow us. No, the paralysis is political.

There is one central fact in any tax program. It will have to be made fairer than it is, and that means that a part of any program will increase taxes on the rich. It was the rich who benefited most from the tax cuts of the 1980s, and it is the rich who made so much money in the '80s that they are going to have to bear a fair share of the burdens of the '90s. As political analyst Kevin Phillips points out in his new book, the share of national income going to the wealthiest 1 percent rose from 8.1 percent in 1981 to 14.7 percent in 1986, and it is still rising. The average after-tax, inflation-adjusted family income of the top 1 percent gained a whopping 74.2 percent over the decade, while that of the bottom 40 percent fell during this period. So here is part of the program.

One. Burst the so-called bubble, whereby the truly rich pay a lower rate (28 percent) than the not quite rich (33 percent). This would raise $42 billion over five years.

Two. Raise the percentage that retirees earning more than $25,000 are taxed on their Social Security benefits from 50 to 75 percent. This would raise another $60 billion over the next five years.

Three. Increase energy taxes so that gasoline costs are the same after inflation as they were in 1981. Every penny raises a billion dollars a year and encourages conservation.

The leadership for a credible multiyear budget reduction to put us on a path of steady economic growth must come from the President. Alas, Bush's entire domestic strategy has been to duck and dodge, to avoid any conceivable risk in popularity. He wants to be known as the Education President and the Environment President. He cannot be either until he is the Balanced Budget President.●

THE 16TH ANNIVERSARY OF THE TURKISH INVASION OF CYPRUS

● Mr. BIDEN. Mr. President, the last year has seen remarkable changes in Central and Eastern Europe, changes that were simply unimaginable just 12 months ago. The nations of Eastern Europe have broken free from Soviet domination. Germany, divided for nearly half a century, will soon be united. Unfortunately, some areas on the periphery of Europe—such as Ireland and Cyprus—remain unaffected by the remarkable changes in the European landscape; on these islands, division, not unity, remains a sad fact of life.

Today I want to take a moment to remind my colleagues about the situation on Cyprus, which 16 years ago—July 20, 1974—was invaded by Turkish forces, an invasion which cost thousands of lives, drove thousands more from their homes, and divided the country in two. For over a decade and a half, Greek Cypriots have suffered this injustice, an injustice which has been exacerbated by the establish-

ment of an illegal government in the northern section of the island.

For 16 years, the United States, the United Nations, and others have worked to bring peace to this troubled land, to little avail. The prospect for the immediate future, unfortunately, is not very bright. U.N.-sponsored intercommunal talks broke down in March, after the Turkish Cypriot leader, Rauf Denktash, worked to frustrate the efforts of the U.N. Secretary-General in creating an outline for a settlement of the Cyprus issue.

The President's Special Coordinator for Cyprus, Ambassador Nelson Ledsky, recently traveled to the region in an effort to restart the peace process. He is a very able diplomat, and I wish him well. But quite frankly, I am not very hopeful that his efforts will succeed unless the administration elevates this issue on its foreign policy agenda. In April, 23 Senators, including myself, wrote the President and urged him to direct Secretary of State Baker to take a personal role in seeking a Cyprus settlement. Regrettably, our plea seems to have fallen on deaf ears.

Fortunately, the heads of state in Europe have paid close attention to this cause. At the European Community summit in June, the European Council declared that "the Cyprus problem affects EC-Turkey relations," a signal to Ankara that Turkey's application to join EC will be linked to the resolution of the Cyprus question.

Mr. President, as chairman of the Subcommittee on European Affairs, I have consistently worked to pressure the Turkish Government to end its illegal occupation. Although my colleagues and I have had some success at passing measures to send strong signals to the Turkish Government—the 7 to 10 aid ratio between Greece and Turkey is now a fixture of our foreign aid bill—we have had no success in extinguishing the illegal presence on the island of Cyprus.

That does not mean we should abandon our effort. The stakes are too high. At stake are the very basic issues of international law and morality, which a series of U.N. resolutions have underscored. At stake is a small country's right to govern itself—free from outside pressure and occupation. At stake is the relationship of two NATO allies, Greece and Turkey.

And at stake, as the Senate considers foreign aid and military assistance levels, is my belief that American aid should serve American interests, values and principals—none of which are served by the illegal occupation of Cyprus.

Mr. President, for 16 years, the people of Cyprus have waited for an end to the unnatural division of their island. We must continue to do whatever we can to bring an end to this horrible tragedy.●

ADMIRALTY ISLAND NATIONAL MONUMENT LAND MANAGEMENT ACT

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 666, the Alaska Native Claims Settlement Act.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 666) entitled "An Act to enroll twenty individuals under the Alaska Native Claims Settlement Act," do pass with the following amendments:

Page 1, after line 2, insert: Title I

Page 1, line 3, strike out [That notwithstanding], and insert: SEC. 101. Notwithstanding

Page 2, after line 13, insert:

TITLE II

SECTION 201. TITLE AND PURPOSE.

(a) TITLE.—This title may be cited as the "Admiralty Island National Monument Land Management Act of 1990".

(b) PURPOSE.—The purpose of this title is to improve Federal management of lands on Admiralty Island, Alaska, as provided herein.

SEC. 202. FINDINGS.

The Congress hereby finds that—

(1) Admiralty Island National Monument, Alaska, is an area of unparalleled natural beauty containing multiple values including but not limited to, fish and wildlife, forestry, recreational, subsistence, educational, wilderness, historical, cultural, and scenic values of enduring benefit to the Nation and the Native peoples residing therein; and

(2) land management and Federal administration of Admiralty Island National Monument may be enhanced by Federal land acquisitions, through land exchanges or otherwise, and by cooperative agreements between the Federal Government and the indigenous residents of the island, the people of the city of Angoon and the Native Village Corporation, Kootznoowoo, Incorporated.

SEC. 203. LAND ACQUISITION AND EXCHANGE.

(a) Section 506(a) of the Alaska National Interest Lands Conservation Act (Public Law 96-487, as amended) is hereby amended by adding at the end thereof the following new paragraph:

"(9)(A) The Secretary is authorized and directed to enter into such cooperative agreements and agreements for land acquisitions, through exchange or otherwise, with Kootznoowoo as are deemed necessary by the Secretary to carry out the purposes specified in section 101 and 503 of this Act and to improve the management of Federal lands on Admiralty Island.

"(B) The Secretary shall make every effort to complete agreements within eighteen months of the date of enactment of this paragraph.

"(C) The Secretary shall report to Congress before the end of such eighteen-month period on the status and results of negotiations with Kootznoowoo. The report shall include, but not be limited to, any Kootznoowoo properties proposed to be acquired by the United States, any Federal land or other compensation to be offered in exchange, and the text of any proposed or executed agreements.

"(D) Any lands on Admiralty Island acquired by the United States pursuant to this paragraph shall be added to and incorporated within the Admiralty Island National Monument.

"(E) The inability of the Secretary and Kootznoowoo to reach agreement shall not preclude subsequent negotiations at any time for the purposes of land exchanges or other matters.

"(F) Enactment of this paragraph shall not create any right or cause of action by Kootznoowoo, Incorporated, or any other party against the United States.".

SEC. 204. LAND SELECTION CONSOLIDATION.

(a) Section 506(a)(5) of the Alaska National Interest Lands Conservation Act (Public Law 96-487, as amended) is hereby amended by adding at the end thereof the following new subparagraphs:

"(C) In order to consolidate Federal land ownership and improve management of all land and timber resources in the area, the lands between such sale area and lands lying to the east of such sale area which have been or may be conveyed to Kootznoowoo pursuant to this paragraph shall be made available by the Secretary for an exchange between the Federal Government and Kootznoowoo, Incorporated, pursuant to the terms of section 1302(h) of this Act. If such sale is voluntarily terminated, or is canceled or forfeited in accordance with applicable law and regulations, then the lands within the sale area shall also be made available for exchange. The availability of the lands within the sale area for exchange shall continue for one year following the date the sale is completed and closed, or for one year following its termination, cancellation, or forfeiture, whichever is later. Nothing in this section shall affect valid land selections which the State of Alaska has filed with the Federal Government pursuant to Public Law 85-508, nor shall this section cause these lands to be removed from entry pursuant to the Mining Law of 1872.

"(D) Subject to lode mining claims, known as KAEL 1-216 inclusive, and valid existing rights, the subsurface estate in the lands conveyed to Kootznoowoo, Incorporated, pursuant to subparagraph (C) shall be granted to Sealaska, Incorporated.".

SEC. 205. ADMINISTRATIVE PROVISIONS.

(a) Section 703(a)(1) of the Alaska National Interest Lands Conservation Act is amended by deleting the words "Admiralty Island National Monument Wilderness" and inserting in lieu thereof "Kootznoowoo Wilderness".

(b)(1) All rights, title, and interests to that portion of the approximately seventeen and thirty-four one-hundredths acres comprising the Angoon Administrative Site which, pursuant to paragraph (b)(2) of this section, the Secretary dedicates for uses related to the administration of the Tongass National Forest, are hereby confirmed in the United States, said parcel being a valid existing Federal administrative site as referenced in section 506(a)(3)(A) of the Alaska National Interest Lands Conservation Act (Public Law 96-487, as amended). Said administrative site is located on Admiralty Island in township 50 south, range 68 east, section 31, Cooper River Base and Meridian and township 50 south, range 67 east, section 36, Cooper River Base and Meridian.

(2) Within one year of enactment of this paragraph, the Secretary of Agriculture shall adjust, and resurvey as necessary, the boundaries of the Angoon Administrative

Site to include only that portion of the site described as follows:

(A) Those lands which lie within the following described boundaries, comprising four and sixty-eight one-hundredths acres more or less:

Beginning at corner 1, also corner 9 of United States survey numbered 8756;

Thence north 45 degrees 30 minutes west, 540.79 feet to corner 2;

Thence north 45 degrees 00 minutes east, 876.60 feet to corner 3;

Thence south 45 degrees 30 minutes east, 540.79 feet to corner 4;

Thence south 45 degrees 00 minutes west, 876.60 feet to corner 1, also corner 9 of United States survey numbered 8756, the point of beginning.

(B) Those lands which lie within that area adjoining the northeastern boundary of the four and sixty-eight one-hundredths acre tract and the mean high tide line of Kootznoowoo Inlet, subject to a perpetual public easement for the existing Angoon-Killisnoo Road.

(C) An easement for road and utility access to the four and sixty-eight hundredths acre tract from the western or southern boundary of the seventeen and thirty-four one-hundredths acre site. To the maximum extent feasible, the Secretary shall locate said easement to connect and follow the existing right-of-way for Relay Road, which lies between lots 1 and 6 of the Samuel G. Johnson subdivision. Said eastment shall be at a precise location and of dimensions which the Secretary determines are reasonably necessary for present and projected Federal uses of the site related to administration of the Tongass National Forest. Said easement shall be subject to any valid existing rights except those of Kootznoowoo, Incorporated: *Provided*, That the easement shall not be located on any lands conveyed by Kootznoowoo, Incorporated, to a third party prior to June 1, 1988, without the express consent of such party: *Provided further*, That the Secretary shall exclude from the lands so retained those lands which were occupied on June 1, 1988, by structures and improvements that were not constructed by or for the United States including easements related thereto, or which were constructed by or for the United States but which the Secretary determines are not reasonably necessary for present or projected Federal uses related to the administration of the Tongass National Forest: *Provided further*, That the Secretary shall not exclude from the four and sixty-eight one-hundredths acre tract any lands occupied by existing power or utility lines or poles, and the lands so occupied shall be subject to an easement to allow for their continued use, maintenance, and repair.

(3) Title to all lands within the seventeen and thirty-four one-hundredths acre administrative site which are not included by the Secretary in the adjusted area provided by paragraph (b)(2) shall be conveyed by the Secretary of Agriculture by quitclaim deed to Kootznoowoo, Incorporated.

(4) The provisions of paragraphs (b)(2) and (b)(3) are subject to the condition precedent that Kootznoowoo, Incorporated, executes an appropriate written agreement acceptable to the United States attorney for the District of Alaska to dismiss, with prejudice, the pending litigation entitled Kootznoowoo, Incorporated, versus United States Department of Agriculture, Forest Service, Civil Numbered A84-575, in the United States District Court for the District of Alaska, and agrees therein that Kootznoowoo, Incorporated, and the United States shall each bear their respective costs of said litigation, including attorneys' fees.

TITLE III

Section 301. Subsection (d) of section 37 of the Alaska Native Claims Settlement Act is amended by—

(1) inserting the words "and such resolution is not validly rescinded pursuant to paragraph (2)(B)(ii)" before the period at the end of paragraph (1)(A);

(2) by redesignating paragraph (2)(B) as paragraph (2)(B)(i); and

(3) by adding the following new clauses to paragraph (2)(B):

"(ii) In lieu of approving the amendment to the articles of incorporation described in clause (i) and submitting such amendment to a vote of the shareholders, at any time prior to January 1, 1991, the board of directors of a Native Corporation that has approved a resolution described in paragraph (1)(A) may approve a new resolution rescinding that prior resolution. Upon approval of the new resolution rescinding a resolution described in paragraph (1)(A), the latter resolution shall be void and alienability restrictions on the Settlement Common Stock of such corporation shall continue subsequent to December 18, 1991, until such time as the alienability restrictions are terminated pursuant to the procedure described in subsection (b).

"(iii) Notwithstanding any other provision of law, a civil action that challenges the constitutionality of any provision in clause (ii) shall be barred unless it is filed within one year after the date of the vote of the board of directors approving a resolution to rescind a prior opt-in election under paragraph (1)(A). Any such civil action shall be filed in accordance with section 16(b) of the Alaska Native Claims Settlement Act Amendments of 1987 (101 Stat. 1813-1814).".

AMENDMENT NO. 2334

Mr. MITCHELL. Mr. President, I move that the Senate concur in the House amendments with an amendment which I now send to the desk on behalf of Senator JOHNSTON.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] for Mr. JOHNSTON, proposes an amendment numbered 2334.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 2, line 22, strike "101" and insert "201".

On page 5, after line 2, insert the following new sentence:

"Nothing in subparagraphs (C) or (D) shall create a right or cause of action by Kootznoowoo, Incorporated, or any other party against the United States.".

On page 5, lines 19 and 20, strike the word "Cooper" each time it appears and insert in lieu thereof, "Copper".

On page 6, line 5, strike "8756;" and insert "3756;".

On page 6, line 9, strike "876.60" and insert "376.60".

On page 6, line 13, strike "876.60" and insert "376.60".

On page 6, line 14, strike "8756," and insert "3756,".

Mr. JOHNSTON. Mr. President, with the addition of several minor amendments which I will offer to this legislation, I strongly support the enactment of S. 666 as amended by the House of Representatives. The additional provisions added to this bill by the House will help to resolve several longstanding issues regarding the management of certain lands on Admiralty Island and also fix a problem with the legislation the Congress enacted in 1988 dealing with the ownership of lands and corporate stock by Alaska Natives pursuant to the Alaska Native Claims Settlement Act. I commend the House for its action on this measure and am pleased that this bill gives us an opportunity to deal with these issues.

Mr. President, I am offering 7 amendments to the House-passed version of S. 666. Six of these amendments are technical and correct a section cross-reference, erroneous survey identification numbers and incorrect distances contained in a land description in title II regarding the Kootznoowoo, land consolidation provisions. The other amendment adds a provision, also in title II concerning Kootznoowoo, which will help to ensure that any exchange which might ultimately result from negotiations between Kootznoowoo and the Forest Service is one mutually agreed upon by both parties.

Mr. President, I urge my colleagues to join with me in approving this important measure.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration en bloc of Calendar Nos. 682 and 686; the bills be deemed read a third time and passed; the motion to reconsider the passage of these bills be laid on the table and any statements relating to these items appear in the RECORD at the appropriate place and the consideration of these bills appear individually in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

TUMACACORI NATIONAL HISTORICAL PARK

The bill (H.R. 2843) to establish the Tumacacori National Historical Park

in the State of Arizona, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CONWELL F. ROBINSON AND GERALD R. ROBINSON

The bill (S. 2606) for the relief of Conwell F. Robinson and Gerald R. Robinson, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RIGHT OF USE AND OCCUPANCY OF A CERTAIN LAND TRACT IN GLACIER NATIONAL PARK.

(a) RIGHT OF USE AND OCCUPANCY.—The Secretary of the Interior (hereinafter referred to as the "Secretary") shall grant Conwell F. Robinson and Gerald R. Robinson a right of use and occupancy for the property described in subsection (c) for a term ending on the date of the death of Conwell F. Robinson or Gerald R. Robinson, whichever is later.

(b) TERMS AND CONDITIONS.—The right granted pursuant to subsection (a)—

(1) shall be for the reasonable use of the property;

(2) shall be subject to such terms and conditions as the Secretary may prescribe (including termination) to insure that such right does not unreasonably diminish the scenic, historic, and other values for which Glacier National Park was established; and

(3) shall vest upon payment of an administrative fee of $941.13.

(c) DESCRIPTION OF PROPERTY.—The property described in this subsection is parcel of land containing approximately 3 acres, in Government Lot 7, Section 9, Township 35 North Range 21 West, and more particularly described in the United States Department of the Interior Special Use Permit numbers 2-117-59, 2-117-110, and SP1430-9-0068.

REREFERRAL OF S. 15

Mr. MITCHELL. Mr. President, I ask unanimous consent the Calendar No. 551, S. 15, Emergency Medical Services and Trauma Care Improvement Act, be referred to the Senate Commerce Committee for a period of 24 hours in order for the committee to review sections 5 and 6(b) which are under its jurisdiction; and that the bill then be automatically discharged and returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 2465

Mr. MITCHELL. Mr. President, I ask unanimous consent that bill S. 2465 be star printed to reflect the changes which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY, JULY 24, 1990

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m. on Tuesday, July 24; that following the prayer, the Journal of the proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that upon reservation of the two leaders' time there be a period for morning business, not to extend beyond 9:30 a.m., with Senators permitted to speak therein for up to 5 minutes each; that during the period for morning business, Senator NUNN be recognized for up to 15 minutes; that upon resuming the farm bill at 9:30 a.m., there be 1 hour for debate on the Bradley amendment No. 2314 with the time controlled in the usual form and no amendments be in order to the Bradley amendment; that at 10:30 a.m., the Senate proceed to vote on or in relation to the Bradley amendment.

I further ask unanimous consent that immediately following the vote on the Bradley amendment, Senator COHEN be recognized to offer an amendment relating to restrictions on flexible acres; that the Cohen amendment be considered under a 40-minute time limitation, equally divided in the usual form; that no amendments to the Cohen amendment be in order; that upon the use or yielding back of time, the Senate proceed without any intervening action or debate to vote on or in relation to the Cohen amendment.

I further ask unanimous consent that the Senate stand in recess from 12:30 p.m. to 2:15 p.m. tomorrow in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The request propounded by the majority leader is agreed to.

Mr. MITCHELL. Mr. President, for the information of Senators, then, there will be a vote on the Bradley amendment at 10:30 a.m. Following that, there will be 40 minutes of debate equally divided on the Cohen amendment, and a vote on that, therefore, should occur at about 11:30 a.m.

I thank my colleagues, particularly the managers, for their assistance in this regard.

I now yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if the distinguished acting Republican leader has no further business and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 9 a.m. tomorrow, Tuesday, July 24, 1990.

There being no objection, the Senate, at 8:30 p.m., recessed until Tuesday, July 24, 1990, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 23, 1990:

FARM CREDIT ADMINISTRATION

THE FOLLOWING-NAMED PERSONS TO BE MEMBERS OF THE FARM CREDIT ADMINISTRATION BOARD, FARM CREDIT ADMINISTRATION, FOR THE TERMS INDICATED:

FOR THE TERM EXPIRING OCTOBER 13, 1994:

BILLY ROSS BROWN, OF MISSISSIPPI, VICE JIM R. BILLINGTON, RESIGNED.

FOR THE TERM EXPIRING MAY 21, 1996:

JOHN C. DATT, OF VIRGINIA, VICE MARVIN DUNCAN, TERM EXPIRED.

HOUSE OF REPRESENTATIVES—July 23, 1990

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Our prayer, gracious God, is for direction and purpose in daily living. May the abilities of Your people discover true meaning in their tasks so their work and witness can find satisfaction and be of service to people everywhere. May Your spirit, O God, so touch each life that goodness and mercy will follow and all will anticipate the joy and wonder of each new day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Michigan [Mr. UPTON] please come forward and lead the House in the Pledge of Allegiance?

Mr. UPTON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 647. An act to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws;

S. 1747. An act to provide for the restoration of Federal recognition to the Ponca Tribe of Nebraska, and for other purposes; and

S. 2104. An act to amend the Civil Rights Act of 1964 to restore and strengthen civil rights laws that ban discrimination in employment, and for other purposes.

THE 21ST RUNNING OF PEACHTREE ROAD RACE

(Mr. JONES of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Georgia. Mr. Speaker, on the morning of July 4, Atlanta, GA celebrated our Nation's independence with the 21st running of the Peachtree Road Race.

A half-million Atlantans lined Peachtree Street to cheer for the 40,000 runners in the world's biggest 10 kilometer footrace. Since the first race in 1970, when 110 runners took part, the Peachtree has grown to become America's premier 10K. It is a celebration of life and a festival of fitness.

This year's race was won by Dionicio Ceron of Mexico, but on July 4, everyone was a winner. Finishing some 20 minutes later, I won my eighth coveted Peachtree T-Shirt, and became the envy of my block.

The Peachtree is organized by the Atlanta Track Club, and sponsored by the Atlanta Journal-Constitution. The 1990 race required 3,000 volunteers who, among other duties, dispensed 100,000 gallons of water in 365,000 paper cups to runners who burnt 24,800,000 calories on the 6.2 mile course.

This year's race was a marvel of cohesion and coordination, a tribute to the remarkable talents of Julia Emmons, executive director of the Atlanta Track Club and race director for the Peachtree.

Mr. Speaker, the Peachtree Road Race reflects the spirit of America and the personality of Altanta: young, energetic, ambitious, confident, funloving, and always ready for a challenge.

HURRICANE HUNTER PLANES WILL FLY THROUGH 1997

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, I come before this House today to tell my coastal colleagues some good news. This morning, I received a commitment from Secretary of Defense Cheney that the hurricane hunter planes will be flown through this hurricane season and through 1997.

This commitment comes directly on the heels of my conversation with the Secretary on Friday where I stressed the importance of these planes, and the inadequacy of the satellites.

In addition, the planes will be modified and serviced so that they will be better able to serve their mission. This is a sign that the Secretary is serious about his commitment.

For the past 3 years we have fought to keep this program alive and our effort has paid off. Never before have we received such a long-term commitment directly from the Secretary.

I would like to thank my coastal colleagues—31 of whom signed onto my most recent letter to Secretary Cheney—for their strong support for this program.

This program is vital to the safety of millions of coastal Americans * * * and I am pleased that our work has paid off that the hurricane hunters will continue to perform their important mission. I also personally want to thank Secretary Cheney.

GUN BAN IN AMERICA MUST BE STRENGTHENED, NOT RELAXED

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the President really put his foot down. He had banned imported machineguns, and he said unless they made some changes, he would not let them into this country. By putting his foot down, they made those changes, and he lifted the ban.

Mr. Speaker, they took off the grenade launchers and the bayonets. My goodness, we may not even have to bolt our doors any longer.

But what about the controversy with the hunters? After they shoot the rabbit 30 times and it still does not die, what will they do without their bayonet? And what about those tricky deer, Mr. Speaker? When they hide in those clumps of bushes, what will our hunters do without a grenade launcher? I mean, what is happening here? May the President go so far that he may stop the hunting of pheasants with heat-seeking missiles someday?

Mr. Speaker, this is not funny. America has become the killing fields of the world. You cannot change the stripes on a zebra, and you cannot disguise a machinegun.

The American Congress and the White House cannot serve two masters. We either serve the American people or the gun lobbies. I say, Mr. Speaker, not only should all imported AK-47's and Uzis be banned, but the American-made models should be banned as well, before our streets begin to look like shooting galleries.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

HOUSE SHOULD GET MOVING ON CLEAN AIR ACT AMENDMENTS

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, the American people want Congress to get moving on the Clean Air Act amendments. Let me point out to Members that on June 12, 1989, President Bush launched the most significant environmental legislative activity of this session of Congress, when he asked Congress to approve major amendments to the Clean Air Act to deal with such very volatile and sensitive areas as acid rain, toxic emissions, and urban smog.

The House of Representatives and the Senate both responded. We passed sweeping legislation called for by President Bush. Then the conferees from the House and Senate were appointed to develop a compromise. Then we had our first meeting, Mr. Speaker, of the conferees. That first meeting was July 13, at which time the Senate put on the table two significant proposals. Since then there has been a deafening silence from the House.

□ 1210

Mr. Speaker, the American people want us to get moving. I would urge the House conferees to come back with their response to the Senate initiative. We must deal with clean air, we must clean up the acid rain, the urban smog, and the toxic emissions.

Get moving, House of Representatives.

NATIONAL GUARD AND RESERVES ARE IMPORTANT TO THE NATIONAL DEFENSE

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, we are getting ready to mark up the Committee on Armed Services authorization bill for the next fiscal year.

I just want to point out to my colleagues again how important the National Guard and Reserves are in the defense of this country.

Of all the combat missions of the Army 50 percent now are in the Army National Guard. About 70 percent of the support missions of the Army are in the Army Reserve. In other words, the Army cannot move without the Army National Guard or the Army Reserve.

Of all the combat air missions of the Air Force 35 percent are now in the Air National Guard.

So as we look at ways to save money I think it is very, very important that we think about turning over more missions to the Reserve forces. We need to think about giving the Reserves better equipment and fair incentives. If we do that they can do the job.

SENATOR ARTHUR V. WATKINS: PUBLIC SERVANT

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, one of the more unfortunate traits of the human character is the tendency to discount or even forget the significance of contributions made by an individual as time goes by. The accumulation of months and years tends to cloud our remembrance and diminish our appreciation.

We in Congress occasionally have the opportunity to memorialize these contributions, to in a small way acknowledge the value and significance of service rendered by individuals on behalf of their communities, their States and our Nation. Today, I am introducing legislation to do just that.

Senator Arthur Vivian Watkins, born in the small town of Midway, Wasatch County, rose to prominence and prestige as an elected public servant of the great State of Utah. As a U.S. Senator, he served with dignity and distinction, continually confounding the cynics with the balance of his convictions and the firmness of his judgment.

During his 12 years in the Senate, Watkins served as the chairman of the Joint Congressional Committee on Immigration and National Policy and was a member of the Judiciary, Interior and Insular Affairs and Public Works Committees, as well as the joint committees on Economic Report and on Navajo-Hopi Indian Administration.

Perhaps his most notable role was as chairman of the Select Committee on the Censure of Joseph McCarthy.

Mr. Speaker, it is a personal honor to introduce legislation to memorialize the many contributions and valuable service rendered by one of Utah's most distinguished native sons: Senator Arthur Vivian Watkins. My bill would name the U.S. Post Office Building in Orem, UT the "Arthur V. Watkins Post Office." It is but a small gesture in recognition of his selfless service to this community, his State and his Nation.

Time magazine once described Senator Watkins as "a man little know in the past who should be long remembered into the future . * * *" I could not agree more, and invite my colleagues to review my extended remarks on this remarkable public servant and to support this legislation.

JAPANESE TREATMENT OF AMERICAN INVESTORS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I think everyone in the United States knows how easy it is for the Japanese and Japanese industry to invest in the United States of America. Recently a Japanese conglomerate bought Columbia Pictures with no trouble. The Mitsubishi Estate Co., Japan's largest real estate company, acquired controlling interest in the Rockefeller Center. A Japanese group headed by Mori Building Development bought 85 percent of the Four Oaks Palace, a Houston building complex, for $300 million.

So they can invest in the United States without any problem.

Mr. T. Boone Pickens owns 26 percent of a company called Kyoto and he cannot even get representation on the board of directors.

Now they just had a board meeting in Japan about a week ago and they made the American investors sit on one side of the room and the Japanese investors sit on the other side of the room, and I want to read to you some of the comments that they made.

They screamed and hollered at the Americans across the room, the American investors.

They said, No. 1, "Go ahead, suit yourself in the U.S. Congress, see if we care. We are not afraid of the U.S. Congress." They said, "Remember Pearl Harbor." And I hope we do.

They said, "Japan has already defeated America in the economic war." They said, "Yankee, go home, go home Yankee, go home."

They said, "Americans have no business in the Japanese industry or Japanese companies." They said, "Return to America. You're just too ignorant to do business here." Then they said to a female interpreter, a female stockholder there, "What is wrong with you? What is your job? Are you a stripper?" They were demeaning this woman who was there.

Then they used expletives, they used foul language at the Americans there who own stock in that company.

All they asked for was representation on that board of directors. Now we need to pass legislation in this body demanding reciprocity in investment. If they are going to invest in Buy America, then by golly we ought to have the same rights over there, we ought to have the same rights in trade as well.

FARM SUBSIDIES: WITH APOLOGIES TO LEWIS CARROLL

(Mr. CONTE asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, knowing how poetry inspires us to action, I give to you some thoughts in verse on farm subsidy payment limits—with apologies to Lewis Carroll:

"The time has come," the Congress said, "to speak of subsidies, for cotton, rice, for wheat, and corn, for sheep, and honeybees, and how it is they can surpass two-fifty grand a piece."

"How is it so, I want to know," a colleague did inquire, "Can they evade the cap we set, so payments can soar higher?"

"That's just the case," I said in turn, "the situation's dire."

"A loophole in the law permits a doubling of the take, to twice the limit Congress set the last time Congress spake. So now the fat-cat farmer can both have and eat his cake."

It isn't right, I say to you, to keep the huge loophole, of hundred-thousand dollar checks per individual. A billion dollars can be saved, now that should be our goal.

An honest cap, the Members know, Is what we chiefly need to stop abuse, and waste besides, on that we are agreed. Amend the bill the Conte way, That would be good, indeed.

THE 1990 FARM BILL

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker and my colleagues, today we will begin the process of discussing what we call the farm bill, farm legislation.

I would ask all of my colleagues to work with us in order that we might evolve in the end and craft legislation worthy to be remembered and that we do the responsible thing in this House.

Unfortunately and regretfully, for no other reason perhaps than media coverage, we have painted ourselves into a corner dealing solely with one item.

What you will be talking about, what we will be discussing when we discuss the farm bill is the food chain, food supply, who eats what, when they eat it, how they eat it, what amount of disposable income is available.

Mr. Speaker, we are the best fed people in the world, in the history of the world, for the least amount of disposable income per family.

As a matter of fact, not that we do no have hunger in America, but that never has been the fault of the farmer. So, pointing the finger at this farmer or that farmer or how you are going to balance the budget is not the most important factor. The most important factor is: Are we as a nation able to provide for all the people of this great country of ours at a reasonable price, a good-quality food? That is what we will be discussing, not poetry or rhyme or who got what; but rather is the food available and are we the best fed in the world?

That will be the discussion and hopefully it will evolve into a triumph for this House, that consensus will prevail and, with civility and some degree of humor, we may arrive at a reasonable and satisfactory solution to all Members and to all the people of the United States of America.

A PROMPT SUMMIT AGREEMENT IS DESIRABLE

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, your commitment that the House will recess on August 3 highlights the pressure on the budget summit. If we are to get a summit agreement and pass the legislation before the August recess we must reach initial agreements this week.

The President has taken the risk of calling the summit and agreeing to Democratic leadership demands that taxes must be on the table. Now it is up to the Democratic leadership. Are the Democrats prepared to offer real discretionary spending cuts? So far they have offered none. Are the Democrats prepared to offer real budget reforms? So far they have offered none.

This week may be our last chance to forge a bipartisan agreement to control spending, reduce the deficit and increase economic growth.

□ 1220

I hope the Democratic leadership will work with Members to achieve such an agreement. If the budget summit collapses, the President will be forced to veto appropriations bills and to appeal to the country.

For nearly 3 months the President has been trying to work with the Democratic leaders in Congress. If the summit fails, it will be clear the country must choose between spending cuts and massive tax increases because the current Congress will have proven it cannot do its job.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

However many recorded votes ordered on suspensions debated prior to consideration of House Resolution 439 will be taken after the vote on House Resolution 439. Any rollcall votes ordered on suspensions debated after the vote on House Resolution 439 will be taken on Tuesday, July 24, 1990.

DISABILITIES PREVENTION ACT OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4039) to amend the Public Health Service Act to establish a program for the prevention of disabilities, and for other purposes.

The Clerk read as follows:

H.R. 4039

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Disabilities Prevention Act of 1990".

"SEC. 2. ESTABLISHMENT OF PROGRAM FOR PREVENTION OF DISABILITIES.

Part B of title III of the Public Health Service Act (42 U.S.C. 243 et seq.) is amended by inserting after section 314 the following new section:

"SEC. 315. PREVENTION OF DISABILITIES.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control, may make grants to public and nonprofit private entities for the purpose of carrying out programs for the prevention of disabilities and for the prevention of secondary conditions resulting from disabilities.

"(b) CERTAIN AUTHORIZED ACTIVITIES.—With respect to the prevention of disabilities and conditions described in subsection (a), activities for which the Secretary may make a grant under such subsection include—

"(1) coordinating activities for the prevention of disabilities;

"(2) conducting demonstrations and interventions;

"(3) conducting surveillances and studies;

"(4) educating the public; and

"(5) educating and training health professionals (including allied health professionals) and conducting activities to improve the clinical skills of such professionals.

"(c) REPORTS TO SECRETARY.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees to submit to the Secretary such reports as the Secretary may require with respect to the grant.

"(d) PRIORITIES.—The Secretary shall consult with the National Council on Disabilities in setting priorities to carry out this section.

"(e) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(f) LIMITATION WITH RESPECT TO EDUCATION OF HEALTH PROFESSIONALS.—In making grants under subsection (a), the Secretary may not, for activities described in subsection (b)(5), obligate more than 10 percent of the amounts appropriated under subsection (i) for any fiscal year.

"(g) TECHNICAL ASSISTANCE.—The Secretary may provide training, technical assistance, and operation of any program for the prevention of disabilities and for the prevention of secondary conditions resulting from such disabilities.

"(h) PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

"(1) IN GENERAL.—Upon the request of a grantee under subsection (a), the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purposes of aiding the grantee in carrying out such subsection and, for such purpose, may detail to the grantee any officer or employee of the Department of Health and Human Services.

"(2) CORRESPONDING REDUCTION IN PAYMENTS.—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of payments under subsection (a) to the grantee by an amount equal to the costs of detailing personnel (including pay, allowances, and travel expenses) and the fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

"(i) EVALUATIONS AND REPORTS.—

"(1) EVALUATIONS.—The Secretary shall, directly or through contracts with public or private entities, provide for evaluations of programs carried out pursuant to subsection (a).

"(2) REPORTS.—The Secretary shall, not later than January 31, 1991, and annually thereafter, submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report summarizing evaluations carried out pursuant to paragraph (1) during the preceding fiscal year. The Secretary shall provide a copy of each such report to the National Council on Disability.

"(j) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants and contracts under this section, there are authorized to be appropriated $10,000,000 for fiscal year 1991, $15,000,000 for fiscal year 1992, and $20,000,000 for fiscal year 1993.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 4039, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4039, the Disability Prevention Act of 1990, introduced by our colleague, SILVIO CONTE and cosponsored by Congressman MADIGAN, Congressman TAUKE, and myself. This legislation would authorize a program of disability prevention based at the Centers for Disease Control.

Mr. Speaker, one of the cornerstones of public health is prevention. When we talk about the need for prevention, disability as a human condition is no different than heart disease or measles. Most people know that a vaccine can prevent getting measles. And most people know that a good diet and regular exercise can help prevent heart disease.

But not as much is generally known about disabilities or how to prevent them. There are many kinds of disabilities: mental retardation, hearing or vision impairment—even hip fractures and arthritis can be limiting disabilities. And the causes for disability can vary widely—from lead poisoning to substance abuse during pregnancy, to genetic or environmental factors.

We spend close to $62 billion in Federal funds each year for acute care and long-term services for persons with disabilities. But because disabilities can't be lumped into one category, information collection on disabilities—and the programs to prevent them—are often not coordinated and sometimes unknowingly duplicated.

This legislation would authorize a program of disabilities prevention at CDC and allow CDC to form cooperative agreements with public and nonprofit private entities to support prevention and evaluation activities, to provide technical assistance, and to collect data necessary to plan for and review programs. The legislation would authorize $10 million in fiscal year 1991, $15 million in 1992, and $20 million in fiscal year 1993.

I ask all Members to support H.R. 4039.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I yield myself such time as I may consume.

H.R. 4039 is a small step to help improve the lives of Americans with disabilities and to help prevent more people from becoming disabled. In 1988, the Centers for Disease Control began a national program to address these issues. While CDC has done an admirable job, prevention activities across the country are often disparate and uncoordinated. H.R. 4039 provides funds to better coordinate prevention activities.

H.R. 4039 also recognizes the serious problem of secondary disabilities in persons with disabilities. This focus on the prevention of complications and secondary disabilities will help alleviate the devastating problems caused by these complications and improve the lives of the disabled.

I urge my colleagues to support H.R. 4039.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. CONTE], a supreme agriculturist and the principal sponsor of this bill.

Mr. CONTE. Mr. Speaker, I rise in strong support of this bill, H.R. 4039, the Disabilities Prevention Act of 1990. I want to thank my good friends, HENRY WAXMAN, ED MADIGAN, and TOM TAUKE for cosponsoring this excellent legislation with me.

The Congress, after long and careful deliberation, passed the landmark Americans With Disabilities Act. The ADA is the Declaration of Independence for all disabled Americans. President Bush will be signing that bill very shortly. I was an original cosponsor of that bill. I, along with many of my colleagues who helped pass the bill, are looking forward to the special Rose Garden signing ceremony.

Now we have before us a bill which will go a quantum leap further. This legislation will protect people who are now disabled from acquiring further disabilities. It will also promote new ways to prevent disabilities from happening to all people.

Prevention is the unsung hero of American medicine today. Sadly, so much of our health care system is reactive rather than pro-active. Our Government spends billions and billions of hard-earned taxpayers' dollars treating disease after it happens. Not enough is being done to prevent costly illnesses and disabilities before it happens.

And when it comes to physical disabilities, prevention gives us the biggest bang for the public buck. The cost of disabilities is truly staggering: $120 billion per year. That doesn't take into account the emotional suffering by the patients and their families over many years, even decades for some. Prevention of disabilities will clearly be one of the most cost-effective investments we can make with our precious health care dollar.

When I heard about the tremendous burden that disabilities impose upon our society and our budget, I decided to take action. From my perch as the ranking member of the Appropriations Committee, I started the Disability Prevention Program at the Centers for Disease Control in 1987 with a little bit of seed money. It was enough to start several State programs and to increase public awareness of disability prevention.

Last year, we reached the $4½ million mark.

The track record so far has been impressive. Nine States now have cooperative agreements with the CDC and several more are getting ready to set up their own programs. CDC has done a remarkable job in coordinating all the State programs.

In my home State of Massachusetts, the Office of Disability Prevention has

been pioneering some very innovative projects in disability prevention. Several quality projects are already underway. One community project looks at the incidence of spinal instabilities in persons with Down's syndrome. Another project promotes health and fitness among disabled individuals at an independent learning center. Still another project is looking at ways to improve home safety for disabled children.

Even with the substantial gains we have made, disability prevention deserves a much higher priority. With so many people vulnerable to further injury, especially the elderly, children, the bedridden, the mentally ill, minorities, low-income individuals, and many more—the need for prevention is almost overwhelming. That's why I, along with my friends, HENRY, ED, and TOM, decided to launch this initiative.

It would create a new program at CDC specifically geared for disability prevention. It would authorize additional money for the program and expand the range of activities in the field.

The bill authorizes $10 million for fiscal year 1991, $15 million for fiscal year 1992, $20 million for fiscal year 1993, which is enough to provide strong measured growth. Our goal is to have disability prevention programs in all 50 States. I'm confident that we will attain that goal within the next 10 years.

In fact, I'm so confident that I decided to give this bill a big welcoming present. In the Labor-HHS appropriations bill that this House passed on Thursday, I made sure that the full $10 million was there. I also thank Chairman BILL NATCHER for his help and support on my initiative.

The $10 million in this year's bill more than doubles this program. This boost will expand current programs, substantially increase the number of States participating and strengthen CDC coordination of all State programs.

The CDC is the world's premier institution on disease and injury prevention. Their work has been nothing short of outstanding.

I want to cast my vote of confidence behind their new director, Dr. Bill Roper, who I know shares my enthusiasm for disability prevention. I also want to thank Sandy Perrino, the Chair of the National Council on Disability, for her support and guidance. And I want to thank all those who chimed in with their visits, letters, calls, and faxes.

Mr. Speaker, I devote this legislation to the millions of disabled Americans whose quality of life will be protected and enhanced. I urge all my colleagues to join me in support of this important bill. Let's make the spirit of the ADA bill a living, breathing reality.

□ 1230

Mr. Speaker, in closing, let me say again that I just cannot thank our subcommittee chairman, the gentleman from California [Mr. WAXMAN] and the gentleman from Illinois [Mr. MADIGAN] enough for their consideration. They have been super not only in their leadership, but what a pleasure it has been to work with those two gentlemen.

Mr. WAXMAN. Mr. Speaker, after those comments, there is nothing else to be said. I yield back the balance of my time.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 4039.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

VACCINE AND IMMUNIZATION AMENDMENTS OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4238) to amend the Public Health Service Act to extend various programs with respect to vaccine-preventable diseases, as amended.

The Clerk read as follows:

H.R. 4238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Vaccine and Immunization Amendments of 1990".

SEC. 2. EXTENSION OF PROGRAM OF GRANTS FOR IMMUNIZATIONS.

Section 317(j)(1) of the Public Health Service Act (42 U.S.C. 247B(j)(1)) is amended—

(1) in subparagraph (A), by striking "there are authorized" and all that follows in the first sentence and inserting the following: "there are authorized to be appropriated $185,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1995.";

(2) in subparagraph (B), by striking "after the date" and all that follows and inserting the following: "after October 1, 1990, there are authorized to be appropriated such sums as may be necessary."; and

(3) by striking subparagraph (C).

SEC. 3. SUPPLY OF VACCINES.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control, shall acquire and maintain a supply of vaccines sufficient to provide vaccinations throughout a 6-month period. Any proceeds received by the Secretary from the sale of vaccines from such supply shall be available to the Secretary for the purpose of purchasing vaccines for the supply. Such proceeds shall remain available for such purpose until expended.

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out subsection (a), there are authorized to be appropriated $5,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1995.

SEC. 4. EXTENSION OF NATIONAL VACCINE PROGRAM.

Section 2106 of the Public Health Service Act (42 U.S.C. 300aa-6) is amended—

(1) in subsection (a), by striking "there are authorized" and all that follows and inserting the following: "there are authorized to be appropriated $4,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1995."; and

(2) in subsection (b), by striking "there are authorized" and all that follows and inserting the following: "there are authorized to be appropriated $30,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1995.".

SEC. 5. TECHNICAL AMENDMENTS.

(a) SECTION 2111.—Section 2111 of the Public Health Service Act (42 U.S.C. 300aa-11) is amended—

(1) in subsection (a)(5)(A), by striking out "without prejudice" the second time it occurs,

(2) in subsection (d), by striking "(d) except as provided in paragraph (3)," before "(d) ADDITIONAL INFORMATION", and

(3) in subsection (e), by striking "(e)" before "(e) SCHEDULE".

(b) SECTION 2113.—Section 2113(c) of the Public Health Service Act (42 U.S.C. 300aa-13(c)) is amended by inserting "the" after "special masters of".

(c) SECTION 2115.—Section 2115 of the Public Health Service Act (42 U.S.C. 300aa-15) is amended—

(1) in subsection (e)(2), by striking out "the Program," the second time it occurs and all that follows through "limited to the costs" and inserting the following: "the Program, in awarding compensation on such petition the special master or court may include an amount of compensation limited to the costs",

(2) in subsection (f)—

(A) in paragraph (2), in the second sentence, by striking out "section 2121(b)" and inserting "section 2121(a)", and

(B) in paragraph (4)(B), in the last sentence, by striking out "subsection (i)" and inserting "subsection (j)", and

(3) in subsection (j), by inserting "and" after "1992,".

(d) SECTION 2121.—The last sentence of section 2121(a) of the Public Health Service Act (42 U.S.C. 300aa-21(a)) is amended to read as follows: "If a person elects to receive compensation under a judgment of the court or is deemed to have accepted the judgment of the court, such person may not bring or maintain a civil action for damages against a vaccine administrator or manufacturer for the vaccine-related injury or death for which the judgment was entered.".

SEC. 6. EFFECTIVE DATES.

The amendment made by section 5(d) shall take effect as if such amendment had been included in section 6601(n) of Public Law 101-239. This Act and the amendments made by this Act shall otherwise take effect upon the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as presented to the House today, H.R. 4238 is designed to achieve three goals. First, it would reauthorize the Childhood Immunizations Program of the Centers for Disease Control. Second, the bill would reauthorize—at current levels—the National Vaccine Program which conducts and coordinates Federal vaccine development. Third, the legislation would make technical corrections to the National Vaccine Injury Compensation Program.

As Members well know, Mr. Speaker, the Childhood Immunization Program provides grants to States for the purchase of vaccine against preventable diseases such as polio, measles, and pertussis. It also provides for the administration of State childhood immunization programs.

H.R. 4238 would provide for a 5-year extension of this program and would set an authorization level of $185 million for fiscal year 1991. This amount is needed to address a number of financial shortfalls that the program would otherwise face in the coming year, including: First, funds for a second measles shot that CDC is now recommending for all children; second, funds to provide emergency immunization services in areas that are undergoing outbreaks of measles; third, funds to provide hepatitis B vaccine for women and newborns; and fourth, funds to assist States in the operation of their own childhood immunizations programs.

For each of fiscal years 1992 through 1995, H.R. 4238 would establish an authorization level of "such sums as may be necessary".

The provisions included in this legislation relating to the National Vaccine Injury Compensation Program would correct drafting errors that were made last year when the program underwent substantial revision as part of Public Law 101-239. These technical corrections are meant to make the Vaccine Injury Compensation Program more easily understood, and, in one instance, to remedy a serious error that might result in additional litigation—a result which was never intended by the Congress.

Each of the programs addressed in this legislation, Mr. Speaker—the Childhood Immunizations Program, the National Vaccine Program, and the National Vaccine Injury Compensation Program—enjoys strong bipartisan support. I am pleased, therefore, that Mr. MADIGAN, the distinguished ranking Republican member of the subcommittee, as well as Chairman DINGELL and Congressman ROY ROWLAND, joined with me in introducing the original legislation under consideration today.

I ask all Members to support H.R. 4238, with an amendment.

Mr. Speaker, I reserve the balance of my time.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, since its establishment by the Vaccination Assistance Act of 1962, the Centers for Disease Control's Immunization Program has become one of the most successful prevention programs in public health. At present, approximately 50 percent of childhood vaccines are administered in the public sector. Currently nearly 98 percent of all children are immunized prior to entry into school. The high levels of immunization that the program has been able to achieve have led to reductions of at least 90 percent in each of the vaccine-preventable diseases. This has been a tremendously successful program that merits our support.

Despite these achievements, CDC still faces a number of challenges. Last year, we experienced unusual outbreaks of measles unlike anything seen in the recent past. As a result of those outbreaks, CDC recommended that children receive a second measles shot. H.R. 4238 will help CDC meet this challenge by authorizing an additional $25 million for this second round of shots.

H.R. 4238, as amended, also solves a number of technical problems that have arisen with respect to the implementation of the vaccine compensation program and the future of the vaccine stockpile.

For these reasons, I urge my colleagues to support H.R. 4238.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 4238, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

HOME HEALTH CARE DEMONSTRATION PROJECTS EXTENSION ACT OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5112) to amend the Public Health Service Act to extend certain programs for health care services in the home, as amended.

The Clerk read as follows:

H.R. 5112

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Home Health Care Demonstration Projects Extension Act of 1990".

SEC. 2. EXTENSION OF PROGRAMS FOR DEMONSTRATION PROJECTS FOR HEALTH CARE SERVICES IN THE HOME.

(a) GENERAL PROGRAM.—

(1) NUMBER OF GRANTS.—Section 395(a) of the Public Health Service Act (42 U.S.C. 280c(a)) is amended in the matter preceding paragraph (1) by striking "shall make" and all that follows through "grants" and inserting the following: "shall make not less than 3, and not more than 10, grants".

(2) SERVICES PROVIDED.—Section 395(a)(1) of the Public Health Service Act (42 U.S.C. 280c(a)(1)) is amended by striking "skilled" and all that follows and inserting the following: "skilled nursing care services, homemaker or home health aide services, or personal care services are provided in the homes of the individuals;".

(3) AGE OF RECIPIENTS OF SERVICES.—Section 395(b) of the Public Health Service Act (42 U.S.C. 280c(b)) is amended by striking "to ensure" and all that follows and inserting the following: "to ensure that—

"(1) not less than 25 percent of the grant is expended to provide services under such subsection to individuals who are between 65 and 84 years of age (inclusive); and

"(2) not less than 10 percent of the grant is expanded to provide such services to individuals who are not less than 85 years of age.".

(4) AUTHORIZATION OF APPROPRIATIONS.—Section 397(e) of the Public Health Service Act (42 U.S.C. 280c-2(e)) is amended—

(A) by striking "there is" and inserting "there are"; and

(B) by inserting before the period the following: ", $7,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993".

(b) PROGRAM REGARDING ALZHEIMER'S DISEASE.—

(1) NUMBER OF GRANTS.—Section 398(a) of the Public Health Service Act (42 U.S.C. 280c-3(a)) is amended in the matter preceding paragraph (1) by striking "shall make" and all that follows through "grants" and inserting the following: "shall make not less than 3, and not more than 10, grants".

(2) COORDINATION OF SERVICES.—Section 398(a)(1) of the Public Health Service Act

(42 U.S.C. 280c-3(a)(1)) is amended by striking "by public and private organizations" and inserting "with public and private organizations".

(3) AUTHORIZATION OF APPROPRIATIONS.—Section 399A(e) of the Public Health Service Act (42 U.S.C. 280c-5(e)) is amended—

(A) by striking "there is" and inserting "there are"; and

(B) by inserting before the period the following: ", $7,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the legislation now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 5112 is to reauthorize two Public Health Service Act home health care demonstration programs whose authorities expire at the end of fiscal year 1990.

The first program—the General Program—is designed to provide home health services to low-income individuals who, with the availability of such assistance, may avoid institutionalization or prolonged hospitalization. The second program is intended to provide similiar types of services to individuals with Alzheimer's disease. Both demonstrations provide grant funds directly to the States.

H.R. 5112 would reestablish these two programs for the next 3 fiscal year at authorization levels—for each program—of $7.5 million in fiscal year 1991 and at such sums as may be necessary in both fiscal years 1992 and 1993. In addition, H.R. 5112 would expend the number of States that would be eligible to receive grant awards under both demonstration authorities from 5 to 10. H.R. 5112 would also clarify that unskilled services such as homemaker and personal care services as well as skilled nursing services can be made available to individuals participating in the General Program. Finally, the legislation would specifically target a portion of the services provided under the General Program to those elderly Americans age 85 and older.

This legislation has bipartisan support. It was originally introduced by our colleague, Congressman BRUCE, along with Congressman WYDEN, Congressman RINALDO, and myself, as well as the chairman of the Aging Committee, Congressman ROYBAL. All of us are strong advocates of home care services for the frail and disabled and believe that the programs under consideration today can help get that care to those most in need.

I urge all Members to support H.R. 5112, with an amendment.

□ 1240

Mr. Speaker, I reserve the balance of my time.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the continuing efforts authorized by H.R. 5112 to provide funds for demonstration projects for home health care services to frail and disabled individuals, as well as those suffering from Alzheimer's disease. These services have been effective in limiting, postponing, and even preventing institutionalization of such individuals.

I think it is important that we continue to try to find the most cost-effective and humane way to provide medical care. I am particularly pleased that the bill requires the development of demonstration projects to meet the needs of a fast growing segment of our elderly population, the elderly over 85 years of age.

I hope my colleagues will join me in supporting this legislation.

Mr. BRUCE. Mr. Speaker, I first want to thank my fellow cosponsors, Mr. WAXMAN, Mr. WYDEN, Mr. ROYBAL, and Mr. RINALDO, for their support of these important grants. I also wanted to achknowledge and thank Mr. WAXMAN, Mr. RINALDO, and their staffs for their help in moving this legislation so quickly.

The home health care and Alzheimer's demonstration projects authorized in this legislation were first authorized in 1987 as part of the Older Americans Act. The home health care grants were made available to States to provide skilled medical services to low-income individuals who are uninsured and do not qualify for Medicaid or Medicare.

The bill reauthorizes and expands the existing Home Health Grants Program. Low-income individuals would continue to receive skilled nursing care and 25 percent of the funds would be directed to people over 65. When the bill was marked up in the Energy and Commerce Committee, Mr. BILIRAKIS offered an amendment to ensure that an additional 10 percent of the funding would go to recipients over 85 years.

The bill increases the types of services available by adding home health aide or personal care service, and the number of grants to States were increased to 10. The bill also expands the funding level to $7.5 million.

My fellow colleagues, home health care is a less expensive, more effective form of care, particularly for the elderly. When a person reaches a certain age, and their families aren't sure what the next step should be, an elderly person wants nothing more than to remain in their home. It is more familiar to them and in most circumstances the patient will react better to service provided in their home, as opposed to a nursing home.

The second section of H.R. 5112 was also part of the Older Americans Act of 1987, which will provide care and treatment for Alzheimer's victims and their families or caregivers.

Until recently, researchers estimated there were about 2.5 million Alzheimer's victims in the United States. Unfortunately, this is not the case. In November 1989, scientists at Boston's Bringham and Woman's Hospital found more than 10 percent of people over 65 and almost half over 85, were suffering from this terrible disease. The National Institute on Aging reports that by the year 2050, more than 14 million Americans will have the disease.

Even with these startling numbers, there are virtually no services available to help these people. There is nothing that can be done for the woman in Illinois who is the only child of parents who both have the disease, and there is nothing available for the woman whose husband has the disease and who is showing signs of the disease herself.

Some States, including Illinois, have developed demonstration projects, through different means, but by and large, no real services exist. This bill is a positive step toward making grants available to States to develop their own programs.

In 1987, the Alzheimer's grants were authorized but never funded. The outline of the program in H.R. 5112 would remain the same as the 1987 grants. The grants would be available for States to apply to coordinate the development and operation of various programs for individuals with Alzheimer's disease—or related disorders—and to the families and care providers of these victims.

The program would also continue to provide basic care to Alzheimer's patients in health facilities and to establish an informational network on available services and the legal rights of Alzheimer's patients.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 5112, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

INJURY PREVENTION AND CONTROL AMENDMENTS OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5113) to amend the Public Health Service Act to revise and extend the program for the prevention and control of injuries.

The Clerk read as follows:

H.R. 5113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Injury Prevention and Control Amendments of 1990".

SEC. 2. REVISION AND EXTENSION OF PROGRAM FOR PREVENTION AND CONTROL OF INJURIES.

(a) REQUIREMENT OF REPORT ON ACTIVITIES OF AGENCY.—Section 393 of the Public Health Service Act (42 U.S.C. 280b-2) is amended to read as follows:

"REPORT

"SEC. 393. By not later than September 30, 1992, the Secretary, acting through the Director of the Centers for Disease Control, shall prepare and submit to the Congress a report describing the activities conducted or supported under this part. The report shall include—

"(1) information regarding the practical applications of research conducted pursuant to subsection (a), including information that has not been disseminated under subsection (b); and

"(2) information on such activities regarding the prevention and control of injuries in rural areas, including information regarding injuries that are particular to rural areas.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 394 of the Public Health Service Act (42 U.S.C. 280b-3) is amended—

(1) in the first sentence, by inserting before the period the following: ", $30,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993"; and

(2) by striking the subsection designation, and by striking the second sentence.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Under this rule, a second is not required on this motion.

The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5113.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask that the House suspend the rules and pass the bill, H.R. 5113, the Injury Prevention and Control Amendments of 1990.

Mr. Speaker, the purpose of H.R. 5113 is to reauthorize the Federal Injury Control Program whose authority expires at the end of fiscal year 1990.

The Injury Control Program, administered by the Centers for Disease Control, provides grants to State and local health departments and to academic institutions, for programs and research on the prevention and control of injuries. Grant projects include work on childhood injuries, trauma care, and spinal cord injury. The program has grown significantly since it was first established and is now supporting over 25 grants to State and local health departments, seven injury control research centers, and 38 other research projects.

H.R. 5113 would reauthorize the Injury Control Program at authorization levels of $30 million in fiscal year 1992 and "such sums as may be necessary" in both fiscal years 1992 and 1993. No other substantive changes would be made to the program.

This legislation has bipartisan support. It has been introduced by our distinguished colleague, Congressman BRUCE, along with myself and Congressman MADIGAN, the distinguished ranking Republican member of the Health Subcommittee.

I urge all Members to support H.R. 5113.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for people under 44 years of age, injury is the leading cause of death. Tragically, nearly one in four Americans will be seriously injured this year and these injuries will be costly. The total lifetime costs of injuries sustained in 1985 was estimated at $158 billion—far more than for other diseases.

The centers for disease control's injury control program applies epidemiology and biomechanics to the prevention of injury and rehabilitation. The program provides grants for research on the causes of injuries, interventions to prevent injuries, and acute care and rehabilitation for when an injury is not prevented. The injury control program also provides grants to State and local health departments for injury control.

This program not only saves money by avoiding health care costs for treating injuries but saves lives and prevents needless pain and suffering.

I am pleased to be a cosponsor of H.R. 5113 and ask my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. BRUCE. Mr. Speaker, I would like to thank my fellow colleagues, Mr. WAXMAN and Mr. MADIGAN, for their cosponsorship of H.R. 5113, the Injury Prevention and Control Amendments of 1990. I would like to acknowledge their assistance in moving this important piece of legislation so quickly through both the subcommittee and full committee.

The Injury Control Program, administered by the centers for disease control, was developed 5 years ago because of a report called "Injury in America." The report estimated injury is he leading cause of death among people under the age of 44.

Health care costs in this country last year exceeded $600 billion, and are climbing every year. The total cost of injury, from motor vehicles to gunshot wounds to basic playground falls, exceeded $158 billion in 1985. Unfortunately we spend less on its research than any other health problems.

Rural areas have suffered greatly from injury, particularly in farm-related accidents. In 1988, motor vehicle accidents on farms accounted for 250,000 disabling injuries. That year also saw 800 deaths and 140,000 injuries in agricultural work. In 1990, five farmers will go to work every day and die because of serious injury.

Last year in the United States there were more fatalities in farming than in any other profession, but farm deaths have failed to draw national attention. This is alarming, considering that 400 out of 1,700 farm deaths last year were children. On March 8, 1990, the Subcommittee on Health and Environment held hearings on the programs and stressed the importance of studying injury in rural areas. A study of rural injuries became a part of this legislation.

Nationwide, more than 143,000 persons die each year of injuries. Annually, 5 million productive years are lost because of premature death resulting from injuries.

Death is only one part of the problem. At the March subcommittee hearing on the injury program one witness reported that 16 hospitalizations occur for every 1 injury death. Injuries account for 1 out of every 10 hospitalizations and for 1 of every 6 hospital days. Twenty-five percent of all emergency room visit are injury-related and over one-quarter of these are covered by public funds.

The Injury Prevention Control Program is little-known but very important. It has done studies that have saved millions of dollars for the U.S. Health Care System. Some of these studies are:

First, studying motor vehicle injuries—almost one-third of all injury deaths result from motor vehicle crashes. The program has sponsored research in biomechanics in which investigators scientifically examine why motor vehicle crashes occur.

Second, elderly injuries—researchers at Beth Israel Hospital in Boston and at Duke University have studied hip fractures and cervical spine injuries. Researchers have suggested padded clothing for elderly persons and changing designs on automobiles.

Third, playground injuries—a study in Atlanta of playground injuries was done to identify the problems on the playgrounds of 66 child care centers and to see whether these haz-

ards and injuries decrease after center directors are informed of these problems and possible ways to prevent injury.

Fourth, assaults—the Family and Intimate Assault in Atlanta project is investigating characteristics of criminals, their family background, and socioeconomic environment.

H.R. 5113 reauthorizes the program at $30 million for fiscal year 1991 and such sums as necessary in 1992 and 1993. This is an increase from $22 million in the previous year, and is a much-needed investment in Federal efforts to reduce injuries and their associated health care costs.

Mr. MADIGAN. Mr. Speaker, I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of our time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 5113.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

NATIONAL ORGAN TRANSPLANT PROGRAM EXTENSION ACT OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5146) to amend the Public Health Service Act to revise and extend the program regarding organ transplantation, as amended.

The Clerk read as follows:

H.R. 5146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Organ Transplant Program Extension Act of 1990".

SEC. 2. ASSISTANCE FOR ORGAN PROCUREMENT ORGANIZATIONS.

(a) SECTION HEADING.—Section 371 of the Public Health Service Act (42 U.S.C. 273) is amended in the heading for the section by striking "assistance for".

(b) AUTHORITY REGARDING CERTAIN GRANTS.—

(1) SPECIAL PROJECTS.—Section 371(a)(3) of the Public Health Service Act (42 U.S.C. 273(a)(3)) is amended by striking "may make grants for special projects" and inserting the following: "may make grants to, and enter into contracts with, qualified organ procurement organizations described in subsection (b) and other nonprofit private entities for the purpose of carrying out special projects".

(2) CONSIDERATIONS IN MAKING CERTAIN GRANTS.—Section 371(a) of the Public Health Service Act (42 U.S.C. 273(a)) is amended—

(A) in paragraph (4), by striking subparagraphs (A) and (C); and

(B) in paragraph (4), as amended by subparagraph (A) of this paragraph—

(i) by striking "Secondary shall—" and all that follows through "special consideration" and inserting "Secretary shall give special consideration"; and

(ii) by striking "organization, and" and inserting "organization.".

(c) SERVICE AREA OF QUALIFIED ORGAN PROCUREMENT ORGANIZATIONS.—

(1) IN GENERAL.—Section 371(b)(1)(E) of the Public Health Service Act (42 U.S.C. 273(b)(1)(E)) is amended to read as follows:

"(E) has a defined service area that is of sufficient size to assure maximum effectiveness in the procurement and equitable distribution of organs, and that either includes an entire standard metropolitan statistical area (as specified by the Office of Management and Budget) or does not include any part of such an area,".

(2) ISSUANCE OF PERFORMANCE CRITERIA BY SECRETARY.—Section 371(b) of the Public Health Service Act (42 U.S.C. 273(b)) is amended—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by inserting after paragraph (1) the following new paragraph:

"(2) Not later than 180 days after the date of the enactment of the National Organ Transplant Program Extension Act of 1990, the Secretary shall issue performance criteria specifying the manner in which the Secretary determines whether the requirements established in paragraph (1)(E) have been met.".

(3) CONFORMING AMENDMENT.—Section 402(c)(3) of Public Law 100-607 (42 U.S.C. note), as amended by Public Law 101-274, is repealed.

(d) TECHNICAL CORRECTION REGARDING PUBLIC LAW 100-607.—Section 402(c)(2) of Public Law 100-607 (102 Stat. 3115) is amended by inserting "at the end" after "the comma".

SEC. 3. ORGAN PROCUREMENT AND TRANSPLANTATION NETWORK.

(a) IN GENERAL.—Section 372(a) of the Public Health Service Act (42 U.S.C. 274(a)) is amended by striking the last sentence.

(b) MINIMUM QUALIFICATIONS OF CONTRACTOR.—

(1) IN GENERAL.—Section 372(b)(1)(A) of the Public Health Service Act (42 U.S.C. 274(b)(1)(A)) is amended by striking "which is not engaged in any activity unrelated to organ procurement" and inserting "with expertise in organ procurement".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect December 31, 1990.

(c) TECHNICAL CORRECTION.—Section 372(b)(2)(F) of the Public Health Service Act (42 U.S.C. 274(b)(2)(F)) is amended by striking "compatability" and inserting "compatibility".

SEC. 4. TRANSFER OF PROGRAM FOR BONE MARROW REGISTRY.

(a) IN GENERAL.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) by striking section 373(b); and

(2) in subpart 2 of part C of title IV, by adding at the end the following new section:

"NATIONAL BONE MARROW DONOR REGISTRY

"SEC. 424. (a) The Secretary shall, by grant or contract, establish a registry of voluntary bone marrow donors.

"(b) In addition to any other amounts authorized to be appropriated for the purpose of carrying out subsection (a), there are authorized to be appropriated for such purpose $15,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993.".

(b) CONFORMING AMENDMENT.—Section 373 of the Public Health Service Act, as amended by subsection (a) of this section, is amended—

(1) by striking the subsection designation; and

(2) in the heading for the section, by striking "AND BONE MARROW REGISTRY".

SEC. 5. GENERAL PROVISIONS RESPECTING GRANTS AND CONTRACTS.

Section 374 of the Public Health Service Act (42 U.S.C. 274b) is amended—

(1) in subsection (a), in the first sentence, by striking "No grant" and all that follows through "373" the second place such term appears and inserting the following: "No grant or contract may be made under this part";

(2) in subsection (b)—

(A) by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(B) in paragraph (1) (as so redesignated), by striking "section 371" and inserting "section 371(a)(1)";

(C) in paragraph (2) (as so redesignated), in the first sentence, by striking "paragraphs (2) and (3) of section 371(a)" and inserting "section 371(a)(2)"; and

(D) by adding at the end the following new paragraph:

"(3) Grants or contracts under section 371(a)(3) may be made for not more than 3 years."; and

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in the first sentence, by inserting "or contract" after "grant"; and

(ii) in the second sentence, by inserting "and contracts" after "grants" each place such term appears; and

(B) in paragraph (2), in subparagraphs (A) and (B), by inserting "or contract" after "grant" each place such term appears.

SEC. 6. ADMINISTRATION.

(a) IDENTIFIABLE ADMINISTRATIVE UNIT.—Section 375 of the Public Health Service Act (42 U.S.C. 274c) is amended in the matter preceding paragraph (1) by striking "1990," and inserting "1993,".

(b) STRIKING OF EXPIRED REQUIREMENT REGARDING CERTAIN REPORTS.—Section 375 of the Public Health Service Act (42 U.S.C. 274c) is amended—

(1) by striking paragraph (4); and

(2) by adding "and" after the comma at the end of paragraph (2), and by striking "transplants, and" at the end of paragraph (3) and inserting "transplants.".

SEC. 7. REPORT.

Section 376 of the Public Health Service Act (42 U.S.C. 274d) is amended in the first sentence by striking "The Secretary" and all that follows through "publish a report" and inserting the following: "Not later than February 10 of 1991 and of each second year thereafter, the Secretary shall publish a report".

SEC. 8. STUDY BY GENERAL ACCOUNTING OFFICE.

Part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.) is amended by adding at the end the following new section:

"STUDY BY GENERAL ACCOUNTING OFFICE

"SEC. 377. (a) The Comptroller General of the United States shall conduct a study for the purpose of determining—

"(1) the extent to which the procurement and allocation of organs have been equitable, efficient, and effective; and

"(2) the problems encountered in such procurement and allocation, particularly for racial and ethnic minorities.

"(b) Not later than January 7, 1992, the Comptroller General of the United States shall complete the study required in subsec-

tion (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.".

SEC. 9. ESTABLISHMENT OF SINGLE AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Part H of title III of the Public Health Service Act, as amended by section 8 of this Act, is amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 378. For the purpose of carrying out this part, there are authorized to be appropriated $5,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993.".

(b) CONFORMING AMENDMENT.—Section 371 of the Public Health Service Act (42 U.S.C. 273) is amended by striking subsection (c).

SEC. 10. EFFECTIVE DATE.

Except as provided in section 3(b)(2), the amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I my consume.

Mr. Speaker, the purpose of H.R. 5146 is to extend for 3 fiscal years the authorizations for expiring programs of the National Organ Transplant Program. The program is operated by the Division of Organ Transplantation within the Department of Health and Human Services. These activities include support of:

First, local organ procurement organizations;

Second, the national organ procurement and transplant computer network;

Third, the scientific registry for organ transplants; and

Forth, special projects to increase organ donations.

In fiscal year 1991, $5 million is authorized for these activities.

In addition, the legislation extends the funding authority for the National Bone Marrow Donor Registry to $15 million of fiscal year 1991, and transfers the authorization for this activity to the National Heart, Lung, and Blood Institute of the NIH where this contract is currently administered. This level of funding is estimated to be sufficient to achieve the goal of registering 250,000 marrow donors.

Mr. Speaker, this bill was reported from our committee with broad bipartisan support. It provides critical support for a national program to assist in the promotion of organ donation, coordination of the allocation of organs, and consolidation of data on organ transplant programs.

Much more needs to be done to encourage Americans, particularly minority Americans, to sign donor cards, become bone marrow donors, and give the gift of life.

I urge all Members to support H.R. 5146.

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Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 1984, Congress enacted the National Organ Transplant Act. This statute was designed to address problems related to: The availability of organs; the coordination of ongoing organ procurement activities; the lack of awareness of the general public and health care professionals of the need for organ donation; and the financing of procurement, transplantation, and drug therapy. This act has proven to be successful in achieving some of these objectives, particularly in raising public consciousness about the need for organ donation.

I think H.R. 5146 which reauthorizes the Organ Transplant Act makes a number of useful changes to current law that I am pleased to support.

In particular, I believe that the decision to repeal the new standards for Medicare reimbursement that would have required the service areas served by organ procurement organizations to procure organs from 50 donors a year is a sound one. This requirement put the majority of organ procurement organizations in serious jeopardy of losing their Medicare certification. This is a result that would have served no one and would have seriously damaged the Organ Procurement Program in this country.

I urge my colleagues to join me in supporting this bill.

Mr. Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from Florida [Mr. YOUNG], who has been most active in promoting these kinds of activities.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 5146, the Organ Transplant Extension Act, which reauthorizes the tremendous work of the National Marrow Donor Program.

I want to commend the chairman, HENRY WAXMAN, the ranking member, ED MADIGAN, and the entire committee for their continuing support of this program and for incorporating into H.R. 5146 legislation Chairman WAXMAN and I introduced earlier this year to extend Federal oversight of the national registry.

Mr. Speaker, the chairman has had a long-term interest in the development of a national marrow donor registry and has held a number of hearings over the years at which I testified to document the need for such a program and to follow its rapid development and record of success. The National Marrow Donor Program was first established at the Navy with funds I included in fiscal year 1987 defense appropriations bill. At the direction of the Appropriations Subcommittee on Health, on which I also serve, and with Mr. WAXMAN's support, oversight of the national program was shifted in early 1989 to the National Institutes on Health.

The legislation before us today continues oversight of the registry by the National Heart, Lung, and Blood Institute and its Director, Dr. Claude Lenfant. The Appropriations Committee already has approved my request for more than $16 million in fiscal year 1991 for the operation of the registry, for tissue typing volunteer donors, and for research to perfect the typing and transplant techniques to improve the success rate of transplants and to expand the number of diseases that can be cured through this procedure.

Unrelated marrow transplantation is today's medical miracle. It is the cure for more than 60 previously terminal blood disorders. To be effective, however, we need to amass a large, ethnically diverse registry of volunteers who are willing when called upon to donate their marrow to a patient in need. Already, more than 150,000 Americans, including this Congressman and 40 other Members of this House, have had their blood typed to be included in the national registry. We cannot wait for the day when the call comes that our marrow is needed to save the life of another person. That call could come from anywhere in the world because the National Marrow Donor Program links similar registries on virtually every continent.

More still needs to be done, Mr. Speaker, to save the life of every American in need of a marrow transplant. Our goal is a national registry of 250,000 volunteers. We must ensure, though, that this registry is ethnically diverse enough to provide a good cross section of our population. Research

has found that because of genetics, compatible donors and patients are found within the same race or ethnic groups. In other words, a black donor will most likely match a black patient, an American Indian donor will most likely match an American Indian patient, and an Asian-American donor will most likely match an Asian-American patient. To date, however, less than 6 percent of the registered volunteers represent minority groups.

My amendment in April to the 1990 supplemental appropriations bill will provide $6 million this year to recruit and type 50,000 new volunteers for the national registry. This will enable community blood banks from around our Nation to type the many people who have expressed an interest in volunteering but who cannot afford the $75 per person lab fee for the blood test. Heavy emphasis also will be placed on the recruitment of minority donors.

A new program which I have worked with the Navy to initiate, will significantly increase the donor rolls by recruiting volunteers of the Department of Defense who want to be donors. It is expected that this will add 40,000 to 50,000 donors per year to our national program.

Mr. Speaker, the National Marrow Donor Program works. It saves lives every day. In the 2½ years since the first transplant utilizing the national registry took place on December 16, 1987, more than 400 miracle matches have taken place. Currently, 25 lives are being saved each month by bringing together donors and patients, but in order to fulfill the need of every one of the 9,000 Americans annually in need of an unrelated marrow transplant, we will have to complete 25 matches and transplants per day.

Much has been accomplished in the short history of this great program, and with the enactment of this legislation a long-term Federal commitment will be made so that we can achieve our goals to develop and maintain a large, ethnically diverse donor pool so that we can find matched donors for every patient in need of a life-saving marrow transplant.

Mr. WAXMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I would like to first congratulate my colleagues from California and Illinois for this fine legislation. I know that the number of bills they have brought before the House of Representatives today represents not only sound legislation, but hope for many people. The whole question of organ donation and organ transplant 20 years ago was considered the stuff of science fiction. I can recall about that time the very first heart transplant and the fact that the whole world watched very closely to see the success of that effort. Now I guess it is improper to call it commonplace, but certainly more common. We are finding that organ donation and organ transplants are literally saving lives every day across America.

This important legislation will extend to those organizations who are seeking organ donors the wherewithal to do their job effectively; but in order for that job to be done effectively another step must be taken, even beyond this legislation.

I commend my good friend, the gentleman from Florida [Mr. YOUNG]. He has shown singular leadership in this House of Representatives on the whole question of bone marrow donation. He recently invited me to a press conference, followed by bone marrow typing where I sat down and had a simple blood sample taken from my arm that ultimately will be typed and sent to determine whether in fact I have bone marrow that might save someone's life at some point.

It is an amazing thing to believe that some donation like this which may cause a little discomfort to me could in fact save someone's life.

I say to the gentleman from Florida [Mr. YOUNG] that he has literally led the way in the House of Representatives, and we are so proud of the gentleman's efforts not only in his district, but across the Nation. I thank the gentleman for making the public aware of this.

But there is more for us to do and I am sure the gentleman from California and the gentleman from Illinois will join me in saying that Americans from one side of this Nation to the other must sit down and make a conscious personal decision as to whether if they lost their lives, would they be willing to donate an organ to save someone else's life.

In my home State of Illinois on the back of our driver's license is a simple form that we fill out when we apply for the license. This we carry with us at all times. In the unlikely event that something should occur, they know that permission has been granted that an organ can be donated perhaps to save someone's life.

I would like to suggest to my colleagues, too, that there is another step we might take. About 80 million Americans this year were fortunate enough to get a refund from the Internal Revenue Service. I was one of them. I took a look at it and noticed that there was a card enclosed with that refund that asked me to consider buying a commemorative coin from the Department of the Treasury. It was just a little card. Of course, if you wanted to do it you could, and there was no reason for you to feel coerced, but if that was your decision, you could step forward and do it.

I thought to myself, there is an opportunity for the Federal Government at a very limited expense to put these types of donation cards in the hands of 80 million Americans families, so that as you receive that refund you could then make a decision as to whether or not you wanted to sign up, as many people do on their driver's license today, to be an organ donor.

Now, the cost to the Federal Government of including that kind of a card with the income tax return would be $500,000 per year. I consider that a very small investment when you consider what it might mean in terms of saving someone's life and giving a family some hope.

Think of putting yourself in the shoes of those families who are waiting anxiously to know if perhaps there is an organ donor out there who might save a life of a child or a loved one in their families.

If each of us steps forward and makes sure that we have made a commitment, I think we can complement this fine legislation and make this a national campaign to extend organ donations to families all across the United States.

So I rise in strong support of this legislation. I thank my colleagues for introducing it and bringing it to the floor today, and I certainly hope that this Congress and future Congresses can move forward to alert the American people to the wonderful opportunities which each of us have if we will make a tiny personal sacrifice.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for his very kind comments about this Member.

I would like our colleagues to know that on the day we had set for Members of Congress to have their marrow typed thru a simple blood test that our friend and colleague, the distinguished gentleman from Illinois [Mr. DURBIN] was the first one in line, the first one to sit in the chair and to have the blood test, and as he told me when he got up from the chair, "It didn't hurt a bit; nothing to it."

Mr. Speaker, I thank the gentleman for his support.

Mr. DURBAN. Mr. Speaker, that is very true, and I thank my colleague, the gentleman from Florida.

Mr. FAZIO. Mr. Speaker, I strongly support H.R. 5146, the Organ Transplant Reauthorization Act, legislation which I am cosponsoring. I commend Congressman HENRY WAXMAN, the author of this bill and chairman of the Health and the Environment Subcommittee, and Congressman EDWARD MADIGAN, the ranking member, for their efforts in quickly bringing this legislation to the floor.

H.R. 5146 is an extremely important bill which contains many critical provisions, including the reauthorization through fiscal year

1993 of the National Marrow Donor Program [NMDP]. The National Marrow Donor Program is operated by the National Heart, Lung and Blood Institute and coordinates efforts to recruit potential bone marrow donors and maintains the national registry.

I especially want to thank Congressman WAXMAN for largely incorporating in his bill, H.R. 4650, legislation which I introduced earlier this year that would authorize $15 million for the purposes of testing potential bone marrow donors. Although the national program has a goal of listing 250,000 potential bone marrow donors, a lack of funding has prevented the registry from realizing this goal and only approximately 135,000 individuals are currently listed. In fact, many of the names in the registry were added after the families of sick individuals conducted their own expensive searches when the registry failed to provide a match.

This reauthorization legislation, coupled with the fiscal year 1991 Labor-Health and Human Services-Education appropriations bill approved by the House of Representatives last week, sends a strong signal about our commitment to ensuring that NMDP is responsive to those in need of bone marrow transplants. I encourage my colleagues to support this worthwhile measure.

Mr. GEREN of Texas. Mr. Speaker, I rise in support of H.R. 5146, The Organ Transplant Program Reauthorization Act and I commend the members of the Subcommittee on Health and the Environment for their work on this bill.

H.R. 5146 authorizes $5 million in fiscal year 1991, and such sums as may be necessary in fiscal years 1992 and 1993, for the National Organ Transplant Program, which helps procure and match human organs and tissues used in transplants. The bill also contains a provision that will repeal the current requirement that qualified organ procurement organizations [OPO] be of sufficient size to procure not less than "50 donors each year." It instead requires the Health and Human Services Department to develop performance criteria to ensure maximum effectiveness in the procurement and equitable distribution of organs.

The bill also authorizes $15 million in fiscal year 1991, and such sums as may be necessary in fiscal years 1992 and 1993, for the National Bone Marrow Donor Program. The bill provides an increased authorization level in order to help the program reach its goal of registering 250,000 potential marrow donors.

Mr. Speaker, I must commend the Health Subcommittee chairman, Mr. WAXMAN, for taking the lead in repealing the 50-donor rule" and for moving this bill through the subcommittee and full committee in an expeditious manner.

On March 21, I introduced H.R. 4336, a bill to repeal the organ procurement organization size standard legislation that was included in Public Law 100–607 which set a minimum requirement of 50 donors per year for an OPO to maintain its certification with the Health Care Financing Administration of the Department of Health and Human Services. Over 57 Members cosponsored this bill.

Mr. Speaker, I believed that the 50-donor rule was an arbitrary number that was not supported by any evidence. This rule would have resulted in over 41 of the 72 certified OPO's, that serve this Nation being decertified. In fact, the information that we do have clearly shows that many of the smaller OPO's are more efficient in organ recoveries per capita than many of the larger OPO's.

The Tarrant County Organ Donor Program in the district I represent is an excellent example of an OPO that does not perform 50 transplants a year but yet is very efficient. The Tarrant County Organ Donor Program is located at the Harris Methodist Hospital in Fort Worth, TX. This program is ranked in the top percentile for most organ transplants and it could have been decertified had this 50-donor rule not been repealed. Additionally, of the top 10 OPO's in the United States, 5 of the OPO's, 50 percent do not do 50 donors per year. Yet, these OPO's are doing an outstanding job in organ recovery, providing quality service with outstanding track records.

We are currently experiencing a shortage of transplantable organs in this country and H.R. 5146 will prevent any OPO's from being cut. The OPO's are providing outstanding services to thousands of patients. The Organ Transplant Program as it exists is an effective health program that saves lives.

H.R. 5146 is a good bill and I hope that it will be sent to the President for his signature as soon as possible.

Mr. STARK. Mr. Speaker, as Congress prepares to reauthorize the National Organ Transplant Program, I would like to call your attention to certain aspects of our organ transplant system that I find troubling.

I am concerned with the fact that only 10 percent to 20 percent of the 20,000 potential organ donors actually donate. Furthermore, cadaveric kidney donations—which make up over half of all organ donations, and have been found to be the most cost efficient—decreased from 8,979 in 1988 to 8,886 in 1989, according to UNOS. When we consider this statistic with the fact that between 1985 and 1990, 44 States enacted legislation which requires that requests be made by hospital administrators for donation when death is pronounced or which direct hospitals to create policies to insure the option of donation is available, we must stop to ask whether our organ transplant program is working as it should be.

To be blunt, in the kidney sector, it is not working.

Some people look for a cop-out, arguing that seatbelt laws have contributed heavily to the decrease in available donors. But, if this is true, how can we explain the small percentage of potential donors that actually donate. Investigators may claim that low compliance with required request laws is a cause. A study by Arthur Caplan, director of the Center for Biomedical Ethics at the University of Minnesota, found compliance to be as low as 10 percent in some States. But perhaps requiring health care professionals, by law, to request donation has done more harm than good. It is difficult enough for a trauma surgeon to tell the parents of a 16-year-old that their son's car accident was fatal, but to follow that up with, "Can we have his liver? may be requiring too much by law. After all, organ donation request procedure is not a normal part of most medical school and residency curriculums. Perhaps we are seeing a kind of backlash from the medical community. Congress may actually want to consider repealing required requests laws, and concentrate on laws requiring physicians to be educated on how to make requests.

Organ procurement presents a unique problem for the health care field because it involves the ethical question of the rights of the deceased versus the rights of the recipient. Certainly, our Government cannot institute an implied consent policy, nor do I support payment incentives for organs.

Besides considering repeal of required request laws, I think that Congress should look at ways of encouraging volunteerism through education, publicity, and creating a better way for doctors to know if a deceased person has volunteered to donate. Education would begin with educating doctors on how to request organ donation. This type of education has already begun, and I support making it even more widespread. A study by Arthur Caplan found that "60 percent of those making requests said they would not be more likely to approach a family about donation when a donor card had been found, while 93 percent of requestors said that families were likely to consider the fact that the deceased had a donor card in making a decision about donation." Here it is obvious that physicians need to be better educated on how to make requests.

The public must also be better informed of their ability to donate and be shown, through the media, how their donation changes the lives of the recipients. For instance, Congress should encourage the media to report that in the 1980's, the success rate of cadaver-donor renal transplantation improved from 1-year graft survival rates of around 50 percent to rates of 75 percent to 85 percent, while, at the same time, patient survival rates also improved, with 1-year survival generally greater than 95 percent. Reporting statistics like these would let the public know that their donated organs are being used efficiently. Furthermore, the public may also be interested to know that age doesn't automatically exclude you from organ donation. According to Jay Siwek, M.D., "There are instances of people over age 100 donating their corneas and giving the gift of sight to another person."

Mr. Speaker, let's move quickly to encourage Americans to donate and help people like kidney patients get off of dialysis. Let's encourage volunteerism and improve the quality of life for tens of thousands of Americans in need of organs.

Mr. MADIGAN. Mr. Speaker, I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 5146, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CHILDREN'S TELEVISION ACT OF 1990

Mr. MARKEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1677) to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Children's Television Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

(1) it has been clearly demonstrated that television can assist children to learn important information, skills, values, and behavior, while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from overcommercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary that the Federal Communications Commission (hereinafter referred to as the "Commission") take the actions required by this title.

SEC. 3. STANDARDS FOR CHILDREN'S TELEVISION PROGRAMMING.

(a) RULEMAKING ON COMMERCIAL TIME REQUIRED.—The Commission shall, within 30 days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial television broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming. The Commission shall, within 180 days after the date of enactment of this Act, complete the rulemaking proceeding and prescribe final standards that meet the requirements of subsection (b).

(b) REQUIREMENTS FOR STANDARDS.—Except as provided in subsection (c), the standards prescribed under subsection (a) shall include the requirement that each commercial television broadcast licensee shall limit the duration of advertising in children's television programming to not more than 10.5 minutes per hour on weekends and not more than 12 minutes per hour on weekdays.

(c) REVISION OF STANDARDS.—After January 1, 1993, the Commission—

(1) may review and evaluate the advertising duration limitations required by subsection (b); and

(2) may, after notice and public comment and a demonstration of the need for modification of such limitations, modify such limitations in accordance with the public interest.

(d) DEFINITION.—As used in this section, the term "commercial television broadcast licensee" includes a cable operator, as defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522).

SEC. 4. CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL.

(a) COMPLIANCE AND PROGRAMMING.—After the standards required by section 102 are in effect, the Commission shall, in its review of any application for renewal of a television broadcast license, consider the extent to which the licensee—

(1) has complied with such standards; and

(2) has served the educational and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs.

(b) ADDITIONAL EDUCATIONAL AND INFORMATIONAL EFFORTS.—In addition to consideration of the licensee's programming as required under subsection (a), the Commission may consider—

(1) any special nonbroadcast efforts by the licensee which enhance the educational and informational value of such programming to children; and

(2) any special effforts by the licensee to produce or support programming broadcast by another station in the licensee's marketplace which is specifically designed to serve the educational and informational needs of children.

SEC. 5. PROGRAM LENGTH COMMERCIAL MATTER.

Within 180 days after the date of enactment of this Act, the Commission shall complete the proceeding known as "Revision of Programming and Commercialization Policies, Ascertainment Requirements and Program Log Requirements for Commercial Television Stations", MM Docket No. 83-670.

The SPEAKER pro tempore. Is a second demanded?

Mr. RINALDO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes, and the gentleman from New Jersey [Mr. RINALDO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1677, the Children's Television Act of 1990. This consensus legislation is the result of bipartisan effort and cooperation. It represents the product of prolonged negotiations between public interest groups and broadcasters, and enjoys the strong support of pubic interest advocates, as well as many broadcasters.

During the 14 years that I have spent in Congress, and as a member of the Subcommittee on Telecommunications and Finance, one of the recurring issues of concern has been the status of children's television. For decades, the Federal Communications Commission and the courts recognized the importance of broadcaster service to the child audience. Unfortunately, during the deregulatory excesses of the FCC during the 1980's, many of the Commission's regulations affecting children, particularly those affording children special protections, were abolished. Children's advocates assert, and many studies confirm, that deregulation of children's television has caused an increase in the level of commericalization of children's television and declining levels of educational and informational children's programming. The Children's Television Act of 1990 addresses these problems.

Specifically, the legislation would reinstate commercial time guidelines for childern's television programming, applicable to both broadcasters and cable television operators. Such guidelines would limit commerical time during children's programming to 10.5 minutes per hour on weekends and 12 minutes per hour on weekdays. In light of our concern about the changing nature of the video marketplace, after January 1, 1993, the FCC, after notice, public comment, and a demonstration of the need for modification, could modify these time standards in accordance with the public interest.

The substitute also provides a congressional recognition, for the first time, that broadcasters' public interest responsibilities include a responsibility to provide educational and informational programing for children. The bill provides the Commission broad discretion, during the license renewal process, in reviewing a station's commitment to children's educational and informational programming. The legislation does not require the FCC to set quantitative guidelines for educational programming, but instead, requires the Commission to base its decision upon an evaluation of that station's overall service to children. Under the legislation, the FCC would consider the extent to which the licensee has complied with the Commission's commerical time restrictions and has served the educational and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs. In its evaluation, the Commission also could consider any special nonbroadcast efforts by the licensee that enhance the educational and information value of programming for children.

Finally, the bill addresses the issue of program length commercials, which long has been a source of debate and contention. The legislation would require the Commission to complete its review of program length commercials within 180 days after the date of enactment of this act. Let me note that I

remain strongly opposed to practices that contribute to the commercial exploitation of children, and I will monitor closely the result of the Commission's proceeding on this issue.

For far too long, we have allowed children's television to be driven solely by commercial considerations. It is time to put the interests of children back into the equation. Passage of the Children's Television Act of 1990, once and for all, will provide broadcasters and children's program producers the necessary incentives to educate our Nation's children creatively, rather than to exploit them economically. Children's television should and can be the video equavalent of texbooks and the classics rather than the video equivalent of a "Toys-R-Us" catalog.

Passage of the Children's Television Act of 1990 would be the most important Congressional statement on children's television in a generation. The legislation is comprehensive and constructive and reflects an understanding of the potential benefits of television as an educator of our children as we face an increasingly competitive future.

President Bush repeatedly has stated that he wants to be the "education President," and that he wants to put education on the top of the national agenda. This bill accomplishes that goal. The legislation is tough but fair and flexible. Further, it won't cost the taxpayers a dime yet will pay huge dividends for years to come in terms of more and better programming for children. I hope and expect that President Bush will sign it into law.

This substitute is the product of the combined efforts of many members of the Committee on Energy and Commerce and the Subcommittee on Telecommunications and Finance. Particularly to be commended are Representatives BRYANT of Texas and BRUCE of Illinois for their continued leadership on the legislation.

I also especially want to thank the gentleman from New Jersey [Mr. RINALDO], the ranking minority member, with whom I have worked very closely over the last now 3 years in bringing the legislation to this stage. This legislation without question would not be here today without the hard work, the cooperation, and the insight of the gentleman from New Jersey [Mr. RINALDO].

I would also like to thank the chairman of the full committee, the gentleman from Michigan [Mr. DINGELL], for his guidance, his direction, and his complete support for this legislation and for the need for us to legislate in this area right from the beginning.

Finally, the national television networks, the National Association of Broadcasters, the Association of Independent Television Stations, and numerous public interest groups, particularly Action for Children's Television under the tireless leadership of Peggy Charren, deserve credit for this legislation.

Mr. Speaker, I urge Members to support this landmark initiative. We have worked long and hard. We are now at the point at which we can finally say that the House and Senate, Democrat and Republican, join together to bring to the American people a piece of legislation that we can all be proud of in this area.

Mr. Speaker, I reserve the balance of my time.

Mr. RINALDO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1677, the Children's TV Act.

The telecommunications subcommittee has labored long and hard over children's TV legislation in the last 2 Congresses. In 1988, we produced a bill that passed both bodies overwhelmingly, only to see the bill pocket-vetoed.

Now, we are back with basically the same issues, and with a nearly identical piece of legislation, of which I am an original cosponsor. I am pleased that the Telecommunications Subcommittee has continued to make passage of children's TV legislation one of its highest priorities. I commend the subcommittee's chairman, the gentleman from Massachusetts [Mr. MARKEY], for his tireless efforts in this important area.

America's young people watch 20 hours of TV a week—and as much as 15,000 hours by the time they're 16 years old. There is little doubt that television can influence children in ways that can cause parents great concern. Unfortunately, in many cases, television competes with the family and the classroom for the attention of children.

Too often, the great potential of television to educate and entertain children has been lost. Although there are bright spots, much children's programming is commercially oriented to selling toys, games, and cereals. Since the FCC got rid of its commercial time guidelines 5 years ago, the number of commercials, aired during children's programs has increased noticeably.

Congressional concern with this situation has boiled over. The subcommittee concluded that Congress had to intervene to make sure that broadcasters' special obligation to their child audiences was being fulfilled.

The result of the subcommittee's effort is H.R. 1677, the legislation before the House today.

The underlying purpose of this legislation needs to be emphasized, so there is no doubt in the minds of Members of Congress or the affected industries about what it will accomplish. The bill reaffirms the essential obligations of broadcasters to serve children, not just entertain them.

The bill does not impose additional obligations on broadcasters. It is not a broad, sweeping solution to every deal or imagined problem with children's TV programming. The bill identifies particular problems with children's programming, and corrects them with a minimum of Government interference.

Broad children's TV legislation, dealing with subjects like program-length commercials and other subjects, has been discussed many times. That kind of legislation has not gone anywhere for a simple reason—there is not a record to support it. I hope that the industry shows us through its programming that further legislation will not be necessary. This bill should give TV stations, networks, and program producers ample incentive to improve children's TV programming in substantive ways.

The industry should not forget that more is at stake with children's TV than just entertainment. This programming has a profound effect on the development of this Nation's most precious resource—its children.

The amended bill before the House today makes minor changes in the committee-passed bill to reflect our agreement with changes made by the Senate. These changes are acceptable because they make clear that broadcasters can satisfy their obligations in a variety of ways. The Senate also has applied the commercial time limitations to children's programming on cable. This idea was first advanced by my colleague, the gentleman from Utah [Mr. NIELSON].

We have not included another amendment made by the Senate, which would create a federally funded endowment for children's TV programming.

Government funding of children's TV programming is a subject which the telecommunications subcommittee has never considered, and one about which there is likely to be a significant disagreement in this House.

Whatever the merits of the endowment idea, it is not a subject which Members should be asked to consider in the context of our ongoing negotiations over the budget deficit.

There is a vast, unexplored gap between childen's TV shows that are purely educational, and those which are purely entertainment. Bridging that gap—airing programs that are in good taste and which also have educational value—is an important challenge before the TV industry today. This legislation should give the TV industry the necessary push to improve children's TV programming.

I urge all Members of the House to support H.R. 1677, as amended.

□ 1310

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from New Jersey [Mr. RINALDO] who have worked long and hard on this important piece of legislation.

I think we were all somewhat stunned as well as perplexed when, 2 days before the last election, President Reagan vetoed a measure that was essentially the same as this. In this Congress we are backing up and going to do it again.

What the bill does is really two basic things: First of all, it says we are not going to subject our children to program-length commercials. We had a considerable amount of testimony before the committee that indicated that particularly, not exclusively, but particularly syndicated programs aimed at children had become more and more and more a program-long commercial for some toy or other in an effort to encourage young Americans to go out and buy this toy or that toy.

This is inappropriate. We know it. It is my belief that the toy manufacturers know it. The television producers know it. Everybody apparently except President Reagan knew it, and it passed both the House and the Senate overwhelmingly.

Then after Congress was adjourned, not in town, there would not be any possibility of an override, the President stuck it in his pocket and vetoed it.

We are going to remedy that.

The other thing this bill does, importantly, is to suggest that local television stations, when they determine what it is they do to provide service to the community in which they are licensed, consider children as an important audience to which they must respond. It does not dictate specific amounts of time that will be devoted to children's programming; it does not dictate what kinds of programming must be used. It simply says, in making that judgment, which they have to do under the license that they get from the Federal Government, to determine how it is they are going to be dealing with the community in which they serve, how they are going to provide their public service time, that children be one of the audiences seriously considered in providing that programming.

These two things are so elemental, so simple, so fair, so just, so prudent and so necessary that it is difficult to understand why anyone would have any objection. Certainly there were very few in the House and very few in the Senate; only the President of the United States 2 days before an election, after Congress was out of town and could not override the veto.

I am confident this President, prior to an election, with the support of the House and the Senate, will not carry out the same legislative action of a veto, and this bill will in this Congress become law.

Mr. Speaker, again my commendation to both the gentleman from New Jersey [Mr. RINALDO] and the gentleman from Massachusetts [Mr. MARKEY] for their leadership on this issue. I have been proud to work with them.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WALGREN].

Mr. WALGREN. I thank the gentleman for yielding.

Mr. Speaker, as somebody who watches a lot of children's television, I want particularly to express my appreciation to the chairman of the subcommittee [Mr. MARKEY] and the chairman of the full Committee on Energy and Commerce [Mr. DINGELL] and the ranking minority members for their persistence in pursuing this legislation and bringing it back to the Congress, the gentleman from Washington outlined, in view of its recent history.

Mr. Speaker, I would like to offer my support today for the Children's Television Act of 1990 which would require the Federal Communications Commission to reinstate restrictions on advertising during children's television and to consider, upon the renewal of a broadcast license, whether the license has complied with FCC-prescribed standards concerning children's television programming.

Over the past 25 years, the FCC has been involved in setting regulations for "children's programming" based on the various Commissions beginning in 1960 that children represent one of several unique groups whose programming needs should be met by a licensee in order to satisfy public interest responsibilities. In 1974, the Commission held hearings that led to a formal policy statement on the matter whereby the industry would observe voluntary guidelines limiting the amount of commercial advertising during children's programming.

As the years passed, the membership of the Commission changed and, in 1984, the FCC adopted a deregulation order that eliminated children's programming quotas and commercial restrictions during children's television. Since that time, the amount of advertising during children's television has increased while the amount of informational and educational programming has declined. Clearly, that trend should be reversed.

The Children's Television Act of 1990 addresses the unique concerns of children's television. While the marketplace can adequately protect adult viewership—allowing only the amount of commercial advertisement that an adult audience is willing to sit through and will watch—children are not yet ready to distinguish between advertisement and programming. Therefore, it follows as night follows day that broadcasters' public interest responsibility to children must be met through some form of agreement.

This bill would impose reasonable limits on the amount of commercial advertising that can be aired during children's programming. These standards would limit commercial advertising to not more than 10.5 minutes per hour during the weekend and 12 minutes per hour on weekdays. I support this effort to promote quality television programming and to limit the amount of commercial advertisement that is viewed by the children of our Nation.

I just want to say, as somebody who has sat through a lot of children's programming, that certainly those limits should be met, and I want to commend in my own self-interest the work that the committees have done to bring the legislation to this point, and I urge all in the House of Representatives to support it.

□ 1320

Mr. RINALDO. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

In conclusion, I would like to thank especially the gentleman from Texas [Mr. BRYANT] who had the insight, several years ago, that we had to do something to control the number of minutes that advertisers would be able to consume in any hour of children's television that was broadcast in this country. At the same time that we would have to build into the renewal standard of all broadcasters in our country, the specific responsibility that they have served the informational and educational needs of the children within their viewing area as a condition of retention of their license.

He, along with the gentleman from Illinois [Mr. BRUCE] who, as well, has had this deep-seated concern for a very long time that we need to set high standards for our broadcasters to ensure that most important of all resources, in our country, the children of our country, are given the information, given the access to educational opportunities through a medium which is on in the average home for 6½ hours a day, that will serve our country well in the long run.

This legislation accomplishes that goal. I would like to compliment those Members, compliment the gentleman from Washington [Mr. SWIFT], the gentleman from Pennsylvania [Mr.

WALGREN] and compliment as well the chairman of the full committee, the gentleman from Michigan [Mr. DINGELL], the ranking minority member from New York [Mr. LENT], and to thank the past chairman of our subcommittee, TIM WIRTH, who over the years has been a consistent and dedicated and principled advocate of real standards being built into children's television in our country.

Finally, I want to thank my good friend, the gentleman from New Jersey [Mr. RINALDO] for his work in drafting this legislation. I think it is a real tribute to them that we have something of this quality.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. RINALDO. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Massachusetts in thanking all the people that he mentioned, but also I would like to point out that if it were not for the determination of the gentleman from Massachusetts [Mr. MARKEY] we would not be here with this bill today. Certainly he deserves the lion's share of the credit, and I commend him for his effort in that regard.

Mr. LENT. Mr. Speaker, I rise in support of H.R. 1677, the Children's TV Act.

I commend the work of the principal sponsors of this legislation, the gentleman from Texas, [Mr. BRYANT] and the ranking republican member of the telecommunications subcommittee, the gentleman from New York [Mr. RINALDO], for their hard work on this legislation.

I also wish to extend special thanks to the full committee chairman, the gentleman from Michigan [Mr. DINGELL] and the subcommittee chairman, the gentleman from Massachusetts [Mr. MARKEY]. Without their willingness to work on a bipartisan children's TV bill, this legislation would never have made it to the floor.

The provisions of this bill are not complex. It requires reasonable limits on commercial time during children's shows, and directs TV stations to comply with those limits.

The bill also directs the FCC to consider whether a TV station has served the educational and informational needs of children in its overall programming.

This is nothing new. TV stations already are required to serve their child audiences. But now, the FCC will be directed to gauge whether TV stations are actually meeting that obligation. While this may be a special provision, it is meant to improve programming to children, who unquestionably are a special audience with distinct programming needs.

This bill is not a cure all. It does not pretend to be. Rather, the committee has taken a hard look at children's TV in the last two congresses, and has tried to encourage sensible behavior toward children by television licensees. We can do no more and still be consistent with the first amendment.

Television is a pervasive medium. What comes out of the tube has a great impact on all who watch. That impact is measurably greater on children, who often lack the capability to appreciate that they are being sold as well as entertained.

The Bryant/Rinaldo bill, as amended today, provides a modest correction to excesses in children's TV advertising practices. It also strongly encourages TV stations to improve their children's programming.

I hope every member of the house would agree that these improvements are needed if TV programming for children is to live up to its potential.

Once again, I commend Mr. BYRANT and Mr. RINALDO, and everyone involved with this legislation for their efforts. I encourage my House colleagues to vote in favor of H.R. 1677.

Mr. BRYANT. Mr. Speaker, I am pleased that the Children's Television Act of 1990 is finally being considered by the House. I want to thank Energy and Commerce Committee Chairman JOHN DINGELL and Telecommunications Subcommittee Chairman ED MARKEY for their help in getting this bill to the floor.

I also want to acknowledge the assistance of so many of my colleagues, including Mr. RINALDO and Mr. BRUCE who joined me in sponsoring and fighting for legislation to ensure substantial improvement in the quality of children's television programming with a minimum of commercialization.

Unfortunately, we are here today because identical legislation, passed by the House and the Senate, was vetoed by President Reagan during the final days of the 100th Congress last year. That veto was a tragedy for American families and the future of our children, but our presence here is testimony to the importance and resilience of this issue.

The bill before us combines two important concepts: Reinstatement of the previous Federal Communications Commission [FCC] limitations on commercial advertising during children's programs to 10.5 minutes per hour during weekends and 12 minutes per hour during the week; and a requirement that the Commission consider, at license renewal, whether broadcast licensees have adequately committed to and served the educational and informational needs of children in its programming.

I have traditionally supported much stronger programming standards. I believe commercial broadcasters should—at a bare minimum—air 7 hours a week of educational and informational programming to meet the needs of children 12 years old and younger.

One theme which has been echoed time and again by parents, educators and child development specialists is that television is a powerful force in our society, a power most influential on our children.

While I do not expect the television broadcaster to fulfill the educational responsibility of parents and schools, broadcasters must not forget or ignore—even in this era of government's rush to deregulate—that, by virtue of their acceptance of a television broadcast license, they have agreed to an array of public trust responsibilities.

Foremost among these responsibilities to serve the public interest, I believe, is the clear obligation to provide relevant programming beneficial to our children's intellectual development, not just commercials, cartoons, and pabulum.

And, in order to protect our children from overcommercialization, we must strictly limit the amount of commercial time allowed during programs aimed at them. None of us wants our children to be used or taken advantage of whether it is by bullies in a schoolyard or advertisers on television.

Since today's FCC prefers to rely on clearly inadequate marketplace competition rather than rules or regulations to ensure that broadcasters meet their public interest obligations to kids, the legislation we reported from the Committee on Energy and Commerce is absolutely essential. It imposes the restraint that neither the current FCC nor many broadcasters have demonstrated on their own. The limits we propose are reasonable, necessitated by the overcommercialization of children's programming, including the advent of program-length commercials.

The public interest, rather than commercial interests, demands informative programming that turns on a child mind, not his or her sweet tooth—or desire for the latest fad toy.

While I am disappointed that specific daily programming requirements were dropped as a part of this compromise, I do recognize the importance of requiring the Federal Communications Commission to review a station's commitment to serving children's programming needs at license renewal time.

It is unfortunate that we must remind the FCC, by enacting legislation, that the public interest it is assigned to protect includes children.

The purpose of this legislation is to ensure that stations which fail to provide a reasonable amount of quality programming with strict advertising limits specifically for children should not only be in jeopardy of losing, but actually lose, their licenses at renewal.

On the whole, this legislation is a noble effort to improve children's television programming and prevent further commercialization, contrary to children's interest.

I trust that the support of the numerous groups which promote the education, physical, emotional, and mental health and general welfare of our children will persuade our President that this small step forward for quality children's television fits into his program as a kinder and gentler President who responds to family concerns that will build a kinder and gentler America.

Mr. BRUCE. Mr. Speaker, nearly 2 years ago, the House and Senate passed children's television legislation and sent it to President Reagan for what we hoped would be his signature.

After working with Mr. BRYANT, Mr. MARKEY, Mr. RINALDO, and others, the children's Television Act of 1988 was approved in the House by a vote of 328 to 78. Unfortunately, because of Senate delays in taking up the measure, the President was able to leave it on his desk until after the November election. Last week, the Senate passed similar legislation in an effort to avoid the same problem.

The reasons for President Reagan's veto 2 years ago are not convincing. In his veto message, the President claimed that "the bill simply cannot be reconciled with the freedom

of expression secured by our constitution." That same administration, however, did not agrue with a Federal Communications Commission decision to ban obscene shows during children's viewing hours. On the obscenity issue, the Reagan administration was right. On kids TV advertising, they were wrong.

The parallels between stopping children from exposure to obscenity and stopping children for manipulation by advertisers cannot be ignored. This country has historically moved to protect children from exploitation by adults, and this legislation follows the best traditions of that important government role.

I first introduced legislation to limit the amount of advertising during children's programming in 1987. In 1988, I joined Mr. BRYANT, Chairman MARKEY and Chairman DINGELL in sponsoring the legislation pocket vetoed by President Reagan. In 1989, Mr. RINALDO joined us as one of the chief sponsors of the measure on the floor today.

The legislation before us today is the result of a significant bipartisan compromise. With Senate passage completed, I urge my colleagues to move quickly in conference to iron out differences between the two bills so that we may move this legislation onto the President's desk. Then we may begin the process of protecting children from excessive and misleading advertising.

Mr. RINALDO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 1677, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1677, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SECURITIES ENFORCEMENT AND PENNY STOCK REFORM ACT OF 1990

Mr. MARKEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5325) to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws and to eliminate abuses in transactions in penny stocks, and for other purposes.

The Clerk read as follows:

H.R. 5325

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; EFFECTIVE DATE.

(a) SHORT TITLE.—This Act may be cited as the "Securities Enforcement and Penny Stock Reform Act of 1990".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; effective date.

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

Sec. 101. Authority of a court to impose money penalties and to prohibit persons from serving as officers and directors.

Sec. 102. Cease-and-desist authority.

TITLE II—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

Sec. 201. Enforcement of title.
Sec. 202. Civil remedies in administrative proceedings.
Sec. 203. Cease-and-desist authority.
Sec. 204. Procedural rules for cease-and-desist proceedings.
Sec. 205. Conforming amendments to section 15B.

TITLE III—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

Sec. 301. Civil remedies in administrative proceedings.
Sec. 302. Money penalties in civil actions.

TITLE IV—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940

Sec. 401. Civil remedies in administrative proceedings.
Sec. 402. Money penalties in civil actions.
Sec. 403. Conforming amendment to section 214.

TITLE V—PENNY STOCK REFORM

Sec. 501. Short title.
Sec. 502. Findings.
Sec. 503. Definition of penny stock.
Sec. 504. Exclusion of sanctioned persons from participating in distributions of penny stock.
Sec. 505. Requirements for brokers and dealers of penny stocks.
Sec. 506. Development of automated quotation systems for penny stocks.
Sec. 507. Review of regulatory structures and procedures.
Sec. 508. Voidability of contracts in violation of section 15(c)(2).
Sec. 509. Restrictions on blank check offerings.
Sec. 510. Broker/dealer disciplinary history.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2) and title V of this Act, the amendments made by this Act shall be effective upon enactment.

(2) CIVIL PENALTIES.—No civil penalty may be imposed pursuant to the amendments made by this Act on the basis of conduct occurring before the date of enactment of this Act.

(3) ACCOUNTING AND DISGORGEMENT.—Paragraph (2) shall not operate to preclude the Securities and Exchange Commission from ordering an accounting or disgorgement pursuant to the amendments made by this Act.

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

Sec. 101. AUTHORITY OF A COURT TO IMPOSE MONEY PENALTIES AND TO PROHIBIT PERSONS FROM SERVING AS OFFICERS AND DIRECTORS.

Section 20 of the Securities Act of 1933 (15 U.S.C. 77t) is amended by adding at the end thereof the following new subsections:

"(d) MONEY PENALTIES IN CIVIL ACTIONS.—

"(1) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title, the rules or regulations thereunder, or a cease-and-desist order entered by the Commission pursuant to section 8A of this title, other than by committing a violation subject to a penalty pursuant to section 21A of the Securities Exchange Act of 1934, the Commission may bring an action in the United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(2) AMOUNT OF PENALTY.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (A) $100,000 for an individual or $500,000 for any other person, or (B) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(3) PROCEDURES FOR COLLECTION.—

"(A) PAYMENT OF PENALTY TO TREASURY.—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(B) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(C) REMEDY NOT EXCLUSIVE.—The actions authorized by this subsection may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(D) JURISDICTION AND VENUE.—For purposes of section 22 of this title, actions under this section shall be actions to enforce a liability or a duty created by this title.

"(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 8A, each separate violation of such an order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such an order, each day of the failure to comply with the order shall be deemed a separate offense.

"(e) AUTHORITY OF A COURT TO PROHIBIT PERSONS FROM SERVING AS OFFICERS AND DIRECTORS.—In any proceeding under subsection (b), the court may prohibit, conditionally or unconditionally, and permanently or for such period of time as it shall determine, any person who violated section 17(a)(1) of this title from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934 or that is required to file reports pursuant to section 15(d) of such Act if the person's conduct demonstrates substantial unfitness to serve as an officer or director of any such issuer.".

SEC. 102. CEASE-AND-DESIST AUTHORITY.

The Securities Act of 1933 (15 U.S.C. 77 et seq.) is amended by inserting after section 8 the following:

"CEASE-AND-DESIST PROCEEDINGS

"SEC. 8A. (a) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission such other person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule, or regulation, upon such terms and conditions and within such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule, or regulation with respect to any security, any issuer, or any other person.

"(b) HEARING.—The notice instituting proceedings pursuant to subsection (a) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(c) TEMPORARY ORDER.—

"(1) IN GENERAL.—Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to subsection (a), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceedings, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest as the Commission deems appropriate pending completion of such proceeding. Such an order shall be entered only after notice and opportunity for a hearing, unless the Commission determines that notice and hearing prior to entry would be impracticable or contrary to the public interest. A temporary order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(2) APPLICABILITY.—This subsection shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(d) REVIEW OF TEMPORARY ORDERS.—

"(1) COMMISSION REVIEW.—At any time after the respondent has been served with a temporary cease-and-desist order pursuant to subsection (c), the respondent may apply to the Commission to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease-and-desist order entered without a prior Commission hearing, the respondent may, within 10 days after the date on which the order was served, request a hearing on such application and the Commission shall hold a hearing and render a decision on such application at the earliest possible time.

"(2) JUDICIAL REVIEW.—Within—

"(A) 10 days after the date the respondent was served with a temporary cease-and-desist order entered with a prior Commission hearing, or

"(B) 10 days after the Commission renders a decision on an application and hearing under paragraph (1), with respect to any temporary cease-and-desist order entered without a prior Commission hearing,

the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and the court shall have jurisdiction to enter such an order. A respondent served with a temporary cease-and-desist order entered without a prior Commission hearing may not make application to the court for a hearing except after hearing and decision by the Commission on the respondent's application under paragraph (1) of this subsection.

"(3) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under paragraph (2) of this subsection shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(4) EXCLUSIVE REVIEW.—Section 9(a) of this title shall not apply to a temporary order entered pursuant to this section.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (a), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations, and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.".

TITLE II—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 201. ENFORCEMENT OF TITLE.

Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended—

(1) by redesignating subsection (d) as subsection (d)(1);

(2) by inserting after subsection (d)(1) the following new paragraphs:

"(2) AUTHORITY OF A COURT TO PROHIBIT PERSONS FROM SERVING AS OFFICERS AND DIRECTORS.—In any proceeding under paragraph (1) of this subsection, the court may prohibit, conditionally or unconditionally, and permanently or for such period of time as it shall determine, any person who violated section 10(b) of this title or the rules or regulations thereunder from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of this title or that is required to file reports pursuant to subsection (d) of section 15 of this title if the person's conduct demonstrates substantial unfitness to serve as an officer or director of any such issuer.

"(3) MONEY PENALTIES IN CIVIL ACTIONS.—

"(A) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title, the rules or regulations thereunder, or a cease-and-desist order entered by the Commission pursuant to section 21C of this title, other than by committing a violation subject to a penalty pursuant to section 21A, the Commission may bring an action in a United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(B) AMOUNT OF PENALTY.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (i) $100,000 for a natural person or $500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(C) PROCEDURES FOR COLLECTION.—

"(i) PAYMENT OF PENALTY TO TREASURY.—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(ii) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(iii) REMEDY NOT EXCLUSIVE.—The actions authorized by this paragraph may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(iv) JURISDICTION AND VENUE.—For purposes of section 27 of this title, actions under this paragraph shall be actions to enforce a liability or a duty created by this title.

"(D) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 21C, each separate violation of such order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with the order, each day of the failure to comply shall be deemed a separate offense.".

SEC. 202. CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS.

(a) The Securities Exchange Act of 1934 is amended by inserting after section 21A (15 U.S.C. 78u-1) the following:

"CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS

"SEC. 21B. (a) COMMISSION AUTHORITY TO ASSESS MONEY PENALTIES.—In any proceeding instituted pursuant to sections 15(b)(4), 15(b)(6), 15B, 15C, or 17A of this title against any person, the Commission or the appropriate regulatory agency may impose a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(1) has willfully violated any provision of the Securities Act of 1933, the Investment Company Act of 1940, the Investment Advisers Act of 1940, or this title, or the rules or regulations thereunder, or the rules of the Municipal Securities Rulemaking Board;

"(2) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person;

"(3) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission or with any other appropriate regulatory agency under this title, or in any proceeding before the Commission with respect to registration, any statement which was, at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or

"(4) has failed reasonably to supervise, within the meaning of section 15(b)(4)(E) of this title, with a view to preventing violations of the provisions of such statutes, rules and regulations, another person who commits such a violation, if such other person is subject to his supervision;

and that such penalty is in the public interest.

"(b) MAXIMUM AMOUNT OF PENALTY.—The maximum amount of penalty for each such act or omission described in subsection (a) shall be $100,000 for a natural person or $500,000 for any other person.

"(c) DETERMINATION OF PUBLIC INTEREST.—In considering under this section whether a penalty is in the public interest, the Commission or the appropriate regulatory agency may consider—

"(1) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

"(2) the harm to other persons resulting either directly or indirectly from such act or omission;

"(3) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(4) whether such person previously has been found by the Commission, another appropriate regulatory agency, or a self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, has been enjoined by a court of competent jurisdiction from violations of such laws or rules, or has been convicted by a court of competent jurisdiction of violations of such laws or of any felony or misdemeanor described in section 15(b)(4)(B) of this title;

"(5) the need to deter such person and other persons from committing such acts or omissions; and

"(6) such other matters as justice may require.

"(d) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission or the appropriate regulatory agency may impose a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission or the appropriate regulatory agency may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any proceeding in which the Commission or the appropriate regulatory agency may impose a penalty under this section, the Commission or the appropriate regulatory agency may enter an order requiring accounting and a disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations, and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.".

(b) CONFORMING AMENDMENT.—The heading of section 21A of this title (15 U.S.C. 78u-1) is amended to read as follows:

"CIVIL PENALTIES FOR INSIDER TRADING"

SEC. 203. CEASE-AND-DESIST AUTHORITY.

The Securities and Exchange Act of 1934 is amended by adding after section 21B (as added by section 202 of this Act) the following new section:

"CEASE-AND-DESIST PROCEEDINGS

"SEC. 21C. (a) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a causing of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule, or regulation, upon such terms and within such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule, or regulation with respect to any security, any issuer, or any other person.

"(b) HEARING.—The notice instituting proceedings pursuant to subsection (a) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(c) TEMPORARY ORDER.—

"(1) IN GENERAL.—Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to subsection (a), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceedings, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest as the Commission deems appropriate pending completion of such proceedings. Such an order shall be entered only after notice and opportunity for a hearing, unless the Commission determines that notice and hearing prior to entry would be impracticable or contrary to the public interest. A temporary order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(2) APPLICABILITY.—This subsection shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(d) REVIEW OF TEMPORARY ORDERS.—

"(1) COMMISSION REVIEW.—At any time after the respondent has been served with a temporary cease-and-desist order pursuant to subsection (c), the respondent may apply to the Commission to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease-and-desist order entered without a prior Commission hearing, the respondent may, within 10 days after the date on which the order was served, request a hearing on such application and the Commission shall hold a hearing and render a decision on such application at the earliest possible time.

"(2) JUDICIAL REVIEW.—Within—

"(A) 10 days after the date the respondent was served with a temporary cease-and-desist order entered with a prior Commission hearing, or

"(B) with respect to any temporary cease-and-desist order entered without a prior Commission hearing, 10 days after the Commission renders a decision on an application and hearing under paragraph (1),

the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and the court shall have jurisdiction to enter such an order. A respondent served with a temporary cease-and-desist order entered without a prior Commission hearing may not make application to the court for a hearing except after hearing and decision by the Commission on the respondent's application under paragraph (1) of this subsection.

"(3) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under paragraph (2) of this subsection shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(4) EXCLUSIVE REVIEW.—Section 25 of this title shall not apply to temporary order entered pursuant to this section.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (a), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations, and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.".

SEC. 204. PROCEDURAL RULES FOR CEASE-AND-DESIST PROCEEDINGS.

Section 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended by

adding at the end thereof the following new subsection:

"(d) CEASE-AND-DESIST PROCEDURES.—Within 1 year after the date of enactment of this subsection, the Commission shall establish regulations providing for the expeditious conduct of hearings and rendering of decisions under section 21C of this title, section 8A of the Securities Act of 1933, section 9(f) of the Investment Company Act of 1940, and section 203(k) of the Investment Advisers Act of 1940.".

SEC. 205. CONFORMING AMENDMENTS TO SECTION 15B.

Section 15B(c)(6)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(6)(A)) is amended—

(1) by striking "and the nature" and inserting ", the nature"; and

(2) by striking "proposed action and" and inserting "proposed action, and whether the Commission is seeking a monetary penalty against such municipal securities dealer or such associated person pursuant to section 21B of this title; and ".

TITLE III—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 301. CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS.

Section 9 of the Investment Company Act of 1940 (15 U.S.C. 80a-9) is amended—

(1) by redesignating subsection (d) as subsection (g);

(2) by inserting after subsection (c) the following new subsections:

"(d) MONEY PENALTIES IN ADMINISTRATIVE PROCEEDINGS.—

"(1) COMMISSION AUTHORITY.—In any proceeding instituted pursuant to subsection (b) against any person, the Commission may impose a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(A) has willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, or this title, or the rules or regulations thereunder;

"(B) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person; or

"(C) has willfully made or caused to be made in any registration statement, application, or report required to be filed with the Commission under this title, any statement which was, at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such registration statement, application, or report any material fact which was required to be stated therein;

and that such penalty is in the public interest.

"(2) MAXIMUM AMOUNT OF PENALTY.—The maximum amount of the penalty for each such act or omission described in paragraph (1) shall be $100,000 for a natural person or $500,000 for any other person.

"(3) DETERMINATION OF PUBLIC INTEREST.—In considering under this section whether a penalty is in the public interest, the Commission may consider—

"(A) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

"(B) the harm to other persons resulting either directly or indirectly from such act or omission;

"(C) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(D) whether such person previously has been found by the Commission, another appropriate regulatory agency, or a self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, has been enjoined by a court of competent jurisdiction from violations of such laws or rules, or has been convicted by a court of competent jurisdiction of violations of such laws or of any felony or misdemeanor described in section 203(e)(2) of the Investment Advisers Act of 1940;

"(E) the need to deter such person and other persons from committing such acts or omissions; and

"(F) such other matters as justice may require.

"(4) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission may assess a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business, and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any proceeding in which the Commission may impose a penalty under this section, the Commission may enter an order requiring accounting and a disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations, and orders concerning payments to investors, rates of interest, and such other matters as it deems appropriate to implement this subsection.

"(f) CEASE-AND-DESIST PROCEEDINGS.—

"(1) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule, or regulation, upon such terms and conditions and for such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule, or regulation with respect to any security, any issuer, or any other person.

"(2) HEARING.—The notice instituting proceedings pursuant to paragraph (1) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(3) TEMPORARY ORDER.—

"(A) Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to paragraph (1), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceeding, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest as the Commission deems appropriate pending completion of such proceedings. Such an order shall be entered only after notice and opportunity for a hearing, unless the Commission, notwithstanding section 40(a) of this title, determines that notice and hearing prior to entry would be impracticable or contrary to the public interest. A temporary order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(B) This paragraph shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(4) REVIEW OF TEMPORARY ORDERS.—

"(A) COMMISSION REVIEW.—At any time after the respondent has been served with a temporary cease-and-desist order pursuant to paragraph (3), the respondent may apply to the Commission to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease-and-desist order entered without a prior Commission hearing, the respondent may, within 10 days after the date on which the order was served, request a hearing on such application and the Commission shall hold a hearing and render a decision on such application at the earliest possible time.

"(B) JUDICIAL REVIEW.—Within—

"(i) 10 days after the date the respondent was served with a temporary cease-and-desist order entered with a prior Commission hearing, or

"(ii) with respect to any temporary cease-and-desist order entered without a prior Commission hearing, 10 days after the Commission renders a decision on an application and hearing under subparagraph (A),

the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and the court shall have jurisdiction to enter such an order. A respondent served with a temporary cease-and-desist order entered without a prior Commission hearing may not make application to the court for a hearing except after hearing and decision by the Commission on the respondent's application under subparagraph (A) of this paragraph.

"(C) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings

under subparagraph (B) of this paragraph shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(D) EXCLUSIVE REVIEW.—Section 43 of this title shall not apply to a temporary order entered pursuant to this section.

"(5) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (f)(1), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations, and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems necessary to implement this subsection."; and

(3) in redesignated subsection (g), by striking "subsections (a) through (c) of".

SEC. 302. MONEY PENALTIES IN CIVIL ACTIONS.

Section 42 of the Investment Company Act of 1940 (15 U.S.C. 80a-41) is amended by adding at the end thereof the following new subsection:

"(e) MONEY PENALTIES IN CIVIL ACTIONS.—

"(1) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, or a cease-and-desist order entered pursuant to section 9(f) of this title, the Commission may bring an action in a United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(2) AMOUNT OF PENALTY.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (A) $100,000 for a natural person or $500,000 for any other person, or (B) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(3) PROCEDURES FOR COLLECTION.—

"(A) PAYMENT OF PENALTY TO TREASURY.—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(B) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(C) REMEDY NOT EXCLUSIVE.—The actions authorized by this subsection may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(D) JURISDICTION AND VENUE.—For purposes of section 44 of this title, actions under this paragraph shall be actions to enforce a liability or a duty created by this title.

"(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 9(f), each separate violation of such order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such order each day of the failure to comply shall be deemed a separate offense.".

TITLE IV—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940

SEC. 401. CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS.

Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) is amended by adding at the end thereof the following new subsections:

"(i) MONEY PENALTIES IN ADMINISTRATIVE PROCEEDINGS.—

"(1) AUTHORITY OF COMMISSION.—In any proceeding instituted pursuant to subsection (e) or (f) against any person, the Commission may impose a civil penalty if it finds, upon the record after notice and opportunity for hearing, that such person—

"(A) has willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or this title, or the rules or regulations thereunder;

"(B) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person;

"(C) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was, at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such registration statement, application, or report any material fact which was required to be stated therein; or

"(D) has failed reasonably to supervise, within the meaning of section 203(e)(5) of this title, with a view to preventing violations of the provisions of this title and such rules and regulations, another person who commits such a violation, if such other person is subject to his supervision;

and that such penalty is in the public interest.

"(2) MAXIMUM AMOUNT OF PENALTY.—The maximum amount of the penalty for each act or omission described in paragraph (1) shall be $100,000 for a natural person or $500,000 for any other person.

"(3) DETERMINATION OF PUBLIC INTEREST.—In considering under this section whether a penalty is in the public interest, the Commission may consider—

"(A) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

"(B) the harm to other persons resulting either directly or indirectly from such act or omission;

"(C) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(D) whether such person previously has been found by the Commission, another appropriate regulatory agency, or a self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, has been enjoined by a court of competent jurisdiction from violations of such laws or rules, or has been convicted by a court of competent jurisdiction of violations of such laws or of any felony or misdemeanor described in section 203(e)(2) of this title;

"(E) the need to deter such person and other persons from committing such acts or omissions; and

"(F) such other matters as justice may require.

"(4) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission may impose a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets.

"(j) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any proceeding in which the Commission may impose a penalty under this section, the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations, and orders concerning payments to investors, rates of interest, periods of accrual and such other matters as it deems appropriate to implement this subsection.

"(k) CEASE-AND-DESIST PROCEEDINGS.—

"(1) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule, or regulation, upon such terms and conditions and within such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule, or regulation with respect to any security, any issuer, or any other person.

"(2) HEARING.—The notice instituting proceedings pursuant to subsection (k)(1) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(3) TEMPORARY ORDER.—

"(A) IN GENERAL.—Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to subsection (k)(1), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceedings, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial

harm to the public interest as the Commission deems appropriate pending completion of such proceedings. Such an order shall be entered only after notice and opportunity for a hearing, unless the Commission, notwithstanding section 211(c) of this title, determines that notice and hearing prior to entry would be impracticable or contrary to the public interest. A temporary order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(B) APPLICABILITY.—This paragraph shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(4) REVIEW OF TEMPORARY ORDERS.—

"(A) COMMISSION REVIEW.—At any time after the respondent has been served with a temporary cease-and-desist order pursuant to paragraph (3), the respondent may apply to the Commission to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease-and-desist order entered without a prior Commission hearing, the respondent may, within 10 days after the date on which the order was served, request a hearing on such application and the Commission shall hold a hearing and render a decision on such application at the earliest possible time.

"(B) JUDICIAL REVIEW.—Within—

"(i) 10 days after the date the respondent was served with a temporary cease-and-desist order entered with a prior Commission hearing, or

"(ii) with respect to any temporary cease-and-desist order entered without a prior Commission hearing, 10 days after the Commission renders a decision on an application and hearing under subparagraph (A),

the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and the court shall have jurisdiction to enter such an order. A respondent served with a temporary cease-and-desist order entered without a prior Commission hearing may not make application to the court for a hearing except after hearing and decision by the Commission on the respondent's application under subparagraph (A) of this paragraph.

"(C) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under subparagraph (B) of this paragraph shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(D) EXCLUSIVE REVIEW.—Section 213 of this title shall not apply to a temporary order entered pursuant to this section.

"(5) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (k)(1), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations, and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.".

SEC. 402. MONEY PENALTIES IN CIVIL ACTIONS.

Section 209 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-9) is amended by adding at the end thereof the following new subsection:

"(e) MONEY PENALTIES IN CIVIL ACTIONS.—

"(1) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, or a cease-and-desist order entered by the Commission pursuant to section 203(k) of this title, the Commission may bring an action in a United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(2) AMOUNT OF PENALTY.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (A) $100,000 for a natural person or $500,000 for any other person, or (B) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(3) PROCEDURES FOR COLLECTION.—

"(A) PAYMENT OF PENALTY TO TREASURY—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(B) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(C) REMEDY NOT EXCLUSIVE.—The actions authorized by this subsection may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(D) JURISDICTION AND VENUE.—For purposes of section 214 of this title, actions under this paragraph shall be actions to enforce a liability or a duty created by this title.

"(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 203(k), each separate violation of such order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with the order, each day of the failure to comply shall be deemed a separate offense.".

SEC. 403. CONFORMING AMENDMENT TO SECTION 214.

Section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-14) is amended—

(1) by inserting after "all suits in equity" the following: "and actions at law brought to enforce any liability or duty created by, or"; and

(2) by inserting after "Any suit or action" the following: "to enforce any liability or duty created by, or".

TITLE V—PENNY STOCK REFORM

SEC. 501. SHORT TITLE.

This Act may be cited as the "Penny Stock Reform Act of 1990".

SEC. 502. FINDINGS.

The Congress finds the following:

(1) The maintenance of an honest and healthy primary and secondary market for securities offerings is essential to enhancing long-term capital formation and economic growth and providing legitimate investment opportunities for individuals and institutions.

(2) Protecting investors in new securities is a critical component in the maintenance of an honest and healthy market for such securities.

(3) Protecting issuers of new securities and promoting the capital formation process on behalf of small companies are fundamental concerns in maintaining a strong economy and viable trading markets.

(4) Unscrupulous market practices and market participants have pervaded the "penny stock" market with an overwhelming amount of fraud and abuse.

(5) Although the Securities and Exchange Commission, State securities regulators, and securities self-regulators have made efforts to curb these abusive and harmful practices, the penny stock market still lacks an adequate and sufficient regulatory structure, particularly in comparison to the structure for overseeing trading in exchange-traded and national market system securities.

(6) Investors in the penny stock market suffer from a serious lack of adequate information concerning price and volume of penny stock transactions, the nature of this market, and the specific securities in which they are investing.

(7) Current practices do not adequately regulate the role of "promoters" and "consultants" in the penny stock market, and many professionals who have been banned from the securities markets have ended up in promoter and consultant roles, contributing substantially to fraudulent and abusive schemes.

(8) The present regulatory environment has permitted the ascendancy of the use of particular market practices, such as "reverse mergers" with shell corporations and "blank check" offerings, which are used to facilitate manipulation schemes and harm investors.

(9) In light of the substantial and continuing problems in the penny stock markets, additional legislative measures are necessary and appropriate.

SEC. 503. DEFINITION OF PENNY STOCK.

(a) AMENDMENT.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end thereof the following new paragraph:

"(51)(A) The term 'penny stock' means any equity security other than a security that is—

"(i) registered or approved for registration and traded on a national securities exchange that meets such criteria as the Commission shall prescribe by rule or regulation for purposes of this paragraph;

"(ii) authorized for quotation on an automated quotation system sponsored by a registered securities association, if such system (I) was established and in operation before January 1, 1990, and (II) meets such criteria as the Commission shall prescribe by rule or regulation for purposes of this paragraph;

"(iii) issued by an investment company registered under the Investment Company Act of 1940;

"(iv) excluded, on the basis of exceeding a minimum price, net tangible assets of the issuer, or other relevant criteria, from the definition of such term by rule or regulation which the Commission shall prescribe for purposes of this paragraph; or

"(v) exempted, in whole or in part, conditionally or unconditionally, from the definition of such term by rule, regulation, or order prescribed by the Commission.

"(B) Notwithstanding clause (i) or (ii) of subparagraph (A), the Commission may, by rule, regulation, or order, designate any security or class of securities described in such clauses as within the meaning of the term 'penny stock' if such securities or class of securities are traded otherwise than on a national securities exchange or through an automated quotation system described in clause (ii) of subparagraph (A).

"(C) In exercising its authority under this paragraph to prescribe rules, regulations, and orders, the Commission shall determine that such rule, regulation, or order is consistent with the public interest and the protection of investors.".

(b) SCHEDULE FOR REGULATIONS.—The Commission shall prescribe rules or regulations to implement the amendment made by subsection (a) of this section within one year after the date of enactment of this Act.

SEC. 504. EXCLUSION OF SANCTIONED PERSONS FROM PARTICIPATING IN DISTRIBUTIONS OF PENNY STOCK.

(a) AMENDMENT.—Section 15(b) of the Securities Exchange Act (15 U.S.C. 780(b)) is amended by striking paragraph (6) thereof and inserting the following:

"(6)(A) The Commission, by order, shall censure or place limitations on the activities or functions of any person associated, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with a broker or dealer, or suspend for a period not exceeding 12 months or bar any such person from being associated with a broker or dealer, or from participating in a distribution of any penny stock, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of this subsection, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4). It shall be unlawful for any person as to whom such an order suspending or barring him from being associated with a broker or dealer or from participating in a distribution of any penny stock is in effect, without the consent of the Commission, willfully to become, or to be, associated with a broker or dealer, or to participate in a distribution of any penny stock. It shall be unlawful for any broker or dealer to permit such a person, without the consent of the Commission, to become, or remain, a person associated with him, and for any broker or dealer to participate in a distribution of any penny stock in which such a person is participating if such broker or dealer knew, or in the exercise of reasonable care should have known, of such order.

"(B) For purposes of this paragraph, the term 'participating in a distribution of any penny stock' includes acting as any promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance of or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock. The Commission may, by rule or regulation define such term to include other activities, and may by rule, regulation, or order exempt any person or class of persons, in whole or in part, conditionally or unconditionally, from such term.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall be effective on the earlier of one year after the date of enactment of the Act or the effective date of rules or regulations prescribed by the Commission to implement section 3(a)(51) of the Securities Exchange Act of 1934, as added by this Act.

SEC. 505. REQUIREMENTS FOR BROKERS AND DEALERS OF PENNY STOCKS.

(a) AMENDMENT.—Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end thereof the following new subsection:

"(g) REQUIREMENTS FOR TRANSACTIONS IN PENNY STOCKS.—

"(1) IN GENERAL.—No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any penny stock by any customer except in accordance with the requirements of this subsection and the rules and regulations prescribed under this subsection.

"(2) RISK DISCLOSURE WITH RESPECT TO PENNY STOCKS.—Prior to effecting any transaction in any penny stock, a broker or dealer shall give the customer a risk disclosure document that—

"(A) contains a description of the nature and level of risk inherent in the market for penny stocks in both public offerings and secondary trading;

"(B) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to violations of such duties or other requirements of Federal securities laws;

"(C) contains a brief, clear description of a dealer market, including 'bid' and 'ask' prices for penny stocks and the significance of the spread between the bid and ask prices;

"(D) contains the toll free telephone number for inquiries on disciplinary actions established pursuant to section 15A(i) of this title;

"(E) defines significant terms used in the disclosure document or in the conduct of trading in penny stocks; and

"(F) contains such other information, and is in such form (including language, type size, and format), as the Commission shall require by rule or regulation.

"(3) COMMISSION RULES RELATING TO DISCLOSURE.—The Commission, by rule or regulation, shall adopt within one year after the date of enactment of this subsection additional standards for the disclosure by brokers and dealers to customers of information concerning transactions in penny stocks. Such rules—

"(A) shall require brokers and dealers to disclose to each customer, prior to effecting any transaction in, and at the time of confirming any transaction with respect to any penny stock, in accordance with such procedures and methods as the Commission may require consistent with the public interest and the protection of investors—

"(i) the bid and ask prices for such penny stock, or such other comparable information as the Commission may, by rule, require relating to the price of such stock, if bid and ask prices are not available;

"(ii) the number of shares to which such bid and ask prices apply, or such other comparable information as the Commission may, by rule, require relating to the depth and liquidity of the market for such stock; and

"(iii) the amount of any commission, and a description of any additional compensation, that the broker or dealer or associated person thereof will receive or has received in such transaction;

"(B) shall require brokers and dealers to provide, to each customer whose account with the broker or dealer contains penny stocks, a monthly statement indicating the market value of the penny stocks in that account or indicating that the market value of such stock cannot be determined because of the unavailability of firm quotes; and

"(C) may, as the Commission finds necessary or appropriate in the public interest or for the protection of investors, require brokers and dealers to disclose to customers such additional information concerning transactions in penny stocks as the Commission may require.

"(4) EXEMPTIONS.—The Commission, as it determines consistent with the public interest and the protection of investors, may by rule, regulation, or order exempt in whole or in part, conditionally or unconditionally, any person or class of persons, or any transaction or class of transactions, from the requirements of this subsection. Such exemptions shall include an exemption for brokers and dealers based on the minimal percentage of the broker's or dealer's commissions, commission-equivalents, and markups received from transactions in penny stocks.

"(5) REGULATIONS.—It shall be unlawful for any person to violate such rules and regulations as the Commission shall prescribe in the public interest or for the protection of investors or to maintain fair and orderly markets—

"(A) as necessary or appropriate to carry out this subsection; or

"(B) as reasonably designed to prevent fraudulent, deceptive, or manipulative acts and practices with respect to penny stocks.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall be effective on and after one year after the date of enactment of this Act, except that the Commission shall prescribe rules or regulations to carry out such amendment within one year after the date of enactment of this Act.

SEC. 506. DEVELOPMENT OF AUTOMATED QUOTATION SYSTEMS FOR PENNY STOCKS.

The Securities Exchange Act of 1934 is amended by inserting after section 17A the following new section:

"AUTOMATED QUOTATION SYSTEMS FOR PENNY STOCKS

"SEC. 17B. (a) FINDINGS.—The Congress finds that—

"(1) the market for penny stocks suffers from a lack of reliable and accurate quotation and last sale information available to investors and regulators;

"(2) it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to improve significantly the information available to brokers, dealers, investors, and regulators with respect to quotations for and transactions in penny stocks; and

"(3) a fully implemented automated quotation system for penny stocks would meet the information needs of investors and market participants and would add visibility and regulatory and surveillance data to that market.

"(b) MANDATE TO FACILITATE THE ESTABLISHMENT OF AN AUTOMATED QUOTATION SYSTEMS.—

"(1) IN GENERAL.—The Commission is authorized and directed, therefore, having due

regard for the public interest, the protection of investors, and the maintenance of fair and orderly markets, to facilitate the widespread dissemination of reliable and accurate last sale and quotation information with respect to penny stocks in accordance with the findings set forth in subsection (a), with a view toward establishing, at the earliest feasible time, one or more automated quotation systems that will collect and disseminate information regarding all penny stocks.

"(2) CHARACTERISTICS OF SYSTEMS.—Each such automated quotation system shall—

"(A) be operated by a registered securities association or a national securities exchange in accordance with such rules as the Commission and these entities shall prescribe;

"(B) collect and disseminate quotation and transaction information;

"(C) except as provided in subsection (c), provide bid and ask quotations of participating brokers or dealers, or comparably accurate and reliable pricing information, which shall constitute firm bids or offers for at least such minimum numbers of shares or minimum dollar amounts as the Commission and the registered securities association or national securities exchange shall require; and

"(D) provide for the reporting of the volume of penny stock transactions, including last sale reporting, when the volume reaches appropriate levels that the Commission shall specify by rule or order.

"(c) EXEMPTIVE AUTHORITY.—The Commission may, by rule or order, grant such exemptions, in whole or in part, conditionally or unconditionally, to any class or classes of penny stocks from the requirements of paragraph (1) or (2)(C) of subsection (b) as the Commission determines to be consistent with the public interest, the protection of investors, and the maintenance of fair and orderly markets.

"(d) COMMISSION REPORTING REQUIREMENTS.—The Commission shall, in each of the first 5 annual reports (under section 23(b)(1)) submitted more than 12 months after the date of enactment of this section, include a description of the status of the penny stock automated quotation system or systems required by subsection (b). Such description shall include—

"(1) a review of the development, implementation, and progress of the project, including achievement of significant milestones and current project schedule; and

"(2) a review of the activities of registered securities associations and national securities exchanges in the development of the system.".

SEC. 507. REVIEW OF REGULATORY STRUCTURES AND PROCEDURES.

(a) REVIEW REQUIRED.—The Securities and Exchange Commission shall conduct a review of the rules, procedures, facilities, and oversight and enforcement activities of self-regulatory organizations under the Securities Exchange Act of 1934 with respect to penny stocks (within the meaning of section 3(a)(51) of such Act). Such review shall include an analysis of—

(1) the resources devoted by self-regulatory organizations to the detection, investigation, prosecution, and correction of fraud and abuse in the trading of such penny stocks;

(2) the methods and techniques used, and alternative methods which may be used, in those oversight and enforcement activities, including methods and techniques involving coordinated oversight and enforcement activities with other Federal and State authorities;

(3) the adequacy of the rules, procedures, and facilities of such self-regulatory organizations for the prevention of excessive spreads and markups, unscrupulous sales practices, and other conduct inconsistent with high standards of commercial honor and just and equitable principles of trade;

(4) any obstacles to or limitations on the authority of self-regulatory organizations that impair the conduct of those oversight and enforcement activities;

(5) the adequacy of current listing and maintenance requirements and procedures and the potential for erosion of such requirements and procedures due to issuer avoidance of penny stock designation and regulation; and

(6) such other matters as the Commission considers necessary or appropriate.

(b) REPORT.—Within one year after the date of enactment of this Act, the Commission shall submit a report on the review required by subsection (a). Such report shall include, in addition to a statement of findings with respect to each matter described in paragraphs (1) through (6) of such subsection, such recommendations as the Commission considers appropriate with respect to legislative or administrative changes.

SEC. 508. VOIDABILITY OF CONTRACTS IN VIOLATION OF SECTION 15(c)(2).

Section 29(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78cc(b)) is amended—

(1) in clause (A), by striking "paragraph (2) or (3)" and inserting "paragraph (3)";

(2) in clause (B), by striking "paragraph (1)" and inserting "paragraph (1) or (2)"; and

(3) by adding at the end thereof the following new sentence: "The Commission may, in a rule or regulation prescribed pursuant to such paragraph (2) of such section 15(c), designate such rule or regulation, or portion thereof, as a rule or regulation, or portion thereof, a contract in violation of which shall not be void by reason of this subsection.".

SEC. 509. RESTRICTIONS ON BLANK CHECK OFFERINGS.

(a) AMENDMENTS.—Section 7 of the Securities Act of 1933 (15 U.S.C. 77g) is amended—

(1) by inserting "(a)" after "SEC. 7."; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Commission shall prescribe special rules with respect to registration statements filed by any issuer that is a blank check company. Such rules may, as the Commission determines necessary or appropriate in the public interest or for the protection of investors—

"(A) require such issuers to provide timely disclosure, either prior to or after such statement becomes effective under section 8, of (i) information regarding the company to be acquired and the specific application of the proceeds of the offering, or (ii) additional information necessary to prevent such statement from being misleading;

"(B) place limitations on the use of such proceeds and the distribution of securities by such issuer until the disclosures required under subparagraph (A) have been made; and

"(C) provide a right of rescission to shareholders of such securities.

"(2) The Commission may, as it determines consistent with the public interest and the protection of investors, exempt any issuer or class of issuers from the rules prescribed under paragraph (1).

"(3) For purposes of paragraph (1) of this subsection, the term 'blank check company' means any development stage company that is issuing a penny stock (within the meaning of section 3(a)(51) of the Securities Exchange Act of 1934) and that—

"(A) has no specific business plan or purpose; or

"(B) has indicated that its business plan is to merge with an unidentified company or companies.".

(b) SCHEDULE FOR RULES.—The Commission shall prescribe rules to implement the amendment made by subsection (a) of this section within one year after the date of enactment of this Act.

SEC. 510. BROKER/DEALER DISCIPLINARY HISTORY.

Section 15A of the Securities Exchange Act 1934 (15 U.S.C. 78o-3) is amended by adding at the end the following:

"(i) A registered securities association shall (1) establish and maintain a toll-free telephone listing to receive inquiries from investors and the public regarding disciplinary actions involving its members and their associated persons, and (2) promptly respond to such inquiries in writing. Such association may charge persons, other than individual investors, reasonable fees for written responses to such inquiries. Such an association shall not have any liability to any person for any actions taken or omitted in good faith under this paragraph.".

The SPEAKER pro tempore. Is a second demanded?

Mr. RINALDO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes and the gentleman from New Jersey [Mr. RINALDO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, I rise in strong support of H.R. 5325, the Securities Enforcement and Penny Stock Reform Act of 1990. This bill combines the precise texts of H.R. 4497, the Penny Stock Reform Act of 1990, and H.R. 975, the Securities Law Enforcement Remedies Act of 1990, both of which were reported from the Committee on Energy and Commerce on June 27, 1990. The committee reports on those two bills, which have been filed today, constitute the legislative history for the bill before Members today. In their combined form, these two bills represent a powerful expansion of the enforcement weapons available to combat the problems of securities fraud in general and the penny stock market in particular.

The problems addressed in this legislation fall within a broader pattern of reckless greed and criminality which has left a dark stain on many of the superficially glossy financial success stories of the 1980's. From Boesky to Milken to the 1987 market crash to the stories of organized crime in the

penny stock market, the investing public has been pilloried with far too many horror stories. In response, we are now at the precipice of enacting a host of legislation which should amount to the most comprehensive reform of the securities laws since the 1930's. Alongside legislation on insider trading, market reform, international enforcement cooperation, and others, the bill before Members today will give the Securities and Exchange Commission the legal foundation to right the wrongs perpetrated over much of the last decade.

I would like to thank my good friend and colleague and ranking minority member of the Subcommittee on Telecommunications and Finance, Mr. RINALDO, for his help in bringing this merged measure to the floor, and note the extraordinary leadership of Chairman DINGELL, who introduced H.R. 975 and cosponsored H.R. 4497.

Without his persistent dedication to this particular area of national public policy, we would not be here today. I would also like to note the active and critical assistance of the gentleman from Oregon [Mr. WYDEN], on the penny stock bill. His persistent dedication and knowledge and insight on this subject has been invaluable in ensuring that the legislation which we are considering is out here on the floor today. This combined measure is also cosponsored by the gentleman from New Mexico [Mr. RICHARDSON], the gentleman from California [Mr. MOORHEAD], the gentleman from Maryland [Mr. MCMILLEN], the gentleman from Kansas [Mr. SLATTERY], and the gentleman from California [Mr. BATES], and all of these Members and many others deserve the complete thanks of the House and the American people.

As I noted above, the Committee on Energy and Commerce reported out title V of this legislation as H.R. 4497, the Penny Stock Reform Act of 1990. According to Susan Bryant, the president of the North American State Securities Administrators Association, there is in her words, "no other single piece of investment-related legislation before Congress today that would do more to protect so many individuals and their life savings."

Title V maintains all of the essential pieces which marked the foundation of H.R. 4497 as introduced: greatly enhanced disclosure for penny stock investors; movement towards a fully implemented automated quotation system for penny stocks; new SEC authority to keep recidivist criminals out of the penny stock business as promoters and consultants; and restrictions of the use of blank check offerings. It differs from H.R. 4497 as originally introduced in that it grants the SEC a greater degree of administrative flexibility in how it will implement the policy directives contained within this legislation.

This part of the legislation is targeted like a laser beam on a penny stock market which has failed the test of serving as a legitimate capital-raising arena for small business. Title V of the bill would require the SEC to adopt rules requiring brokers and dealers to provide investors with a number of specific types of information concerning the prices of stock they are purchasing and the inherent riskiness of the penny stock market. The Commission is also directed to promulgate rules regulating the issuance of blank check offerings. This section looks in particular to states like Utah as a model, by manadating timely disclosure of actual business plans, limiting the proceeds of blank checks until adequate disclosure is made, and providing shareholders with a right of rescission if that disclosure is deemed unacceptable.

□ 1330

The effect of such rules would hopefully be similar to that in Urah: the elimination of blank checks as an easy vehicle for penny stock fraud. All of these rules, in combination with sanctioning authority over promoters and consultants and the development of a penny stock automated quotation system, will ensure that institutionalization of a comprehensive regulatory farmework for the penny stock market.

Make no mistake: this legislation is far more than a hope for future regulatory action. It is a precise and unequivocal directive to the SEC to finish the job of clearing up the penny stock market. The legislation mandates that within the next year, the Commission must adopt new rules to restrict penny stock blank check offerings and broaden greatly the disclosure to penny stock investors, begin the establishment of a fully implemented automated quotation system and report back to Congress in a comprehensive review of the entire self-regulatory apparatus in the penny stock market.

The first four titles of this bill were previously reported out of the Energy and Commerce Committee as H.R. 975. They reflect the combined efforts of the SEC, which originally recommended this legislation to Congress, Chairman DINGELL, the gentleman from New Jersey, Mr. RINALDO, and the input of many others from the Senate, the securities industry and the bar. This segment of the legislation represents a fair balancing of the interests of a stronger, more effective SEC and the procedural rights of persons subject to investigation and sanction by the Commission.

The two key pieces of H.R. 975 as introduced remain. First, the authority to impose fines for violations of the securities laws. The SEC is limited under present law in its ability to craft civil remedies which are appropriate to the particular violation of law. For cases other than those involving insider trading, which has its own statutory directive on fines, the Commission would now have an effective alternative to the simple slap on the wrist represented by an injunction or the nuclear bomb represented by barring someone from the securities business. The Commission could impose fines for a myriad of violations including issuance of false or misleading prospectus information, market manipulation in penny stocks, stock parking, and short-selling on a downtick.

This legislation also expressly provides the SEC with the authority to seek through the courts the bar of securities law violators from serving as officers and directors of public corporations. This equitable remedy is essential to protect the investing public from corporate theft and corruption.

The bill also adds an important new cease and desist authority which was not in H.R. 975 as originally introduced. This new grant of authority would permit the Commission to issue both temporary and permanent orders through administrative action in order to prevent a significant dissipation or conversion of assets, significant harm to investors or substantial harm to the public interest. This cease and desist authority is similar to that granted the banking regulators in last year's savings and loan legislation and that currently used by the Federal Trade Commission. It would address an oft-stated concern by law enforcement officials that the SEC lacks the authority to move quickly in response to knowledge of ongoing or potential fraudulent activity. Due to the serious nature of the potential imposition of temporary orders, the SEC may only impose them against regulated persons such as broker/dealers and investment advisers, among others.

I am particularly pleased by the procedural protections which this legislation now contains regarding the original cease and desist provision. In addition to review of these orders in the courts, the legislation would now mandate that whenever the Commission issues a temporary cease and desist order without the benefit of notice to the alleged violator, the SEC is required to provide a hearing to that party and render a decision reviewing the initial order at the earliest possible time. This tracks the type of procedural protections built into rule 65 of the Federal Rules of Civil Procedure, which govern temporary restraining orders in the Federal courts.

Mr. Speaker, again this is a bill which has been worked out on a bipartisan basis. We have worked it out over the last year and a half between the House and the Senate, between Democrats and Republicans. The penny

stock initiative which was built into this legislation is something we are now going to have to work with the Senate on, but I think we have a good chance to reach an agreement with them on this subject. It is my hope that the House will see fit this afternoon to accept this legislation. We believe it is an adequate and necessary response to the fraud and abuse which the financial marketplace saw in these areas in the 1980s.

Mr. Speaker, I reserve the balance of my time.

Mr. RINALDO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5325, a bill to amend the Federal securities laws to provide additional enforcement remedies, and to eliminate abuses in the penny stock market. H.R. 5325 merges H.R. 975, the Securities Law Enforcement Remedies Act and H.R. 4497, the Penny Stock Reform Act. The committee reports for those bills will constitute its legislative history. H.R. 5325, deserves the support of every Member of the Congress.

This bill ranks with the most important legislation we will consider this year. It will bring the longstanding national disgrace of an inadequately regulated penny stock market to a close. It mandates and authorizes the Securities and Exchange Commission to provide greater protection to investors in low priced securities.

This carefully crafted legislation drew on the collective expertise of the SEC, the National Association of Securities Dealers, the State securities commissioners and the firms of the securities industry itself. We worked hard to identify the problems of the penny stock market, and we have proposed solutions that will increase investor protection and not interfere with the ability of small businesses to raise capital.

This legislation addresses serious and longstanding problems that have eluded the ability of State regulators and others to control.

It is a sad fact that by the time penny stock fraud has been discovered, all the money is usually gone. Investors are then left with a right to sue that is meaningless. H.R. 5325 will combat this situation. It gives the SEC authority to adopt rules restricting the use of funds raised in a public offering of penny stocks, and to grant a right of recission as well.

The problem of recidivism by promoters of fraud is addressed similarly in this legislation. The SEC is authorized to adopt rules and to take whatever steps are necessary to insure that securities law violators are kept out of the penny stock market, permanently.

The provisions of H.R. 5325 do not only fight penny stock fraud. This bill also will improve the operation of the legitimate stock market in low priced securities.

Its provisions mandate the development of a trading information system that will improve the quality of information provided to penny stock investors. I predict that someday in the future, people will look at this provision as the most significant of the bill.

Mr. Speaker, I was an original sponsor of the Penny Stock Reform Act when it was introduced in April 1990. The speed with which we have moved underscores the depth of concern in Congress about this problem.

Similar statements must be made about the remaining sections of H.R. 5325, those that contain the provisions of the Securities Law Enforcement Remedies Act. This legislation adds weapons to the SEC's enforcement arsenal, broadening the spectrum of penalties that can be imposed upon securities law violators.

The most potent of the new powers gives the SEC authority to impose cease and desist orders. Today millions of dollars can be removed from bank accounts in a very short time. Hindering the ability of Federal regulators to restrain such transfers is a prescription for disaster. That is why Congress gave bank regulators cease and desist authority in the FIRREA. That is why the SEC should have similar authority.

An important supplement to cease and desist powers included in H.R. 975, is specific SEC authority to order a violator of the securities laws to disgorge illegally made profits, including interest. But merely giving back ill gotten gains is frequently not enough of a punishment. Consequently, under the provisions of H.R. 5325, the SEC may also petition a court to impose monetary fines on those who violate SEC cease and desist orders.

Taken together, the provisions of the Penny Stock Reform Act and the Remedies Act make a powerful statement that Congress will never allow the integrity of the securities markets to be compromised and that investors will be protected.

Mr. Speaker, I want to thank the chairman of the Subcommittee on Telecommunications and Finance, Mr. MARKEY, and the chairman of the full Energy and Commerce Committee, Mr. DINGELL, as well as Messrs. WYDEN, RICHARDSON, SLATTERY, MCMILLEN, and BATES for their sponsorship of this legislation and for their support of my efforts to see it passed. I particularly want to thank my colleague in the minority, my friend from California, Mr. MOORHEAD, for joining me in sponsoring the Penny Stock Reform Act.

Mr. Speaker, I urge all of my colleagues to support this important legislation.

□ 1340

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. WYDEN] who conducted in Portland, OR last Auguest the first hearing ever on the subject of penny stocks, and he has been an insistent, persistent, dedicated advocate for real reform in this area for several years.

Mr. WYDEN. Mr. Speaker and colleagues, I do not want to turn this into a bouquet-tossing contest, but the gentleman from Massachusetts [Mr. MARKEY] has just done an outstanding job along with the chairman of our full committee, the gentleman from Michigan [Mr. DINGELL] in putting together this legislation. I also want to commend the gentleman from New Jersey [Mr. RINALDO], my friend, and the gentleman from New York [Mr. LENT], the ranking minority member.

This, as the gentleman from New Jersey [Mr. RINALDO] said, is a truly bipartisan bill, and it reflects, I think, a great deal of credit to both the ranking members of both the committee and the subcommittee in moving forward with this legislation.

Mr. Speaker and colleagues, I would like to touch for just a moment on the penny stock legislation specifically because I think that this bill sends a particularly important message that Congress wants the small investor to get a fair shake in this country. All through the 1980's it seemed that regulation and efforts were built around the idea that we ought to make markets efficient for big investors. We saw that, unfortunately, embodied by the Boeskys and the Milkens, but it always seemed that, when it came to the topic of going to bat for small investors, that that subject got small shrift. I think, under the leadership of the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from New Jersey [Mr. RINALDO] we have begun to right the scales, and we have begun to initiate a package of legislation that is going to give the small investor the attention and the importance that they deserve.

Mr. Speaker, I think my colleagues know that this is going to have to be a long-term effort. There is no question in my mind that these rougues and scoundrels who have been working out of boilerrooms and other facilities to rip off the elderly and the veterans, the kind of ripoffs we have heard about at our hearing in Portland; they are going to shift to other investments. I think there is evidence already that they are looking into going into Government securities, and I am concerned that we move carefully and quickly to examine this area as well. But I think, with this important legis-

lation, we are closing a door to the ripoff artists.

Mr. Speaker, the penny stock market really has been the ripoff vehicle of choice for some years now, and I am very pleased that we are moving forward with this very important legislation.

Now in committee there were a number of concerns raised. For example, the effect that this bill will have on the capital formation process. Some have said that perhaps stopping these ripoffs is going to dry up needed investment capital. I think quite the opposite. I think what is happening is that scarce capital, capital that ought to be going into small publicly held corporations, is being diverted by some of these ripoff operations. So, I think the legislation that we are advancing today is going to promote capital formation rather than retard it, and it will have a very beneficial effect on an important issue for all our small businesses, and that is access to credit and capital.

Mr. Speaker, I am also very pleased that, as we went forward with the legislation, the definition of a penny stock was strengthened. I raised the concern that some penny stocks had recently become exchange listed in an effort to escape SEC enforcement efforts, and under the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from New Jersey [Mr. RINALDO] that particular loophole was closed, and I think it was an important one because it would have left us with a dodge on the book that might have continued some of these penny stock scams.

So, Mr. Speaker and colleagues, we are going forward with important legislation. The gentleman from Michigan [Mr. DINGELL] in moving both these bills forward deserves great credit, and I want to thank again the chairman of the subcommittee and the ranking minority member for the chance to team up with them. This was an effort that I had a chance to help launch in Portland, OR, about a year ago, and, as the gentleman from New Jersey [Mr. RINALDO] has said, it is really an example of how we ought to work in a bipartisan way to strengthen securities markets in this country and go to bat for small investors.

Mr. RINALDO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me conclude by saying this: The legislation would not have been possible without the bipartisan cooperation which the gentleman from Michigan [Mr. DINGELL] and the gentleman from New York [Mr. LENT] have shown on this legislation. Again, I continue to come back to the extraordinary leadership and the bipartisan cooperation that the gentleman from New Jersey [Mr. RINALDO] and I have had at the subcommittee level over the last 4 years, and this bill is yet another piece of legislation that reflects that. I would like to compliment again the gentleman from Oregon [Mr. WYDEN] for his work on the penny stock aspects of this legislation. His leadership has been invaluable and historic.

At the staff level, and in the same way that I have to mention the work of all of our staffs, meaning Larry Irving, and Herb Brown, and Sara Morris and Nancy Lee on the children's TV, then I also have to mention on this bill the work of also David Leach and Terry Haines on the children's television legislation. They just have to be mentioned. On this bill, Howard Homonoff has done absolutely first-rate work in ensuring that this bill comes to fruition, along with Herb Brown, Consuela Washington at the full committee level, Steve Blumenthal on the minority side, herculean efforts to make sure this legislation and the other legislation is, in fact, put into a form which we can bring out here to the floor. At the SEC I would like to compliment Chairman Richard Breeden for his work and his staff, especially Joe Goldstein, the chairman of the SEC Penny Stock Task Force, to the National Association of Securities Administrators, particularly Susan Bryant and John Perkins and Ralph Lambiase for their breadth of experience in this area which has been invaluable in the crafting of legislation, to the NASD, to members of the bar and to the industry who have commented very helpfully on both pieces of legislation which were merged here together in the securities area. I want to thank them for all of their work. It would not have been possible, and to all of the rest of the colleagues on the full committee and here in the Congress for their insight on this legislation.

Mr. DINGELL. Mr. Speaker, I rise in strong support of H.R. 5325 and I urge my colleagues to support its immediate passage. H.R. 5325 includes the text of two bills reported unanimously on June 20, 1990, by the Committee on Energy and Commerce: H.R. 975, the Securities Law Enforcement Remedies Act of 1990, which I introduced on February 9, 1989, at the request of the Securities and Exchange Commission, and H.R. 4497, the Penny Stock Reform Act of 1990, which I cosponsored. The committee reports for these bills were filed earlier today and shall constitute the legislative history for the respective provisions of H.R. 5325.

This legislation is designed to strengthen the enforcement powers of the Securities and Exchange Commission and provide the agency with a broader range of remedies to protect investors and maintain the integrity of the Nation's securities markets. H.R. 5325 addresses the disturbing levels of fraud, manipulation and other illegal activity in the U.S. securities markets in general, and the penny stock market in particular. I want to single out Representative MARKEY, Representative RINALDO, and Representative WYDEN and their staffs for special commendation in connection with their diligent and hard work in bringing this legislation before the House today. I also appreciate the cooperative efforts, constructive comments and valued technical assistance provided by the SEC, State securities administrators, exchanges and the NASD, the Securities Industry Association and members of the securities bar.

Victimized investors will lose confidence in and retreat from the marketplace. We cannot as a Nation afford that. Our markets are so vital to the creation of the businesses and jobs that will be needed in the 1990's to keep America competitive. H.R. 5325 will give the SEC greater authority and flexibility in the conduct of its law enforcement efforts and strengthen the Agency's ability to protect investors and maintain the honesty, integrity and liquidity of the U.S. securities markets.

I urge passage of this bill.

Mr. MARKEY Mr. Speaker, I yield back the balance of my time.

□ 1350

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 5325.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. MARKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 647) to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate bill, as follows:00

S. 647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; EFFECTIVE DATE.

(a) SHORT TITLE.—This Act may be cited as the "Securities Law Enforcement Remedies Act of 1990".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; effective date.

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

Sec. 101. Authority of a court to impose money penalties and to prohibit persons from serving as officers and directors.

Sec. 102. Cease-and-desist authority.
TITLE II—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934
Sec. 201. Enforcement of title.
Sec. 202. Civil remedies in administrative proceedings.
Sec. 203. Cease-and-desist authority.
Sec. 204. Conforming amendments to section 15B.
Sec. 205. Signature guarantees.
TITLE III—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940
Sec. 301. Civil remedies in administrative proceedings.
Sec. 302. Money penalties in civil actions.
TITLE IV—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940
Sec. 401. Civil remedies in administrative proceedings.
Sec. 402. Money penalties in civil actions.
Sec. 403. Conforming amendment to section 214.
TITLE V—AMENDMENTS TO THE CRIMINAL CODE
Sec. 501. Grand jury secrecy.

(c) EFFECTIVE DATE.—The amendments made by this Act shall apply to any conduct occurring after the date of enactment of this Act.

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

SEC. 101. AUTHORITY OF A COURT TO IMPOSE MONEY PENALTIES AND TO PROHIBIT PERSONS FROM SERVING AS OFFICERS AND DIRECTORS.

Section 20 of the Securities Act of 1933 (15 U.S.C. 77t) is amended by adding at the end thereof the following new subsections:

"(d) MONEY PENALTIES IN CIVIL ACTIONS.—

"(1) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title, the rules or regulations thereunder, or a cease-and-desist order entered by the Commission pursuant to section 8A of this title, other than by committing a violation subject to a penalty under section 21A of the Securities Exchange Act of 1934, the Commission may bring an action in the United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(2) AMOUNT OF PENALTY.—

"(A) FIRST TIER.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (i) $5,000 for a natural person or $50,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(B) SECOND TIER.—Notwithstanding subparagraph (A), the maximum amount of penalty for each such violation shall not exceed the greater of (i) $50,000 for a natural person or $250,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation, if the violation described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the maximum amount of penalty for each such violation shall not exceed the greater of (i) $100,000 for a natural person or $500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation, if—

"(I) the violation described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(II) such violation directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons.

"(3) PROCEDURES FOR COLLECTION.—

"(A) PAYMENT OF PENALTY TO TREASURY.—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(B) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(C) REMEDY NOT EXCLUSIVE.—The actions authorized by this subsection may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(D) JURISDICTION AND VENUE.—For purposes of section 22 of this title, actions under this section shall be actions to enforce a liability or a duty created by this title.

"(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 8A, each separate violation of such an order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such an order, each day of the failure to comply with the order shall be deemed a separate offense.

"(e) AUTHORITY OF A COURT TO PROHIBIT PERSONS FROM SERVING AS OFFICERS AND DIRECTORS.—In any proceeding under subsection (b), the court may prohibit, conditionally or unconditionally, and permanently or for such period of time as it shall determine, any person who violated section 17(a)(1) of this title from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781) or that is required to file reports pursuant to section 15(d) of such Act (15 U.S.C. 78o(d)) if the person's conduct demonstrates substantial unfitness to serve as an officer or director of any such issuer.".

SEC. 102. CEASE-AND-DESIST AUTHORITY.

The Securities Act of 1933 (15 U.S.C. 77 et seq.) is amended by inserting after section 8 the following:

"CEASE-AND-DESIST PROCEEDINGS

"SEC. 8A. (a) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission such other person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule or regulation, upon such terms and conditions and within such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule or regulation with respect to any security, any issuer, or any other person.

"(b) HEARING.—The notice instituting proceedings pursuant to subsection (a) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(c) TEMPORARY ORDER.—

"(1) IN GENERAL.—Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to subsection (a), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceedings, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest as the Commission deems appropriate pending completion of such proceeding. If the Commission determines that notice of the temporary order would be impracticable or contrary to the public interest, such order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(2) APPLICABILITY.—This subsection shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(d) REVIEW OF TEMPORARY ORDER.—

"(1) JUDICIAL REVIEW.—Within 10 days after a respondent has been served with a temporary cease-and-desist order entered pursuant to subsection (c), the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and such court shall have sole jurisdiction to enter such an order.

"(2) COMMISSION REVIEW.—At any time after a respondent has been served with a temporary cease-and-desist order pursuant to subsection (c), the respondent may apply to the Commission to have the order set aside, limited, or suspended, and the Commission may enter such an order.

"(3) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under paragraph (1) of this subsection shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(4) EXCLUSIVE REVIEW.—Section 9(a) of this title shall not apply to a temporary order entered pursuant to this section.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (a), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.".

TITLE II—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 201. ENFORCEMENT OF TITLE.

Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended—

(1) by redesignating subsection (d) as subsection (d)(1);

(2) by inserting after subsection (d)(1) the following new paragraphs:

"(2) AUTHORITY OF A COURT TO PROHIBIT PERSONS FROM SERVING AS OFFICERS AND DIRECTORS.—In any proceeding under paragraph (1) of this section, the court may prohibit, conditionally or unconditionally, and permanently or for such period of time as it shall determine, any person who violated section 10(b) of this title or the rules or regulations thereunder from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of this title or that is required to file reports pursuant to subsection (d) of section 15 of this title if the person's conduct demonstrates substantial unfitness to serve as an officer or director of any such issuer.

"(3) MONEY PENALTIES IN CIVIL ACTIONS.—

"(A) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title, the rules or regulations thereunder, or a cease-and-desist order entered by the Commission pursuant to section 21C of this title, other than by committing a violation subject to a penalty pursuant to section 21A, the Commission may bring an action in a United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(B) AMOUNT OF PENALTY.—

"(i) FIRST TIER.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (I) $5,000 for a natural person or $50,000 for any other person, or (II) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(ii) SECOND TIER.—Notwithstanding clause (i), the maximum amount of penalty for each such violation shall not exceed the greater of (I) $50,000 for a natural person or $250,000 for any other person, or (II) the gross amount of pecuniary gain to such defendant as a result of the violation, if the violation described in subparagraph (A) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(iii) THIRD TIER.—Notwithstanding clauses (i) and (ii), the maximum amount of penalty for each such violation shall not exceed the greater of (I) $100,000 for a natural person or $500,000 for any other person, or (II) the gross amount of pecuniary gain to such defendant as a result of the violation, if—

"(aa) the violation described in subparagraph (A) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(bb) such violation directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons.

"(C) PROCEDURES FOR COLLECTION.—

"(i) PAYMENT OF PENALTY TO TREASURY.—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(ii) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(iii) REMEDY NOT EXCLUSIVE.—The actions authorized by this paragraph may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(iv) JURISDICTION AND VENUE.—For purposes of section 27 of this title, actions under this paragraph shall be actions to enforce a liability or a duty created by this title.

"(D) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 21C, each separate violation of such order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with the order, each day of the failure to comply shall be deemed a separate offense.".

SEC. 202. CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS.

(a) The Securities Exchange Act of 1934 is amended by inserting after section 21A the following:

"CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS

"SEC. 21B. (a) COMMISSION AUTHORITY TO ASSESS MONEY PENALTIES.—In any proceeding instituted pursuant to section 15(b)(4), 15(b)(6), 15B, 15C, or 17A of this title against any person, the Commission or the appropriate regulatory agency may impose a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(1) has willfully violated any provision of the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.), or this title, or the rules or regulations thereunder, or the rules of the Municipal Securities Rulemaking Board;

"(2) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person;

"(3) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission or with any other appropriate regulatory agency under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or

"(4) has failed reasonably to supervise, within the meaning of section 15(b)(4)(E) of this title, with a view to preventing violations of the provisions of such statutes, rules and regulations, another person who commits such a violation, if such other person is subject to his supervision;

and that such penalty is in the public interest.

"(b) MAXIMUM AMOUNT OF PENALTY.—

"(1) FIRST TIER.—The maximum amount of penalty for each act or omission described in subsection (a) shall be $5,000 for a natural person or $50,000 for any other person.

"(2) SECOND TIER.—Notwithstanding paragraph (1), the maximum amount of penalty for each such act or omission shall be $50,000 for a natural person or $250,000 for any other person if the act or omission described in subsection (a) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(3) THIRD TIER.—Notwithstanding paragraphs (1) and (2), the maximum amount of penalty for each such act or omission shall be $100,000 for a natural person or $500,000 for any other person if—

"(A) the act or omission described in subsection (a) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(B) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.

"(c) DETERMINATION OF PUBLIC INTEREST.—In considering under this section whether a penalty is in the public interest, the Commission or the appropriate regulatory agency may consider—

"(1) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

"(2) the harm to other persons resulting either directly or indirectly from such act or omission;

"(3) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(4) whether such person previously has been found by the Commission, another appropriate regulatory agency or a self-regulatory organization to have violated the federal securities laws, state securities laws, or the rules of a self-regulatory organization, has been enjoined by a court of competent jurisdiction from violations of such laws or rules, or has been convicted by a court of competent jurisdiction of violations of such laws or of any felony or misdemeanor described in section 15(b)(4)(B) of this title;

"(5) the need to deter such person and other persons from committing such acts or omissions; and

"(6) such other matters as justice may require.

"(d) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission or the appropriate regulatory agency may impose a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission or the appropriate regulatory agency may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business and the collectability of a penalty, taking into account any other claims of the United States

or third parties upon such person's assets and the amount of such person's assets.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any proceeding in which the Commission or the appropriate regulatory agency may impose a penalty under this section, the Commission or the appropriate regulatory agency may enter an order requiring accounting and a disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations and orders concerning payments to investors, rates of interest, periods of accrual and such other matters as it deems appropriate to implement this subsection.".

(b) CONFORMING AMENDMENT.—The heading of section 21A of this title (15 U.S.C. 78u-1) is amended to read as follows:

"CIVIL PENALTIES FOR INSIDER TRADING"

SEC. 203. CEASE-AND-DESIST AUTHORITY.

The Securities and Exchange Act of 1934 is amended by adding after section 21B the following new section:

"CEASE-AND-DESIST PROCEEDINGS

"SEC. 21C. (a) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule or regulation, upon such terms and within such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule or regulation with respect to any security, any issuer, or any other person.

"(b) HEARING.—The notice instituting proceedings pursuant to subsection (a) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(c) TEMPORARY ORDER.—

"(1) IN GENERAL.—Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to subsection (a), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceedings, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest as the Commission deems appropriate pending completion of such proceedings. If the Commission determines that notice of the temporary order would be impracticable or contrary to the public interest, such order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(2) APPLICABILITY.—This subsection shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(d) REVIEW OF TEMPORARY ORDER.—

"(1) JUDICIAL REVIEW.—Within 10 days after a respondent has been served with a temporary cease-and-desist order entered pursuant to subsection (c), the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and such court shall have sole jurisdiction to enter such an order.

"(2) COMMISSION REVIEW.—At any time after a respondent has been served with a temporary cease-and-desist order pursuant to subsection (c), the respondent may apply to the Commission to have the order set aside, limited, or suspended, and the Commission may enter such an order.

"(3) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under paragraph (1) of this subsection shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(4) EXCLUSIVE REVIEW.—Section 25 of this title shall not apply to temporary order entered pursuant to this section.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (a), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.".

SEC. 204. CONFORMING AMENDMENTS TO SECTION 15B.

Section 15B(c)(6)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(6)(A)) is amended—

(1) by striking "and the nature" and inserting ", the nature"; and

(2) by striking "proposed action and" and inserting "proposed action, and whether the Commission is seeking a monetary penalty against such municipal securities dealer or such associated person pursuant to section 21B of this title; and ".

SEC. 205. SIGNATURE GUARANTEES.

Section 17A(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1(d)(4)) is amended by adding at the end the following:

"(5) A registered transfer agent may not, directly or indirectly, engage in any activity in connection with the guarantee of a signature of an endorser of a security, including the acceptance or rejection of such guarantee, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest, for the protection of investors, to facilitate the equitable treatment of financial institutions which issue such guarantees, or otherwise in furtherance of the purposes of this title.".

TITLE III—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 301. CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS.

Section 9 of the Investment Company Act of 1940 (15 U.S.C. 80a-9) is amended—

(1) by redesignating subsection (d) as subsection (g);

(2) by inserting after subsection (c) the following new subsections:

"(d) MONEY PENALTIES IN ADMINISTRATIVE PROCEEDINGS—

"(1) COMMISSION AUTHORITY.—In any proceeding instituted pursuant to subsection (b) against any person, the Commission may impose a civil penalty if it finds, on the record after notice an opportunity for hearing, that such person—

"(A) has willfully violated any provision of the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.), or this title, or the rules or regulations thereunder;

"(B) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person; or

"(C) has willfully made or caused to be made in any registration statement, application, or report required to be filed with the Commission under this title, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such registration statement, application, or report any material fact which was required to be stated therein;

and that such penalty is in the public interest.

"(2) MAXIMUM AMOUNT OF PENALTY.—

"(A) FIRST TIER.—The maximum amount of penalty for each act or omission described in paragraph (1) shall be $5,000 for a natural person or $50,000 for any other person.

"(B) SECOND TIER.—Notwithstanding subparagraph (A), the maximum amount of penalty for each such act or omission shall be $50,000 for a natural person or $250,000 for any other person if the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the maximum amount of penalty for each such act or omission shall be $100,000 for a natural person or $500,000 for any other person if—

"(i) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(ii) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.

"(3) DETERMINATION OF PUBLIC INTEREST.—In considering under this section whether a penalty is in the public interest, the Commission may consider—

"(A) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or

reckless disregard of a regulatory requirement;

"(B) the harm to other persons resulting either directly or indirectly from such act or omission;

"(C) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(D) whether such person previously has been found by the Commission, another appropriate regulatory agency or a self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, has been enjoined by a court of competent jurisdiction from violations of such laws or rules, or has been convicted by a court of competent jurisdiction of violations of such laws or of any felony or misdemeanor described in section 203(e)(2) of this Act;

"(E) the need to deter such person and other persons from committing such acts or omissions; and

"(F) such other matters as justice may require.

"(4) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission may assess a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business, and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets.

"(e) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any proceeding in which the Commission may impose a penalty under this section, the Commission may enter an order requiring accounting and a disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.

"(f) CEASE-AND-DESIST PROCEEDINGS.—

"(1) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule or regulation, upon such terms and conditions and for such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule or regulation with respect to any security, any issuer, or any other person.

"(2) HEARING.—The notice instituting proceedings pursuant to paragraph (1) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(3) TEMPORARY ORDER.—

"(A) Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to paragraph (1), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceeding, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest as the Commission deems appropriate pending completion of such proceedings. If the Commission determines that notice of the temporary order would be impracticable or contrary to the public interest, notwithstanding section 40(a) of this title, such order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(B) This paragraph shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(4) REVIEW OF TEMPORARY ORDER.—

"(A) JUDICIAL REVIEW.—Within 10 days after a respondent has been served with a temporary cease-and-desist order entered pursuant to paragraph (3), the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and such court shall have sole jurisdiction to enter such an order.

"(B) COMMISSION REVIEW.—At any time after a respondent has been served with a temporary cease-and-desist order pursuant to paragraph (3), the respondent may apply to the Commission to have the order set aside, limited, or suspended, and the Commission may enter such an order.

"(C) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under subparagraph (A) of this paragraph shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(D) EXCLUSIVE REVIEW.—Section 43 of this title shall not apply to a temporary order entered pursuant to this section.

"(5) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (f)(1), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems necessary to implement this subsection."; and

(3) in redesignated subsection (g), by striking "subsections (a) through (c) of".

SEC. 302. MONEY PENALTIES IN CIVIL ACTIONS.

Section 42 of the Investment Company Act of 1940 (15 U.S.C. 80a-41) is amended by adding at the end thereof the following new subsection:

"(e) MONEY PENALTIES IN CIVIL ACTIONS.—

"(1) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, or a cease-and-desist order entered pursuant to section 9(f) of this title, the Commission may bring an action in a United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(2) AMOUNT OF PENALTY.—

"(A) FIRST TIER.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (i) $5,000 for a natural person or $50,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(B) SECOND TIER.—Notwithstanding subparagraph (A), the maximum amount of penalty for each such violation shall not exceed the greater of (i) $50,000 for a natural person or $250,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation, if the violation described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the maximum amount of penalty for each such violation shall not exceed the greater of (i) $100,000 for a natural person or $500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation, if—

"(I) the violation described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(II) such violation directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons.

"(3) PROCEDURES FOR COLLECTION.—

"(A) PAYMENT OF PENALTY TO TREASURY.—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(B) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(C) REMEDY NOT EXCLUSIVE.—The actions authorized by this subsection may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(D) JURISDICTION AND VENUE.—For purposes of section 44 of this title, actions under this paragraph shall be actions to enforce a liability or a duty created by this title.

"(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 9(f), each separate violation of such order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such order each day of the failure to comply shall be deemed a separate offense.".

TITLE IV—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940

SEC. 401. CIVIL REMEDIES IN ADMINISTRATIVE PROCEEDINGS.

Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) is amended by adding at the end thereof the following new subsections:

"(i) MONEY PENALTIES IN ADMINISTRATIVE PROCEEDINGS.—

"(1) AUTHORITY OF COMMISSION.—In any proceeding instituted pursuant to subsection (e) or (f) against any person, the Commission may impose a civil penalty if it finds, upon the record after notice and opportunity for hearing, that such person—

"(A) has willfully violated any provision of the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), or this title, or the rules or regulations thereunder;

"(B) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person;

"(C) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such registration statement, application, or report any material fact which was required to be stated therein; or

"(D) has failed reasonably to supervise, within the meaning of section 203(e)(5) of this title, with a view to preventing violations of the provisions of this title and such rules and regulations, another person who commits such a violation, if such other person is subject to his supervision;

and that such penalty is in the public interest.

"(2) MAXIMUM AMOUNT OF PENALTY.—

"(A) FIRST TIER.—The maximum amount of penalty for each act or omission described in paragraph (1) shall be $5,000 for a natural person or $50,000 for any other person.

"(B) SECOND TIER.—Notwithstanding subparagraph (A), the maximum amount of penalty for each such act or omission shall be $50,000 for a natural person or $250,000 for any other person if the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the maximum amount of penalty for each such act or omission shall be $100,000 for a natural person or $500,000 for any other person if—

"(i) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(ii) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.

"(3) DETERMINATION OF PUBLIC INTEREST.—In considering under this section whether a penalty is in the public interest, the Commission may consider—

"(A) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

"(B) the harm to other persons resulting either directly or indirectly from such act or omission;

"(C) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(D) whether such person previously has been found by the Commission, another appropriate regulatory agency, or a self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, has been enjoined by a court of competent jurisdiction from violations of such laws or rules, or has been convicted by a court of competent jurisdiction of violations of such laws or of any felony or misdemeanor described in section 203(e)(2) of this title;

"(E) the need to deter such person and other persons from committing such acts or omissions; and

"(F) such other matters as justice may require.

"(4) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission may impose a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets.

"(j) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any proceeding in which the Commission may impose a penalty under this section, the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.

"(k) CEASE-AND-DESIST PROCEEDINGS.—

"(1) AUTHORITY OF THE COMMISSION.—If the Commission finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision, rule or regulation, upon such terms and conditions and within such time as the Commission may specify in such order. Any such order may, as the Commission deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Commission may specify, with such provision, rule or regulation with respect to any security, any issuer, or any other person.

"(2) HEARING.—The notice instituting proceedings pursuant to subsection (k)(1) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Commission with the consent of any respondent so served.

"(3) TEMPORARY ORDER.—

"(A) IN GENERAL.—Whenever the Commission determines that the violation or threatened violation specified in the notice instituting proceedings pursuant to subsection (k)(1), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest, including, but not limited to, losses to the Securities Investor Protection Corporation, prior to the completion of the proceedings, the Commission may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to investors, or substantial harm to the public interest as the Commission deems appropriate pending completion of such proceedings. If the Commission determines that notice of the temporary order would be impracticable or contrary to the public interest, notwithstanding section 211(c) of this title, such order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Commission or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

"(B) APPLICABILITY.—This paragraph shall apply only to a respondent that acts, or, at the time of the alleged misconduct acted, as a broker, dealer, investment adviser, investment company, municipal securities dealer, government securities broker, government securities dealer, or transfer agent, or is, or was at the time of the alleged misconduct, an associated person of any of the foregoing.

"(4) REVIEW OF TEMPORARY ORDER.—

"(A) JUDICIAL REVIEW.—Within 10 days after a respondent has been served with a temporary cease-and-desist order entered pursuant to paragraph (3), the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and such court shall have sole jurisdiction to enter such an order.

"(B) COMMISSION REVIEW.—At any time after a respondent has been served with a temporary cease-and-desist order pursuant to paragraph (3), the respondent may apply to the Commission to have the order set aside, limited, or suspended, and the Commission may enter such an order.

"(C) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under subparagraph (A) of this paragraph shall not, unless specifically ordered by the

court, operate as a stay of the Commission's order.

"(D) EXCLUSIVE REVIEW.—Section 213 of this title shall not apply to a temporary order entered pursuant to this section.

"(5) AUTHORITY TO ENTER AN ORDER REQUIRING AN ACCOUNTING AND DISGORGEMENT.—In any cease-and-desist proceeding under subsection (k)(1), the Commission may enter an order requiring accounting and disgorgement, including reasonable interest. The Commission is authorized to adopt rules, regulations and orders concerning payments to investors, rates of interest, periods of accrual, and such other matters as it deems appropriate to implement this subsection.".

SEC. 402. MONEY PENALTIES IN CIVIL ACTIONS.

Section 209 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-9) is amended by adding at the end thereof the following new subsection:

"(e) MONEY PENALTIES IN CIVIL ACTIONS.—

"(1) AUTHORITY OF COMMISSION.—Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, or a cease-and-desist order entered by the Commission pursuant to section 203(k) of this title, the Commission may bring an action in a United States district court to seek, and the court shall have jurisdiction to impose, upon a proper showing, a civil penalty to be paid by the person who committed such violation.

"(2) AMOUNT OF PENALTY.—

"(A) FIRST TIER.—The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (i) $5,000 for a natural person or $50,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation.

"(B) SECOND TIER.—Notwithstanding subparagraph (A), the maximum amount of penalty for each such violation shall not exceed the greater of (i) $50,000 for a natural person or $250,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation, if the violation described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the maximum amount of penalty for each such violation shall not exceed the greater of (i) $100,000 for a natural person or $500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation, if—

"(I) the violation described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(II) such violation directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons.

"(3) PROCEDURES FOR COLLECTION.—

"(A) PAYMENT OF PENALTY TO TREASURY—A penalty imposed under this section shall be payable into the Treasury of the United States.

"(B) COLLECTION OF PENALTIES.—If a person upon whom such a penalty is imposed shall fail to pay such penalty within the time prescribed in the court's order, the Commission may refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(C) REMEDY NOT EXCLUSIVE.—The actions authorized by this subsection may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring.

"(D) JURISDICTION AND VENUE.—For purposes of section 214 of this title, actions under this paragraph shall be actions to enforce a liability or a duty created by this title.

"(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF A CEASE-AND-DESIST ORDER.—In an action to enforce a cease-and-desist order entered by the Commission pursuant to section 203(k), each separate violation of such order shall be a separate offense, except that in the case of a violation through a continuing failure to comply with the order, each day of the failure to comply shall be deemed a separate offense.".

SEC. 403. CONFORMING AMENDMENT TO SECTION 214.

Section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-14) is amended—

(1) by inserting after "all suits in equity" the following: "and actions at law brought to enforce any liability or duty created by, or"; and

(2) by inserting after "Any suit or action" the following: "to enforce any liability or duty created by, or".

TITLE V—AMENDMENTS TO THE CRIMINAL CODE

SEC. 501. GRAND JURY SECRECY.

(a) IN GENERAL.—Chapter 215 of title 18, United States Code, is amended by adding after section 3322 the following new section:

"§ 3323. Disclosure of certain matters occurring before grand jury for use in enforcing securities laws

"(a)(1) Upon motion of an attorney for the government, a court may direct disclosure of matters occurring before a grand jury during an investigation of conduct that may constitute a violation of any provision of the securities laws, as defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47)), to identified personnel of the Securities and Exchange Commission for use in relation to any matter within the jurisdiction of the Securities and Exchange Commission.

"(2) A court may issue an order under paragraph (1) only upon a finding of a substantial need in the public interest.

"(b) A person to whom a matter has been disclosed under this section shall not use such matter other than for the purpose for which such disclosure was authorized.

"(c) As used in this section, the terms 'attorney for the government' and 'grand jury information' have the meanings given to those terms in section 3322 of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 215 of title 18, United States Code, is amended by adding after the item relating to section 3322 the following:

"3323. Disclosure of certain matters occurring before grand jury for use in enforcing securities laws.".

MOTION OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MARKEY moves to strike out all after the enacting clause of the Senate bill, S. 647, and to insert in lieu thereof the provisions of H.R. 5325, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An act to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws and to eliminate abuses in transactions in penny stocks, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 5325) was laid on the table.

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 5325, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FLORIDA KEYS PROTECTION ACT

Mr. HERTEL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3719) to establish the Florida Keys National Marine Sanctuary, and for other purposes as amended.

The Clerk read as follows:

H.R. 3719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Florida Keys Protection Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds:

(1) The marine environment adjacent to the Florida Keys supports diverse biological communities possessing extensive recreational, commercial, ecological, historical, cultural, research, educational, and aesthetic values which give this area special national significance.

(2) This marine environment is subject to damage and loss of its ecological integrity from a variety of onshore and offshore disturbances.

(3) Many serious threats to the living marine resources and water quality of the Florida Keys exist inside and outside the Keys which have not been successfully managed by existing State and Federal efforts.

(4) Congress should take action to protect the Florida Keys through domestic law and through other practices which are consistent with generally recognized principles of international law.

(5) The State of Florida and the Federal Government must jointly develop and implement a comprehensive program to reduce pollution in the waters offshore the Florida Keys to protect and restore the water quality, coral reefs, and other living marine resources of this environment.

(b) PURPOSE.—The purpose of this Act is to protect the living marine and other re-

sources of the Florida Keys by establishing a Florida Keys National Marine Sanctuary and by creating an Area to be Avoided by certain vessel traffic in the vicinity of the Florida Keys.

SEC. 3. POLICY.

It is the policy of the United States to protect the living marine and other resources of the Florida Keys.

TITLE I—FLORIDA KEYS NATIONAL MARINE SANCTUARY

SEC. 101. DESIGNATION OF SANCTUARY.

(a) DESIGNATION.—The area described in subsection (b) is designated as the Florida Keys National Marine Sanctuary (hereinafter "Sanctuary") under title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C.. 1431 *et seq.*). The Sanctuary shall be managed in compliance with, and regulations issued under, title III of the Marine Protection, Research, and Sanctuaries Act of 1972 as if the Sanctuary had been designated under that Act.

(b) SANCTUARY BOUNDARIES.—The Sanctuary designated in subsection (a) shall consist of all submerged lands and waters, including living marine and other resources within and on those lands and waters, from the baseline from which the territorial sea is measured and the U.S. Route 1 bridges seaward to the 300-foot isobath and bounded by the following coordinates—

(1) Latitude 25 degrees, 20.5 minutes north by Longitude 80 degrees, 15.1 minutes west.

(2) Latitude 25 degrees, 20.1 minutes north by Longitude 80 degrees, 14.6 minutes west.

(3) Latitude 25 degrees, 20.1 minutes north by Longitude 80 degrees, 12.6 minutes west.

(4) Latitude 25 degrees, 19.45 minutes north by Longitude 80 degrees, 12 minutes west.

(5) Latitude 25 degrees, 16.2 minutes north by Longitude 80 degrees, 8.7 minutes west.

(6) Latitude 25 degrees, 7.5 minutes north by Longitude 80 degrees, 12.5 minutes west.

(7) Latitude 25 degrees north by Longitude 80 degrees, 17 minutes west.

(8) Latitude 24 degrees, 56 minutes north by Longitude 80 degrees, 21 minutes west.

(9) Latitude 24 degrees, 48 minutes north by Longitude 80 degrees, 35 minutes west.

(10) Latitude 24 degrees, 42 minutes north by Longitude 80 degrees, 45 minutes west.

(11) Latitude 24 degrees, 36 minutes north by Longitude 80 degrees, 1 minute west.

(12) Latitude 24 degrees, 30 minutes north by Longitude 81 degrees, 22 minutes west.

(13) Latitude 24 degrees, 26 minutes north by Longitude 80 degrees, 44 minutes west.

(14) Latitude 24 degrees, 24.5 minutes north by Longitude 81 degrees, 53 minutes west.

(15) Latitude 24 degrees, 24.5 minutes north by Longitude 81 degrees, 10 minutes west.

(16) Latitude 24 degrees, 23 minutes north by Longitude 82 degrees, 27.8 minutes west.

(17) Latitude 24 degrees, 34.5 minutes north by Longitude 82 degrees, 37.5 minutes west.

(18) Latitude 24 degrees, 43 minutes north by Longitude 82 degrees, 26.5 minutes west.

(19) Latitude 24 degrees, 38.3 minutes north by Longitude 81 degrees, 54.1 minutes west.

(20) Latitude 24 degrees, 33.5 minutes north by Longitude 81 degrees, 48.5 minutes west.

(c) BOUNDARY MODIFICATION.—The Secretary of Commerce, in consultation with the Governor of Florida, if appropriate, may make minor boundary modifications to the Sanctuary to ensure efficient management and enforcement of the comprehensive management plan for the Sanctuary.

(d) AREAS WITHIN STATE OF FLORIDA.—The designation in subsection (a) shall not take effect for any area located within the waters of the State of Florida if, no later than 45 days after the date of enactment of this Act, the Governor of the State of Florida objects in writing to the Secretary of Commerce.

SEC. 102. IMPLEMENTATION.

(a) IN GENERAL.—Consistent with this Act, the Secretary of Commerce shall hold public hearings and issue a comprehensive management plan and regulations under section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) for the Sanctuary.

(b) CONTENTS OF COMPREHENSIVE MANAGEMENT PLAN.—The management plan prepared under this section shall include provisions which—

(1) incorporate existing national marine sanctuaries offshore Florida within the Sanctuary with minimum disruption to current users;

(2) identify sources of harmful environmental impacts on Sanctuary resources from inside and outside the Sanctuary.

(3) identify alternative sources of revenue to support the management of the Sanctuary and to supplement appropriations pursuant to section 313 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1444), as amended by this Act; and

(4) incorporates regulations necessary to enforce elements of the water quality program under section 104 which affect matters within the jurisdiction of the Secretary.

(c) CONSIDERATION OF ADVISORY COUNCIL VIEWS.—(1) The Secretary of Commerce shall give full consideration to the views of the Advisory Council established under section 103 of this Act in the development and implementation of the comprehensive management plan for the Sanctuary.

(2) The Secretary of Commerce shall respond in writing to any recommendations made by the Advisory Council.

(d) VESSEL DAMAGE PROHIBITION.—Pending completion of the comprehensive management plan, a person operating a vessel shall not strike or otherwise damage the natural resources of the Sanctuary. The Secretary of Commerce shall enforce this subsection pursuant to title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 *et seq.*).

SEC. 103. ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established an Advisory Council to assist in the development of a comprehensive management plan for the Sanctuary, to advise the Secretary of Commerce in the implementation of this management plan, to advise on the development of the water quality protection program under section 104, and to provide a continuing forum to assist the Secretary to resolve conflicts among users of Sanctuary resources.

(b) MEMBERSHIP OF ADVISORY COUNCIL.—(1) The Advisory Council shall have 15 members, including representatives of appropriate commercial and recreational users of the marine environment of the Florida Keys, conservation organizations, the marine scientific and educational community, and Federal, State and local governments. The Advisory Council shall be comprised of—

(A) 5 representatives of the Federal Government, with 1 each from the National Oceanic and Atmospheric Administration, the Environmental Protection Agency, the U.S. Coast Guard, the U.S. Fish and Wildlife Service, and the National Park Service;

(B) 1 representative of the South Atlantic Regional Fishery Management Council;

(C) 3 representatives from the State of Florida, with 1 each from the Florida Department of Environmental Regulation, the Florida Department of Natural Resources, and the Florida Department of Community Affairs; and

(D) 6 individuals, with 3 appointed by the Board of County Commissioners of Monroe County, and 3 appointed by the Governor of Florida.

(2) Initial appointments to the Advisory Council made under subparagraph (1)(D) shall be staggered so that 1 representative appointed by the Board of County Commissioners of Monroe County and 1 representative appointed by the Governor of Florida shall be eligible for reappointment or replacement every two years. Other appointments shall be made for a term of six years.

(3) Vacancies on the Advisory Council shall be filled in the same manner as the original appointment.

(c) FEDERAL ADVISORY COMMITTEE ACT.—Section 14 of the Federal Advisory Committee Act (Sanctuary U.S.C. App. 2) shall not apply to the Advisory Council.

SEC. 104. FLORIDA KEYS WATER QUALITY.

(a) WATER QUALITY PROTECTION PROGRAM.—(1) Within 30 months of the date of enactment of this Act, the Governor of the State of Florida, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency shall develop a water quality protection program for the Sanctuary. The purposes of the program shall be to—

(A) limit the introduction of pollutants from point and nonpoint sources to protect and restore the water quality, coral reefs, and other living marine resources of the Sanctuary; and

(B) assign responsibilities for the implementation of the program among the Governor, the Secretary and the Administrator in accordance with applicable Federal and State laws.

(2) In developing and implementing the program the Governor shall consult with appropriate State and local officials.

(3) The comprehensive water quality program required by this section shall provide under applicable Federal and State laws for measures to achieve the purposes of subsection (a), including—

(A) adoption or revision under applicable Federal and State laws by the State and the Administrator of applicable water quality standards for the Sanctuary, based on water quality criteria which may utilize biological monitoring or assessment methods, to assure protection and restoration of the water quality, coral reefs, and other living marine resources of the Sanctuary;

(B) adoption under applicable Federal and State laws by the Secretary, the Administrator, and the State, respectively, of enforceable pollution control measures (including water quality based effluent limitations and best management practices) and methods to eliminate or reduce pollution from point and nonpoint sources;

(C) establishment of a comprehensive water quality monitoring program to (i) determine the sources of pollution causing or contributing to existing or anticipated pol-

lution problems in the Sanctuary; (ii) evaluate the effectiveness of efforts to reduce or eliminate those sources of pollution; and (iii) evaluate progress towards achieving and maintaining water quality standards, and protecting and restoring the coral reefs and other living marine resources of the Sanctuary;

(D) provision of adequate opportunity for public participation in all aspects of developing and implementing the program; and

(E) identification of funding for implementation of the program, including appropriate Federal and State cost sharing arrangements.

(b) COMPLIANCE AND ENFORCEMENT.—The Governor of the State of Florida, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency shall ensure compliance with the program required by this section, consistent with title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 et seq.) and other applicable laws.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

Section 313(2) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1444(2)) is amended by striking "(C) $3,000,000 for fiscal year 1991; and (D) $3,250,000 for fiscal year 1992" and inserting "(C) $3,750,000 for fiscal year 1991; and (D) $4,000,000 for fiscal year 1992".

TITLE II—PROHIBITION ON CERTAIN VESSEL TRAFFIC

SEC. 201. AREA TO BE AVOIDED.

(a) PROHIBITION.—Consistent with generally recognized principles of international law, a person may not operate a tank vessel (as the term is defined in secton 2101 of title 46, United States Code) or a vessel greater than 50 meters in length in the Area to Be Avoided described in the Federal Register notice of May 9, 1990 (55 Fed. Reg. 19418-19419).

(b) MODIFICATION.—The prohibition in subsection (a), including the area to which the prohibition applies, may be modified by regulations issued jointly by the Secretary of the Department in which the Coast Guard is operating and the Secretary of Commerce.

(c) EFFECTIVE DATE.—Subsection (a) shall be effective the earliest of—

(1) six months from date of enactment of this Act;

(2) publication of a notice to mariners consistent with this section; or

(3) publication of new nautical charts consistent with this section.

SEC. 202. PENALTIES.

Any person or vessel subject to the jurisdiction of the United States who violates this title shall be considered to have violated title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 et seq.) and will be subject to the penalties, enforcement procedures, and liabilities for damages in that Act.

TITLE III—MISCELLANEOUS

SEC. 301. PROHIBITION.

No leasing, exploration, development, or production of minerals or hydrocarbons shall be permitted within the Florida Keys National Marine Sanctuary.

The SPEAKER pro tempore. Is a second demanded?

Mr. GOSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. HERTEL] will be recognized for 20 minutes, and the gentleman from Florida [Mr. Goss] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3719, the Florida Keys Protection Act.

The coral reefs lying offshore the Florida Keys are the most extensive reef tracts in North America.

Coral reefs are the marine equivalent of tropical rainforests in the sense that they support a teeming variety of life that includes many species found nowhere else in the world.

The reefs of the Florida Keys are a scenic wonder, and an invaluable fishery habitat and recreational resource.

But these reefs are threatened, Mr. Speaker, threatened by vessel groundings, water pollution, commercial overexploitation, and unintentional damage from some people who do not fully understand the fragility of the living reef.

My colleagues DANTE FASCELL and WALTER JONES introduced H.R. 3719 last fall to preserve and protect the marine resources of the Florida Keys.

H.R. 3719 designates the Florida Keys national marine sanctuary and restricts vessel traffic in the vicinity of the keys to help to prevent ship groundings on the reefs.

The bill provides for development and implementation of a comprehensive management plan for the sanctuary and allows ample public input into this process.

H.R. 3719 also prevents oil and gas exploration and development within the sanctuary.

I would like to thank our colleagues from the Interior Committee, MO UDALL and GEORGE MILLER, for working with us to achieve this protection for the keys.

Protecting the coral reefs of the Florida Keys will ensure that this national treasure is available for the benefit and enjoyment of the American people for generations to come.

The Merchant Marine and Fisheries Committee supports this bill wholeheartedly and we urge the endorsement of the House for this important environmental legislation.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LAUGHLIN].

Mr. LAUGHLIN. Mr. Speaker, this bill contains a provision for the development by the Governor of the State of Florida. The Secretary of Commerce, and the Administrator of the Environmental Protection Agency of a Water Quality Protection Program for the Florida Keys National Marine Sanctuary. The purpose of the program is to limit the introduction of pollutants from point and nonpoint sources to protect the sanctuary. The program is to provide for the development and implementation under applicable Federal and State law of control measures such as water quality criteria and standards and point and nonpoint source pollution controls.

It is my understanding that it is not the intent of the provision to provide any authority to the agencies for implementation of these measures which they do not possess under other applicable laws, such as the Clean Water Act, the Marine Protection, Research, and Sanctuaries Act, or the Coastal Zone Management Act, and that it is the intent of the provision that the implementation measures will be carried out by the State and Federal agencies in accordance with applicable State and Federal laws. Does the gentleman concur with this understanding?

Mr. HERTEL. Mr. Speaker, if the gentleman will yield, the gentleman is correct. It is intended that the various agencies carry out the implementation plans in accordance with the laws which each of them administers.

Mr. LAUGHLIN. I also note that the provision falls within the water quality jurisdiction of the Committee on Public Works and Transportation. We have reviewed it, and have concurred in its inclusion in order to permit this important bill to move ahead without undue delay.

Mr. HERTEL. I appreciate the gentleman's cooperation, and concur in the jurisdictional point he has raised.

Mr. LAUGHLIN. Mr. Speaker, I thank the gentleman. While I do support the bill and hope that the Senate accepts it as passed by the House, should a conference be necessary, I want to state for the record that it would be my intent to request that the Committee on Public Works and Transportation be appointed conferees on this matter.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 3719, the Florida Keys Protection Act. This legislation would begin the process for offering genuine protection of the Florida Keys Coral Reef, which is truly one of the world's natural wonders.

Our colleague, the gentleman from Florida [Mr. FASCELL] deserves special congratulations and thanks not only for authoring this legislation, but also for his leadership in the effort to protect this resource. I would also like to congratulate the leadership of the Merchant Marine Committee, and most especially Chairman JONES for his personal interest in this legislation. I thank Senator GRAHAM in the other body for his companion bill.

H.R. 3719 would provide for immediate designation of the Florida Keys Coral Reef as a national marine sanctuary. While the State of Florida and its citizens will no doubt benefit from this legislation, the bill's benefits will not be limited to the State.

Millions of people from around the world fish and scuba dive in the waters of the reef. Coral reefs have been called the oceans' rainforests because of the diversity and spectacular nature of their marine life, and as the world's third-largest, the keys reef is a unique national treasure.

Such status carries with it a special stewardship responsibility; unfortunately, this stewardship responsibility is not currently being met. A June 1988 workshop convened by the National Oceanic and Atmospheric Administration concluded that the reef is in serious trouble. The daily barrage of toxic runoff, tanker groundings, anchor damage, pollution discharge, diver negligence, and oil spills has seriously wounded the reef and its ecosystem. Without timely action, we could face its permanent loss.

H.R. 3719 would provide immediate help, not just for the Federal Government, but from all levels of government and citizens groups alike. Upon becoming law, the Florida Keys Protection Act would require NOAA to begin the management process for the approximately 200 miles of reef stretching from Key Biscayne to Rebecca Shoal. It would ban oil and gas drilling and channelize commercial traffic away from the reefs by codifying the Coast Guard's designated area to be avoided. Perhaps most importantly, the management plan would include the development of a water quality plan to protect the reef against its greatest threat: water pollution.

The bill is a model of cooperative governing. It allows ample opportunity for public comment, and it has the strong support of the State government, including a commitment of State funds for the development of the water quality program. Moreover, the bill establishes an advisory council composed of Federal, State, and local officials and user groups to help prepare and implement the management plan.

Just yesterday the Coast Guard discovered a 22-mile long oil slick of unknown origins heading toward the reef. Far from being an aberration, such an incident is all too common off the Florida Keys reef. The time to act is now. Rather than watching its destruction, we can help preserve the coral reef's vitality. I urge my colleagues to support the bill.

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Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise to address provisions in H.R. 3719, the Florida Keys Protection Act of 1990.

I recognize the hard work of the gentleman from Florida [Mr. FASCELL], members of the Merchant Marine and Fisheries Committee, the Foreign Affairs Committee, and others to develop and move this legislation. Various provisions should help protect this valuable natural resource.

However, I feel compelled to express concerns about the committee amendment relating to water quality and included in the moton to suspend the rules. This is a matter clearly within the jurisdiction of the Public Works and Transportation Committee. As described in the colloquy between the leadership of the Public Works and Transportation Committee and Merchant Marine and Fisheries Committee, we are willing to allow a water quality amendment to move forward so as not to cause any possible delay for the bill as a whole. This should be construed as a gesture of cooperation, however, and not as any indication of waiving our jurisdiction over this issue.

In fact, some of us continue to have concerns about the substance of the amendment and we would reserve our right to work closely on this issue as the bill proceeds through Congress. Admittedly, the Merchant Marine and Fisheries Committee and the gentleman from Florida have worked with us over the last couple of days to address some of these concerns, and we appreciate that.

One of the changes incorporated into the amendment involves the relation to existing laws such as the Federal Water Pollution Control Act. Nothing in the bill provides authority inconsistent with or in addition to existing authority under the Federal Water Pollution Control Act. For example, we are not giving EPA or NOAA any new authority to regulate point source and nonpoint source pollution not already addressed in Federal law. This is not a mandate for Federal land use planning.

Unfortunately, another concern has not been adequately addressed. Marine water quality criteria may make sense in certain instances. However, I share the administration's concerns about this bill's mandate for provisions on site-specific criteria. H.R. 3719 does not and should not be construed as setting a precedent for such an approach at other specific water bodies or regions.

Mr. Speaker, I appreciate the opportunity to make these comments and commend the sponsors for their commitment to protecting the Keys. I look forward to working with them throughout the legislative process.

Mr. GOSS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HERTEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. FASCELL], the chairman of the Committee on Foreign Affairs, the sponsor of the legislation and the Member in whose district the Keys Sanctuary will reside.

Mr. FASCELL. Mr. Speaker, I rise in support of H.R. 3719, legislation which I introduced with our colleague, Chairman WALTER JONES. I want to thank Chairman JONES and the chairmen of the two subcommittees which shared jurisdiction on this bill. DENNIS HERTEL and GERRY STUDDS, for moving to address this important matter with such promptness. I also want to commend the able staff of the committee and subcommittees whose hard work and cooperation has allowed us to take substantial steps to protect the reefs.

Three commercial freighter groundings on the coral reefs in the Florida Keys last year brought the threats of endangering the vitality of the reefs into focus. The tanker groundings, while the most dramatic threat, do not cause as much damage as careless users of the resource and degradation of water quality. This bill, with the inclusion of the committee amendment on water quality, will address each of these threats by creating the Florida Keys National Marine Sanctuary and codifying an "area to be avoided" proposal currently pending before the International Maritime Organization.

This bill is a realization of the fact that a resource management policy is needed for the coral reef ecosystem in the Florida Keys. The reefs are not only a vital component of the local economy, but they are also one of the most beautiful ecosystems known to man and are only rivaled by tropical rain forests in terms of biological diversity. This measure will provide needed protection to North America's only living coral reef tract, which is a resource of national significance.

This legislation calls for the development and implementation of a comprehensive management plan which will allow compatible uses of the resource as long as such uses are not detrimental to the health of the reefs. Many people have commented that this management plan should be similar to the zoned usage concept employed to protect Australia's Great Barrier Reef. I agree that zoned usage has a role and, if used, should be applied as Australia does so that those who depend on the reefs for their livelihoods can continue to earn a living. I urge the National Oceanic and Atmospheric Administration [NOAA] to study this approach, and hope it will meet with any group that has an interest in the development of the management plan.

One of the most important aspects of this legislation is the advisory council it creates. The impetus behind this is to bring the Federal and State agencies with jurisdiction over various programs in the area together with commercial, recreational, conservation, and scientific interests, to assist with the development and implementation of the management plan and provide ongoing advice on the management of the sanctuary. There is a clear need to bring government agencies together because of the potential duplication and conflict of their management agendas.

The economy of the Florida Keys is directly tied to the health of the reefs, and I am pleased that the bill provides for local input on the advisory board. If this sanctuary is going to be effective, it must have the support of the residents of the Florida Keys and this can only be done if they have a place at the table. Further, it is also important that the council includes members of the conservation and scientific community, which is provided.

Addressing the water quality problem and eliminating careless use of the resource will take a good deal of hard work, but this legislation creates a framework to address these issues. I am indebted to our colleagues on the Public Works and Transportation Committee and the Water Resources Subcommittee for their assistance in this regard, particularly Chairman GLENN ANDERSON and Chairman HENRY NOWAK, JOHN PAUL HAMMERSCHMIDT, and ARLEN STANGELAND.

This legislation will put an end to the dangerous practice of gulf-bound vessels hugging the coral reefs in order to avoid the Gulf Stream current. The reefs are placed in direct danger as these large vessels skirt the reefs to save a little time and money. We obviously do not read about the close calls and the near misses. There is a great outcry only when there is a grounding—like the three last year.

The original version of this bill called on the Coast Guard to submit an "area to be avoided" proposal for the Florida Keys to the IMO. Since such a proposal has already been submitted and is currently pending before that body, this legislation seeks to codify it in order to provide domestic enforcement authority to keep vessels out of the "area to be avoided." Properly adhered to and stringently enforced, this provision will keep these vessels several miles off the reefs.

Finally, the bill prohibits all mining and oil and gas activities within the sanctuary. For this, I am particularly grateful to our colleague, GEORGE MILLER, chairman of the Subcommittee on Water, Power, and Offshore Energy Resources, and the members of the subcommittee for their cooperation and valuable assistance.

I am pleased to say that this legislation has the support of the Governor of Florida, and I would like to include a letter from Governor Martinez for the RECORD. The State of Florida recognizes the benefits and importance of this legislation to the mutual interest of the State and Federal Government and has been extremely helpful in working with us in the development of this legislation.

STATE OF FLORIDA,
Tallahassee, FL, July 23, 1990.

Hon. DANTE FASCELL,
Rayburn House Office Building,
Washington, DC 20515

DEAR CONGRESSMAN FASCELL: I am writing to express my support of H.R. 3718, which you are sponsoring to create a unified Florida Keys National Marine Sanctuary. The Sanctuary would include all the waters east of the Keys from Key Largo Marine Sanctuary southwest to Rebecca Shoal seaward to the 300 ft. depth. This legislation would support and complement state objectives to protect the magnificent Florida Keys coral reef and surrounding marine environment from shipping traffic and other threats.

As you know, I have worked with the Coast Guard to establish an internationally recognized buffer zone off the Florida Keys reef tract to reduce the threat of groundings from oil tankers and other vessels which daily threaten this irreplaceable resource. I am very encouraged that your legislation would essentially incorporate the Coast Guard's pending proposal to establish an "area to be avoided" seaward of the reef. Inclusion of appropriate vessel restrictions under your legislation would also provide additional incentives for vessels to avoid this sensitive area by subjecting violators to civil penalties and possible seizure or forfeiture of their vessels.

I am also pleased that under this legislation mining, oil and gas activities would be expressly prohibited within the sanctuary. It is important to seize every available opportunity to prevent such activities which are incompatible with protection of this fragile and unique marine environment.

Development of a comprehensive management plan for the sanctuary will be important to determine specific resource management needs which are critical to the long-term protection of these waters. A healthy marine environment is absolutely vital to a healthy Keys' economy. The management plan should include consultation with commercial and recreational interests as well as state and local officials to ensure effective management of the sanctuary.

Development of water quality protection strategies for the sanctuary will be a major challenge. We would particularly welcome a partnership with the federal government to identify and address water quality protection needs, with targeted federal funding and expertise. I look forward to working closely with you and the other members of our Congressional Delegation to develop such a partnership.

Sincerely,

BOB MARTINEZ,
Governor.

This is a good bill which responds to a growing environmental problem. Florida has one of the most sensitive environments in the Nation, and the Florida Keys may be the most sensitive area in the State. The economic importance and national significance of the reefs mandate that we begin to commit the necessary resources to protect them. This legislation is not a Band-Aid approach; it is a comprehensive attempt to bring all the interested parties together to work toward a solution before the problem gets too large. This is an important first step which provides needed protections, and I urge our colleagues to support the protection of the coral reefs.

Mr. HERTEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the chairman.

Mr Speaker, we have the highest percentage of Michigan residents and tourists visiting and residing in Florida, and they appreciate very much that we are to preserve this.

What we have done is taken something, the coral reefs, something unique, and fragile, and we simply have said no, no to oil drilling, no to gas exploration, no to development within that sanctuary to protect it for future generations.

I thank the committee and the staff who have worked on this for so very long. I thank the minority for their advice and counsel on the questions that came up, and we are hopeful that this will pass quickly in the Senate also, because it is important that we accomplish this this year to preserve what is necessary for the future.

Mr. JONES of North Carolina. Mr. Speaker, I would like to offer my strongest support for H.R. 3719, the Florida Keys Protection Act. My colleague DANTE FASCELL and I introduced this bill last fall in the wake of several ship groundings in the keys which destroyed large areas of live coral. However, ship groundings are not the only threat to the vitality of the coral reefs.

Those who know the Florida Keys National Marine Sanctuary agree that declining water quality is a threat to the reefs of equal or greater magnitude than actual physical damage from groundings. Overfishing and damage caused by divers and boat anchoring are also frequently cited as detrimental to the reefs.

The coral reefs offshore the Florida Keys are a resource of great national significance. The reefs form the basis of a complex and productive ecosystem and provide a vital fisheries habitat. Because the reefs of the keys are the largest reef tract in North America, they comprise a nationally and even globally significant marine environment worthy of our protection and restoration.

The bill reported from the Merchant Marine and Fisheries Committee represents comprehensive legislation to protect and restore the water quality, coral reefs, and other living marine resources of the Florida Keys. Under title III of the Marine Protection, Research, and Sanctuaries Act, the Secretary of Commerce has broad authority to develop and implement a management plan and to regulate any activities and uses as necessary to provide comprehensive protection of sanctuary resources. Therefore, establishment of the Florida Keys National Marine Sanctuary is a

giant step toward protection of the coral reefs, marine waters, fisheries, and other resources encompassed within this area.

Included in the bill is a ban on oil, gas, and mineral exploration and development within the sanctuary. I would like to thank my colleagues from the Committee on Interior and Insular Affairs, Mr. UDALL and Mr. MILLER, for working with Mr. FASCELL and me to protect the coral reefs of the Florida Keys from offshore oil and gas activities while allowing the bill to move forward in an expeditious manner.

The bill also requires development of a comprehensive Water Quality Protection Program which will be applicable to marine waters within the sanctuary. With cooperation from the Committee on Public Works and Transportation, particularly Mr. ANDERSON and Mr. NOWAK, we have developed provisions calling for a collaborative effort between the Department of Commerce, the Environmental Protection Agency, and the State of Florida.

I would also like to thank the chairman of the two subcommittees who handled this bill in committee, DENNIS HERTEL and GERRY STUDDS, for their speedy but thorough consideration of the legislation.

I urge the House to support this important bill to protect and preserve the nationally significant marine environment offshore the Florida Keys for generations to come.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Michigan [Mr. HERTEL] that the House suspend the rules and pass the bill, H.R. 3719, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HERTEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3719, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMPREHENSIVE U.S. OCEANS AND GREAT LAKES POLICY

Mr. HERTEL. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 69) to urge the development and implementation of a comprehensive U.S. oceans and Great Lakes policy.

The Clerk read as follows:

H. CON. RES. 69

Whereas the oceans and the Great Lakes are a source of ecological, economic, social, aesthetic, and military significance second to none in the United States and the world;

Whereas how the United States uses the oceans and the Great Lakes profoundly affects the Nation's economy, national security, transportation needs, international trade, food resources, energy and raw material needs, and environmental quality;

Whereas current Federal oceans and Great Lakes programs are administered by numerous departments and agencies, resulting in fractured and overlapping jurisdictions over oceans and Great Lakes resources;

Whereas because Federal fiscal resources are expected to be severely limited at least to the end of this century, a reexamination of the Nation's oceans and Great Lakes activities is needed; and

Whereas a new coordinated and comprehensive policy based on that reexamination must be developed in order to maximize current resources and to utilize the oceans and Great Lakes in a balanced fashion: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) urges the President to work with the Congress to identify and establish a comprehensive national oceans and Great Lakes policy and to revitalize existing Federal agencies and programs to achieve this goal;

(2) urges the Federal and State and local governments, private industry, coastal and environmental organizations, and the general public to share their expertise to preserve, protect, and responsibly utilize the oceans and the Great Lakes; and

(3) urges the President to dedicate appropriate funding, including innovative financing, to implement the national oceans and Great Lakes policy referred to in paragraph (1) through coordinated and cooperative programs which protect the ecological, economic, social, aesthetic, and military interests of the United States with respect to the oceans and the Great Lakes.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. HERTEL] will be recognized for 20 minutes, and the gentlewoman from Rhode Island [Ms. SCHNEIDER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. SPEAKER. I rise in support of House Concurrent Resolution 69.

House Concurrent Resolution 69 urges the President to work with the Congress on the development and implementation of a comprehensive U.S. oceans and Great Lakes policy. This policy is needed and sorely lacking.

The late 1960's was the last time the United States examined its oceans and coastal policies in any comprehensive way. As a result, the National Oceanic and Atmospheric Administration, or NOAA, was created and several new laws, including the Coastal Zone Management Act of 1972, were enacted. But, we have stagnated since then and lack a comprehensive framework within which to pass new ocean and coastal legislation.

The oceans, Great Lakes, and our near-shore waters are critical to life as we know it. The ocean influences our climate and makes life bearable. The Great Lakes and coastal waters support all of our fisheries resources. Finally, like lemmings, we are all moving closer to the ocean because of its appeal to our esthetic senses. These critical elements demand and need a comprehensive oceans and Great Lakes policy.

I support this concurrent resolution and recommend that it pass.

□ 1410

Ms. SCHNEIDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have all been hearing continuing stories of devastating oilspills, dolphin die offs, and beach closings, and all Congress ever seems to do is to react to these events. Haven't we had enough! This resolution seeks to establish a comprehensive national oceans and Great Lakes policy, which will put us in a preventive rather than a reactive mode. Our oceans and Great Lakes are in trouble, and it is time for us to address those troubles.

The National Oceanic and Atmospheric Administration [NOAA], in its fiscal year 1990 budget submission to Congress stated:

The degradation of coastal resources is reaching crisis proportions: fisheries are highly variable and may be declining due to human activities; pollution in major estuaries has led to widespread prohibitions of fishing and swimming and restriction of the sale of fish and shellfish; and severe storms and other natural hazards are increasingly endangering lives and destroying valuable coastal property.

Despite this recognition of the many problems facing our oceans and Great Lakes, the United States still does not have any cohesive policy to deal with them. The first step in defining and eventually coming to terms with any problem is to set an agenda. The United States, however, has not had an oceans agenda since 1969 when the Stratton Commission issued its report. The recommendations in that report provided the blueprint for our oceans policy of the 1970's, which included the creation of NOAA and the passage of landmark legislation such as the Clean Water Act; the Coastal Zone Management Act; the Ocean Dumping Act;, the Magnuson Fishery Conservation and Management Act; and the Marine Mammal Protection Act.

The 1980's saw new challenges facing our oceans and Great Lakes, but the United States never developed a coordinated national agenda to address them. These challenges have been exacerbated by soaring budget deficits, but have also included the proclamation of a 200-mile exclusive economic zone and the newly declared 24-mile territorial sea; dramatically increased degradation caused by coastal and estuarine pollution; an increase in beach closings and unexplained

marine mammal deaths; a rash of major oilspills; and the depletion of our fishery resources.

As we enter the 1990's we must change our approach—the United States must adopt a comprehensive and coordinated agenda for the proper management and utilization of this Nation's most important natural resource, our oceans and Great Lakes. This concurrent resolution does just that: It directs the President to work with Congress in formulating a national oceans and Great Lakes policy for the coming decade. This policy should be based on a close examination of our past efforts, our current trends, and our future needs and expectations.

Now is the time to examine, and to assess the status of this Nation's coastal and marine concerns. Are we content with the rate of progress developed in response to the Stratton Commission 20 years ago? I for one am not. I strongly urge all of my colleagues to support this important resolution.

Mr. HERTEL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LAUGHLIN].

Mr. LAUGHLIN. Mr. Speaker, I rise in support of the resolution and to ask the distinguished chairman of the Oceanography and Great Lakes Subcommittee a question.

Mr. Speaker, I would ask the committee chairman; the Committee on Public Works and Transportation has jurisdiction over Great Lakes water quality issues. Precedents and bill referrals support this. In addition, we have held numerous hearings on this matter. In fact, next week we will be marking up the Great Lakes Water Quality Improvement Act of 1990.

Recognizing this, does the gentleman acknowledge the jurisdiction of the Committee on Public Works and Transportation with respect to House Concurrent Resolution 69 as it addresses Great Lakes water quality issues?

Mr. HERTEL. Mr. Speaker, if the gentleman will yield, the gentleman's point is well taken. The Committee on Public Works and Transportation has jurisdiction over Great Lakes water quality improvement issues and House Concurrent Resolution 69 to the extent that these issues are addressed in the resolution.

Mr. LAUGHLIN. Mr. Speaker, I thank the gentleman. While I do support the resolution and am hopeful that the Senate accepts it as passed by the House, should a conference be necessary, I want to state for the record that it would be my intent to request that the Public Works Committee be appointed equal conferees on House Concurrent Resolution 69 in order to adequately and properly address our concerns.

Ms. SCHNEIDER. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. SAXTON], a very active member on this committee.

Mr. SAXTON. Mr. Speaker, I rise in strong support of House Concurrent Resolution 69. House Concurrent Resolution 69 states in part that a new coordinated comprehensive policy based on reexamination must be developed in order to maximize current resources and to utilize the oceans and Great Lakes in a balanced fashion.

Mr. Speaker, one only need look at the hodgepodge of legislation that this House and the other body find necessary to address various problems that have to do with the ocean, to recognize why it is that the resolution of the gentlewoman from Rhode Island [Ms. SCHNEIDER] is so necessary. I have worked with the gentlewoman on many of these issues, over the last 6 years on all of the issues, and I must say, Mr. Speaker, that the resolution of the gentlewoman from Rhode Island [Ms. SCHNEIDER] is very well-founded. In fact, I cannot think of anything we need to do more than to work in this way with the administration and with the other Members of this House and with the many groups of people who are so concerned about the issues that we deal with on almost a daily basis that have to do with the ocean environment.

Mr. Speaker, not long ago the gentlewoman from Rhode Island [Ms. SCHNEIDER] and I joined with the gentleman from New Jersey [Mr. HUGHES] in working on the Subcommittee on Fish and Wildlife on a bill that has to do with standards of pollution or water quality standards for the ocean waters which would be consistent throughout the coastal areas of the United States.

Mr. Speaker, while we were there working on that bill, I asked myself why it is that we have to pass legislation like this year after year. The answer to that question is that we have been playing catchup, much as the gentlewoman from Rhode Island [Ms. SCHNEIDER] suggested, for many years, with regard to policies that have to do with ocean quality.

Mr. Speaker, think about the many subjects that we deal with right here on this floor. Oil spill legislation following the *Valdez* incident. Certainly that was catchup policy. Certainly we should have been able to recognize as a body and as a society that legislation to prevent oil spills was necessary, but we did not. Then we had to react.

The issue of sewer sludge dumping off the New Jersey coast was one of the first issues that I dealt with when I came to this House. Still today many communities in the Northeastern part of the United States, including communities from New York and New Jersey, continue to dump sludge in the ocean. Thankfully it will become illegal in another year or so, but it is an issue we had to play catchup on.

Medical waste in the ocean, an issue we again dealt with in a reactive fashion. We reacted to plastic in the ocean by expanding and putting in place legislation to put the MARPOL Treaty into effect in our House.

Combined sewer overflows and other plastic types of products that end up in the ocean still cry out for reaction from this House. Wetlands protection. For many, many years we have looked at wetlands as not so much a resource, but as something to be used for development. We know today we can no longer do that. It has an effect on the ocean.

Offshore exploration, often the subject of legislation in our House. Dolphin die-offs was a subject of activity by the Committee on Merchant Marine and Fisheries. A study was done, and today, still today, in the Gulf of Mexico dolphins continue to die. Red tides, what makes them, are they dangerous. The effect of nitrates and phosphates and the process of nutrification in the ocean and coastal waters are all issues we need to address.

Mr. Speaker, I believe as this resolution points out, that this resolution provides, and as the gentlewoman from Rhode Island [Ms. SCHNEIDER] has so aptly articulated, we need a coordinated policy for the ocean environment. I commend the gentlewoman for offering this amendment today, and certainly ask Members from both sides of the aisle to offer their strong support as well.

Mr. HERTEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this truly is a national responsibility. As the gentlewoman from Rhode Island [Ms. SCHNEIDER] said, during the 1980's we had a very, very hard time because the Reagan administration tried to cut the environmental programs. They tried to cut the NOAA budget. So we are trying to collect information on our oceans and the problems of pollution. We had to constantly fight the administration week in and week out.

Mr. Speaker, I am happy to say that the current administration has increased the NOAA budget 35 percent in their request this year. We hope that will hold true in the entire budgetary process.

□ 1420

There is nothing more important to the people of Michigan than the Great Lakes, its water quality, the ability to have recreational facilities to go boating, fishing, bring families together, and protect that for future generations.

I think by including the Great Lakes in this legislation, of U.S. oceans and Great Lakes policy, that we can move ahead and have more information and better planning for the future.

Mr. DAVIS. I rise in support of House Concurrent Resolution 69, authored by Congresswoman CLAUDINE SCHNEIDER. She should be commended for her global thinking and leadership on this issue and her explicit recognition of the Great Lakes. We must remember that our fourth coast suffers from the same problems as our marine coasts, including coastal pollution, dredge disposal, wetland loss, and coastal erosion. In fact, in some ways the Great Lakes are much more fragile than the oceans: The Great Lakes operate as a closed system wihtout the natural flushing caused by ocean tides so that pollution like oil spills persist. In addition, the lakes provide drinking water for millions of United States and Canadian citizens. When formulating national coastal policy, the "Sweetwater Seas" deserve our consideration and our protection.

With the 20th anniversary of Earth Day celebrated not too long ago, this resolution calling for a national ocean and Great Lakes policy could not be more timely. I applaud Congresswoman SCHNEIDER's initiative and ask my colleagues to suppcrt her.

Mr. JONES of North Carolina. Mr. Speaker, I also rise in support of House Concurrent Resolution 69.

This bill expresses my strongly held view that it is time for the administration and the Congress to work together to review and develop a comprehensive national policy for our oceans and Great Lakes.

The resolution states the sense of the Congress that a comprehensive oceans policy is needed and needed now. Unfortunately, the resolution does not specify a mechanism for developing this policy. I have previously advocated the established of a new National Oceans Policy Commission to carry out this task. An independent Commission could provide recommendations to both the President and the Congress on the current state of our existing policies, identify gaps in those policies, and set forth an oceans policy framework for the remainder of this century and into the next.

This resolution lacks a Commission, and after years of trying to get the Senate to accept an Oceans Policy Commission, I am reluctant to urge its passage one more time. Although the resolution does not contain a specific mechanism for the development of a comprehensive national oceans policy, this does not mean that, if the administration would join us, we could not find common ground for identifying one.

With blinders on, the administration has indicated their view that no new national oceans policy is needed. They point to existing interagency policy and working groups as evidence that a policy already exists. Unfortunately, only administration officials belong to these groups. No Members of the Congress participate in their sessions and help to formulate policy. Nor is the public adequately represented on these groups. We can hardly hope to develop a comprehensive national oceans policy in such a vacuum.

Why is a comprehensive oceans and Great Lakes policy needed? In the first place, a review of existing laws and policies is needed because it has been more than 20 years since a similar review was undertaken. From time to time we need to step back and see what our existing laws have accomplished and do some looking toward the future. The last time we took an enlightened view of our oceans affairs was in the late 1960's when the Commission on Marine Science, Engineering and Resources, better known as the Stratton Commission, was created.

The Stratton Commission recommended the establishment of a new and independent oceans agency which would pull together existing oceans programs and give the President advice on all oceans issues. We have implemented many of the Stratton Commission's recommendations, but not all of them.

For example, the National Oceanic and Atmospheric Administration, or NOAA, was created by reorganization plan No. 4 in 1970, at the same time the Environmental Protection Agency was established. Many new ocean and coastal legislative initiatives, including the Coastal Zone Management Act of 1972, the Marine, Protection, Research, and Sanctuaries Act of 1972, and the National Sea Grant College Program Act of 1972 were enacted as a result of the Commission's recommendations.

We have not evaluated in any comprehensive way the successes and failures brought about by these laws. Nor have we conducted an objective evaluation whether NOAA has fulfilled the goals of the Stratton Commission. NOAA is currently located in the Commerce Department, but some observers question whether this is the appropriate department in which NOAA should be housed, and wonder whether NOAA should be made an independent agency. All these issues bear examination.

Second, numerous international events have transpired that make a review of U.S. oceans policy timely and important. For example, in 1982, the United States decided not to sign the Law of the Sea Convention because of fundamental objections to the mining provisions. Although the United States is not a signatory to the Law of the Sea [LOS] Convention, it has decided to adhere to those LOS principles which reflect customary international law, including extensions of coastal State jurisdiction. It is time to review how well this approach is working to advance and protect our strategic and navigational interests.

Consistent with the precepts of the Law of the Sea Convention, in 1983, the United States proclaimed a 200-mile exclusive economic zone [EEZ], and, in 1988, the United States extended its territorial sea from 3 to 12 nautical miles. Yet, aside from fishing laws, which predated the EEZ proclamation, we have failed to adopt any comprehensive policies for managing the resources of these new areas of U.S. jurisdiction. We also have failed miserably at creating a good Federal-State partnership for managing our near-shore and coastal regions. The issues of coastal pollution, leasing of our Outer Continental Shelf, and any mining of hard minerals in the EEZ can only be resolved if the States are provided a full say in their resolution.

Third, leaving aside these legalistic concerns, it has become increasingly apparent that the oceans have a vital role to play in our understanding and response to global climate change. The oceans are a sink for harmful air pollutants and could serve to ameliorate the effects of global climate change. At the same time, the phytoplankton in the oceans' surface layer are very sensitive to ozone depletion. Extreme global climate changes could lead to sea level rise which could threaten our coastal regions. If we do not safeguard our oceans, the planet's existence could be threatened.

The United States is also increasingly becoming a true coastal Nation. According to a recent report from NOAA, by the year 2010, coastal population in the United States will have grown from 80 million to more than 127 million, an increase of nearly 60 percent. This trend has to be recognized in the development of any new oceans and Great Lakes policies. The symptoms of our coastal growth are evident everywhere. From zebra mussel infestations to red tides to dolphin die-offs and closed beaches, the health of our coasts is providing an alarming signal that more needs to be done to protect these vital habitats and regions. Only a comprehensive review of existing laws and policy can bring these problems to light and start to redress them.

Last, I note that the Bush administration is a gentler and kinder administration. This administration actually acknowledges that our oceans exist. It has supported, much to my gratification, the reauthorization of the Coastal Zone Management Act and the National Sea Grant College Program Act. They have installed a good management team at NOAA which also appreciates the importance of the oceans. I hope that this administration can find a way to work with the Congress on the development of a comprehensive national oceans and Great Lakes policy.

I wish to acknowledge the fine contribution of two members of the Merchant Marine and Fisheries Committee who work diligently on all ocean policy issues and who have helped to bring this bill to the floor today. They are Congressman DENNIS HERTEL, chairman of the Oceanography and Great Lakes Subcommittee, and Congresswoman CLAUDINE SCHNEIDER, the ranking member of the Oversight and Investigations Subcommittee and the original sponsor of House Concurrent Resolution 69.

I urge my colleagues to support this bill.

Ms. SCHNEIDER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HERTEL. Mr. Speaker, I have no further requests for time, and I yield back the balance of the time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Michigan [Mr. HERTEL] that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 69).

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HERTEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on House

Concurrent Resolution the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REGARDING THE EMIGRATION RIGHTS OF THE PEOPLE OF HONG KONG

Mr. SOLARZ. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 227) concerning the establishment of a multilateral initiative to promote confidence among the people of Hong Kong, as amended.

The Clerk read as follows:

H. CON. RES. 227

Whereas the Sino-British Joint Declaration on the Future of Hong Kong provides for the reversion of Hong Kong to China on July 1, 1997, after which Hong Kong will become a Special Administrative Region of the People's Republic of China;

Whereas the Joint Declaration states that the People's Republic of China will provide that the Hong Kong Special Administrative Region will retain its economic and social system for at least 50 years after 1997, have a "high degree of autonomy", and have executive, legislative, and independent judicial power (including the power of final adjudication);

Whereas the Joint Declaration further provides that the laws of Hong Kong, which are based on a foundation of equity and common law principles and provide substantial protections for individual rights, will remain basically unchanged for at least 50 years after 1997;

Whereas the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China provides that freedoms of speech, assembly, and association are to be maintained in Hong Kong after 1997;

Whereas the United States, with about $6,000,000,000 in direct foreign investment and bilateral trade estimated at $16,000,000,000 has a strong interest in a stable and economically prosperous Hong Kong after 1997;

Whereas the United Kingdom and other industrialized nations also have strong interests in a stable and economically prosperous Hong Kong, which is now the 11th largest trading entity in the world;

Whereas the Joint Declaration provides that Hong Kong Special Administrative Region "may on its own maintain and develop economic and cultural relations and conclude relevant agreements with states, regions, and relevant international organizations," and "will retain the status of an international financial centre";

Whereas measures to enhance this status, including efforts to establish the offices of major public international organizations in the Special Administrative Region, would help to promote confidence in the future of Hong Kong;

Whereas the stability necessary for ensuring prosperity in Hong Kong will be best secured if the citizens of Hong Kong are confident that their basic freedoms will be maintained after 1997;

Whereas confidence in the future of Hong Kong was severely eroded by the Chinese Government's June 1989 suppression of the prodemocracy movement in China;

Whereas the suppression of the prodemocracy movement has heightened concerns that the political situation in Hong Kong could seriously deteriorate after 1997 and that Hong Kong residents might be deprived of their basic freedoms;

Whereas the erosion of confidence in the future of Hong Kong threatens to lead to large scale emigration from Hong Kong, including emigration of civil servants, professionals, skilled workers, and other members of the population who are essential for the economic and social development of Hong Kong; and

Whereas Hong Kong residents would be less likely to attempt to leave Hong Kong prior to 1997 if they believed they could leave Hong Kong after 1997 should the guarantees contained in the Joint Declaration and the Basic Law not be honored: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) welcomes the decision of the Government of the United Kingdom to implement a program to provide specified Hong Kong residents with a right of abode outside Hong Kong without their having to leave the territory prior to 1997 to retain that right, and urges the Government of the United Kingdom to expand the numbers of Hong Kong residents who will benefit from the program;

(2) welcomes the efforts of the Government of the United Kingdom to encourage other nations to develop national initiatives designed to provide a substantial and significant number of Hong Kong residents with a right of abode outside Hong Kong without their having to leave the territory prior to 1997 to retain that right;

(3) urges the executive branch to work with the Government of the United Kingdom in discussing with members of the European Community, Canada, Australia, Japan, and other willing nations the development of such national initiatives as well as other measures, consistent with the Sino-British Joint Declaration, to encourage stability in Hong Kong; and

(4) urges the executive branch to support efforts to enhance Hong Kong's status as an international financial center as described by the Sino-British Joint Declaration, including efforts to establish major public international organizations in Hong Kong.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLARZ] will be recognized for 20 minutes, and the gentleman from Iowa [Mr. LEACH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, amidst the profound transformations which have taken place over the course of the last year in Eastern Europe and the Soviet Union, as well as the resolution of a number of regional disputes from southern Africa through Central America, there has been a tendency on the part of many in our country to overlook the plight and problems of a number of countries and territories throughout the world which still face daunting difficulties in solving the underlying challenges which confront them.

One such place is Hong Kong, a territory in which the United States has some very important economic and political interests. We have at the present time $16 billion of trade with Hong Kong. There are over 900 American firms that have a corporate presence in Hong Kong, 16,000 Americans live in Hong Kong. There are over $6 billion in American investments in the territory.

The transformation of Hong Kong from a sleepy backwater into a dynamic entrepot in Asia is first and foremost a tribute to the people of Hong Kong. It is a tribute to their dynamism, to their hard work, to their passion for progress. But it is also a tribute to the free enterprise policies upon which the success of Hong Kong has been founded.

Yet, for all of the progress Hong Kong has made, the fact is that as a result of the brutal and bloody crackdown by the Chinese authorities in Tiananmen Square in June of 1989, the people of Hong Kong are experiencing increased trepidation about the transfer of authority over Hong Kong from Britain to the People's Republic of China in 1997.

As a consequence of the uncertainties and anxieties which have been generated by the policy of repression still being pursued by the gerontocracy which has seized power in Biejing, the people of Hong Kong are leaving the territory in increasing numbers.

Last year, for example, approximately 50,000 Hong Kong residents left for other lands. There is every reason to believe that this exodus will not only continue but even intensify. This brain drain of some of the best and brightest of the Hong Kong people has further exacerbated the crisis of confidence over the future of Hong Kong.

While ultimately the future of Hong Kong will be determined primarily by what happens in Beijing and by the attitude adopted by the rulers in Beijing with respect to Hong Kong, there is something which we and other Western countries can do to help facilitate a restoration of confidence in Hong Kong. Such a restoration of confidence is certainly a necessary, if not a sufficient, condition for a successful transition in 1997, including the preservation of important American interests in the territory.

The resolution before us now, which was introduced by Congressman JOHN PORTER and myself, and cosponsored by a number of our colleagues, has the

support of my very good friend, the ranking minority member of the Subcommittee on Asian and Pacific Affairs, the gentleman from Iowa [Mr. LEACH]. It also has the support of that distinguished apostle of bipartisanship, the great statesman from the State of Michigan, Mr. BROOMFIELD. It is not opposed by the administration.

This resolution welcomes the decision of the United Kingdom to implement a program to provide specified Hong Kong residents with the right of abode outside of Hong Kong without their having to leave the territory prior to 1997 in order to retain that right.

It urges the Government of the United Kingdom to expand the number of Hong Kong residents who will benefit from that program. It welcomes the efforts of Great Britain to encourage other nations to develop their own national initiatives designed to provide such rights to substantial and significant numbers of Hong Kong residents. Furthermore, it urges the executive branch of our own government to work with other countries in considering the establishment of what I would characterize as an international immigration insurance policy for the people of Hong Kong.

I recently returned from a trip to Hong Kong during the July recess, Mr. Speaker, and I discovered in my discussions with the political and commercial leaders of the territory that the overwhelming majority of the Hong Kong people would like to remain in Hong Kong if they could have some assurance that they will be able to leave if the situation should take a turn for the worse at some time in the future.

Unfortunately, right now the immigration policy of our own country and of other nations is generally based on the proposition that once you receive a visa to enter our country or other countries, as the case may be, you have to either use that visa within a matter of months or you lose your ability to use it at all.

□ 1430

That puts those Hong Kong people who receive such visas in a position where if they do not use them right away they will forfeit their opportunity to move to another country. Consequently virtually everybody who receives such visas departs Hong Kong shortly thereafter.

I am very pleased to say that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary voted some time ago to incorporate in the immigration bill a provision which I fervently hope will soon be taken up by the full Committee on the Judiciary, and then reported to the House for its consideration this provision would not only increase the number of visas for which Hong Kong is eligible from 5,000 to 20,000, but would also make Hong Kong recipients of family unification visas and other specified visas eligible to use those visas until the year 2002, 5 years after the transfer of authority to Beijing has taken place.

I want to say to my colleagues that I have absolutely no doubt whatsoever that if that provision is ultimately enacted into law that many of the Hong Kong people who receive our visas will, in fact, choose to remain in Hong Kong so long as they can because that is what they would prefer to do. By virtue of enacting such a provision we will give them the sense of confidence they need to remain and thereby contribute to the stability of a territory which has contributed greatly to the prosperity of Asia and to the economic well-being of our country as well.

Therefore, I believe, this resolution comes before Members at a timely moment. It expresses the sense of Congress that we should move forward, hopefully in concert with the United Kingdom and other countries, in developing such national initiatives. If we do so, Mr. Speaker, I believe we will have made a significant contribution to the preservation of stability and to the economic welfare and well-being of Hong Kong, of Asia, and of the world.

Mr. LEACH of Iowa. Mr. Speaker, let me just say that it has been an honor to work with the gentleman from New York [Mr. SOLARZ], who this body has come to know as the Lafayette of the Philippines, the Kossuth of Cambodia, the Laotse of the United States Congress.

Before commenting further, Mr. Speaker, I yield such time as he may consume to the distinguished ranking member of the Committee on Foreign Affairs, the Bismarck of that committee, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, this resolution, which has been carefully developed with the Department of State, supports the 1984 Sino-British Joint Declaration regarding Hong Kong. It also acknowledges the concern that exists in Hong Kong as it approaches incorporation into the People's Republic of China in 1997.

With approximately $6 billion in direct United States investment and an estimated $16 billion in bilateral trade, the United States certainly has an interest in the economic and political stability of Hong Kong.

That could best be achieved by the British and the Chinese taking steps to faithfully implement the 1984 joint declaration. The declaration contains many provisions suggesting that life in Hong Kong will not significantly change after the 1997 reversion. Under the provisions of the joint declaration, Hong Kong will substantially retain its economic and social system for at least 50 years after the reversion.

However, the suppression of internationally recognized human rights in the People's Republic of China has made many Hong Kong residents anxious about their future. We have already seen a considerable flight of funds from Hong Kong. Continued erosion of confidence in Hong Kong's future could trigger a migration of people whose talent, skills, and experience are essential for future economic and social development.

This resolution emphasizes the importance of the joint declaration and welcomes British efforts to work with other nations in providing a safety net for Hong Kong's residents, should the Chinese ignore their commitments after the 1997 reversion. Such a safety net could help reduce anxiety in Hong Kong and encourage its residents to stay and keep this important area prosperous.

Mr. Speaker, I congratulate Chairman FASCELL, Congressmen SOLARZ and PORTER, for their diligent work in bringing this resolution before us in a form acceptable to the administration. I encourage our colleagues to support its passage and send a message to those in Hong Kong that they will not be abandoned or forgotten.

Mr. LEACH of Iowa. Mr. Speaker, let me say at the outset I am sorry that the distinguished gentleman from Illinois [Mr. PORTER] cannot be here as he is one of the leaders in the human rights movement in Congress, and one of the architects of this particular measure. Let me also say that this measure has been considered by four subcommittees of the Committee on House Foreign Affairs. It has been amended during the committee and subcommittee markup, and changes have been made to take into consideration the administration's concerns. At this time, the administration does not object to this resolution.

We all should bear in mind that, of course, the country that is most responsible for the foundering confidence in Hong Kong is the People's Republic of China, and in this regard it is the hope of the United States that Beijing will come back into the community of nations in terms of its attitude toward certain human rights concerns and will scrupulously respect Hong Kong's political, economic, and judicial integrity after its reversion to China in 1997.

Ever since the open door policy of a century ago of the United States of America, we have had a long special relationship with the Chinese people, especially the people of Hong Kong. This special relationship is in part trade- and security-oriented, but of more important measure, it is people to people, a common respect for a common heritage of endeavor on the

Asian land mass as well as on our own shores. This special relationship implies that the United States of America shares concern for individual people and their future, not just to pocketbook and trade issues. That is the underpinning of this particular measure, and in the terms of the gentleman from Michigan [Mr. BROOMFIELD], our great leader on the Republican side, this is one of the reasons that we want to stay committed to the people of Hong Kong in the most powerful and thoughtful way we can. For these reasons, I urge adoption of this particular measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SOLARZ. Mr. Speaker, I think everything that needs to be said has been said. As always, after listening to my good friend from Iowa [Mr. LEACH] and my good friend from Michigan [Mr. BROOMFIELD], there is nothing left for me to say because I agree with everything they have already said.

I am pleased to know that we have the benefit of their support on this resolution. I have no doubt that those of our colleagues who are aware that Mr. LEACH and Mr. BROOMFIELD have endorsed this resolution will conclude that if they are for it, it cannot be all bad and must have at least some redeeming features.

Mr. FASCELL. Mr. Speaker, I rise in support of House Concurrent Resolution 227, as amended. The future of Hong Kong after the reversion to China on July 1, 1997 is of vital interest to the United States, the European Community, the Pacific Rim countries. This resolution speaks to two important issues: The protection of the human rights of the citizens of Hong Kong, in particular their right to emigrate after 1997, and the status of Hong Kong as an international financial center as agreed to by the Sino-British joint declaration.

While the reversion agreement is first and foremost an agreement between the United Kingdom and the People's Republic of China, its implementation will have an impact far beyond those two countries. As the resolution points out, the United States has about $6 billion in direct foreign investment in Hong Kong and a total bilateral trade estimated at $16 billion. Therefore, the United States interest in a stable and economically prosperous Hong Kong after 1997 is palpable.

I would like to take this opportunity to commend the distinguished chairman and ranking member of the Subcommittee on Asian and Pacific Affairs for their diligence in bringing this measure before the House. I would also like to commend my colleague from Illinois, Mr. PORTER, for his longstanding interest and efforts to protect the rights of the citizens of Hong Kong.

Mr. Speaker, this resolution deserves the unanimous support of this House and I urge its adoption.

Mr. PORTER. Mr. Speaker, I thank you for this opportunity to express my strong support for this resolution.

After the events in Tiananmen Square and the repression that has followed, China's citizens find themselves in the throes of a harsh crackdown. While the rest of the world moves toward freedom, China cements repression. And tragically, China's current policies threaten to bring down Hong Kong, the bastion of capitalism and free markets that the rest of the world currently strives to emulate.

With the 1997 reversion of the colony to China on the horizon, when Li Peng and Deng Xiaoping used tanks to crush the democratic aspiration of the Chinese people, the message was undoubtedly heard loudest by Hong Kong's 5.7 million residents. The massacre in Beijing together with the ongoing crackdown, obviously raise serious questions about the Chinese Government's willingness to fulfill the promises of freedom and autonomy for Hong Kong and its citizens contained in the Sino-British joint declaration.

I believe that the transfer of 5.7 million people to the control of a government that would so ruthlessly kill its own citizens is a human rights concern for the United States and the rest of the world. We must reject the Chinese claim that such matters, including the Tiananmen massacre, are internal. They are, or should be, concerns of every person in this world. Confidence in the future of Hong Kong in view of China's ongoing repression is at an all time low.

A survey conducted before the weekend of June 4, 1989, showed that 40 percent of Hong Kong residents were not confident about the future of the colony. The growing lack of confidence has already begun to take its toll. As of May, one-third of Hong Kong citizens were planning to emigrate before 1997: 45,000 left the colony in 1988; 45,000 more last year, and 55,000 are expected to leave this year, and 60,000 next year. The net loss for Hong Kong between now and 1997 could be as high as 600,000 to 700,000 people. A recent study indicates that a full one-third of Hong Kong's 1.55 million households are making plans to emigrate.

What has Beijing done to restore this lost confidence? In a word, Mr. Speaker, nothing. With regard to the massacre, they have covered up the facts and institutionalized the big lie. The leaders in China have now gone so far and so low as to blame the United States for involvement in the demonstrations and said that it is United States actions that have frozen relations between the two countries.

Some argue that China needs Hong Kong too much to ruin it. China is now Hong Kong's No. 1 trading partner, and Hong Kong is China's. China is the largest market for Hong Kong's reexports, and second largest for the colony's domestic exports. In addition, Hong Kong provides over 40 percent of the mainland's direct investment, providing it with essential foreign capital.

Yet, based on its decision to use tanks and guns against its own students and intellectuals, and the stifling of any true economic reforms, the current leadership appears willing to sacrifice the country's economic future for its own ideological survival.

It is now less than 7 years until China takes over. But, even that short period of time is misleading. If, in 1995, for example, the situation is still bad, the legal date of July 1, 1997 will have very little practical significance. We must act now.

Since there is very little the international community can do to alter policy in China toward Hong Kong, the emphasis must shift to what the community can do by itself. This resolution takes us in that direction. Simply put, in order to ensure that Hong Kong continues to work, the people of Hong Kong must remain in the colony. They are the ones who have made it the economic envy of the world. Yet fears about the future have precipitated the brain drain which threatens the colony today.

Hong Kong residents need assurance. Confidence is at rockbottom; many seek to leave. But if they were given an insurance policy against future injustice, they might well choose to stay. Public opinion polls clearly show that most want to do so.

The bill Mr. SOLARZ and I introduced calls on Great Britain to lead an international effort to develop a multilateral initiative designed to provide Hong Kong residents the right of abode in 1997 that would remain valid for at least several years after 1997. The European Community, Canada, Australia, Japan, Singapore, Taiwan, and other countries as well as the United States, must participate if this plan is to work. In addition, the legislation seeks to reinforce Hong Kong's status as an international financial center.

The United States, Mr. Speaker, itself, must act soon to provide special visas to Hong Kong residents exercisable at any time up to the year 2002 as envisioned by the Frank amendment, to the emigration authorizations which has already been adopted in subcommittee. We must also raise the number of legal immigrants from Hong Kong as soon as possible to at least 50,000 per year, 10 times the current number, and I have also introduced legislation to this effect.

Our country, and all places in the world which value human freedom, must intervene in behalf of the people of Hong Kong who will be the first to be transferred from an open society to a closed one since the Iron Curtain descended on Europe after World War II. A safety net envisioned by this legislation, will allow the people of Hong Kong to stay. Ongoing free world oversight leading up to and after 1997, is also needed to keep the Chinese Government in Beijing honest and living up to the letter and spirit of the 1984 accord.

This resolution, Mr. Speaker, represents a balanced, thoughtful, and practical approach to reassuring the people of Hong Kong that people of our country and elsewhere in the free world care deeply about them and their future. I comment the House Foreign Affairs Committee and its chairman, Mr. FASCELL, as well as Mr. SOLARZ, for their fast action in supporting Hong Kong and sending this message to China that the United States of America is watching, concerned, and taking action to ensure the future freedom of Hong Kong's 6 million people.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today in strong support of House Concurrent Resolution 227. This resolution calls for the establishment of a multilateral initiative to promote confidence among the people of Hong Kong. Mr. Speaker, the Sino-British Joint Dec-

laration on the future of Hong Kong provides for the reversion of Hong Kong to China on July 1, 1997, after which Hong Kong will become a region of the Peoples Republic of China.

Since the signing of this declaration, thousands of Hong Kong residents have left this region. Last year alone, approximately 50,000 Hong Kong residents left in mass exodus. Current figures estimate that approximately a thousand people a day are leaving Hong Kong. The suppression of last spring's prodemocracy movement in Tiananmen Square, and throughout China, further exacerbated the mass emigration.

This resolution recognizes and offers Hong Kong residents the right of abode outside Hong Kong without having to leave the territory prior to 1997 to retain that right. Its passage will certainly ensure the Hong Kong residents that their freedoms will be protected ater 1997.

Its passage will also promote the stability and confidence in the 16,000 Americans in Hong Kong, and the over 900 American firms conducting business there. Its passage will further secure the over $16 billion of trade the United States has with Hong Kong.

Mr. Speaker, I strongly support House Concurrent Resolution 227 and I urge my colleagues in the House to pass this measure.

Mr. SOLARZ. Therefore, Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from New York [Mr. SOLARZ] that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 227) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The title of the concurrent resolution was amended so as to read: "Concurrent resolution concerning the establishment of national initiatives to promote confidence among the people of Hong Kong.".

A motion to reconsider was laid on the table.

□ 1540

GENERAL LEAVE

Mr. SOLARZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just considered and agreed to.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from New York?

There was no objection.

TRIBALLY CONTROLLED COMMUNITY ASSISTANCE ACT OF 1978 AND NAVAJO COMMUNITY COLLEGE ACT EXTENSIONS

Mr. WILLIAMS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5040) to extend the authorizations of appropriations for the Tribally Controlled Community Assistance Act of 1978 and the Navajo Community College Act, as amended.

The Clerk read as follows:

H.R. 5040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE.

(a) TITLE I PROGRAMS.—Section 110(a) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended by striking "and 1990" each place it appears in paragraphs (1), (2), and (3) and inserting "1990, 1991, and 1992".

(b) TITLE III PROGRAM.—Section 306(a) of such Act (25 U.S.C. 1836(a)) is amended by striking "and 1990" and inserting "1990, 1991, and 1992".

SEC. 2. NAVAJO COMMUNITY COLLEGE ACT.

Section 5(a)(1) of the Navajo Community College Act (25 U.S.C. 640c-1(a)(1)) is amended by striking "and 1990" and inserting "1990, 1991, and 1992".

The SPEAKER pro tempore. Is a second demanded?

Mr. HILER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. HILER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5040 is a straight 2-year reauthorization of the Tribally Controlled Community College Assistance Act and the Navajo Community College Act.

The gentleman from Missouri [Mr. COLEMAN] has joined me in introducing this legislation and it is our intent to bring reauthorization in line with the Higher Education Act which will be before the postsecondary subcommittee next session.

H.R. 5040 extends at current levels of authorization these two acts until the time of higher education reauthorization—at which time we will take a more comprehensive look at changes that may need to be made.

The 24 colleges are increasingly being responsible for tribes turning the corner toward a better life for Indian people. The first college started in 1968; and today there are 24 tribal colleges with several more tribes exploring starting their own colleges. In 1981, there were 1,689 students attending tribal colleges. Today the tribal colleges' enrollment is about 4,200; with approximately 7,000 students graduating in the past 5 years and more than 25 percent transferring to 4-year institutions.

Mr. Speaker, I point out again that the purpose of the simple reauthorization is to bring these two acts into line with the higher education reauthorization, which will take place in the next Congress.

Mr. HILER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the ranking Republican Member is not here, and I am filling the space for him until he arrives. If the gentleman from Montana [Mr. WILLIAMS] has other speakers on this legislation, I would reserve the balance of my time.

Mr. WILLIAMS. Mr. Speaker, since the gentleman from Indiana has reserved the balance of his time while he is waiting for the gentleman from Pennsylvania [Mr. GOODLING], I yield myself such time as I may consume.

Let me, while I have these few additional but unexpected minutes, quote from a special report which has been issued called "Tribal Colleges Shaping the Future of Native America." This was produced by the Carnegie Foundation for the advancement of teaching, and I will read a foreword by a noted American educator, Mr. Earnest Boyer. The work is primarily the work of Paul Boyer, who is an instructor of journalism at California State University at Sacramento and who, by the way, was kind enough to come to a hearing which we held on this topic and which was held on the Salish Kootenai Flathead Reservation in Montana. Let me quote from the foreward in this book:

Twenty years ago in Arizona, Native Americans created a new institution—the first tribally controlled college. Today twenty-four higher learning institutions, founded and controlled by Indians, are serving Native communities from Michigan to Washington State. While most of these colleges are no more than a decade old—a blink in time for higher education—they have undergone dramatic growth, expanding and gaining recognition in spite of conditions others would regard as impossible.

Researchers from the Carnegie Foundation for the Advancement of Teaching spent two years studying these remarkable institutions. We reviewed the federal government's past attempts to "educate" the Indians and discovered how, in the desert left by a long history of failed policies, the Navajos in 1968 created Navajo Community College, inspiring a movement that now offers to Native Americans a door of hope.

Viewed by the numbers alone, tribal colleges add up to only a small fraction of the total higher education picture—the equivalent perhaps of a small branch of a single state university. But using conventional yardsticks to measure these colleges misses the significance of their work. Tribally controlled colleges can be understood only in

the historical context of Indian education and in the spiritual role they play in bringing renewal to their people. When viewed from these perspectives, tribal colleges assume a mission of great consequence to Native Americans and to the nation.

With that, Mr. Speaker, I reserve the balance of my time.

Mr. HILER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GOODLING], the ranking Republican member.

Mr. GOODLING. Mr. Speaker, I rise in support of this bill, H.R. 5040. The act we are considering today originally became law in 1978. The funding it has provided is vital to the growth and survival of tribally controlled colleges. With that growth also came academic improvements. Today, 19 of the 24 tribally controlled colleges are either fully accredited or in various stages of candidacy for accreditation.

These colleges are the primary resource in the economic and social development of these reservations. For example, a recent survey found that a total of 1,575 Indian people graduated from six tribally controlled colleges between 1983 and 1989. Of this number, 210 earned 1 year vocational certificates, 1,198 earned associate degrees, 158 earned bachelor's degrees, while 9 earned master's degrees in education. An average of one-third continued their education following graduation. The conclusions that can be drawn from this information are that these colleges have a major impact on Indian peoples employability and further education.

H.R. 5040 is a clean simple extension of these programs to bring them into sync with the rest of higher education. After this extension, these programs will be reviewed in the context of all the higher education amendments. I agree with this strategy and encourage my colleagues to support this bill.

Mr. RICHARDSON. Mr. Speaker, I rise today to express my strong support for H.R. 5040, the Native American Community College Assistance Act. Not only is this legislation vitally important to the continuation of all tribally controlled community colleges but also the continuation of the Navajo Community College in Arizona.

Navajo Community College was established to meet the education needs of the Navajo people—specifically, to develop the character of individual students; to prepare students for jobs and further studies; to promote and perpetuate the Navajo language and its culture; and provide community services and research. New Mexico is fortunate to have one of the main campuses of Navajo Community College located in Shiprock, NM.

The current president of Navajo Community College, Laurence Gishey said,

Just as society places an enormous pressure on its students and educational institutions to excel, the Navajo people also demand Navajo Community College to meet and maintain high standards. Among other things, the success of the college is judged by the number of graduates who transfer and graduate successfully from four-year institutions. More importantly, the college strives to meet high standards in its goal to instill pride and self-respect in its graduates.

Mr. Speaker, I believe that Navajo Community College has done an excellent job in providing an educational facility that meets the needs of the Navajo people. Additionally, the Navajo people as well as all Native Americans, deserve to have a facility that incorporates the importance of their native heritage into their studies. Mr. Speaker, I believe this is a vitally important bill to many tribally controlled community colleges and I hope my colleagues will join me in supporting it.

Mr. HILER. Mr. Speaker, I yield back the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and pass the bill, H.R. 5040, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to extend the authorizations of appropriations for the Tribally Controlled Community College Assistance Act of 1978 and the Navajo Community College Act.".

A motion to reconsider was laid on the table.

□ 1450

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5040, the bill just passed.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Montana?

There was no objection.

CONGRESSIONAL AWARD AMENDMENTS OF 1990

Mr. OWENS of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5275) to amend the Congressional Award Act to temporarily extend the Congressional Awards Board, and to otherwise revise such act, as amended.

The Clerk read as follows:

H.R. 5275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Congressional Award Amendments of 1990".

SEC. 2. TEMPORARY EXTENSION OF CONGRESSIONAL AWARD BOARD.

Section 9 of the Congressional Award Act (2 U.S.C. 808) is amended to read as follows:

"FUNDING

"SEC. 9. (a)(1) There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 and 1992 to cover the costs associated with the provision of all medals and certificates under this Act, and the costs associated with the annual Award ceremony authorized for recipients of Gold Awards under section 7(b)(2)(F).

"(2) Funds appropriated under paragraph (1) shall be disbursed by the Clerk of the House upon submission of vouchers approved by the Chairman of the Board, or another member of the Board, as delegated by the Chairman.

"(3) Funds appropriated under this section shall remain available until expended.

"(b) The Board shall terminate October 1, 1992.".

SEC. 3. ANNUAL REPORT.

Section 3(e) of the Congressional Award Act (2 U.S.C. 802(e)) is amended in the first sentence by striking "March 1" and inserting "April 1".

SEC. 4. DERIVATION OF APPOINTMENT.

Section 4(a) of the Congressional Award Act (2 U.S.C. 803(a)) is amended by adding at the end the following new paragraph:

"(4) For the purpose of determining the derivation of the appointment of any person appointed to the Board under this section, if there is a change in the status of majority and minority between the parties of the House and Senate, each person appointed by the leadership position set out in subsection (a)(1) of the party of the individual who made the initial appointment of such person.".

SEC. 5. TERMS OF APPOINTMENT.

Section 4(b) of the Congressional Award Act (2 U.S.C. 803(b)) is amended—

(1) by inserting "(1)" after the subsection designation;

(2) in paragraph (1) (as so designated), by striking "but (unless" and all that follows and inserting the following: "and (unless reappointed under paragraph (3)) shall serve for a term of 4 years."; and

(3) by adding at the end the following new paragraphs:

"(2) For the purpose of adjusting the terms of Board members to allow for staggered appointments, the following distribution of Board terms shall take effect at the first meeting of the Board occurring after the date of the enactment of the Congressional Award Amendments of 1990:

"(A) Those members who have served 10 years or more, as of the date of such meeting, shall have an appointment expiring on a date 2 years from October 1, 1990.

"(B) Those members who have served for 6 months or less, as of the date of such meeting, shall have an appointment expiring on a date 6 years from October 11, 1990.

"(C) All other members shall apportion the remaining Board positions between equal numbers of 2 and 4 year terms (providing that if there are an unequal number of remaining members, there shall be a predominance of 4 year terms), such apportionment to be made by lot.

"(3)(A) Subject to the limitations in subparagraphs (B) and (C) of this paragraph, members of the Board may be reappointed, provided that no member may serve more than 2 consecutive terms.

"(B) Members of the Board covered under paragraph (2)(A) of this section shall not be eligible for reappointment to the Board. Members of the Board covered under subparagraphs (B) and (C) of paragraph (2) of this section may be reappointed for 1 additional consecutive 4 year term.

"(C) Members of the Board who serve as chairman of the Board shall not have the time during which they serve as chairman used in the computation of their period of service for purposes of this paragraph and paragraph (2).".

SEC. 6. REMOVAL FROM BOARD.

Section 4 of the Congressional Award Act (2 U.S.C. 803) is amended by adding at the end the following new subsection:

"(j) Any member of the Board who fails to attend 4 consecutive Board meetings scheduled pursuant to the bylaws of the Board and for which proper notice has been given under such bylaws, or to send a designee of such member (approved in advance by the Board under provisions of its bylaws), is, by operation of this subsection, removed, for cause, from the Board as of the date of the last meeting from which they are absent. The Chairman of the Board shall take such steps as are necessary to inform members who have 3 absences of this subsection. The Chairman shall notify the House and the Senate, including the approporiate committees of each body, whenever there is a vacancy created by the operation of this subsection.".

SEC. 7. TECHNICAL AMENDMENT, STATEWIDE COUNCILS, ACCEPTANCE OF FUNDS AND RESOURCES.

(a) TECHNICAL AMENDMENT.—Section 7 of the Congressional Award Act (2 U.S.C. 806) is amended by inserting "(a)" after the section designation.

(b) STATEWIDE COUNCILS.—Section 7 of the Congressional Award Act (2 U.S.C. 806) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (C)—

(i) by striking "conducting" and inserting "conduct"; and

(ii) by striking "State and";

(B) by redesignating subparagraphs (D) through (G) as subparagraphs (E) through (H), respectively, and by inserting after subparagraph (C) the following new subparagraph:

"(D) in addition to those activities authorized under subparagraph (C), conduct of outreach activities to encourage, where appropriate, the establishment and development of Statewide Congressional Award Councils;"; and

(C) in subparagraph (F) (as redesignated by subparagraph (B) of this paragraph), by striking "conducting" and inserting "conduct"; and

(2) by redesignating subsections (c) through (h) as subsections (d) through (i), respectively, and by inserting after subsection (b) the following new subsection:

"(c)(1) In carrying out its functions with respect to Statewide Congressional Award Councils (hereinafter in this subsection referred to as Statewide Councils) under subsection (b), the Board shall develop guidelines, criteria, and standards for the formation of Statewide Councils. In order to create a Statewide Council, Members of Congress and Senators from each respective State are encouraged to work jontly with the Board.

"(2) The establishment of Statewide Councils is intended to—

"(A) facilitate expanded public participation and involvement in the program; and

"(B) promote greater opportunities for involvement by members of the State congressional delegation.

"(3) The duties and responsibilities of each Statewide Council established pursuant to this section shall include, but not be limited to, the following:

"(A) promoting State and local awareness of the Congressional Award Program;

"(B) review of participant records and activities;

"(C) review and verification of information on, and recommendation of, candidates to the national board for approval;

"(D) planning and organization of bronze and silver award ceremonies;

"(E) assisting gold award recipients with travel to and from the national gold award ceremony; and

"(F) designation of a Statewide coordinator to serve as a liaison between the State and local boards and the national borad.

"(4) Each Statewide Council established pursuant to this section is authorized to receive public monetary and in-kind contributions, which may be made available to local boards to supplement or defray operating expenses. The Board shall adopt appropriate financial management methods in order to ensure the proper accounting of these funds.

"(5) Each Statewide Council established pursuant to this section shall comply with the standard charter requirements of the national board of directors.".

(c) ACCEPTANCE OF FUNDS AND RESOURCES.—Section 7(e) of the Congressional Award Act, as redesignated by subsection (b)(2) of this section, is amended to read as follows:

"(e)(1) Subject to the provisions of paragraph (2), the Board may seek and accept funds and other resources to carry out its activities. The Board may not accept any funds or other resources which are—

"(A) donated with a restriction on their use unless such restriction merely provides that such funds or other resources be used in furtherance of the Congressional Award Program or a specific regional or local program; and

"(B) donated subject to the condition that the identify of the donor of the funds or resources shall remain anonymous.

The Board may permit donors to use the name of the Board of the name 'Congressional Award Program' in advertising.

"(2) Except as other wise provided in this Act, the Board may not receive any Federal funds or resources. The Board may benefit from in-kind and indirect resources provided by Offices of Members of Congresss or the Congress. Further, the Board is not prohibited from receiving indirect benefits from efforts or activities undertaken in collaboration with entities which receive Federal funds or resources.".

SEC. 8. GENERAL ACCOUNTING OFFICE AUDITS.

Section 8 of the Congressional Award Act (2 U.S.C. 807) is amended—

(1) in subsection (a), in the first sentence—

(A) by striking "section 7(h)" and inserting "section 7(i)"; and

(B) by striking "at least biennially" and inserting "annually"; and

(2) by striking subsections (b) through (d) and inserting the following:

"(b) The Comptroller General shall submit to appropriate officers, committees, and subcommittees of the Congress, by May 15 of each calendar year, a report on the results of the audit of the financial records and on any such additional areas as the Comptroller General determines deserve or require evaluation.".

The SPEAKER pro tempore. Is a second demanded?.

Mr. BARTLETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objections, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. OWENS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Government support for volunteer activity is at an all-time high level. The partnership between Government and ordinary citizens is being buttressed more and more by Presidentially financed support and incentives. The call for a National Youth Service Program, combined with the President's proposals to give numerous awards to high-performance schools and organizations which nurture his "thousand points of light," have created a new era of voluntarism.

I am pleased to bring today a bipartisan bill that reflects the issues addressed in our hearing on the Congressional Award Program. H.R. 5275 reauthorizes the Congressional Award Program and represents changes that will strengthen and improve the stability of the program so that it will continue to be a catalyst for involving the youth of our country in volunteer efforts.

Our recent hearing revealed that while the program is now guided by sound management, some of the local district councils need help with the provision of medals, certificate, and travel money for their recipients. Last year, the Congressional Award Program conferred 630 medals to volunteers ranging in age from 14 to 23, representing a minimum of 184,000 volunteer hours. Unfortunately, 13 of the gold award recipients representing California, Missouri, Louisiana, and Washington State were unable to attend the Washington, DC ceremony due to an inability to pay travel expenses. Therefore, this reauthorization recognizes that the partnership between the Congress and the Congressional Award Program, in order to be successful, must be more than symbolic.

Since its reauthorization 2 years ago, the Congressional Award Program has made great strides and is now on sound footing. The burden of debt has been cleared, new board members have helped to reinvigorate the work of the

National Foundation, and there is clear evidence of solid growth in the number of local district councils that have been established. The program recently received a $50,000 grant to develop the first inner-city Congressional Award Program model. This progress has been achieved through active congressional oversight, as well as the dedication and determination of the program's new national director and board members.

We have made three basic changes to this program. First, clarifications have been made to specify the conditions of board appointments and to allow for the smooth transition of board members.

Second, the board has been directed to establish guidelines for the creation of statewide councils.

Third, Congress will, in its partnership role, pay for medals, certificates, and the costs associated with sending gold award recipients to Washington, DC.

Today, we are embarking on a 2-year reauthorization of the Congressional Award Program with the hope that the changes we make will allow the board to direct its energies to long-range planning.

It is intention of the ranking member of the Subcommittee on Select Education, Mr. BARTLETT, and myself to seek a commitment from the leadership for space in either the House or Senate buildings, other than the Capitol, for the Congressional Award Program National Office. This will allow for a much needed, enhanced visibility for the program on Capitol Hill.

This proposal has been accomplished through true bipartisan negotiation and hard work. I believe that H.R. 5275 will demonstrate the commitment of the Subcommittee on Select Education to build upon a strong foundation and add initiatives in the area of demonstrated needs. I again commend the staff for their hard work in developing a program that will work in the 1990's. I urge my colleagues to support the passage of this bill by unanimous vote.

Mr. Speaker, I reserve the balance of my time.

Mr. BARLETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GOODLING], the ranking member of the full committee.

Mr. GOODLING. Mr. Speaker, today we are considering H.R. 5275, a bipartisan bill to reauthorize the Congressional Award Program which was created in 1979. It is the only award given by Congress in recognition of youth leadership in the areas of public service, personal development, and physical fitness.

The program is administered by the Congressional Award Board which has the authority to use the congressional seal, but the program's activities are not directed by Congress. While the program has achieved substantial success at the local level, the National Board which administers the program nationwide has not. The Board is composed of 22 members who are committed to the program but unfortunately they have not been able to achieve an acceptable level of success at the national level. Since 1979 only 73 local Congressional Award Councils have been established, of which 5 are statewide councils.

When the program was established, Congress intended that it be funded and operated through private sources. However, while local and State councils have been extremely successful in raising funds to operate the program at the local level, the national Board has not. The Board has operated at a deficit since 1985 and only within the past few months has the Board operated in the black. However, the GAO has certified to the Congress that since June 1990, the Congressional Award Program has retired all of their old debts and is capable of meeting their current expenses.

H.R. 5275 makes several changes to ensure that the National Board maintains financial stability while increasing student and congressional participation. First, it makes several changes to the Board so that members of the Board will be actively involved in the future of the program. Second, it requires the General Accounting Office to conduct an annual audit to ensure that the program is operating in a fiscally sound manner. And, third, it increases the commitment by Congress by authorizing funds to pay fo all medals, certificates, and expenses incurred by gold award recipients who come to Washington for the annual gold award ceremony.

While I am encouraged that this Board has made significant improvements in the operation of the program by retiring all of its old debt, I cannot support additional Federal funding beyond what H.R. 5275 authorizes for medals and the gold award ceremony. The Congressional Award Program was never intended to be a federally funded program and I do not believe providing Federal funds to this program is a solution to their fiscal problems. Better private national fundraising and a stronger commitment from Congress are what is needed to make this program successful.

H.R. 5275 ensures that those goals are met. It is my hope that when we reauthorize this program in 2 years, this combination of a private-public partnership will have worked and the National Board will have succeeded in securing private contributions to fund this program.

Therefore, Mr. Speaker, I will support H.R. 5275 since it is a congressional award and not a Presidential award.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to support H.R. 5275, the reauthorization of the Congressional Award Act, which provides an award given by Congress in recognition of youth leadership in the areas of public service, personal development, and physical fitness. I believe H.R. 5275 makes changes that will strengthen the National Board and allow them to increase student and congressional participation in the program while increasing their private fundraising activities.

H.R. 5275 makes several changes to the National Board by limiting the number of terms each Board member serves, staggering the length of terms and providing a mechanism so that inactive Board members can be removed. In addition, H.R. 5275 requires the General Accounting Office to conduct an annual audit of the program so that the Congress can ensure that the program is meeting its financial obligations and not incurring debts.

When we reauthorized this program in 1988, it was in the spirit of giving the National Board a chance to work out their financial difficulties and make a fresh start. The GAO has informed the Congress that the program has retired all of their old debts and is operating in the black and capable of meeting their current expenses. The Board has raised $150,000 in private funds so far this year with a projection of another $100,000 to be raised by the end of the year. This is indeed an accomplishment because the Congressional Award Program has operated at a deficit for the past 5 years even with the $189,000 unauthorized Federal appropriation it received in 1987. While this Board has made significant improvements since the last reauthorization by retiring the debt, I do not believe we should rush to provide Federal dollars to administer this program.

I am convinced that the Congress needs to demonstrate a stronger commitment to the program and I support providing funds to pay for the limited expenses of the congressional medals, certificates, and to cover the costs for Gold Award recipients to come to the Washington Gold Medal Award ceremony. I am supporting H.R. 5275 because it addresses those concerns without providing significant Federal funds to this program.

I am particularly sensitive to the need to provide congressional office space to the national office so that the program can reach more congressional offices and encourage Members to have a Congressional Award Program in their districts. After all, this is a congressional program and while not

federally funded, I believe Congress needs to show its commitment to this program by providing in-kind office space. By providing congressional in-kind office space, private fundraisers will recognize that their contributions will not go toward office expenses but for increasing the number of young people who can benefit from the program. I intend to work with the chairman and the House leadership to provide that assistance.

The Congressional Award Program was never intended to be a federally funded program. It is a public-private partnership to encourage those in the private sector to recognize and commend our Nation's youth. Federal funding is not an option as a solution to the Congressional Award's problems. Better private fundraising efforts at the national level must be pursued if this program is expected to continue. I believe we should stick to that commitment by adopting these changes, which will make that goal possible and by providing a stronger commitment from Congress to make this program successful.

H.R. 5275 accomplishes that goal and, hopefully, in 2 years when the program is reauthorized there will be no need to discuss additional Federal funding because private contributions will be able to fund the program, as was originally intended.

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Mr. OWENS of New York. Mr. Speaker, in closing, I want again to thank the ranking minority leader on the subcommittee and also the gentleman from Pennsylvania [Mr. GOODLING], the ranking minority leader on the Education and Labor Committee. I associate myself with his remarks with respect to the President's awards versus congressional awards.

I said at the beginning that we are in a new era of voluntarism. Voluntarism means the Government meets the volunteers part of the way. It is sometimes a ratio of one part versus the other nine parts that are provided by volunteers. This program is a model of that kind and it is sponsored by the Congress.

Mr. BARTLETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. OWENS of New York. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from New York [Mr. OWENS] that the House suspend the rules and pass the bill, H.R. 5275, as amended.

The question was taken, and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the Congressional Award Act to temporarily extend the Congressional Award Board, and to otherwise revise such Act.".

A motion to reconsider was laid on the table.

CONGRESSIONAL GOLD MEDAL FOR MESSRS. CAPRA, STEWART, AND ZINNEMANN

Mr. GONZALEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1699) to award Congressional Gold Medals to Frank Capra, James Stewart, and Fred Zinnemann.

The Clerk read as follows:

H.R. 1699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The President is authorized to present, on behalf of the Congress, a gold medal of appropriate design, to each of the following individuals in recognition of their outstanding contributions to our Nation's cultural heritage:

(1) Frank Capra.

(2) James Stewart.

(3) Fred Zinnemann.

(b) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury shall strike gold medals with suitable emblems, devices, and inscriptions to be determined by the Secretary. The Secretary shall design a different gold medal for each individual referred to in subsections (a) (1)–(3).

(c) AUTHORIZATION OF APPROPRIATION.—Effective October 1, 1989, there are authorized to be appropriated not to exceed $60,000 to carry out this section.

SEC. 2. DUPLICATE MEDALS.

(a) STRIKING AND SALE.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medals struck pursuant to section 1 under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medals.

(b) REIMBURSEMENT OF APPROPRIATION.—The appropriation used to carry out section 1 shall be reimbursed out of the proceeds of sales under subsection (a).

SEC. 3. NATIONAL MEDALS.

The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. GONZALEZ] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. HILER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill H.R. 1699 authorizes the awarding of Congressional Gold Medals to Frank Capra, James Stewart, and Fred Zinnemann. Only Gold Medal bills that have more than 218 cosponsors can be considered by this committee. This cosponsorship requirements was imposed to assure that only those individuals whose lives have made a significant, lasting contribution to our country are honored with this special award.

In the over 200-year history of our country, only 103 pieces of legislation authorizing Gold and National Medals have been enacted. Congressional and National Medals are indeed truly special awards. The first Congressional Medal was awarded to George Washington to express the gratitude of the Congress, for itself and on behalf of the 13 united colonies, for wise and spirited conduct in the siege of Boston.

The purpose of the Congressional Gold Medal has changed through our history from one of being an honor of military heroism to one that recognizes the diverse contributions of our most distinguished citizens.

Today we have before us a bill to honor three very gifted Americans who have contributed much to our modern cultural heritage through their motion pictures: Mr. Frank Capra, Mr. James Stewart, and Mr. Fred Zinnemann. Mr. Capra's and Mr. Stewart's movies, "Mr. Smith Goes to Washington" and "It's a Wonderful Life," and Mr. Zinnemann's movies "From Here to Eternity" and "High Noon," are most certainly cultural landmarks, created in one of the few uniquely American art forms—filmmaking.

Mr. HILER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1699, a bill to award a Congressional Gold Medal to Frank Capra, Jimmy Stewart, and Fred Zinneman for their contributions to the motion picture industry.

Initially, I want to commend the gentleman from New York [Mr. MRAZEK] for his hard work complying with the Banking Committee's Consumer Affairs and Coinage Subcommittee rules that require a minimum of 218 cosponsors before we consider commemorative medal legislation. I also want to commend my good friend Senator COATS, the Senate sponsor of this legislation, and am sure he will work to have the other body consider this bill in an expeditious fashion.

The individuals we honor with these gold medals have made valuable contributions to our Nation's cultural heritage. Frank Capra, and Jimmy Stewart teamed up to produce several unforgettable movies such as "It's a Wonderful Life" and "Mr. Smith Goes to Washington." Lessons from these films are as timely today as they were when they first appeared. Fred Zinneman produced several films that highlight questions about character and

conscience such as "High Noon" and "From Here to Eternity." Congressional Gold Medals were a fitting tribute for the important life's work of each of these gentleman.

H.R. 1699 has three sections. Section 1 authorizes a Congressional Gold Medal for Frank Capra James Stewart, and Fred Zinneman with the design to be determined by the Secretary of the Treasury. Appropriations not to exceed $60,000 are authorized for the production of the medals.

Section 2 authorizes the Secretary of Treasury to strike bronze duplicates of the gold medals and sell them at a price sufficient to cover the costs of producing the duplicates and the gold medals themselves.

Section 3 designates the medals as national medals.

In closing I would like to say that I believe that the individuals we are honoring through these gold medals are truly deserving of this congressional award. I strongly support H.R. 1699 and urge my colleagues to join me in promptly passing this legislation.

Mr. GONZALEZ. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Speaker, I rise today to call on my colleagues to join me in voting for H.R. 1699, which honors three extraordinary Americans, Frank Capra, Fred Zinnemann, and James Stewart, for their outstanding contributions to our Nation's cultural heritage. The life work of these three men represents an immense contribution to a truly unique and American form of art—the motion picture. Millions of Americans have had their attitudes, their beliefs and, indeed, their very lives shaped and molded by the stories and characters created by these men. I would like to briefly summarize a few of the accomplishments of these distinguished individuals:

FRANK CAPRA

In the words of Jimmy Stewart: "No director ever opened the window to America like Frank Capra. He got above writing, above directing, above acting, to something that was actually happening." The leading man of such classic Capra films as You Can't Take It With You, Mr. Smith Goes to Washington, and It's a Wonderful Life was praising the director's unique ability. As a director he combined energy, warmth, and the sincere decency of the American character in his pictures. Never forgetting his immigrant roots, Capra himself embodied the American dream, describing his particular style of directing as "very, very simple—the love of people, add the freedom of each individual and the equal important of each individual and you have the principle on which I've based each of my films."

Credited with creating the genre of the romantic comedy, Capra lightened the Depression for the "little guys" represented in such films as Lady for a Day (1933), Mr. Deeds Goes to Town (1936), Mr. Smith Goes to Washington (1939), and Meet John Doe (1941). Drawing on his own personal immigrant experience as the son of illiterate Sicilian parents, the boy who refused to leave school managed to portray the sense of wonder and enchantment with America as a land where miracles do happen, and the underdog can triumph. Capra's fervent faith in the goodness of man and his deep-rooted pride in his adopted country is wonderfully communicated by Jimmy Stewart's performance in Mr. Smith Goes to Washington, in which the naive, but honest-to-the-core Senator Jefferson Smith ultimately triumphs over a system riddled with corruption.

Perhaps Capra's greatest cinematic triumph is his own favorite film, It's a Wonderful Life. Capra again teamed up with Jimmy Stewart in creating this classic tale of a man from small-town America whose dreams of escape and adventure have been frustrated at every turn by family obligation and civic duty. As he contemplates his life's worth on Christmas eve, an angel descends from Heaven (perhaps plunges is a better word) to save the despairing George Bailey (played by Stewart) by showing him what the world would be like if he had never been born. It's an ingenious device employed by Capra to show how each and every one of us touch the lives of so many. The ending of the film, where everyone who has ever known George Bailey gathers at his home to help him in his time of need, is classic Capra and quintessentially American in its optimism and faith in the basic goodness of man.

This resilient faith in the righteousness of man, and of Americans in particular, is evident in the "Why We Fight" series that Capra produced and directed for the U.S. Government during World War II. The "Why We Fight" series was a sophisticated endeavor filling an important gap in the country's effort to enable our soldiers to fully comprehened the reasons we were at war. Through a powerful combination of direct narration, emotionally charged images—including scenes of Hitler addressing huge Nazi rallies—and skillful editing, Capra succeeded in producing and directing the most stirring and effective Allied Forces documentary of the war. The film series succeeded in promoting Secretary of War Stimson's hope that the American flag be "recognized throughout the world as a symbol of freedom on one hand * * * and of overwhelming power on the other." As a direct result of Capra's "Why We Fight" series, those who fought were reminded of the American values and principles they were striving to preserve and the moral necessity of their service. Winston Churchill called the film series "the most powerful statement of our cause" he had ever encountered, and for his project Capra was honored by Army Chief of Staff General George C. Marshall with our Nation's highest noncombat award, the Distinguished Service Medal.

On the night Frank Capra was awarded the American Film Institute's Life Achievement Award, Claudette Colbert, star of Capra's 1934 picture "It Happened One Night," which brought him the first of his three Academy Awards and was the first film to win all five major Academy honors, paid this tribute to the director: "Frank made magic out of a very simple story, one you could tell in a small paragraph. He is that rare artist, a storyteller who makes you believe every word."

The values of family, hope, integrity, and the importance of the individual are the embodiment of the life's work of Frank Capra. It is the very essence of his genius that allows us a glimpse of the world as it should be. Frank Capra's work celebrates the basic goodness of the American spirit, and for this we should pay tribute by awarding him the Congressional Gold Medal.

FRED ZINNEMANN

Just as the work of Frank Capra has at times been criticized as being overly sentimental, the films of Fred Zinneman have at times been criticized for their frank reality—a sin not easily overlooked by Hollywood producers. Often called a "maverick director," Zinnemann's career has been a constant struggle to maintain his independence and artistic integrity in the face of his industry's overwhelming commercialism. Fortunately for us, his battle has been an astounding success.

When asked to express the overarching theme of his life's work, Zinnermann likes to quote the ancient Hebrew philosopher and teacher, Hillel: "If I am not myself, who will be for me? And if I am only for myself, what am I? And if not now, when?" With quiet eloquence, Fred Zinnemann's films examine these universal questions of identity and conscience, providing his audience with many examples of individuals who must face a crisis that forces them to plumb the very depths of their souls. His films have repeatedly demonstrated to American audiences that the individual can and must summon the courage and fortitude necessary to overcome personal weakness and fear.

There is an unyielding, maverick quality to most of Mr. Zinnemann's films, a refusal to pander to the audience with reassuring cliches, pop formulas, or contrived moralistic cant. Instead, he elevated the level of American culture, creating some of the greatest and most powerful American

movies including "Member of the Wedding," "The Wave," "The Seventh Cross," "Julia," "The Men, "The Search," "The Nun's Story," "From Here to Eternity," "A Man for All Seasons," and his most famous film "High Noon."

Zinnemann's social-realist style first gained critical acclaim in 1948 with "The Search," which starred Montgomery Clift in his film debut as an American GI stationed in Germany who befriends a lost and mute Czech boy, gradually winning his trust and teaching him to speak again. Using narrowing footage of real war orphans in UNRRA camps, "The Search," although a work of fiction, dramatized in a highly realistic way the plight of countless displaced people in post war Europe.

In "The Men," released in 1950, Zinnemann brought to the American public the problems of thousands of paraplegic veterans. Starring Marlon Brando in his cinematic debut, the film examines complex relationships of families, friends, and fellow veterans struggling to come to terms with the protagonist's disabled condition. This was hardly the kind of fluff the American public was used to seeing in their neighborhood movie theater.

Most film critics would agree that Fred Zinnemann's masterpiece is "High Noon." It is my personal opinion that "High Noon" is not only Fred Zinneman's greatest film, but the greatest film ever made. It has been a constant source of inspiration to me, and I have no doubt that it has inspired countless others, whether directly or indirectly as a result of its theme and message becoming deeply ingrained in the American conscience. If Fred Zinneman never directed another film except for this one, he should be honored with Congress' highest award.

Working in the distinctly American genre—the Western, Zinneman created a film that transcends the genre—and forever changing it—to become a classic tale of a man who, in his commitment to duty, is able to triumph over his own strongest fears. The film is so rich in its texture, plot and theme that it still stirs considerable debate over its true meaning: a modern day "every man," a parable of McCarthyism, or of international politics, an anti-Western. Gary Cooper stars as the small-town sheriff, Will Kane, who on the day of his retirement and marriage to a Quaker woman, Grace Kelly, chooses to face a killer seeking revenge. Desperately trying to rally the town citizens to band together to confront the returning Frank Miller and his gang, he soon realizes that he must face alone the fears that the townspeople choose to ignore. With consummate skill, Fred Zinnemann has pulled together all the elements of great filmmaking—its haunting theme song, "Do Not Forsake Me," the stark, black-and-white cinematography, its tension-building editing and superior acting—to produce a cinematic tour de force.

Fred Zinnemann's extraordinary contributions to American file have earned him recognition as one of the most honored of postwar directors. He has won four Academy Awards for directing—including for "From Here to Eternity" and "A Man for All Seasons," and for the two earlier documentaries. The New York Film Critic's Circle has honored him as best director four times, and the Directors Guild has conferred upon him the coveted D.W. Griffith Award for lifetime artistic achievement.

In his soberly authetic protrayals of human conscience, Fred Zinnemann has reflected the enduring American value of principled individualism. His films have served as inspiration to millions. In light of Fred Zinnemann's enduring contribution to the art of the motion picture and the cultural heritage of our Nation. Congress should bestow it highest honor, the Congressional Gold Medal, as a fitting tribute and expression of gratitude for his life's work.

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JIMMY STEWART

If ever there was a movie star worthy of public adoration, it is Jimmy Stewart. He has become a living icon of all that is true and good in America. In this era of media hype, in which public image so often belies the private reality, Jimmy Stewart's public persona as a man of innate goodness and decency is truly the real thing.

Jimmy Stewart is so universally beloved in America and around the world, that one would be extremely hard-pressed to find a single person who does not like him. Expressing sentiments undoubtedly shared by many, Harry Truman once declared: "If Bess and I ever had a son, we'd want him to be just like Jimmy Stewart." Ronald Reagan expressed his feelings for Stewart by saying: "If I were marooned on a desert island and could choose a buddy to keep me company, there's never been any doubt who I'd pick. Jimmy Stewart knows when to talk, when to keep quiet, when to laugh and when to appear. I've been his friend for a long time and it's a privilege."

In a film career spanning 43 years, Jimmy Stewart has played a wide variety of roles—Charles Lindbergh in *"The Spirit of St. Louis,"* Glen Miller in *"The Glenn Miller Story,"* the pixilated Elwood P. Dowd in *"Harvey,"* the naive and idealistic Jefferson Smith in *"Mr. Smith Goes to Washington,"* Deputy Tom Destry opposite Marlene Dietrich in *"Destry Rides Again,"* the self-loathing reporter in *"The Philadelphia Story"* for which he won an Acadamy Award, the peeping Tom in Hitchcock's *"Rear Window,"* and the rich-man's son in love with the daughter of a lovably eccentric family in *"You Can't Take It With You"* are just a few of his characters out of dozens of starring roles that have become a part of all of our lives.

Perhaps Stewart's greatest role, however is that of George Bailey in the Frank Capra classic, *"It's a Wonderful Life."* Stewart's own favorite movie, his characterization of George Bailey represents the archetype of the Jimmy Stewart role—honest to the core, sincere, decent, hard-working, dedicated to his family, a man of ambition and unbridled optimism. He is the man every mother wants her son to grow up to become. When it was originally released, the film had only modest success. Over the years it has become a Christmas-time classic.

When he first agreed to take the part of George Bailey, Stewart had just returned from the war and was actually a bit unsure whether he could still act. Unlike many actors at the time who went into the Armed Forces and were given public relations jobs stateside, Jimmy Stewart was a genuine war hero. Against the objection of MGM studio head Louis B. Mayer, Jimmy Stewart requested combat duty in Europe as a pilot. As an Army Air Corps bomber pilot—and later squadron leader—Stewart flew more than 30 missions over Germany, and was awarded the Distinguished Flying Cross, the Air Medal with Oak Leaf Cluster and the Croix de Guerre by the French Government. Typical of Jimmy Stewart's modesty and sensitivity, he demanded that his studio contract following the war explicitly prohibit the use of his war record in promoting his films.

Through both the characters he has played over the years and the lifestyle he has led, Jimmy Stewart has come to embody the American spirit. Congress would be doing itself a great honor in awarding its Congressional Gold Medal to such a deserving American as Jimmy Stewart.

Mr. HILER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the record ought to show we are grateful to the gentleman from New York [Mr. MRAZEK] for his leadership in this legislation and acknowledge his very hard work done in acquiring the 219 cosponsors that are required by the committee for commemorative coin legislation.

Mr. Speaker, this is a noncontroversial bill. It has bipartisan support. The bill was reported by the House Sub-

committee on Consumer Affairs and Coinage without dissent.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the motion offered by the gentleman from Texas [Mr. GONZALEZ] that the House suspend the rules and pass the bill, H.R. 1699.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on H.R. 1699, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3950, FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 439 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 439

Resolved, That any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3950) the "Food and Agricultural Resources Act of 1990", and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill are hereby waived. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed three and one-half hours with two hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, with thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, with thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and with thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill, as modified by the amendments printed in section one of the report of the Committee on Rules accompanying this resolution, as an original bill for the purpose of amendment under the five-minute rule, said substitute, as modified, shall be considered by titles instead of by sections and each title shall be considered as having been read, and all points of order against said substitute, as modified, are hereby waived. No amendment to said substitute, as modified, shall be in order unless printed in the "Amendments" portion of the Congressional Record on or before July 20, 1990, except for pro forma amendments for purposes of debate and amendments offered pursuant to the authorities contained hereafter in this resolution. It shall be in order for Representative de la Garza of Texas: (1) after consultation with Representative Madigan of Illinois, to offer at any time during consideration of each title an amendment or amendments en bloc to that title, including modifications in the text of any amendments printed in the Congressional Record which are germaine thereto; and (2) after the disposition of all other amendments, to offer amendments en bloc, which may include amendments to portions of the bill already read for amendment. It shall be in order to Representative Gejdenson of Connecticut to offer an amendment to title XII and all points of order against said amendment are hereby waived. It shall be in order to consider the amendments printed in section two of the report of the Committee on Rules en bloc. Any amendments en bloc made in order by this resolution shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. After the disposition of all other amendments except for the amendments specified in (2) above, it shall be in order to consider the amendment printed in section three of the report of the Committee on Rules, said amendment shall not be subject to amendment except an amendment offered by Representative Panetta and pro forma amendments for debate, and all points of order against the amendment printed in section three are hereby waived. No amendment shall be in order in the House or in the Committee of the Whole which affects the subject of title XIX of the substitute, as modified. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. (Mr. MONTGOMERY). The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 439 is an open rule providing for the consideration of H.R. 3950, the Food and Agricultural Resources Act of 1990.

The rule provides for 3½ hours of general debate to be divided in the following way: 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture; 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs; 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and, 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor. The rule waives all points of order against consideration of the bill.

The rule also makes in order the Agriculture Committee amendment in the nature of a substitute now printed in the bill, as modified by the amendments printed in section 1 of the report accompanying this resolution, as an original text for the purpose of amendment under the 5-minute rule. It shall be considered for amendment, by titles, instead of by sections, with each title considered as having been read. The rule waives all points of order against the substitute, as modified.

Mr. Speaker, this rule permits amendments, which have been printed in the CONGRESSIONAL RECORD on or before July 20, 1990. The rule permits Chairman DE LA GARZA, after consultation with Representative MADIGAN, to offer an amendment or en bloc amendments at any time during consideration of each title. This includes modifications in the text of any amendments printed in the CONGRESSIONAL RECORD which are germane. Chairman DE LA GARZA may also offer en bloc amendments after the disposition of all other amendments, including amendments to portions of the bill already read for amendment.

In addition, under the rule, Representative GEJDENSON may offer an amendment to title XII and all points of order against the amendment are waived. The rule allows en bloc amendments printed in section 2 of the accompanying report. These amendments, to be offered by Mr. DORGAN, have to do with targeting certain agricultural price supports. Any amendments en bloc made in order by this resolution shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

After the disposition of all other amendments, except for the de la Garza en bloc amendments, the rule allows the amendments printed in section 3 of the accompanying report. This amendment, to be offered by Mr. SYNAR, has to do with pesticides and food safety. All points of order are waived against the amendment. It is amendable, by an amendment by Mr.

PANETTA and by pro forma amendments for debate.

Finally, Mr. Speaker title XIX of the substitute, as modified, is not amendable in the Committee of the Whole or in the House. This addresses the subject of shipping and certain Great Lakes concerns.

Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, I am glad that we are able to bring this bill up before the House. This is the most significant farm bill since 1985. It is designed to reauthorize and redefine the Nation's agricultural policy for the next 5 years. It also has extremely significant improvements in our food and nutrition programs that reach people suffering from poverty.

As chairman of the House Select Committee on Hunger, I had a particular interest in many programs included in this comprehensive bill. I am particularly pleased that an agreement was reached between the Committees on Agriculture and Foreign Affairs on the issue of food aid to reduce hunger and malnutrition. I would like to commend my colleagues, Chairman DE LA GARZA and Chairman FASCELL for their excellent work in crafting this compromise. I expect to be supporting this compromise which will be offered by my colleague, Representative GEJDENSON. The Gejdenson amendment will dramatically improve our efforts to use food grown by American farmers to improve the lot of millions of poor, hungry people around the world, from Bangladesh to Peru.

I would also like to commend my colleagues from the Agriculture Committee for improving and extending programs which help our hungry people in this country. This includes food stamps, the Temporary Emergency Food Assistance Act, known as TEFAP, and the various commodity donation programs. Also included is a bill I authored to establish a national gleaning clearinghouse to allow USDA to help private citizens, farmers, and community groups to organize local gleaning programs. Gleaning is the salvaging of leftover crops that would otherwise to wasted, for donation to the poor.

Mr. Speaker, H.R. 3950 is the result of hearings and careful consultations. I am pleased that we have an open rule, and I urge my colleagues to adopt it.

□ 1520

ANNOUNCEMENT RELATIVE TO SUBMISSION OF AMENDMENTS ON H.R. 4825, ARTS, HUMANITIES, AND MUSEUMS AMENDMENTS OF 1990

(By unanimous consent, Mr. MOAKLEY was allowed to proceed out of order.)

Mr. MOAKLEY. Mr. Speaker, the Rules Committee is planning to meet on Tuesday, July 24, to consider H.R. 4825, the Arts, Humanities, and Museums Amendments of 1990. The committee sent out a notice on Monday, July 16 which required that any Members wishing to offer amendments to this bill must submit them to the Rules Committee by 5 p.m. today, July 23.

It has come to my attention that there may be a technical modification in the bill which may require amendments to be rewritten to conform to the change in the text. However, as long as Members have the actual language of their amendments to the Rules Committee by 5 p.m. today, it will not matter—in terms of Rules Committee consideration—if they need to be redrafted to conform to the new text.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend the chairman and the ranking Republican member of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA], and the gentleman from Illinois [Mr. MADIGAN] for their leadership in bringing this bill to the floor.

In a bill of this magnitude and complexity, it is not possible to please everybody, but they have done a good job of balancing competing interests.

I would also like to commend the chairman of the House Committee on Rules for his hard work in making this rule possible so that we could bring the agriculture bill to the floor.

The bill as reported by the Agriculture Committee is over 1,000 pages long, and that product was ultimately referred to four other committees for consideration of provisions falling within their jurisdiction.

The provisions of the rule have been fully explained by the gentleman from Ohio [Mr. HALL], and it would be redundant for me now to repeat what he said. There are a couple of points I would like to make, however. There is nothing in this bill which deals with tobacco.

And yet when the Rules Committee met, the gentleman from Illinois [Mr. DURBIN], accompanied by two other Members appeared with antitobacco amendments. One of the amendments as originally drafted would have been subject to a possible point of order, but I understand it has now been redrafted so that it would not require a waiver.

Mr. Speaker, I represent a district where many small farmers depend on tobacco to put food on the table. These are not big, rich, corporate farms. These are little farms, where growing an acre or two of tobacco is the difference between paying the bills and not paying the bills. Growing tobacco is not easy work. I was born a sharecropper's son, and I worked in tobacco while I was growing up. If you take tobacco away from many of the small farmers in my part of the country, there is nothing to replace it.

I have heard all the arguments about health, and I am in favor of good health. But being hungry is not conducive to good health, and if tobacco is taken away from small farms in my part of the country, there are going to be a lot of families who are not going to be able to pay the food bills.

I just hope Members will keep this in mind if we are forced to vote on amendments which hurt small tobacco growers.

Mr. Speaker, another difficult area in this bill is the extension of the cargo preference set-aside for Great Lakes ports added by the Foreign Affairs Committee. The addition of this provision threatens to open up a whole new fight on cargo preference, an issue which was not even in the bill reported by the Committee on Agriculture. The able chairman of the Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. JONES], worked out a compromise on the Great Lakes set-aside which extends it but phases it out over 5 years. Mr. Speaker, this rule makes that compromise in order, and makes it nonamendable.

Mr. Speaker, we all know how important agriculture is to this Nation of ours and to the world. This bill is a fine bill and should be adopted by the House. I would like to see this rule passed overwhelmingly so that we can have the general debate on the bill today.

Mr. Speaker, I support this rule and I support the basic thrust of the agriculture bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Speaker, since coming to Congress in 1981, I have rarely requested time to speak on a particular rule. However, this rule is so patently unfair to my constituents and those living in 18 other States that I am compelled to rise in strong opposition to House Resolution 439.

While House Resolution 439 provides an open rule for those provisions reported by the House Agriculture Committee, it prohibits all amendments to title 19. In fact, this is the only section of H.R. 3950 which is not open for any modifications or improvements.

This title, the so-called shipping provisions, incorporates language exclusively beneficial to four Great Lakes ports at the expense of some 41 ports on the east coast, west coast, gulf coast, and inland river system.

The language in title 19 has never been subject to a congressional hearing nor has it ever been reported from

any congressional committee. In fact, 1 week ago this language did not even exist and has nothing—nothing—to do with the underlying purpose of the farm bill. It is nongermane, extraneous and, frankly, has no place in H.R. 3950. It is a one-sided compromise written for and by the proponents of the set-aside.

While the Merchant Marine and Fisheries Committee, of which I am a member, conducted a hearing on one provision of title 19—the Great Lakes cargo set-aside—the committee took no further action on this issue. Why? Because it is clear that an overwhelming majority of our committee is firmly opposed to reestablishing this onerous giveaway program.

In addition, the House Agriculture Committee, which has primary jurisdiction over H.R. 3950, did not include any of the language of title 19 within its reported version.

By way of background, the Great Lakes Cargo Set-Aside Program was first established as part of the Food Security Act of 1985. It was approved in the Senate and was reluctantly accepted by the House/Senate conference committee. There has never been a vote on the set-aside in the House of Representatives. Sadly, this rule will continue that legacy by refusing to allow an up or down vote on this issue.

As my colleagues from the Great Lakes know, this set-aside program was established for a limited period of time. No other coastal range or port has ever been given nor has requested guaranteed cargo under food aid or any other Government program.

The set-aside was designed to help the Great Lakes adjust to the gradual increase in the amount of Public Law 480, title II, food aid cargo carried on U.S.-flag vessels. It provided that help by guaranteeing that 240,000 metric tons or 20 percent of the Public Law 480, title II, cargo would be shipped from Great Lakes ports regardless of their handling costs.

This transition period is over and, by law, the set-aside expired on December 31, 1989. It should not be reestablished.

While I can understand that Great Lakes ports would want to reestablish this program, after all, they are no more competitive today than they were in 1985. It is said that they are so afraid to allow a debate on this issue that they have hidden this language within this rule.

It is also sad that the taxpayers of this Nation will be forced to pay some $2 million a year in additional handling costs to ship Government cargo from Great Lakes ports.

In addition to the set-aside, title 19 also allows certain foreign ships to be reflagged United States and to be immediately eligible to carry Government cargo. This language also mandates that the Secretary of Transportation will be forced to provide operating differential subsidy [ODS] payments to the owners of these vessels.

Mr. Speaker, this ODS language is unprecedented and will mean a government expenditure of at least $3 million per vessel per year. This represents some $90 million over the next 5 years or $270 million over the course of these contracts.

Mr. Speaker, I think it is totally inappropriate to be establishing this new Government commitment, without debate, at a time of massive deficits and budget negotiations.

While the gentleman from Wisconsin [Mr. OBEY] has repeatedly objected to subsidies for the U.S. maritime industry, interestingly he has no such objection to those subsidies when they are provided for vessels using Great Lakes ports.

To repeat, neither the ship reflagging nor mandated ODS payments have ever been the subject of a congressional hearing or markup session.

While Great Lakes ports do have problems because of the physical limitations of their port system, their 9-month shipping season, and their unattractiveness to most vessels, those living on the east coast, west coast, gulf coast, and along our rivers should not be penalized, because of those problems. The solution to the problems facing the Great Lakes ports must not be solved by diverting Government cargo from our port ranges.

While I cannot quantify the impact of the set-aside on each of the 41 ports which compete for Public Law 480, title II, cargo, I do know that the port of Houston is the lifeblood of Houston's economy. It provides jobs for one out of every three Houstonians and it provides economic benefits for 160,000 Texans.

In addition, from testimony we know that the set-aside caused severe economic losses for ports like Corpus Christi, TX; Pascagoula, MS; Pensacola, FL; and Lake Charles, LA. In fact, in the case of Lake Charles, that port lost more than half of its cargo because of the set-aside. While 15,000 metric tons of grain may not seem like a lot, to ports like Lake Charles it means jobs for 40 to 50 longshoremen for 8 to 10 weeks. Reinstating the set-aside program will destroy these ports, just as they are beginning to recover form the previous 4 years of set-asides.

While I will spare the House the litany of reasons why the set-aside should not be reestablished, I want my colleagues to know that when our gulf ports suffered hard economic times, they did not come running to Congress demanding special breaks, Government guarantees, or mandated cargo. What our ports did was reduce their handling costs, cut their wages, and become competitive. Sadly, Great Lakes ports have decided that if they complain loud enough and have their elected representatives threaten to destroy the U.S. maritime industry, they will receive cargo without having to compete for it.

Mr. Speaker, what our ports expect it that all Government cargo be allocated on an open, fair, and competitive basis. That is exactly how the system has worked for nearly 40 years, except for the period when the set-aside was in existence.

Mr. Speaker, for the record, the Great Lakes Cargo Set-Aside Program is strongly opposed by the Bush administration, the Gulf Ports Association, the Inland River Ports and Terminals Association, the Northwest Marine Terminal Association, the National Marine Engineers' Beneficial Association, the International Organization of Masters, Mates and Pilots, the 140-member congressional sunbelt Caucus, and ports in the States of Alabama, Arkansas, California, Florida, Georgia, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Virginia, and Washington.

In fact, my colleagues should know who are the winners and losers of the language in section 19. The winners are the Great Lakes ports of Milwaukee, Duluth, Chicago, and Burns Harbor, IN. The losers are the ports of Newport News, VA; Norfolk, VA; Charleston, SC; Moorehead, NC; Wilmington, NC; Savannah, GA; Brunswick, GA; Jacksonville, FL; Pensacola, FL; Mobile, AL; New Orleans, LA; Baton Rouge, LA; Lake Charles, LA; Pascagoula, MS; Gulfport, MS; Orange, TX; Houston, TX; Beaumont, TX; Galveston, TX; Freeport, TX; Corpus Christi, TX; Port Arthur, TX; Panama City, FL; Tampa, FL; Oakland, CA; Long Beach, CA; Sacramento, CA; Portland, OR; Seattle, WA; Olympia, WA; Tacoma, WA; Longview, WA; Grays Harbor, WA; Rivergate, TN; Midsouth, TN; Pine Bluff, AR; Helena, AR; Fort Smith, AR; Little Rock, AR; Mount Vernon, AR; and Tulsa, OK.

Finally, Members of the House are precluded from deleting the set-aside from title 19 even though this program is, in all likelihood, a blatant violation of the port preference clause of our Constitution. Article I, section 9, clause 6, states that "no Preference shall be given by Regulation of Commerce or Revenue to the Ports of one State over those of another."

The senior Senator from Alabama, HOWELL HEFLIN, who is a constitutional scholar and former chief justice of the Alabama Supreme Court, has stated that "clearly, the set-aside arbitrarily awards tonnage to the Great Lakes region, while all other ports must compete based on cost, violating the meaning of the port preference clause."

Mr. Speaker, in conclusion, I ask my colleagues to join with me in voting "no" on this rule so that we can eliminate this blatant and unfair effort to assist four Great Lakes ports at the expense of 41 other ports on the east coast, west coast, gulf coast, and the inland river system.

Your vote against this rule will have no impact on the farm bill since this provision has no business being in the farm bill.

I urge you to vote "no" on this rule so that we can strip out this nongermane, extraneous, and highly discriminatory language contained in title 19. If we are going to guarantee Government cargo to one port range to the detriment of all others and if we are going to create a whole new Federal shipping entitlement program exclusively for the Great Lakes, then we should at least have a debate and "up or down" vote on this issue.

Vote "no" on House Resolution 439.

□ 1530

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise today as a strong supporter of the agriculture bill as reported out by the Committee on Agriculture. However, I find myself in a position of having to speak against and oppose the rule that is before us today concerning the sugar title of this legislation.

The bill as reported out by the Committee on Agriculture had what we refer to as a reexport provision, whereas we would purchase sugar, half a million tons a year, from the Caribbean nations and nations that have a per capita income of less than $1,500. We would pay them a 7-cents-per-pound premium for the sugar, they enter the United States, we refine it, and reexport it.

We are having to do this because the European Economic market supports sugar at 30 cents per pound, we in the United States support it at 18 cents; the Common Market dumps their surplus sugar and they destroy the world market. It has significantly hurt the economies of the Caribbean nations.

Every nation in the Caribbean supports this initiative. Each Member of Congress received a letter from all of the Ambassadors. Not only did the Committee on Rules strip this provision from the bill, they refused to waive points of order to allow me to offer an amendment to reinstate it, to allow the Members a choice.

Let me point also that this cost was to be borne by the corn and the sugar sweetener industries themselves.

It is a shame we have let an opportunity slip through our hands to provide millions and millions of dollars to those less needy, those unfortunate.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I today stand in strong opposition to House Resolution 439, which will be the rule for H.R. 3950, the Food and Agricultural Resources Act of 1990.

The reason I ask my colleagues to defeat the rule is because it does not allow any amendments to title XIX of H.R. 950—the title which resurrects the noncompetitive, unfair, unconstitutional and burdensome Great Lakes set-aside. In fact, this is the only section of the farm bill which is closed off for amendments under this rule.

The Great Lakes set-aside was originally established as a Senate amendment to the 1985 farm bill. The set-aside was intentionally designed by its authors to be a temporary measure when the amount of Food for Peace cargo carried on U.S.-flag ships increased from 50 to 75 percent. That transition period expired last year. Now the Great Lakes ports say they need another temporary "transition" period, this time lasting until 1995. As history often repeats itself, Members from States who have been hurt by this set-aside should ask themselves if in another 5 years, the Great Lakes ports will again ask for another transition period. And if you are a Member who represents a coastal or inland river district in the Sunbelt or Pacific Northwest region, your ports have been hurt by the Great Lakes set-aside.

The constitutionality of the Great Lakes set-aside is also highly questionable, and is sure to be challenged if it becomes law. Allow me to quote from our Constitution, a document we have taken oaths to uphold. Article I, section 9 states, "No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another." Clearly the Federal Government will be favoring the Great Lakes ports over other ports under this provision, as no other port has ever had cargo guaranteed to them under any government program.

Mr. Speaker, I find it highly ironic that at a time in history when nations from around the world are moving away from command economies, and moving toward market-driven economies, we in Congress insist on having the Government dictate who gets how much Food for Peace cargo instead of having the market determine where the cargo is shipped. Even Mr. Davis Helberg, chairman of the International Association of Great Lakes Ports, agrees that the set-aside is bad public policy. He has stated, and I quote, "The set-aside simply hasn't worked. It was a sop to the Great Lakes to wean us off the Government program. Gulf ports have been highly critical of the set-aside. We agree."

The Great Lakes set-aside also hurts the people the Food for Peace Program was supposed to help: The hungry of the world. Approximately $5.9 million in increased shipping costs due to the noncompetitive handling of Great Lakes ports was spent when the set-aside was in effect. That $5.9 million is money that could have been saved by using more competitive, cost-efficient ports. And of course, more money saved on this program means more food for the hungry of the world—the original intent of the Food for Peace Program.

The Great Lakes set-aside is also strongly opposed by the Bush administration, and its inclusion in the farm bill will give the President another reason to veto this already bloated bill.

Finally, the full House has never voted on, nor debated the Great Lakes Set-Aside Program on its merits. A program of this size deserves to be debated and voted on, not to be hidden behind a rule. I urge my colleagues to defeat the rule. We need a rule which is fair to all regions of the country.

□ 1540

Mr. ANTHONY. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Arkansas.

Mr. ANTHONY. Mr. Speaker, I would like to associate myself with the gentleman from Florida's [Mr. SHAW] words and comments. The subsidy under the cargo preference is one thing, but this is an additional directive that says that cargo has to go through a certain body of water. It is punitive to the farmers in my region, if we have one set aside for transportation, then it seems to me every major navigation system in the country ought to enjoy the same thing.

I hope the rule goes down for that reason.

Mr. SHAW. Mr. Speaker, I thank the gentleman for his comments.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I simply rise to correct some of the previous statements being made about the Great Lake set aside.

I happen to chair the committee that provides for foreign aid assistance around the world. One of the problems I face as I take a look at these programs is that I see that the cargo preference provisions in the compromise which was established 5 years ago, raised the cost of foreign food aid by about $150 million. I think the whole story needs to be told.

About 5 years ago in the farm bill, an effort was made which was successful to increase from 50 to 75 percent, the percentage of cargo under food aid programs which would be required to

be shipped under cargo preference provisions, which means on American bottoms. A gentleman a while ago indicated that the Constitution forbids favoring one port over another. The fact is that that provision which was established 5 years ago does just that because the fact is that American bottoms are too large to get through the locks on the Great Lakes, and that means that when we raise from 50 to 75 percent the percentage of American food aid cargo, which is subject to cargo preference requirements, we, in fact, are freezing out an entire section of the country from any participation in any export at all.

To overcome that geographical discrimination which occurs because of an engineering anomaly, the compromise was established 5 years ago. It said, "OK, if you raise from 50 to 75 percent the cargo preference requirements, then we will see to it that that does not have an aberrational effect on the Great Lakes." That is what that compromise said 5 years ago.

Now those who got the increase from 50 to 75 percent would like to continue only one-half the deal. It seems to me that that is not correct. That is why I went to the Committee on Rules and I said that I wanted to be able to offer an amendment to take Members back to the rule that they existed before that so-called compromise was set, because under those rules only 50 percent of the cargo under food aid would be subject to cargo preference, and we would be costing the taxpayer far less. I wanted to offer that amendment because I thought that was the only fair thing to do. The chairman of the committee, the gentleman from North Carolina [Mr. JONES], in an effort to try to avoid an unnecessary controversy, suggested the compromise language which we now have in the legislation today. I happen to think that while that is not what I would have preferred, and Mr. Helberg was quoted a while back. That is not what he would have preferred either. He would have preferred a more fair resolution of this problem as far as Great Lake ports was concerned. I think if he is going to be quoted, he ought to be quoted in context, not out of context.

The fact is that the proposal in the rule right now is the only method by which this body is going to avoid a total opening up of the cargo preference issue, because if those who got the cargo preference percentage increase from 60 to 75 percent 5 years ago, if they want to keep that, then they have an obligation to keep the other side of the bargain. It seems to me that if we want to bring down the rule, then we better be prepared to support a rule which allows Members to offer an amendment to get at the basic problem, which is the cargo preference requirement. If Members want to do that, we can. I predict eventually they will lose that fight.

I am willing to support the compromise here today, but I am not willing to support one section of the country being excluded from all cargo shipments, as would be the case without this language.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I rise in strong opposition to the rule granted on the 1990 Omnibus Farm and Welfare Resources Act. This side of the aisle is tired of being the bearer of bad news, but today we are bringing you yet another exceedingly anticompetitive rule. The rule says once again, "let's spend millions of dollars on special interests at the cost of the American taxpayer."

Debate on the rule does not hinge on a partisan issue, such as whether or not we should be subsidizing farm programs, it hinges on an issue that is totally unrelated to American agriculture. The rule does not allow Members, be they Democrat of Republican, the opportunity to strip a Great Lakes set-aside provision from the bill which has cost American taxpayers at least $5.9 million in increased shipping costs due to the noncompetitive prices of Great Lake ports. This is the only title of the farm bill which is unamendable. After giving the Great Lakes shipping industry 4 years to integrate, cargo preference should be a moot issue.

It is ludicrous and outright shameful that the Committee on Rules is trying to say with one hand, "We want to help the American farmer be move competitive," while the other hand is slashing their competitiveness by not allowing all ports to bid on cargo in the Food for Peace Program. The Great Lakes set-aside reserves 20 percent of the Public Law 480 processed and bagged agricultural commodities for few ports. The Committee on Rules is rewarding Great Lake ports for not being competitive. This rule can only be considered fair to a few shipping companies centered around the Great Lakes. Special interests slipped by the Rules Committee, what Congress said last session should not be law. We are inching ever closer to becoming a body that is increasingly susceptible to special interests over national interests.

Lately, I have been receiving letters from the Agriculture Committee telling me not to listen to my urban colleagues who would legislate what they call a disastrous farm policy. I have been hearing a lot of talk about making farm programs more market oriented, more competitive. Where is the Agriculture Committee on this provision which drives up the price of shipping Public Law 480 commodities overseas? The farm sector will be able to withstand a cut in farm handouts. The American economy will not be able to withstand congressional mandates from the Rules Committee.

While many of my colleagues do not agree on farm subsidies, I think they will join me in the belief that farm exports will be the biggest contribution to sustaining the rural economy over the next 5 years. This provision cuts into that economy. A vote against the rule will be a vote for a market-oriented farm bill. This rule is absolutely and unequivocally noncompetitive for the American farmer.

I want to make it quite clear to the Members of this body what they will be voting for. They will be voting for special interests. They will be voting for bad public policy. They will be voting against the constitution. They will be voting against the taxpayer. A vote for the rule is a vote against our American farmers.

□ 1550

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, I reluctantly rise in opposition to this rule because it is so prejudicial to my part of the country and to those States in this country that have ports other than along the Great Lakes.

The Great Lakes set-aside, established as part of the Food Security Act of 1985 and expired in December 1989, was designed to be a temporary measure. Now, because the Rules Committee voted a closed rule on this provision of the farm bill, the set-aside program has been revived.

This is a competitiveness issue:

The Great Lakes ports have been overly compensated for cargo preference, according to the Department of Agriculture. The set-aside gave them three times more business than they would have received without cargo preference.

Sun Belt ports have been paying the price. The set-aside has taken away 75 percent of the Sun Belt's Food for Peace exports.

Despite this, Sun Belt ports have invested in high-technology equipment to become more efficient. Why should these ports work hard to improve their competitiveness, if the set-aside continues to undermine their efforts?

This is a poverty issue:

The set-aside provision in this bill goes farther than ever before. New subsidies would cost nearly $300 million. This money could feed 11 million children worldwide.

This is a constitutional issue:

The set-aside program violates the port preference clause of our Constitution which states: "No preference shall be given to the ports of one state over another." No one has challenged the set-aside yet because it was temporary. If this program is extended again, a

constitutional challenge would surely occur.

I urge you to oppose this rule because it means less food for hunger programs and discourages competitiveness.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, I think we are overlooking an important fact in this debate today. We have had a great deal of debate about the compromise language on the cargo preference for Great Lakes ports. The reason this role prohibits amendments to that compromise is to prevent opening up the whole issue of cargo preference on this bill. Preserving cargo preference is important because it means shipping agricultural products by Americans and not opening up the market to the foreign elements that are such great competitors of this Nation of ours.

We must preserve our merchant marine. I served in World War II, and I know that the merchant marine was the lifeblood of this country of ours. It was the second greatest asset this Nation had, ranking after our military operation. I have seen it go down and down and down, and now here we are arguing that this is not a good rule.

I do not agree with the logic of those who would oppose this rule. I think they are looking at it entirely from a regional point of view and not an American point of view. I think it is important that we adopt this rule and get down to the business of making agriculture grow.

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to associate myself with the remarks of my colleague, the gentleman from Wisconsin [Mr. OBEY], because I think he was right on the mark when he spoke.

In our Committee on Foreign Affairs we looked at this issue in great detail, and the truth of the matter is that if we add up all the 5 years of the set-asides under the compromise, the Great Lakes get only about 2 percent of the peace cargo, and the gulf coast, including the State of our good friend, the gentleman from Texas, gets 60 percent. But they want everything. Well, there is such a thing as being too greedy, I say to my friends.

I am for this particular rule because I want to protect the compromise that we agreed to. That is all to the good. If we are interested in helping the taxpayers, as many Members say they are, if we are interested in the poor, then we should support this rule, because this is going to save the taxpayers money in title XI, and it is also going to give more and cheaper food at the cost of the taxpayers to the poor of this country.

This looks like a regional fight to me. Some people say this is special interest, and one of the speakers was saying it is prejudiced against Texas. If we look at the S&L crisis that we have today, I suggest we do not have a problem in the Midwest and we do not have a problem in Wisconsin, and we are sending $3.5 billion to Texas.

We talk about regionalism. How much food are we talking about here? We are talking about 1.9 billion tons. How much is going through the Great Lakes? It is only 245,000 tons. That is 1 out of 8 tons that goes through the Great Lakes, but most of the food is produced in the Great Lakes region.

Why not ship the food from the place where it is produced? There is a lot of smoke being blown around here this afternoon. One Member got up and talked about the Constitution and preference. We have given nothing but preference to Texas and Florida, if they want to talk about preference.

Mr. Speaker, let us stick with the compromise. As the ranking member on our side of the Rules Committee said, this should be an American effort, not a regional effort. I think that is right, and I think we ought to vote for the adoption of this rule.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, the gentleman referred to $3.5 billion going to Texas S&L's. I get a little weary and I have getting more weary in the past few weeks about people saying that all the money for the S&L problem is going to Texas. Does the gentleman realize where a lot of that money is going? We are studying it now to find out where that money is going, and does he realize that a lot of that money is going——

Mr. ROTH. Mr. Speaker, I will take back the balance of my time. I will answer his question. Yes, most of the money is going to Texas, because that is where the biggest part of the problem occurred.

Mr. DELAY. Mr. Speaker, will the gentleman let me finish my statement? Will the gentleman yield?

Mr. ROTH. Yes, I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman's yielding.

Does the gentleman realize that a lot of that money is going to people from other parts of the country that were chasing high interest rates from the S&L's in Texas and California?

Mr. ROTH. There is no State that gets more S&L money than Texas.

Mr. Speaker, I thank the gentleman.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Speaker, the last thing the farm bill needs is a bitter debate over cargo preference.

The House had to endure such a debate 5 years ago. We should prevent it from happening this time around.

You will recall that ultimately there was a historic compromise between agricultural and maritime interests in 1985.

Just about everyone would lose if we allowed that historic compromise to be challenged on the House floor.

We need to pass a farm bill this week. It's going to be hard enough as it is. If we get diverted into a cargo preference debate, it's going to be even harder.

As ranking Democrat on the Agriculture Committee, I want to do all I can to get the farm bill passed.

As chairman of the Merchant Marine and Fisheries Committee, I want to make sure that the House doesn't deal with floor amendments that are within our exclusive jurisdiction and which we have not considered.

Today's rule accomplishes this goal.

I went to the Rules Committee and asked for a provision like this. I thank the committee and Chairman MOAKLEY for responding.

I know that some Members are dissatisfied with the Great Lakes set-aside language protected by this rule. But there is no practical way to respond to their concerns without opening up the whole debate on cargo preference again.

Let us remember what our main objective is this week: To pass a farm bill. This rule will help us do that.

I ask all Members to join me to support this rule.

□ 1600

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Speaker, I thank the gentleman from Ohio [Mr. HALL] for yielding this time to me.

Mr. Speaker, the rule is a pretty good rule, and I am going to support the rule. It provides for a lot of amendments to be offered. We will have a pretty full debate on farm policy.

Mr. Speaker, I wanted to speak today simply to say that I have been listening to some of the discussion. I heard once again a friend of mine say that the subsidies for the farmers are in this bill, and it occurred to me that, when we get involved in a substantial debate on the farm program, maybe we can really define who is being subsidized in this country.

I had a call the other night from a young farmer who farms down near my hometown, and he said that he can raise wheat for less money than most people, but he said it costs him about

$3.65 because he leases the land from his dad. Mr. Speaker, the target price is $4, but he does not get $4 target price out there because of transportation and other differences. So, he gets a support price that is below his cost of production, and he will not be able to farm too much longer. Like a lot of farmers, he is losing.

Mr. Speaker, when we take arithmetic in school, we learn that, if one gets for his product less than it costs him to produce the product, he will lose money.

Some people say that this farm bill we have in this country works like a charm, almost perfect. I ask my colleagues, "If it is working so well, why does it look so bad in farm country? You go to any community in my State, and turn on Main Street, and ask yourself, 'Is this town living, or is it dying? Are the farmers making it, or are they failing?' "

Mr. Speaker, the answer is: The town is dying, and the farmers are failing. This farm policy does not work, and we need to change it.

Hopefully in the next day, when we have this debate, we can talk about the enormous subsidies to the consumers of this country who have the best quality food for the lowest percent of disposal income for any people in the world, whether that policy can be made to work for those who produce the food. I ask my colleagues, "Why can't we produce a price for those family farmers that develops a philosophy in the farm bill that says, 'We want them to be able to make it?' "

Mr. Speaker, this is a program without a philosophy, and we need to attach a philosophy to it that says we want support prices for family-sized farms that give them a chance to make a decent living. If we do that, we will succeed.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Speaker, I appreciate the time.

Mr. Speaker, I would remind our friends on both sides of the aisle who are opposing the rule that we are only talking about 2 percent of the cargo, 2 percent. We are not asking for much in the Midwest. A little equity, please. Two percent is not too much to ask.

Second point: What we have today before us, yes, it is a closed rule for this section. Why? Because it is a compromise, a delicately crafted compromise that has been put together.

I say to my colleagues, "You open up any compromise, and you know what happens? You start ripping it apart."

Mr. Speaker, it is a compromise. It is not what we like. We have had to swallow it. We have had to swallow it in the Midwest, and we are willing to do our share. But do not rip it open and start changing it now after all the careful negotiations that are so important.

In addition, bear in mind, my friends who are opposing this rule, that this compromise scales the cargo preference down every single year, and now it is down to zero. It phases out. That is not what we want, but that is what we have had to accept.

Third point, the one the gentleman from Texas [Mr. DELAY] raised about competitiveness. As my colleagues know, if we really want to be competitive, let us just get rid of the U.S. cargo requirement. We in the Great Lakes will do fine then because we have foreign-ship owners, foreign-flag ships, coming to our region. I say, "You let that carry the food for peace, and we're in great shape."

Mr. Speaker, that is not what we are doing. We are insisting on U.S. cargo which is not competitive. It is anticompetitive, I say to the gentleman from Texas [Mr. DELAY], to insist on U.S. cargo. Flag it? Do my colleagues want to do that? Fine, but that is what is causing us the problem. It is a noncompetitive agreement that we will not allow foreign carriers to carry the food that makes us at a disadvantage because we only have non-U.S. carriers.

I say to my colleagues, "If you want to argue the competitive argument, fine. Then let's go all the way."

However, Mr. Speaker, that is not what is at stake here. People do not want to scrap U.S.-flag carriers, but, if my colleagues want to keep it, then do not disadvantage us distinctly, as that is what would be done if we took away this.

We are talking about competitiveness and cost. Remember cargo preference costs $150 million, the cargo preference feature, the U.S.-flag carriers. We are talking about 6 million out of 150 million. Let us put this in proportion.

Finally, Mr. Speaker, I have heard regional arguments here. It is painful for me to see my friend from Texas in some of the gulf areas that have had a lot of problems with financial institutions. Yes, it is not all their money, but a lot of it is. It is painful for me to see them who have the super collider, which we support, the S&L bailout, which we support, to stand on the floor and say they do not want us to have 2 percent of the cargo because of the preference for U.S.-flag barriers that we did not create.

Mr. FIELDS. Mr. Speaker, will the gentleman yield?

Mr. MOODY. I yield to the gentleman from Texas.

Mr. FIELDS. Mr. Speaker, the gentleman from Wisconsin [Mr. MOODY] is not talking strictly about Texas. He is talking about 18 States, 42 ports, that are not able to compete for 20 percent of the Public Law 480 cargo, not 2 percent, 20 percent, that has been set aside for the Public Law 480 Food for Peace Program. That is what we are talking about.

Mr. MOODY. Mr. Speaker, I agree with the gentleman from Texas [Mr. FIELDS] that it is not just Texas. I say that it is painful for me to see my Texas friends get up and do this. I did not say there were no other States involved. It is painful for me to see my friend from Texas make this case when we all understand that a lot of money is going to have to go to Texas to bail out the S&L's.

Mr. Speaker, competitiveness is a board with many dimensions to it. We are competitive, and if my colleagues took away the special fees we have had to pay because of the St. Lawrence Seaway; if the St. Lawrence Seaway were an open sea, as is available to the Gulf States and other States, we would be very competitive. We are extremely competitive in the cost of shipping and loading cargo within the port. It is that extra set of charges that we have to pay because, to get at the fourth coast, the Great Lakes coast, which puts us at a disadvantage. So, do not saddle us with extra disadvantages when, in fact, it is the cargo preference for U.S. carriers which puts us in this predicament in the first place.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, those opposing the rule are using smoke and mirrors. What they really want is the defeat of this rule to open up the issue of cargo preference to amendment. I think it is just absolutely asinine to scuttle a farm bill and be here 2 or 3 days extra, if they win.

Mr. Speaker, I urge support of the rule so we can get down to debate on the farm bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, I thank the gentleman from Ohio [Mr. HALL] for yielding this time to me.

Mr. Speaker and Members, I rise in strong support of this rule and especially the Great Lakes set-aside provision contained therein.

As has been discussed today, the bill will provide specified amounts of commodities donated under the Food for Peace Program to be shipped through the Great Lakes ports. This provision expired in 1989. Since then the ports have had no shipments whatsoever. As indicated by the gentlemen from Wisconsin Mr. MOODY, Mr. ROTH, and Mr. OBEY, they were talking about a very small portion of the Food for Peace Program, some 240 tons. The provision reinstates this set-aside which was in-

cluded, as I indicated, in the 1985 farm bill.

Presently, cargo preference provisions require 75 percent of Federal food aid to be carried on U.S.-flag vessels. Due to the lack of regularly scheduled international service by U.S.-flag ships in the Great Lakes, cargo preference requirements severely limit ports in Wisconsin and elsewhere on the Great Lakes from participating.

Making matters worse for Great Lakes, under current cargo preference provisions relating to food aid, foreign vessels which have changed to U.S.-flag ships must wait 3 years before being eligible to carry cargo reserved for U.S.-flag vessels. Fortunately for Food for Peace cargo, H.R. 3950 also waives this 3-year waiting requirement.

Mr. Speaker, eliminating the 3-year wait for newly flagged American vessels will allow more food aid cargo to be shipped through the Great Lakes ports. In addition, once U.S.-flag vessels are operating in the Great Lakes, future set-asides should be unnecessary to allow ports there to compete for food aid cargoes.

Mr. Speaker, Food for Peace cargo is important to the economies of the Great Lakes States. It means jobs and business for these areas. The Great Lakes have shown their desire and ability to participate in this shipping. They deserve to be allowed to do so.

Mr. Speaker, I urge my colleagues to support, not only the rule, but also the set-aside provision of the rule.

□ 1610

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, this Nation, this great Nation of ours, was built on comity, not on one region of the country fighting against another.

In the Committee on Merchant Marine and Fisheries, although I am on leave and have been for the last 4 years while I serve on the Budget Committee, I will be coming back in the next 2 years, I voted for the title XI guarantees to be used for oil drill rigs in the gulf, when other members of the committee were voting vigorously against it, and we passed it.

I supported protection for the shrimp fishermen in the gulf when it did not do anything to benefit the people in my region, and I supported the 75-percent cargo preference, even though that would not do anything for the Great Lakes.

Mr. Speaker, this is not an argument of one coastal range against another. This is an argument of U.S. flags against foreign flags, in which our two coasts are caught, and because the U.S.-flag operators refused to serve the Great Lakes ports. The longshoremen who are out of work in the Great Lakes ports are members of the same unions as those who serve the east, the gulf and the west coasts, and the seafarers of the Great Lakes who are out of work because we do not get those cargoes are the same members of the same union who are working on the east and the gulf coasts.

When we reached a compromise in the 1985 farm bill that there would be 75-percent cargo set-aside for U.S. flags, they said, "We will serve the Great Lakes," and they did not, except for one season when Lykes came into the lake for one season.

Now we have fashioned another proposal, and all of us should benefit, all regions of the country should benefit from this shipment. On a declining basis, over 5 years building down to zero, the set-asides that have been in place will cease to exist.

It is the same tonnage as in 1985, 5 years ago. We do not grow. We do not increase. Our ports do not get a larger share of the cargoes. It is on a declining basis.

I want to tell my colleagues from the gulf and the east coast that if the Great Lakes ports and interests cannot under the terms of the language in this bill develop a U.S.-flag service to the Great Lakes, this Member will not be back in the Merchant Marine and Fisheries Committee or on the floor or in any other forum arguing for a preference, because they will have shown that they cannot deliver.

All we are asking in the interim is for a little bit of equity, and that is all we ask.

Mr. ORTIZ. Mr Speaker, I rise in opposition to the rule and wish to express my opposition to the Great Lakes set-aside. I do, however, continue to strongly support cargo preference laws for the merchant marine.

Mr. HUTTO. Mr Speaker, I strongly object to the rule allowing consideration of the Food and Agricultural Resources Act. This rule does not allow the proper House debate on the addition of a 5-year Great Lakes cargo set-aside program. The addition of set-aside language to the farm bill bypasses the will of the majority of the House Merchant Marine and Fisheries Committee members.

This rule protects a so-called compromise on the Great Lakes cargo set-aside by not allowing debate or amendment to H.R. 3950 on this issue. No member opposed to a Great Lakes set-aside has agreed to this compromise; therefore, no compromise has been reached. As a member of the Merchant Marine and Fisheries Committee, I have been denied the right to express my opposition to the Great Lakes cargo set-aside at either the committee level or in this Chamber.

I represent two ports on the Gulf of Mexico who ask nothing more than to compete on a level playing field with all other U.S. ports for cargo. My ports do not ask for any assistance or set-asides, just the right to compete. Furthermore, the Great Lakes cargo set-aside program has in the past cost the American taxpayers million of dollars in increased shipping costs.

I object to the rule allowing consideration of the 1990 farm bill due to the restrictions protecting a Great Lakes cargo set-aside program.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time. I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FIELDS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 283, nays 80, not voting 69, as follows:

[Roll No. 257]

YEAS—283

Annunzio	Dicks	Hoagland
Applegate	Dingell	Hochbrueckner
Aspin	Dorgan (ND)	Hopkins
Atkins	Downey	Horton
AuCoin	Duncan	Hoyer
Barnard	Durbin	Hubbard
Bateman	Dwyer	Hughes
Bates	Dyson	Jenkins
Beilenson	Early	Johnson (CT)
Bennett	Eckart	Johnson (SD)
Bentley	Edwards (CA)	Johnston
Bereuter	Emerson	Jones (GA)
Berman	Evans	Jones (NC)
Bilbray	Fascell	Jontz
Bliley	Fazio	Kanjorski
Boehlert	Feighan	Kasich
Bonior	Fish	Kastenmeier
Borski	Foglietta	Kennedy
Bosco	Ford (MI)	Kennelly
Boucher	Frank	Kildee
Brennan	Frost	Kleczka
Brooks	Gallo	Kolbe
Brown (CA)	Gaydos	Kolter
Bruce	Gejdenson	Kostmayer
Burton	Gephardt	Lancaster
Bustamante	Geren	Lantos
Byron	Gibbons	Laughlin
Campbell (CA)	Gillmor	Leach (IA)
Campbell (CO)	Gilman	Lehman (FL)
Cardin	Glickman	Levin (MI)
Carper	Gonzalez	Lewis (FL)
Chandler	Goodling	Lewis (GA)
Clarke	Gordon	Lloyd
Clay	Goss	Long
Clement	Gradison	Lowery (CA)
Clinger	Grandy	Luken, Thomas
Coble	Grant	Madigan
Coleman (MO)	Gray	Markey
Collins	Green	Martin (NY)
Condit	Guarini	Martinez
Conte	Gunderson	Matsui
Conyers	Hall (OH)	Mazzoli
Cooper	Hamilton	McCloskey
Costello	Hammerschmidt	McDade
Courter	Hastert	McDermott
Coyne	Hatcher	McEwen
Darden	Hawkins	McHugh
de la Garza	Hayes (IL)	McMillen (MD)
DeFazio	Henry	Meyers
Dellums	Herger	Mfume
Derrick	Hertel	Michel
DeWine	Hiler	Miller (CA)

Miller (OH)	Ray	Snowe
Mineta	Regula	Solarz
Moakley	Richardson	Spence
Mollohan	Ridge	Spratt
Montgomery	Rinaldo	Staggers
Moody	Ritter	Stallings
Morella	Roberts	Stangeland
Morrison (WA)	Robinson	Stark
Mrazek	Roe	Stenholm
Murphy	Rose	Stokes
Murtha	Rostenkowski	Studds
Myers	Roth	Swift
Nagle	Roybal	Synar
Natcher	Russo	Tallon
Neal (NC)	Sabo	Tauke
Nowak	Saiki	Tauzin
Oberstar	Sangmeister	Thomas (CA)
Obey	Sarpalius	Thomas (WY)
Olin	Savage	Traficant
Owens (NY)	Sawyer	Traxler
Oxley	Saxton	Udall
Pallone	Scheuer	Unsoeld
Panetta	Schiff	Upton
Parker	Schneider	Valentine
Parris	Schroeder	Vander Jagt
Patterson	Schulze	Vento
Paxon	Schumer	Visclosky
Payne (VA)	Sensenbrenner	Volkmer
Pease	Serrano	Walgren
Pelosi	Shays	Washington
Penny	Shuster	Waxman
Perkins	Sikorski	Weber
Petri	Skaggs	Wheat
Pickett	Skelton	Whittaker
Pickle	Slattery	Whitten
Porter	Slaughter (NY)	Williams
Poshard	Slaughter (VA)	Wise
Price	Smith (FL)	Wolf
Pursell	Smith (IA)	Wolpe
Quillen	Smith (NE)	Wyden
Rahall	Smith (NJ)	Wylie
Rangel	Smith, Robert (OR)	Yates
Ravenel		

NAYS—80

Alexander	Espy	McCollum
Andrews	Fawell	McCrery
Anthony	Fields	McMillan (NC)
Archer	Flippo	Miller (WA)
Armey	Frenzel	Moorhead
Ballenger	Gallegly	Nielson
Bartlett	Gekas	Ortiz
Barton	Hall (TX)	Rhodes
Bevill	Harris	Rogers
Bilirakis	Hayes (LA)	Rohrabacher
Boggs	Hefley	Ros-Lehtinen
Browder	Holloway	Shaw
Brown (CO)	Huckaby	Shumway
Bryant	Hunter	Skeen
Buechner	Hutto	Smith (TX)
Bunning	Hyde	Smith, Robert (NH)
Callahan	Inhofe	Stearns
Chapman	Ireland	Stump
Coleman (TX)	Jacobs	Sundquist
Combest	James	Tanner
Crane	Kyl	Taylor
DeLay	Lagomarsino	Thomas (GA)
Dickinson	Lent	Vucanovich
Dornan (CA)	Lightfoot	Walker
Douglas	Livingston	Young (AK)
Dreier	Lukens, Donald	Young (FL)
Erdreich	Machtley	

NOT VOTING—69

Ackerman	Houghton	Pashayan
Anderson	Kaptur	Payne (NJ)
Baker	LaFalce	Roukema
Boxer	Leath (TX)	Rowland (CT)
Broomfield	Lehman (CA)	Rowland (GA)
Carr	Levine (CA)	Schaefer
Coughlin	Lewis (CA)	Schuette
Cox	Lipinski	Sharp
Craig	Lowey (NY)	Sisisky
Crockett	Manton	Smith (VT)
Dannemeyer	Marlenee	Smith, Denny (OR)
Davis	Martin (IL)	Solomon
Dixon	Mavroules	Torres
Donnelly	McCandless	Torricelli
Dymally	McCurdy	Towns
Edwards (OK)	McGrath	Walsh
Engel	McNulty	Watkins
English	Molinari	Weiss
Flake	Morrison (CT)	Weldon
Ford (TN)	Neal (MA)	Wilson
Gingrich	Nelson	Yatron
Hancock	Oakar	
Hansen	Owens (UT)	
Hefner	Packard	

□ 1634

The Clerk announced the following pairs:

On this vote:

Mr. McNulty for, with Mr. Craig against.

Mr. Pashayan for, with Mr. Packard against.

Messrs. FLIPPO, LENT, BROWDER, COLEMAN of Texas, BEVILL, BRYANT, McCRERY, DICKINSON, and STEARNS changed their vote from "yea" to "nay."

Mr. GALLO and Mr. PARRIS changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DIXON. Mr. Speaker, I regret that I could not be here today to vote on the rule on the Food and Agriculture Resources Act of 1990, H.R. 3950. I was in Los Angeles with several of my colleagues participating at a field hearing on Economic Adjustment, Diversification, Conversion and Stabilization—an issue that is important to the Los Angeles area given the cutbacks in defense spending and the termination of weapons programs.

If I had been here, I would have voted for the rule on the Food and Agriculture Resources Act, which is a 5-year authorization that would provide vital funding for programs ranging from nutrition to crop subsidy.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent and missed rollcall vote No. 257, which occurred on House Resolution 439, the rule on the 1990 farm bill. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present I would have voted "yea" on rollcall No. 257.

PERSONAL EXPLANATION

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business during rollcall vote 257. Had I been present on the House floor I would have voted "aye" on House Resolution 439, the rule providing for consideration of the farm programs reauthorization legislation.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE ON TUESDAY, JULY 24, 1990, AND WEDNESDAY, JULY 25, 1990

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit during the 5-minute rule tomorrow and the next day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mrs. VUCANOVICH. Mr. Speaker, reserving the right to object, I yield to the gentleman from Texas [Mr. Brooks] to ask if this had been cleared by the minority.

Mr. BROOKS. Mr. Speaker, it has been cleared by the ranking Republican on the Committee on the Judiciary.

Mrs. VUCANOVICH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore, (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Texas?

There was no objection.

FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

The SPEAKER pro tempore. Pursuant to House Resolution 439 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3950.

□ 1637

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3950) entitled the "Food and Agricultural Resources Act of 1990," with Mr. BONIOR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 1 hour; the gentleman from Illinois [Mr. MADIGAN] will be recognized for 1 hour; the gentleman from Florida [Mr. FASCELL] will be recognized for 15 minutes; the gentleman from Wisconsin [Mr. ROTH] will be recognized for 15 minutes; the gentleman from Florida [Mr. GIBBONS] will be recognized for 15 minutes; the gentleman from Illinois [Mr. CRANE] will be recognized for 15 minutes; the gentleman from Michigan [Mr. FORD] will be recognized for 15 minutes; and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

□ 1640

Mr. DE LA GARZA. Mr. Chairman and my colleagues, this is the third opportunity that I have had to present to my colleagues in the House of Representatives a farm bill since becoming chairman in 1981.

It is also the first opportunity for me to tell my colleagues that this is perhaps the most comprehensive, progressive, forward looking piece of legislation that our Committee on Agriculture has ever handled.

I find myself in a very awkward situation, though, Mr. Chairman and my colleagues, for whatever reason major media have portrayed what we do here today or what we begin today as a very small "yes or no" question and they have ignored the entirety or the immensity of what this legislation is all about.

It is being reduced only to, "Are you going to help the big guy or the little guy?" Or, "Are you going to give money to the big farmer, the undeserving?"

That seems to be the issue that brings us here, and it is not.

We have in this bill 18 titles. If I could, I would like to give you the anatomy of a farm bill.

It began 2 years ago. We began 2 years ago, our subcommittees, going out to the people. It has been said here, by a Member, unbelievable as it may seem, that we sit there and we divide and we throw a bit here and we throw a bit there.

Mr. Chairman, we went to the people. This is grassroots legislation.

The subcommittees held over 30 hearings. We went throughout the country. I went to as many as I could. So did the chairmen of the subcommittees, the members of the committees, ad hoc committees, we went out there 2 years ago, and we heard.

We heard from the farmers, ranchers, from implement dealers, from automobile dealers, from bankers, from conservationists, from environmentalists, from consumers, from segments of the agribusiness sector. We heard from all of them.

Then we came back to Washington. We had hearings here in Washington, and we asked anyone that was interested in coming.

Then we began the process of drafting or crafting what we bring you here today. It is a very comprehensive bill. It goes to the depth of the food and fiber needs of this country. It is, indeed, for the best interests of our national security.

Mr. Chairman, we are the best fed people in the world, in the history of the world, for the least amount of disposable income per family, of all the major industrialized countries in the world.

Not that there is not hunger in America. There is. But it never has been the fault of the farmer. The food has been there.

We will hear about foreign assistance, taking food to hungry people, from the taxpayers' money. We will give, from your money, the product of our blood and sweat tears as we have done throughout the history of our country, to bring food to those who suffer.

We lost one of our Members, our former colleague Mickey Leland of Texas. Do you know what he was doing out there in Africa? He was negotiating between competing factions and tribal factions, so that they would allow us to bring the bounty from our country to the needs of people out there.

That is our commitment. That is our commitment, and his commitment. Little did he know when he made it. A child died in his arms of hunger and malnutrition—and he said he was committing his life to aid those. Little knowning that he would, not too long thereafter, be giving his life.

We have incorporated his commitment into this legislation.

Also, we have problems. There is a saying in south Texas, an old Spanish saying, "If you go on the land and you don't feel the vibration, forget it, it is not going to grow for you. You don't belong." That is what farming is all about.

Some of my colleagues ask: Why does someone stay in farming when year after year he loses, when he does not make a crop? In part of my congressional district, it has been the fourth year without rain. It is their commitment to making things grow that keeps them on the land.

Should Government intervene or in any way intercede? Of course it should. I think the basic answer is that we have a moral responsibility to see that the people of the United States are fed, properly so, at the least cost possible.

Supply and demand is not going to do that, we already know.

Now they will be aiming at this piece of legislation about what it is we are doing, for whom it is we are doing it, and cost.

First let me show this chart. Almost 50 percent, all of that area here, is feeding the hungry. All of that, almost 50 percent, is feeding the elderly; school lunch, and the Women, Infants, and Children Program. This is spending for the whole Department of Agriculture. If you would just shut down the Department of Agriculture, 50 percent would be assistance to the needy and the hungry.

Only this part here is what we deal with, with farmers, about 17 percent.

Now here is where we fit in with government. It is almost embarrassing that we who feed all of the people of this great country of ours have enough left to sell abroad.

You know that we have an unfavorable balance of trade except in agriculture? They are not buying what we manufacture except for some very high technology items. They are only buying what we produce. That is the only thing bringing money back from abroad. But where do we fit in Government spending priorities? Defense, Social Security, and so forth, they have already spent 99 percent of the budget by the time they get to agriculture.

Let Mr. Darman see that, let our friends in the summit see that. It is almost embarrassing that 99 percent is already spent by the time you get to agriculture. And we feed everyone, we feed the hungry around the world and we help bring money back from abroad.

Now let me show you the shocker, because there will be some debate about the high cost of the programs and that you are giving it to some farmers not to plant.

That is not the issue. We will address that when the amendments are offered.

But the totality of what we do and the efficiency and dedication and commitment of American agriculture, small or medium or large, whatever the income, their commitment is to see that we have the food and fiber available.

How much of an impact do they have on the total Federal budget? The graph shows you, $1.23 trillion, $1 trillion plus. This is what we will be discussing here and what amendments will be offered and the arguments will be made that "This fellow shouldn't be getting money," or, "That fellow shouldn't be getting that much. You are throwing taxpayers' money away."

But we forget that we are the best-fed people in the world, in the history of the world for the least amount of disposable income per family.

What is it that we do? What impact do we have on the budget? Well, there it is. See that little black line at the bottom? That, my friends, is your taxpayers' money that goes to the producers of America who participate in our programs, 0.63 percent, six-tenths of 1 percent of the total Federal budget.

□ 1650

Six-tenths of 1 percent of the total Federal budget. We will later get to it, but that lady from HUD, and that lady from California, and Mr. whatever his name is in New York, I could point the finger at many people who took more money than that during the lunch hour, from your taxpayers' money. It is sad that we would be in a situation where the major question is going to be the cost to the Government. There is your cost to the Government from USDA, according to the Congressional Budget Office figures. No one can challenge that. That is the cost.

Now, someone may embellish it. Well, yes, we have an income tax. We have this. We have that. There it is. Right there. I want Members to keep in mind, as we debate this legislation, and there are issues discussed as to cost, keep in your mind that is what we are speaking about, 0.63 percent.

Now, dear friends, let me say later we will articulate the issues and dis-

cuss the issues. We will be discussing cotton and wool and mohair, and we will be discussing peanuts, and we will be discussing sugar. This bill is very progressive and enviornmentally sound. We have involved ourselves in protecting the ecosystem. We have added environmentally progressive sections to this legislation that will put this Congress down in history, should it be finally approved, as the most progressive environmentally oriented group ever, since we began concerning ourselves with the environmental issues. We have done that.

Trade, we have told and we have sent the message to our competitors that we want a level playing field. Now, whatever they do at Geneva and the GATT, that is for them to do. Here we are, doing what we need to for the reason that we need to do them here. Later, we will put them together, and we will see where they come out, and we wish them well in Geneva, for we need a level playing field. We have sent the message to our competitors, "We will do what you do and go you one better." No question about that. But even then it has not cost all that much. We will have programs to feed the elderly. We will have planting flexibility. We will meet our responsibility to the budget problem, I can assure Members. Friends, this is a most responsible bill, budgetwise. We are below budget. We are below baseline. If we would be, we would see that we were. We have been fiscally responsible. We will continue being fiscally responsible.

I would say at this time that this legislation merits our support. We will discuss it. Perhaps it could be better. That is the process that we will follow, but as of now, we bring Members a bill that is fiscally responsible, and one that meets the concerns and needs of the American people, and this great country of ours.

Mr. Chairman, this is one of the most important pieces of legislation we will consider this year, the Food and Agricultural Resources Act of 1990.

Most of us know this bill as the agricultural bill or the farm bill. But this legislation—which we generally take up every 4 or 5 years—has been much more than a farm bill for quite some time.

In reality, all Americans are touched by the provisions contained in this legislation.

The proposed policies and programs contained in H.R. 3950 affect virtually every aspect of the Nation's well-being: food and fiber production, farm income protection, resource conservation and environmental quality, human nutrition, export promotion and overseas food aid, agricultural research, and domestic food assistance.

We have named this bill the Food and Agricultural Resources Act to reflect what we believe should be the primary thrust of this legislation; namely, a commitment to protect the basis of food production in our country.

Our Nation's food and agricultural resources make up a national asset that Americans cannot afford to take for granted or ignore.

Other countries—in Western Europe, the Soviet Union, Japan, and China—all look with envy on our productive and efficient agricultural sector.

All American consumers benefit from the success of the U.S. agricultural system. American families spend less than 12 percent of their disposable income on food, the lowest in the world and half of what was spent 50 years ago.

What does it cost us to be the best-fed people for the lowest price with the best quality, the safest food supply in the world?

It costs us less than 1 percent of the Federal budget. I submit to you that the American people are getting a very good deal.

Mr. Chairman, H.R. 3950 has many specific objectives, but as stated in the report to accompany the bill, it has one primary goal:

To foster an economic climate in which the largest possible number of efficient American farmers can survive, prosper, and produce—in an environmentally prudent manner—a safe, adequate, and affordable supply of food and fiber for American consumers and millions of others around the world.

BUDGET

Members of the Agriculture Committee are very conscious of the budget constraints our Nation faces.

The committee has made a great effort to keep the cost of these programs within the budget targets as specified in the House and Senate budget resolutions and the Congressional Budget Office baseline estimates.

This was not an easy task. During committee consideration, we made a number of painful choices to drop subcommittee-approved measures that would have provided for indexing of target prices to inflation.

On top of that, we adopted other measures to reduce spending in a number of areas in our final committee action on the bill.

At the time the committee reported the bill, unofficial estimates by the Congressional Budget Office put us $1 million under baseline spending for fiscal 1991 farm spending by the Commodity Credit Corporation [CCC].

Now that they have had time to look at things more closely, CBO estimates CCC spending is about $11 million under the baseline for next year. This is for the Agriculture Committee reported bill.

However, as amended by the Committee on Ways and Means, the CCC spending is now $73 million over the baseline.

Mr. MADIGAN and I will, if necessary, offer additional amendments at the appropriate time to reduce the costs of this bill further and bring us closer to the CBO baseline target.

DAIRY BUDGET BASELINE

The Agriculture Committee has adopted, with the concurrence of the House Budget Committee chairman, the Senate's budget resolution baseline for agriculture spending with respect to the Dairy Program.

Under the CBO baseline, the assumption is that the dairy price support level would continue to decline $8.60 by 1995. We are currently at $10.10 per hundredweight. Quite frankly, a lower dairy price support level would ruin thousands of dairy producers across the country.

The Senate budget baseline and the Senate farm bill includes an increase in spending over the CBO baseline levels to accommodate a dairy price support floor of $10.10 through 1995. This results in approximately $1.5 billion in additional spending above the CBO baseline.

This accommodation keeps dairy on an equitable basis with the other commodity programs which are having their support levels frozen in this bill. And it will allow us to make equitable cuts across commodity lines once a budget agreement and spending reductions are agreed to by Congress.

FARM BILL TIMING

Some people in the administration and here in Congress have expressed an opinion that maybe we should wait for the budget summit before we finalize this farm bill.

Others have said that with the General Agreement on Tariffs and Trade negotiations scheduled to conclude later this year maybe we should pass a 1- or 2-year bill in anticipation of a GATT agreement.

We are all aware of the possibility that the current budget summit negotiations may result in instructions to achieve further spending reductions beyond what the House and Senate budget resolutions call for.

We are all aware that the Uruguay Round of GATT may result in a trade agreement that, if approved by the Senate, may result in a need to change agricultural policy next year.

But we have no idea whether a budget agreement will be reached next week, next month, or the month after that. Nor do we have any idea of what programs will be affected and how much may have to be cut.

Since 1981, the Agriculture Committee has reduced projected spending over $32 billion. We on the Agriculture Committee stand ready, as we have done in the past, to meet the reconciliation target adopted by the Congress.

Nor do we have a crystal ball to predict the outcome of the GATT talks. We wish our trade negotiations in Geneva the best. We hope they are able to forge a trade agreement that is fair and reasonable for American agriculture.

But we don't know if a GATT agreement will happen, and we cannot predict how the next Congress will respond. It's because of these uncertainties that Congress must pass a farm bill as soon as possible.

We cannot hold farmers hostage by the budget summit or the GATT talks. A farmer's crops cannot wait to be planted for decisions that are being made here in Washington or over in Geneva.

Farmers need to have some idea of the kind of farm programs they can expect to see available for the next crop year. This bill provides a good and reasonable blueprint for agricultural policy over the next 5 years.

Mr. Chairman, I would like to point out what I see as the seven major objectives of H.R. 3950:

First, we provide a reasonable price and income safety net for farmers within current Federal budget constraints.

This bill stops the decline in price and income safety net protection provided to

American farmers. Income protection—or target prices—for all the major commodities is frozen at current 1990 levels for the next 5 years.

A slight increase in price supports—or loan rates—for wheat and feed grains is provided, following 5 years of steady cuts in loan rates since 1985.

A new, no-net-cost marketing loan is authorized to protect the income of oilseed producers and regain U.S. competitiveness.

The minimum dairy price support level and the sugar loan rate are frozen at current levels for the next 5 years. Authority for other commodity programs—peanuts, wool and mohair, and honey—is continued with minor changes.

Furthermore, this bill continues current limitations placed on Government payments to farmers. The bill keeps in place the current $50,000 limit on deficiency payments a producer can receive under the wheat, feed grain, cotton, and rice programs.

The bill extends the $250,000 limitation on combined Federal farm program benefits that a single person can receive. H.R. 3950 also imposes the first-ever payment limits on wool and mohair producers.

Second, we increase food assistance for our Nation's needy.

Our Nation faces a growing urban and rural poverty problem with one of every six rural Americans and one of eight urban residents living below the poverty line. Between 2 and 5 million children go to bed hungry each night.

H.R. 3950 tackles the inadequate diet and hunger low-income families and the homeless face by providing increased benefits under the Food Stamp Program. These increased benefits are provided for in the House budget resolution.

Also reauthorized are The Emergency Food Assistance Program [TEFAP] and other food donation programs that serve food banks and soup kitchens. These domestic food programs account for nearly half of annual U.S. Department of Agriculture expenditures.

But we are not just throwing money at the problem. We strengthen the efforts to help people become self sufficient. And we are also proposing a new and stricter measures to crack down on illegal food stamp trafficking and other abuses.

Third, we significantly strengthen our efforts to preserve wetlands, protect soil and water resources, and improve environmental quality.

This bill extends and improves the successful and effective resource conservation measures put in place by the 1985 farm bill—the Conservation Reserve Program, sodbuster and swampbuster restrictions, and conservation compliance planning.

In addition, a wide-ranging package of new measures to help American agriculture better conserve its natural resource base, preserve our Nation's vanishing wetlands, and protect water quality are proposed in H.R. 3950.

This bill proposes programs that will encourage farmers to reduce pesticide and fertilizer use.

The bill also establishes the first-ever Office of Environmental Quality within the U.S. Department of Agriculture.

We also propose a new forestry title as part of H.R. 3950 that, among other things, will encourage State and private tree planting, particularly in our urban areas. We also call for establishment of the America the Beautiful Foundation which is supported by President Bush.

Fourth, we strengthen our agricultural export promotion programs to protect taxpayers and to counter foreign subsidies and unfair trade practices.

Major reforms are made in the administration of our export promotion programs to prevent abuse.

These programs, the Export Enhancement Program, the Market Promotion Program, and the export credit guarantee programs, help American farmers regain world market share against the massive agricultural subsidies and unfair trade practices used by other nations, particularly the European Community.

We set the funding of EEP at not less than $500 million annually and the MPP at not less than $200 million annually.

Fifth, we streamline the delivery of Public Law 480 overseas food aid.

These important changes in the Public Law 480 section of the trade title are the result of compromise language worked out between the Committee on Agriculture and the Committee on Foreign Affairs.

I believe the language reported by the Agriculture Committee incorporated significant changes to make our Food for Peace Program more efficient. However, I respect the views of our colleagues on the Foreign Affairs Committee and I am pleased that we were able come to develop this compromise language for Public Law 480.

The compromise provides that in administering the Public Law 480 program, the U.S. Department of Agriculture will have primary responsibility for administering the concessional sales program.

The Agency for International Development will have primary responsibility for administering the title II humanitarian assistance program and the new title III, government-to-government grant program.

Debt forgiveness, administrative funding for enhancing activities of private voluntary organizations, and multiyear commodity availability provisions, which were contained in both committee bills, are maintained. We also ensure the availability for assistance for emerging democracies.

This bill also imposes new and stiffer requirements on country agents and ship brokers to avoid conflicts of interest and to promote competition.

Sixth, we provide greater planting flexibility for farmers.

H.R. 3950 gives farmers more flexibility to plant crops the market wants rather than "farming the programs" to get Government payments as has occurred under current law.

Up to 25 percent of a farm's cropland can be planted to corps other than the base crop without loss of crop base acreage. This so-called flex acreage is not eligible for any Federal deficiency payments.

Seventh, we significantly expand agricultural research to meet the challenges of the 1990's.

To keep U.S. agriculture competitive and to address growing environmental and food safety concerns, H.R. 3950 authorizes $500 million annually for competitive research grants in the food and agricultural sciences.

The bill also reauthorizes existing agricultural research and extension programs used by USDA and the land-grant university system.

New research initiatives are established in the areas of sustainable agriculture practices, agricultural telecommunications, weather information, water quality, pesticide use, and new product/industrial use development, food safety, and biotechnology risk assessment.

CONCLUSION

Mr. Chairman, these are just a few of the many provisions contained in this legislation. This is not a perfect bill by any means.

But it is a fair and reasonable bill that provides, in my estimation, a proper balance of the needs of American agriculture, the American consumer, and our Nation.

I want to emphasize that the committee and our eight subcommittees have worked long and hard on this legislation. Our oversight of the Food Security Act of 1985 and subsequent legislation has been extensive.

We began formal hearings on the 1990 farm bill in May of last year. Our eight subcommittees and the full committee have held hearings here in Washington and we reached out to the American people by traveling to every region of the country to hear their views.

We have heard testimony from hundreds and hundreds of people. We listened to all sides and our markup sessions often reflected the conflicting views presented.

This bill represents a consensus approach. It represents a continuation in many respects of the market-oriented philosophy of the 1985 act. But it also recognizes that continual cuts in farm price support levels are unacceptable.

For more than 50 years, the American people and their representatives in Congress have supported programs to provide income and price stability to American agriculture.

We have done so because we understand the importance and benefits of a stable, affordable, and safe food supply for consumers and our Nation's economy.

We care about the welfare of American farmers, their families and the communities of rural America. This legislation continues that commitment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I commend the gentleman both for his leadership on the committee and also for his statement. It was very good.

I want to also ask if this is true: The Commodity Credit Corporation as the gentleman pointed out, is only 63/100 of 1 percent of our budget. Included within that, however, is the cost of the reserve program. The reserve program is used to carry basic commodities from years of surplus to a year when there would have been a shortage. That program is for the purpose of stabilizing storable agriculture supplies and keeping them at a very reasonable price. A computer study was just completed and reported last week.

The study done by Iowa State University and Missouri University which showed that, but for the reserve program and the products available under that program over these last 2 years, the shortage caused by the drought, the cost to the consumer between now and 1996 would have been an additional $40 billion. Now, that is consumers who are going to save that.

In addition to that, the $27 billion we are spending for the Government food program of which $19 billion is for food stamps, that $27 billion cost for food for the poor would go up probably to somewhere between $37 and $47 billion. So we are saving, really, just with the reserve program, we are saving as much as the whole cost of CCC.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for his contribution, and the gentleman is correct. This is a consumer piece of legislation.

Members may disagree, but this study shows that the consumer has benefited $40 billion for having those stocks in place. We have just heard that supply and demand does not work. We have had a freeze in Florida. We had a freeze in Texas. Since we do not have an ample supply of orange juice for the women, infants, and chilben, for the school lunch programs, the Committee on Appropriations has had to commit about $150 million just for that simple reason.

In the commodities that we deal with, they are there, they are available, and had it not been for those commodities, and I am speaking to those that may be bringing amendments, pointing the finger at Members, we would not have had the availability of the food at those reasonable prices.

Mr. Chairman, let me express my appreciation to all the members of the committee who worked so diligently on this bill. We have differences of opinion. That happens in any family. To the chairman of the other committees, the Committee on Foreign Affairs, the Committee on Merchant Marine and Fisheries, the Committee on Education and Labor, the Committee on Ways and Means, they and their staff have been most amenable to cooperate. We have worked together. Basically we have been able to resolve almost all the issues that we had with other committees. The staff of our committee, working with the other committees, have been here to 4 o'clock in the morning, 4:30 in the morning, all but for one purpose in mind, and that is that we bring into this floor legislation that, hopefully, might keep Americans as the best-fed people in the world.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, let me add my commendation and congratulations to the chairman of the committee. Indeed, we have worked very hard together, the Committee on Foreign Affairs, the Committee on Agriculture on title XII, and I know he has had the same experience with the others.

I want to pay my respect, and thank also the staff of the full committee as well as my own staff, because they did spend long hours in bringing about a compromise, which I think all Members are real pleased with, on title XII.

Mr. Chairman, I rise to express my strong support for the compromise amendment to title XII, international food assistance and trade programs, to be offered by Congressman GEJDENSON on behalf of the Committe on Foreign Affairs and the Committee on Agriculture. This carefully constructed compromise recognizes and respects the strong jurisdictional interests of both the Committee on Foreign Affairs and the Committee on Agriculture, with regard to these programs.

I would like to congratulate Mr. GEJDENSON and Mr. DE LA GARZA for the extensive work they have done to revise and reform Public Law 480, Food for Peace. The compromise amendment ensures that Public Law 480 programs meet the objectives we all share: providing U.S. food to hungry people and to countries unable, because of poverty, to meet their own food requirements, and at the same time, helping to build markets for the commercial sale of U.S. agricultural commodities.

One of the important reforms contained in this compromise is to limit the number of agencies of the executive branch directly involved in the day-to-day operations of food assistance programs. Currently, food assistance programs are governed by an interagency committee made up of five government agencies. Decisionmaking is frequently slow, and commodity shipments are delayed.

The compromise amendment remedies this situation by requiring the President to designate the Secretary of Agriculture as the official with primary responsibility for administering the title I concessional sales program and to designate the administrator of the Agency for International Development as the official with primary responsibility for administering title II and title III grant programs.

Provision of U.S. food assistance inherently involves both the Agency for International Development and the Department of agriculture, a fact which has made crafting the compromise we will be considering a difficult and lengthly task. The representatives of the Committee on Foreign Affairs and the Committee on Agriculture have been sincere in their determination to create greater accountability for food assistance by assigning more specific responsibility to each of these two agencies to administer Public Law 480 programs, recognizing the legitimate concerns and areas of the expertise of the two principal agencies and the areas of overlapping responsibility, which make it impossible to separate responsibilities as neatly as some might prefer.

The compromise amendment does not intend that either the Department of Agriculture or the Agency of International Development should become involved in activities outside their areas of expertise and responsibility

The Department of Agriculture, for example, should not have responsibility for economic development programs and projects in recipient countries—that is the responsibility of the Agency for International Development. It is AID's role to ensure that all food assistance programs, including the concessional sales program, administered by the Department of Agriculture, are integrated with AID's projects and activities in the recipient country.

AID, with its more extensive field staff, should continue to be responsible for economic development activities, including agricultural development, authorized by Public Law 480. The Department of Agriculture, through its agricultural attaches, continues to have responsibility for using local curriencies for activities related to development of markets for U.S. agricultural commodities.

The draft compromise also recognizes the role of the Department of Agriculture in determining commodity availability and usual marketing requirements, in order to assure that our food assistance does not limit commercial agricultural trade or disrupt world markets. The Department's responsibilities in these areas are not meant to be exercised in such a way as to permit it an agreement-by-agreement veto on Public Law 480 transactions.

In order to assure that each administering agency respect the areas of expertise of the other, the legislation provides for consultation between the agencies prior to negotiation of agreements. This consultation period is not intended to provide an opportunity for bureaucratic delay. The agencies involved should attempt to keep procedures informal and paperwork requirements at a minimum, so that the consultation process may proceed efficiently and in most cases not require the 30-day period provided.

In drafting this amendment, the committees recognized that the executive branch has already announced its intention to streamline the processes of the interagency committee responsible for food aid. The committees support this step.

The Department of State, for example, has a legitimate consultative role in determining that food assistance is not inconsistent with U.S. foreign policy in a country, and the legislation respects that role. The State Department, the Treasury Department, and the Office of Management and Budget, do not, however, need to be involved in micro-management of food aid agreements. We commend the executive branch for the steps it is taking to improve management of food aid, and we believe the reforms we are advocating further strengthen that process.

In regards to agricultural export programs, the compromise amendment adopts all major House Committee on Agriculture provisions on agricultural export promotion programs which:

Authorize 5-year funding levels for all programs; makes improvements in program administration and accountability; and institute new efforts to assist emerging democracies. The amendment also provides for the development of a long-term agricultural trade strategy; increased foreign language proficiency in the

Foreign Agricultural Service; equity to fish products in export promotion programs; and new reporting on the level of foreign components in agricultural exports.

I urge my colleagues to support the compromise amendment for title XII, to make U.S. food assistance programs more effective in providing food to people who desperately need it around the world.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 3950, the 1990 farm bill. I want to begin by congratulating the chairman for leading our committee through a long and difficult process on this 1,000-page bill. The result of his leadership is a 5-year reauthorization of Federal farm programs with the full bipartisan support of the committee.

The gentleman from Texas has already briefly explained the important features of the bill. I want to devote a few minutes to some of the key aspects of the debate on this legislation.

In this time of great focus on the budget, the chairman and I will be offering an amendment to bring this bill within the CBO current services baseline for farm supports for the full 5 years of the authorization. This will mean, in effect, that farm supports will be frozen until 1995 with no increases to compensate for inflation

The committee has not attempted to second guess the outcome of the budget summit. We do, however, stand ready to make any reductions required of the committee at such time as the House issues reconciliation instructions. We have reduced agriculture spending by almost 60 percent since 1986. That track record illustrates our commitment to budget responsibility and our willingness to do what is necessary when the time comes.

Within these severe budget constraints, H.R. 3950 is based on the same philosophy that has proven successful under the last farm bill. In 1985 farmers were in financial crisis, in part due to world economic conditions and in part because of artificially high Government support prices that removed our farm products from the world market. Since our highly efficient farmers produce far more food than can be consumed in the United States, they must export to survive. We export 30 percent of our corn production, nearly 50 percent of our soybeans and almost two-thirds of the wheat grown in this country.

The 1985 farm bill recognized these facts and shifted toward more market-oriented policies. The results have been nothing short of miraculous. Farmers who in 1987 were getting 33 percent of their income as cash payments from the Government, will receive less than 15 percent of their income from the taxpayer. Nationally, agricultural exports, which had virtually collapsed by 1985, are expected to reach nearly $41 billion in 1990 and most importantly will produce a $19 billion balance of trade surplus for this country.

In this 1990 reauthorization the Agriculture Committee continues the successful shift toward a market orientation. Even more emphasis is given to this move by introducing greater flexibility into the commodity programs.

Not all of the changes made in this bill, however, further the goal of a market-oriented agriculture. The administration has expressed particular opposition to provisions that increase Government loan rates and limit the Secretary of Agriculture's discretion. This could lead to a return to the practice of freezing ourselves out of world markets and increased Government expenditures. I will at the appropriate time offer amendments to respond to the administration's concerns.

Later, during consideration of amendments to H.R. 3950, this House will hear much about the advantages of targeting farm program payments to certain income classes of farmers. I will join that debate, but there are some thoughts that the House should consider throughout these discussions of the farm bill. Chief among these is the purpose behind the farm programs. These programs are not for the purpose of transferring income to farmers, as in the case of Social Security or welfare to the indigent. The farm programs are for the purpose of managing the most basic industry in America for the benefit of all Americans.

Food production, processing, transportation, and sales is the largest sector of our economy, employing over 20 million Americans. Agriculture is the most consistently successful moneymaker in our international trade. The system of food distribution in this country provides higher quality food in greater abundance at less cost to its citizens than any country in the world. The average American family spends only 10.4 percent of its disposable income on food, about half the amount spent by a family in Switzerland or Japan.

The underpinnings of this tremendously efficient machine are the 2 million American farmers. Their ability to consistently supply sufficient quantities of high-quality agricultural commodities, in turn, is dependent upon the stablizing influence of the Federal farm programs. Without those programs, there would be severe peaks and valleys in both prices and production that would bankrupt farmers and deprive American families of the stable, affordable food upon which they depend.

The driving force behind these necessary programs is the voluntary participation of the farmer. The farmer receives financial assistance in return for altering his production levels according to the needs of the Nation. No farmer receives a handout from the Government. He must idle part of his production and follow a whole host of rules, including environmental mandates, established to benefit the general society in return for the Government's money.

While certain limits have been placed on the total amount of income assistance any one farmer can receive, the guiding principle has always been that all farmers are allowed and encouraged to participate. There is a very simple reason for this. Spending large sums on farm programs and then prohibiting the larger farmer from participating would destroy the basis of the programs, essentially wasting the money spent.

Some 38 percent of the total agriculture production of this country is grown by farmers with gross revenues of over $500,000. If those producers were arbitrarily excluded from Federal farm programs, the total management burden would fall on the remaining 62 percent of productive capacity. Greater acreages would have to be idled by smaller producers, while those excluded would increase their production, causing still greater pressure on the smaller farmer. The only way to keep the remaining farmers in the programs would be to increase the amount of Federal payments they receive. Instead of saving money, as is claimed, this approach is more likely to cause greater expenditures by the taxpayer.

Some of these problems could be offset by the probable massive reorganization of farm structures throughout the country. Lawyers would make a great deal of money engineering unnecessary legal maneuvers to evade the arbitrary and foolish target scheme. In the end, the accomplishments of a targeting proposal would

leave us the choice of either driving farmers to scheme to avoid the new rules with little change in outcome or, even worse, it could lead to the comlete collapse of a stable national food supply with dire results for us all.

Overall, the 1990 farm bill, as brought to the floor by the Agriculture Committee, is the product of several months of thoughtful and responsible work and grows from years of experience of how to make the complex food system work for the benefit of both farmers and consumers. It is not a perfect document, in its fundamentals it is sound policy for the Nation. I strongly urge the House to join me in suporting H.R. 3950.

□ 1700

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Georgia [Mr. HATCHER].

Mr. HATCHER. Mr. Chairman, I am pleased to speak today to title 17 of the 1990 farm bill, the food stamp and related provisions title and title 14, fruits, vegetables, and marketing.

As you know, title 17, which reauthorizes and improves the Food Stamp Program and the Domestic Commodity Donation Programs, honors the late Congressman Mickey Leland. Congressman Leland's commitment to alleviate hunger throughout the world was indeed inspirational. I am proud that title 17 contains the provisions of the Mickey Leland Memorial Domestic Hunger Relief Act, introduced last February and cosponsored by many Members of the House. I would like to take this opportunity to thank Congressman PANETTA and Congressman EMERSON for their work in developing this important legislation and for their continued leadership in the fight against hunger in this country.

The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition heard testimony at nine hearings held during this Congress that hunger and poverty in this country not only persist but are increasing. In my home State of Georgia, an additional 9,742 households were added to the food stamp rolls last year, and we have heard repeatedly lately that throughout the country food stamp participation levels are continuing to increase dramatically. Title 17 of the 1990 farm bill, which contains the most significant improvements in programs to combat hunger since passage of the Food Stamp Act of 1977, is critically needed.

In addition to reauthorizing the Food Stamp Program, title 17 will help to make the program more responsive to the neds of families with children, the homeless and near-homeless, the elderly and disabled, and low-income families and individuals living in rural America. The title encourages self-sufficiency of food stamp recipients, simplifies administration of the program, and promotes coordination between the Food Stamp Program and other assistance programs. An important part of the title contains proposals of the administration that will increase the integrity of the Food Stamp Program. The title also will increase the use of computer technology to improve Food Stamp Program Administration and delivery of benefits.

Title 17 strengthens the domestic commodity programs, including the Temporary Emergency Food Assistance Program [TEFAP] and the Commodity Supplemental Food Program, by increasing the opportunities for distribution and the amount of commodities distributed.

The cost of title 17 is within the limits of the Budget Resolution that has passed the House. The authors of this important legislation are committed to keeping its cost within the limits of any agreement that will come from the budget summit. Should that agreement permit less to be spent on our nutrition programs than title 17 requires, title 17 will be modified to reduce its cost accordingly.

There is an additional point I would like to make. The 1990 farm bill reauthorizes and improves the operations of our major farm commodity programs. These programs are important not only to farmers, but also to consumers. The Farm Commodity Programs ensure that American consumers have an adequate, stable, and affordable food supply. Perhaps no segment of American consumers is more dependent on these stable, affordable food prices than the poorest 20 percent of American families who spend more than twice as much of their income on food as the average American family.

The farm bill's provisions affecting the Farm Commodity Programs, the Food Stamp Program, and other nutrition programs provide an integrated approach to addressing the hunger problem in our Nation, and I urge its passage.

Title 14, fruits, vegetables, and marketing, recognizes the importance of the domestic fruit and vegetable industry in U.S. farm policy, and the importance of fruits and vegetables to the diets of the American people by requiring the Secretary of Agriculture to conduct a study of the domestic fruit and vegetable industry. This title also contains provisions of H.R. 3664, the Omnibus Agricultural Commodity Promotion and Research Act of 1990. These provisions will authorize the creation of commodity promotion and research programs for pecans, mushrooms, and limes, and amends the existing programs for potatoes, cotton, and honey.

The committee has heard from individual fruit and vegetable producers and groups representing such producers who are genuinely concerned as to the industry's ability to continue to produce these crops in the quality and quantity wanted, especially at a price the public is able to pay. Generally, the study required by title 14 will assess the health of the various segments of the fruit and vegetable industry in 1990, identify the problems and issues they face, including those imposed by the Federal Government, recommend solutions to these problems, and identify those actions that can be taken by Federal agencies to encourage increased production of domestic fruits and vegetables.

Mr. Chairman, fruits and vegetables are an important part of the American diet. This title acknowledges this fact and will help the fruit and vegetable industry to better serve the American consumer. I urge its adoption.

Mr. MADIGAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri [Mr. EMERSON].

□ 1710

Mr. EMERSON. Mr. Chairman, I rise in strong support of the bill before the House of Representatives, H.R. 3950, the Food and Agriculture Resources Act of 1990. I wish to congratulate the chairman and the ranking Republican of the Committee on Agricultural for their hard work on this bill. This is sound legislation for the American farmers and for the consumers of our country. The Committee on Agriculture continues the market-oriented focus of the 1985 Food Security Act and brings forth a bill that is in line with the House-passed budget resolution.

The American farmer is the envy of all—and we all benefit from the productivity and efficiency of the farmers in our country. We cannot afford to take this valuable resource for granted and must provide a basis and a climate in which the farmer can prosper and continue to supply both this country and the world with food and fiber. Almost all segments of the American society are affected by the bill the committee brings forward today—food production, conservation of our resources, nutrition, research, export promotion, and foreign food aid. The committee is committed to providing the means by which the income of our farmers is stabilized so that the American people can continue to be well fed, at reasonable prices.

The stage has been set and events are beginning to unfold on another decade of American agriculture. Over the years our agriculture livelihood has evolved in response to the world around us. The course of international events, particularly in Eastern Europe

and the Soviet Union, is changing faster than we could imagine. With these dramatic changes, our own rural farms and communities cannot be immune from the far-reaching effects this new breeze of democracy holds in store for the world. The opportunities for new partnerships between American agricultural industries and the expanding economies of Eastern Europe, the Soviet Union and the Far East hold great promise. Supplying food and fiber to the world's emerging democracies, as well as for our domestic needs, will provide markets never available before.

The 1990 farm bill is ushering in this new era and encompasses a broad range of issues. Securing the plentiful supply of food and agricultural products for the consumers of the Nation and the rest of the world remains the principal reason behind our farm policy. The 1985 Food Security Act solidified our world position; nevertheless, it is clear that we must examine the current farm situation in conjunction with existing farm programs and build upon them so that agriculture will continue to prosper into the decade of the 1990's.

The formulation of Federal farm policy has a profound impact on creating and sustaining jobs in rural America. The economic vitality of our rural communities continues to hinge on the success of our agriculture industry. A prosperous rural economy means greater opportunities for the men and women who sell farm implements, drive the grain and livestock trucks, deliver the feed, market the seed and fertilizer, and process the fruits of our harvest. We must maintain our position as the world's most efficient and reliable food supplier.

The Federal farm programs provide stability and strength to an industry that is crucial to our Nation's security and health. These programs benefit consumers and farmers by providing a reliable supply of food and fiber at the most reasonable cost in the world. I strongly urge my colleagues to support this legislation that keeps America on the path of expanded food and fiber production security.

This is also a bill that commemorates our late colleague, Mickey Leland. I served with Mickey on the Select Committee on Hunger and I believe this bill, particularly title 17 which is named after my friend, is a fitting tribute to him. I wish to congratulate the gentleman from California [Mr. PANETTA] and the gentleman from Georgia [Mr. HATCHER] for their work on this title. It represents an attempt to provide food assistance to needy families through the Food Stamp Program and through the Emergency Food Assistance Program. I know our chairman is vitally interested in this subject and appreciate the assistance he has provided.

Agriculture is a way of life in the United States and touches each and every one of us on a daily basis. Many people contribute to the bountiful harvest we all enjoy. No one should be left out of this harvest; and yet we know there are people among us who are in dire need and lack the resources to obtain nutritious diets. That is why I have joined with my colleagues to present this bill that will provide food assistance to needy families through the Food Stamp Program and through the Emergency Food Assistance Program, better known as TEFAP.

It is fitting that this bill is named after my close personal friend and colleague, Mickey Leland. Mickey and I shared a dream of a world in which no person ever went hungry. He and I had long discussions on this topic in the Halls of the Congress and whenever we traveled here and abroad. I particularly remember our last trip to Ethiopia in the spring of 1989. I remember Mickey with children who had not eaten a decent meal in their brief lives. I remember how much he cared and wanted to help, and I believe this title furthers the goals to which he and I and so many others aspire.

I firmly believe that in our Nation of abundance, it is a tragedy for any child, elderly person, or anyone to go hungry. We are a generous country. That is why we have programs like the $17 billion Food Stamp Program and other supplementary programs to feed needy people. When these programs do not work or provide insufficient help we have a responsibility to know why and then do something about it. That is what I hope this title will do.

This title reflects what we hope to be able to do to improve the Federal food assistance programs. Whatever additional funding that is provided in the final budget resolution will dictate the parameters of our efforts in the food assistance area. I feel confident saying that the final title will be in accord with the budget resolution. Additionally, as we have done in the past, should there be sequestration, as provided for by Gramm-Rudman-Hollings, the additional spending provided in the food assistance title will be adjusted.

The manner in which we, as a country, provide assistance to needy families should be governed by a sense of compassion, a desire to help people get back on their own feet when their need is temporary, and a clear view that the system now in place must be reformed from one in which we have programs for food, programs for financial assistance, and programs for special needs. Remember, we are trying to help whole people, not just parts of them. A program that provides help for those unable to help themselves and makes taxpayers out of the ablebodied is my ultimate goal.

This title accomplishes several important goals. Most importantly, it reauthorizes the Food Stamp Program and the Emergency Food Assistance Program [TEFAP]. From the aspect of Federal food assistance programs the mainstay of feeding programs is the Food Stamp Program. It is a program that will provide $17 billion in benefits this year, as compared to the $9 billion provided in 1980.

FOOD STAMP PROGRAM

Several changes are made in the Food Stamp Program. Food stamp benefits are increased across-the-board through an increase in the thrifty food plan. Participants will have their benefits based on 105 percent of the thrifty food plan by 1995. In addition, by 1994 the ceiling on the excess shelter expense deduction will be lifted. Currently 25 percent of the food stamp households are not able to deduct full shelter and heating expenses because of the ceiling on that deduction. Lifting the ceiling will allow full accommodation of shelter costs of food stamp participants.

The definition of a household for food stamp purposes is simplified. This has been one area that has proved to be a significant problem for States administering the Food Stamp Program. Under this title, the household, for food stamp purposes, will consist of persons purchasing and preparing food together. Parents and their minor children and husbands and wives must apply together as a single household.

This title also proposes to exclude the first $50 a month paid as child support from consideration as income in the Food Stamp Program, consistent with the AFDC regulations. This provision highlights the importance of securing child support payments from absent parents, who, I believe, have the obligation to support their children. It is extremely important that Federal assistance programs stress this responsibility.

Other changes proposed to be made to the Food Stamp Program include an increase in the $4,500 limit on cars to $5,500; allowing persons 50 years and older who are college students to participate in the Food Stamp Program, if otherwise eligible; and, an increase to $75 per month the amount of actual expenses that may be reimbursed during participation in the food stamp employment and training program.

In addition, States will be required to implement automated data processing systems by October 1993 with review by the Secretary. The Secretary will be permitted to waive these requirements for small States and in certain other circumstances. This provision will contribute to the efficient administration of the Food Stamp Program, provide necessary help to

overworked administrators, and help provide a means to deliver the correct amount of benefits in an effective manner.

An extremely important provision in the title concerns the complicated nature of the Food Stamp Program and the AFDC Program. Both programs are designed to serve needy families. However, the rules and regulations differ to a great degree providing confusion and inefficiency for participants and administrators alike. For those families receiving AFDC, we ought to be able to provide food stamp benefits without requiring them to go through a maze of applications, forms, verifications, and procedures that are different from those applicable to the AFDC Program. After all we are talking about needy families—families needing income and food assistance.

When a family is in need of help, that need often crosses program lines. Need for income assistance often means need for housing assistance, food assistance, and for some, help in finding and keeping a job. The hurdles that families must scale in applying for help are immense. They often must go to different agencies, different eligibility workers, meet different eligibility standards, and abide by different rules and regulations. That they are able to receive help is often a reflection of their abilities, rather than the system represented to them.

Administrators of these programs—both on the State and local levels—have similar problems. The resolution of the differences in the Federal assistance programs is often not within their ability to achieve. Many efforts have been made by States; but they may have gone as far as they can go. The proposal in this title makes an initial step to resolving the differences between the two major assistance programs—AFDC and food stamps. We are proposing that certain sites be allowed to determine food stamp eligibility based on the AFDC regulations, for those AFDC families in which all members receive AFDC. While we propose that AFDC rules be applied in almost all instances, food stamp rules will be used for income deductions and processing standards, including the provision of expedited services for families in immediate need.

This important, innovative procedure is a first step in the process of resolving the differences among the several Federal assistance programs. Needy families are not well served by the complicated, confusing process now in place. Administrators on the State and local level cannot get a handle on the myriad of programs and deliver services to needy families in an effective and efficient manner. The current system does not deliver benefits to needy families in either a compassionate or efficient manner. I hope this provision will change that.

COMMODITY DISTRIBUTION PROGRAMS

One of the debates that arose during the consideration of the Hunger Prevention Act of 1988 concerned the differences between the Food Stamp Program and TEFAP. Both programs are valuable and necessary programs. However, for some the ability to receive commodities through TEFAP may mean the only assistance they receive. Some needy families, especially elderly families, were much more likely to desire and receive commodities through TEFAP. That is why this title requires the purchase of $175 million in commodities for TEFAP for each of 1991 and $190 million for 1992—$220 million is authorized each year for 1993, 1994 and 1995. I am an ardent supporter of the commodity distribution programs. I believe this is an efficient and effective means by which we can provide food to needy people. The rural, elderly poor are able to benefit from commodity distribution programs much more readily than the Food Stamp Program. I truly believe that if we did not have this program we would have to invent it.

Homeless people are also in need of food assistance. Therefore this title continues the commodity homeless program at the level established in the Hunger Prevention Act—at $32 million. This program is continued through 1995, so that soup kitchens and food banks can receive commodities and serve needy people without permanent homes.

Other changes to the commodity distribution program include establishment of a commodity supplemental food program for elderly persons, permanent food bank projects, and a requirement that the Secretary of Agriculture make surplus commodities available to emergency feeding organizations when available and if necessary, on an irregular or seasonal basis, depending on availability.

I hope my colleagues will join with me to work to provide food assistance to needy families and individuals in a compassionate and efficient manner. My ultimate goal is to see true reform of the welfare system—through which we provide benefits to needy people through coordinated and simplified programs and also provide employment and training to able-bodied participants.

We have a responsibility to maintain programs for those who are aged or disabled; but we also must simplify the programs we have now and provide a method to make taxpayers out of those able-bodied people now in need of help.

Mr. Chairman, I urge my colleagues to support H.R. 3950—a bill that helps farmers, consumers, and needy families.

Mr. DE LA GARZA. Mr. Chairman, at this point I reserve the balance of my time.

Mr. Chairman, it is my understanding that the Committee on Foreign Affairs would like to utilize some of their time at this point.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The gentleman from Connecticut [Mr. GEJDENSON] is recognized for 15 minutes.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the appropriate time in the debate on the Food and Agricultural Resources Act of 1990, I will offer an amendment to title XII that reflects a compromise worked out between the House Agriculture and Foreign Affairs Committees.

I would like to thank the chairman of the Foreign Affairs Committee, Mr. FASCELL, and the chairman of the Agriculture Committee, Mr. DE LA GARZA, for their willingness to work long and hard on crafting this compromise.

This amendment reforms Public Law 480, Food for Peace, programs by streamlining the act and by establishing clear lines of authority between the two agencies responsible for our Overseas Food Program: USDA and AID.

The amendment designates USDA as the agency responsible for title I Concessional Loans and the Market Development Programs funded by title I local currencies.

The compromise establishes AID as the agency responsible for title II food donations and a new grant program established by title III.

The amendment also revises the authorities of the Secretary of Agriculture to establish commodity availabilities for Public Law 480 in several ways:

First, by mandating the docket determinations to be made before the beginning of the fiscal year;

Second, by requiring that docket determinations be made on an aggregate basis rather than on a country-by-country basis; and

Third, by requiring the Secretary of Agriculture to notify the Congress in writing of any modifications in the docket and the reasons for such changes.

Additional authorities delegated to the Secretary of Agriculture in the amendment, namely the usual marketing requirements and the CCC authorities, are intended to allow the Secretary to take into consideration domestic concerns, but are not meant to allow the Secretary means by which he or she may intrude into the workings of title II and title III programs for nondomestic reasons.

Mr. Chairman, the entire compromise makes many smaller changes to reform Food for Peace, but I want to tell my colleagues that the overriding principal here has been to make food aid a more effective development tool

that is not hindered by bureaucratic delay and infighting. I think that we accomplish that in this compromise.

In addition to reauthorizing Food for Peace, the compromise title XII reauthorizes U.S. agricultural export promotion programs for 5 years. These programs include the Export Enhancement Program, the GSM-102 and GSM-103 Credit Guarantee Programs, and the Targeted Export Assistance Program, which is renamed and improved.

The amendment also provides $275 million in new credit guarantee authority to guarantee U.S. exports to emerging democracies. This provision will not only promote the export of U.S. agricultural commodities, but will also guarantee financing for agricultural infrastructure improvement projects in these nations.

The compromise title XII also authorizes a market promotion program, which is based on the Current Targeted Export Assistance Program. The Market Promotion Program will significantly increase exports of high-value commodities, such as fruits and means, as well as value-added agricultural products.

Another key provision of the compromise provides for a long-term agricultural trade strategy looking beyond the current budget year. Under this provision, the Secretary must develop a 3-year agricultural trade strategy and develop individual market plans for the top 15 potential growth markets for American agricultural commodities.

Mr. Chairman, I believe that the compromise on title XII which I will offer as an amendment later in the debate is a good compromise which will dramatically improve the Food for Peace Program as well as American agricultural export promotion programs.

I urge my colleagues to support the Foreign Affairs Committee amendment to title XII.

Mr. Chairman, I yield back the balance of my time.

Mr. MADIGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ROBERT F. (BOB) SMITH].

Mr. ROBERT F. (BOB) SMITH. Mr. Chairman, I thank the gentleman for yielding this time to me.

I want to commend the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA], and my good friend, the gentleman from Illinois [Mr. MADIGAN], the ranking member, for what I believe to be an excellent piece of legislation within budget. It ought to be passed without massive amendments.

Mr. Chairman, I rise today to offer my thoughts on the measure currently before us, the 1990 farm bill. My intent is to give this debate the benefit of perspective.

Though we refer to H.R. 3950 as the farm bill, it is just shorthand for the Food and Agricultural Resources Act of 1990. This bill is not for our Nation's farmers. It is the food bill, and therefore, it is for anyone who eats.

Parts of this bill are essential. Research money helps develop new and more efficient farming methods and products so that our consumers will continue to enjoy a broad selection of high-quality goods in their grocery store.

A considerable portion of this bill is devoted to nutritional programs, which help put meals on the tables of families in need. Twenty-six million people received food stamp benefits last year, 24 million children are fed daily in the National School Lunch Program, and one of every three babies born in the United States receives benefits from the Supplemental Food Program for Women, Infants, and Children.

In Ethiopia, we provided 50 percent of the aid to their starving people.

The Public Law 480 Food for Peace Program gives a hand up to those in faraway lands who suffer famine and grinding poverty. This 30-year-old program continues to meet the multiple objectives of moving U.S. farm products abroad, meeting food and development needs in Third World countries, and supporting foreign policy goals.

Another important role of agriculture exports is inventory disposal. Our farmers and ranchers are so productive and efficient, that we easily produce twice what we can consume at home. By aggressively pursuing export markets, we earn foreign exchange, reduce outlays for price support programs, provide inexpensive food for the world's hungry, and still maintain our remarkable productive capacity.

The emerging democracies in Eastern Europe and around the globe are economies that have failed to supply the fundamental consumer product: Food. We are able to fill that need. The powerful economies of the four tigers in the Pacific Rim—Hong Kong, Singapore, Korea, and Japan—have earned our money in trade. They are home to increasingly wealthy consumers who demand cheaper and higher quality food. We can supply that as well.

The export programs authorized by the farm bill help our producers remain competitive in an increasingly unfair trading environment. Programs such as our GSM-102 and 103 loan guarantees, targeted export assistance, and the Export Enhancement Program ease our balance of trade, build new markets, and put other nations on notice that we will not concede our markets without a fight.

Agricultural exports will total about $40 billion this year, maintaining a favorable agricultural balance of trade that the United States has enjoyed for four decades. Meanwhile, every dollar in farm exports generates $1.51 in economic activity, much of it outside the farm sector. Think of it. At a cost of a little over $10 billion, we are getting back $40 billion. That is good business.

The future health of agricultural trade will be largely dependent on the outcome of the Uruguay round of talks within the General Agreement on Tariffs and Trade. If the U.S. position prevails, we will need a strong food and fiber industry to take advantage of the many opportunities which will present themselves. If GATT fails, we must have a strong agriculture sector to survive in an increasing hostile trade environment.

In any case, it would be irresponsible to unilaterally disarm before these talks are completed in December. Amendments which would destroy the Sugar Program, shake the foundation of basic commodity programs, and impose absurd restrictions on farming practices, will ultimately spell disaster for one sector of our Nation's economy, agriculture, that is competitive in international trade.

You have received numerous letters from your colleagues about how the farm bill forces taxpayers to pay millionaire farmers not to grow crops. That's like saying the Defense Department exists to pay generals not to fight wars. It's just enough of a half-truth to make a great press release. In Burns, OR, we have another name for that kind of talk. Unfortunately, this twisted logic has given birth to a whole herd of well-intentioned, but shortsighted amendments.

These are the so-called targeting or means test amendments. Price support programs are intended to act as a safety net for producers, this is true. To most of the farmers in my district, these proposed limits will not come into play. But, they know the budget trend and they understand the implication of the camel's nose under the tent. A ceiling far over their heads this year can have them in the basement next year.

And this could ultimately destroy the entire purpose of our price support programs. In addition to offering a safety net, these programs are designed to serve as leverage to enforce conservation and production controls.

If you push the largest farmers out of the program, they will be free to produce as much as they want and in any manner they choose. Voting for these amendments might make you feel better, but the savings you envision won't occur. In fact, the administration asserts that such amendments will actually cost more money than current law. Large farmers, unfettered by production controls, will plant fence row to fence row, driving prices down and price support outlays up.

So, let me warn you: Be very careful what you ask for, you might just get it.

While time limits prevent me from sorting out all of the amendments offered on this farm bill, I would like to leave you with one thought that is absolutely indisputable.

Your constituents, like mine, must feed themselves and their families. And your constituents, like mine, currently enjoy the highest quality food and fiber in the world, while spending a smaller percentage of their income than in any other nation on Earth.

This is due entirely to the productivity of America's farmers. I hope you will keep this in mind as we work to rewrite this farm bill in an attempt to build upon the market-oriented policies that allow our ranchers and farmers to work their magic for America's consumers.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. HUCKABY], the distinguished chairman of the Subcommittee on Cotton, Rice and Sugar.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to commend Chairman DE LA GARZA, as well as the gentleman from Illinois [Mr. MADIGAN], the ranking member on the committee, for the extremely hard and conscientious work they have done in the last year.

The Subcommittee on Cotton, Rice and Sugar, held hearings throughout the Nation in the last year as we made preparations for this farm bill, and I certainly rise in support of the legislation today.

In the area of cotton, I am pleased to report to my colleagues that the 1985 farm bill is working so well that today the price of cotton is above our target price, and it is very likely that the program could actually cost us nothing. It could even return money to the U.S. Treasury this year.

I would like to report that rice exports are up 30 percent from what they were in 1985; however, let me point out that in Japan the rice farmers receive six times as much for their rice as American farmers do, and we still are not allowed by the Japanese to sell rice in Japan.

The sugar program has operated now for 6 years at a cost of 18 cents support price. It costs, as a previous speaker has said, absolutely nothing to the American taxpayer.

The proposal would freeze the target prices for cotton, rice, and sugar, for the next 5 years, a hard freeze.

Agriculture is doing I think more than its share when it comes to budget responsibility. I know of no other function in the budget that is even contemplating a freeze for 1 year, let alone 5 years, as this bill does.

An amendment that I offered in committee regarding flexibility is an important part of this bill. It will give farmers an opportunity to switch crops and still protect their base, to switch in response to market signals.

Finally, Mr. Chairman, let me point out that I will be offering an amendment to further tighten up the eligibility requirements for those who receive Government payments, who participate in our programs.

We will preserve the three entities that we established in 1987. I think this is extraordinarily important so that we can operate our economies of scale and so that American agriculture can continue to be the most efficient agriculture in the world.

There will be numerous amendments that will be offered in the coming days to attack the very infrastructure, the integrity, and the heart of our system. I would urge my colleagues to vote and stay with the committee so that 10 years from now when we look back we will not have to say, "What happened to agriculture in the nineties?"

The system that we have today works extraordinarily well.

□ 1730

Let us keep it. Let us keep American agriculture strong.

Mr. MARLENEE. Mr. Chairman, we are considering the renewal, and in many cases the reform, of the Federal programs which play a vital role in our society from at least four critical aspects: First, they ensure that American consumers have available a wide variety of safe, high-quality foods and fiber at the cheapest prices anywhere in the world. Second, they provide a very modest income safety net for American farm producers who must deal with the adversities of Mother Nature and fight against the unfair and predatory practices of other world producers. Third, the programs help provide ample supplies of food in order that we can assist those in our country who are in need through such programs as food stamps; school lunch; temporary emergency food assistance; women infants, and childrens; elderly feeding; food banks, and others. Finally, these programs help ensure that we as a country have sufficient supplies in order to make very generous food donations and assistance to help feed the peoples of underdeveloped nations and those facing a crisis due to famine, flood, earthquake, or other disaster.

The taxpayer cost of maintaining these effective farm programs has been reduced dramatically from some $26 billion in 1986, down to an estimated $9.2 billion for the current year. The farm bill legislation which the House Agriculture Committee has brought to the floor today will ensure that future taxpayer costs will be contained to roughly this same annual level throughout the life of the bill.

Mr. Chairman, I would like to point out an important fact regarding the so-called costs of these farm programs. A recent study completed by the Food and Argicultural Policy Research Institute has found that farm programs result in a direct economic benefit to American consumers by stabilizing any sudden increases in food prices. In fact, the study concludes that without the current system of farm programs that food price increases due to drought-induced shortages would have cost U.S. consumers a total of some $40 billion between 1989 and 1996. Again, this is a savings to consumers of $40 billion compared with a cost for the programs in the bill which is estimated at about $53 billion over the 5-year period. And without the current system of farm programs, consumers would be faced with fewer supplies of domestically produced food; prices would be significantly higher, and many of the safeguards which currently ensure that food is not tainted with dangerous chemicals would be difficult to maintain.

Mr. Chairman, the pending legislation is the result of months of hard work by many of our most dedicated and knowledgeable colleagues. It is a highly responsible piece of legislation, and one which will continue to lead stability and predictability to food supply and food prices over the next 5 years. I would hope that a majority of Members will resist the temptation to react in a knee-jerk fashion when amendments are offered claiming to save huge amounts of money or to exclude the filthy rich farmers from participation in the programs. The fact of the matter is that this bill has delicately balanced the overall needs of all farm producers along with the overall benefits and needs of American consumers and taxpayers. To suggest that simply because a particular farming operation has annual gross receipts of $100,000 or $500,000 or even $1 million in any given year demonstrates an outrageous ignorance of how any business—whether farming or computer manufacturing—operates.

Just because a business or a merchant may have gross sales of some particular, arbitrary level does not automatically mean that the business made a profit. Indeed, in farming it is not all that unusual to have $1 million in gross sales in a given year, and yet lose money. I implore our colleagues to resist the efforts by some individuals who want to grab headlines with hot air, flimsy facts, and faulty logic.

Thanks to the excellent efforts of Chairman DE LA GARZA, our ranking member, EDWARD MADIGAN, the entire membership of the committee, producer and consumer groups from across the Nation, and a contingent from USDA headed by Mr. John Campbell, the Deputy Under Secretary for International Affairs and Commodity Programs, we have before us a responsible and effective farm bill. I hope all Members will join me in objecting to those amendments which have not been approved or accepted by the committee leadership, and keep the balance, fairness, and reasonability which is represented by the bill as reported.

Mr. MADIGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me begin my remarks by expressing my appreciation for my understanding of the hard work and the many hours that the members of the Committee on Agriculture have spent on this bill, and recognize, if you will, that after all of these long hours of work and so forth it is

difficult to see someone not on the committee come in and intrude against your workmanship, but, in fact, that is my purpose for rising today, not to criticize them as members of the committee but to criticize the underlying philosophy behind our existing farm policy.

Let me suggest to you, as I understand it and have understood it for some years, that farm policy is bad for farmers, because it reduces the productivity of our farm sector.

One, the underlying philosophy is to boost farm income by restraining production. In that regard, in recent years we have removed 1.6 million cows from our dairy herd. We have squandered billions of oranges and lemons through the system of marketing orders. We routinely, year in and year out, take one-fourth of our farmland, some 60 million acres, out of production. When we do that, we voluntarily vacate markets and other countries expand to fill them.

In the past 20 years, Europe has displaced 30 million acres that we have set aside. Latin America, in the 1980's alone, has displaced another 20 million acres of our set-aside. Thus, if we had not taken our land out of production over the last 20 years, we would not have today all of those acres put in production.

Let me also point out we have taken prime agricultural land with sound infrastructure in place out of production by virtue of official government policy. These other nations have put marginal agricultural land into place without anywhere near the infrastructure to support that land that we have, and the upshot of this policy has been for us to deport our agricultural land, and what might have been our fair share of world markets.

I would argue that we should reduce the government role in agriculture and devote our energies to trade reform.

The situation is critical. Agricultural demand worldwide will rise from 30 to 50 percent during the 1990's. If we do not fill that demand, other countries will, and markets once lost will be lost forever.

Let me say that there are some misconceptions about farm policy in addition to this. It is generally argued that it is a cheap-food policy. It is argued that we pay less of our disposable income on food than other nations, and that is true. But that argument does not recognize the fact that the native productivity of our superior agricultural resources is the primary reason why we have a stable, sound, dependable food supply year in and year out and that we have a higher disposable income per capita than any other nation in the world. It is said that our farm policy is good for consumers. The Economic Research Service of the U.S. Department of Agriculture says itself that these policies cost the consumers $12.1 billion a year in increased food prices.

The whole point of dairy, sugar, peanut, and other programs is to keep costs high. In fact, just a moment ago somebody was celebrating our prices because of our policies, because we have held the price high. It is said that these policies are good for the family farmers.

I would say that this is probably the most egregious result of current farm policy. It subsidizes larger farms and allows them to have a Government subsidy with which to underwrite the credit they achieve in order to buy out their neighbors. Large farms year in and year out are supplying an increasingly larger share of total agricultural product to the American consumers.

It is said that we are continuing the successful policies of the 1985 bill. The 1985 bill gradually lowered target prices. This bill freezes them. The 1985 bill lowered loan rates. This bill raised them.

The object of this policy is to increase the number of people in agriculture dependent upon a Government check; I think that is bad. Raise food prices for American consumers; I think that is bad. And, of course, to diminish the chances of the small family farm to compete.

Mr. Chairman, this Congress is about to make a tragic mistake by reauthorizing our farm programs without making fundamental reforms or even continuing to reduce the Federal role in agriculture.

The 1985 bill, for all its many faults, at least lowered target prices by a small amount over the last 3 years. This bill halts that trend and freezes them in place for the next 5. The 1985 bill lowered loan rates by some 20 percent, making our farm products much more competitive. This bill reverses that trend and increases loan rates.

Although the committee did overcome its perennial urge to bust the budget—no doubt to avoid a nasty and embarrassing floor fight—it could think of little beyond fine tuning current law. Consequently, our basic policy, which has been in place since the depression, remains intact: We will continue to try to boost farm income by restraining the productivity of the American farmer.

That, of course, is the essence of our farm programs. In every other area of our society increased productivity is considered a good thing—in fact, it's a national imparative. In the strange world of Government-controlled agriculture, however, it is seen as an embarassment that must be avoided at great cost.

Thus, we have paid dairy farmers to kill their cows; we order orange growers to squander a third of their crops; we require a Government license to grow peanuts, we pay our crop farmers to take nearly one-quarter of our arable land out of production—all on the theory that this will reduce supply and raise farm income.

It does not work.

When we curtail our production, foreign nations simply expand theirs and capture the markets that we have voluntarily vacated. Over the last 20 years, for example, Western Europe's crop expansion has displaced, in effect, 30 million of the acres that we have unilaterally set aside. Latin American crop expansion in the 1980's alone has displaced another 20 million of acres we have taken out of production.

If we had not been curtailing our production for the last 20 years, this new foreign acreage would not have been planted, and we would not need set-asides today. This policy has accomplished nothing more than to deport our farm land.

We have now reached a critical point. With rising living standards around the world, the demand for agricultural products is likely to skyrocket during the coming boom years of the 1990's. Demand may rise by as much as 30 to 50 percent, according to Dennis Avery of the Hudson Institute.

America has a comparative advantage in agriculture, and we are in a unique position to meet this rising demand. We have the experienced farmers, good soil and climate, and perhaps most of all, we have already invested in our agricultural infrastructure. The railways, the paved roads, the storage facilities—all of that is in place here.

And yet if we continue to restrain our production, other countries will develop similar infrastructure, fill their domestic needs themselves, and move to capture foreign markets. We know that any country that wants to pay the price can develop and expand its own agriculture. Even Saudi Arabia—desert Saudi Arabia—is now a net exporter of wheat. Our urgent task should be to discourage other countries from making that expensive investment and instead buying farm products from the United States, where these products can be produced more efficiently. We cannot do that by shutting down a quarter of our farm land and surrendering markets. If we continue our present policies for another 5 years, we will lose markets, not just for the life of this farm bill, but permanently.

That, Mr. Chairman, is why we are making a tragic mistake. We are systematically suffocating our largest and potentially most competitive industry. And we are doing it in the name of farmers.

We desperately need a new farm policy, one based on free markets and free trade. If the commodity groups would devote half as much energy to achieving trade reform as they do lobbying for bigger subsidy checks, the United States could quickly get a good GATT agreement. The Uruguay round is in jeopardy today because the Europeans cannot believe we are serious. Even if we reach an agreement at the bargaining table, they think our own farm lobby—led of course by the sugar and peanut blocs—will strangle it. Commodity groups need to understand that reducing the Government's role in agriculture and expanding world trade would be the best thing that could happen to the American farmer.

Mr. Chairman, I have used some strong language and colorful analogies in recent months as my way of yelling "Stop!" at policies which I feel are profoundly misguided. I sincerely hope that my colleagues on the Agriculture Committee were not unduly offended. None of

it, of course, was personal. I have great respect for most of them—for the chairman and ranking member, my colleagues from Texas Mr. STENHOLM, Mr. COMBEST, Mr. SARPALIUS, my conservative friends, Mr. GRANDY and Mr. GUNDERSON, and others. Nevertheless, this is something I feel strongly about. As the philosophy of Adam Smith is remaking our world. I can see no reason that we should continue to manage our agriculture from Washington, DC. Today's farm policy is a relic of ideas that have been entirely repudiated by events. It must be changed.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our colleague, the gentleman from Kansas [Mr. GLICKMAN], one of the distinguished subcommittee chairmen on our committee.

Mr. GLICKMAN. Mr. Chairman, I would start out by saying that my good friend, the gentleman from Texas [Mr. ARMEY], is not completely wrong. He is just overwhelmingly substantially wrong, and I am sure that after the full debate on these issues, Members of this House and members of the American public will recognize that. During this farm bill debate, we will hear a lot of seemingly arcane phrases like target prices, loan rates, person determination, set-asides, flexibility, acreage allotments, conservation reserve, and dozens of others. These terms, while important, tend to obscure the bigger purpose of why we are here reauthorizing Federal farm policy. The real issue in all of this is food security for the United States of America.

Mr. Chairman, what seems so easy to obtain in this modern day of fancy supermarkets, fast foods, and microwave dinners continues to be the Achilles heel to may developing nations. Failing to ensure food security has led to the demise of leaders and entire governments, as we witnessed in Eastern Europe. Indeed, Gorbachev's top priority in rebuilding the Soviet economy, and preserving his political position, is to improve the productivity of Russian agriculture.

Developing countries around the globe spend billions of precious foreign exchange every year importing food and still millions of their citizens go to bed each night hungry and millions more die from malnourishment. This tragedy is further compounded by the fact that while they still are unable to meet this basic human need, other pressing national needs go unmet.

Even with advancements in technology and agricultural productivity, food security can not be taken for granted, which many do, ironically, in part because of the success of modern farm programs. This success grew out of the farm and rural development programs of the New Deal, which laid the foundation for economic growth that led us out of the Depression.

Those programs, just like current ones, were designed to keep farmers in the business of producing food. The New Deal farm bills, the precursors of modern ones, enabled us to feed ourselves during World War II and made it possible, too, for us to feed Europe and the rest of the world following the war. Because these programs, which admittedly are not perfect, have worked, the United States, alone among great powers, has never suffered massive famine, has never had to look beyond its borders to feed itself, and has kept millions around the world alive.

Many of our colleagues will ask themselves why we need to pass this farm bill, why we need to spend billions on these programs. To them and those who have questions about the heart of this legislation, let me say: It no longer is good enough for farmers to prosper only once in a while; it no longer is good enough for the poor to eat only in good years; it no longer is good enough to ask our farm families to plant their crops without a clue as to whether they will recover their investment; it no longer is good enough for our export customers to wonder whether they will be left holding an empty bag if supplies tighten up here; it no longer is good enough to have to choose between supplying our own people and those beyond our border; and it no longer is good enough to say that we can't feed the world, to justify doing less than we are able.

I wish I had made that argument. I did not; it came from one of the leading statesmen of American agriculture, Senator Hubert Humphrey. He was right when he made those comments in 1976 and those words ring just as true today.

Over the next couple of days as we debate the details of this legislation, I will address the specific provisions which were developed by the Wheat, Soybeans, and Feed Grains Subcommittee. Let me just note briefly in closing, that the distinguished chairman of the Agriculture Committee so often reminds those of us on the committee, legislation is the art of the possible at the moment. It is true of any legislation, including the bill at hand. As the debate unfolds, I urge my colleagues not to lose sight of the real goal of this bill, ensuring our food security, and to support the bill.

Mr. MADIGAN. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I thank my Republican leader for yielding me this time.

Mr. Chairman, I want to thank the chairman of the full committee, the gentleman from Texas [Mr. DE LA GARZA], and the ranking member and all of my colleagues.

Mr. Chairman, to pass any farm bill is always a gauntlet, if you please, and to use the language of a former chairman of the Committee on Agriculture, it perhaps is not the best possible bill but the best bill possible, and I think it is.

We have had to pass this bill under very, very difficult circumstances in the Committee on Agriculture. We have had budget restrictions, very severe budget restrictions, more to come.

We have those who are well-intentioned, the speaker before me, the gentleman from Texas [Mr. ARMEY], my colleague, who is, I think, very well intentioned, but a self-declared Assistant Secretary of Agriculture.

Many of the things that he would propose or has proposed, I think, would be very counterproductive. We had some environmental challenges before us in the full committee, and I think we have met those challenges. The chairman has already shown what the farm bill would cost us, cost us the taxpayers of the United States. I say "cost." It is an investment as opposed to a cost. He showed us the chart in relation to the total spending of the Federal Government.

□ 1740

But we still hear some people say that the cost is out of control. That is just not the case. I know the spending shot up to $26 billion in 1986. Please, my colleagues, disavow yourselves of that number. That is not the correct number as of today. I am glad we did spend $26 billion to prevent the worst depression that we have had in farm country for many, many years. It saved many farm families.

Since that year, the program costs have been heading steadily downward. This year's cost is estimated at $10 billion, a 60-percent spending reduction in 4 years.

Now, if everybody around this place had done that, my staff tells me in terms of the budget numbers, if every segment of the budget reduced its outlays in proportion to agriculture, savings would have been approximately $455 billion. We would not have to go to a sequester, if in fact we would have in the rest of the Federal Government reduced spending like we have done in the Committee on Agriculture under very, very difficult times.

I must tell Republican Members, and Democratic Members, for that matter, I am a little bit upset with the Office of Management and Budget. If you want to view this bill in the context of OMB, which spells "farm" c-u-t, I think perhaps this is a general trashing of the farm bill. Yet we have a very fine letter from the Secretary of Agriculture that shows that we are close in the House Committee on Agriculture and that we are making progress.

The gentleman from Illinois [Mr. MADIGAN] will have the latest figures

in that regard, and he and the gentleman from Texas [Mr. DE LA GARZA] will bring this bill under budget acceptable to the Secretary of Agriculture.

I do not know if you can get anything acceptable to OMB at this stage of the game, more especially with agriculture. I do not know if Mr. Darman can spell "farm." He can spell "agriculture." Asking Mr. Darman and OMB for help on this particular farm bill is like asking for a neck massage from the Boston Strangler.

So I would tell Members to pay attention to the Department of Agriculture and Mr. Yeutter, not to OMB.

Now we have those who are intent on reforming this farm bill. I urge my colleagues to look under the banner of reform. See what lurks there, if you will. They have a motto: "If it ain't broke, break it."

I would tell Members that all of these amendments that go into the structure of the farm bill can be very counterproductive. We have one in particular by the gentleman from Texas [Mr. ARMEY] who wants to change the farm program from a supply management program, guaranteeing the consumer of New York, yes, Dallas, TX, and San Francisco and all of the metropolitan areas, that they spend approximately what, 12 percent of their income dollar for food; 88 percent goes for other things.

The gentleman from Texas [Mr. ARMEY] wants to change that to a welfare program. The purpose of the program is to enable the farmer-stockman to have some stability, some predictability, so that we can feed this country in a troubled and hungry world, and boy, do we do that. It works.

Just look at the lines in Eastern Europe if in fact you do not think this works. Yet we have those that want to go back to the farm policy of Poland and Hungary before the Berlin Wall came down. That is utterly ridiculous.

Means testing. We have a gross yardstick, and boy, it is gross, and we have got a net income yardstick, and we are going to take the efficient producer, a farmer and two sons with 2,000 acres in western Kansas that really produce more wheat than any State, and take them out of the farm program on the basis we are trying to help the small family farmer. I assume that is somebody 5 foot, 3 inches tall from Vermont, a hobby farmer. And they are fine folks. I am all for them. They belong on the cover of the Saturday Evening Post and in all sorts of nostalgic look-backs to farm country.

It does not exist any more. We are trying to help the producer here to feed the hungry and malnourished. I know it makes a lot of populist headlines, but it would be very counterproductive. We are going to lose the partnership we made with the environmental community. We have got a fine partnership with the environmental community. We have made progress on ground water, we have made progress in regard to food safety, we have made progress in regard to LISA, low intensity sustainable agriculture. If we take the efficient producer out of the program, there goes the land, there goes the partnership in regard to the environmental progress that we have made.

How are you going to implement this thing that the gentleman from Texas [Mr. ARMEY] wants to put into effect? You are going to have to have every farmer take their income tax return down to the local ASCS office. That is going to be a joy to behold. Most farmers wait until the last minute to file their income tax return. You have a whole bunch of deadlines you have to meet in regard to the farm program. I do not think the farmers will like to see that.

Mr. Chairman, I have run out of time, but I would simply indicate this is a good bill. What is at stake in the farm bill today is America's largest single industry, and the benefit of the consumer and the farmer-stockman. Please support this farm bill. We have done a good job.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I rise today to express my concerns about H.R. 3950, the Food and Agriculture Resources Act of 1990, otherwise known as the 1990 farm bill. While I have two major concerns about the bill, I will more than likely support it because I expect the advantages will outweigh the disadvantages. Mr. Chairman, I represent the majority of the South Side of Chicago, which is a very urban area with concerns like affordable housing and adequate health care, but not necessarily the 1990 farm bill. Out of the 500,000 plus people living in my district only a very few if any, own a farm. Certainly there are no farms within the district, so my concerns are clearly representative of a consumers point of view and not that of the farm industry.

I believe that the intent of the 1990 farm bill is to lessen the farmer's dependence upon the Government and strengthen his reliance on the open marketplace for income and the success of his farm. The issue of total reliance must be addressed because my concern is that even though farmers receive Government assistance, the price of food continues to constantly climb. When the farmers benefit, the savings should eventually trickle down to the consumers.

My district is one of the poorest congressional districts in the country and it is important to my constituents that the price of food stablize. Again, if we in this country wish to subsidize the farmer then in turn the subsidy should be reflected in the price of the farmer's products. My vote in support of this legislation reflects my belief that the 1990 farm bill should benefit the American consumer as well as the American farmer.

Second, I feel that this Congress does not have a real problem offering support and subsidies to this Nation's family farmer. However, I suspect that some of the concern expressed, and it is clearly a concern, is that the majority of these subsidies are targeted toward sustaining and financing corporate farmers instead of what we perceive to be the traditional family farmer. Since 1985, the family farmer and especially minority farmers have lost their farms at an alarming rate. It was surprising to me to learn that many of the farmers benefiting from the farm bill's programs are those farmers whose annual incomes are well over $100,000. It is my hope that we look at the small family farmer and the minority farmer and make the 1990 farm bill work for them and not only for the corporate farmer.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the most patient gentleman from Florida [Mr. GRANT].

Mr. GRANT. Mr. Chairman, I thank the distinguished ranking member for yielding me this time. I want to make one thing absolutely clear to people that may not be familiar with farm policy in this country, that we are not subsidizing farmers. A truer sense of the word would be that we might be subsidizing the cost of food products that American people get, and in fact, people all across the world. I thought the chairman made an excellent point in his presentation, that we spend less of our disposable income than any nation in the world. It does not matter how much the income is as a percentage, we spend less.

□ 1750

Mr. Chairman, we do not spend 12 percent; we spend 10.4 percent of our disposable income.

By comparison, the Japanese spend 20 percent, the Italians 22 percent, the Russians 25 percent, and the Chinese 46 percent of their disposable income.

I would say that we have got a pretty good deal going for the American consumer. Hopefully, it is a pretty good deal for the American farmer, too.

That is part of the policy that we are attempting to continue with this farm bill. Please understand that what Americans want is a consistent supply of high-quality food and they want it when they want it and they want it for the least cost possible.

Some people still continue in their belief that somehow every morning the employees at Safeway or Publix or Winn-Dixie go out behind the store and pick up the food from a little

garden in the back of the store. That is not the way it works. It never has worked that way.

And for those of you who did not grow up on a farm, let me tell you something: There was a great farm depression that preceded the Great Depression in this country. And if you were in Florida, northern Florida, like I was in the late 1970's and early 1980's, you would know there was a depression in the farm country then, too.

What we are trying to do is to insure that that does not happen again. Sure there are agreements that are made. We want the goals that we have established and the farmer policies to continue, that is, to feed our people at the least cost possible, and to continue to supply them with high-quality edible products on a continuous basis. To accomplish that, we need farmers, ladies and gentlemen, farmers. You cannot get into the farming business overnight.

So we established a policy to help us meet those goals. One of those, one of the tenets of that agreement, is to make farming profitable. There is nothing wrong with farmers making a profit.

Who ever thought of such a thing? You would not dare dream of going into the shoe business if you could not make a profit, or into the automobile repair business if you could not make a profit.

There has been some quid pro quo, some exchange of values here. Farmers have agreed to certain controls. The Government has agreed, in exchange for some of these controls, to see that farmers are paid a reasonable price for their products.

Basically, two methods are used. Under one, production is practically unlimited and prices guaranteed; under another, production is controlled and the market is geared to work. It works well, some say too well, some say not well enough, but the reality is that our people spend less of their disposable income than any other people on Earth for food.

Mr. DE LA GARZA. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The Chair recognizes the gentleman from Florida [Mr. GIBBONS], a member of the Committee on Ways and Means, for 15 minutes.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume. I do not intend to take the full 15 minutes. This debate is going to go on long enough.

So when I finish and Mr. CRANE finishes here, we are going to yield the balance of our time to the gentleman from Texas [Mr. DE LA GARZA] and the Committee on Agriculture.

Mr. Chairman, certain provisions of the agriculture bill were referred to the Committee on Ways and Means because they affect taxes and export trade. We made some recommended changes. Fortunately, the Rules Committee included most of the changes we made in the text of the bill.

So, therefore, to that extent, we support the bill.

During my leave to insert, I am going to insert the chairman's statement, which covers entirely the things that we did in the Committee on Ways and Means bill.

I only want to say there are a couple of other amendments, one that I have that will come later. I do not intend to take up a lot of your time by explaining it.

It essentially limits for a 2-year period those programs, those agricultural support programs that appear to be subsidies. The reason why I do that and ask the Congress to join me in that, in limiting those programs to 2 years and not 5, is that we are engaged in a huge round of multilateral negotiations now. And it is my opinion that if we adopt a 5-year farm bill, we just freeze agriculture right where it is and the European Community will continue its export subsidies, wrecking agricultural systems all around the world, and we will contribute our part to that also.

So I think it would be much easier to go for 2 years now rather than 5 years, just on subsidy programs. It does not affect any of the rest of the agricultural bill on its 5-year term, just on the subsidy programs.

Let us complete the Uruguay round and then come back and make whatever amendments we have to do to future agricultural bills rather than be placed in the position of having to repeal all of this at the end of the Uruguay round.

I have argued with the administration for not having done this. I know Senator DOLE has suggested perhaps a 1-year bill. But I thought I would do a little better by the agriculture by saying a 2-year bill on just the subsidy programs rather than the 5 years that has been proposed.

We have also made some changes in the sugar program. We are out of step with the General Agreement on Tariffs and Trade. We have been found to be in arrears, in violation of the General Agreement on Tariffs and Trade. So the Ways and Means is suggesting a tariff rate quota instead of the current quota system that the GATT panels have found against.

We need to do this so that we will not be an international scofflaw.

It will not affect the operation of the domestic sugar program. It just makes it legal as far as our GATT agreement is concerned.

Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. I thank my distinguished colleague, the chairman of the Subcommittee on Trade, for yielding time to me.

Mr. Chairman, as the debate has thus far indicated, H.R. 3950 is an expansive piece of legislation covering numerous domestic agriculture programs and related issues. However, there are a few provisions that fall within the jurisdiction of the Committee on Ways and Means, and we have attempted to address them in a manner that does not impede the basic purposes of this important farm legislation.

One significant, yet I believe noncontroversial, change that the Ways and Means Committee made to this bill is to add a provision giving the President the authority to implement a tariff-rate quota on imports of sugar. This authority is designed to permit the United States to implement certain limits on sugar imports in a manner which is consistent with our international obligations. Last June, the United States lost a dispute in the GATT [General Agreement on Tariffs and Trade] when a panel ruled that current U.S. sugar quotas were in violation of GATT rules.

The new subtitle specifically authorizes the President to establish and implement a tariff-rate quota on imports of sugar, syrups, and molasses, if the U.S. Trade Representative determines that the implementation of such tariff-rate quota would not be inconsistent with U.S. international obligations.

This authority allows the tariff-rate quota to be put in place beginning October 1, 1990. It is expected that, in establishing the tariff-rate quota or making adjustments thereafter, the USTR would consider the interests of all concerned parties, including domestic sugar producers, domestic consumers, and materially affected trading partners.

I should note that the provision does not mandate the implementation of a tariff-rate quota. The President would retain the option of using either this authority or the authority under section 22 of the Agricultural Adjustment Act of 1933 to regulate sugar imports. Both would be GATT legal.

A second important aspect of the Ways and Means portion of this bill is the treatment of imports under various commodity research and promotion programs, commonly called checkoff programs. Currently, fees for checkoff programs are imposed on beef, cotton, dairy, eggs, honey, pork, potatoes, watermelons, wool, and mohair. The treatment of imports under these programs varies from commodity to commodity.

The provision approved by the Ways and Means Committee would simply state in the statute that any commodity checkoff program may not be applied to imports unless the application

is in a nondiscriminatory manner consistent with U.S. international obligations.

There are several other miscellaneous trade-related provisions included in this bill which the Ways and Means Committee reviewed. They involve primarily reports, studies and the export enhancement program, and our committee either left them untouched or merely clarified that certain determinations be made consistent with existing trade statutes and our international obligations.

Mr. Chairman, I feel that we have appropriately addressed those issues within the jurisdiction of the Ways and Means Committee and have enhanced our farm programs without interfering with U.S. trade law or upsetting our international obligations.

Mr. ROSTENKOWSKI. Mr. Chairman, H.R. 3950, the Food and Agricultural Resources Act of 1990, was sequentially referred to the Committee on Ways and Means, because certain sections of the bill fall within its jurisdiction with respect to tariffs, imports, trade agreements, and revenue matters.

On July 18, the Committee on Ways and Means considered H.R. 3950, as reported by the Committee on Agriculture, and reported it favorably, with additional amendments. All of the amendments approved by the Committee on Ways and Means have been incorporated into the original text of the bill now before us, pursuant to the rule providing for the consideration of H.R. 3950.

The amendments approved by the Committee on Ways and Means made two significant changes to the sugar title—title II—of H.R. 3950, as reported by the Committee on Agriculture. In addition, certain amendments, relating to the consistency of agricultural authorities with U.S. trade laws and international obligations under trade agreements, were approved to various sections of the bill.

Most significantly perhaps, the Committee on Ways and Means deleted the sugar reexport program, as reported by the Committee on Agriculture. The authorization of such a program falls within the jurisdiction of the Committee on Ways and Means with respect to both imports and tax matters. This proposed program would have assessed a tax on the sale of sugar and fructose sweeteners in the United States, in order to finance subsidized purchases by U.S. sugar processors of foreign sugar from certain eligible foreign countries. In the view of the Committee on Ways and Means, such a program presented serious problems of trade policy, economic policy, and tax policy. The committee, therefore, concluded that its deletion from the bill was appropriate.

Also on the subject of sugar, the Committee on Ways and Means added a new subtitle to the bill authorizing the implementation of a tariff-rate quota on sugar imports, in order to comply with our international obligations under the GATT. The current system of import quotas on sugar has been found by a GATT panel to be in violation of the GATT, and the United States, therefore, has an obligation to change our restrictions on sugar imports to a GATT-compatible system. The Committee on Ways and Means amended this bill to authorize the implementation of such a GATT-compatible tariff-rate quota system on October 1 of this year. The provision does not amend or affect the operation of the domestic sugar price-support program. In fact, it is entirely compatible with the domestic sugar program authorized elsewhere in this bill. It is also a discretionary program which authorizes, but does not require, the implementation of a tariff-rate quota.

In the area of commodity research and promotion programs, subtitle B of title VI, and subtitle C of title XIV, contain provisions authorizing the application of research and promotion fees, commonly called checkoffs, to imports of commodities. The Committee on Ways and Means examined these subtitles in light of our jurisdiction over imports, import fees, and international trade agreements. The committee amendments added a new provision to ensure that all commodity research and promotion programs are applied to imports only in a nondiscriminatory manner, consistent with our international obligations. The new provision will apply to all checkoff programs, whether they are established under current law, under this bill, or in future legislation. The provision is not meant to hamper the effectiveness of these programs, but rather is meant to ensure the application and enforcement of the programs, consistent with U.S. international obligations.

In title XII of the bill, relating to the various authorities on agricultural export promotion, the committee approved certain technical modifications to avoid conflict or inconsistency between such export authorities and the operation and enforcement of U.S. trade laws.

Finally, the Committee on Ways and Means, which has jurisdiction over the use of Social Security numbers, deleted the provision in section 1762 of the bill requiring the submission of Social Security numbers by owners or operators of Food Stamp Program participants.

Mr. Chairman, I believe these amendments represent constructive improvements in H.R. 3950 as reported by the Committee on Agriculture. I urge my colleagues to support the bill, as amended.

Mr. CRANE. Mr. Chairman, I would ask that the minority time that has not been consumed be yielded to my colleague, the gentleman from Illinois [Mr. MADIGAN], the distinguished ranking minority member on the Committee on Agriculture.

Mr. GIBBONS. Mr. Chairman, I want to reiterate that the 2-year proposal that I am making has nothing to do with the Ways and Means jurisdiction. Our jurisdiction does not extend to that. It is merely an expression of my own and not any attempt to enlarge our jurisdiction.

Mr. Chairman, I yield back to the Committee on Agriculture the balance of my time.

□ 1800

Mr. MADIGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri, Mr. Chairman, today starts the food fight in the House. That is not meant to be sarcastic, but I must say that the way the American farmer is being treated in the press and by some of my colleagues these days it may be an apt description of the coming debate. But let's make it clear that this legislation is very serious business to farmers, consumers, and the national economy.

Unfortunately, the 1990 farm bill is being attacked from all sides by people who do not know the first thing about farming and refuse to look at Federal farm programs closely enough to understand their importance to this country.

Today, we will look at statistics. We will hear about percentages. We will be shown charts. Our eyes will glaze over as we ponder the meaning of bar graphs and squiggly, crisscrossing lines as we are shown the cost of farm programs.

But at the end of the day when you stop off at the supermarket on the way home, for once do not rush through the store, get your pound of hamburger and race to the checkout line. Take a moment and look around—at the abundance, the variety, the freshness, the wholesomeness of what is contained in there. It is provided to you by the American farmer.

One of the reasons the store is filled with food is Federal farm policy. It is intended to provide a stable, abundant food supply at a reasonable cost. It has succeeded for many years.

Now, let's take a moment to talk about all those so-called millionaire farmers self-appointed critics say are on the Federal dole. Well, in my State of Missouri, as of 1988, there were 113,000 farms with an average size of 269 acres. If you are making a million dollars on 269 acres, then you're not growing a legal crop!

Let's look further at the overall balance sheet of Missouri farmers. America's farmers, even those with comparatively small farms such as those in Missouri, have a huge capital investment whether they farm 300 acres or 3,000. There is land; there are animals to purchase and nurture; machinery to buy and repair; storage bins and buildings to be kept up so that grain can be stored properly and livestock housed.

The farmer is involved in a business that takes a large upfront investment before he makes a dime of profit. Following the farm recession, the Missouri Department of Agriculture says that Missouri farm real estate totaled $17.5 billion with machinery and motor vehicles valued at more than $3 billion.

And, there is more: farmers must buy livestock and the feed for them; seed, fertilizer and lime; pesticides; fuel and electricity to run the machinery. Breakdowns are always occurring and repairs must be made or planting

deadlines are missed or a crop is left to ruin in the field. All these items cost lots of money. In Missouri, total production expenses were $3.4 billion in 1987.

This investment is put at risk every year, dependent on weather, insects and the vagaries of the marketplace. What the farm program does is provide a safety net to catastrophic losses due to no fault of the producer.

Few if any Americans are getting rich farming. Talk to farmers and they will tell you they do it for the love of the land, the way of life it provides for them and their families.

What do all of those billions of dollars mean to America's economy? Most people in Kansas City know, because a large part of Kansas City's economy is built around American agriculture. The farm economy includes processors and retailers, barge shippers and truckers, meatpackers, the local feed and seed store where farmers purchase everything from fertilizer to grease guns.

All of these people depend on a stable farm economy, and the farm bill is designed to help provide that.

The farm bill is a massive document. It contains much more than farm subsidies and export promotion programs. Nearly a quarter of it deals with this Nation's agricultural research and extension programs. Agricultural research is this Nation's farm infrastructure, and the knowledge our researchers gain is widely disseminated by the Extension Service.

This legislation further defines our soil and water conservation goals so that American agriculture will continue to be the most productive in the world.

Regarding the conservation compliance program, we have initiated actions to assist producers in complying with requirements for those who farm highly erodible soils. In Missouri's Sixth Congressional District alone, more than 20,000 plans have been approved, calling for thousands of miles of terraces to be constructed or new cropping systems to be implemented. The cost of assisting north Missouri farmers to comply with the sodbuster provisions by 1995 has been estimated to be more than $180 million.

In the matter of wetlands, the committee has restated the definition of the 1985 act, clarifying the standards for a wetland determination. A wetland is land that: First, has a predominance of hydric soils; second, is inundated or saturated by surface or ground water at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and third, under normal circumstances does support a prevalence of such vegetation.

During committee consideration of this legislation, we took a close look at the delineation manual used by the Soil Conservation Service, among others, to make wetland determinations. It is clear from a careful reading of the manual that only one part of the definition of wetland was being used to make determinations. Because this clearly is not the intent of Congress, the committee decided to state, once again—clearly—what constitutes a wetland.

The committee legislation also makes certain that if a parcel of land lacks one of these characteristics it is exempt under the swampbuster provisions of the law.

In an effort to make certain producers know their land has been designated as wetland, the committee also will require the Secretary of Agriculture to delineate wetlands on maps, to notify affected landowners and then—prior to certifying the map as valid for a wetland determination—provide affected parties a right to appeal the determination. Under the appeal provisions, the Secretary is required to make an on-site examination.

The committee also chose to provide exemptions for minimal effects of wetland conversions and to give landowners a way to establish a wetland in mitigation for the conversion of another parcel of land. The landowner is given an appeal right should any mitigation require giving up more than on a one-for-one basis.

Mr. Chairman, I want to conclude by saying that in a 5-year period we have seen the farm economy change dramatically. Five years ago we were in a recession. Many farmers still are operating on the thinnest of margins, and the slightest of economic downturns—or rise in interest rates—could turn what is being described as a stronger farm economy into a depressed one. American agriculture is getting back on its feet, but slowly.

During the 1985 debate, I sponsored section 1440 that called on the Extension Service in several States to assist farmers and farm families whose lives were being uprooted by the farm recession. Families were breaking up; drug and alcohol abuse were on the rise; even suicides were becoming common in what had always been a stable, wholesome country life.

The Extension Service in Missouri responded to section 1440 with dedication and energy in rural Missouri. Other States, too, provided counseling and outreach to families; they helped displaced farmers to learn new ways of thinking and new ways to apply their skills. I want to take this opportunity to praise the Extension Service for its work, especially those folks in the Missouri Extension Service.

I am pleased that we are extending and expanding the original section 1440 in this bill.

When we begin debate under the 5-minute rule, Members should remember that there is more in this farm bill than crop subsidies. This is sound legislation I believe the House should adopt.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished subcommittee chairman, the gentleman from North Carolina [Mr. ROSE].

Mr. ROSE. Mr. Chairman, I understand that Willie Nelson is not too happy with our farm bill. I have a great deal of respect for Willie Nelson's abilities, and I appreciate his support for farming and farmers in America.

Unfortunately, we have done about as good as we can do at this point in the history of our Republic, in this bill. I urge all my colleagues in the House to give very strong consideration to supporting this bill, to stay with it like it is, and to not vote for amendments that would cripple it.

One of the areas that is in this bill that some of my colleagues are questioning and are going to offer amendments to change, is the peanut title of this bill. This peanut section is a model section, in my opinion, because it does not cost the taxpayers of this country to have it operate. Peanut farmers in the Southwest and the Carolina-Virginia regions of this country actually cover each other's losses if any occur in the operation of this program.

Our former colleague, now the mayor of Atlanta, GA, was just here this afternoon and has written all of our colleagues in the House to say how important the peanut program is to all the small farmers in south Georgia where he hails from. This program is a good bargain for the American public. Those that would say the consumer is getting a bad deal in the peanut program are not telling the facts straight.

We have sent everybody in the House a little peanut butter and we have sent them a peanut candy bar. If we gave the peanuts to those people that make those products, the price to the consumer would not come down. Stick with the farm bill, and stick with the peanut program.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Louisiana [Mr. HOLLOWAY].

Mr. HOLLOWAY. Mr. Chairman, I would like to compliment the chairman of the committee, the gentleman from Michigan [Mr. DINGELL] and our minority leader, the gentleman from Illinois [Mr. MADIGAN] for the bipartisan support and cooperation we have had on this bill.

First, some in the House here seem to say, if it is not broke, break it. I am saying this bill is not broke, so let Members leave it alone.

I was not here in 1985 when we did the 1985 farm bill, but the authors did a great job. Agriculture in our Nation

is on the rebound. We as Southern farmers struggle a little more than Midwestern farmers because we have to have a little more money per bushel to produce. We have to live with that. But Congress must set policy for the Nation as a whole. We in the South have to live with the fact that producers in other regions can be a little more efficient than we are. Many of our farmers who grew soybeans are out of business now. They had to diversify and go other ways.

The Ag Committee has continued the market-oriented trend of the 1985 farm bill. We have to grow for the export market. We depend on agriculture to meet some of our need for exports to offset imports and help balance trade. We had days when farmers were asking for $9 guaranteed per bushel for soybeans. We could not do that because then we grow for domestic use only and ignore market signals. We cannot do that in this bill.

The Ag Committee has acted responsibly. As Members will see in this bill, we have had to give some things up that we very badly wanted, particularly for soybean farmers. They wanted more income support than we could afford. They did not get it. We wish we could do more, but we could not.

I want to touch on the basics, and I would like to follow the gentleman from North Carolina on peanuts. Something that is very important to me is sugar, something that is essential to the economy of rural areas in Louisiana. Unemployment in rural areas of this country is 15 percent. If we destroy the agriculture of this Nation, it will be 30 percent. Agriculture is essential to rural development throughout this Nation. In Louisiana, sugar is essential. Our major competitor, the EC, dumps on the world market. They support sugar at 32 cents a pound. Here we are with the gentleman trying to reduce 18 cents down to 16 cents in this country. Our sugar farmers can compete if we have a fair market, a fair world to compete in, but it is not that way.

We as Americans have long given in to other countries. We are the good guys. If we unilateraly lower our loan rate, we will wait 20 years until they come around to conform to what we have done. We must not give away our bargaining power. I say today we have to try to protect and try to keep the good programs we have. The sugar program costs the American taxpayers nothing. We have people say that under the present program, consumers pay. But the sugar program eliminates wild price swings and in years with a sugar program, the cost of sugar is cheaper to the American consumer.

□ 1810

The only people who are going to benefit if we reduce the sugar process are the tremendous conglomerates in this country who are going to make a profit from it. The farmer will be hurt and the consumer will never see lower costs for sugar-containing products. The consumer will not get one bit of benefit whatsoever from it.

So I ask the Members today to support the farm bill. I am probably as conservative a Member in this House as, for instance, the gentleman from Texas [Mr. ARMEY], but we need a good farm bill. We need a bill so we can keep people in rural areas of this country producing. We need a bill that allows us to continue to export into the world market and bring in the $28 billion to $30 billion from exports and hopefully keep growing. We have to do export enhancement and carry out some of the programs before us.

So, Mr. Chairman, I close by saying that I ask for the support of the Members of this House for a bill that we have pretty well cut as short as we can. I believe we have made this the best bill we can possibly produce.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to our colleague, the gentleman from Missouri [Mr. VOLKMER], one of our distinguished subcommittee chairmen.

Mr. VOLKMER. Mr. Chairman, I commend the gentleman from Texas [Mr. DE LA GARZA] and the gentleman from Illinois [Mr. MADIGAN] and other members of the Agriculture Committee for bringing the 1990 farm bill to the floor. Even though I may have some concerns about some of the provisions, I also recognize the fact that we have budgetary constraints that require us to do certain things we would not necessarily like to do.

However, I would at this time like to address title XV of the bill, which is State and private forestry. This is the first time in the farm bill in recent memory that we have had a forestry title. In there we incorporate some of the provisions that were commended by the President, including the America the Beautiful Foundation. Additional tree planting is what we are looking at, and also better stewardship for our existing trees and assisting with technical assistance with nonindustrial forestry people who have private forest reserves.

In this bill we also provide for disaster assistance and fire-fighting and forest stewardship assistance, along with our community and urban forestry.

The gentleman from Alabama [Mr. HARRIS] has been instrumental in the fire-fighting area, and I would like to yield to him at this time to address that portion of the bill.

Mr. HARRIS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from Missouri [Mr. VOLKMER] as well as the gentleman from Texas [Mr. DE LA GARZA] and all the members of the committee who have worked so hard on this bill. This represents a lot of hard work.

I am especially proud to have had a part in the State and private forestry section dealing with our volunteer fire departments. This bill recognizes its importance.

This is "Mom and apple pie," because the job that the rural fire departments perform are so important to us in the rural areas. We see every day all the problems we have now with fires all over the country, and we see the need for a force there than can be mobilized to help us. This is a great recognition of the problem, and hopefully we can develop a solution that will help us protect our properties in Alabama and through rural America.

Mr. Chairman, I thank the gentleman for yielding, and I look forward to working with him.

Mr. VOLKMER. Mr. Chairman, I also thank the gentleman from Alabama [Mr. HARRIS] for his assistance in bringing this part of the bill to us, along with other members of the subcommittee who have worked with me as chairman of the subcommittee to formulate the provisions that are in title XV of the bill. I think that they are supported unanimously by the subcommittee and hopefully by the full committee.

Mr. MADIGAN. Mr. Chairman, I yield 6 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], the ranking member of the Subcommittee on Livestock, Dairy and Poultry.

Mr. GUNDERSON. Mr. Chairman, first of all, let me begin by saying a special word of commendation of praise to our distinguished chairman and our distinguished Republican leader. They are valiant warriors on behalf of American agriculture and all it includes. I think everyone ought to recognize them for the toil they have paid in the trenches on behalf of America's ability to eat and eat well and to feed a hungry world.

Mr. Chairman, this is my first opportunity as the ranking Republican of the subcommittee to participate in the writing of a farm bill. It has been both a privilege and a challenge to each of us in our subcommittees as we try to deal with the realities of the budget concerns, the fiscal constraints, and the environmental concerns, and through all of that try to write a farm bill that is something we are proud to take back to our farm communities.

Through this effort this year we have had a goal, or at least I have pursued a goal of what I call a modern national dairy industry. While the bill that we bring to the Members today is not everything any of us in an ideal world would like, I must say that this bill includes many, many important steps to move toward a modern dairy industry that both supports the dairy farmers in this country and equally

allows us to prepare for what obviously sometime in the next 10 years will likely become international competition.

In 1980 the Government, through the 1980 farm bill, signaled that we simply were having price supports at a level that was more than we could afford. In the 1985 farm bill we recognize that there was the need for a transition to market orientation, and now in 1990, we are recognizing an important difference, that the dairy price support program is no longer the market price but, rather, it is, as farm programs ought to be, the safety net, and that the farmer today truly produces for a market price in a market orientation.

I think it is important, however, as we begin this debate that each and every Member understand what we have done in the last 5 years. If you will look at the red line on the chart next to me, you will see we have moved from a 1.260 price support down to $10.60 or down to the $10.10 figure actually, and we have also seen a signficant cut in the cost of the dairy price support program over these 5 years from really something like $2.5 billion on down to the $600 million that we are spending in fiscal year 1990.

One of the great problems we face on the Agriculture Committee in trying to write this particular element of the farm bill is that the Congressional Budget Office has made the assumption, with no basis, that we would simply extend the 1985 farm bill through 1995 with a 50-cent-a-year cut in the price support program. Now, this chart becomes significant because if you will look at the lower line, what they are projecting for the current services baseline for dairy in each of those years is a declining baseline down to just over $200 milion.

If you believe the Congressional Budget Office bureaucrats, you would believe that we would go from a $2.4 billion expenditure in 1985, to $200 million in 1995, and under their theory we would literally phase out the dairy program in 1997. Now, nobody else believes that, and yet that is one of the kinds of economic handcuffs that we on the Agriculture Committee have had to deal with. So when you hear that the dairy program is over the budget, it is simply over the budget baseline of the CBO because we have made the decision in the bill in front of us that we have reached a proper baseline in terms of a safety net for our dairy program.

Yes, today farmers produce for a market price, and we are happy to say that the bill we bring the Members will guarantee an average farmer with 40 cows $28,000 more in income than would the proposal that was submitted by the Department of Agriculture. So we believe this is a step in the right direction in protecting farmers' income, and we believe that also the possibility ought to exist that while farmers will have no price support cuts under this 5-year bill, the possibility of increases will exist in the years in the future when and if a shortage should occur.

In addition to that, we have tried to modernize this bill by providing what we call a change in the calculations from butterfat—because there is not a milk surplus today, there is a butterfat surplus because American consumers have changed their dietary demands—so we have recommended that we calculate the dairy program on a realistic, honest assessment, which is total solids.

Third, we have provided a two-tier programs with a trigger to implement supply management when that is necessary, and, fourth, we have provided what we call the mechanisms for a dairy trust to protect dairy farmers' income in the event a processor might go bankrupt.

In addition to those key elements, the national market order hearing and the MW revisions that the Department of Agriculture is undertaking at the present time provide us with the basis through this legislation to move America's dairy farmers and, more importantly, our dairy policy into the modern national dairy industry that we find in the 1990's.

Mr. Chairman, the dairy industry in 1990 is poised for a new and exciting decade of change in the marketing and production of milk. Last year, as I started to engage in the discussion of crafting the dairy title of the 1990 farm bill, I laid out two broad goals: First, create a national dairy policy which unifies all dairy producers under one set of consistent dairy programs; and second, develop a modern dairy program which reflects the dairy industry of the 1990's. While sounding simple, the implementation of a program to achieve these goals has been monumental.

Representing one of the Nation's leading dairy producing regions, I have suggested the interests of the dairy industry nationwide and those of Wisconsin are not mutually exclusive. The traditional dairy structure of Wisconsin has underscored the true necessity of a national and modern dairy program, where policy should be on economics, and the industry exists and flourishes on those national and modern policies.

Dairy has made positive advancements since enactment of the Food Security Act of 1985, mainly the continued increase in consumption of dairy products. Since 1985, commercial disappearances of dairy products has increased 7.4 billion pounds, up 7.4 percent. Since 1980, consumption has increased 19 billion pounds.

The domestic market growth the dairy industry has experienced in recent years can be attributed partly to an effectively dairy promotion program, a promotional campaign our dairy farmers support and pay for to strengthen their position in the marketplace.

The dairy program has changed dramatically over the last few years. Today farmers are producing for the market and not for the support price, with the support price acting as a safety net. From 1980–1985, farmers produced for the support price. But today, dairy farmers are enjoying some of the highest market prices in history, without the benefit of the price support program. The current Minnesota-Wisconsin pay price, the Federal minimum pay price, is $13.28, well above the current $10.10 support price. After a sharp increase in the M–W in 1989 with an accompanying decline from $10.98 in March to $14.93 in December, some relatively stability is returning to the dairy markets.

The dairy industry has reduced surpluses and Government costs dramatically from 13.2 billion pounds in 1985, costing $2.41 billion pounds, to 8 billion pounds costing $670 million, over a 70-percent decrease in spending. It is difficult to find another program that has contributed those kinds of reductions over the last 5 years. These reductions have helped cut the cost of all agricultural stabilization spending for the Dairy Program from 2.68 percent of the total Federal budget in fiscal year 1986 to around 1 percent of total Federal spending today.

Changes in dairy 1985–89

	Percent
Price support level	−20
CCC purchase costs	−70
Consumer price milk	+14
Consumer price index dairy products	+11.6
Consumer price index all food	+23.0

In achieving the goals of a national and modern dairy program, frankly meant a solid national consensus was required with all regions of the country participating in the debate to find an acceptable reauthorization of our Dairy Program.

The Subcommittee on Livestock, Dairy and Poultry conducted field hearings in January 1990, to do just that, provide a stage for a national debate on developing long-term, national and modern dairy policies. Hearings were held in Modesto, CA; Seattle, WA; Syracuse, NY; Rochester, MN; and Harrisonburg, VA.

A number of areas of consensus emerged from these hearings.

First, the pricing system using the Minnesota-Wisconsin price series was obsolete and needed reform.

Second, component pricing needed to be implemented in the Federal milk marketing orders.

Third, changes in the Federal milk marketing orders should be done through the administrative process.

Fourth, the pricing incentive on milkfat was excessive and inaccurate.

Fifth, a different method needed to be developed to provide dairy commodities to our food programs.

Sixth, a stand-by inventory management program should be provided in the event market adjustments have not responded to increased production.

Seventh, stability in the markets was needed because of the recent fluctuations in the Minnesota-Wisconsin price series.

Eighth, milk quality standards need to continue to ensure a safe and high-quality product to consumers.

Ninth, the Dairy Export Incentive Program should be continued.

There were also various areas where a national consensus was not clear cut.

First, the type of inventory management program should be used.

Second, the California make allowance.

Third, specific recommendations for providing for food program needs.

Fourth, the changes required through the Federal milk marketing order administrative process.

Fifth, an exact alternative to the M–W price series.

Continuation of the Federal Dairy Program to stabilize the dairy economy by establishing price supports for milk was stressed throughout these hearings. Providing orderly and long-term policies can accomplish this objective.

The National Commission on Dairy Policy, established in the 1985 Food Security Act for the purpose of recommending reforms in dairy policy for the future, stated:

The milk price support program should treat all producers equally. Sensible policy should result in an ample supply of milk at prices that are affordable to consumers, yet offer producers a reasonable return on their investment.

Federal agricultural policy should be: (1) flexible enough to accommodate unforeseen problems; (2) formulated through a process that is open and well understood by producers and the public; (3) capable of working for several years; (4) market-oriented—that is, resulting in commercial use of the vast majority is produced; and (5) consistent on both the Federal and State level.

The dairy industry is made of diverse farm operations across the country, more concentrated in regions like the Upper Midwest and the Northeast, with a growing industry in the West. The industry also has unique processing and marketing enterprises to provide an outlet for milk to consumers. Even with this diversity, Federal price support policy needs to treat all commercial dairy operations fairly, absent of regional barriers or incentives for production, manufacturing and marketing.

In writing the dairy title for the 1990 farm bill, I along with the chairman of the Livestock, Dairy and Poultry Subcommittee, CHARLIE STENHOLM, followed the recommendations of the National Commission on Dairy Policy report.

MILK PRICE SUPPORT POLICY

The National Commission on Dairy Policy believes Federal dairy policy should be market-oriented. Market forces and adjustments in the Government should balance supply and demand for milk and dairy products.

SUPPORT PRICES WITH PURCHASES

Government purchases of dairy products is a workable solution for supporting milk prices. The Federal support price should establish a minimum price which guarantees an adequate supply of milk. The Commodity Credit Corporation purchases of dairy products must serve primarily to balance the domestic market annually and other surplus products should be secondary.

SETTING OF PRICE SUPPORTS

Price supports should be set by a formula of accounting for changes in technology in an explicit calculation, taking into account economic considerations in other agricultural segments, being able to operate several years without major adjustments, and having some latitude to account for shifts in supply or demand to prevent either a build-up of costly surpluses or decreases in production that result in shortages.

PRODUCTION CONTROLS

A production control program should be implemented in lieu of major price reduction to reduce unneeded supplies of cheese, butter, and nonfat dry milk. The program shouldn't be temporarily used to reduce the Federal deficit, but may be needed to meet deficit reduction targets.

MOST EFFECTIVE PRICE CONTROL PROGRAMS

A dairy termination program and a two-tier pricing program are the selected alternatives. The Commission provided the choices to make it hard for producers to anticipate a specific type of program. Inefficiencies in the administration of the Federal milk marketing order system have led to Class I milk differentials because of the long delays in the hearing process. The USDA and the dairy industry must speed up decision making.

REGIONALISM

The Commission is not in favor of "regionalized" price support system because it believes that an attempt to protect producers in one area would counter the basic market forces. Recommends State pricing systems, mainly the California make allowance, encourages artificial manufacturing growth, and therefore, increased production incentives.

ADVERTISING AND PROMOTION

Endorses the programs financed through mandatory assessments on milk production but it is not sure how beneficial they are to the producers. These programs must be monitored to insure benefits. The Dairy Promotion Board and the United Dairy Industry should be combined to reduce administrative and program costs and improve communications.

TECHNOLOGY

New technologies should not be prohibited because they may affect milk price or industry structure. The Federal authorities should determine how they effect the wholesomeness of the product, the impacts upon the consumer perceptions of the product, and the impact upon the health of an animal.

A national and modern market-oriented dairy price support program is important to the Upper Midwest. But just as important is a national and modern Federal milk marketing order program. Over the last year and a half, I have been working with Secretary Clayton Yeutter to develop a method to evaluate proposals to reform the milk orders through the USDA administrative hearing process, with economic justifications provided by the dairy industry. Just in the last year, the industry has witnessed a series of progressive and aggressive efforts to deal with the Federal milk marketing orders initiated by USDA.

One event which could have the single most dramatic impact on the dairy industry is the decision announced by USDA on March 29, 1990, to conduct national hearings on the Federal milk marketing order system. I commend Secretary Yeutter for setting an aggressive timetable to analyze over 60 proposals from the industry for changes to establish prices for class I and class II milk; establish a uniform system of classifying milk; and change regulations on reconstituted milk.

With hearings to be conducted in six locations in September and October, including Eau Claire, WI, the USDA proposes to have amended orders be effective by May 1, 1992. The dairy industry of the Upper Midwest has claimed the current Federal milk marketing order system is outdated. This has been confirmed by the General Accounting Office and the Economic Research Service at USDA.

Another major area of concern to the industry has been the method by which the Federal minimum price for milk is established through the Minnesota-Wisconsin price service. Most recently, the USDA called for a separate hearing process to develop an alternative pricing mechanism. The USDA and the GAO has concluded the life of the M–W is limited and by the end of 1992, it will be virtually obsolete. Following discussions with the USDA over how to best deal with this necessity, the Department on July 5 announced it will commence gathering data and conducting tests on alternative price series. The goal is to have a replacement or modified price series in place by May 1, 1992.

The dairy title of H.R. 3950 as reported by the House Agriculture Committee represents a national market-oriented approach of reauthorizing dairy policy for the next 5 years. This title also will provide stability for the dairy farmers and the dairy industry.

The committee was successful by crafting a dairy program that eliminates the option for a price cut below the current $10.10 support price and establishes that as the floor through the next 5 years of the farm bill. The committee has put forth a budget responsible program which shows spending to average $719 million a year. A stand-by inventory management program, called for through the national hearings, was provided to deal with a true national milk surplus.

Changes in the way the USDA calculates Government purchases to a total solids equivalent is a recognition that a more accurate method of defining surplus products needs to be in place. Deadlines on hearings on the Federal milk marketing orders and development of alternatives to the M–W were also a important part of the dairy title. And, as a means of providing some assurance farmers would get paid for their product, a dairy payment security proposal was included in the committee bill.

The real challenge the committee faces is trying to write a 5-year dairy program against an unrealistic baseline assumed by the Congressional Budget Office. CBO has done an indefensible act by assuming Congress would move to phase out the dairy program through 1995. Rather than using the same adjustment CBO provided other commodities, by freezing target prices and support prices over the next 5 years, CBO has proposed continued cuts in the dairy price support level and virtual elimination of the dairy program.

The committee wrote the dairy title using a $725-million a year budget estimate proposed by the Senate and was successful in doing so. CBO has instead reduced spending from $628

million in 1991 to $211 in 1995 which is made possible by reducing the price support from $10.10 to $8.60 in 1995.

If the dairy program gets the budget commitment all other commodities have received, we can put forth a sound, market-oriented dairy program for our dairy farmers and still have a budget responsible program.

I am committed to preserving the market opportunities of dairy farmers and the dairy industry of Wisconsin. I am also committed to developing a truly national and modern dairy program where policies are based on economics, the way they were intended when these programs were developed in the 1930's and 1940's. I am confident the dairy industry of Wisconsin and the Nation will see positive changes in the marketing structure of milk by responding to the challenges of our budget, our price support program, and our Federal milk marketing order system. I am confident U.S. dairy will be in the position to participate and benefit in the world dairy market and that good dairy farmers will be able to prosper in the new decade.

□ 1820

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, today we are starting a rather lengthy debate on the shape and direction that our food and agriculture programs will be taking for the next 5 years. These are controversial programs, to judge by the number of amendments which have been noticed, but they shouldn't be. These programs are essential to the continued success of our food and agriculture sector, a sector of our economy which produces affordable food, net export gains, and takes full advantage of the skills and resources of our country.

I became a member of the House Agriculture Committee in 1973, when Congressman Sisk of California left the committee. I have served on the committee for 18 years and have come to have a great appreciation for the benefits produced by our agricultural programs and have gained an understanding of who benefits most from these programs: the American consumer. During my 18 years on the committee, my district has changed from an agricultural district to a suburban district. I represent the most urban district on the committee, and my position is one of having to balance the needs of producers with the needs of the general public. The bill before the House today, H.R. 3950, accomplishes that.

We have held costs constant in the bill, in recognition of the budgetary pressures which face all Government programs. We have recognized the environmental concerns which dominate society and have put together a conservation and environment package which moves our agricultural programs into a new era of stewardship. We have tried to deal with the needs of low income people in the food stamp and other feeding programs, domestic and international, which are authorized in the bill. We have reauthorized our agricultural export programs, so essential in counteracting the subsidization programs of our competitors, but we have tightened up these programs. We have, in short, put together a package which I can present to the residents of my district as a fair balance of the needs of farmers, consumers, environmentalists, and taxpayers.

I would like to compliment Chairman DE LA GARZA and the ranking minority member Mr. MADIGAN for their tireless work in bringing this legislative package together. These two gentlemen worked to fashion this balanced proposal, taking stands which they would rather not take, but ones which were necessary in order to get this compromise. And people like me, with non-farm districts, need to recognize the compromise which this bill represents and thank the committee for having taken their demands into account.

I serve as chairman of the Subcommittee on Department Operations, Research, and Foreign Agriculture and our subcommittee was responsible for two titles of the 1990 farm bill: the research title and the aid and trade title. I would like to briefly describe what is contained in these two titles and demonstrate the importance of these provisions to my colleagues.

The research title, title XIII, represent more than 2 years' work, and continues efforts begun in the 100th Congress to authorize needed research programs. In H.R. 3950, we have reauthorized a number of general research, extension, and teaching programs and have made changes to them to improve their effectiveness. We have expanded the competitive research grants program to make it a major new research initiative as recommended by the National Academy of Sciences' Board on Food and Agriculture. This new initiative will allow agriculture to continue its path of progress based upon the best science and technology.

We have expanded and created problems which will draw new talent into the food and agricultural sciences with a major minority fellowship effort. We will make better use of the historically Black institutions, the 1890's colleges and universities, and will reach out to other schools for talented Black, Hispanic, and other minority students.

We have responded to public concerns about food safety and ground water quality with a host of new program proposals designed to reduce the contamination from chemicals used in agriculture. These programs constitute a major new thrust to our research and extension efforts with work on alternative agricultural systems, integrated pest management [IPM], integrated cropping systems, and water quality research and extension. These programs complement the field programs along the same lines which are authorized in the conservation title of the bill.

We have initiated new programs in agricultural weather information, new crop and new product development, genetic resources conservation, information systems, and a host of other needed areas. Together the proposals made in the research title will provide the base for our food and agriculture sector in the next century.

The export title, title XII, contains reauthorization of our agricultural export and food aid programs. The export programs in the 1985 farm bill have been successful in recapturing world market share that the United States lost during the early 1980's. Agricultural exports help our farmers and enhance our general economic performance by creating millions of off farm jobs through associated services in financing, storage, packaging, processing, merchandising, and transportation. Agricultural exports contribute to a positive trade balance of more than $17 billion and thus play a major role in reducing the national trade deficit. Since our farmers can produce more than the country can consume during the same year, exporting the residual supplies is critical in keeping agriculture a healthy industry. And continuing our export promotion programs is essential to exporting these products in a highly competitive market in which other countries are subsidizing their exports.

The Subcommittee on Department Operations, Research, and Foreign Agriculture, together with two other subcommittees, have extensively examined these export programs and were in the lead in uncovering problems in program administration. We have responded to these problems by adding new provisions to strengthen the administration and operation of the export promotion programs to prevent inconsistencies and abuse. These changes address concerns raised in our hearings and in audits of the programs by USDA's Office of Inspector General and the General Accounting Office. These provisions would require the Secretary of Agriculture to certify and periodically audit all USDA export programs and establish a marketing strategy for carrying out all export programs, including the increased export of high value products. We have included tighter provisions to make sure that only U.S. grown commodities are eligible for export credit guarantees. This bill will also require stronger oversight of the Targeted Export Assistance [TEA] program to require that all participants meet specified cost-share levels and assistance is

directed at markets where U.S. producers face unfair trade practices.

We have worked out a compromise agreement with the Committee on Foreign Affairs which would revamp our food aid programs. We increase food donations and allow debt forgiveness for the neediest countries. Our committee has worked hard with the Foreign Affairs Committee to produce a strong program which will make sure that U.S. commodities reach the hungriest people. The program also ensures that economic development is the underlying objective of all of our food aid programs, in recognition that economic development and policy reform are preconditions to develop future export markets for our commodities. We have maintained provisions to safeguard against the potential disincentives that the donation of U.S. commodities can have on agricultural production in the recipient countries, because the committee does not want this program to be a disincentive for indigenous agricultural production in developing countries.

We have also provided increased support for newly emerging democracies, and reauthorized the Food For Progress Program which provides donated commodities to countries that encourage private enterprise and agricultural reform. I support the changes to the food aid programs and believe that this bill will further the continued cooperation between the agencies which carry out these programs.

As with any bill, there are more improvements and additions which could be made. I plan to support some of these efforts, such as the amendment by Mr. DE FAZIO to establish a national organic certification standard. Growers in my home State of California are very eager for this as a way of taking advantage of a growing market in this country and around the world. We have worked on this proposal in committee and I view it as a modest one, and one to which the author has made major changes in order to accommodate the concerns of the committee and the Department of Agriculture. When the amendment is offered, I hope that my colleagues will also support the amendment.

There are other meritorious amendments, some of which I will support. But I will not support proposals which do serious damage to the careful balance which this bill represents. There are a number of well-intentioned amendments which have cause serious damage to the programs authorized in this bill. I would urge my colleagues to exercise restraint when considering these amendments.

As a member from a suburban district, I would ask my colleagues from other suburban districts and from urban ones to take a step back and look at the compromise which this bill represents. It makes great environmental strides in proposals which are supported by most of the major environmental organizations. It keeps funding constant by authorizing programs at the current Congressional Budget Office baseline. It provides inexpensive food, yes by subsidization of production, but with costs spread across society, not paid by the individual consumer. Removing or seriously disrupting these programs will cause prices to rise as the individual consumer is forced to pay the bill, with a regressive impact on low and middle-income families.

I urge my fairminded colleagues to support this bill, this compromise which represents many months of work.

Mr. GRANDY. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Chairman, in 1985, the House Agriculture Committee was charged with the duty of constructing an American farm policy that would: promote international trade, conserve millions of acres of environmentally fragile soils, and protect farm income that was experiencing severe declines through the early 1980's. The Food Security Act of 1985 accomplished those goals.

In 1990, the Agriculture Committee has been charged with similar duties: continue to promote international agriculture trade, protect millions of environmentally fragile farm acres, and address the issue of farm income.

H.R. 3950, the Food and Agriculture Resources Act of 1990 achieves those goals.

The committee has not reached the finalization of this legislation without hard work, intense negotiations, and some very difficult decisions.

During this process, we have been constantly attacked and maligned regarding the direction in which the committee was moving in regards to the 1990 farm bill.

Basically, our goal was, and continues to be, to supply the American consumer with a safe, reliable, nutritious, abundant, and affordable food supply. And we have done this.

A figure you will hear often during this debate is 10.4 percent. U.S. consumers spend 10.4 percent of their consumption dollars on food, the lowest percent of any nation in the world.

The Japanese spend 18.8 percent, the Swiss devote 20.2 percent, the Russians spend over 27 percent of their income on food.

In order to keep the cost of food to the consumer low and guarantee the consumer and food processing industry a constant supply of products, the Farm Programs provide adequate incentives and some measure of protection against the inherent risks that are associated with agriculture, such as weather, insects, and disease.

These variables are the basis for the changes in commodity prices and farmer income that are experienced annually by agriculture producers.

H.R. 3950 is comprised of 18 titles, that vary from 10 commodity titles to titles that deal with food stamps and related programs, conservation, forestry, research, and several other agriculture related areas.

This legislation literally affects every one of us from when we wake in the morning to when we go to sleep at night.

One of the titles included in this legislation is the sugar title. The United States sugar program, as established in the 1985 farm bill, has provided stability in the U.S. marketplace while operating at "No cost to the government."

The program also yielded over $300 million dollars in revenues for the U.S. Treasury over the past 3 years.

Opponents of the United States sugar program have been carrying out a misinformation campaign over the past 2 years that has succeeded in making this title one of the most controversial titles in the farm bill.

The extremely tight, volatile world sugar market is the reason the Agriculture Committee established a sugar program in the 1981 farm bill.

While the United States sugar program establishes a minimum import quota so that American sugar producers are assured at least 18 cents a pound, the European Community is directly subsidizing their sugar industry to the tune of 30 cents a pound.

This has caused the EC to become the second largest exporter of sugar in the world in just 12 years. They dump their excess subsidized sugar on the world market, which in turn depresses prices well below most countries' cost of production.

Mr. Chairman, the U.S. agriculture industry has become the model for agriculture production around the world. One only needs to recall the pictures and stories of long food lines and severe food shortages in Eastern Europe and Russia in order to realize the success we have had with our American food policy. What is the first thing we see every time we walk into a supermarket? A bountiful array of fresh fruits and vegetables.

Then we pass aisle after aisle of food—generic, frozen, name brand, store brand, dairy products, meats. It's quite amazing when we think about it. We in American have a choice in what we select for our dinner table, and the Agriculture Committee has attempted to present to this body legislation that will continue to allow the American consumer such a choice.

I would like to commend Chairman DE LA GARZA and Congressman MADIGAN on their leadership in developing legislation that is both prudent and

fiscally conscious; 1990 figures indicate that less than 17 percent of USDA's budget is used for farm price supports.

This number is expected to decline in 1991. I ask my colleagues to remember that the legislation before us today will affect 435 congressional districts—directly—either in the way of food stamps and commodity distribution programs in the inner city and rural areas of America, or ground water and conservation protection in the farm lands.

I urge my colleagues to support H.R. 3950 so that America's farmers can continue to supply the United States with a safe, bountiful food supply.

Mr. DE LA GARZA. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY. Mr. Chairman, I rise in strong support of the 1990 farm bill and thank the gentleman from Texas [Mr. DE LA GARZA] for his generosity in so yielding.

The House Agriculture Committee has included a $500 million Competitive Research Grant Program in the 1990 farm bill. This initiative is based on legislation which I introduced last fall, H.R. 3806, the Competitive Agricultural Research Grant Act of 1989. I wish to thank Chairman DE LA GARZA, Chairman BROWN, Chairman STENHOLM, my Indiana colleagues Representatives JONTZ and LONG, and the other members of the Agriculture Committee for their support of this important program.

This grant program will stimulate new academic research in agriculture, thereby strengthening our Nation's rural economy and assisting young scientists in pursuing academic careers.

Given high budget deficits and the need for fiscal restraint, I realize that new Federal outlays are hard to justify. However, agricultural research has produced an annual return of more than 45 percent. In addition, the development of new crop and animal strains, farming techniques, and market uses for agricultural products will benefit all sectors of the American economy.

Over the past several decades, Federal funding for agricultural research has shown no growth other than matching inflation. In 1965, the USDA research budget had the purchasing power of $788 million in 1982 dollars; the 1988 research budget was valued at $778 million in 1982 dollars. Of these funds, less than $50 million was in the form of competitive grants. Competitive grants, by their very nature, seek out the contributions that all scientists and areas of science can make to advance the knowledge and technology that will impact agricultural marketing, production, and competitiveness.

My bill was developed in conjunction with recommendations made by the National Academy of Sciences Board of Agriculture National Research Council in "Investing in Research," a 1989 proposal to strengthen the national agriculture, food, and environmental systems.

The farm bill language closely tracks language in H.R. 3806, establishing six high priority fields: Plant systems; animal systems; nutrition, food quality and health and welfare; natural resources and the environment; engineering, products, and processes; and markets, trade, and agricultural policy.

The President's budget proposal for fiscal year 1991 requested $100 million for competitive research grants as a national initiative for agricultural research. This would expand the current USDA competitive grants program by about $57 million over the fiscal year 1990 appropriation.

However, two fields were omitted from the President's budget—engineering and markets. These fields have been reinstated in the farm bill language. Research in these two fields will be crucial to ensure American competitiveness as we approach the next century.

The importance of agriculture in our own economy and to U.S. international competitiveness warrants a renewed commitment to the development of new techniques and products and to the pursuit of innovative market uses for agricultural products.

Trade in agricultural products is an important asset for the United States in international balance of payments calculations. U.S. preeminence in agricultural trade has faced severe global competition during the past decade as advances in agricultural production have spread. In the future, we will face a substantively more competitive environment.

Our ability to compete is directly related to the edge we have in science and technology. Land, labor, and capital alone will no longer provide our agricultural competitive advantage. Research, especially competitive grants which stimulate innovation, is an investment in our future.

The House Appropriations Committee has included $73 million to fund this program this year, a 50-percent increase over last year. I am hopeful that over the 5-year life of the farm bill, this research program will continue to grow.

American farmers can continue to compete. Continued research will ensure that U.S. agriculture remains highly productive, that commodities remain nutritious and safe, and that new market uses are developed. The grant program the farm bill seeks to establish is a direct investment in our Nation's future.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Chairman, I rise to speak briefly about the hunger relief provisions in this legislation, particularly the Mickey Leland hunger provision. I am very pleased that this legislation increases hunger assistance to our needy community by 6 percent.

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Those of us who want to have additional funding for programs for the low income have a special obligation, in my view, to work to root out some of the fraud and corruption that permeated these programs. I am very pleased that Chairman DE LA GARZA has accepted legislation that I have authored that would toughen the penalties for those who traffic in food stamps, drugs, arms, explosives, and ammunition, whether it is Los Angeles which recently had a $1.6 million case where there was food stamp trafficking, whether it is Portland where police are breaking into drug houses and finding thousands of dollars of unredeemed food stamps, all too often we are seeing our terribly important antihunger program ripped off by drug dealers and arms merchants.

Under this legislation, food stamp traffickers would have new and heavy penalties, a $250,000 fine and a 20-year prison sentence. These important penalty provisions would replace basically the slap on the wrist that exists under current law.

I want to thank Chairman DE LA GARZA for his support, and also on the minority side the gentleman from Missouri [Mr. EMERSON] and also the gentleman from Kansas [Mr. GLICKMAN] who offered it for me in the committee.

Mr. GRANDY. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman, I rise to offer my support for provisions in the farm bill's conservation title which establish a national goal for the long-term preservation of 2.5 million acres of wetlands located on agricultural property. Chairman DE LA GARZA, Vice Chairman MADIGAN, Congressmen COLEMAN and ENGLISH should all be commended for the tremendous effort which was put forth in working to achieve a fair balance on many difficult environmental and agricultural issues. In my view, the conservation title reflects a serious and successful effort to balance many competing public policy goals.

Wetlands preservation is an important component of this year's farm bill. When I introduced the Permanent Wetlands Agricultural Reserve Act of 1990, it was in an effort to encourage members of the Agriculture Committee to mandate the long-term protection of wetlands in return for a fair market price to America's farmers who choose to enter into a permanent conservation lease. My bill required that a minimum of 2.5 million acres of wetlands be conserved and that the private landowner be fairly compensated, based on the terms of the lease agreement. I am delighted the farm bill established the same 2.5 million acres as a national goal.

The permanent easement program makes sense for several fundamental reasons. First, the conservation agreement is permanent. America's taxpayers should not be renting conservation. Rather, we should be making a once-in-a-lifetime environmental investment. Second, by providing reasonable terms for conservation easements, we will be treating our agricultural landowners fairly. Today's wetlands regulations significantly reduce the productive use of private property. We

must be willing to compensate landowners who pay taxes on their private property, but are unable to develop their land to meet the needs of their families.

Finally, in order to achieve President Bush's goal of a "no net loss of wetlands," we must start with this year's farm bill. Our Nation's wetland base is estimated to be less than 100 million acres. The Department of Agriculture estimates that nearly 13.8 million acres of wetlands were lost during the last three decades due to agricultural conversion. Today, another 10.8 million acres of wetlands located on private property could well be converted for agricultural purposes. The best way for us to protect our farmers' private property rights while preserving wetlands is to proceed apace and enroll a full 2.5 million acres in permanent conservation agreements.

Once again, I applaud the leadership and all of my colleagues on the Agriculture Committee for striking a fair and reasonable balance on a difficult issue.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from Virginia [Mr. OLIN].

Mr. OLIN. Mr. Chairman, I would first like to thank Chairman DE LA GARZA for yielding me this time and to commend him and the gentleman from Illinois [Mr. MADIGAN] for putting together a farm bill that represents a good balance and should have the support of all the Members.

I rise to talk a little bit about the dairy title of the bill. I must say, it is a pleasure at this time to be on the side of the committee in all respects and support the committee bill in ever feature.

On that, I thank the gentleman from Texas [Mr. STENHOLM] the chairman of the Subcommittee on Livestock, Dairy, and Poultry, and the gentleman from Wisconsin [Mr. GUNDERSON] for their cooperation and willingness to work out an accommodation of different points of view.

I would like to remind the Members that the dairy title of this farm bill comes off the 1985 farm bill. The dairy provision there by any measurement has got to be considered a substantial success.

The surplus that we were dealing with at that time has been brought down approximately 70 percent, as the gentleman from Wisconsin said. The cost of the program is down about the same amount. Farm income has been stable over this period of time.

Right now supply and demand are in relative balance. The milk price, the manufacturing price, is running $2 a hundredweight above the support level, and the fluid milk price is running about $3 above the support level. This is a good example of what happens in the market when you have supply and demand in relative balance.

The consumption of milk and milk products has gone up during the last 5 years. Productivity of animals has gone up, and prices of milk products in the market have been reasonable.

The one thing people need to remember is that there is no need at this time to vastly and radically change the provisions of the 1985 bill. In forming the 1990 bill, our objective has been particularly to try to maintain the balance between supply and demand so that milk prices can continue to be favorable to farmers.

Mr. Chairman, I urge the Members to vote and support the committee position on dairy and vote for the entire bill.

Mr. GRANDY. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, new agriculture legislation passed a critical step when the House Agriculture Committee recenty approved the 1990 Food and Agricultural Resources Act. This legislation reauthorizes commodity programs, agricultural research and extension, conservation measures, and food aid and trade programs for the next 5 years. We now begin the critical process of reviewing this legislation before the entire House.

The Agriculture Committee struggled to lay the groundwork for agricultural policy for the next 5 years. In a changing political world, with stricter environmental concerns, and under tremendous budgetary pressures, the committee has done a commendable job. I particularly compliment the chairman for his leadership.

The House Agriculture Committee has made some significant changes to the 1985 farm bill while attempting to maintain a market-oriented agriculture policy that offers continued incentives for farmers regarding such important programs as conservation and supply stabilization.

The committee has made a major change in how commodity loan rates are determined. The House bill repeals the "Findley" loan adjustment—reduction—mechanism sets regular nonrecourse loan rates at 85 percent of the rolling 5-year average market price for the commodity. The Secretary of Agriculture would have limited authority to lower the loan rate further based on commodity stocks-to-use ratios.

Other important provisions of the bill include:

A limited planting flexibility option of 25 percent of farm base acres—including historical oilseeds plantings—to other permitted crops with base protection. There would be no deficiency payments but loans are in effect for flex acres.

Target prices for program crops are frozen at 1990 levels. In the bill, for each 2.5-percent increase in the corn ARP, above 15 percent, or wheat above 7.5 percent, the target price increases by 2.55 percent.

The committee bill provides for a soybeans marketing loan, with the loan rate set at $5.25 per bushel and with future increases or decreases based on the stocks-to-use ratio.

The dairy title of the bill sets a minimum support price of $10.10 per hundredweight. The bill also allows for adjustments of 25 cents to 50 cents based on projected Government purchases, and calls for a stand-by inventory management program should purchases exceed 7 billion pounds.

The research title proposes to support the commercialization of new products made from agricultural commodities.

Conservation measures in the bill expand the Conservation Reserve Program [CRP] slightly and redirect the emphasis to sign up smaller areas of land that directly affect ground water quality. The bill includes new wetlands easement, conservation cost-share, and voluntary water quality programs.

Reauthorization of the Export Enhancement Program [EEP] and the Market Promotion Program [MPP], with increased emphasis on the export of U.S. value-added agricultural products.

This legislation will also make significant and positive changes in our foreign food aid programs under Public Law 480. The Agriculture Committee has worked closely with the Foreign Affairs Committee and the House Select Committee on Hunger to fashion a compromise Public Law 480 proposal. These changes to Public Law 480 will create a new program to provide food for development for the poorest countries in the world and to address the urgent needs of hungry people in poor countries. I fully support this food aid compromise and I am certain that these changes will contribute to a better use of U.S. food aid to enhance the food security of those most in need.

Mr. Chairman, those are some of the highlights. On balance this is a good bill. I urge a favorable vote.

Finally, I would like to point out an issue that was not addressed directly in the farm bill, but will be addressed by the Agriculture Committee next year. That issue is the availability of credit from the Farmers Home Administration for beginning farmers. Included in report language in this farm bill is a call for the USDA to maintain and report statistics on beginning farmers that are served by FmHA loan programs.

Chairman DE LA GARZA and Mr. ENGLISH, chairman of the Conservation, Credit, and Rural Development Subcommittee, are committed to undertaking a major review of FmHA lend-

ing practices next year. I am confident that the Agriculture Committee will consider legislation that I introduced earlier this year, the Beginning Farmer and Rancher Credit Act of 1990, during that review process.

Getting started in farming today is a difficult task, and young farmers are becoming few and far between. During the 1980's, financial conditions slowed entry into farming and forced many younger farmers and ranchers to leave agriculture. The USDA's Economic Research Service estimates that as a result of farm financial difficulties, nearly half of all farm assets are owned by farmers who will be likely to retire in the next 10 years. In my own State of Minnesota, the average age of farmers is nearly 60 years! It is obvious that we must create new opportunities for our young and aspiring farmers, and help to maintain the American tradition of independent family farms.

Mr. GRANDY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER], a distinguished member of the Agriculture Committee.

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Mr. HERGER. Mr. Chairman, I strongly support the legislation as passed by the Agriculture Committee. I want to commend our distinguished chairman and ranking minority member of the committee for their outstanding leadership.

This bill is designed to continue the successful, market-oriented policies of the 1985 farm bill. We have made great progress in bringing down Federal outlays in farm spending—from nearly $26 billion in 1986 to less than $9 billion this year. I also stand in support of the overall freeze in spending contained in this bill due to our need to balance our Federal budget.

These market-oriented policies will help continue the expansion of agricultural exports, which are so vital toward reducing our trade deficit. The Marketing Loan Program for rice and cotton has proven successful in assisting producers in building new markets abroad while reducing burdensome surpluses. Federal export programs have been especially successful in assisting our farmers who face unfair foreign competition or heavily protected markets.

This legislation freezes program spending while maintaining our goal of balancing supply with demand. It also provides our farmers with necessary support against foreign subsidies and unfair competition, and thus strengthens our negotiating position as we attempt to reduce farm subsidies on a worldwide basis through the GATT talks.

This legislation is essential to economic stability and growth for rural America. Just as important, it will provide American consumers with an inexpensive and healthy supply of food. I strongly urge my colleagues to support the bill as passed by the committee.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from Missouri [Mr. SKELTON.]

Mr. SKELTON. Mr. Chairman, I rise to speak in favor of the farm bill that is pending before the House at this time.

I begin, first, by commending the chairman, the gentleman from Texas [Mr. DE LA GARZA], chairman of the Committee on Agriculture, for his efforts in crafting an omnibus farm bill that is truly responsible to the various segments of American society, first, to the farmers, then to consumers and then looking at the very tight budget and those who are interested in that.

As chairman of the congressional rural caucus for the last 6 years, I have seen the American farm sector recover from the deep recession that was the backdrop for the 1985 farm bill. High commodity prices reduced America's competitiveness in the world market.

Our rural communities were suffering as a result of Americans losing farms that had been in their families, Mr. Chairman, literally for generations. In fiscal year 1986, the Federal Government disbursed $25.8 billion in farm support program payments. In response to those conditions, we shifted course.

Mr. Chairman, we created a market-oriented farm policy. As a result, the farm economy has improved dramatically. American commodities are much more competitive on world markets. Food prices have stabilized. Farm support costs have declined from the $25.8 billon in fiscal year 1986 to about $10.5 billion in the year 1989.

Mr. Chairman, hope, Mr. Chairman, was renewed for many family farmers who were on the verge of bankruptcy.

During the next few days many of our colleagues will offer amendments to limit the scope or to dismantle these policies. Mr. Chairman, we cannot let that happen. Asserting that commodity programs are giveaways, some of our colleagues will attack our Nation's farmers. However, the real beneficiaries of our current farm program are the American consumers.

The best bargain in this world today is the food that is produced and purchased here in America. American agriculture is the envy of the world. Our farmers are the hardest-working and the most productive in the history of this civilization.

Under this farm bill that is before us, we will continue that policy. I urge its support.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, as we begin this debate on the 1990 farm bill, I hope that my colleagues will consider some basic budget facts.

The committee bill freezes target prices and, according to CBO, comes in at current services baseline. While program cuts are virtually certain to be a part of any budget summit agreement, we should remember that farm program costs have come down dramatically over the past 4 years, from over $25 billion in 1986 to about $8 billion projected for 1990. The actual levels of support that farmers receive has been reduced. For example, the wheat target price has been reduced from $4.38 in 1986–87 to $4 in 1990. Considering the impact of inflation over this period, farmers are receiving substantially less support from Government than in the mid-1980's. The decision to freeze, rather than attempt to increase target prices over the period, is not necessarily good news to our farmers in this country but it necessary because of our budget restraints.

Mr. Chairman, the supply and price of food and the conservation of food-producing resources is a matter of vital concern to all Americans, not just farmers. U.S. farm policy has been successful in providing consumers the most abundant, highest quality, most reliable food supply in the history of the world and at a cheap price. Compared with both the European Community and with Japan, United States food costs are lower and farm program costs are smaller.

On the environmental front, the Agriculture Committee bill continues and builds upon the environmental gains made in the 1985 farm bill:

Wetlands protection provisions are strengthened. Unlike the 1985 law, the committee bill stipulates that simply draining wetlands will trigger the cut-off of farm program benefits.

Water quality provisions offer significant incentives to farmers to agree to alter their operations to protect groundwater and surface water from all forms of agriculture-related contamination.

The Integrated Farm Management Program authorized by the committee bill allows and encourages farmers to use more environmentally sound methods. Through this program, producers will no longer be locked into conventional methods of agricultural production as dictated by the program eligibility rules set up by the 1985 farm bill.

The committee bill also continues Conservation Reserve Program authority to offer 10-year rental contracts to producers who agree to protect highly erodible land or other environmentally sensitive lands.

Mr. Chairman, I intend to offer an amendment that will provide additional flexibility for the production of re-

source conserving crops to producers who farm highly erodible land. One third all all cropland in this country is highly erodible and more than 50 percent of soil erosion occurs on these acres. And resource conserving crops are one of the best and most cost-effective ways of controlling erosion. Producers should have a simple, straightforward mechanism for growing these crops without any penalty related to farm program participation or benefits.

The committee bill continues to push U.S. farm policy toward a market-orientation. In addition to reduced support rates that the Agriculture Committee has recommended, the bill allows producers to transfer up to 25 percent of base acres among program crops and oil seeds in response to market signals. For too long, the Department of Agriculture has micromanaged the farm economy. It's time that we give farmers more room to follow the market in their own cropping decisions.

The committee bill continues important agriculture export promotion activities, including the Export Enhancement Program. Some 25 percent of EEP funds would be reserved for high value or value-added products.

Finally, the committee bill takes important steps on grain quality—an important issue for U.S. agricultural competitiveness. The bill requires that the premiums and discounts offered to farmers in the price support loan program be based on factors related to grain quality and cleanliness. If properly implemented, these provisions will help to ensure that farm programs no longer distort market signals regarding grain quality and cleanliness by eliminating profitable marketing opportunities for substandard grain. I hope that these provisions, which codify USDA actions taken in response to grain quality provisions of the 1988 Federal Grain Inspection Service reauthorization, will prevent the U.S. Government from ever again becoming a respository for low quality grain which cannot otherwise be profitably marketed.

Mr. GRANDY. Mr. Chairman, I yield 3 minutes to the distinguished ranking member of the Cotton, Rice, and Sugar Subcommittee, the gentleman fron Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Chairman, I rise today in strong support of the farm legislation as reported by the House Committee on Agriculture.

First, I would like to thank the chairman of our committee, Mr. DE LA GARZA, and the ranking member of the committee, Mr. MADIGAN, for their leadership on this important measure. Both were tireless in their efforts for a bill that represents good agricultural policy for producers and consumers and yet met the tight budget constraints under which we are working.

We went to the people. Hearings were held all around the Nation. All interested parties were given the opportunity to speak. After our hearings and during the development to speak. After our hearings and during the development of this bill all members of the committee were given an opportunity to present their proposals. Many had proposals that I supported which would have provided higher supports levels for farmers. But budget realities always limited what we could do.

This bill represents many hours of hard work, attempting to balance the goals of many interests. The chairman and the ranking member were always there providing the leadership to get us to the point we are today.

Mr. Chairman, at this point I would like to speak about the situation facing agriculture today. Speakers you have already heard of will hear later will provide you with all the statistics on the reduction in cost to the Government of farm programs, the increase in the net farm income, the reduction in farm debt, the strength of our export markets, the contribution of agricultural to our balance of payments, and other significant statistics for American agriculture.

While these statistics are important, I must point out to my colleagues that these represent aggregate data and national averages. All farmers of the Nation have not shared equally in the rebounding of the agricultural economy. While I feel strongly that the 1985 farm bill started us in the right direction, we must remember that severe drought conditions in some parts of the country also contributed to the strengthening in market prices. Those areas where hardest hit by these conditions did not share equally. When you have no crops you can't benefit by high market prices.

As a farmer, I know what it's like to hear favorable market quotes during farm market broadcasts, but have no crop to sell. In my part of the country, it appears we are finally breaking out of a multiyear drought. We still need rain to build up our subsoil moisture. While not complete we are on our way back.

My point for bringing this to the attention of my colleagues is to complete the picture of American agriculture. Critics will attempt to paint a picture of the American farmer as a willing beneficiary of unlimited Government handouts. They'll say things are great on the farm across the country. That picture is wrong. It's simply not the case.

Farming is a difficult and risky business. It is a highly leveraged business. The rate of return on invested capital is very small, 2 to 3 percent in Minnesota. Not only is farming subject to the vagaries of nature, it faces a number of unpredictable elements in our society, including frequent changes in national farm policy.

In spite of these difficult circumstances farmers provide the American consumers with an abundant supply of safe nutritious food for the smallest percentage of their income of any place in the world.

I would also like to make a few comments on some of the elements of the legislation under consideration. As I have mentioned it is a difficult task to develop national farm policy for so many different commodities grown in so many different regions of the country. There are always competing and at times outright conflicting goals. This is the case, not only for production agriculture, but true as well, for processing, distribution, and consumption of agricultural commodities.

In this bill we have included provisions to allow farmers more flexibility among the program crops. Some will argue we have not gone far enough. I think we have—and I would be particularly concerned with giving any additional flexibility to producers of program crops who continue to receive program benefits on these acres and be allowed to produce nonprogram crops on these same acres. For example, in northwest Minnesota potato growers receive no Government support. To allow program farmers the flexibility to now produce nonprogram crops with Government support isn't fair. It upsets the market. Simply stated it doesn't allow a level playing field.

In this measure we have included an oilseeds program. As the case will be shown we have lost a tremendous number of acres of soybeans, sunflowers, and the like during the last 5 years. We have lost a tremendous foreign market for soybeans. Acres of sunflowers have dropped to the point that we are having trouble keeping the processing industry alive. I wish there had been more support by the industry in 1985 for a sunflower program, but that's water under the bridge. This bill takes a first step to address that situation. Recognizing the budget limitations, we have made a beginning.

Additionally, the relationships between the feed grains developed in the 1985 farm bill effectively made it more advantageous to produce crops other that oats and barley. We have seen a reduction in the acreage of oats to the point where we are now a major importer of oats. This should not be the case. The bill makes needed changes in this area. I hope we have been successful. This is something I personally will be following.

We have also made some changes to improve the feed barley situation. Presently, market prices for feed and malting barley are combined. When

the deficiency payments are determined on this basis it can adversely affect producers of feed barley. In years of short supply, higher barley prices significantly reduce the amount of deficiency payments due the farmer. We have made some changes to address this situation.

I think we have also developed a workable dairy program. It provides a minimum of $10.10 support level. Unfortunately, this is again an instance where budget projections would not allow a higher minimum. At this time I would also like to note that I am pleased that the Secretary of Agriculture has agreed to hold a national hearing on national milk marketing orders. I feel that the results of these hearings has the potential to affect the dairy industry in Minnesota as much as does this farm bill.

While I know we will not be considering major changes to the Federal Crop Insurance Program, I am looking forward to working with my colleagues in assuring funding for the Federal Crop Insurance Program for the 1991 crop year.

The measures included in the conservation title of the farm bill as reported from the full committee represent a compromise supported by farm groups as well as environmental groups. An item worthy of mention is the changes relating to the swamp buster provisions which make the penalty fit the crime so to speak. That is, a farmer will no longer lose all of his program benefits for a minor violation. We do not want to penalize farmers, we want to protect our wetlands in a realistic manner.

The committee has also maintained strong support for the export programs. It is imperative that we maintain our export markets.

And, I am pleased to have actively supported the chairman of the committee, Mr. DE LA GARZA, and the ranking member, Mr. MADIGAN, in the decision to write a farm bill independent from the ongoing GATT negotiations. It is imperative that we do so.

Some of the amendments which will be offered jeopardize this approach. In all instances, I urge my colleagues to reject these amendments. The committee bill has taken the proper approach. American agriculture supports a level playing field in the international arena. Some of these amendments will "unilaterally disarm" segments of American agriculture, leaving the American farmer alone to fight the treasuries of our foreign competitors.

One additional item—rural development. While this measure does not directly address rural development, those of us from the rural communities know that the best rural development is a strong agricultural economy. In drafting this legislation the committee worked with this in mind. Unfortunately, some of the amendments will result in job losses. For farmers it will be particularly difficult. A recent economic policy institute report states "rural workers have a harder time recovering from economic dislocation. Rural Americans are at a distinct disadvantage in the labor market. The economic infrastructure of rural regions just cannot absorb large numbers of unemployed workers." Having a strong agricultural and rural economy is as important to our Nation as it is to the local and regional communities.

During the debate on this legislation, some will argue their points with deep and sincere emotions. Others will argue from a detached position and say we must approach farming strictly as a business. In reality, it is both. A business and a way of life. We must develop farm policy which will allow farmers to work their land and compete with their neighbors down the road and farmers in foreign countries. Yet recognizing the uniqueness of farming as a way of life and the role it has played in our Nation is important. This legislation does both.

□ 1850

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Mississippi [Mr. ESPY].

Mr. ESPY. Mr. Chairman, I rise in support of H.R. 3950, and I would like to commend the gentleman from Texas [Mr. DE LA GARZA] and the gentleman from Illinois [Mr. MADIGAN] and other members of this committee for presenting what I feel is a good bill, a responsible bill.

Mr. Chairman, it continues our efforts to create a stable and consistent and reliable food supply. It continues our efforts to open markets abroad, which helps our balance of trade after all, as we suffer trade deficits in almost every other category. It combats hunger at home and abroad through the Mickey Leland Anti-Hunger Assistance Act. It provides for a cleaner environment with wetlands and other environmental modifications. And, Mr. Chairman, it is not a budget buster. Only six-tenths of 1 percent of the Federal Treasury does this agriculture bill cost.

Mr. Chairman, it has often been said before and is almost cliche now that Americans are the best fed people for the least amount of disposable income. As I said, it almost sounds cliche.

Mr. Chairman, as we see food lines in the Soviet Union and shortages in Eastern Europe and elsewhere all across the world, this fact really comes home. American consumers get a really good deal from this farm bill and our National Farm Program. We only spend about 11 to 14 percent of our disposable income on food, and that is the lowest among industrialized nations.

Mr. Chairman, in the debate tomorrow this House will be considering amendment sponsored by some of our urban and suburban Members. I hope that this debate does not turn into a rural versus urban concern, because, Mr. Chairman, agriculture is important to everyone, because everyone must eat.

I hope Members will resist this tomorrow, because by and large I feel these are antifarm and antirural. They are antifarm because they only serve our competitors who seek to undercut our positions in world markets, and they are antirural because they further seek to call for the demise of rural America and rural economies, because, Mr. Chairman, as we still seek to diversify in Mississippi and other rural States across this Nation, it is still true that as so goes agriculture, so goes rural America.

Mr. Chairman, in conclusion, I think this is a good bill. I think that it is fiscally responsible. I and others on the committee would have liked to have seen some kind of inflation index, some sort of benefits being targeted to the cost of production, because combines cost more, cotton pickers cost more, everything costs more, and small farmers in this Nation are being ploughed under.

These large farmers that you hear so much about today, Mr. Chairman, really on an average receive only about a 2-percent return on their investment.

Mr. Chairman, in conclusion, I think this is a good bill, and I would like to recommend it to Members. I hope we do pass House bill 3950.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, first let me thank the chairman of the committee for the generous yielding of time. I would say first that I have eminent respect for him and the members of the committee. They work hard, they labor diligently, and for something they truly believe in. I think no one can impugn the motives and the hard work of the members on the Committee on Agriculture as they labored through this proposal.

Mr. Chairman, I would simply say that farm policy is really at a crossroads. The coalition that I am part of believes that there are certain problems in the bill that cannot be fixed from within the Committee on Agriculture. We understand that. But we think we can bring a salutory force to help make things better.

The perspective we center around is in the interest of taxpayers, consumers, and smaller farmers. These are groups that are part of the farm bill, but not a large enough part. And that has meant in my judgment a somewhat imbalanced approach that has meant

flawed policy and unnecessary bloating of the Federal budget as well.

Mr. Chairman, I believe that the farm programs should not be eliminated. I believe they are important and serve a role. But I believe equally fervently that they ought to be fixed. I believe that billions of dollars can be saved without hurting the family farmer and to the benefit of the country as a whole.

So, the Coalition of Common Sense Farm Policy Members will offer a series of different amendments to bring about fundamental changes. They are in two categories. The first are in categories of programs that have truly outlived their usefulness, or programs that have gone awry. The Export Guarantee Program, a program that in general makes some sense, spends a quarter of its dollars on Iraq. I do not think the American people really would support that.

The T Program, the Targeted Export Assistance Act, gives money to large businesses and co-ops to advertise overseas. Again, if we had to rank American priorities in these days of budget deficits, that would be at the bottom of the list. And the list goes on.

The Woolen Mohair Program was designed to subsidize a needed strategic commodity, woolen mohair having not been a strategic commodity for 20 years.

But the other thing we wish to do is refocus the farm program on the family farmer. When 3.6 percent of the farmers get close to 40 percent of the subsidies, there is something wrong. I will offer an amendment that will set a ceiling on eligibility of farm subsidies, ensuring that those that are making $100,000 of profit, not the Reid amendment in the Senate, because we all know that gross receipts don't measure the wealth of a farmer. Many farmers have high gross receipts, high expenses, and do not make any money. But if you are making over $100,000, you should not get a subsidy, you do not need a subsidy, and since 1985, with the Reagan farm changes, too high a proportion of the farm bill goes into that arrangement.

Mr. Chairman, the bottom line is we can have a rational, constructive farm policy. We can have a farm bill that helps the producers that need help and the taxpayers that need relief. I look forward to the remainder of the debate and look forward to hopefully this House making some changes in the farm bill that again will not end farm programs, but simply aims to fix them.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding time to me. I wish to commend the chairman, the ranking member, and all of the members of the committee and staff for producing a very difficult bill on the subject of omnibus farm legislation. I know personally, having once served as a member of the Committee on Agriculture, the arduous task that they have had, to hear the numerous witnesses over time to produce this legislation today.

There are two points I would like to make at the outset of the debate on this farm bill.

The first is that this farm bill has been driven as much by budgetary considerations as by farming considerations.

Farmers and friends of agriculture in Arkansas and across the country deserve no less than candor from us.

It would be less than candid to speak on this bill without pointing out that the problem of the Federal deficit has played a large role in shaping this bill, and will play a large role in the final product which emerges from this debate.

The second point is that farm programs are essential to American agriculture, and that this country cannot do without them if it is to sustain an agricultural industry that can compete effectively in the global marketplace.

Under today's conditions we need these programs.

Farmers prefer earning their money from the marketplace rather than through Government programs. The result of farm programs, however, has been a relatively cheap and stable supply of food for consummers.

And, we must observe that every major agricultural country in the world has a farm program. Why? Because the same survival-of-the-fittest rules that make the free market such a frightening place for individual farmers apply to farming countries, as well.

Our trading competitors and partners realize that the risk of financial ruination for the individual farmer—from 100 different sources completely outside his control—is too great.

Those other countries realize that it is the obligation of any national government to share that risk with the farmer, if that government wants to adequately feed and clothe its people and compete effectively in the world farm marketplace.

The administration is currently working at Geneva, under the GATT framework, for a total, worldwide elimination of farm programs. Perhaps we would be the biggest kid on the block under that scenario; perhaps not.

But one thing is for sure: in today's non-GATT environment, America would be eaten alive in world agriculture trade without farm programs. Every nation subsidizes their farmers. And the United States must do so as well.

Many amendments, including two of my own, will be considered in the next few days. I hope that when the debate is finished, it can be said that we did as much as we could for the American farmer under the circumstances.

□ 1900

Mr. DE LA GARZA. Mr. Chairman, may I inquire as to the remaining time?

The CHAIRMAN pro tempore (Mr. SCHUMER). The gentleman from Texas [Mr. DE LA GARZA] has 8½ minutes remaining; the gentleman from Iowa [Mr. GRANDY] has 3 minutes remaining.

Mr. DE LA GARZA. Mr. Chairman, I am informed that the Committee on Education and Labor has allotted to them 30 minutes. I do not know of their participation with the exception of the mutual committee member, the gentleman from Indiana [Mr. JONTZ], who is present. Either we could allow him time on our time or, if he would, take time from that allocated to the Committee on Education and Labor.

The CHAIRMAN pro tempore. The Chair informs the chairman that the Committee on Education and Labor's time will be yielded back unless they show up.

The Chair is informed that they have shown up in the person of the gentleman from Indiana [Mr. JONTZ].

Mr. DE LA GARZA. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Indiana [Mr. JONTZ] is recognized for 15 minutes.

Mr. JONTZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the distinguished chairman of the Committee on Agriculture, of which I am also a member, for allowing me to proceed at this point.

Mr. Chairman, my understanding is that the ranking minority member of the full House Committee on Education and Labor, Mr. GOODLING, will be present to claim his time.

Mr. Chairman, I certainly want to thank the chairman of our full Committee on Education and Labor, the gentleman from California [Mr. HAWKINS], and the chairman of the Subcommittee on Select Education, the gentleman from New York [Mr. OWENS], for making it possible for me to utilize this time this afternoon.

I would like to take a few minutes to speak to the issue which our Committee on Education and Labor debated a few days ago, which is a very important issue to a number of our Nation's farmers and agricultural communities.

That is the question of farmers with disabilities, what we can do in this farm bill to provide help to those individuals to keep them productive, keep then on the land, keep them a part of American agriculture.

Section 1842 under title XVIII of the farm bill that we have before us contains an assistance program for farmers with disabilities which is the product of work by the Easter Seal Society and Representative NAGLE of Iowa, a member of the full Committee on Agriculture, which I think is an excellent provision, to expand what is happening now in our country to assist these farmers and to provide them with assistance through the Agricultural Extension Service to help them remain productive.

Currently, farming is this Nation's most hazardous occupation. There are some 500,000 disabled farmers and agricultural workers nationwide. Regrettably, there is assistance, but for a small number of those, even though we know many farmers who have been disabled through on-farm accidents or some other way, can often continue farming with proper help.

We have models now in place, successful programs operating now in the State of Iowa, in the State of Indiana. At Purdue University, Indiana Easter Seal Society operates the Breaking New Ground Program. There are also programs in Montana and Vermont which are outstanding programs that are run through the Cooperative Extension Service.

We know from the operation of these programs that there is much which can be done to help farmers with disabilities.

The purpose of the provision which is in title XVIII of the farm bill is to expand what is now happening to fund cooperative programs between the State extension services and private not-for-profit organizations such as Easter Seals and others to help disabled farmers and agricultural workers.

There will be a total of $31 million authorized over the next 5 years for grants under this program. There would be a competitive process for awarding those grants. I think that this provision would allow us to move forward and address the very pressing need and help a group of young men and women who would like to remain in agriculture, who have been disabled through some accident, who can remain productive in agriculture with some assistance.

Mr. Chairman, when this legislation came to the House Education and Labor Committee, there was extensive debate over the proper relationship between the Secretary of Education and the rehabilitation programs under the Secretary's authority, and the program as it was written in the House Agriculture Committee, which is a program to be funded with agriculture dollars and administered through the Extension Service.

My belief is that there may be an amendment offered on the floor of the House by myself or by the gentleman from Michigan [Mr. FORD], a member of the full Committee on Education and Labor, to provide that these programs be administered in consultation with the Secretary of Education.

Whatever the will of the House may be in that regard, I feel like we would not want to delay this program or hinder it in any way by encumbering it with unnecessary amendments. But at the same time, the Secretary of Education and the rehabilitation programs he administers certainly have something to offer.

My hope would be that this concern can be accommodated and that we can see the proper sort of working relationship between the Department of Education and the Department of Agriculture to see that this is a positive program.

I want to again thank the chairman of our subcommittee, the gentleman from New York [Mr. OWENS], who is responsible for rehabilitation matters. I know the gentleman from Pennsylvania [Mr. GOODLING], the ranking minority member of the full committee is here.

I would like to retain the balance of my time, Mr. Chairman. There are other issues which perhaps can be discussed on the time that remains of the Committee on Education and Labor, but I felt it was necessary to address this very important issue of the disabled farmers in our country who need the assistance, who can be receiving assistance through this provision.

Mr. Chairman, I reserve the balance of my time.

Mr. GRANDY. Mr. Chairman, it is my understanding that the minority side of the Committee on Agriculture has 3 minutes remaining.

The CHAIRMAN pro tempore. The gentleman is correct.

Mr. GRANDY. I would like to use that time to close at this point. Then I assume the time will revert to either the Committee on Foreign Affairs or the Committee on Education and Labor. Is that correct?

The CHAIRMAN pro tempore. The gentleman from Iowa may close for the minority side of the Committee on Agriculture at this point if he wishes, yes.

Then we would probably have to finish the Education and Labor portion of the debate, the remaining time for the gentleman from Indiana and the 15 minutes for the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GRANDY. Mr. Chairman, with that understanding, I will finish up for the Agriculture Committee.

The CHAIRMAN pro tempore. The gentleman from Iowa is recognized.

Mr. GRANDY. I thank the chairman.

Mr. Chairman, I, too, want to join the members of the committee and the Members of this body who have congratulated the chairman of the Committee on Agriculture and its ranking member, the gentleman from Illinois [Mr. MADIGAN] for putting together a very difficult but very worthwhile package that does not give any member of the Committee on Agriculture what he or she wanted, which does not give any farmer in this country what he or she wanted, or any consumer, for that matter, but has tried to fashion a balanced package that meets the needs of those people who produce food in this country and those people who consume it.

Mr. Chairman, I know there are problems with this bill, and I know there will be amendments that are offered. But I hope that during the course of the debate we remember that what we are discussing as we discuss the Food and Agricultural Resources Act of 1990, is the continuation of a world recovery policy that began in 1985 with the Food Security Act, was extended with the Agricultural Credit Act of 1987, was to some extent supplemented by the drought bills of 1988 and 1989 and is now, I think, reaching an appropriate culmination in this bill.

We have frozen target prices in this bill. Members of this committe, Members in this room have preferred to raise those target prices.

Federal employees will see cost-of-living allowances built into their wages; farmers will not.

What they will see is probably 4.5-percent inflation over the next 5 years, which will amount to a net loss in income for them and yet, because of the budgetary requirements, we cannot index target prices to the cost of inflation. And we do not, because we are mindful. We are also trying to remain in mind of that pledge that we took in the Food Security Act to make our exports more competitive.

With that in mind, we have tried to create a trade policy that responds to those needs.

I heard the gentleman from New York mention some criticisms of the T Program, which rightly should be criticized.

□ 1910

Yes, there have been some subsidies to large, large companies that have used advertising dollars, but let me remind Members we are trying to address that in committee. An amendment was offered by this gentleman which was accepted by the committee to allow up to 25 percent of those T funds to go to smaller companies, smaller regional companies, to market their products and advertise their products overseas. We are changing.

There is an attempt to criticize programs like the Export Enhancement Program which have in the past stressed bulk commodities over value-added products. That change is in this

bill. More to the point, we are trying in this bill to continue what we did in the Food Security Act of 1985, which is to balance the economic and environmental needs of this country. If Members recall in 1985, the conservation title was handed to this body on the floor. This year, the Committee on Agriculture, and the Subcommittee on Conservation, Credit, and Rural Development and the Subcommittee on Department Operations, Research, and Foreign Agriculture have made those changes.

Let me say, Mr. Chairman, in conclusion, I salute all the Members who have worked hard. I close with a statement that I think anybody who supports this bill would support, made by William Jennings Bryan over 90 years ago, who said,

> Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to our distinguished colleague from Georgia [Mr. RAY].

Mr. RAY. Mr. Chairman, I rise in support of H.R. 3950, the 1990 farm bill, and I want to commend the chairman of the committee, Chairman DE LA GARZA, and the ranking Republican member, Congressman MADIGAN, for their leadership on this issue. The debate on this bill promises to be lively and aggressive.

There was a time when this body was proagriculture because of the very large percentage of Americans who were farmers—compared to less than 2 percent today—and because many Americans, having gone through the Great Depression of the 1930's, they, the Congress, appreciated those who produced food for them when they were going through a difficult period in our history. Sadly, today it seems we do not have a proagriculture majority in Congress.

I do not know of any Federal program that doesn't have bureaucratic complications and which can not be budgetarily adjusted—not one. This includes agriculture. But I want to remind my colleagues that our agricultural production system is a fragile one—one which during the last 14 years lost about half of America's farm producers. In addition, a large percentage of the current generation of children from farm families are going into professions other than agriculture, and the future is looking very bleak indeed.

I have had the opportunity to visit foreign farm organizations during the past few years as have many members of the Agriculture Committee. I have observed that most European countries, as well as Asian and Middle Eastern countries, do whatever is necessary to protect their food production systems. Their farms were decimated during several wars.

The South during the Civil War also experienced a time of starvation, when there was no one at home to run the farms. So we know what happens when the farmers leave the land for whatever reason.

The point that I want to make tonight is that the pipeline from the farms to the supermarket must be protected—and it must be protected at all costs. I hope that at some future date we would reach a period of market stability where we could begin to reduce certain types of subsidy to support agricultural programs—but that time is not now.

The 1985 farm bill has for the most part worked very well. We have farmers who are beginning to recover and to regain their economic status—farmers who are once again becoming motivated and happy about the contribution they are making to the American family, the families of the world, and to the starving families of the world.

If our colleagues from the nonfarm States are successful in wrecking the 1990 farm program, they will have contributed to driving more farms out of the food production business. They will make it necessary for increased importing of agriculture products.

Mr. Chairman, I speak from a forum of experience. All of my ancestors have been farmers, and I am a former farmer—and I might add a former farmer who was driven off the land in the 1950's because of 3 years of drought and a disastrous fire that burned 200 acres of grain and because of an administration that tinkered with agriculture during that period.

Mr. Chairman, there will a lot of healthy discussion on this bill as there should be, but I judge that in the final analysis we should vote for and pass H.R. 3950, the farm bill.

Mr. DE LA GARZA. Mr. Chairman, I reserve the balance of my time, to conclude debate after the other committees have used their time.

The CHAIRMAN pro tempore (Mr. SCHUMER). The gentleman from Pennsylvania [Mr. GOODLING] is recognized for 15 minutes.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there are a couple of areas of the bill that we have some jurisdiction over, and I would mention those very briefly.

Section 1382, consistent with the jurisdiction over worker health and occupation and the responsibility given the Department of Labor by the Occupation Safety and Health Act, in advancing safe and healthy working conditions, of course, comes to our committee. Section 1382 requires the Department of Agriculture to conduct a study of the frequency and severity of accidents to persons working in agriculture, and conducting the study, the bill calls upon the Department of Agriculture to utilize the work in this area done by the National Institute for Occupational Safety and Health, NIOSH, in State and private agencies and industries, and also requires that the Department of Agriculture furnish a report on the study to the respective Committees on Agriculture of the House and the Senate, by January 1, 1992.

There were two minor changes made by the committee in this section. We would require the Department of Agriculture to consult OSHA as well as NIOSH in conducting the study. Second, we would require the Secretary to submit a copy of the report of the study of the House and Senate Committees on Labor at the same time as the report given to the Committee on Agriculture.

In the bill, section 1774, the food distribution advance funding for States option contracts, amend the Commodity Distribution Reform Act and WIC amendments of 1987. It authorizes the Secretary of Agriculture to use Commodity Credit Corporation, and section 32 funds to pay for all or a portion of the cost of goods or processing or packaging of food on behalf of State commodity distributing agencies. When such funds are used to meet the agreed-upon costs, the State commodity distribution agencies are required to reimburse the Secretary for such costs, and the funds received by the Secretary to be deposited for the credit of the Commodity Credit Corporation or the appropriate account from which the funds were originally borrowed, and repayments must be made by the agency within 150 days. If not, the Secretary must deduct any outstanding amount from the appropriate account within 30 days. This gives the Secretary an opportunity to do what we must do, if we are going to use many of these commodities. He has to be in a better position to get commodities to those who are using the commodities in a manner in which they can be used. So many times commodities come at the end of a school year, and somebody has to find some place to store them, have to rent facilities, many times, particularly refrigerated facilities. Other times, all sorts of commodities come into a school district, and there is nothing they can do with them unless they are reprocessed, and they send them out for reprocessing, and then they bring them back and try to use them that way.

This will give the Secretary a little more leeway to provide these commodities in such a manner that it is more likely that the schools will be able to use them, as well as some of the senior citizens groups that also seem to be interested.

The one area that I had hoped that we could do more with, and the gentleman from Indiana [Mr. JONTZ] talked about earlier, I think we want to be careful if we are going to get in the business of deciding every committee should have some separate rehabilitation program, everything is going to be redundant. We do not have money to do those kinds of things. We have good programs being operated now. I hope that our minor change in saying at least the Secretaries must consult with each other will bring about a coordinated effort so that we do not find ourselves spending a lot of money in different agencies, coming from different departments, doing exactly the same thing.

I hope that when those are brought up as amendments we can get support.

Mr. Chairman, the committee has made two minor changes in section 1382 consistent with its jurisdiction over worker health and safety and the responsibility given the Department of Labor by the Occupational Safety and Health Act in advancing safe and healthy working conditions. Section 1382 requires the Department of Agriculture to conduct a study of the frequency and severity of accidents to persons working in agriculture. In conducting the study, the bill calls upon the Department of Agriculture to utilize the work in this area done by the National Institute for Occupational Safety and Health [NIOSH] and State and private agencies and entities. The bill also requires that the Department of Agriculture furnish a report on the study to the respective Committees on Agriculture of the House and Senate by January 1, 1992.

The two minor changes made by the committee to this section: First, require the Department of Agriculture to consult OSHA as well as NIOSH in conducting the study; and second, require the Secretary to submit a copy of the report of the study to the House and Senate Labor Committees at the same time as the report is submitted to the Committees on Agriculture.

In this bill, section 1774, the food distribution—advance funding for State option contracts amends the Commodity Distribution Reform Act and WIC amendments of 1987. It authorizes the Secretary of Agriculture to use Commodity Credit Corporation and section 32 funds to pay for all or a portion of the costs of foods or the processing or packaging of foods on behalf of State commodity distributing agencies. When such funds are used to meet agreed upon costs, the State commodity distribution agencies are required to reimburse the Secretary for such costs and the funds received by the Secretary are to be deposited to the credit of the Commodity Credit Corporation or the appropriate account from which the funds were originally borrowed. Repayment must be made by the State agencies within 150 days of delivery of the processed foods or the Secretary must deduct any outstanding amount from the appropriate account within 30 days.

Basically, this provision gives the Secretary of Agriculture the necessary authority to borrow funds from the CCC or section 32 accounts and advance these payment to companies to provide USDA-donated commodities in processed forms that are readily usable by local recipient agencies. The primary beneficiary of this change will be the schools that participate in the National School Lunch Program and receive USDA commodities as part of their Federal entitlement assistance. Senior citizen meal program operators have also expressed an interest in this initiative.

Due to the volume of processing that is anticipated, USDA believes that more plate-ready foods will be available to schools at lower costs. Additionally, it will be more attractive to offer a wider variety of USDA commodities in forms that are more desirable for school food service operations. Currently State commodity distribution agencies must either advance State funds to cover food, processing, and packaging costs and subsequently bill the schools in advance and then proceed to negotiate State level processing contracts. With this new authority, the processing of USDA foods to meet the needs of the schools and other local recipients should be expedited. Finally, the administration included a similar provision in its draft farm bill legislative package that was sent to the Congress earlier this year.

With respect to section 1842, the Education and Labor Committee made a few minor changes to authorize consultation with the Secretary of Education, and to remove the limitation that the disability be only physical in nature. Section 1842 authorizes demonstration grants to support cooperative programs between State extension service agencies and private nonprofit disability organizations to provide on-the-farm agricultural education and assistance directed at accommodating disability in farm operations for individuals with physical disabilities and their families. This program is authorized at $3 million for fiscal year 1991 and fiscal year 1992 and at $5 million for fiscal year 1993 through fiscal year 1996. The legislation also authorizes $1 million for a national grant for technical assistance, training, and dissemination to be awarded to national private nonprofit disability organizations.

This is a program which is clearly designed to provide rehabilitation to farmers with disabilities. We were hopeful in committee to place this program administratively where we believe it belongs with other rehabilitation programs through the Department of Education. Further, we were hopeful that we could have made a greater link with the National Institute of Disability and Rehabilitation Research, which is currently studying the needs of individuals with disabilities in the workplace. The committee was reluctant to make these substantive changes, but did recognize the need to at least coordinate the grants in consultation with the Secretary of Education.

Each of these amendments must be offered on the floor and I am hopeful that my colleagues will support such a move. To authorize a disability program that is focused on rehabilitation, and not have it coordinated with the lead Federal agency that operates the basic State grant rehabilitation grant program seems to be duplicative and misdesigned. We need to be concerned about the needs of the client, not turf issues among Federal agencies or committees of Congress. I hope that we will be able to have the Education and Labor Committee's language accepted if it is offered as an amendment. It will strengthen the programs, and provide more comprehensive services to the client in the long run.

Mr. JONTZ. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Chairman, I would like to associate myself with the remarks made by the previous speaker, the gentleman from Pennsylvania [Mr. GOODLING] with regard to the rehabilitation programs and the fact that $3 million is included in this bill for rehabilitation purposes at a time when we are faced with the need to make Government more efficient, more effective, to spread ourselves in this way, and to have an appropriation for this kind of activity, without having the infrastructure raise these serious questions.

Mr. Chairman, I rise to indicate my support for an amendment to section 1842 of this legislation intended to be offered by the gentleman from Michigan [Mr. FORD] tomorrow.

Section 1842 of this legislation authorizes the Secretary of Agriculture to make demonstration grants to support cooperative programs between State extension service agencies and private nonprofit disability organizations to provide on-the-farm agricultural education and assistance directed at accommodating disability in farm operations for individuals with physical disabilities, and their families, who are engaged in farming or farm-related occupations.

The intent in having extension agents deliver services to farmers is to heed research results which show that farmers respond most favorably to services delivered by people most familiar to them, in this case extension agents, with whom they have a long history of successful interaction. In the current context, however, it would be a mistake not to ensure that the expertise in rehabilitating people with disabilities housed in the Department of Education's Rehabilitation Services Administration is obtained in the administration of the program.

For this reason, I intend to support an amendment to be offered tomorrow by the gentleman from Michigan [Mr. FORD] which would require the Secretary of Agriculture to consult with the Secretary of Education in the administration of this program. This would ensure that the Department of Agriculture is in a position to benefit from the disability-specific expertise of the Rehabilitation Services Administration, located within the Department of Education. The Ford amendment will also promote greater familiarity in the Rehabilitation Services Administration with rehabilitation as seen from the perspective of the farmer.

A rehabilitation system responsive to the need of farmers is a necessity in our society. The rate of occupationally incurred disability is higher for farmers than for any other occupation. The Rehabilitation Act of 1973 is up for reauthorization next year and it is my intent as the chair of the subcommittee responsible for that effort to build on those services already provided under the act and the knowledge gained as a result of implementing this provision in the farm bill to ensure that this $1.5 billion program, the Federal Government's largest devoted to the rehabilitation of people with disabilities, is responsive to the rehabilitation needs of our Nation's farmers.

The Ford amendment would also make a needed change in the target population for this program. As currently worded, only individuals with physical disabilities are eligible to receive services. As a House Member who was heavily involved in the recently passed Americans With Disabilities Act, I note that an unsuccessful attempt was made in one of the committees considering the bill to limit coverage to those with physical disabilities. The attempt to limit coverage under the Americans With Disabilities Act to those with physical disabilities represented a departure from the definition of disability in effect since 1973, and was wisely rejected. It is contrary to sound principles of disability policy to arbitrarily exclude an entire class of people with disabilities from the benefits of this program. The Ford amendment would delete the word "physical" from the current language, thereby ensuring that this program's target population is the same as that set forth in the basic State Rehabilitation Program funded under the Rehabilitation Act.

I applaud the efforts of the gentleman from Michigan to improve the legislation before us and urge a "yes" vote on his amendment tomorrow.

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Mr. GOODLING. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. RAY). The gentleman from Nebraska [Mr. BEREUTER] is recognized for 15 minutes.

Mr. BEREUTER. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, I want to begin by commending the chairman, the ranking member, and all the members of the Committee on Agriculture of the House who have crafted very important legislation which they are bringing to the floor. They have made a tremendous effort in doing that, and I commend them.

I want to focus my remarks initially on title XII, where the Committee on Foreign Affairs of the House had jurisdiction with the Committee on Agriculture on matters relating to food assistance and exports. I would speak first to the amendment earlier described and to be offered by the gentleman from Connecticut [Mr. GEJDENSON], the chairman of the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs. He has done that with the support and cooperative effort of this Member and other members of the Committee on Foreign Affairs and of the Select Committee on Hunger. It incorporates a major and important new initiative to restructing the Public Law 480, Food for Peace Program. This represents the culmination of an effort that has gone on for more than a year. This Member has worked with and consulted extensively with all the organizations and agencies involved in the Food for Peace Program to develop the best possible structure for Food for Peace during the 1990's. We were assisted greatly by the Committee on Agriculture, and we had great cooperation and support from the Select Committee on Hunger.

This Member introduced comprehensive reform legislation in the form of H.R. 4783, which has been reflected in a major way in the amendment offered by the chairman, the gentleman from Connecticut [Mr. GEJDENSON].

As has been mentioned, the provisions in the Gejdenson amendment represent an agreement between the Committee on Foreign Affairs and the Committee on Agriculture that major reform to make the program work efficiently and with full accountability by individual agencies of the executive branch are needed, especially in AID and the USDA, which incidentally are led by my constituents, USDA Secretary Clayton Yeutter and AID Administrator Ronalds. So I have a special interest in trying to make these two agencies' programs mesh for the benefit of the public and of the international programs. By making these changes, we strengthen an extraordinarily important part of the U.S. Foreign Assistance Program, the assistance in the form of U.S. food commodities, which I think is the most popularly accepted part of our foreign assistance program.

When people are hungry, obviously there is no assistance as valuable as food assistance. But food assistance takes careful programming, careful handling, and careful consideration of nutrition and markets to be used well. We have an opportunity to eliminate the scourge of hunger from the world in this decade, but it can only happen if this kind of attention is paid to the objective of having the best possible U.S. food assistance programs. Hunger relief and development is part and parcel of a continuation of the title II programs of assistance for emergencies and through private voluntary organizations in this legislation. In addition, a major new title III grant program for the poorest countries is begun, with the AID Administrator being asked to design it for maximum development impact against hunger.

The title I concessional sales program will become more tailored, under the responsibility of the Secretary of Agriculture, to building up economic development in countries that have good potential as future commercial sales markets for U.S. agricultural exports. Concessional assistance in the form of commodities is an excellent way to support economic development in these countries. With agricultural exports as the single largest export sector of American products or services, we are helping to multiply the number of paying customers we will have in the future for our agricultural products and our processed food.

In the Committee on Foreign Affairs, must through and hard mental work went into the consideration of what would be the best structure for the Public Law 480 program to meet all the needs served by the program in the 5 years ahead. Undoubtedly and absolutely, that was true in the Agriculture Committee of the House as well. The key conclusion after many hearings was that a sharper division of authorities among the responsible agencies would correct many glitches and delays that occur in the present five-agency, consensual decisionmaking process on each and every Public Law 480 application. The result would be a Food for Peace Program that would better serve the interests of the United States in development assistance, in foreign agricultural market development, in foreign policy, and in humanitarian relief than does the present structure.

This Member is also pleased to see that we have reauthorized the highly successful Farmer-to-Farmer Program for the next 5 years. The bill also helps promote the institutional sustainability of fledgling agricultural education institutions in the poorest countries. By adding language to encourage the use of some of the local currencies generated through sales of grant food aid to be used for research, education, and extension in agricultural sciences, this bill would help improve food security and agricultural and economic development through strengthening local agricultural education institutions that are often under severe funding constraints. We, therefore and hereby, can encourage the development in the hungriest countries of local food grant colleges as sister institutions to our own land grant institutions and colleges. Since such local currencies could be used by indigenous nongovernmental organizations, including agricultural education institutions, together with the interest resulting from the investment of the funds, then our grant food aid assist-

ance could contribute both to feeding the hungry today and to permanently endowing local foundations to support agricultural education, research, and extension work that will correct the world hunger problem at its roots.

The bill also strengthens even further the nutritional impact of both the Public Law 480 program and AID's child survival and other development activities. We have a moment of opportunity opened up by a new Public Law 480 grant program for the poorest countries to figure out how to better use our food assistance to address malnutrition which is such an important element of food insecurity and child and maternal mortality rates.

We have an excellent title XII amendment being presented by the gentleman from Connecticut [Mr. GEJDENSON], and with great assistance by the Agriculture Committee chairman, the gentleman from Texas [Mr. DE LA GARZA], and I would certainly urge my colleagues to support it.

Now, let me proceed to a discussion very briefly of the domestic provisions of H.R. 3950.

Mr. Chairman, this Member commends all of the members of the Agriculture Committee, its distinguished chairman, the gentleman from Texas [Mr. DE LA GARZA] and the ranking minority member, the distinguished gentleman from Illinois [Mr. MADIGAN], for their leadership in developing the legislation now before the House and in particular for completing committee action on this bill in a timely manner. Putting together a comprehensive agricultural and food resources legislation of this magnitude is no small feat indeed—especially at a time when the country faces deep deficit problems.

This Member would like to thank the chairman and the ranking member, and especially the distinguished gentlemen from Missouri [Mr. VOLKMER] and [Mr. COLEMAN] and the ranking member, the gentleman from Washington [Mr. MORRISON] for their willingness to incorporate several elements of H.R. 4584, the Conservation Forestry Act of 1990, sponsored by this Member, into the conservation title of H.R. 3950. These elements include provisions to promote the planting of trees in semiarid areas of the United States in the form of shelterbelts and windbreaks, filterstrips and wildlife corridors. This activity is highly beneficial to semiarid areas as these trees will protect and enhance crop and livestock production, the economic mainstay of these mainly rural regions, provide valuable wildlife habitat and promote environmental goals generally. Special provisions were also included that would promote tree planting, in the form of filterstrips, in areas that have significant influence on surface and groundwater quality.

This Member would also like to especially, enthusiastically thank the distinguished gentleman from Kansas [Mr. ROBERTS] for introducing in subcommittee at this Member's request an amendment that would establish a Semiarid Agroforestry Research, Development and Demonstration Center and U.S. Forest Service Facilities in Lincoln, NE. Operation of this center will prove invaluable to States with semiarid climates in developing agroforestry systems specially suited to their climate that will promote crop and livestock production as well as enhance wildlife, water quality and the environment generally. The subcommittee chairman, Mr. VOLKMER, again, was helpful in giving every requested assistance to this Member on this amendment.

Mr. Chairman, this Member will be offering amendments that would enhance further these treeplanting and agroforestry provisions to further promote treeplanting in semiarid regions of the United States.

The bill now before the House also contains a number of provisions that will enhance the quality, cleanliness, and ultimately the competitive position of some of our most important exports, wheat, feedgrains, and soybeans. These commodities accounted for over $20 billion in exports in 1989. Many of the grain quality provisions now present in H.R. 3950 had their House origin in H.R. 3822, which was introduced by this Member in November of 1989. Mr. Chairman, the committee should be commended for addressing grain quality which is so critical to the competitiveness of U.S. agricultural exports and ultimately the financial well-being of a large cross section of U.S. farmers and rural America as a whole.

The bill now before the House continues the market-oriented, export-facilitating thrust of the 1985 Food Security Act that has been very instrumental in pulling rural America back from the brink of disaster that faced it such a short time ago. Exports and farm income are up. Confidence is growing in rural America. This Member commends the House Agriculture Committee for completing their very important and difficult task of preparing comprehensive 1990 farm and food legislation. Also, appreciation is expressed for including numerous provisions drafted by or introduced for this Member.

Mr. BROOMFIELD. Mr. Chairman, I am pleased to rise in support of title XII of this bill, which falls within the jurisdiction of the Committee on Foreign Affairs.

I want to commend Chairman FASCELL, and Congressmen GEJDENSON, ROTH, and BEREUTER of the subcommittee for their tireless effort on this legislation.

The substitute for title XII which will be offered jointly by the Foreign Affairs Committee and the Agriculture Committee will substantially reform U.S. Food Aid Programs. It is a serious attempt to reform the distribution of U.S. food aid to relieve the problem of hunger and improve the export of U.S. agricultural goods.

Because the authorities in this bill cross the jurisdictions of several congressional committees as well as several executive branch agencies, it is understandable that no reforms will be acceptable to all parties.

Despite this obstacle, I am pleased that a compromise was reached between the Agriculture Committee and the Foreign Affairs Committee on title XII. We will offer the substitute amendment later and I urge all of my colleagues to support this compromise.

The CHAIRMAN pro tempore. The gentleman from Nebraska [Mr. BEREUTER] has consumed 10 minutes.

Mr. BEREUTER. Mr. Chairman, I yield my remaining time, 4 minutes, to the gentleman from Michigan [Mr. SCHUETTE] for any remarks he might have to offer on the farm bill.

Mr. SCHUETTE. Mr. Chairman, I thank the gentleman from Nebraska [Mr. BEREUTER] for his courtesy tonight in yielding me this time.

Mr. Chairman, in this Chamber today, we start the debate on agricultural policy for farmers and ranchers in America, to set the course and direction of farm policy in the decade of the 1990's. This is farm policy in a global economy, farm policy in global markets, but, most of all, farm policy for America's farmers and ranchers.

I am proud to serve as a Member representing part of Michigan on this occasion as the 1990 farm bill has emerged from committee. This is a $17 billion industry that helps our State thrive. This farm bill is crafted toward having sensitivity for world market forces, strong export features, and responsiveness to environmental concerns, because, after all, farmers are America's first conservationists, as well as flexible commodity programs, recognizing, however, the importance of nonprogram crops.

During the course of this debate in the days to come, many of us will speak up on amendments offered to this bill. Let me share a perspective. Few in this Chamber would argue or advocate unilateral disarmament in terms of defense policy or defense strategy. No, we build a better peace in a safer world by tough negotiating at the bargaining table. So goes it with international trade and the predominance of agriculture in trade talks today. Let us not disarm the American farmer when foreign subsidies far exceed any we might have at this time, my point being that a worldwide reduction in subsidies and opening up markets to American products overseas is a worthy goal; however, this is only achievable through tough negotiations.

Let us not do the work of the European communities for them by unilaterally disarming American agricultural programs without a corresponding re-

duction at this point in time of foreign subsidies.

So when we go forth in this debate on many commodity programs, let us keep that perspective in mind. Our goal here in a global economy, and with global markets, is, after all, to fight for the American farmer.

The point here is, that we should approach this debate on farm policy from the perspective that we have a responsibility to American farmers. If it is the American farmer versus the French farmer, we will win, but if it is the American farmer versus Europe, Inc., EC-92, with unfair, uneven subsidies from foreign countries, then we would not be doing a service to American farmers. Let us keep that perspective in mind as we go forth during the course of this debate.

Mr. Chairman, I would like to commend Chairman DE LA GARZA and ranking minority member MADIGAN for their exhaustive efforts in guiding this fine piece of legislation to the floor of the House. The Food and Agricultural Resources Act of 1990, as it was adopted by the Agriculture Committee, is sound policy for farmers, for consumers, for our economy, for our environment, and for almost every other segment of our society. A change from this path would hurt rural America, disrupt the consumer's ability to purchase low cost food and fiber, destroy an opportunity for improving our environmental programs, and cripple one of America's premier occupations: farming.

American consumers receive the cheapest food and the best produced food in the world. When compared to other countries, U.S. consumers spend 10.4 percent of their income on food. That represents the lowest cost of any country. Our farmers are the most productive and most efficient of any other farmer in the world. Our consumers are the best fed of any other consumer. We should keep that in mind as we consider this legislation.

The 1985 farm bill was a success. It was legislation that Congress can and should be proud for having adopted. It helped boost our farm exports, increase farm income, improve our competitiveness, move agriculture toward a more market-oriented system, hold down food costs, and make food production more efficient. The bill we now consider will build on those successes.

In the Food Security Act of 1985, we experienced a sweeping policy change with regard to the partnership between the environment and agriculture. The environmental community, through its commitment to protecting and enhancing the Nation's natural resources and environment, worked in consultation with American producers and helped develop some very sound environmental initiatives. For instance, farmers have idled about 34 million acres of highly erodible land through the Conservation Reserve Program since 1986. Nationwide, the average soil loss on land in the program is estimated to be reduced from 20.9 to 1.6 tons per acre after permanent vegetation is established. The 1990 farm bill will build on these monumental accomplishments while extending current programs and establishing new opportunities for protecting wetlands, continuing the protection of highly erodible land, and increasing the quality of ground and surface water.

In the area of agricultural trade, the United States is the world's top exporter of agricultural products. In 1988 alone, our agricultural exports totaled $37 billion, accounting for over 1.2 million jobs and $93 billion in domestic economic activity. With the passage of the 1990 farm bill, we will assure a positive balance of U.S. agricultural trade, combat world hunger and encourage economic development, counter unfair, subsidized export competition, and build new markets for U.S. farm export vital to all Americans.

In conclusion, Mr. Chairman, I must point out that commodity programs comprise less then eight-tenths of 1 percent of the total Federal budget. Farm program spending has dropped substantially in recent years, saving American taxpayers billions of dollars. Since fiscal 1986, we have experienced a 70-percent reduction in Federal spending on farm programs. I ask my colleagues: Has any other Federal program achieved such savings as this? Has any other Federal program even come close?

The 1990 farm bill, H.R. 3950, is legislation that will continue to provide Americans with the safest, most reliable and lowest cost food and fiber supply in the world. It is vitally important that we protect America's largest single industry. U.S. agriculture employs nearly 21 million people, almost 19 percent of the Nation's work force, and accounts for nearly one-fifth of our gross national product. It is not an industry we can afford to lose. The United States' agriculture industry is the envy of the world. Let's keep moving forward. Let's adopt this bill.

Mr. BEREUTER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Indiana [Mr. JONTZ].

Mr. JONTZ. Mr. Chairman, may I inquire as to how much time remains to the majority of the Committee on Education and Labor?

The CHAIRMAN pro tempore. The gentleman from Indiana [Mr. JONTZ] has 5 minutes remaining.

Mr. JONTZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take the remaining time to speak to what I consider to be one of the strongest aspects of the farm bill which comes before us in these next couple of days, and that is the environmental provisions of this bill which build on what was accomplished in the Food Security Act of 1985, which improve a number of those programs, and which put into place some programs which address our Nation's environmental problems in a commonsense practical way.

The legislation which comes before us strengthens the swamp buster provisions, making them more workable and more acceptable to both agriculture and environmental concerns. The legislation establishes water quality protection provisions which would ensure that USDA provides technical assistance to producers and provides incentives to producers to examine their management practices in areas where water quality might be sensitive, and to adopt best management practices on a voluntary basis where that would be a desirable thing.

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Mr. Chairman, the bill establishes an Office of Environmental Quality within USDA to focus and coordinate environmental concerns. The bill makes a number of improvements in the Conservation Research Program. One very important to my own State in Indiana would allow a 15-year contract on CRP lands which are put into hardwoods. The bill includes a number of excellent forestry provisions and a forestry title all the way from assistance to rural communities with firefighting to urban forestry provisions, and there are other very important environmental programs in this legislation also.

Mr. Chairman, I want to emphasize that these are not programs which are being imposed upon the farmer, but rather programs which adopt the spirit of cooperation. I believe that America's farmers want to produce food and fiber for this country in an environmentally benign way. They want to move toward a more sustainable system of agriculture.

We have made a substantial investment in this legislation in research in the area of sustainable agriculture and also extension activities. Farmers recognize that they are impacted by environmental decisions and that in turn they impact the environment.

So, Mr. Chairman, I think we have the right balance in this legislation. We have endeavored in committee to make all of the provisions as workable as possible and achieve the objectives of a clean environment in a way which makes sense for America's producers.

Mr. Chairman, I might say that these very desirable provisions in the legislation are the result of efforts by a number of members of the committee. Certainly the chairman of our committee, the gentleman from Texas [Mr. DE LA GARZA] provided outstanding leadership along with the chairman of several of our subcommittees, the gentleman from Oklahoma [Mr. ENGLISH], the chairman of the Conservation Credit Subcommittee, the gentleman from California [Mr. BROWN], the chairman of the Department of Operations Subcommittee, the gentleman from Missouri [Mr. VOLKMER], the chairman of the Forestry Subcommittee. I believe that we bring to the House a bill which is a very strong bill from the standpoint of the environment and that the bill should get the support, not only of Members of Congress from rural areas, but also from urban and suburban areas because of what this legislation does to help

America's farmers make a transition so that they can continue to meet the food and fiber needs of our Nation with minimal impact on the environment.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, Will Rogers once observed, "It ain't people's ignorance that bothers me so much as it is them knowing so much that ain't so, that's the problem."

Regrettably, the average person today knows very little about production agriculture, how food is grown, processed, and marketed. Many Americans have probably never met a farmer in person. Most consumers take the farmer and our food supply for granted, without realizing how fortunate the United States is to have the safest, least expensive, best quality, and largest food supply the world has ever known.

As we move toward consideration of the 1990 farm bill, instant experts have surfaced, mostly self-acclaimed, with a tendency for exaggerating, or in some cases oversimplifying agricultural policy.

Certainly farm programs need improving, and the House Agriculture Committee has made every effort to do so; but let's keep things in perspective. The total USDA budget has cost an average of $44.1 billion annually over the past 10 years, peaking in 1986 at $58.7 billion. The problem with this statistic is that the USDA budget is not entirely devoted to farmers. In fact, the largest outlay of the entire USDA budget is allocated for school lunch programs, the Food Stamp Program, Food Assistance for Women, Infants, and Children [WIC], funding for conservation, forestry and research, foreign assistance, rural development, food safety and inspection services to assure consumers of quality products, and administrative costs. Infact, under the current proposed USDA budget, approximately 50 percent is allocated for Federal food assistance programs alone. Federal farm price supports, on the other hand, make up only 16.8 percent of the total agricultural budget for fiscal year 1990. Relative to all Federal budget costs, this amounts to just 0.8 percent, less than one penny out of every Federal budget dollar.

Why has the Federal Government traditionally been involved in American agriculture? I believe there are many reasons. Let me briefly focus on just two.

First, farmers and ranchers compete in an international marketplace where foreign governments are often in partnership with their exporting companies. A restaurant owner in Abilene, TX, for example, does not have to worry about the price of a meal in Europe because his customers are local. But American farmers compete with foreign producers who are often heavily subsidized by their governments. If we were unable to provide some degree of Federal support, the cost of production would make our food products too expensive and foreign markets would take their money elsewhere, which could amount to an average of $16 billion annually in losses added to an already staggering trade imbalance.

Americans have come to enjoy and expect a high-quality food supply at a very reasonable cost, now just 10.4 percent of our consumer dollar. Acccording to 1988 figures, a nicely prepared sirloin steak in Washington, DC costs about $11.46; in Tokyo, we would pay about $51.20 for the same sirloin steak. Today, we can buy a dozen eggs for 85 cents; in Stockholm, they pay $2.87. American families can enjoy 53 cents/liter milk, but to a consumer in Ottawa, it would be twice that much. For $1.63, Americans can purchase over 2 pounds of oranges. London consuemrs will pay $3.42 for the same quantity of oranges.

If food costs have gone up over the years, it's not because the farmer is receiving more money. In fact, crop prices are less today than they were 10 years ago. Rice has gone from $12.80 per unit in 1980 to $7 in 1990; soybeans have dropped from $7.60 per bushel to $5.60; corn is down from $3.12 per bushel to $2.55; and wheat is at $2.65, down from $3.99. If the cost of food has increased, it's due to economic factors such as inflation, and manufacturing and distribution cost increases, not as a result of Federal farm programs. Today, agricultural spending is less than 50 percent what it was in 1986. The fact is, American domestic farm policy keeps the consumer's cost of food down, an important economic point for low-income families, while allowing producers to compete in an international marketplace.

Second, the 10-year average of return on equity for production agriculture is 5.1 percent. Compared to other industries, that is not a lucrative business. A recent survey by Forbes magazine revealed that the health industry had an 18.7-percent return on equity; the entertainment and information industry, 17.3 percent; business services and supplies, 16.7 percent. Even the depressed energy industry experienced a 10.2-percent return on equity. The median return on equity for all industries over the past 10 years has been 14.3 percent. Yet, production agriculture has experienced only a 5.1-percent average annual return on their investment.

Without some degree of Federal support to cope with the weather, the cost of production, and international markets, U.S. agriculture could begin to experience dramatic and severe price fluctuations. Hundreds of thousands of people could be forced to leave farming, as only the very largest, possibly corporate or even foreign owned, could compete. We could see a concentration of crop and livestock production, controlled by an elite few, with the power to dictate the price, quantity, and quality of our most basic needs of food and fiber.

We have found ourselves in a similar situation regarding oil production. In 1989, the United States crossed over the 50-percent line on energy imports and may soon be at the mercy of OPEC and other oil exporting countries. Last month, we imported approximately 54 percent of our domestic energy needs, the highest in history.

Taxpayers, by no means, owe every farmer his or her living. But taxpayers, by all means, owe it to themselves to ensure the security of their own food supply through providing an opportunity for our farmers to compete in the world market.

As mentioned earlier, we have the most abundant quantity, the best quality, and the safest food supply at the lowest cost to the consumer compared to any other country in the world. It's not that way by accident. The Food Security Act of 1985 has provided a sound inventory management foundation that allows a balanced supply-and-demand scenario. It would not be wise to jeopardize this blessing by significantly changing the direction of our agricultural policy at the expense of those who make this possible, the American farmers.

Mr. TOWNS. Mr. Chairman, I rise today in support of the Food and Agricultural Resources Act of 1990. I want to especially compliment the chairman and members of the committee for their continued support of 1890 Land Grant Institutions and Tuskegee University. This is the centennial year for these colleges and universities. For over a century, they have played a leading role in educating minority in the agricultural sciences. As a graduate of one of these schools, North Carolina A&T State University, I know firsthand about these colleges' commitment to research and training; 1890 institutions have focused these efforts on enhancing the quality of life for small, minority and limited-resource farmers. I plan to offer a series of amendments which will heopfully augment support for small and limited-resource farmers as well as research initiatives at the 1890 Land-Grant Institutions.

If I might, Mr. Chairman, let me briefly comment on the series of price support amendments which the House can anticipate during consideration of the farm bill. As a Member who represents an urban district, I would urge my colleagues to be very careful about slashing farm subsidy programs. While we are all concerned about deficit reduction, those of us the urban America should remember that we need the votes of farm-State members to continue funding for issues that are important for

urban districts like mass transit; substance abuse treatment programs; and institutional support for inner-city hospitals price support programs are just as important to farm districts as these programs are to urban America. If urban members demonstrate no interest in preserving programs important to the American agricultural sector, members from farming districts can easily justify withholding their support of urban-oriented programs.

A national economic policy requires that we govern with some consideration for equity. To me that means that we should not go out of our way to set up a battle between urban consumers and rural farmers. If we use the farm bill merely as an opportunity to slash farm programs without regard to the implications for our agricultural sector, then we face the real possibility of pitting urban and rural Americans against each other.

So I would urge the urban members of this body to carefully weigh their attacks on the farm bill. Let us operate as a nation that is concerned about preserving domestic agriculture, ending hunger and supporting the family farmer. We should be able to accomplish this without succumbing to regional divisions.

Mr. WEBER. Mr. Chairman, I rise today in support of H.R. 3950, the Food and Agricultural Resources Act of 1990. I also want to take this opportunity to commend the chairman of the committee, Mr. DE LA GARZA, and the ranking minority member Mr. MADIGAN, for their work on this bill. The committee has developed a good and reasonable legislation that is fair to farmers, consumers, and taxpayers. The bill continues to provide an income safety net for farmers while recognizing the budget constraints that we face.

A number of Members, Mr. Speaker, have in recent weeks talked about the need to further reduce agriculture spending. They seem to claim that agriculture programs are at the root of our deficit problem. Nothing could be further from the truth, Mr. Speaker. I want to remind the Members of this body that agriculture spending has been reduced from $26 billion in 1986, to a projected cost of $10.2 billion in 1991. This represents a 58-percent reduction in total spending. I would venture to guess that the proponents of additional cuts would not be willing to accept that kind of reduction in the programs which directly affect their constitutents. It is my hope, that Members will reject any attempts to further erode the safety net that this bill provides for rural America.

Despite the large reduction in spending, this bill continues the important trade policies implemented by the Food Security Act of 1985 that helped the United States retain our position of leadership in export of markets. Since 1986, our exports have increased 33 percent. Largely as a result of policies established in the 1985 farm bill. Those policies include commodity programs that emphasized competitiveness, targeted export subsidies and continued funding for market development.

The export title is one of the most important provisions of the bill. Currently, one-third of our production is exported, contributing $16 billion to the U.S. trade balance. The bill continues this important policy by reauthorizing the Export Enhancement Program and sets the funding at not less than $500 million annually.

In addition, Mr. Chairman, this legislation requires that 25 percent of the EEP funds be used for the export of value-added products. This provision is similar to legislation which Congressman GRANDY and I introduced early this year.

The committee realized that there is a striking contrast when we compare our bulk exports with the exports of value-added commodities. The export of high and intermediate value products constitutes 80 percent of today's world agricultural trade, yet it accounts for a small part of our exports. The United States leads the world with 33 percent of world trade in bulk products, but our share of the world market for value added products is only 7 percent. Compare this with the European Community which has captured 50 percent of the world market for processed agricultural products.

This statistic represents a staggering loss to our economy. It is a statistic that the committee has decided to address, and I commend them for that.

Another provision of the bill which addresses the need to compete effectively with our foreign competitors is the establishment of a soybean marketing loan, an idea which I have supported for a number of years and am glad to see as a part of this bill.

Mr. Chairman, our soybean farmers stand at crossroads. For years, they have enjoyed success, primarily free from Government involvement. Today, the world of soybeans is changing, with new international challenges and problems.

Foreign support of soybean production has continued to expand since the 1985 farm bill took effect. U.S. soybean acreage and production have fallen while world demand has significantly expanded. As a result, the United States is losing to foreign competition its share of the important world market. Nearly half of the U.S. soybean crop has been exported which accounts for nearly $6 billion toward the U.S. balance of trade. However, USDA economists predict that soybeans will be the only major crop showing smaller cash receipts in 1990.

The committee, Mr. Chairman, recognized these challenges and reported out a program which supports U.S. farmers, not foreign competitors, providing planting flexibility and established a soybean marketing loan program to provide a safety net. This legislation will set a $5.25 marketing loan for soybeans. I believe this program will provide an opportunity for soybean farmers to regain lost foreign market opportunities.

Finally, Mr. Chairman, this legislation builds on the 1985 legislation which provided a number of incentives to protect our Nation's natural resources and environment. Farmer compliance with the historic conservation legislation included in the 1985 act has opened the door for a renewed commitment to conservation. For instance, almost 34 million acres of highly erodible land with average annual soil loss rates of 20.9 tons per acre have been idled for 10-year periods under the Conservation Reserve Program. Sodbuster and swampbuster provisions have been implemented to help protect marginal lands and wetlands.

The bill under consideration this week extends these programs and establishes new opportunities to further enhance farmer's conservation practices. The bill provides farmers with an opportunity to voluntarily implement water quality management plans with assistance from USDA. It establishes a permanent easement program for wetland restoration, which should benefit both wildlife habitat and water quality. The bill also enhances the conservation reserve program by extending the authorization and expanding the land eligible for enrollment to include environmentally sensitive acreage.

One of the most important provisions of the conservation title is the establishment of a multiyear set-aside program. Currently, a large part of the acreage conservation reserve land idled under the annual program seldom has a perennial cover crop established. The multiyear set-aside program will provide an appropriate incentive for farmers to establish perennial cover crops. This type of management practice will improve soil fertility, reduce weed problems on cropped land, improve water quality, and improve habitat for wildlife and birds.

Mr. Chairman, this provision is similar to legislation which I introduced last year. I was glad to see that the committee adopted this program, and I urge the Members to strongly support it.

There are a number of programs in this legislation which deserve our support and are critical to the prosperity of rural America. I have tried to outline three areas, Mr. Speaker, which I feel will have a dramatic impact on the future of agriculture, and help support a continued economic recovery in rural America.

Ms. SNOWE. Mr. Chairman, today the House of Representatives will consider H.R. 3950, the Food and Agricultural Resources Act—better known as the farm bill. My interest in this legislation stems from the importance of agriculture to the State of Maine and the unique challenges that confront Maine's farmers.

H.R. 3950 seeks to address some of the critical issues facing the farmers of Maine. The bill takes strides toward promoting justice and equity in the marketplace for our farmers and consumers through revisions to the subsidy program. It increases research and extension programs to help small farms adopt more efficient and effective techniques. The importance of environmental protection is recognized and encouraged by H.R. 3950. This farm bill seeks to expand foreign markets for U.S. crops—an initiative that Maine potato farmers have been developing with seed potatoes. Finally, it reauthorizes State and private forestry provisions which are a great benefit to Maine's many private timberland owners.

Agricultural production in the State of Maine is responsible for over $450 million in sales a year from its 7,300 farms. Agriculture provides 14,000 jobs on the farm and 7,500 jobs in processing facilities. Food processing contributes another $870 million in sales. In addition, forestry, also covered under the farm bill, is Maine's leading employer.

The credit for the success of Maine's farmers is due primarily to their own hard work and determination to make a living from the land. Most of Maine's crops—potatoes, eggs, blueberries, and others receive no direct Government assistance. The farms are primarily small family operations that rely on the market to sell their products.

It is important to note the contribution of Maine's farmers to the nation's cornucopia of plentiful food. According to the U.S. Department of Agriculture, Maine produces nearly 100 million dollars' worth of potatoes, $90 million in eggs, and $85 million in dairy products. In addition, Maine produces another $85 million in blueberries, apples, cattle, and other commodities. Most importantly, Maine's farmers have achieved much of this success through their own hard work and effort.

Maine's farmers have the ability to compete with their counterparts from other regions of the country on a level playing field. However, our agricultural policies have not created the needed equity in the marketplace for all farmers and for consumers. Farmers in my district continue to compete in a marketplace that seems skewed against them both domestically and internationally. This situation is unfair to the consumer and taxpayer as well as the farmer.

It is time to bring reality and fairness to our Nation's agriculture policies. For years Southwestern and Western farmers have enjoyed access to subsidized water, grazing land, and power. At the same time many of these farmers are also receiving subsidies and price supports for their crops. The farmers of the northeast are not extened the same benefits.

Western farmers, frankly, get an unfair amount of subsidies. For example, the water subsidy program has created an inequitable system of double subsidies that have placed eastern farmers at a competitive disadvantage. I was very pleased with the recent action of the House to phase out these subsidies in an amendment to H.R. 2567, reauthorization of the Bureau of Reclamation. I remain committed to bringing market justice to our farm programs.

Our action to elimiate water subsidies to large corporate farms was a positive step toward fairness in the marketplace. The tendency of some farm operations to exploit loopholes to receive more Federal support than intended must be stopped. I hope that during our consideration of H.R. 3950 we can address this issue in a manner that protects the farmer, the consumer, and the taxpayer.

Competition comes not only from other U.S farmers but also from foreign imports. I am particularly concerned about the importation of below-grade potatoes from Canada. These imports are very damaging to U.S. producers. In 1985, I authored an amendment to the farm bill which would require the Secretary of Agriculture to perform random spot checks of potatoes entering the United States through Northeastern points of entry. This provision, unanimously accepted by the House, helped in keeping below-grade potatoes out of the United States.

Because of the success of these inspections, they must not be allowed to lapse. I wrote to the Department of Agriculture's General Counsel to ensure that this provision would not need to be reauthorized. The response from the General Counsel stated that, in their view, the inspection provision "is permanent legislation. Accordingly, reenactment is not necessary to continuation of this inspection requirement."

The success of the potato inspection program relies upon frequent and vigorous enforcement. The number of inspections must increase to meet the volume of shipments entering the United States. I urge the Department of Agriculture to make this inspection program a priority.

As the figures I mentioned earlier indicate, Maine also has a substantial dairy industry. Thus, I am concerned about the provisions in H.R. 3950 to reduce the support price for milk to $10.10. However, I understand that a compromise has been reached that will make some positive changes to this provision. In particular, I am pleased to see that the support price will not be allowed to drop below the $10.10 base level.

Maine's farmers have also been on the forefront of efforts to farm with minimal environmental damage. However, they have expressed frustration with the often conflicting policies and the harsh punishments that are exacted by regulatory agencies. I am pleased that the committee has brought forward a bill that addresses the need for environmental protections and provides more incentives for farmers rather than penalties. The approval of these provisions by both agricultural and environmental organizations speaks well of the compromises contained in H.R. 3950.

This legislation also recognizes the increasing awareness of the consumer about the safety of the food they purchase. We need to take strides to address the question of food safety, but we must do so in a manner that does not leave our farmers without alternatives for growing their crops and ultimately endanger our food supply. I am pleased that the committee recognized the need for research into alternatives to chemical use and lower chemical inputs. Farmers must have an opportunity to participate in this research and the regulatory decisions that may result.

I am also pleased to note that the trade provisions within this bill will help to develop and foster new markets for American agricultural products in foreign countries. These new markets will allow our farmers to reap higher incomes from their crops and reduce their dependence on Government support.

H.R. 3950 places an important emphasis upon research and extension, two areas of farm policy that provide substantial return for tax dollars invested. The University of Maine has been highly successful in utilizing funds for this program. I have heard many strong testimonials from my constituents on the value of extension programs in promoting more efficient and effective means of farming and crop production. I am glad to see that the committee also shares my enthusiasm for research and extension.

The 1990 farm bill has also taken important steps to revitalize our forests and the industries that depend upon them. The bill provides forest stewardship assistance to private landowners and gives the USDA authority to provide disaster assistance to landowners who suffer loses from fire or natural disasters. In addition, the forestry title establishes new research programs for the use of wood products and the management of timber lots. Over 90 percent of Maine's forest lands are privately owned, making the State and private forestry provisions particularly vital to the continued success of Maine's forest products industries.

Mr. Chairman, the United States has the most productive farmers in the world. U.S. citizens spend less for their food than any other nation in the world and we are the best fed nation in the world. As we address H.R. 3950, legislation that will set the Nation's farm policies for the next 5 years, I hope that my colleagues will consider the challenges that we still face.

We must meet the challenges of fiscal restraint. We must meet the challenge of levelling the playing field for farmers from all regions. Finally, we must meet the challenge of the future: a future in which there will be more people to feed, less land to grow crops on, fewer resources, and greater competition.

I am confident that the American farmer will continue to meet these challenges. Our actions should assist them in this effort.

Mr. LIGHTFOOT. Mr. Chairman, several misconceptions have developed about Federal farm programs. I would like to take a few moments to discuss and clarify those misconceptions.

First of all, there is the misconception that the farm programs reauthorized in the 1990 farm bill are too expensive. What detractors of the farm program fail to mention is that Farm Program costs have declined dramatically since 1986. In 1986, farmer programs cost the U.S. taxpayers $26 billion. This year, the same programs are estimated to cost the U.S. taxpayers $8 billion—a decline of nearly 70 percent in 4 years. Furthermore, the House Agriculture Committee package freezes spending at current levels—few other programs authorized by Congress can make this claim. In addition, I don't know of any other Federal program in which spending has dropped so radically. In fact, spending has increased in the past 4 years for virtually all other Federal programs.

The average American farmer is not getting rich off of Federal farm programs. While there may be a few abuses in need of correcting—which I certainly would support if not done with a meat-ax approach—farmers generally only get about 25 percent of the price consumers pay for food on the supermarket shelf. At the same time, American consumers have about the lowest cost of food of anyone in the world. U.S. consumers pay only about 10.4 percent of their income for food. Consumers in the Soviet Union, for example, pay approximately 28 percent of their income for food. Americans are getting good food value for their dollar. Cutting farm programs will only hurt the consumer more. I ask my colleagues to keep these points in mind when considering amendments to H.R. 3950.

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Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have come to the end of the initial phase of considering

the 1990 farm bill. Tomorrow we will go on to considering amendments and finally, hopefully, we will have an end result.

I think all who have participated throughout the day. I repeat again my thanks to the chairmen of the other committees, the ranking Members, the ranking member on our committees, all of our Members, the staff and everyone who has worked with us to get us to this point.

Finally, Mr. Chairman, let me conclude by saying that we have brought forth a vehicle which we respectfully suggest is worthy of your highest consideration. We have labored diligently and honestly trying to utilize all the resources at our disposal to deal with the realities of our times. We feel right is on our side and that justice and equity and the people of this great country of ours will be served well if you support our efforts. To this end, we will dedicate ourselves in the days to come.

Mr. Speaker, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. STENHOLM] having assumed the chair, Mr. RAY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3950) entitled the "Food and Agricultural Resources Act of 1990," had come to no resolution thereon.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 3950, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

BENEFITING THE CREDIT CONSUMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on June 12 the Consumer Affairs Subcommittee held hearings on legislation which I sponsored which is intended to put an end to abuses by credit repair clinics. These clinics prey on consumers who are looking for help in clearing up their credit histories. Unfortunately, the only thing that most credit repair clinics clean out are consumers' checkbooks.

For many Americans, the charge card has replaced cash as the preferred means of payment. Credit is the lifeblood of the American consumer society. We use credit to buy our houses, our cars, and our clothes. We use it for impulse purchases and for important purchases. Credit cards are now even being accepted in some fast food restaurants and movie theatres.

To assure that Americans are treated fairly when they apply for credit, Congress passed the Equal Credit Opportunity Act. As the author of amendments to the act, I extended that act's ban on credit discrimination to the use of age or marital status. As a result, creditors cannot discriminate against the elderly, or against married or single women who seek credit in their own name. This assures that credit applications are judged on their own merit, free of discrimination. The Equal Credit Opportunity Act has made it much better for women, who traditionally were discriminated against, to get the credit they deserve.

People's circumstances can change. Unemployment can occur, illness may result, and other misfortunes can take place. As a result, Americans can and do become overextended on credit. The bills pile up and a poor credit history is created.

A poor credit history is the "Scarlet Letter" of 20th century America. Consumers with bad credit histories can find it impossible to borrow to buy a car, purchase a home, or even be able to rent an apartment.

In desperation, some people turn to credit repair clinics which claim to have a method to clean up the credit history painlessly and effortlessly. That, of course, is not true. No credit clinic can get accurate information removed from a consumers' credit report.

The credit repair clinics prey on the desperate hopes of persons who can least afford to be swindled. Credit repair organizations hold out the promise of a quick credit fix at a high cash price. They prey on consumers whose dreams of a better life and desperate situation make them susceptible to the false promises of unscrupulous credit repair operators.

When it comes to inaccurate information, the Fair Credit Reporting Act gives consumers the right to have erroneous information deleted or corrected.

I am proud to have been involved in the passage of the Fair Credit Reporting Act. The act also gives consumers important rights and protections involving their files at credit bureaus. It is one of the landmark laws regarding Americans' privacy.

The Fair Credit Reporting Act is even more important today than when it was passed. Americans are deeply concerned about their personal privacy. They view privacy as a fundamental right. Indeed, by a margin of better than seven to two, they would add privacy to the list of "life, liberty and pursuit of happiness" found in the Declaration of Independence. And Americans are worried about protecting that privacy. A poll taken earlier this year showed that 79 percent of Americans express concern about threats to personal privacy.

The Fair Credit Reporting Act was passed to protect privacy by restricting access to information stored in credit bureaus. Prior to passage of the act, anyone could gain access to information in credit reports simply by paying the credit bureau the appropriate fee. The act put an end to that unlimited access. Since passage of the act, only persons with a legitimate business need for the information can get a copy of the report. Usually the business need is the granting of credit, and increasingly, offering employment.

While the act has in general worked well, there are some areas in which improvements can be made.

The protection of consumers' account numbers needs to be strengthened. Telemarketing fraud often depends on the crooks' ability to obtain valid credit card numbers. An investigation conducted under my chairmanship of the Consumer Affairs Subcommittee uncovered a telemarketing operation in which the crooks used credit reports as a source of credit card numbers. The crooks used the numbers to fraudulently bill consumers for services that they had not ordered. Congress adopted an amendment I offered that made such use of a credit card number a Federal criminal offense. Besides enacting that law, the investigation led to a tightening up of procedures at credit bureaus to guard credit card numbers more closely. Still, more needs to be done to assure that unauthorized persons do not have access to consumers credit card numbers.

In addition to protecting account numbers, credit bureaus need to strengthen their procedures to prohibit unlawful access to credit reports. There have been some recent examples in which unauthorized persons gained access to credit reports under false pretenses. The penalties for this type of invasion of privacy need to be strengthened. In addition, any unauthorized person gaining access to the report should be liable to the person whose report they accessed. I support amending the Fair Credit Reporting Act to provide such increased penalties and civil liability.

The accuracy of credit bureau files is of utmost importance to consumers. Inaccurate information can result in the denial of credit or employment. The time taken to correct errors can result in consumers losing favorable interest rates on loan offers.

Last year, creditors and employers purchased about 450 million credit reports on American consumers, an average of almost two reports on every man, woman, and child in the United States. Credit bureaus claim that the reports are very accurate, and that the rate of erroneous reports is only about one half of 1 percent. Yet even that seemingly small error rate means that every year 2¼ million Americans are denied credit or employment based on wrong information.

This is a failure rate that we would not tolerate in other fields. We would not fly in airplanes if only 1 flight in 200 crashed and we would not be pleased if one-half of 1 percent of all the meat sold in the country was spoiled. We should not accept 2¼ million inaccurate credit reports annually as business as usual.

The Fair Credit Reporting Act recognizes that wrong information can get into a credit file. The act gives consumers the right to find out what is in the file, and to have inaccurate information corrected or deleted from the file.

At the time the act was passed the volume of reports was much lower than today, and most credit bureau operations were local. Now most credit bureaus access one of three national computerized data bases. As a result of

the concentration of information in these three systems, it is more important than ever that consumers have greater rights when it comes to having inaccurate information in a credit report deleted or removed.

Under the Fair Credit Reporting Act, credit bureaus have a reasonable time in which to investigate information that consumers have identified as inaccurate. Unfortunately, investigations into consumer complaints of inaccurate information have been taking longer and longer. That is why I support the provisions of H.R. 4213, the Consumer Credit Protection Act Amendments of 1990, which would define a reasonable time as 30 days. A month to reinvestigate inaccurate information is more than adequate when getting a home loan or a job may be at stake.

Setting a time limit in which to complete a reinvestigation is similar to other provisions of the Consumer Credit Protection Act, all of which require that banks resolve disputes over billing errors within set time periods. There is no reason why credit bureaus also cannot resolve disputes within a 30-day period.

Consumers have a right to expect that their credit files are kept confidential and are available to those who have a legitimate need for the information. They have a right to expect that the information in the files is accurate. Finally, they have a right to have any inaccurate information corrected promptly.

I hope that the Consumer Affairs Subcommittee will act soon on the legislation before it, so that the valuable protections of the Consumer Credit Protection Act are further strengthened.

THE S&L SCANDAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS of New York. Mr. Speaker, with the new developments every day in the savings and loan scandal, swindle or debacle. I think it is very important to stop and review where we are. I think it is important that the American people not be overwhelmed with the myriad number of proposals that are being thrown at us from various directions.

I think it is also important that the American public not become weary and dismiss this problem, as they often do, just because of longevity, they will not be able to stay with it. We must stay with it. It is a very serious problem. It certainly is going to stay with us for a long time to come. $500 billion bill. When you add the amount of money needed to execute the bailout, plus the interest that we will have to pay over the years, there is general agreement that the General Accounting Office is reasonable when it says we are talking about $500 billion bill.

There is a study that has been done at one of the universities which says that the figure will be double that, and it will be more than a trillion dollars when we are finished, so it is important that the American taxpayers for their own benefit follow developments closely and not be confused.

Some of the new developments are very positive. Some of the editorials that are being written each day in the newspapers are very enlightening and also very positive in terms of demonstrating that the will is here to deal with the problem.

One proposal has been made for a special prosecutor by the gentleman from Vermont, and I certainly want to add my good wishes. I wholeheartedly approve of the appointment of a special prosecutor. I think it would be a very positive development to handle certain aspects of this problem.

Another proposal has been made for a joint bipartisan committee similar to the Iran/Contra Investigating Committee, a bipartisan Senate and House Committee. I think that would be a very constructive development also.

The full light of day should be thrown on all developments relating to the savings and loans swindle.

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And that the best way to do that would be with a committee that has high visibility, and hopefully would get television coverage. It would be a very good idea, and considering the magnitude of the problem, it would be quite appropriate.

I also understand that there has been a recent proposal that there be a commission appointed instead of a bipartisan committee. Well, that might not be a bad idea also. A commission would take it away from the partisan dart-throwing accusations being made back and forth by various Members of each party. A commission would be out of the spotlight for a while anyhow. But it would have to come back. So it might not be a bad idea also to have a commission. Maybe we should have a commission and a joint bipartisan committee also and also a special prosecutor. It is such a huge problem that all of those things might be in order.

We are dealing with a situation where there is a paralysis of the functions of government looming on the horison, a fiscal paralysis in the richgest Nation in the world, a need for the government to use all of its resources to take care of a situation which does not yield any production, does not return anything to our economy, so it would be very much in order to have as many investigations and as much discussion and as much dialog, as much exposure, as much visibility as possible.

There are some groups that are proposing a tax package, a tax package where they delineate the need for those who were at the party, those who benefited most from this effort, to pay for the bailout. There is another tax package that has been proposed casually by Mr. Felix Royerton, a well-known financial expert from New York, my hometown. He wants a 5-percent surcharge to be placed on everybody. He casually proposes that that is the way we can clean it up in 5 years, if we put a 5-percent surcharge on every taxpayer, and then we will have this mess cleaned up, he says. That would be a gross injustice to force every American taxpayer to pay a 5-percent tax surcharge and pay for the party that the majority, 90 percent, of the Americans did not go to that party.

It is altogether fitting, I think, that the other proposal which talks about having those with incomes over $200,000, having those who benefited from brokered deposits, having those who were involved pay a much greater percentage. Then, of course, we can get out of the debacle partially by doing what we have so far been hesitant to do, and that is label all the people involved who are crooks, label those who are swindlers in a proper way, and go after them with a great deal of vigor.

The President's mobilization of prosecutors was called a show. It is the right kind of show. The President's mobilization of prosecutors brought them in from all over the country and talked about the need for more vigorous prosecution of the S&L crooks was the right kind of show, whatever the purpose, whatever the motivation was, but we need to face up to the fact we are dealing with criminals in a large part of the S&L debacle. We need to face up to the fact that $500 billion did not escape just because people were incompetent, that we have not lost a situation of billions of dollars because people are incompetent in these financial enterprises.

Banks do not hire incompetent people. If there was mismanagement, it was not mismanagement without some conspiracy involved in most cases.

I think it is very important that the American people insist that we call it the way it is, that leaders, legislators, people in the executive branch stop dancing around the issue of crime, massive white collar crime, which has been committed here, and we do not want to talk about it.

The conservatives in this House are always yelling about the need for stronger crime bills and stronger law enforcement, but they have not bothered to take the floor to deal with the fact that massive crimes have been committed here and that we are not even ready to call it crimes. Economic crimes, financial crimes which impact on the lives of thousands of people, when we take it in its totality, this network of racketeering enterprises all across the country, they are impacting on the lives of millions of people. In

fact, there is no American who will escape since the bill has been handed to every American taxpayer, those members of their families, everybody is impacted. The whole country is impacted by these crimes that have been committed.

I am all in favor of vigorous prosecution against a violent criminal who snatches somebody's pocketbook and runs away with it, of some old lady who needs her money to buy her groceries, to pay her rent, that is a crime that must be punished, and we must deal with it. But when we multiply the deed that is done by a violent criminal who snatches one pocketbook, when we multiply that by the millions and millions, billions of dollars that have been stolen and the bill handed to the American taxpayers, there is a need to understand that those also are criminals and that those criminals need to be dealt with in a fashion that we deal with criminals.

I applaud the Senate in its deliberations on the crime package that I suppose will soon be coming to the House. They were willing to deal with the situation. I do not applaud the entire package. There is a lot of preoccupation with the death penalty and a lot of things in the package that I do not applaud. They did forcefully and realistically deal with the S&L criminals. They have gone so far as to say the kingpins, the people who were at the center in these various swindles at these various banking networks, they should get life in prison. They have decreed that life in prison would be the maximum.

There are some people who are kingpins. Billions and billions of dollars were sucked under, under their supervision. Thousands of widows and children are hurt as a result, and the Lincoln-Savings-Charles-Keating operation under the banner of the S&L savings and loans, under the banner of the U.S. Government guaranty, they sold certain kinds of securities in the lobby of the bank and made people believe that they were guaranteed, they were insured, just as other transactions were insured. Several hundred widows, several hundred senior citizens were caught up in that, and they are totally wiped out now. There will be no return. They were not insured. They bought fraudulently represented securities. Keating was the man in charge of that whole racketeering enterprise, whatever name you might want to give to it.

In the final analysis, it was a racketeering enterprise. Kingpins like that deserve to be treated in a special way. The Senate has said the kingpins in the S&L criminal network ought to get life in prison.

I understand that there is a proposal already made that the House crime package will water that down to 30 years in prison. The House is already ready to go soft and continue the pattern that has been all too prevalent. We are soft and too soft on white collar crime, on white collar fiscal crime.

The conservatives never have come to the floor to deal with the fact that massive white collar crime has been committed, that millions of dollars have been stolen, that the productivity of the country is impaired, that we will be digging out of this hole for a long time to come.

The peace dividend is down the drain. On and on it goes.

I am here because I see no hope for ever being able to address the needs of my constituents that have been neglected for the last 8 years. The peace dividend was one bright ray of hope, the fact that we saw an obvious rationale for the expenditure of large amounts of money on defense being taken away with the end of the cold war, and everybody has assumed that tremendous amounts of funds could be diverted now to meet those needs that had been sacrificed and neglected for so many years. We assumed that we would be able to deal with education in a more rational way and that this country would be able to address itself to the fact that leaving education primarily to the States and localities is great up to a certain extent.

In the modern economy, as we modernize, as the need for technological change drives our economy, the need for educational change to keep up with that technological change becomes more important, and the States cannot finance it, the localities cannot finance it, and there is a need for the Federal Government to participate. We though we would be ready, that we could look forward to receiving the kind of assistance that the Federal Government ought to be giving to education. Instead of the Federal Government keeping pace with the complexities of education and the high cost related to preparing our youngsters for this complex technological society, we have gone backward.

When Ronald Reagan took office, the Federal Government was providing 8 percent of the total education budget. Eight percent is not very much, but at least it was providing that much at the time he took office. When he left office, only 6 percent of the budget, the total education bill, the education bill when Ronald Reagan left office, was about $360 million, when you include education all the way from Head Start to graduate education, $360 million, mostly paid by the States and the localities, the Federal Government paying less than it had 8 year before.

□ 2000

There is no way to keep pace with Japan and the European Market, new developments that are challenging our competitiveness in this constantly shrinking global economy. But education will not receive any benefits. The President can call summit meetings. He can declare himself the education President. He can do a number of things, but the funds are not there.

At the same time he makes these declarations about the need to go forward and to launch a new educational initiative, we are having summit meetings at the White House where budget cuts are on the table and budget cuts are likely to take place in the area of education as well as the area of health care. We have a great need to catch up on our housing for the low-income population. Homelessness is rampant. It is rampant because of the great reduction over the last 8 years in the amount of Federal funds available for housing.

There is no hope that after this budget summit is concluded we are going to be able to meet that need.

In the shadow behind all the negotiations at the White House the S&L debacle, the S&L hole, the giant bottomless pit is there. Whether they admit it or not, they must consider the S&L debacle in all of their deliberations.

We are probably going to be presented with a package here related to the balancing of the budget to leave out the S&L's completely and say we will take care of that later on. Probably that is going to be left for a lameduck Congress to take care of.

But the truth of the matter is that that again is perpetrating a swindle on the American people. It is hiding the facts, delaying the facts, deceiving the American people, and wrecking the credibility of the Government.

You cannot come here with a package that does not deal with the S&L debacle. You have to lay it out in front and let us know that driving the sequestration that is going to probably take place, where massive cuts are taken in domestic programs, while we still fail to make the appropriate cuts in military programs, driving all that is the need to save money and be ready to deal with the S&L debacle.

In order for us to face up, I think we have to get back to dealing with the prosecution problem. We have to clearly understand and make all of the American people understand that great crimes have been committed.

We will also save a tremendous amount of money if we drive forward and insist that there be maximum prosecution for those who have committed the crimes.

If you call it the way they do and insist on maximum prosecution, if you follow the lead of the Senate and say there should be life in prison for the kingpins, if you get tough all down the line, there is going to be a tremendous shakeout. A tremendous number of

people are holding out so far that will come forward. If you have what the Senate has proposed, if you pay informers, there are a number of things in the Senate bill I think that are very pertinent and get to the point. You pay informers and you reward people for helping to expose where the money is hidden.

There are large amounts of money in Swiss banks and tied up in various kinds of personal assets. There are all kinds of things that will happen if you drive forward and insist that maximum prosecution take place.

Why haven't we called for maximum prosecution on the floor of this House, the conservatives who are yelling that we need a crime bill right away, that crime is engulfing America? They have nothing to say about crime in the area of the savings and loans, the white collar crime that is strangling us.

After we get through with the S&L debacle, of course parallel with it we have to deal with the problems in HUD that have been pushed to the side. There are other guaranteed programs that we have, numerous programs that we have where Government guarantees the loans and guarantees the financial transactions, that are also in trouble that have not yet been discussed.

Unless we lay it out and deal with the problem, unless we label the kind of situation where HUD was allowing agents to handle certain transactions, and one agent took $5 million and said she gave part of it away and called herself a Robin HUD, finally when she was prosecuted in a very weak way, she got 4 years; 4 years for $5 million. That is not a bad deal. That is not a bad deal at all, if you can steal $5 million from the Government and all you get is 4 years. With good behavior she will be out in less than 2 years and can go to the Swiss banks or whereever she has the money hidden.

The softness on white-collar crime permeates all of our activity. Of course, a Nation that only half-heartedly prosecutes a conspiracy that takes place in the basement of the White House has lost its sense of direction. There were people who in the basement of the White House were doing things directly contrary to the orders of Congress, doing things directly contrary to the policies of the Government, and we could not bring ourselves to really fully prosecute them. We hired a special prosecutor. We spent millions of dollars. Elementary blunders have been made, so the cases are being thrown out in the appellate process, because elementary things have been done which law school students I think would have avoided. It is a half-hearted prosecution and a half-hearted approach to very serious crimes that were committed in the Iran-Contra conspiracy.

So it is a problem that seems to be with us in terms of not knowing how to deal with white-collar crime, not knowing how to deal with white-collar conspiracy, not having the gut reaction to understand when white-collar people in high places move in criminal ways that millions of people suffer, the credibility of the Government suffers, law and order is threatened in a very basic way.

Conservatives are the biggest disappointment, because they have not been on the floor at all to deal with these matters. We are still waiting to hear a voice from the conservatives talk about the fact that the S&L debacle has not only certainly eroded the moral values, but set very poor examples for youth in terms of moral values, put the Nation on a wrong course.

It has also brought socialism into the banking industry. We have massive socialism to clean up the mess. I am not against socialism or approaches to socialism or Government subsidies which produce decent transportation for poor people. I am not against an approach for subsidies or socialism if it is going to produce decent health care. But I take offense to the socialization of the banking industry that has taken place.

Billions of dollars are being poured in by the American taxpayers to deal with the banking industry. The Government is managing banks on a massive scale. The Government is managing the bailout rescue process on a massive scale.

Capitalism, a great intervention has taken place which is unprecedented in terms of capitalism being allowed to ride on the backs of Government. Yet the conservatives have nothing to say about this.

I think it is a failure, a basic failure, and a failure that will hurt us greatly because we are not willing to face the kind of reality that is before us.

I would also propose that if we do not define criminal acts in the proper way, if we do not measure up to the moment in terms of the fact that white-collar criminals are a basic threat to our economy, that racketeering enterprises have walked off with billions of dollars of public money, if we do not face up to that we are in very serious trouble.

We cannot define crimes that are obvious. If money is accepted by the board of directors or the management of a bank, if they take a $100,000 deposit, the broker deposit scheme, if you take a $100,000 deposit and you pay the broker a commission, let us just take one example for the benefit of the American people who are not familiar with banking practices as I am and do not have any particular expertise in this area.

To simplify the matter, let us take a $100,000 broker deposit. The east coast sends it to one of the banks in the Sun Belt, $100,000. When it arrives it already has paid a commission. The commission might have been 10 percent in order to get the transaction done. The $100,000 deposit has yielded a 10-percent commission, so when it arrives it is only $90,000.

The $90,000 has been attracted because of the fact that the bank in the Sun Belt is paying high interest rates, higher than usual anywhere, maybe 10 percent, maybe 12 percent. Let us say it is 10 percent to keep it simple.

They have a $90,000 piece of working capital which is expected to yield a 10-percent return on $100,000. In other words, $90,000 is expected to yield $10,000 in terms of interest, and you are working only with $90,000. Even if you got 10 percent, if the best conditions were prevailing, as they have not been, and you got a 10-percent return on the $90,000, you would have $9,000. You would be $1,000 short.

On that $90,000 it is impossible to make more than $9,000, even with a 10-percent return and the best conditions.

If there are people who are in charge of the bank, on the board, in the management, and if they oversee these kinds of activities, where they know that they do not have any opportunity of fulfilling the obligation to pay the interest rate on that broker deposit, that $100,000 that was reduced by $10,000, it arrived, it was $90,000.

□ 2010

They know they can never pay the interest rate that they have said they would pay. They know what they have obligated themselves to pay is a fraud, it is phony.

Now, that is a conspiracy. No matter how many times the people who do that have gone to church or have given to charity, to oversee that kind of activity is a criminal activity.

That is a conspiracy, that is fraud, and everybody it seems who were in failing banks have engaged in that kind of criminal activity, that kind of fraud.

But we do not choose to define it that way. We cannot see the obvious. We cannot see a conspiracy when it stares us in the face.

Beyond the obvious conspiracy of promising interest rates on nonexistent money, there were the other kinds of conspiracies which we claim we cannot decipher. If a piece of land was sold at a highly inflated rate, we say that was bad judgment. Land flips take place among people who are all in one insider circle, and we say, "Well, that is the way businessmen operate all the time."

If in Denver, CO, a building was sold for $26 million and everybody knew it

was only worth $13 million, the people who got the loan from the bank to buy the building got $26 million to buy the building. They got a loan. The building was worth $13 million. I guess they only paid $13 million for it because the people who were on the board of the bank and the management of the bank required that they put $13 million of the $26 million back into the bank to buy stock from the bank.

That is not conspiracy? That is not a crime? You give a loan and you know that the collateral is not worth what you have given the loan for? And at the same time, you require that they buy back stock equal to one-half the loan, that is a clear conspiracy, it seems to me.

I do not understand why we have to split hairs about it. But the inability of our Nation, in cases like this, to define crime when crime is obvious is part of the problem with the rescue operation with the savings-and-loan debacle.

I do not intend to go on because I think the complications of this problem are so great that we need to take it one bite at a time. I am speaking to my fellow laymen, I do not expect to be appointed to any investigating committees, be a part of any commission. But I speak for the people in my district who are suffering and are going to continue to suffer because the Federal Government's participation in the resolution of problems that only the Federal Government can help resolve will not take place as long as we let these kinds of crimes go on and on.

There are many other debacles and many other problems that we face with the softness on white-collar crime.

We are hurt in many other ways, with various schemes that are much more complex. I will discuss them at a later date.

It is sufficient to say now that we should face up and we should, as members of the public, as taxpayers, as voters, insist that all of our leaders begin to deal with the crimes as crimes.

One great part of the solution lies in our willingness to face up to the fact that crime has been committed by very respectable, well-educated, white-collar gentlemen, and we have to make them own up to it and pursue them as we pursue any other criminals.

Great benefits will be yielded. Ordinary people will not be required or mandated to pay a 5-percent surcharge, to use their hard-earned money to make up for what the crooks have walked off with.

DO WE NEED THE B-2?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ASPIN] is recognized for 60 minutes.

Mr. ASPIN. Mr. Speaker, my colleagues and I rise today to discuss the future of the B-2 bomber. The issue comes to us for decision at a time of great change and uncertainty. It is tougher than ever to buy the right defense—and do it within our means.

Last year, I voted against the Dellums-Kasich amendment to eliminate all future B-2 procurement but complete research and development for the program. Instead, the gentleman from Oklahoma, Mr. SYNAR, and I offered an amendment to the defense authorization bill that cut B-2 funding and put strict limits on when and how B-2 funds could be spent.

As I said then, I didn't believe that the House of Representatives was ready to make a decision on the B-2 last year. The B-2 had just come out of the world of special access programs. I said that it was important for the entire House, and not just a handful of us on the Armed Services Committee, to be fully informed about the B-2.

I believe that the House of Representatives is now ready to make a decision on the B-2 bomber. The Armed Services Committee has held a number of open hearings on the bomber in recent months. We've received testimony from Air Force Secretary Donald B. Rice, then-Air Force Chief of Staff, Gen. Larry D. Welch, Strategic Air Command Commander in Chief, Gen. John T. Chain Jr., Chairman of the Joint Chiefs of Staff, Gen. Colin L. Powell and Secretary of Defense Dick Cheney.

I have also asked the General Accounting Office and the Congresssioal Budget Office for independent analyses of the B-2 program and its costs, the results of which have been available to all House members.

There are three questions we must ask in deciding what to do with the B-2 program. First is the question of cost. Second is the B-2's capabilities—whether it will work and whether it will really be stealthy. And the final question is its mission—what is the B-2 supposed to do.

Up until last year, almost everything about the B-2 program was highly classified, including its costs. When the B-2 came out of the shadows, the price tag was $70.2 billion for 132 planes, or $530 million a copy. The resulting sticker shock led to much questioning of the program.

Those figures were just a snapshot of the moment. Let's go back a bit further than last year to get the full flavor of the B-2's cost growth.

In January 1986, the Air force estimated that a 132-plane program would cost $58.2 billion, or $440 million per plane. As I said a moment ago, the price had risen to $530 million per plane by the time the B-2 made its public debut last year. By March of this year, the Air Force was estimating that the 132 plane program would cost $75.6 billion. That's $580 million per copy.

This past April, Secretary Cheney testified to Congress on the results of his Major Aircraft Review. He cut the B-2 program back to 75 planes, and estimated that the reduced program would cost $61.1 billion, or $815 million a plane. Cheney also told us that that figure was an initial estimate subject to further revision.

The revision is now in, and the news is not good. According to the latest figures from the Defense Department, the 75-plane program will now cost $62.8 billion—$4.6 billion more than 132 planes were supposed to cost as recently as 1986. And the $840 million per plane price tag is almost double the cost per plane that the Air Force gave us in 1986.

And it may not be over yet. The Congressional Budget Office is estimating that a 75-plane buy would cost $64.9 billion, or $865 million per plane.

By the way, all of these figures are in inflated or then-year dollars and so they are comparable.

And all these estimates assume full credit for efficiencies and cost saving efforts planned by the Air Force. We know from past experience that these tend to be, to put it politely, optimistic.

These enormous costs, by themselves, don't mean that the B-2 should be stopped. But they mean that we had better be very confident that the B-2 will work and that we really need it before we buy any more.

The second issue we need to examine is the B-2's capabilities—will it work? Will it be stealthy?

The B-2's ability to penetrate Soviet air defenses and reach its targets is both central to this debate and of the highest classification. We can't talk about details. But we can talk about the program and where it stands in general terms.

The B-2's incorporates two fundamentally different kinds of technology to allow it to penetrate air defenses.

The first technology is the one we are most familiar with. When people talk about the Stealth aspects of the B-2, they're talking about its shaping and the materials used in its production. The plane gets its distinctive flying-wing configuration from the effort to reduce its radar return, or radar cross section. It has a radar-absorbent coating to further reduce its visibility to radars.

The second type of technology the B-2 needs to be able to penetrate Soviet air defenses is defensive avionics. While the specific capabilities the B-2 is supposed to have are classified, we know from the B-1 that defensive avionics can include electronics designed to detect, evade and even spoof enemy radar.

As we also know from the problems we've had with the B-1's electronic countermeasures, such systems can be highly problematic. It will be a while before we know how the B-2 is doing. In testimony to the Armed Services Committee on February 22 of this year, the General Accounting Office put it this way, and I quote:

If current schedules are met, it will be at least 3 years before critical performance testing, including integrated offensive and defensive avionics is completed. It has been during this critical performance testing that significant performance problems have been discovered in other advanced weapons systems.

Members of this House will recall that we did not find out about the B-1's considerable problems with electronic countermeasures until the program was virtually complete.

A number of outside experts have raised concerns that the B-2 could be detected by current Soviet radars or by some exotic new type of radar that might be built in the future. For example, earlier this year, the television program "60 Minutes" questioned whether the B-2 might be detected by low frequency radars that the Soviets already have. Others have suggested that the B-2 might be rendered obsolete by exotic systems like so-called multistatic radars—which have more than one receiver—or impulse radars—which broadcast in short, very powerful pulses using thousands of different frequencies.

Because there's been so much public attention on the question of the B-2's stealthiness, let me take a moment to set the record straight.

The B-2 is not invisible to radar. In fact, the Air Force readily admits it can be detected at great range by some low frequency radars.

But detection isn't the end of the game. It's only the first of four steps. In the next step, the radar—whether on the ground or in the air—has to track the B-2 long enough to figure out where it is and where it's heading. The third step is to get what's called a fire control solution, which means the radar has gotten enough information about the B-2's location to send a missle within striking distance. The final step is the kill. To get the kill, the missile has to acquire the B-2 itself, and then get close enough so it can detonate its warhead within lethal range.

This past June 20, the Armed Services Committee was briefed on an outside, independent assessment of how successful the Soviets would be in using their air defenses against the B-2. While the results of this assessment are highly classified, I can say that I haven't seen anything in that briefing or anywhere else that makes me believe that anyone's found an "Achilkles' heel" to the B-2's stealthiness.

Our past experiences with programs that haven't finished testing prompt me to point out, however, that it is early. Air Force tests of the B-2's radar cross section to take have used scale models and components from the plane. The first tests of B-2 stealth characteristics on a real, full-sized bomber in flight don't begin until this fall.

The answer then to the question of whether the B-2 will work as advertised is: The early results are good, but we just don't know yet. And the General Accounting Office tells us that we won't know for at least 3 years.

The third and final question we need to ask of the B-2 is its mission: what is it supposed to do?

The Air Force has no shortage of answers to this question.

The Air Force says the B-2 is good for stability because it doesn't pose a first-strike threat. But the same is true of standoff bombers carrying air-launched cruise missles. The Air Force also says that because it can carry weapons that have both high yield and great accuracy, the B-2 is especially effective against certain kinds of strategic targets in the Soviet Union: deep underground bunkers for Soviet leaders, targets that are dispersed over a large area and very hard targets. But the fact is that our unmanned ballistic missiles and cruise missiles can also attack these kinds of targets.

The question we need to ask is that: Does B-2 make a unique and necessary contribution over and above the strategic systems we have today?

The Air Force testimony to the Armed Services Committee on the B-2 boils down to three claims;

The Air Force says the B-2 is necessary to attack mobile missiles and mobile command centers in the Soviet Union. In the jargon of nuclear strategy, these are called strategic relocatable targets, or S-R-T's.

The Air Force says the B-2 is necessary to take advantage of a provision in START that allows more nuclear weapons on penetrating bombers.

The Air Force says the B-2 is necessary so the United States can have a viable manned bomber into the 21st century.

Additionally, the Air Force makes another argument for B-2, that it is needed for non-nuclear missions. I will also deal with that.

The first issue is strategic relocatable targets. This appears to be the central, unique requirement for the B-2. Therefore, we should begin by looking closely at the Air Force case. On July 12 last year, Gen. Larry D. Welsh, then Chief of Staff of the Air Force, told the Armed Services Committee that hunting strategic relocatable targets was not the primary mission of the B-2. Maybe more to the point, he said we wouldn't be able to do it very well for the foreseeable future.

Some months later, on March 6 of this year, we heard form Gen. John T. Chain Jr., commander in chief of the Strategic Air Command and also head of the Air force-Navy office that does strategic target planning. General Chain said that strategic relocatable targets were the only targets that couldn't be hit by other weapons. The only way to do the job was with a manned bomber and, because Soviet air defenses are expected to improve, it would eventually have to be the B-2. So said General Chain.

He didn't say these S-R-T's were the only targets the B-2 would have. He said they were the only ones for which we had to have the B-2.

One general says we can't hunt them very well and won't be able to for the foreseeable future. The other general says we need the B-2 to get at these mobile targets.

Both generals are probably right. As General Welch says, we can't hunt S-R-T's very well today, and we aren't going to get much better anytime soon. but as General Chain says, if we ever do get any better at hunting S-R-T's, there's a good chance that a penetrating bomber will play a role.

At the present time, hunting S-R-T's is one of the jobs of the B-1. But the Air Force believes that improvements in Soviet air defenses will mean that in the next century B-1s will not be able to do the job—a contention that I will examine a little later in this speech.

The second Air Force argument for B-2 concerns the so-called bomber discount rule. Under START, a penetrating bomber with gravity bombs and short-range missiles counts as only one nuclear weapon, though it can carry 16 or more. Again I turn to SAC Commander General Chain. On March 6, he testified to the Armed Services Committee that he needed the additional uncounted weapons carried by B-2 to cover targets in the Soviet Union, based on the guidance he has from the White House about what he is to accomplish if the United States must ever retaliate for a nuclear attack.

Let's look at these numbers. Without the B-2, we'll have about 8,000 strategic weapons once we've made the reductions required by START. The 132 B-2s planned originally would add another 2,000 or so. Secretary Cheney has already cut his B-2 request down to 75. These 75 bombers would add roughly 1,000 weapons under START.

When Secretary Cheney announced the B-2 program was being cut from 132 to 75 planes, he said that he was beginning a study of possible changes in our targeting requirements. Leaving aside the question of why we are cutting the bomber force first and studying our targets needs second instead of the other way around, there are good

reasons to suspect that the changes in the Soviet Union have reduced the targets for nuclear weapons.

The United States targeting plan has four target categories: conventional military targets, war supporting industry, Soviet nuclear forces and the Soviet leadership.

Target numbers are going down.

Soviet conventional forces are shrinking through Gorbachev's unilateral reductions and will shrink further through the Conventional Forces in Europe [CFE] negotiations. Military targets in Eastern Europe are just no longer appropriate. And there is an effort underway in the Soviet Union to convert military production capacity to the civilian economy. Soviet nuclear forces are going to shrink under START, by as many as 1,000 silos according to projections. And the process of democratization in the Soviet Union suggests that the targeting of Soviet leadership should also be reviewed.

These changes have been implicitly recognized by President Bush and President Gorbachev. They agreed at the recent summit to begin follow-on negotiations for deeper cuts below START—the so-called START II negotiations—"at the earliest practical date." Numbers in the range of 3,000 to 4,000 are being discussed as the residual nuclear weapons after a new round of negotiations. Clearly, we are going to have to rethink our targeting requirements under START II. Why not do it earlier rather than later and see whether we still need the additional 1,000 weapons provided by 75 B-2s?

The third Air Force claim for the B-2 might be called death of the triad, the classic division of our strategic forces into land-based missiles, sea-based missiles and bombers. Without the B-2, the Air Force claims, the Soviet will modernize their air defense to the point where we will have no viable bomber leg of the triad.

There are two separate issues here. The first is whether the Soviets will modernize their air defenses as quickly as the Air Force projects. The second is whether it matters if they do.

According to the Air Force, Moscow has been spending the equivalent of about $15 to $20 billion a year on its air defenses, a truly staggering amount for an economy correctly described as a basket case. If the Soviets can afford to keep pouring these kinds of resources into air defenses for another decade, the Air Force tells us that the B-1 won't be able to penetrate the most heavily defended areas in the Soviet Union without taking unacceptably high losses. So the Air Force would assign the B-1 to targets in less defended areas. And they want the B-2 so it can attack targets in the heavily defended areas.

The intelligence community says that the Soviets are continuing to spend on air defenses. But Gorbachev is coming up on a new 5-year defense plan and some other categories of defense spending are already down significantly. The spending on air defense could slow. If it does, the B-1 could continue to penetrate even the most heavily defended areas in the Soviet Union well into the next century.

But what if inspite of their economic problems the Soviets do continue to spend these enormous quantities on air defenses? The fact is that we will still have a very robust bomber leg for the foreseeable future. The stealthy advanced cruise missile ensures that, at a total cost of only about 10 percent of the B-2.

The final Air Force argument for the B-2 is that it is needed for conventional, that is nonnuclear, non-strategic, missions. This one comes in two scenarios: little war and big war.

The United States air strike against Libya in 1986 in retaliation for its support of a terrorist attack against United States servicemen is the usual example of a little war or single raid scenario. We are told by the Air Force that six B-2s could have handled the job instead of the massive Air Force and Navy operation actually hatched to put bombs on Libya.

I'm skeptical about using our most advanced bomber against a second-rate power. But if you're going to do it, the 15 B-2's the Congress has already authorized are more than enough to take care of the Libya contingency. Bombing Libya is not an argument for more B-2s, even if you accept it.

Using B-2 in a large conventional war is a trickier proposition. For one thing, with the change of such a war in Europe receding quickly, we are in the immensely fortunate position of being hard pressed to conjure up a plausible large-scale conventional war scenario. But assuming that we are in one, it's not at all clear we'd want to jeopardize a strategic system.

It's not just the expense of the airplane, nor the risk of having its technology fall into enemy hands, although these are serious concerns. If we were at war with the Soviet Union, a conventional mission for the B-2 probably wouldn't be considered. In the middle of a major conventional war when the risk of nuclear escalation would be at its highest, we would not want to take the B-2 out of its strategic role.

These, then, are the elements of the debate over the B-2 mission and its place in our strategic deterrent. What can we conclude? First, on the hunt for strategic relocatable targets. It's not clear we will be able to figure out how to do it effectively. And if we do, it's not clear that we will need the B-2 to do it.

Second, on the number of nuclear weapons. It is increasingly apparent that we don't need the additional 1,000 nuclear weapons that 75 B-2s would give us under START. Building a bomber simply to make the rubble bounce is folly.

Third, the future of the bomber leg of the triad. Theres plenty of life left in the B-1 and the B-52, particularly with stealthy advanced cruise missiles attached. The end of the B-2 would not mean the end of the triad.

Fourth, the conventional mission. Conventional use of the B-2 on a large scale in a big conventional war is doubtful. Using it for raids like the Libyan affairs is questionable, but in any case doesn't require that we build more than the 15 now on order.

A unique and compelling mission for B-2 has not been established.

What can we conclude from this examination of the B-2's cost, capabilities and mission?

Clearly, it has not been demonstrated that we must build the B-2 now. If we press ahead, we will spend additional tens of billions of dollars before we know if the B-2 will work, and before we know if it is really necessary. And that's assuming that there would be room in the budget in the first place, which will be extremely hard to find. Full speed ahead for B-2 is a nonstarter.

What then, Mr. Speaker, should we do with the B-2 program?

I have tried today to outline the many things that have happened since this House last confronted this issue. In summary, much has happened in the last year, but nothing that has happened has improved the case for the B-2.

Therefore, I am joining with my colleagues on the Armed Services Committee, RONALD V. DELLUMS of California and JOHN KASICH of Ohio, who have pushed hard for the B-2's termination.

Mr. Speaker, when the Armed Services Committee marks up the fiscal 1991 defense authorization bill in just a few days, I will incorporate the language of the Dellums-Kasich amendment in the chairman's mark on the B-2 program in my Procurement and Military Nuclear Systems Subcommittee. Production of the B-2 should be stopped and the production facility should be mothballed. Research and development should be continue and completed. This will leave us with about 15 deployable aircraft.

I can only commend Congressman DELLUMS and, Congressman KASICH for their forsight, pledge to work with them to terminate the B-2 and congratulate them on their impending success.

Mr. Speaker, I ask Members of this House who supported the B-2 in the past, or who like me were skeptical but not committed to either its termination or survival, to take a very hard

look at the B-2 program and its costs. And I ask them to reconsider.

Five programs alone—the B-2, the C-17, the advanced tactical fighter, the Navys A-12 and its Air Force variant and the Army's light helicopter—have combined costs of over 300 billion. It is simply inconceivable that we will be able to make the budget numbers we will face in the future without cancelling one or more of these programs. Terminating the B-2 may be but the first step in moving toward fiscal reality.

I'm supporting termination of the B-2, but I will support making the investments necessary to assure a robust bomber leg for the future. I'll support fixing the B-1's electronic countermeasures. I'll support the SRAM II missile and its integration onto the B-1. Finally, I'll continue my strong support for the stealthy advanced cruise missile. The advanced cruise missile will assure that our bomber leg can deliver weapons even to the most highly defended targets in the Soviet Union—at about 10 percent of the B-2's cost.

□ 2020

Mr. ASPIN. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Speaker, I am pleased to join the distinguished chairman of the Armed Services Committee, Mr. ASPIN, in endorsing the proposal offered by the gentlemen from California, Mr. DELLUMS, and Ohio, Mr. KASICH, to terminate further production of the B-2 Stealth bomber. Under that proposal, research and development work on the aircraft would be completed so that the Stealth technology can be fully tested and hopefully, perfected, but only the 15 aircraft currently under contract would be completed, rather than the 132 the Air Force originally wanted or the 75 they are now asking for.

Because I believe in a strong defense, I have reluctantly concluded that the B-2 is a bottomless pit which we can no longer afford without more and better information about the plane's cost, its essential mission, and evidence that it is capable of accomplishing that mission. As a Member who does not sit on the Armed Services Committee or the Appropriations Subcommittee on Defense I have been trying to obtain such information for 5 years without a great degree of success.

Chairman ASPIN has strongly supported my right as a Member to have such information, and for that I am very grateful. But the information reluctantly provided by the Air Force has been sketchy, of questionable reliability, and ever-changing.

Until last year, almost all information about the program was "black" and required a special access clearance. Only after I succeeded again, with the support of Chairman ASPIN, in having an amendment added to the 1986 Defense authorization act, which required it, did the Secretary of Defense transmit to Congress a report purporting to set forth the total program cost of the B-2 at $58.2 billion or $440 million per plane. But because the report contained only the one number and was classified, it was virtually meaningless, provided no assistance to Members in trying to decide how to vote, and permitted no meaningful debate on the program.

Not until last year was the cost information on the B-2 program declassified. By that time, the total had risen to $70.2 billion for 132 airplanes, or $530 million each. Even so, Chairman ASPIN and I voted against the Dellums-Kasich proposal and offered instead a successful amendment to the Defense authorizaiton bill which cut the funding for the B-2 and placed restrictions on spending for the program which required certification that the testing specified in the performance matrix had been successfully completed and that the Secretary submit a plan to reduce the cost of the program.

Much has happened in the last year, not the least of which are the profound changes which have taken place in Eastern Europe and within the Soviet Union. Along with those changes, I believe there are several reasons why further production of the B-2 can be safely terminated at this time and should be.

One. In terms of its mission, the only things the B-2 was supposed to be able to do that the current B-52's and B1-B's cannot do was to hit relocatable targets and to penetrate persumed improvements in Soviet air defenses anticipated in the year 2000 or beyond. But the Air Force has acKnowledged that the B-2 is not presently capable of hitting relocatable targets, and in view of recent testimony by CIA Director William Webster concerning the extremely bad state of the Soviet economy, not to mention the obvious political problems in the Eastern European countries and within the Soviet Union itself, it would seem highly unlikely that the Soviet Union can afford to expend the resources necessary to upgrade their air defenses to make the B1-B aircraft incapable of penetration by the year 2000.

Two. Moreover, the stealth capability of the B-2 is still unproven. In fact, tests of the B-2's defensive avionics have not yet begun and, according to the U.S. General Accounting Office, will take at least 3 years to complete.

Three. But the biggest reason for terminating further production of the B-2 is its cost. It is the most expensive weapon system ever developed; $26.7 billion has already been spent. The Air Force now acknowledges that the total cost of 75 aircraft will be $62.8 billion or $840 million per plane. The Congressional Budget Office estimates that the cost will be $64.9 billion dollars or $865 million per plane.

And the cost just keeps rising. For example, the Air Force just recently advised Chairman ASPIN that their budget request for the B-2 for fiscal year 1991 should be raised by $1.4 billion.

Any way you slice it, it appears that the total cost of these aircraft will be in the neighborhood of one billion dollars apiece.

A final reason for discontinuing production of the B-2 is that serious questions have been raised about the possibility of waste or even fraud in the program. The Government Operations Committee and the Committee on Energy and Commerce, both of which I sit on, are looking into this possibility.

In fact, Chairman DINGELL of the Energy and Commerce Committee wrote Secretary Cheney about this matter just last week and quoted the Justice Department as saying that, although Northrop had submitted inaccurate cost and scheduling data on the B-2, the Department would be unable to prosecute them for fraud, because the Air Force was fully aware that the reports were false and did nothing about it. Justice also noted that for most of the time the B-2 Program has been under way, the Air Force has had only two auditors to oversee the expenditure of $26 billion and the activities of 14,000 Northrop employees.

In summary, I have reluctantly concluded that in view of the current budget deficit situation we cannot afford to continue spending billions to build more B-2's when there is no credible evidence that they will be needed within the foreseeable future and the tests have not been completed to prove that the aircraft is capable of achieving its stated mission goals.

Finally, Mr. Speaker, I would like to pay tribute to Chairman ASPIN for standing shoulder to shoulder with me over the years and unfailingly supporting my right, as a Member of the House, to have full access to information on the B-2 Program even though I am not a member of the Armed Services Committee. I also salute him for his diligence in pursuing the B-2 Program in a fair and objective manner, and for his willingness to acknowledge that changed circumstances now warrant support of the Dellums-Kasich amendment, which we both opposed just a year ago. I urge my colleagues to join us in supporting that proposal this year.

I would also like to commend the gentlemen from California [Mr. DELLUMS] and Ohio [Mr. KASICH] for their foresight in developing their proposal last year and their diligence in sticking

with it this year. I am proud to support their proposal and I urge my colleagues to do likewise.

□ 2030

Mr. ASPIN. Mr. Speaker, I thank the gentleman from Oklahoma [Mr. SYNAR] for his very, very kind comments.

Mr. Speaker, I yield at this time to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Speaker, I thank the gentleman from Wisconsin [Mr. ASPIN] for yielding.

Mr. Speaker, there are times then words are not adequate to describe one's feelings, and this is such a moment. I would like to say to the gentleman from Wisconsin [Mr. ASPIN] and to the gentleman from Oklahoma [Mr. SYNAR], my distinguished colleagues, that I appreciate their integrity and their intellectual honesty. I might say, Mr. Speaker, that I also would like to applaud the gentleman from Wisconsin [Mr. ASPIN] for using this venue, this forum, and the gentleman from Oklahoma [Mr. SYNAR] for using this venue and this forum to make this statement.

Mr. Speaker, I have been in the House of Representatives now for nearly 20 years, and, without precedent, more often than not the forum that we use to make these kinds of announcements is a press conference where we talk to each other through members of the press. But I applaud my colleague and the chairman of my committee for using this forum to allow us to talk with each other.

Having said that, Mr. Speaker, I would like to then make the following comments.

The gentleman from Wisconsin [Mr. ASPIN] and the gentleman from Oklahoma [Mr. SYNAR] have both addressed the substantive questions. Let me say that I welcome both their analysis and the conclusions that they have drawn and the decisions that they have made to incorporate the Dellums-Kasich amendment in their markup of the Defense authorization bill for fiscal year 1991.

A year ago, a very interesting coalition emerged: The gentleman from California [Mr. DELLUMS], in the progressive wing of the Democratic Party, and the gentleman from Ohio [Mr. KASICH], the gentleman from Connecticut [Mr. ROWLAND], the gentleman from Pennsylvania [Mr. RIDGE] and others, in the more moderate to conservative wing of the Republican Party, emerged in this interesting coalition, and several people said, "How can this be? How can this diverse group of people with very difficult politics arrive at the same conclusions with respect to the B-2?"

My argument at that time, Mr. Speaker, was that finally both sides are beginning to ask the very same questions, and when we start to ask the same quesions, we increase the possibility of coming to the same answers.

So, this group asked with respect to the B-2, "Do we need it? Can we afford it? And are their alternatives?"

Mr. Speaker, we all said, "No, you don't need it. No, you cannot afford it. Yes, there are alternatives."

So, we came to the floor arguing that this B-2 bomber had an exorbitant cost, a dubious mission, and questionable capabilities. Myself and the gentleman from Ohio [Mr. KASICH] offered an amendment last year on the floor. We thought we were going to win last year, but at the 11th hour the gentleman from Wisconsin [Mr. ASPIN], the gentleman from Oklahoma [Mr. SYNAR] in their wisdom offered a different amendment, and on the basis of significant conclusion, and that is that only a small number of Members of the House actually understood the B-2 bomber because the program has been immersed in the special access category for a long time.

Mr. Speaker, I might say to my colleagues, "We no longer use the term 'black programs' since this Mr. Speaker, is black, and with respect to my own constitutency I found it very difficult that I would go home opposing black programs. So, I decided that we ought to call a special access program."

So, we no longer say these programs are in the black bag. We say they are in the special access category, and since the program had been in a special access category, for a short period of time, my distinguished colleagues decided that Members needed at least an additional year to gain greater insight into this program, and that amendment prevailed overwhelmingly. The gentleman from Ohio [Mr. KASICH], my colleague, and I walked off the floor having lost a significant battle, only able to derive 144 Members of Congress to support our position.

□ 2040

We felt at that time that we had won the debate, we said, but we lost the vote. In the course of the year, the program never got better. The arguments never got stronger. The cost just got worse. Our fiscal realities worsened and the world, at least in Eastern Europe, began to improve.

So we kept our coalition together, joined by the distinguished gentleman from Kansas [Mr. SLATTERY], an extraordinary worker; the gentleman from Pennsylvania [Mr. RIDGE], an extraordinary worker, and the five of us, the gentleman from Ohio [Mr. KASICH], the gentleman from Connecticut [Mr. ROWLAND], the gentleman from Pennsylvania [Mr. RIDGE], the gentleman from Kansas [Mr. SLATTERY] and myself worked diligently, assiduously, every day. We got 146 Members to cosponsor our legislation, 207 Members to indicate that they would vote in opposition to the B-2. We had 41 Republicans undecided, 53 Democrats undecided. Out of that reservoir of 94 undecided votes, we needed 11.

We said, "We're going to beat this thing. We're going to win, because we've worked hard and we're going to put this program to sleep."

But I now welcome the extraordinary statement of my distinguished colleague, because the gentleman from Wisconsin [Mr. ASPIN] now guarantees that we can win. In this situation, the gentleman is the 800-pound gorilla.

When the chairman of the House Armed Services Committee says that on the basis of substantive analysis that he has arrived at the conclusion that this program lacks value and lacks merit to go forward, the gentleman brings many Members of Congress with him.

So I personally thank the gentleman. I thank him for his courage, for his leadership, again for his integrity, and above and beyond all that, for the gentleman's intellectual honesty.

Mr. Speaker, one other comment. Sometimes those of us who start off moving against controversial weapons systems or taking controversial stands are bloodied up early in the beginning of the battle and rarely are around at the end. If you use a football analogy, there are some of us who take the kickoff at the 1-yard line, fight bringing it down the field, and then somebody with a clean unform comes in when it is inside the 2-yard line to take it over the goal for the glory and the touchdown, and those persons who were bloodied down the road when it was not popular and it was not easy to stand up on the cutting edge of change, to advocate, they are long forgotten.

So I thank the gentleman for not forgetting the gentleman from Ohio [Mr. KASICH], not forgetting the gentleman from Kansas [Mr. SLATTERY], not forgetting the gentleman from Pennsylvania [Mr. RIDGE], and not forgetting the gentleman from Connecticut [Mr. ROWLAND] and the other people who made up the 146 Members who cosponsored, and the 207 people who said that they would stand up with us to oppose the B-2, and I thank the gentleman on behalf of myself. The gentleman from Wisconsin and I have served along side each other for 20 years. Sometimes we have been together, sometimes we have not, but it is a heartfelt feeling tonight the way that the gentleman stood up to stand with us in a manner that never will be forgotten by this gentleman.

I think the gentleman from Oklahoma [Mr. SYNAR]. I remember very

clearly when the gentleman stood up on the floor of Congress and looked both the gentleman from Ohio [Mr. KASICH] and myself in the eye and said, "If this program has not cleaned itself up 12 months from now, I will stand with you." The gentleman is a person of his word and I thank him for his intellectual honesty and his integrity.

Mr. ASPIN. Mr. Speaker, I thank the gentleman from California for his very kind and very generous comments.

Mr. Chairman, I yield to the gentleman from Florida [Mr. IRELAND].

Mr. IRELAND. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I rise to join my distinguished colleague and chairman of the Armed Services Committee, Mr. ASPIN, in expressing support for the Kasich-Dellums bill to kill the B-2 bomber.

Chairman ASPIN's decision to back this legislation is a crucial development that may finally put an end to billions of dollars a year of needless Federal spending.

Mr. Speaker, the future of the B-2 is in jeopardy. Its congressional support is eroding. Finally, it appears that the leadership in the House of Representatives is starting to accept the realities of our fiscal crisis and changing international security relationships.

Chairman ASPIN's comments today tell me that he is prepared to make some tough decisions. He is prepared to make the right decision when it comes to the future of the B-2. And as a result, Mr. Speaker, the B-2 bomber is clearly in trouble. I believe this is good news for the American people. Why?

For starters, the cost of the B-2 bomber is in doubt. Will it bear the $61.1 billion price tag that Secretary Cheney mentioned at the April 26 major aircraft review hearing before the Armed Services Committee? The answer is "No." The actual cost is much higher—and it is climbing rapidly.

For another thing, the B-2's ability to find mobile targets has always been in doubt. Its ability to evade detection by enemy radar is uncertain. And the integrity of the company that is building the B-2—Northrop—has been questioned.

Mr. Speaker, everything about the B-2 bomber program is surrounded by doubt and uncertainty. Therefore, Chairman ASPIN's decision to stop the program is fully justified for strategic, policy, and programmatic reasons.

The B-2 bomber is yet another piece of evidence of the terrible flaw in planning and management that exists within the Pentagon.

I am deeply concerned about the broader trend in the cost of major acquisition programs. Good cost work can hold DOD programs together. However, good cost work is conspicuously absent from DOD today. The costs of countless DOD programs are beginning to skyrocket.

Take, for instance, the major aircraft review presented by Secretrary Cheney in April. It covered four major programs—the B-2, the A-12, the C-17, and the ATF. In the few months that have elapsed since the review was completed, cost estimates for three of the four programs have literally come unglued.

Congress must act, and act quickly, to reverse this trend. Honest and accurate cost estimates are the foundation of a fiscally responsible 5-year defense plan. And the 5-year defense plan must be the foundation of any coherent policy for protecting our national security.

I plan to offer an amendment to the fiscal year 1991 defense authorization in the Armed Services Committee that would bring DOD into compliance with the law governing the preparing of cost estimates for major programs (section 2434 of title 10). But that's not enough.

There should be sanctions at the staff level for misleading the Secretary of Defense on the cost of a multi-billion-dollar weapons system. A $5,000 fine, for example, might help stop that kind of behavior.

What is more, money to pay for these huge cost overruns should not be so readily available to Pentagon staff without congressional knowledge and approval. The Pentagon's so-called "M" and "Merged Surplus" accounts—holding more than $60 billion in expired, but available, spending authority, should be abolished.

The B-2 bomber is one reason, albeit a big reason, that the Pentagon has such a serious money problem looming ahead in the next 5 years. With a potential $1-billion price tag for just one bomber, something is wrong.

Right now, in order to simply bring the Pentagon's programs down to the minus-2-percent funding line that is proposed in the President's fiscal year 1991 budget DOD will have to reduce its programs by $140.2 billion for fiscal years 1992-94.

But the minus-2-percent line is only an extension of the military build-down in defense programs that has taken place since 1985. It does not address the significant changes that have taken place in the world—changes that are reflected in the significantly lower spending limits contained in the bill the Armed Services Committee will bring to the floor in early September, and in the House-passed budget resolution which the committee has now embraced.

Much deeper cuts are now in the offing. We must kill some big programs to make room for those programs that fit our new and evolving military strategy. We must find a way to strike a delicate balance between people, readiness, training, modernization, R&D and future technology. Big ticket items like the SSN-21 submarine, LHX helicopter, A-12, and ATF that now clog the money pipeline are prime candidates for termination or revision.

Chairman ASPIN has taken a step in the right direction. But more is needed. Above all, I don't want the committee to use the vacuum created by terminating the B-2 to fund yet another obsolete or unnecessary program.

Instead, we must use this opportunity to develop strength where we now have our greatest weakness. We must prepare for the low-intensity, non-national type of conflicts that will be the battlegrounds of the future.

These battles are now new—they have been going on around the world for several decades. But our experience in dealing with them has been limited to conflicts in which the threat of Soviet involvement has drawn us into the fray.

And to put it bluntly, Mr. Speaker, our experiences in Korea, Vietnam and other areas clearly demonstrate that we are not very successful in coping with such battles.

And we will not get any better until we stop trying to live in the past, and start trying to figure out what it will take to improve on the things that we've been doing so badly for more than 20 years.

The card-punchers at the Pentagon want us to continue to feed dinosaur programs like the B-2 while they study our options. Well, propping up our aging dinosaurs won't solve anything.

Let us face it, we know very well the nature of the new threats we face. Now, we need to reject old philosophies and look to the future. We must channel our strength primarily into manpower—into developing a fighting force that is radically different than the one we have today—one that emphasizes leadership skills and integrity rather than card-punching.

We do not need studies; we do not need procrastination. We do need a coherent plan of action. We do need a Defense Department that is accountable to Congress for carrying out that plan of action.

In the words of Spike Lee, I have a message for the cardpunchers and procrastinators at the Pentagon: "Just Do It!"

□ 2050

Mr. ASPIN. Mr. Speaker, I yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I have to say, just like my colleague, the gentleman from California, as I sat in the chair over

here and watched the distinguished chairman make his remarks, I kind of had to pinch myself to see if this really was happening, because it is something we have worked so long and so tirelessly and so hard to be able to achieve.

I remember the night that RON DELLUMS and I had dinner together, and we started talking about the B-2, and, "Well, what do you think? Can we do it?" "Yeah, we can." "Well, do you think we can get it all? How much can we go after?" We shook on it, and we said we were going to go after it whole hog.

At the time, of course, everybody thought we were crazy. On my side they said, "Now, how could you work with a guy like DELLUMS?" I said, "Well, the only time people over here ever work with him, the only time they ever work with a guy like DELLUMS is when he makes sense, and he happens to share your point of view." In fact, we were just in a conference the other day, and BILL DICKINSON was saying, "Well, we're working on this R&D, and I've got DELLUMS' word." I turned to one of my friends, and I said, "You see why I work with DELLUMS? Because when he gives you his word, you can count on him."

We started working right then, and we pulled our good friend JOHN ROWLAND from Connecticut in with us who could not be here tonight. He is in Connecticut right now. I went to JOHN, and I said, "JOHN, I've got to have your help. I can't be the only Republican over here doing this, because it is just going to be very, very tough, and I want you to get involved, and I think it is the right thing." He sat through some of the discussions and hearings, and he joined us. We started to build from there, RON working very hard on his side and JOHN ROWLAND and I working very hard on our side, and I am very proud of the 28 Republicans who joined us the last time. You know, that was more Republicans that ever voted against a major weapons system during that whole MX debate, when we had the church groups and everybody else in the country beating Republicans up, we could only get 12 or 13 at the time that voted against the MX, and yet intellectually, honestly, 28 Republicans on this floor the last time voted to kill one of the No. 1 defense systems that we have seen put in the military budget in modern times. It took a lot of guts and a lot of courage for them to buck their President and buck their party and do what they thought was right in terms of providing for a lean and efficient national military.

I will tell you the last time it was ARTHUR RAVENEL and it was ANDY IRELAND and JOHN ROWLAND and the finest speech given on the floor on our behalf on this admendment was given by the gentleman from Pennsylvania, Mr. RIDGE, who delivered the most compelling comments that were made during the entire debate. We walked off the floor, and you know, we were hurt because we felt we had a good position. We thought we had won the debate. It was frustrating to us that we made all the arguments but we did not win. Nobody beat us down. Nobody knocked us down. Nobody outdebated us. We had the win. We felt we just did not get the votes. I remember at the time Mr. SYNAR and Mr. ASPIN and I and DELLUMS went out on the front porch and had our picture taken and they said at the time, "If you guys are right, if this thing does not work out, we are going to be the first two to lend you our support the next year."

This year came along, and we started digging around again, and a very significant thing happened to me, the gentleman from Kansas, Mr. SLATTERY, came to me and said, "KASICH, I did not vote with you guys the last time, but we have got a serious budget problem, and I am going to work to help you guys win this amendment." I mean, you want to talk about the definition of relentless, that is what JIM SLATTERY was. I mean, it got to the point where Democrats ran the other way when they saw JIM SLATTERY coming, because he hit them up day after day after day, and you might remember the press conference, JIM, TOM RIDGE was there, RON and I and a handful of others, where we said that we would win this fight in the trenches, that we would go Member to Member, we would do the "Dear Colleagues," we would visit them in their offices, we would call them at their homes. It did not matters, no stone was going to be left unturned in this battle.

TOM RIDGE then agreed to do vote-counting with the Republicans, and we made the most systematic effort and continued to make the most systematic organized effort to kill a defense system I think we have seen in modern times, and let me tell you what we thought for those that are interested and those that watched.

Here we were fighting defense contractors who had a lot of assets at their disposal. We fought people in the military who came over, all the witnesses, everybody else that came over and made the argument, we made sure we were there at every hearing to rebut all of their arguments. We fought the military-industrial complex, all of their assets, all of their people, and we just never gave up. We kept right on plugging, because we though we had the facts.

But, I mean, this was team effort. I mean, JIM SLATTERY and TOM RIDGE made the difference this year, because they organized DELLUMS and me. They organized us and put us in a position where everybody had their little bit of work to do.

□ 2100

LES ASPIN convenes a committee. I want to tell you, when LES ASPIN first ran for committee chairman, if I had had a vote, he would have clearly received my vote. Because when I came in 1983 the Committee on Armed Services had no strategy. We had no program and no plans as to huow we funded systems. there was no policy that was the underpinning reasons for why we made decisions.

Here comes LES ASPIN, the Saturday night bomb thrower who says, "One day I am going to provide some leadership for this committee." He ran for that chairmanship and he won. The message that communicated throughout the Capitol and throughout Washington and throughout the defense establishment is this every intelligent man, who had been trained in the inner halls of the Pentagon, was now going to take charge of a committee and we were going to make decisions based on the merits and based on the facts.

I was thrilled that we were finally going to get some leadership at the top of that committee that would allow us to make some hard choices.

LES was not with us last year. He was not convinced in his own mind. He was not convinced in his own mind we were right. I believe LES ASPIN did it on the merits.

I believe MIKE SYNAR did it on the merits. MIKE SYNAR took a lot of heat for his inquisitive nature on this program. A lot of people said, "Why does he care?" He was driving them crazy because he wanted to ask for a lot of questions.

Last year they prevailed, and this year LES convened their series of hearings. We had all the experts come in. We had General Chain. We had Secretary Cheney. We had everybody that had a star that could walk in the door have a chance to come in and talk. Every expert who had ever received a dime for consulting to anybody in their life had an opportunity to come in and talk about the program. And we sat and listened.

We went up into the secret hearing room and we listened to the closed briefing, It was briefing after briefing, hearing after hearing. I think the record became clear, just like LES said. They could not make the case. they could not make the case for the cost. They could not make the case for this mission, they could not make the case for any of this. You see the bottom line is that LES ASPEN is a guy who will act on the basis of facts.

I want to tell Members, there are some on our side that get mad at LES. I once in a while get mad at LES. There is no question about it. But you see, I think he provides a kind of leadership on this committee that we need

in a changing world to make hard choices.

As a result of that, I want to say to the gentleman from California, as a result of his trying to make decisions on the merits, he has gotten in trouble on your side of the aisle when he has tried to be intellectually honest. Rather than tearing this guy down, we ought to figure out a way to give him support when he wants to make the hard choices. He is not going to resent you when you want to fight him on the facts. That is what I tell Members, if you want to fight LES ASPIN, that is fine, have the facts. You have the facts and be right and I will be on your side and go after him like nothing. But you had better know what you are talking about, have the facts, and know the policy.

It is a pleasure for me to serve on the committee with LES ASPIN, and also a pleasure to work with MIKE SYNAR. We have a lot more work to do on the special access programs. We are forming them, and a variety of things. I am glad MIKE SYNAR came to the committee meeting. He added a great breath of fresh air. It is a pleasure to be in concert with both gentleman. I think this will make the difference.

The bottom line is none of us can take credit for having the momentum to win. We have not won yet. We have to be diligent. We have not won in the committee or on the floor.

Let me tell Members, with LES ASPIN going our way, it makes it look like we are going to win. Where does the credit go? It goes to a team. It goes to a team where not one person rose above anyone else, but many Members of this Congress taking time with nothing to gain. Guys like TOM RIDGE and JIM SLATTERY, who received minimal acclaim back in their own districts, who set hour after hour aside. Guys like ARTHUR RAVENEL, who had nothing to gain from this, who said this is something they believe in, this is something they are going to do, and they dedicated themselves to trying to make the country better, make the defense establishment make sense.

It is a team effort. This is a wonderful night for all of us who want to have sanity in our defense policy. Folks, it is not over yet but we are going to keep plugging.

Mr. Chairman, Mr. DELLUMS and I will be banging on your window in the middle of the night to make sure we win this thing in conference committee. We will do whatever you need us to do in order to carry this fight in conference and make sure you prevail in defining what the defense policy of America ought to look like through the period of the nineties and the next century.

Mr. ASPIN. I thank the gentleman from Ohio [Mr. KASICH] very much.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Speaker, I think it was in 1982 after the election, when both parties sent the victorious congressional candidates to different forums. There was one at the Kennedy School at Harvard, and another at Williamsburg.

If I recall, Chairman ASPIN, that is the first occasion that our paths crossed. I like to pride myself on first impressions as being the most accurate. There was about a day that we spent at the Kennedy School on defense and related matters.

I said to myself, there is indeed a man of tremendous ability and intellect and substance. I guess I would like to have said at that time I envisioned he would end up being chairman of the Committee on Armed Services, but I was not clairvoyant. At least I was smart enough to recognize that I felt there was at least one Member of Congress, and that was when I first met him, that I thought down the road would be willing to set some priorities for the Pentagon if they were truly unwilling to set priorities on their own.

Tonight is just another example where you have confirmed that assessment in my mind. More importantly, I think you were true to your word when you came to the floor last year and said look, this is not simply the province of the Committee on Armed Service. This is a weapons system that has a strategic importance clearly for this country. Let us make no mistake about it, it has economic importance to 100 Members of 200 Members of Congress that have contractors and subcontractors in their congressional districts. So when you joined with the gentleman from Oklahoma [Mr. SYNAR] and said let us revisit this in a year, and made the commitment that it would be revisited, and that if you felt that they had not made their case by that time, and Members had been given an opportunity to assess it themselves now that it was no longer a special access program, we would revisit it, look at it hard, and make a decision.

Well, you kept that commitment as well. You certainly assessed it once again. Perhaps equally as important, you gave Members an opportunity to assess it once again. I think that is clearly one of the reasons, Mr. Chairman, that we went from 144 votes a year and a half ago to, as someone previously indicated, we felt in our whip count that we had in excess of 200, nearly 207, and that is certainly within the 90 that we had identified as legitimately undecided. We knew for sure we could get the balance of 11.

So it was not only the word that you gave to the sponsors of the amendment that was resoundingly defeated. I remember RON DELLUMS and JOHN KASICH disappointed, I guess would be a modest description of their feelings. I know that they felt intellectually, as they have said many times, that they had won the argument, but around here that does not do any good unless you get the requisite numbers of yeas and nays. So that interim which you gave, Mr. Chairman, to the Chamber and individual Members, I think has worked out certainly as far as we have gone now with your decision to put the Dellums-Kasich bill in your makeup for the subcommittee.

I do have to commend my colleague, the gentleman from Oklahoma [Mr. SYNAR]. He was also a man of his word. I also have to give him credit for doing what many of us often talk about, but few of us rarely do, and that is get totally involved in an issue outside of our committee of jurisdiction. It is something that some Members do from time to time, but I doubt if anyone has attacked, literally attacked, a problem or a weapons system or a project as relentlessly in recent years as MIKE SYNAR has done, and he is to be commended as well.

For 2 or 3 years many Members have felt that this was a weapons system that had an ever-changing mission, which made it suspect from the very beginning, that had a technology that was at best dubious, and certainly a price tag that grew to be unconscionable more and more every day.

Every challenge that those of us who were in a position to challenge, every challenge to its mission would be met by a rebutal or a creative response by the Pentagon. "Well, it is not quite this mission now, it is this mission."

It is very difficult admittedly to hit a moving target, and it is no doubt that that is the reason the Pentagon over the last couple of years continued to change the mission of the B–2 bomber.

□ 2110

But fortunately, if you sat back and thought of its place in the triad and thought of its place in the strategic arsenal that all of us are committed to, it has no real fundamental role.

Certainly not one worthy of a billion-dollar price tag.

If you thought about it for a minute, most of those missions, as our colleague from California pointed out in his remarks, could have been met. Most of those strategic missions could have been met with a cheaper strategic alternative.

So, clearly, when it came around to trying to decide whether or not you needed it to meet some kind of strategic mission, there was enough question, enough doubt in the minds of many, enough hopeful objectivity to conclude that it had no place in our arsenal of weapons.

The technology, as the chairman has pointed out, at least to date when you are talking about its stealth quality, the configuration of the wings and the composition of the materials used

to date has no Achille's heel. But we do know that it is going to be 3 or 4 more years until it is completely tested, including the avionics.

And we have to know that our enemies, those who would take a look at our stealth capability, would certainly not sit idly by and not develop their own anti-Stealth capability as well.

There is no doubt in my mind that perhaps we have done it and others have done it as well. So that when you got around to a weapons systems that had a dubious mission and questionable technology, there was ever more reason to be concerned about the direction in which we were going.

Then, finally, as many of the speakers have so well documented tonight, we started with a weapons system with a $440 million price tag, which was certainly astronomical in terms of other systems that we have seen. Then, over the years, ironically, particularly the past year and a half, has the Pentagon who lobbied so hard, who claimed it was absolutely essential that they have a minimun of 132 B-2 bombers to fit into our strategic triad, that number has come whittling down from 132 to 75, and I do not think there is any Member in this chamber that does not doubt that the Pentagon, if they thought they could save it, would agree to 60 or 50 or 40.

Then you start wondering, well, how strategically essential were the 132 if you are willing to compromise at 75, then 60 and then on down?

At the same time that the numbers are going down, the cost goes through the roof. Remember it started at $440 million. It is $840 or $860 million now, and that does not include operation and maintenance costs, and the anticipated cost overruns. That would certainly take it to a billion dollars.

If you look at the changing world, if you look at our problems in our own domestic world, with the deficit and the other priorities that we have, I think it is high time that we give credit where credit is due, and that is to the chairman for coming on board, as he promised, after he himself took another look at it for a year and gave our colleagues in this chamber an opportunity to look at it for a year.

There is no doubt in my mind that if Chairman LES ASPIN concluded that America needed a weapon system or a bomber that cost a billion dollars, if it was essential to the survivability of this country, if it was essential to maintain a deterrent, if it was essential for us to continue to operate in the world of nations today in order to protect our freedoms and the opportunities we enjoy in this country, there is no doubt in my mind that LES ASPIN would be on the floor promoting that weapon system.

So the price tag, in and of itself, is not a withdrawal into the conclusion. But if you add it all together, if you have got a weapon system whose mission keeps changing, whose technology is questionable at best and whose price tag continues to escalate through the roof, it is pretty clear that we have no time, no place, no money for such a weapon system.

So I thank the chairman for his courage, his leadership, his vision and the two other individuals who I think down the line, if people are going to write the history of the B-2—which I hope we do terminate this year—the relentless, persistent, indefatigable, undying, unyielding, uncompromising RON DELLUMS and JOHN KASICH.

You know, there are some people who would take a look at the 435 men and women in the House of Representatives and say, "Well, what can one or two of you do?"

Mr. Speaker, this is a good civics lesson for students of government, be they in grade school, high school or college.

If you have got an idea and you truly believe in it and you work tirelessly and assiduously toward that particular goal, one or two people can make a difference in this chamber.

So I think we all owe a debt of gratitude to JOHN KASICH and RON DELLUMS because it was their tenacity and their vision that brings us to what our friend, Mr. DELLUMS, called this very unique forum tonight where we can applaud the good work and vision and leadership of the chairman of the Committee on Armed Services, but in my mind to applaud equally as much and as loudly and as clearly the spirit and the vision of the two really fine legislators, my colleagues and friends, RON DELLUMS and JOHN KASICH. It is a pleasure to be with you tonight.

Mr. BENNETT. Mr. Speaker, we all have grave concerns about the B-2 bomber program. I congratulate Mr. ASPIN for his decision today. I also congratulate Mr. DELLUMS, Mr. KASICH, Mr. ROWLAND, Mr. SLATTERY, Mr. RIDGE, and my other colleagues for their vigor in leading this effort. I joined with them as an original cosponsor of the bill to terminate the B-2 program.

Compared with past bomber programs, the B-2 bomber is a great concept, but in reality today it is a plane overwhelmed by technical problems and soaring costs in a time when our country is facing difficult financial challenges.

To keep this program in perspective, consider the price we have paid for bombers in the past, even when priced in today's inflation adjusted dollars:

In the late 1940's we bought 2,000 B-47 bombers for $21 million each.

In the late 1950's we bought 750 B-52 bombers for $80 million each.

In the 1980's we bought 100 B-1 bombers for $310 million each.

Now in the early 1990's, we are asked to buy 75 B-2 bombers at $840 million each.

And the cost of the B-2 is only going to go up. Just last month, we were informed in a letter from Secretary of the Air Force Don Rice that they have encountered "unfunded requirements" in the production of the first 15 B-2's. He told us that this means the Air Force cannot buy 15 planes with the $27 billion the Congress has funded so far. Rather, he can only buy 13. This means that the cost of the first B-2's will be over $2 billion each.

The truth is we cannot afford further procurement of the B-2. Our country must come to grips with the serious budget problems we face. We must make cuts in our domestic spending by eliminating unnecessary social programs. And we must cut our defense spending by eliminating unnecessary weapons. The B-2 is one of those programs that has to go. The chairman is right when he has decided against additional procurement of these extremely expensive planes in the face of inadequate funding for much more necessary other defense requirements.

DO WE NEED THE B-2 BOMBER: CONTINUED

The SPEAKER pro tempore (Mr. OWENS of New York). Under a previous order of the House, the gentleman from California [Mr. DELLUMS] is recognized for 30 minutes.

Mr. DELLUMS. I thank the Speaker.

Mr. Speaker, I yield at this time to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY. Mr. Speaker, as Mr. DELLUMS was indicating earlier in the previous special order, today is a very happy and memorable day, not that there will not be problems, perhaps economically and otherwise, coming out of these decisions in many ways being forced upon us. But it has been a most happy and momentous year.

I remember some 10 or 11 months ago when Chairman ASPIN led a mission to the Soviet Union, a very educational and informative mission, at a time, quite frankly, just 10 or 11 months ago, last August, when the world strategically was as it has been essentially since the end of World War II. There were hopes to end the cold war, to tamp it down, but indeed all the old problems and stresses and suspicions were there.

In fact, I remember at one point talking to the members of the Soviet Security and Defense Committee about their conceptions of the B-2 bomber. I think they said quite sincerely and credibly that the Stealth technology, as far as they were concerned, posed no overwhelming or impossible challenges or burdens on them.

Since that time, we saw another happy night with the collapspe of the Berlin Wall. The Berlin Wall has, in effect, come down. A most happy night and day in world history.

Indeed, since that time, we have seen the onrush of democracy in numerous Eastern Bloc republics as they

worked their way toward freer societies, with greater or lesser degrees of success, and nowhere perhaps is this ultimately going to be more true, hopefully, than the Soviet Union, which is having its share of problems.

Mr. Speaker, the simple fact is that our entire international security and geopolitical situation has changed. We no longer live in a world where we need 132 B-2 bombers as was the case until several months ago, with the original request from Mr. Cheney and the administration. We no longer need the 75 B-2 bombers at a cost of $61 billion, as recently submitted by the administration.

I would submit to you that it flunks the basic commonsense awareness test. I would challenge anyone to find more than a few cabdrivers, waitresses, hairdressers, laborers, ditch diggers, or middle-income executives that would argue to their Congressman, as we all know there are relatively speaking very few, that we need 132 or 67 or even 30 B-2 bombers at a time when we have a $300 to $500 billion crisis in the savings and loan, when we are starving medical care, at a time when we are starving education and we are on the brink of a possible budget collapse.

Let us face it, there is a lot of hope for the summit, there is a lot of hope for common sense and compromise. But if we face a sequester come September and October, I submit to you that that would be the greatest chaos economically in U.S. history since the Great Depression and, indeed, one way, quite frankly, to avoid that chaos is to endorse the Dellums-Kasich-Aspin mark on the B-2 bomber.

□ 2120

There is simply no reason to go on with this. The main mission was, as we all know, to penetrate the Soviet air space and attack hardened or mobile targets that may have survived a strategic nuclear attack. In short, a Committee on Armed Forces rationale that would have our bombers flying over the Soviet Union, a decimated Soviet Union, after the exchange of some 10,000 warheads. What is going to be alive or worth it on either side, to justify such a dubious mission? It would be difficult to locate and attack these mobile targets in the aftermath of a nuclear strike, to say the least.

Also, as has been pointed out, a fleet of reconnaissance satellites would be required to keep the mobile targets under surveillance. If Congress allows procurement of this system, would this be next on the Pentagon's wish list? As Gen. Maxwell Taylor said,

> Is it worth several billion dollars to overfly Soviet targets with a few score of manned bombers looking for residual targets after each country has already exchanged several thousand megatons of nuclear fire power on their respective target systems?

In its place, particularly as Chairman ASPIN has mentioned, we have several viable alternatives to the B-2 in our current defense arsenal. B-52's and B-1B's armed with cruise missiles would be capable of evading any improved radar defense the Soviets could muster, and would be similarly effective. With a range of only 50 to 200 miles, they could not be capable of shooting down our cruise missile carriers.

In addition, the Pentagon claims that the B-2 could be useful on more conventional bombing missions such as Libya, similar situations as Panama, or whatever the next Third World drug-oriented or problematic dictatorship crisis is going to be. I submit that our present arsenal of bombers, the B-1B, the B-52, and the various other aircraft, so forth and so on, should be enough to counter those possibilities.

Termination costs of this program are estimated to cost $4.6 billion. This is significant money, but as I have said, it dwarfs in comparison to B-2's lifetime cost of over $100 billion. Are we willing to invest this extraordinary sum of money in a plane without a specific strategic mission? With recent global changes spreading democracy around the world and our defense strategy being realigned to reflect a multipolar world, the necessity of the B-2 is absent.

As the gentleman from California [Mr. DELLUMS] mentioned so eloquently, and again as all Members mentioned tonight, but particularly the gentleman from California [Mr. DELLUMS] and the gentleman from Ohio [Mr. KASICH], they should be commended for their wisdom and foresight and their ongoing courage and diligence in bringing this to all Members. There is simply no need for the B-2, despite all previous discussions. Our Federal budget deficit requires sacrifices at all levels. Let Members make one where the cuts will be least painful. Endorse the Dellums-Kasich-Aspin mark on the B-2.

Mr. DELLUMS. Mr. Speaker, I thank the gentleman for his extraordinary statement and very kind remarks, and I yield to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Speaker, I, too, voted with my chairman, the gentleman from Wisconsin [Mr. ASPIN] last year to not support this Dellums-Kasich language. I felt we needed a little bit more time to look at the program and make a proper evaluation.

I want to commend my chairman for calling this special order tonight. Certainly he serves our Congress well, a man of keen intellect and vision, certainly a leader in our times.

This is a very historic time to be a leader of the Committee on Armed Services. We have a chance for a new decade, to enact a policy driven defense program that will address our needs, take care of our national security, and not a program that reeks of oink, that does take care of special interests, but truly is fine-tuned to take care of our national security, to fashion it in a just and sensible manner.

Members, we cannot afford to botch up on the opportunity that we have. This is going to mean we can talk about tough choices. We are cutting back on our defense spending. Well, colleagues, the moment for truth has arrived. This is a tough choice. I have been in Congress for 16 years now, and I have been on the Committee on Armed Services for 7 years. I do not take matters relating to our national security lightly. I have always been a strong proponent of a strong national defense, but I am also an advocate of fiscal responsibility, and I will oppose the costly programs where I think there is a questionable need.

My colleagues tonight have talked about the cost of the programs, the questionability of the mission, and whether or not that will perform, so I will not go into those aspects. However, I am going to remind my colleagues that certainly I am not one to vote lightly against defense programs. I have taken a good look at the B-2, to make what I feel is the most informed decision that I can make. I conclude this is a system we cannot afford right now, the one where there is less than a compelling need.

Again, I want to thank my chairman for his leadership, for the good job he is doing, and I look forward to a good year working on the subcommittee on procurement and military nuclear systems, looking at what we need, how we can spend our money in the best and most informed way, and not be afraid to make the tough decisions that we will make this year.

Mr. Speaker, during last year's debate on the defense authorization bill I expressed concern about the B-2's cost and questioned the need for a $530 million aircraft. I also expressed concern about rushing to a conclusion that the B-2 be killed. Consequently, I supported a proposal advanced by my distinguished chairman from Wisconsin, Mr. ASPIN, and my distinguished colleague from Oklahoma, Mr. SYNAR. Their proposal represented a middle ground between those who wanted to push forward with the B-2 at all costs and those who sought to terminate the program. The Aspin/Synar proposal gave the Air Force the opportunity to restructure the B-2 program so that it was more affordable. It also gave those of us in Congress with divided opinions about the need for the B-2 more time to consider that question and reach a definitive conclusion. After countless meetings and briefings and long and careful deliberation, I rise today to announce my opposition to further production funding for the B-2 bomber.

Today, our national debt is twice what it was in 1980. Last week, Richard Darman announced that the revised fiscal year 1991 budget deficit was $168 billion. This figure ex-

cludes the astronomical cost of the savings and loan bailout, which when added raises the deficit to over $200 billion. Clearly, now is the time to take a good, long, hard look at all Government programs, both defense and domestic, to determine those that are essential and those that can be cut or canceled.

I have been in Congress for 16 years and served on the Armed Services Committee for 7. I do not take matters relating to the U.S. national security lightly and I am a strong proponent of a strong national defense. However, I am also an advocate of fiscal responsibility and oppose spending on costly programs for which there is questionable need. Under Secretary Cheney's restructured program, which calls for the purchase of 75 B-2's, the unit cost for the bomber has jumped from $530 million to $840 million. Based upon this cost comparison, the B-2 is less affordable today, than it was a year ago. Unfortunately, it appears likely that the cost will continue to rise.

To complete the planned buy for the B-2 the United States must spend another $40 billion. Given the current downward pressure on the defense budget and the large deficit, it is unreasonable to assume money for the B-2 will be available. If we terminate the program now while allowing research and development on the B-2's revolutionary stealth technology to be completed, as well as construction for the already authorized 15 aircraft, we will save billions of precious defense dollars.

The case against spending billions on the B-2 becomes even more compelling when one considers that the B-2's mission can be performed by alternative systems at a much cheaper cost. The B-2 debate has been punctuated with charges and countercharges about what exactly the B-2 is designed to do. After suggesting that the B-2 was intended for use against strategic relocatable targets and then backing away from that suggestion, the Air Force seems to have settled on deterrence as the B-2's primary mission.

The Air Force contends that the future credibility of America's nuclear deterrent and the sanctity of the triad requires purchase of a manned penetrating bomber; namely, the B-2. I believe the Air Force position undervalues the contribution made by cruise missile carriers to deterrence. The Strategic Air Command is currently using B-52's equipped with cruise missiles to perform the mission of deterrence; a mission they perform at a fraction of the B-2's cost. What's more, the United States just completed purchasing a brand new penetrating bomber which the Air Force expects will be able to penetrate Soviet air defenses into the next century: the B-1B. So why purchase more B-2's now?

To counter the argument that cruise missile carriers can perform the mission of the B-2, the Air Force points to the advantage conferred upon penetrating bombers by the START agreement. The START agreement counts all penetrating bombers as carrying one warhead against the 6,000 limit permitted by the treaty regardless of how many warheads the bomber may actually be carrying. There is a discount for cruise missile carriers, but it is not as great. The United States needs to take advantage of START's bomber-counting rule, the Air Force argues, if strategic planners are expected to hold at risk all the targets that they are required to by the current Single Integrated Operational Plan.

The Air Force counters the argument that the B-1B will be able to effectively serve as a penetrator well into the next century—and, consequently, allow SAC planners to take advantage of START's bomber-counting rule—by citing anticipated enhancements in Soviet air defense capabilities. The Soviets have invested annually billions of dollars in systems designed to counter the threat posed by the United States bomber force. The Air Force assumes this investment will continue at the same level, or nearly the same level, for the foreseeable future. Eventually, so the argument goes, the B-1B's effectiveness as a penetrator will atrophy to the point where it will have to be complemented by the B-2.

The Air Force's arguments about START's bomber-counting rule and the future effectiveness of the B-1B are not as solid as they appear. Both rest upon assumptions about American targeting requirements and the Soviet economy that are either outdated or questionable.

It needs to be remembered that the bulk of the current START agreement was negotiated before the fall of 1989, a period when cold war perspectives and assumptions governed U.S. war planning and our START negotiating position. Before November 1989, American nuclear planners required enough strategic warheads to hold at risk military installations, command and control systems, and population centers, not only in the Soviet Union, but also in Eastern Europe. The bomber-counting rule allowed strategic planners to effectively circumvent START's 6,000 warhead limit and ensure coverage of an expansive target list.

Today, the Iron Curtain no longer hangs over Eastern Europe. Freely elected governments now preside over Hungary, Czechoslovakia, and Poland. Hungary and Czechoslovakia have reached agreements with the Soviet Union providing for the withdrawal of Soviet troops from both countries by the end of 1991. East Germany, long considered the cornerstone of the Soviet's Eastern European empire, is expected to unite with West Germany later this year after the first all-German elections since before World War II. The new Germany will be solidly anchored in NATO and other Western institutions.

The dramatic changes in Eastern Europe have eliminated the need to point nuclear weapons at Warsaw, Budapest, Prague, and Berlin. The nuclear target base has shrunk and with the coming nuclear and conventional arms control agreements the target base will shrink further still. With fewer targets confronting American strategic planners, the importance of START's bomber-counting rule lessens. In fact, perhaps it is time for the administration to initiate a comprehensive review of U.S. targeting policy.

The Soviet economy is in a severe crisis. You do not have to be an economist to reach this conclusion. You merely have to read the headlines coming out of the Soviet Union. Among other things, the U.S.S.R. is plagued by overly centralized, inefficient industries, an agricultural system that fails to produce enough food to adequately feed the population, and a shoddy, unkept transportation system. The Soviet Government is confronted with an urgent need to divert precious resources from defense spending to reforming and restructuring the civilian economy.

This assessment is shared by the Defense Intelligence Agency and the Central Intelligence Agency. In a report to the Joint Economic Committee the DIA and CIA characterized Soviet economic performance in 1989 as "abysmal." The report also stated that "* * * there is a reasonable chance that the (Soviet) economy could deteriorate markedly * * * . Moscow continues to reduce and restructure its forces, the economic urgency of reducing the burden of defense shows no sign of abating. * * * On balance, most indicators point to * * * further reductions in defense spending through 1995." Given these trends there is no reason to expect the Soviets to continue to invest as heavily in air defense as they have in the past. This, in turn, makes it reasonable to assume that the B-1B will be able to penetrate Soviet air space much further into the future than the Air Force now believes.

Mr. Speaker, I am not one to vote lightly against defense programs. I have taken a good, long, hard look at the B-2. I have concluded that it is system that the United States simply cannot afford and for which there is a less than compelling need. My position will allow the Air Force to complete research and development on the Stealth bomber and allow the Air Force to maintain a 15 aircraft flying test bed. I will continue to support the ECM enhancements for the B-1B, development and production of the SRAM II, as well as its integration with the B-1B, and the advanced cruise missile. These programs will insure that the United States has a credible air-breathing leg to its nuclear triad into the next century, and they will do so at a much cheaper cost than the B-2.

Mr. DELLUMS. Mr. Speaker, I thank the gentlewoman for her exceptional statement, and I now yield to the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Speaker, first I would like to address my remarks to the gentleman from California [Mr. DELLUMS]. I come from a section of the country where regardless of what political persuasion a person aspires to, whether they are Republican or Independent or Democrat, comparatively speaking, compared to the rest of the country, pretty doggone conservative. I came up here and was appointed to the Committee on Armed Services. I had been warned. I had been warned by members of my party to look out for the liberals, the screaming liberals on the Committee on Armed Services, and they would just absolutely savage defense, and over a period of time they would probably reduce the United States to the status of Costa Rica. There is no Committee on Armed Services, all we have is a doggone good police force. Then I was appointed to a committee, and there the gentleman is, the dreaded RON DELLUMS, a Berkley, CA, liberal par excellence.

The first thing I noted when I started attending meetings up here was that all these committee meetings, subcommittee meetings, were chaired by white chairmen, they operated on

black time, which down in South Carolina, when we start 10, 15, 20, 30, minutes late. That is what we call black time down there. That is what our black community calls it, and this gentleman from California [Mr. DELLUMS] is our chairman, and to my amazement, we started right on time. If the gentleman will recall, I asked, "Mr. Chairman, why is it you black Congressmen, you operate your committe on white time and all these white Congressmen are operating on black time?" By George, I just figured it ought to be run right here, and that is why we start. A member can set their clock at the time he pounds the gavel. And I have felt drawn to the gentleman from California [Mr. DELLUMS]. I felt, "Man, this fellow Dellums is going to be all right." Then I heard about the gentleman from Wisconsin [Mr. ASPIN], and we had to kind of watch out for him. If we did not look out, he would sell our Nation's defense down the river, but I have found in the gentleman from Wisconsin [Mr. ASPIN] a firm and fast friend.

I kind of gravitated to those people. I am nice and friendly with those people who are nice and friendly to me. There I am in the First Congressional District of South Carolina, 125,000 beneficiaries in military medicine, not only active duty and their dependents, but retirees and all their dependents. Here several months ago when we are looking for the program and money not only for the personnel account to which you vociferously oppose at the time, but it also involves the accounts which were, I think, $600 million in the hole, and they were closing down the family practice clincis at our hospitals, and served our bases down there in our district, and I went to the gentleman with my problem, and he said, "Don't worry about it, we will take care of you," and the gentleman did.

□ 2130

Mr. Speaker, I say to my colleague, the gentleman from Ohio [Mr. KASICH], "If I remember, JOHN, it was just about a year ago, just about a year ago that the Armed Services Committee, we were invited to visit the Soviet Union. We went all over the Soviet Union."

Of course, Mr. Speaker, I am not one of these folks that really is technically informed. I am delighted to be invited here tonight so that I could bone up on just exactly what the mission of the B-2 is, the cost of the B-2, and this, that and the other, and I heard over, and over and over that a little bit of knowledge can be a dangerous thing, and, if I am tackled on it in this year's election back home, they will probably think I am an expert on the B-2.

However, Mr. Speaker, revelation occurred to me over there when we went there, and that was, when we started, as the gentleman from Indiana [Mr. MCCLOSKEY] remembers, we traveled around the Soviet Union, and what we saw over there, what we found when we got into the Soviet Union, is we found that what they had over there is a Third World country really with a first-rate military organization. Man, all of their equipment, just great. Small arms, fine, superb. Those ships in the Black Sea fleet, I mean just extremely well built. Our ships come in to Pascagoula in shame in some instances. Everything is just so well done, so well constructed. The aircraft that we saw; we saw very little military aircraft, but the civilian aircraft we saw was on par with ours. Artillery pieces, tanks, everything else we saw was fine. We went to their training bases, boot camp. We went out to their rifle ranges, and firing ranges, what have you. Spit and polish, lots of esprit de corps. All those guys marched, and, oh, man, it was a sight to behold.

However, Mr. Speaker, then you go to the hotel in Moscow, Moscow, the capital of the Soviet Union. We could not drink the water because, if we did, within just hours we would come down with the screaming meemies. So, we were all drinking Coca Colas and bottled water. In Moscow, imagine being unable to drink the water, and, when we got just a few miles out of Moscow, we get to a town over 25 or 30 miles out, they had a central well. Everybody was getting their water from a little central well. No water system. In towns of 10 and 15,000 people, no central sewer system. Everybody was still using privies like they used in this country years and years ago.

Mr. Speaker, that is what happens to a nation that lets its military industrial complex dominate it when the need was not really there because it never was there. We never intended, the West never intended, to first-strike the Soviet Union or to launch any kind of an attack upon it, but because their strong military complex dominated their economy and because of that domination, that country, that great superpower, was really reduced to a Third World nation.

So, I knew all along, and I say to my colleagues, "You know, looking at the situation, I knew that it was only a matter of time before the B-2 would be terminated, and what we're and what you've done here tonight is I think you've spelled the end of that program. I think that time for its termination has come. I firmly believe that we have the votes in the House to pass the amendment that you're going to include in your mark and to pass your bill with the mark included, and I think this is a real great day for our country because we're not savaging the military. We're not devastating our national defense. All we're doing is we're just terminating a very, very expensive weapon system which ultimately would reach a cost of probably $100 million."

Mr. Speaker, think of the potholes that that would fill around this country. Think how that would go toward helping us solve our deficit situation. Think of the water systems that that will improve, the sewerage systems that that will build in rural America, the new bridges, some of which are functionally out of date now, that it will construct. It will help us so much over the period of time when the B-2 program would have been in effect and gobbling up the vast sums of money that it would gobble up. Think how it will go toward helping us rebuild our infrastructure.

Mr. DELLUMS. Mr. Speaker, let me just very briefly say to my distinguished colleague from South Carolina [Mr. RAVENEL] that I appreciate his statement, I think. I simply say that I welcome the gentleman's support, and, if he is saying that this gentleman has gone some distance in attempting to explode the notion that stereotypes are meaningful, then I have tried to do that, and that in continuing to engage in sterotypes and images that have no meaning, that is something that we ought to get beyond. And if the gentleman is saying that he has come to the point that he is prepared to stand with this gentleman and any other person on the floor of this Congress on the integrity or the ideas, then I appreciate the gentleman's statement, and I welcome his friendship, and I look forward to our continued camaraderie and coalition as we go forward to shape the future of this country and the world.

Mr. Speaker, I yield to my distinguished colleague, the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I thank the gentleman from California [Mr. DELLUMS], my friend, for yielding, and I am going to be very brief this evening. I certainly cannot match the eloquence of the speakers we have already heard here this evening, but I came over here this evening for several reasons.

First of all, Mr. Speaker, I want to commend the chairman of the Committee on Armed Services, the gentleman from Wisconsin [Mr. ASPIN], for his intellectual honesty, as has already been mentioned. I say to the gentleman, "Your willingness to look at this whole question in a very comprehensive way and the fact that you are here this evening, and all of us know that you take your job as the chairman of perhaps the most important committee, and maybe in the free world; when it comes to military matters, you take that responsibility very seriously. I think everyone in this body on both sides of the political

aisle understands that, and the fact that you are here this evening is a tremendous boost to this effort, and, needless to say, it isn't over, and it isn't going to be over until the final vote is cast on the conference committee."

Mr. Speaker, we all know that is going to take place probably sometime in October in the last day and the last hour of this session of Congress. However, I say to the gentleman from Wisconsin [Mr. ASPIN], "I want you to know that I deeply appreciate what you're doing here this evening. I know this has been an enormous difficult situation for you. I think you're doing the right thing, and I think, more important, history is going to record the decision you're making is also right."

In addition, Mr. Speaker, I also wanted to come over here this evening to pay real respect and restate my admiration for the gentleman from California [Mr. DELLUMS], the gentleman from Ohio [Mr. KASICH], who I have really enjoyed working with, and my admiration for them is going up every day.

As my colleagues know, there was talk from the gentleman from South Carolina [Mr. RAVENEL], our friend, about stereotypes, and I hope that, when we leave here this evening, and I hope, as we move forward in this debate and in the other debates, I hope that all of my colleagues will be able to say, "Let's listen to what our colleagues are saying. Let's look to the wisdom of their argument. Let's look to the substance of their remarks. And let's set aside all the stereotypes because the fact of the matter is, when we talk about the world that we live in today, it is changing."

Mr. Speaker, the old models are changing, and the old paradigms are changing, and we have to be prepared to deal with the new realities in this world.

Now, having said that, I would also point out that this gentleman is here tonight and has decided earlier this year to support termination of this program, not because of what is going on in the world necessarily. I would be here this evening if the Soviet bear was showing its steely teeth to the rest of the world. I would be here still in opposition to this weapons system because I do not believe it makes sense, and I came to this point from my position on the Committee on the Budget earlier this year.

The gentleman from Ohio [Mr. KASICH], my friend, has been relentless. I mean a day has not passed in the time that I have been here this year when JOHN KASICH has not said, "How many more votes do you have? What are you doing on B-2? Don't get distracted on anything else. Keep focused on this project."

Mr. Speaker, I say to the gentleman from Ohio [Mr. KASICH], "Thank you, JOHN, for keeping us all focused."

But I remember that night when we were walking back from here earlier this year when I told him I was with him on this project and was looking forward to working with him, and from that day we have been focused on this effort, and I think we are going to win it, but we have to continue our focus, and again this is not over until the last vote this year.

□ 2140

The point I was going to make is that I came to this point from the Budget Committee perspective. Earlier this year, it became very apparent to me that contrary to all the rosy economic assumptions that we were looking at in January and February, if you all recall, we had a budget on the table that was projecting an ending deficit for fiscal year 1990 of $100 billion. We only had to find supposedly $36 billion to get the Gramm-Rudman deficit reduction target of $64 billion. For those of us on the Budget Committee who looked at those numbers and looked at those economic assumptions, we knew this was smoke and mirrors, that we were not even anywhere near the realm of reality and we were not being honest about Social Security. We were not really facing to the savings and loan mess. When I looked at those numbers, I concluded that we have got to make real changes, real policy changes in what we are doing with the Pentagon budget.

I started looking at it and said that we have got to find some big programs that just have got to be terminated, and this became one of those programs. This is the program that I think needs to be terminated.

I am convinced that the mission just does not make sense. The cost is just completely mind-boggling. When you get to the point to try to explain to the American taxpayers why we are going to spend $1 billion on airplanes or something approaches the cost of this plane in its weight in gold, this is unbelievable, absolutely unbelievable, and I do not think the American taxpayers can buy this whole concept for a minute.

So again, Mr. Speaker, I express my gratitude to the gentleman from Wisconsin. I express my admiration to my friend, the gentleman from California, and I hope as we move forward in this process that all of our colleagues will listen more attentively to the arguments that are made by all our colleagues on matters of this importance.

Mr. Speaker, this is an historic time. Never before in the history of this Congress, has the Congress of the United States terminated a major weapons system that the President of the United States was pushing. If we are are successful in this effort, this will be a first and it would not have been possible without the gentleman from California [Mr. DELLUMS], the gentleman from Ohio [Mr. KASICH], the gentleman from Pennsylvania [Mr. RIDGE], the gentleman from Wisconsin [Mr. ASPIN], the gentleman from Oklahoma [Mr. SYNAR] and the team that we have been working on.

So I am looking forward to a successful conclusion of this, and in concluding, I just want to say that our friend, the gentleman from Pennsylvania [Mr. RIDGE] made a very good point in that what I think we are perhaps all feeling here this evening, just a little bit of at least, is the fact that we are making a difference, and I think every Member of this body has that desire. They want to make a difference in the future of their country.

I think that any satisfaction we might all feel this evening is because we believe and believe very sincerely that the decision that we are making is going to make a very important difference, a difference for the benefit of our children and grandchildren. I think if we feel any satisfaction this evening, it derives from that.

Again, Mr. Speaker, it is a pleasure to share this evening with these gentleman.

Mr. DELLUMS. Mr. Speaker, I thank the gentleman for his very eloquent and pointed remarks.

Mr. Speaker, may I inquire as to the remaining time?

The SPEAKER pro tempore (Mr. MCCLOSKEY). The gentleman from California his 1 minute remaining.

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. DELLUMS] be given an additional 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. DELLUMS] is recognized for an additional 15 minutes.

Mr. DELLUMS. Mr. Speaker, I thank my colleague for requesting this additional time.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. GINGRICH], the distinguished minority whip.

Mr. GINGRICH. Mr. Speaker, I thank my friend for yielding to me.

I want to say first of all that if the B-2 is not dead as a result of this particular special order, it is certainly very, very seriously wounded.

I think anybody who supports it, and I have been a supporter of the B-2, has to look at the chairman's statement and has to conclude that a fundamental rethinking is in order and that, frankly, unless overpowering arguments can be made by the President, I think this is a program that is not going to get there.

I think this evening's presentation by the chairman and by all the many people who have been active on this project is a very major turning point in that debate.

I could not help but to take just a minute to commend these three gentleman.

First of all, I want to commend the gentleman from California and the gentleman from Ohio who I regard as good friends and who over the last 2 years have waged—relentless is exactly the right word as used by the gentleman from Kansas.

As the majority whip, it is normally my job to put the arm on somebody else, but I would say that the gentleman from Ohio [Mr. KASICH] has put the arm on me more often this year than I have on him and that he has been at least once a week reminding me that as seen by his analysis, I had voted wrong last year and I had a chance to join those who were able to see the Stealth, I guess might be the best way to put it; but also, as always, the gentleman from California was articulate and passionate and also courteous in that part of the legislative process. I think these two gentleman made a very formidable team last year and, frankly, I think they are going to make a formidable team this year, even if the chairman has not reached his own conlusions and decided that this analysis led him to decide he was correct.

Second, I just want to take an additional minute this evening to say to the chairman that I read recently that the gentleman was looking toward a series of hearings to lay out and rethink the whole process in a world in which potentially the major national security threat to the United States may or may not be from the Soviet Union, and that is going to require not only reshaping the rice bowls at the Pentagon, but breaking a few of them.

I want to commend the gentleman. The gentleman and I do not always agree on a wide range of things, but we served together at the Center for Strategic Studies on their military reform project when it did not look like I would be whip or the gentleman from Wisconsin would be chairman for a long time. Both of us emerged, I guess, faster probably than the CSI expected when they invited us.

But the gentleman knows intellectually, and he is probably one of the brightest people ever to be chairman in terms of sheer IQ, the gentleman knows that we have got to rethink all of this and the gentleman knows that the building over there, and I say this as somebody who was an "Army brat" and has the greatest respect for military traditions, it is not the nature of large uniformed bureaucracies to be agile in fundamentally rethinking how they function.

I just want to commend the gentleman from Wisconsin, not just for tonight, and again I am not quite as sanguine as my colleagues here as to where the B-2 ends up, but I want to commend the gentleman for the courage to say, "Let's really rethink from the ground up," because it struck me in the last couple months that the next couple of years may be the most formative period since the Korean war, that we may literally reshape and rethink and reformulate American defense posture, American defense structure and American defense strategy, and that our generation has an obligation to be as open as the gentleman suggested in a recent press statement at really erasing the board and then coming back and saying, "Let's look at the real threat. Let's look at what we want Presidents to be able to do in the next 15 years."

I just want to commend the gentleman from Wisconsin, and I look forward from my position to cooperate in any way I can on a bipartisan basis and really rethinking all of this, and I just really want to commend the gentleman.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, I thank the gentleman, and I thank him for his comments particularly on the question of where we are going with defense, because the gentleman is absolutely right. If we look at the question of what kind of defense we need, what we are essentially wrestling with right now is the question of a new response to the old threat. The old threat is the Soviet Union. It is still there. At the moment we are wrestling with a new response to that threat because there are some changes going on and we are trying to sort out what changes have taken place in the Soviet Union, what changes are reversible, and what has not changed. We are sorting our defense budgets around that principle.

But looking ahead, as the gentleman was saying, to the next 4 or 5 years, we ought to start looking at the question of how do we size and shape the defenses of the United States if we are no longer shaping them around the Soviet Union, and that is a new world.

We have designed the forces of this country on the grounds that whatever works to skin the cat will also work to skin the kitten, so if we shaped our forces toward a war with the Soviet Union and if we had to, we used them in Granada or Panama or bombing Libya or whatever, but if the Soviet Union is not the major threat, or suppose the threat from the Soviet Union is so specialized in one or two areas that we can no longer size and shape the defenses of the United States, then the question is how do you size and shape the defense of the United States?

□ 2150

The gentleman has had a lot of experience in the military areas and really has a very creative mind about these things. I would welcome his participation in this kind of a debate, because it permeates, and it is hard to overstate the extent to which the Soviet threat is what our defense budgets are all about, and I do not mean what we vote on in Congress or what Dick Cheney, the Secretary of Defense, sends over or whatever we deal with in the Committee on the Budget. I'm talking about deep in the bowels of the Pentagon, when it comes to designing the tactics what the various services of the military use, and it is with the Soviet threat in mind. When we do our training, it is with the Soviet threat in mind. When we design weapons systems like tanks and planes, it is with the Soviet threat in mind. If the Soviet threat is not the reason for how we design the tank how do we design the tank? Interesting, challenging question.

I hope the gentleman from Georgia will participate. I have always had a high regard for him, and as the gentleman says, we have been involved in a couple of studies at CSIS in our more callow youth and since, and I think it would be very, very important for lots of reasons, the first being, of course, the gentleman from Georgia adds a very great deal to that and, second, anything we can divert him away from his otherwise nefarious jobs, we would be very happy to take up his time on something that is really important and very helpful to the country. So we will welcome his participation.

Mr. GINGRICH. Let me just say in that spirit for one last minute, and I will yield back, that I think that on our side we will see people, and, of course, we have got two of them right here in Mr. RIDGE and Mr. KASICH, and we are going to see on the Republican side with the younger generation, I think, a very strong interest in cooperating with our friends on the gentleman's side of the aisle and really arguing out intellectually.

We may finally be at that moment my good friend from California has so long yearned for where we actually need to rethink from the ground up and not simply argue at the margins. I would look forward to participating both possibly in hearings the gentleman has and in dialog on the floor and also in private conversation.

I think what the gentleman is doing is extremely important.

Again, in closing, I just want to say that I know, I guess, for the gentleman from California this has to be one of the bigger days, maybe not quite as big as the night he won on South

Africa, but one of the bigger days of his career. You two have worked very hard, and you have earned it.

Mr. DELLUMS. Mr. Speaker, first, let me say to my distinguished colleague from Georgia that I thank him very much for his contribution to these proceedings.

In closing, let me say that the gentleman is correct, that this is an extraordinary night. As I said before, I am in my 20th year in the Congress. I represent the Eighth Congressional District in California. I came to Washington, DC, against the backdrop of a very tumultuous era in the history of this country, the civil rights movement, the struggle to bring peace to Vietnam, and so this gentleman came to Washington, and when we won, the word that went around the country was Afro-top, bell-bottom radical black dude from Berkeley wins election, so this gentleman carried that baggage to the floor of Congress for many, many years.

But in the face of that, this gentleman continued to challenge this body to try to debate the issues on their merits and debate within the framework of policy, not tinkering on the margins as my colleagues said. Well, tonight, we now recognize that we no longer can afford the luxury as an institution to tinker on the margins, but we now are forced, if for no other reason but the limited dollar environment that we function in, that we must begin to debate on the basis of policy.

I have said many times before, Mr. Speaker, and to my colleagues in the House, that cynics do not bring change. That it is out of idealism and optimism that this country's great strength can go forward.

Tonight, my sense of optimism and idealism is renewed. I would like to say to my distinguished colleague from Wisconsin, the chairman of the full committee, Mr. ASPIN, that this development restores my faith, and anyone observing this process should come to understand this: to serve in this body means to embrace the mentality of the long-distance runner. When I first came here I thought as a hundred-meter sprinter, freedom now, peace now, change now, and in the context of this body, that impatience was tempered by the reality that many Members move slowly here, so we have to be the long-distance runner.

Those of us who have continued to try to be the long-distance runner, Mr. ASPIN, have lived long enough to get ourselves to the 1990's. I think the 1990's will be an exceptional era in the history of this country.

I am happy to be alive in the context of the 1990's, because in the 1990's, if for no other reason but the moral and intellectual and economic and human imperatives, we will be required to debate the issues we refused to debate in the 1960's, in the 1970's, and in the 1980's, and we will have to debate them in the 1990's.

Mr. Speaker, I am pleased that my colleagues have joined in this coalition to bring some sanity to our military budget, to end the madness of spending billions of dollars to build a B-2 bomber we do not need.

I would just say, as I said to the Soviet members at the Armed Services Committee who came to our committee hearing one day when we had the Secretary of the Air Force and the commanding general of the Air Force, if the B-2 bomber's greatest quality is its stealthiness, that is, you cannot see it, why do we not just tell the Soviets we have 132 of them, and if you cannot see them, how do they know we are lying? Let us take the $70 billion and get on with the business of addressing the human misery of the people in America, but we could not get away with that easy approach, but now with this development with the chairman coming forward and saying that the Dellums-Kasich amendment will be incorporated in his mark in fiscal year 1991, we will strike, in my humble opinion, a great blow to the B-2 bomber.

Clearly the other body and this body will have to come together. It will probably be a contentious issue, a controversial issue in the context of the hearing or in the context of the conference report, but, Mr. ASPIN, if the debate is over whether the gentlemen in the other body will dictate the defense policy for the next decade or the gentleman from Wisconsin, I will stand with the gentleman from Wisconsin to reshape this military budget and reshape history for the country. I think the gentleman's approach is the view of the future and the view of the world as it will evolve as we move into the 21st century. I am honored to be here. I am very pleased the gentleman has done what he has done, and I want to say to my colleague, the gentleman from Ohio [Mr. KASICH], that it has been fantastic to come to know you and to learn you and about you and to be your friend and to show this body and to show this Nation that a black and a white, a Republican and a Democrat, a progressive and a fiscal conservative can come together on the integrity of ideas, and if two people are willing to take whatever heat necessary to stand on integrity, there is nothing that we cannot do.

I think we are at the moment where we have shown that.

Mr. KASICH. If the gentleman will yield further, I think the only other point that needs to be added here tonight is that, as a Republican, and one that serves in the minority here, I have never had a minority mentality. I have always believed that full participation is possible as long as the debate is kept on the basis of the issue and not the personalities, and I think it is significant what RON said earlier about starting off at the goal line and getting bloodied up.

I want to say from the Republican point of view, for Mr. RIDGE and Mr. IRELAND and Mr. KOLBE and Mr. ROWLAND that we feel that as Republicans we were given the full opportunity to be involved in this debate, and nowhere along the path were we ever forgotten or pushed out because we may not have had all the votes we would like to have around here.

I guess the message is that as a Republican you can be successful in this House if you want to carry on a high debate, an intellectual debate and one based on the merits.

Mr. Chairman, again, I thank you. RON, I am glad we had that handshake that night. It is not over yet, but we are going to work like dogs to make sure we see it all the way through the committee, through the House, and through the conference and strike a great blow for the Republic.

Mr. DELLUMS. I thank the gentleman. I thank the Speaker for his generosity.

THE ALTERNATIVE TO RAISING TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I will not take all of my time.

I do want to spend a few minutes on the question of bringing the deficit under control and cutting spending as the alternative to raising taxes.

I recently got into a dialog with several of my Democratic colleagues about why we have a problem with the Federal deficit and whether or not there is a difference in the two parties. I simply want to walk through a series of 23 efforts to cut spending since the budget summit began and lay out for the American people the difference between the two parties.

□ 2200

I do this because frankly we hear an awful lot of effort to confuse people about what is going on. What is going on is very simple. As the American economy grows, as we create more jobs and better jobs, the Government's revenue increases. More money comes into Washington. We get over twice as much money today as we did under Jimmy Carter, most of that because the Reagan tax cuts increased the economy, created new jobs, gave us the longest period of peacetime economic growth in our history, and therefore people were more employed, they had better jobs, they had higher salaries, they could pay more taxes.

All of that occurred as a process of economic growth.

But, no matter how rapidly revenue occurred, the fact was that congressional spending, congressional voting for spending, went up faster.

It is a little bit like having a teenager who will always spend 10 percent more than the allowance. If you give them $20, they will spend $22; if you give them $40, they will spend $44. They are always going to stay ahead of the amount of money they get.

So those people who think that the primary way you are going to deal with the budget is to raise taxes I think are fundamentally wrong. Until the Congress of the United States is prepared to cut spending, we are not going to be able to balance the budget.

I want to go through these 23 examples, because in 22 out of 23, more Republicans voted for cutting spending than voted against, and more Democrats voted against cutting spending than voted for.

These are not just chosen. These were all the spending cut efforts that occurred since the budget summit began. Remember, the budget summit was called by President Bush to try to bring together on a bipartisan basis House Democrats and Republicans, Senate Democrats and Republicans, working with the President of the United States, to try to find a way to control spending, to bring the deficit under control, and to get to a balanced budget.

The goal was to bring down the deficit so the Federal Government would borrow less money, so we would have less competition for interest rates, so that as a result, interest rates would drop, because people were not having to loan as much money to the Government. That is the theory.

The question is, how do we get Congress during the budget summit to control its own spending? And the answer was, we did not.

The fact is, that because of the power of the Democratic Party in Congress, we continue to spend under almost every circumstance.

Here are the 23 specific amendments that were offered during the budget summit up through today, and what happened.

The first was on May 24, 1990, on the fiscal 1990 supplemental appropriations. It was a motion which involved a Senate amendment to procure a fish farming laboratory in Arkansas.

In other words, we were going to spend $6 million. It was necessary, by the way, so we could add a $6 million fish and wildlife refuge in central Iowa.

So in order to get the Senate their fish and farming laboratory in Arkansas, the House basically said we want to add another $6 million for a fish and wildlife refuge in central Iowa.

The Republicans voted to cut, the Democrats voted to increase. And here was the vote. Republicans, 32 against cutting, 130 in favor; Democrats, 214 against cutting, 30 in favor.

In other words, the Democrats voted about 7 to 1 in favor of more spending, the Republicans voted by better than 4 to 1 in favor of cutting spending.

The second amendment, May 24, 1990. This was a disagreement over whether or not to provide money to transfer a ferry boat to the Government of American Samoa. Now, you might think that this is a small enough item, that surely we could wait a year to provide to transfer a ferry boat to the Government of Samoa.

This was the vote: 116 Republicans voted to wait, 50 Republicans voted to do it now; 7 Democrats voted to wait, 234 voted to do it now. Even on an item as distant and as obscure as transferring a ferry boat to the Government of American Samoa, by a vote of 234 to 7, the Democrats simply could not show any fiscal discipline.

The next one was one in which Democrats joined with Republicans because it was so abusred that it simply could not survive. This was an effort from the Senate to provide $238 million to build an explosives production facility at the Louisiana Army Ammunition Plant.

On this one the Democrats were OK, too. What was going to happen frankly was we were going to build an entirely new ammunition plant which was surplus, which we know we did not need beforehand, but this was probably as good a model of pork barrel as we have seen in modern times, and nobody could swallow it. Republicans voted 162 to cut it out, 6 in favor of keeping it; the Democrats voted 214 to cut it out, 27 in favor of keeping it.

So there is the first time you see Democrats voting to cut spending.

The fourth amendment, May 24, 1990. There was a fight over $1 million for the appropriate technology for Rural Areas Program. There was an effort to change the funding level to $827,000. The vote was 231 to 165. The Republicans voted 28 against cutting spending, 134 in favor; the Democrats voted 203 for more spending, and 31 in favor of cutting spending.

The next vote, frankly the Democrats voted for cutting spending. It was a very unusual vote. This was a motion to cut $65 million for the plutonium recovery modification project at the Rocky Flats plant in Colorado.

Republicans voted 32 in favor of cutting and 139 against. This is the one time you find Republicans voting for more spending on this list.

The Deomcrats voted 110 in favor of cutting spending and 139 against. It was rejected by 142 to 278, and it was a fight over how rapidly to modify the plutonium recovery system at the Rocky Flats plant. It was more an argument over the nature of nuclear power in America than an argument over spending. But it was the one time when, to give them their due, the Democrats voted more in favor of cutting spending than the Republicans did.

The sixth amendment was June 19, an amendment by Mr. FRENZEL to cut 10.53 percent across the board, that is to freeze at last year's level.

It is very important to understand budgeting in Washington. In Washington, DC, if you do not increase spending, you are cutting it. This is the only place in America where we project budget spending based upon what is called current services.

In other words, if you had $100 last year, but it would take $109 this year to do what you did last year, a flat budget is $109, a $9 increase.

It is a method of calculation which guarantees a constant upward pressure on the budget. Anywhere else in America, in your family budget, for example, if you had $100 last year, then you get $109 this year, that is $9 more. Washington is the only place in America where you can get more and call it less.

So what Mr. FRENZEL was trying to do, and this is the first in a series of amendments by Mr. FRENZEL, he was bringing in a proposal which would simply have frozen at last year's amount the spending, the discretionary spending for energy and water.

Eighty-six Republicans voted to freeze spending. Eighty-five voted no. A very, very sensitive issue. This may be one of the most popular bills because it spends more directly on water projects than any bill in the country.

So the Republicans by a 1-vote margin, 86 to 85, voted to cut spending.

Then let us look at the Democrats; 12 voted to cut spending and 229 voted for more spending.

Again on June 19, a not quite as extensive effort by Mr. DANNEMEYER, provided for a 5-percent across-the-board cut in all discretionary accounts. Now, notice, that means Mr. DANNEMEYER was providing for 5.53-percent increase. So he is actually providing for a substantial increase in spending from last year.

Rejected. Republicans voted 99 to increase it 5 percent and cut it 5 percent from the actual bill, but 5 percent over last year's increase; 72 voted against the spending cut.

Let us look at the Democrats. Here is a bill, remember, this new amendment is dramatically improved in terms of spending. That is, there is more spending than last time. Last time 12 Democrats voted to cut, this time it goes up to 14; 14 vote to cut, and 148 vote against cutting.

June 19 again. This is the Penny amendment to provide a 2-percent

across-the-board cut in all discretionary accounts. That means an 8.53-percent increase.

Remember, this is a cut from an inflated level. So it will be 8.5 percent more spending than last year. The Republicans voted 126 to cut, 42 against. The Democrats voted 49 to cut, 190 against.

So once again, we have, even though this was going to allow for an 8-percent increase, it was not enough spending, and by about almost a 4-to-1 margin, the Democrats vote for even bigger spending.

On June 20, the following day, amendment No. 9 in this series, an amendment which would have reduced from $16 million to $8 million the appropriation for TV Marti, and again, this is a place where in pure spending terms, the Democrats had more people willing to reduce spending.

□ 2210

This was an argument, in part, over foreign policy, whether or not we should be sending money to spend on television to broadcast to Cuba, one of the remaining real Communist dictatorships.

The Republicans voted 8 for cuts, 166 against; the Democrats voted 103 for cuts and 140 against. There was a bipartisan majority that thought sending broadcasts into Cuba was more important. But again I think you have to say on a purely spending level—and on this I have to say I voted against the cuts because I felt for $16 million it was vital to continue to try to reach Cuba because of Castro and communism. Here is a place where, frankly, purely on spending grounds the Democrats would have done slightly better.

On the No. 10 amendment, an amendment to provide a 5-percent across-the-board cut in the discretionary accounts of Commerce, Justice, State, and the Judiciary. This is only the discretionary now. It is a 5-percent cut, which still did not bring it down to the level that it might have been in terms of a pure freeze. The Republicans voted 75 for the cuts, 94 against. The Democrats voted 13 for the cuts, 229 against.

The 11th amendment, June 28, 1990, we have the Veterans' Administration/HUD appropriations. Mr. FRENZEL offered an amendment to freeze everything except for medical care and Veterans Health Service and Research Administration. Mr. FRENZEL got 65 Republicans to vote for a cut, 105 voted against. The Democrats had 7 who voted for the cut, 323 voted against.

The same day, June 28, there was an amendment by Mr. DANNEMEYER which would cut everything across the board by 5 percent, which included veterans. That was too tough even for most Republicans. They voted 48 for the cut, 108 against. The Democrats voted 5 for the cut, 235 against.

Amendment No. 13, also June 28, was another Veterans' Administration/HUD appropriation. This was the Penny amendment to provide a 2-percent across-the-board cut in all discretionary accounts except for Veterans' Administration, medical care, and HUD section 8 subsidy contracts. A real effort to broaden out, only a 2-percent cut which, remember, in this setting, is something on the order of a 12-percent increase in real dollars.

Even at that level the Republicans voted 124 to cut, 46 in favor of more spending. The Democrats voted 48 to cut, but 189 against more spending. And the result was that the amendment was defeated.

So even at the 2-percent cut level, we were unable to win the amendment.

July 12, amendment No. 14, on the transportation appropriations account, there was a Penny amendment to provide a 2-percent across-the-board cut in all discretionary accounts. Remember this, again, is less than a real cut. There is still real growth in the spending because of the way Washington calculates.

The result was 112 Republicans voted for the Penny amendment, providing for the 2-percent cut, 62 voted against it. But the Democrats voted 21 for spending cuts and 221 against cutting spending.

On amendment No. 15, which was on July 18, a Frenzel amendment to the rural development/agriculture and related agencies appropriations provided for a 7.7-percent across-the-board cut in all discretionary accounts. That is back to a freeze. Remembering, again, these bills were 7.7 percent higher than last year's amount. So all Mr. FRENZEL was doing was freezing it. The Republicans voted 104 to freeze it and 67 for more spending. The Democrats voted 11 to freeze it, 238 for more spending.

Amendment No. 16, July 18. On the rural development/agriculture and related agencies appropriation, Mr. DANNEMEYER came in with a lower cut. He was going to cut 5 percent across the board in all discretionary accounts. Remember that is a 2.7-percent increase over last year. So he was actually going to increase spending over last year by 2.7 percent. The Republicans voted 102 for the cuts, 67 against. The Democrats voted 13 for the cuts, 233 against.

Again, on July 18, amendment No. 17, the Penny amendment to provide a 2-percent across-the-board cut in all discretionary accounts except Women, Infants and Children's Program.

Now, this means this was providing for a 5.7-percent increase in spending. Republicans voted 144 in favor of the amendment, 26 against. Even this level of increase, the Democrats voted 58 for the lower level of spending and 190 in favor of more spending, almost a 4-to-1 margin for more spending by the Democrats.

The same day, Mr. WALKER of Pennsylvania then offered an amendment to provide a 0.0000000002 percent, that is, 9 zeros, across-the-board cut, which was $19.90.

The point Mr. WALKER was trying to make was that the House is so addicted to spending and Democrats in the House are so addicted to spending that even at $19.90 they just could not vote to cut spending. Remember, this is on a huge increase, so you would have vastly more spending.

What happened to his symbolic amendment? The Republicans voted 156 for a $19.90 cut, 11 against. The Democrats voted 19 in favor of the $19.90 cut, 203 against.

So by a better than 10-to-1 margin, the Democrats proved they could not even vote to cut $19.

The following day, on the Labor vote and Human Services and Education appropriations, Mr. WALKER, who had been sort of laughed at for offering his $19.90 cut, people said, "Well, give us a serious offer." He came back and offered to freeze the Physicians Payment Review Commission to last year's level, a $65,000 cut. In other words, the Physicians Payment Review Commission is going to be given $65,000 more this year than it got last year.

Mr. WALKER made the argument that surely if we are trying to have a budget summit and trying to control spending, we could afford to freeze the Physicians Payment Review Commission at last year's number.

We lost. Republicans voted 112 for the cut, 50 against. Democrats voted 3 to freeze it at last years's number and 243 against.

Mr. WALKER was not deterred. He came back with an amendment to freeze the U.S. Institute of Peace. Now, you would think that with all the things happening in Eastern Europe, with all the things that Gorbachev was doing, that maybe we could keep the U.S Institute of Peace at last year's level.

Currently, the Democrats were providing for a $450,000 increase. It was defeated.

Republicans voted 144 to freeze it, 26 for more spending. The Democrats voted 50 to freeze it, 194 for more spending, almost a 4-to-1 margin.

The same day, Mr. FRENZEL attempted to freeze the Labor, Health, Human Services and Education appropriations discretionary accounts. They were getting a 15.2-percent increase, and he attempted to freeze them.

We lost. Republicans voted 83 in favor of a freeze, 86 against. Democrats voted 2 in favor of a freeze and 247 for more spending. That is 120-to-1 margin for more spending. That is 120-

to-1 margin for more spending among the Democrats.

The same day, Mr. PENNY provided for a 2-percent across-the-board cut in all discretionary accounts in the bill except chapter 1 of education, compensatory education, education for the handicapped, higher education, student financial assistance, and library assistance programs.

In other words, Mr. PENNY was trying to say "take all of the things people say are the most valuable, we will not touch them, but let us limit the other parts of the bill to a 13.2-percent increase." That is a pretty massive increase by the standards of most American families.

The Republicans voted 122 for the 2-percent cut and 43 for more spending. The Democrats voted 38 for the 2-percent cut and 210 for more spending.

Finally, the same day, the liberal Democrats thought they were clever. They offered an amendment to cut $2 million from the offices of the Secretaries of Labor and Education and $2.8 million from the office of the Secretary of Health and Human Services. They thought they would show the Republicans, if the Republicans were going to offer these spending cuts, they would try to cut the spending of Republican appointees.

They were shocked. Republicans voted 92 to cut the spending, 74 against. The Democrats voted 112 in favor of cutting spending, 138 against. We could not even cut the administrative services, which means that the amendment lost.

Now, in 23 amendments, you will find that in about 20 of them the Democrats clearly voted for massively more spending. When you go down the list, it is an amazing number.

□ 2220

Let me run through the numbers. Democrats, 30 for a cut, 214 for more spending; 7 for a cut, 234 for more spending; 229 for more spending, 12 for a cut; 148 for more spending, 14 for a cut; 190 for more spending, 49 for a cut; 140 for more spending, 103 for a cut; 229 for more spending, 13 for a cut; 323 for more spending, 7 for a cut; 235 for more spending, 5 for a cut; 221 for more spending, 21 for a cut; 238 for spending, 11 for a cut; 233 for spending, 13 for a cut; 190 for spending, 58 for a cut; 203 for more spending, 19 for a cut; 243 for more spending, 3 for a cut; 194 for more spending, 50 for a cut; 247 for more spending, 2 for a cut; 210 for more spending, 38 for a cut; 138 for more spending, 112 for a cut;

Again and again and again the Democrats voted against cuts in spending and for more spending almost without regard.

The reason I outline this is so there will be no question in the minds of my colleagues or the minds of the American people. It would be possible to have a budget summit without any tax increase if the Republicans who had consistently been voting to cut spending were in charge of the summit. But the fact is, as long as the Democrats control the House and Senate, it is virtually impossible to control spending because the underlying bias of the Democratic Party, the power of the alliance it has with the bureaucratic welfare state, the allies it has who rely on Government spending, for their resources, means that on vote after vote after vote, the Democratic Party is committed to spending. In fact, if we look at only July 18 and July 19, in a series of nine amendments, the Republicans voted 70 percent to cut, the Democrats voted 84 percent for more spending. I raise this because the average American family faces a very straightforward challenge. If, in fact, the Government continues to increase its spending, it is going to raise our taxes, so people will have less money in their pockets for citizens to be able to spend. It is a question of who gets to spend your money. Should we allow the Congress to spend your money, or should we allow citizens to spend their own money?

I think it is vital as we look at the budget summit. It is vital as we look at the appropriations bill, it is vital as we look at the upcoming debt ceiling, that we decide that we are fed up with business as usual in Washington, DC, that we do not accept another round of promises while raising spending, another round of future cuts that never occur, while raising spending, another round of pious platitudes while raising spending.

From May 24 when the budget summit began to July 19 we have not been able to cut spending on vote after vote after vote. In fact, we have found spending going up. I think it is vital for the American people to demand that Congress control its budget and Congress control Government spending in order to protect the family budget, and in order to protect the individual taxpayer. So I think this record lays it out. These are hard facts. These are actual votes on specific dates for specific amendments, and I think if people look at them, the pattern is very clear, and it is very obvious that the Republicans have been trying to cut spending, and it is very obvious that the Democrats have resisted again, and again, and again, and usually by very large margins, that they have voted for higher and higher spending.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCNULTY (at the request of Mr. GEPHARDT), for today, on account of cancellation of flight.

Mr. ENGLISH (at the request of Mr. GEPHARDT), for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. SCHUETTE) to revise and extend his remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes, today.

(The following Members (at the request of Mr. SYNAR) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. YATES, for 60 minutes, today.

Mr. RANGEL, for 60 minutes, on July 31.

Mr. DELLUMS, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. ROS-LEHTINEN) and to include extraneous matter:)

Mr. SCHUETTE.

Mr. MILLER of Ohio in three instances.

Mr. DORNAN of California.

Mr. LIGHTFOOT.

Ms. ROS-LEHTINEN.

(The following Members (at the request of Mr. SYNAR) and to include extraneous matter:)

Mr. TORRICELLI.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mrs. BOXER.

Mr. ACKERMAN.

Mr. STARK.

Mr. RANGEL in two instances.

Mr. RICHARDSON.

Mr. CLAY.

Mr. DIXON.

Mr. MFUME.

Mr. ENGEL.

Mr. NOWAK.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1747. An act to provide for the restoration of Federal recognition to the Ponea Tribe of Nebraska, and for other purposes; to the Committee on Interior and Insular Affars.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 591. Joint Resolution designating the third Sunday of August of 1990 as "National Senior Citizens Day."

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 75. Joint resolution relating to NASA and the International Space Year. Examined and fund truly enrolled July 23, 1990.

ADJOURNMENT

Mr. GINGRICH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 24 minutes p.m.) under its previous order, the House adjourned until Tuesday, July 24, 1990, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3591. A letter from the Secretary of Agriculture, transmitting the Secretary's concerns regarding H.R. 3950, the Food and Agricultural Resources Act of 1990; to the Committee on Agriculture.

3592. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-246, "Tax Revenue Anticipation Notes Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3593. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-248, "Condominium and Cooperative Trash Collection Tax Credit Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3594. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-239, "District of Columbia Prevention of Domestic Violence Amendment Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3595. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-243, "Closing of a Portion of D Street, S.W., S.O. 87-324 Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3596. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-240, "Uniform Enforcement of Foreign Judgments Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3597. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-244, "Carlos Manuel Rosario Adult Education Center Designation Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3598. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-241, "Windy Court and Derby Lane Designations Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3599. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-245, "Dedication and Designation of 7th Street, S.E., Oxon Run Road, S.E., and Edward Eugene Cornwell, Jr. Drive, S.E., S.O. 89-276 Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3600. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-242, "Washington Hospital Center Corporation Revenue Bond Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3601. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8 247, "District of Columbia Regional Airport Authority Act of 1985 Amendment Act of 1990," and report, pursuant to D.C. Code Section 1-233(c)(1); to the Committee on the District of Columbia.

3602. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notice that the Department's report on PLO compliance with its December 1988 commitments will be submitted as scheduled at such time as the United States-PLO dialogue is resumed, pursuant to Public Law 101-246, section 804(b) (104 Stat. 78); to the Committee on Foreign Affairs.

3603. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued by GAO in June 1990, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

3604. A letter from the Archivist of the United States, transmitting a report on Federal audiovision activity for fiscal year 1989; to the Committee on Government Operations.

3605. A letter from the Federal Election Commission, transmitting a report to alert Congress that the Presidential Election Campaign Fund is running out of money, pursuant to 26 U.S.C. 9009(a)(5)(A); to the Committee on House Administration.

3606. A letter from the Attorney General, Department of Justice, transmitting a copy of the annual report of the Attorney General for the 1988 fiscal year, pursuant to 28 U.S.C. 529; to the Committee on the Judiciary.

3607. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 35, United States Code, to strengthen the legitimate rights of patent owners vis-a-vis infringers and licensees; to the Committee on the Judiciary.

3608. A letter from the Acting Secretary of Defense, transmitting certification that the Johnston Atoll chemical agent disposal system has destroyed live chemical munitions; jointly, to the Committees on Appropriations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4238. A bill to amend the Public Health Service Act to extend various programs with respect to vaccine-preventable diseases. (Rept. 101-611). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 5112. A bill to amend the Public Health Service Act to extend certain programs for health care services in the home; with an amendment (Rept. 101-612). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 5113. A bill to amend the Public Health Service Act to extend the program for the prevention and control of injuries. (Rept. 101-613). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 5146. A bill to amend the Public Health Service Act to extend the program regarding organ transplantation; with an amendment (Rept. 101-614). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4039. A bill to amend the Public Health Service Act to establish a program for the prevention of disabilities, and for other purposes. (Rept. 101-615). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 975. A bill to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws; with an amendment (Rept. 101-616). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4497. A bill to amend the Federal securities laws to eliminate abuses in transactions in penny stocks, and for other purposes; with an amendment (Rept. 101-617). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 5215. A bill to amend the Congressional Award Act to temporarily extend the Congressional Awards Board, and to otherwise revise such act; with amendments (Rept. 101-618). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1154. A bill to prohibit the importation of assault weapons and certain accessories; with an amendment (Rept. 101-619). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 4939. A bill regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes; with an amendment (Rept. 101-620). Referred to the Committee of the Whole House on the State of the Union.

REFERRAL OF SENATE AMENDMENT

Pursuant to clause 5, rule X and clause 2, rule XXIV,

The Senate amendment to the bill (H.R. 4328) to authorize appropriations for fiscal years 1991 and 1992 for the customs and trade agencies, and for other purposes, was referred from the Speaker's table to the Committee on Ways and Means for consideration of such provisions of the Senate amendment as fall within the jurisdiction of that committee under clause 1(v), rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 5342. A bill relating to the extension of duty-free treatment for certain digital processing units; to the Committee on Ways and Means.

By Mr. BILIRAKIS:

H.R. 5343. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay without reduction in the amount of the compensation and retired pay; jointly, to the Committees on Veterans' Affairs and Armed Services.

By Mr. FRENZEL:

H.R. 5344. A bill to provide for a lower rate of duty on East German products imported during the transition to a unified Germany; to the Committee on Ways and Means.

By Mrs. SCHROEDER:

H.R. 5345. A bill to amend the Public Health Service Act to require that, as appropriate, women and members of minority groups be included as subjects in clinical research conducted under such act; to the Committee on Energy and Commerce.

By Mrs. SCHROEDER (for herself, Mr. SCHAEFER, Mr. SKAGGS, Mr. BROWN of Colorado, Mr. CAMPBELL of Colorado, and Mr. HEFLEY):

H.R. 5346. A bill to amend title 28 of the United States Code to authorize the appointment of one additional bankruptcy judge for the district of Colorado; to the Committee on Judiciary.

By Mr. SCHULZE:

H.R. 5347. A bill to amend the Internal Revenue Code of 1986 to allow subchapter S corporations to have foreign sales corporations as subsidiaries; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 5348. A bill to amend title XVIII of the Social Security Act to provide an additional payment under part A of the Medicare Program for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are Medicare beneficiaries; to the Committee on Ways and Means.

By Mr. SCHUETTE:

H.R. 5349. A bill to reform the budget process; jointly, to the Committees on Rules, Government Operations, Appropriations, Ways and Means, and the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 496: Mr. SHARP and Ms. SLAUGHTER of New York.

H.R. 725: Mr. COSTELLO.

H.R. 747: Mr. BARNARD and Mr. BAKER.

H.R. 930: Mr. BLAZ.

H.R. 2121: Mr. ENGEL.

H.R. 2319: Mr. QUILLEN and Mr. GORDON.

H.R. 2353: Mr. COLEMAN of Texas, Ms. LONG, Mr. BUSTAMANTE, and Mr. WOLF.

H.R. 2395: Mr. MARKEY, Mr. COYNE, Mr. GALLEGLY, Mr. WILSON, Mr. CHAPMAN, Mr. PANETTA, Mr. KOLTER, Mr NEAL of North Carolina, Mr BUSTAMANTE, Mr. STUDDS, Mr. BRUCE, Mr. EDWARDS of California, Mr. LANTOS, Mr. SMITH of Texas, and Mr. HUGHES.

H.R. 2460: Mr. LEWIS of Georgia and Mr. JONES of North Carolina.

H.R. 2648: Mr. MARKEY.

H.R. 2798: Mr. SOLARZ, Mr. GEREN, Mr. GUARINI, Mr. CARDIN, Mr. OWENS of Utah, and Mr. JACOBS.

H.R. 2816: Mr. STUDDS.

H.R. 3004: Mr. LEHMAN of California.

H.R. 3346: Mr. DELAY and Mr. HERGER.

H.R. 3483: Mr. MARKEY.

H.R. 3643: Mr. BRUCE.

H.R. 3934: Mr. CAMPBELL of California.

H.R. 3936: Mrs. SCHROEDER, Mr. HOYER, Mr. FLIPPO, Mr. SAVAGE, Mr. CROCKETT, and Mr. BILBRAY.

H.R. 3977: Mr. MILLER of Washington and Mr. DAVIS.

H.R. 3978: Mr. BOSCO.

H.R. 3999: Ms. SCHNEIDER.

H.R. 4042: Mr. DOUGLAS.

H.R. 4147: Mr. NEAL of North Carolina.

H.R. 4219: Mr. BILBRAY, Mr. ENGLISH, Mr. JOHNSTON of Florida, Mr. HOCHBRUECKNER, Mrs. LOWEY of New York, and Mr. MCDERMOTT.

H.R. 4300: Mr. GILMAN.

H.R. 4368: Mr. STAGGERS.

H.R. 4484: Mr. FORD of Tennessee.

H.R. 4485: Mr. MORRISON of Washington.

H.R. 4550: Mr. BLAZ.

H.R. 4617: Mr. CAMPBELL of Colorado.

H.R. 4711: Mr. POSHARD, Mr. BUNNING, Mr. CHAPMAN, Mr. BOUCHER, and Mr. GALLO.

H.R. 4761: Mr. RINALDO, Mr. HATCHER, Mr. DYMALLY, Mr. FORD of Tennessee, and Mr. WOLPE.

H.R. 4893: Mr. BEILENSON, Mr. EDWARDS of California, Mr. ATKINS, Mrs. SAIKI, and Mr. DWYER of New Jersey.

H.R. 4894: Ms. KAPTUR, Mr. HUGHES, and Mr. BATES.

H.R. 4993: Mr. BARTLETT.

H.R. 4997: Mr. GRANDY, Mr. MARLENEE, and Mr. HOUGHTON.

H.R. 5007: Mr. EDWARDS of California, Mr. HENRY, Mr. SCHUETTE, and Mr. THOMAS of California.

H.R. 5018: Mr. DORNAN of California, Mr. ATKINS, Mr. DONNELLY, Mr. FAWELL, Mr. SAXTON, and Mr. LENT.

H.R. 5082: Mr. DORNAN of California.

H.R. 5120: Mr. MRAZEK, Mr. STOKES, Mr. KOLTER, Mr. BRYANT, Mr. OWENS of New York, and Mr. RAHALL.

H.R. 5127: Mr. BEREUTER.

H.R. 5146: Mr. GEREN of Texas.

H.R. 5163: Mr. SMITH of Vermont and Mr. BUSTAMANTE.

H.R. 5288: Mr. MCDERMOTT, Mr. MANTON, Ms. KAPTUR, Mr. BRYANT, Mr. FAUNTROY, and Mr. GORDON.

H.R. 5331: Mrs. COLLINS.

H.R. 5338: Mrs. KENNELLY, Mr. ASPIN, Mr. DORNAN of California, and Mr. DWYER of New Jersey.

H.J. Res. 214: Mr. SOLOMON, Mr. RANGEL, Mr. WALGREN, Mr. LEWIS of Florida, Mr. GONZALEZ, and Mr. YOUNG of Alaska.

H.J. Res. 459: Mr. MANTON, Mr. PURSELL, Mr. KENNEDY, Mr. CROCKETT, Mr. FISH, and Mr. DE LUGO.

H.J. Res. 469: Mr. MADIGAN.

H.J. Res. 524: Mr. FISH and Mr. DYMALLY.

H.J. Res. 576: Mr. BOSCO and Mr. ROHRABACHER.

H.J. Res. 616: Mr. WALSH, Mr. KOSTMAYER, Mr. LANTOS, Mr. THOMAS A. LUKEN, Mr. MARTINEZ, Mr. JONES of Georgia, Mr. COURTER, Mr. DYSON, Mr. VALENTINE, and Mr. DARDEN.

H.J. Res. 626: Mrs. BOXER, Mr. ACKERMAN, Ms. SLAUGHTER of New York, Ms. KAPTUR, Mr. VALENTINE, Mr. BILBRAY, and Mr. BENNETT.

H. Con. Res. 329: Mr. MAZZOLI, Mr. BEREUTER, and Mr. HARRIS.

H. Res. 134: Mrs. VUCANOVICH and Mr. BRUCE.

H. Res. 312: Mr. BOUCHER, Mr. DORGAN of North Dakota, Mr. WAXMAN, Mr. PAYNE of New Jersey, Mr. MILLER of California, Mr. FEIGHAN, Mr. STARK, Mrs. JOHNSON of Connecticut, Mr. GONZALEZ, and Mrs. MARTIN of Illinois.

H. Res. 418: Mr. CROCKETT, Mr. OWENS of Utah, Mr. BLAZ, Mr. MRAZEK, Mrs. BOXER, and Mr. ACKERMAN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

217. The SPEAKER presented a petition of the United Filipino-American World War II Veterans Association, Inc., relative to American bases in the Philippines; which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3950

By Mr. GEJDENSON:

—Strike out title XII—Trade (page 313, line 3, through page 397, line 22) and insert in lieu thereof the following:

TITLE XII—AGRICULTURAL TRADE AND ASSISTANCE

Subtitle A—Public Law 480 and Related Programs

SEC. 1201. SHORT TITLE.

This subtitle may be cited as the "Mickey Leland Food for Peace Act".

SEC. 1202. AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

Unless otherwise expressly provided, whenever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 and following).

SEC. 1203. EXTENSION OF AUTHORITIES.

Section 409 (7 U.S.C. 1736c) is amended—

(1) by striking "1990" in the first sentence and inserting "1995"; and

(2) by striking "and the Food Security Act of 1985" in the second sentence and inserting ", the Food Security Act of 1985, and

the Food and Agricultural Resources Act of 1990".

SEC. 1204. AMENDMENT TO SECTION 2.

Section 2 (7 U.S.C. 1691) is amended to read as follows:

"SEC. 2. UNITED STATES POLICY.

"It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities, and local currencies accruing under this Act, to—

"(1) combat world hunger and malnutrition and their causes;

"(2) promote broad-based, equitable, and sustainable development, including agricultural development;

"(3) expand international trade;

"(4) develop and expand export markets for United States agricultural commodities; and

"(5) foster and encourage the development of private enterprise and democratic participation in developing countries.".

SEC. 1205. AMENDMENT TO SECTION 3.

Section 3 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. OVERALL FOOD AID LEVEL.

"It is the sense of the Congress that the President should increase the level of food aid provided by the United States, and should encourage other donor governments to increase the level of food aid they provide, to reflect the findings of the National Research Council of the National Academy of Sciences that it will be necessary to double the present food aid level of approximately 10 million metric tons per year in order to meet the projected world food aid needs during 1991 through 2000. It is further the sense of the Congress that the President should encourage other developed countries to increase their contributions toward combatting hunger and malnutrition in developing countries by expanding international food and agricultural assistance programs.".

SEC. 1206. AMENDMENTS TO TITLE I.

(a) AMENDMENT TO SECTION 101.—Section 101 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. SALES PROGRAM.

"(a) GENERAL AUTHORITY.—To carry out the policies set forth in section 2, the President may negotiate and carry out agreements with developing countries to provide for the sale of agricultural commodities to such countries—

"(1) for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and

"(2) on such other terms and conditions as the President may require be included in such agreements, consistent with the requirements of this Act.

"(b) DEFINITION OF DEVELOPING COUNTRY.—For the purposes of this section, the term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(c) PRIORITIES IN ALLOCATIONS OF ASSISTANCE.—In determining whether and to what extent agricultural commodities will be made available to developing countries under this section, the President shall give priority to countries that—

"(1) demonstrate that greatest need for food, and

"(2) have the demonstrated protential to become commercial markets for competitively priced United States agricultural commodities.".

(b) AMENDMENTS TO SECTION 103.—Section 103 (7 U.S.C. 1703) is amended—

(1) by striking subsections (a), (b), (d), (h), (i), (j), (p), (q), and (r);

(2) by redesignating subsection (c), (e), (f), (g), (k), (l), (m), (n), and (o) as paragraphs (1) through (9), respectively;

(3) in paragraph (7), as so redesignated—

(A) by striking "except as provided in section 108,";

(B) by striking "(1)"; and

(C) by striking ", and (2)" and all that follows through "conversion;" and inserting a semicolon;

(4) by inserting "and" at the end of paragraph (9), as so redesignated; and

(5) by inserting after the paragraph the following:

"(10 give priority to financing the sale of food and fiber commodities in the allocation of funds made available under this title.".

(c) AMENDMENT TO SECTION 104.—Section 104 (7 U.S.C. 1704) is amended to read as follows:

"SEC. 104. USE OF LOCAL CURRENCY PAYMENTS.

"(a) IN GENERAL.—Agreements under section 101 may provide that the President shall use payments made in local currencies by the recipient country in accordance with this section.

"(b) ACTIVITIES.—The proceeds from the payments referred to in subsection (a) may be used in the recipient country for the following:

"(1) TRADE DEVELOPMENT.—To carry out programs to help develop markets for United States agricultural commodities on a mutually beneficial basis in the recipient country.

"(2) AGRICULTURAL BUSINESS DEVELOPMENT LOANS.—To make loans to United States business entities (including cooperatives) and branches, subsidiaries, or affiliates of such entities for agricultural business development and agricultural trade expansion of such recipient countries.

"(3) AGRICULTURAL FACILITIES LOANS.—To make loans to domestic or foreign entities (including cooperatives) for the establishment of facilities for aiding in the utilization or distribution of, or otherwise increasing the consumption of and markets for, United States agricultural products.

"(4) TRADE PROMOTION.—To promote agricultural trade development, under procedures established by the President, by making loans or through other activities (including trade fairs) that the President determines to be appropriate.

"(5) PRIVATE SECTOR AGRICULTURAL TRADE DEVELOPMENT.—To conduct private sector agricultural trade development activities in the recipient country, as determined appropriate by the President.

"(6) AGRICULTURAL DEVELOPMENT.—To support—

"(A) increased agricultural production, including availability of agricultural inputs, with emphasis on small farms, processing, forestry management, and land and water management;

"(B) credit policies for private-sector agriculture development; and

"(C) establishment and expansion of institutions for basic and applied agricultural research and the use of such research through development of extension services.

"(7) RESEARCH.—To conduct research in agriculture, forestry, and aquaculture, including collaborative research which is mutually beneficial to the United States and the recipient country.

"(8) ACQUISITION OF BUILDINGS FOR UNITED STATES GOVERNMENT USE.—To acquire (by purchase, lease, rental, or otherwise) sites and buildings and grounds abroad for United States Government use (including offices, residence quarters, and community and other facilities), and to construct, repair, alter, and furnish such buildings and facilities.

"(9) ACQUISITION OF MATERIALS FOR LIBRARIES.—To finance under the direction of the Librarian of Congress and the Director of the National Agricultural Library, in consultation with the National Science Foundation and other interested agencies—

"(A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine their technical, scientific, cultural, or educational significance to the United States, and

"(B) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate.

"(10) SCIENTIFIC ACTIVITIES.—To collect, collate, translate, abstract, and disseminate scientific and technological information, conduct research and support scientific activities overseas, including programs and projects of scientific cooperation between the United States and other countries, such as coordinated research against human diseases, and to promote and support programs of medical and scientific research.

"(11) PEST CONTROL PROGRAMS.—To pay the costs of carrying out programs for the control of rodents, insects, weeks, and other animal or plant pests.

"(c) SPECIAL ACCOUNT.—Local currencies received by the President under section 101 shall be deposited in an interest-bearing account to the credit of the United States. Amounts in such accounts shall be used by the President as provided in this section.

"(d) FISCAL REQUIREMENTS REGARDING USE OF LOCAL CURRENCIES.—

"(1) EXEMPTION.—Section 1306 of title 31, United States Code, shall not apply to local currencies used by the President under paragraphs (1) through (7) of subsection (b).

"(2) USE OF CURRENCIES BY OTHER AGENCIES.—Any department or agency of the United States Government that uses any currencies from a special account established pursuant to subsection (c) for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"(e) REDUCTION IN BALANCE OF PAYMENTS DEFICIT.—The President shall utilize local currencies received pursuant to this Act is such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.

"(f) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the President determines that local currencies deposited in a special account pursuant to subsection (c) are not needed for any of the activities described in subsection (b), the President may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States national (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).".

(d) REPEAL OF SECTION 105; DEBT FORGIVENESS AND DEBT-FOR-NATURE SWAP AUTHORITIES.—Title I is amended by striking section 105 (7 U.S.C. 1705) and inserting the following:

"SEC. 105. DEBT FORGIVENESS.

"(a) AUTHORITY.—The President, taking into account the financial resources of a country, may waive payments of principal and interest that that country would otherwise be required to make to the Commodity Credit Corporation under dollar sales agreements under this title if—

"(1) that country is a least developed country (as defined in section 301(b) or has a per capita external debt in excess of $1500; and

"(2) either—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility, enhanced structural adjustment facility, or similar supervised arrangement with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program, facility, or arrangement is not in effect, the country is pursuing national ecnomic policy reforms that would promote democratic, market-oriented, and long term economic development.

"(d) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

(c) LIMITATION ON NEW CREDIT ASSISTANCE.—If the authority of this section is used to waive payments otherwise required to be made by a country pursuant to this title, the President may not provide any new credit assistance for that country under this title during the 2-year period beginning on the date such waiver authority is exercised, unless the President provides to the Congress, before the assistance is provided, a written justification for the provision of such new credit assistance.

"(d) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990.

"SEC. 105A. DEBT-FOR-NATURE SWAPS FOR LATIN AMERICA AND THE CARIBBEAN.

"(a) DEBT CONVERSION.—To the extent provided for in an agreement meeting the requirements of subsection (b), the President may release an eligible country from all or a part of its obligation to make principal and interest payments that would otherwise be required to be made to the Commodity Credit Corporation under dollar sales agreements under this title.

"(b) DEBT-FOR-NATURE SWAP AGREEMENT.—The agreement referred to in subsection (a) is an agreement between the United States Government and the government of the eligible country which includes the following requirements:

"(1) ISSUANCE OF BOND.—The government of the eligible country shall be required to issue, and deposit in a trust, a long-term bond or other obligation requiring that government to make periodic payments to the trust. Such obligation shall be nonredeemable.

"(2) TRUST.—The agreement shall provide for the establishment of a trust, which shall hold the bond or other obligation. The trust shall be managed by a board of trustees as specified in the agreement

"(3) USE OF FUNDS FOR ENVIRONMENTAL PURPOSES.—Amounts paid to the trust shall be made available by the trustee, in accordance with the agreement, to—

"(A) indigenous nongovernmental environmental, conservation, or development organizations,

"(B) the government of the eligible country, or

"(C) other appropriate entities, for use in protecting, preserving, or restoring, and ensuring the appropriate and sustainable use of, environmentally critical land, habitat, or other natural resources in the eligible country.

"(c) CRITERIA FOR SELECTING COUNTRIES.—In determining the eligible countries with respect to which the authority of this section will be exercised, the President shall take into account—

"(1) the needs for financial resources for use in protecting, preserving, or restoring environmentally critical areas and resources in an eligible country; and

"(2) the commitment of the government of that country to protecting, preserving, and restoring, those areas and resources.

"(d) ELIGIBLE COUNTRIES.—For purposes of this section, the term 'eligible country' means a country in Latin America or the Caribben that the President determines—

"(1) has adopted a strong economic reform program consistent with the policies of the International Monetary Fund and the International Bank for Reconstruction and Development and the International Development Association;

"(2) is pursuing comprehensive investment reforms with the Inter-American Development Bank or is otherwise implementing an open investment regime; and

"(3) has concluded, if appropriate, a financing package with commercial banks including debt and debt service reduction.

"(e) CONSULTATION REQUIREMENTS.—The President shall consult with nongovernmental organizations having expertise with respect to environmental or conservation matters—

"(1) in identifying countries with respect to which the authority of this section should be exercised because of their environmental situation;

"(2) during the negotiation of an agreement pursuant to subsection (b) with respect to the debt restructuring arrangement pursuant to subsection (b)(1), the establishment of the trust pursuant to subsection (b)(2), and the uses of funds pursuant to subsection (b)(3); and

"(3) with respect to whether funds paid to the trust are being used for the intended purposes.

"(f) ANNUAL REPORTS.—Each year, the President shall submit to the Congress a report which describes the debt-for-nature swap agreements entered into under this section during the preceding fiscal year.

"(g) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(h) RELATION TO SECTION 105.—This section should not be construed to limit the authority of the President to provide debt forgiveness under section 105 of this Act for eligible countries (as defined in this section).

"(i) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990.".

(e) AMENDMENT TO SECTION 106.—Section 106 (7 U.S.C. 1706) is amended to read as follows:

"SEC. 106. TERMS AND CONDITIONS OF SALES.

"(a) PAYMENT.—

"(1) DOLLARS.—Except as provided in paragraph (2), agreements under section 101 shall require that payment for agricultural commodities be made in dollars.

"(2) LOCAL CURRENCIES.—(A) The President may permit a recipient country to make payment under an agreement under section 101 in the local currency of such country in order to use the proceeds from such payments to carry out activities under section 104.

"(B) Payments in local currency shall be at rates of exchange that are no less favorable than the highest exchange rate legally obtainable in the country and that are no less favorable than the highest exchange rate obtainable by any other country.

"(b) INTEREST.—An agreement under section 101 shall provide that interest shall accrue on the payment deferred under such agreement at such rate as is determined appropriate by the President, but not in excess of 50 percent of the cost of borrowing to the United States Government as of the time the agreement is entered into.

"(c) DURATION.—Payments required under an agreement under section 101 may be made in reasonable annual amounts over the period specified in the agreement, which may not be less than 10 nor more than 40 years after the date of the last delivery of agricultural commodities under such agreement. The date for the beginning of such annual payment may be deferred for not more than 2 years after the date of such last delivery, and interest shall be computed from the date of such last delivery.

"(d) DELIVERY.—Delivery of agricultural commodities pursuant to an agreement under this title shall be made for not more than 10 years following the date of the agreement and subject to the availability of the commodities at the time delivery is to be made.

"(e) USE OF SALES PROCEEDS FOR ECONOMIC DEVELOPMENT PURPOSES.—Agreements under this title for the sale of agricultural commodities for dollars on credit terms may include requirements that an amount equal to the proceeds from the sale of the commodities in the recipient country be used for such economic development purposes as are agreed upon in the agreement or any amendment thereto. Such purposes may include promotion of specific policy reforms and private sector development. In negotiating such agreements, the President shall emphasize the use of such proceeds for purposes that directly improve the lives of the poorest of the people of the recipient country and their capacity to participate in the development of their country and to carry out programs in accordance with sections 109 and 406(a)(1).".

(f) AMENDMENT TO SECTION 107.—Section 107 (7 U.S.C. 1707) is amended in subsection (d) by striking "103(a), 103(d), 103(e), 103(f), 103(j), 103(k)" and inserting "103(2), 103(3), 103(5)".

(g) REPEAL OF SECTION 108.—Section 108 (7 U.S.C. 1708) is repealed.

(h) AMENDMENTS TO SECTION 109.—

(1) REQUIREMENT FOR SELF-HELP MEASURES.—Section 109 (7 U.S.C. 1709) is amended by amending subsection (a) to read as follows:

"(a) To be eligible to enter into an agreement under title I or title III, the proposed recipient country must undertake self-help measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development through such activities as—

"(1) fostering increased agricultural production (with emphasis on the production by small farms of food for local consumption) and processing, forestry management, and land and water management;

"(2) fostering the availability of agricultural inputs necessary for agricultural growth;

"(3) improving marketing, storage, and transportation systems;

"(4) promoting and developing credit policies for private sector agricultural development;

"(5) promoting free and open markets for food and agricultural producers;

"(6) establishing and maintaining government policies to ensure adequate incentives to producers of food and agricultural products;

"(7) establishing and expanding institutions for basic and applied agricultural research and the use of such research through development of extension services and agricultural education institutions; and

"(8) preservation of biological diversity.".

(2) DESCRIPTION OF SELF-HELP MEASURES.—Subsection (d)(1) of that section is amended by striking "maximum".

(3) ADDITIONAL REQUIREMENT.—Subsection (d)(2) of that section is repealed.

(4) REDESIGNATIONS.—Subsection (c) of that section is redesignated as subsection (b), subsection (d)(1) of that section is redesignated as subsection (c), and subsection (d)(3) of that section is redesignated as subsection (e).

(5) APPLICATION OF PROVISIONS TO NEW TITLE III PROGRAM.—Subsection (b) of that section, subsection (c) of that section, and subsection (d) of that section (as so redesignated by paragraph (4) of this subsection) are amended by inserting after "this title" each place it appears "or title III".

(i) REPEAL OF SECTION 110.—Section 110 (7 U.S.C. 1710) is repealed.

(j) AMENDMENTS TO SECTION 112.—Section 112 (7 U.S.C. 1712) is amended

(1) in subsection (a) by striking "to finance the sale of agricultural commodities to" and inserting "or title III with";

(2) in subsection (b) by striking "International Relations" and inserting "Foreign Affairs"; and

(3) by striking subsection (d).

(k) AMENDMENT TO SECTION 113.—Section 113 (7 U.S.C. 1713) is amended to read as follows:

"SEC. 113. DEADLINE FOR AGREEMENTS UNDER TITLES I AND III.

"An agreement under this title or title III shall, to the extent practicable, be entered into not later than—

"(1) November 30 of the first fiscal year in which agricultural commodities are to be shipped under the agreement, or

"(2) 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement,

whichever is later.".

(l) AMENDMENTS TO SECTION 115.—Section 115 (7 U.S.C. 1715) is amended—

(1) in subsection (a) by striking the first two sentences; and

(2) in subsection (b)—

(A) in the next to the last sentence by striking "International Relations" and inserting "Foreign Affairs", and

(B) in the last sentence by inserting "not more than" after "for a period of".

SEC. 1207. AMENDMENTS TO TITLE II.

(a) AMENDMENTS TO SECTION 201.—Section 201 (7 U.S.C. 1721) is amended—

(1) in subsection (a)—

(A) by striking "The President" and inserting "IN GENERAL.—Notwithstanding the provisions of any other Act, the President"; and

(B) by inserting "under this title" after "furnish agricultural commodities";

(2) by amending subsection (b) to read as follows:

"(b) MINIMUM LEVELS.—

"(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the President shall make agricultural commodities available for food distribution under this title in an amount that—

"(A) for fiscal year 1991, is not less than 1,925,000 metric tons.

"(B) for fiscal year 1992, is not less than 1,9250000 metric tons.

"(C) for fiscal year 1993, is not less than 1,975,000 metric tons.

"(D) for fiscal year 1994, is not less than 2,000,000 metric tons; and

"(E) for fiscal year 1995, is not less than 2,025,000 metric tons.

"(2) MINIMUM NONEMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the President shall make agricultural commodities available for nonemergency food distribution through private voluntary organizations, cooperatives, the World Food Program, and other intergovernmental organizations in an amount that—

"(A) for fiscal year 1991, is not less than 1,450,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,475,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,500,000 metric tons;

"(D) for fiscal year 1994, is not less than 1,525,000 metric tons; and

"(E) for fiscal year 1995, is not less than 1,550,000 metric tons.

"(3) EXCEPTION.—The President may waive the requirements of paragraphs (1) and (2) for any fiscal year if the President determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency or that insufficient funds are available for that fiscal year to meet those requirements. In making a waiver under this paragraph, the President shall prepare and submit to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver."; and

(3) in subsection (c)(2) by striking "fortified or processed" both places it appears and inserting "fortified, processed, or bagged".

(b) AMENDMENTS TO SECTION 202.—Section 202 (7 U.S.C. 1722) is amended—

(1) by striking "nonprofit voluntary agencies" each place it appears and inserting "private voluntary organizations,";

(2) by striking "nonprofit voluntary agency" each place it appears and inserting "private voluntary organization";

(3) in subsection (a) by striking "friendly";

(4) in subsection (b)(4) by striking "those agencies" and inserting "those organizations"; and

(5) in subsection (c) by striking "(c)(1)" and all that follows through "(3) in carrying out a multiyear agreement pursuant to this subsection," and insert "(c) In carrying out a multiyear agreement under this title,".

(c) REPEAL OF SECTION 206.—Section 206 (7 U.S.C. 1726) is reapealed.

(d) AMENDMENTS TO SECTION 207.—Section 207 (7 U.S.C. 1726a) is amended—

(1) by striking "nonprofit voluntary agency" each place it appears and inserting "private voluntary organization"; and

(2) by adding at the end the following:

"(d)(1) Not less than $10,000,000 and not more than $13,500,000 of the amounts made available in each fiscal year to private voluntary organizations and cooperatives under this title shall be made available by the President to such organizations and cooperatives to assist in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) In order to receive funds made available under paragraphs (1), a private voluntary organization or cooperative must submit a request for such funds (which must be approved by the President) when submitting a proposal to the President for an agreement under this title. Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to foreign countries (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).

"(e) Upon the request of a private voluntary organization or cooperative, the President may provide assistance to that organization or cooperative with respect to the sale of agricultural commodities made available to it under this title.".

(e) AMENDMENT TO SECTION 208.—Section 208 (7 U.S.C. 1726b) is amended to read as follows:

"SEC. 208. ADMINISTRATION.

"(a) PROPOSALS.—

"(1) TIME FOR DECISION.—Not later than 45 days after the receipt by the President of a proposal submitted—

"(A) by a private voluntary organization or cooperative, with the concurrence of the appropriate United States field mission, for commodities; or

"(B) by a United States field mission to make commodities available to a private voluntary organization or cooperative;

under this title, decision shall be made concerning such proposal.

"(2) DENIALS.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for the denial and the conditions that must be met for the proposal to be approved.

"(b) NOTICE AND COMMENT.—Not less than 30 days prior to the issuance of a final

guideline to carry out this title, the President—

"(1) shall provide notice of the proposed guideline (including notice of its availability for review and comment) to private voluntary organizations and cooperatives that participate in programs under this title and to other interested persons; and

"(2) shall make the proposed guideline available, on request, to such organizations, cooperatives, and other persons.

The President shall take any comments recieved into consideration prior to the issuance of the final guideline.

"(c) REGULATIONS, GUIDELINES, AND HANDBOOKS.—

"(1) IN GENERAL.—The President shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or implementation of programs established under this title.

"(2) REQUIREMENTS.—The President shall develop regulations with the intent of—

"(A) simplifying procedures for participation in the programs established under this title;

"(B) reducing paperwork requirements under such programs;

"(C) establishing reasonable and realistic accountability standards to be applied to eligible organizations participating in such program, taking into consideration the problems associated with carrying out programs in developing countries; and

"(D) providing flexibility for carrying out such programs.

"(3) HANDBOOKS.—Handbooks developed by the President to assist in carrying out programs under this title shall be designed to foster the development of programs under this title by eligible organizations.

"(d) DEADLINE FOR SUBMISSION OF COMMODITY ORDERS.—Not later than 15 days after receipt of a call forward from the United States field mission for agricultural commodities that meet the requirements of this title, the order for the purchase or the supply, from inventory, of such commodities shall be transmitted to the Commodity Credit Corporation.".

"(f) FOOD AID ADVISORY GROUP.—Title II is amended by adding at the end of the following new section:

"SEC. 209. FOOD AID ADVISORY GROUP.

"(a) ESTABLISHMENT.—The President shall establish a Food Aid Advisory Group to meet regularly and provide advice on the implementation of programs under this title.

"(b) MEMBERSHIP.—The Food Aid Advisory Group shall be composed of—

"(1) the Administrator of the agency for International Development;

"(2) the Inspector General of the Agency for International Development;

"(3) the Administrator of the Foreign Agricultural Service;

"(4) the Administrator of the Agricultural Stabilization and Conservation Service;

"(5) representatives of each private voluntary organization and cooperative participating in a program under this title or receiving planning assistance funds to establish programs under this title; and

"(6) representatives from African, Asian and Latin American indigenous nongovernmental organizations determined appropriate by the President.

"(c) CHAIRPERSON.—The Administrator of the Agency for International Development shall be the chairperson of the Food Aid Advisory Group.

"(d) CONSULTATIONS.—In preparing regulations, handbooks, or guidelines in implementation of this title, and in preparing any significant revisions of any such regulations, handbooks, or guidelines, the President—

"(1) shall provide such proposals to the Food Aid Advisory Group for review and comment, and

"(2) shall consult and, when appropriate, meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to their issuance.

"(e) TERMINATION.—The Food Aid Advisory Group shall terminate on December 31, 1995.".

"(g) SAFEGUARDING USUAL MARKETINGS.—Title II is further amended by adding at the end the following new section:

"SEC. 210. SAFEGUARDING USUAL MARKETINGS.

"In exercising the authorities conferred by this title, the President shall take reasonable precautions to safeguard usual marketings of the United States and to assure that agricultural commodities provided under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with recipient countries.".

SEC. 1208. AMENDMENT TO TITLE III.

Title III (7 U.S.C. 1727-1727g) is amended to read as follows:

"TITLE III

"SEC. 301. FOOD FOR DEVELOPMENT.

"(a) GENERAL AUTHORITY.—To carry out the policies set forth in section 2, the President may negotiate and carry out agreements with least developed countries to provide commodities to such countries on a grant basis.

"(b) LEAST DEVELOPED COUNTRIES.—

"(1) DEFINITION.—As used in this section, the term 'least developed country' means a country that—

"(A) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance, or

"(B) is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population.

"(2) INDICATORS OF FOOD DEFICIT COUNTRIES.—In determining whether a country is a least developed country under the criteria in paragraph (1)(B), the President should take into consideration whether that country meets all of the following indicators of national food deficit and malnutrition (using the best available information):

"(A) CALORIE CONSUMPTION.—The daily per capita calorie consumption of the country is less than 2,300 calories.

"(B) FOOD SECURITY REQUIREMENTS.—The country cannot meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings.

"(C) CHILD MORTALITY RATE.—The mortality rate of children under five years of age in the country is in excess of 100 per 1,000 births.

"(c) PRIORITIES IN ALLOCATION OF ASSISTANCE.—In determining whether and to what extent agricultural commodities shall be made available to least developed countries under this section, the President shall give priority to countries that—

"(1) demonstrate the greatest need for food;

"(2) demonstrate the capacity to use food assistance effectively;

"(3) have demonstrated a commitment to policies to promote food security, including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk; and

"(4) have a long term plan for broad-based, equitable, and sustainable development.

"(d) DIRECT USES OR SALES OF COMMODITIES.—Agricultural commodities provided to a least developed country under this section—

"(1) may be used in such country for—

"(A) direct feeding programs, including programs that include activities that deal directly with the special health needs of children and mothers consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund), or

"(B) the development of emergency food reserves; or

"(2) may be sold in such country by the government of the country or the President (or their designees) as provided in the agreement, with the proceeds of such sale used in accordance with subsection (f).

"(e) ACCOUNTING FOR LOCAL CURRENCY PROCEEDS.—

"(1) SEPARATE ACCOUNTS.—Except as provided in paragraph (2), all of the proceeds of sales of agricultural commodities pursuant to subsection (d)(2) shall be deposited into a separate account in the recipient country.

"(2) ACCOUNTING FOR LOCAL CURRENCIES TO BE USED FOR POLICY REFORM.—The President may waive the requirement of paragraph (1) with respect to local currency proceeds that are to be used to promote policy reforms pursuant to subsection (f)(1)(A) if the President determines that those currencies will otherwise be adequately accounted for in accordance with procedures approved by the President.

"(3) OWNERSHIP AND PROGRAMMING OF LOCAL CURRENCIES.—The proceeds of sales pursuant to subsection (d)(2) shall be the property of the recipient country or the United States, as specified in the applicable agreement. Such proceeds shall be utilized for the benefit of the recipient country, shall be jointly programmed by the President and the government of the recipient country, and shall be disbursed in such country in accordance with local currency agreements between the President and that government.

"(f) USE OF LOCAL CURRENCY PROCEEDS.—

"(1) IN GENERAL.—Except as provided in paragraph (5), the local currency proceeds of sales pursuant to subsection (d)(2) shall be used in the recipient country for specific economic development purposes, including—

"(A) the promotion of specific policy reforms to improve food security and agricultural development within the country and to promote broad-based, equitable, and sustainable development;

"(B) the establishment of development programs, projects, and activities that promote food security, alleviate hunger, improve nutrition, promote family planning, and promote maternal and child health care, oral rehydration therapy, and other child survival objectives consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund);

"(C) the promotion of increased access to food supplies through the encouragement of specific policies and programs designed to increase employment and incomes within the country;

"(D) the promotion of free and open markets through specific policies and programs;

"(E) support for United States private voluntary organizations and cooperatives and encouragement of the development and utilization of indigenous nongovernmental organizations;

"(F) the purchase of agricultural commodities (including transportation and processing costs) produced in the country—

"(i) to meet urgent or extraordinary relief requirements in the country or in neighboring countries, or

"(ii) to develop emergency food reserves;

"(G) the purchase of goods and services (other than agricultural commodities and related services) to meet urgent or extraordinary relief requirements;

"(H) the payment, to the extent practicable, of the costs of carrying out the program authorized in section 406;

"(I) private sector development activities designed to further the policies set forth in section 2, including loans to financial intermediaries for use in making loans to private individuals, cooperatives, corporations, or other entities;

"(J) activities of the Peace Corps that relate to agricultural production;

"(K) the development of rural infrastructure such as roads, irrigation systems, and electrification to enhance agricultural production;

"(L) research and malnutrition and its causes, as well as research relating to the identification and application of policies and strategies for targeting resources made available under this section to address the problem of malnutrition; and

"(M) support for research (including collaborative research which is mutually beneficial to the United States and the recipient country), education, and extension activities in agricultural sciences.

Section 1306 of title 31, United States Code, shall not apply to the use under this paragraph of local currency proceeds that are owned by the United States.

"(2) SUPPORT OF PRIVATE INDIGENOUS NONGOVERNMENTAL ORGANIZATIONS.—To the extent practicable, not less than 10 percent of the proceeds of sales in each country pursuant to subsection (d)(2) shall be used to support the development and utilization of indigenous nongovernmental organizations and cooperatives that are active in rural development, agricultural education, sustainable agricultural production, other measures to assist the poorest people, and environmental protection projects within such country.

"(3) CONSULTATION WITH FOREIGN AGRICULTURAL SERVICE OFFICERS.—The President shall ensure that members of the Foreign Agricultural Service, who are assigned to a country in which local currencies are to be used under this subsection, are consulted with respect to the uses of those currencies in that country.

"(4) INVESTMENT OF LOCAL CURRENCIES BY NONGOVERNMENTAL ORGANIZATIONS.—A nongovernmental organization may invest local currencies that accrue to that organization as a result of assistance under paragraph (1), and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization without further appropriation by the Congress.

"(5) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the President determines that local currencies deposited in a special account pursuant to subsection (e)(1) are not needed for any of the activities described in subparagraphs (A) through (M) of paragraph (1) of this subsection or for any other specific economic development purpose in the recipient country, the President may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

"(g) GENERAL REQUIREMENTS.—In exercising the authorities conferred by this title, the President shall—

"(1) take reasonable precautions to safeguard usual marketings of the United States and to assure that agricultural commodities provided under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with recipient countries;

"(2) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;

"(3) obtain commitments from recipient countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities provided under this title, without specific approval of the President;

"(4) obtain commitments from recipient countries to publicize widely to their people, by public media and other means, that the commodities are being provided on a grant basis through the friendship of the American people as food for peace;

"(5) take maximum precautions to assure that donations under this title shall not displace any sales of United States agricultural commodities that would otherwise be made; and

"(6) take steps to assure that the United States obtains a fair share of any increase in commercial purchases of agricultural commodities by the recipient country and that commercial supplies are available to meet demands developed through programs carried out under this Act.".

SEC. 1209. AMENDMENTS TO TITLE IV.

(a) AMENDMENTS TO SECTION 401.—

(1) AVAILABILITY DETERMINATIONS.—Section 401 (7 U.S.C. 1731) is amended in subsection (a)—

(A) by inserting ", prior to the beginning of each fiscal year" after "Secretary of Agriculture shall";

(B) by striking ", and the commodities and quantities thereof which may be included in the negotiations with each country"; and

(C) by inserting after the first sentence the following: "The Secretary may, during the fiscal year, modify such determination if the Secretary provides to the Congress prior notice of that modification (including a statement of the reasons for the modification).".

(2) TIMING OF SHIPMENT OF COMMODITIES.—Section 401(b) is amended by adding at the end the following: "In evaluating the timing of shipments of agricultural commodities to be provided under this Act, the President shall consider the time of harvest of any competing commodities in the recipient country.".

(3) STABLE LEVEL OF COMMODITIES.—Section 401 is amended by adding at the end the following:

"(c) STABLE LEVEL OF COMMODITIES.—In implementing this Act, the Secretary shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multiyear agreements under this Act.".

(b) AMENDMENTS TO SECTION 402.—Section 402 (7 U.S.C. 1732) is amended—

(1) by inserting "(a) AGRICULTURAL COMMODITIES.—" before "The term" in the first sentence;

(2) by inserting "and title III" after "title II" in the proviso;

(3) by inserting before the last sentence the following: "For purposes of title II, a product of agricultural commodities shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States if that ingredient is produced and is commercially available in the United States."; and

(4) by striking the last sentence; and

(5) by adding at the end the following:

"(b) ADMINISTRATOR.—The term 'Administrator' as used in this Act means the Administrator of the Agency for International Development, unless otherwise specified in this Act.

"(c) COOPERATIVE.—The term 'cooperative' as used in this Act means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"(d) FOOD SECURITY.—The term 'food security' as used in this Act means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(e) INDIGENOUS NONGOVERNMENTAL ORGANIZATION.—The term 'indigenous nongovernmental organization as used in this Act means a foreign organization working at the local level to solve development problems in the foreign country in which it is located, except that the term does not include an organization that is primarily an agent or instrumentality of the foreign government.

"(f) PRIVATE VOLUNTARY ORGANIZATION.—The term "private voluntary organization" means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).

"(g) SECRETARY.—The term 'Secretary' as used in this Act means the Secretary of Agriculture, unless otherwise specified in this Act.".

(c) AMENDMENTS TO SECTION 403.—Section 403 (7 U.S.C. 1733) is amended—

(1) in subsection (a) by striking ", to the extent the Commodity Credit Corporation is not reimbursed under section 104(j) and 105,";

(2) in subsection (c) by inserting "(other than subsection (d) of this section)" after "this Act"; and

(3) by adding at the end the following:

"(d) ALLOCATION OF FUNDS BETWEEN TITLE I PROGRAM AND TITLE III PROGRAM.—For any fiscal year—

"(1) the amount of funds made available to carry out title I may not be greater than twice the amount made available to carry out title III, and

"(2) the amount of funds made available to carry out title III may not be greater than twice the amount made available to carry out title I,

taking into account amounts transferred between titles of this Act.".

(d) COORDINATION WITH DEVELOPMENT ASSISTANCE STRATEGY.—Section 104 of that Act (7 U.S.C. 1734) is amended by adding at the end the following:

"(c) To the maximum extent possible, assistance for a foreign country under this Act shall be coordinated and integrated with United States development assistance objectives and programs for that country and with the overall development strategy of that country. Special emphasis should be placed on, and funds devoted to, activities that will increase the nutritional impact of programs of assistance under this Act, and child survival programs and projects, in least developed countries by improving the design and implementation of such programs and projects.".

(e) FARMER-TO-FARMER PROGRAM.—Section 406 (7 U.S.C. 1736) is amended to read as follows:

"SEC. 406. FARMER-TO-FARMER PROGRAM.

"(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

"(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of farmers;

"(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and nonprofit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

"(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a people-to-people basis, to such countries while enhancing the democratic process by supporting private and public, agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

"(4) to the extent practicable, enter into contracts or other cooperative agreements with or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available pursuant to subsection (c) or has otherwise been provided in advance in appropriation Acts);

"(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

"(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

"(b) DEFINITIONS.—The following definitions apply for purposes of this section:

"(1) DEVELOPING COUNTRY.—The term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(2) EMERGING DEMOCRACY.—The term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(3) MIDDLE INCOME COUNTRY.—The term 'middle income country' means a country that has developed economically to the point where it does not quality for bilateral development assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs.

"(c) MINIMUM FUNDING.—Notwithstanding any other provisions of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.".

(f) REPEAL OF SECTION 407; ADMINISTRATIVE PROVISIONS.—Section 407 (7 U.S.C. 1736a) is amended to read as follows:

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) AVOIDANCE OF CONFLICT OF INTEREST.—A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(b) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this Act unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(c) LIMITATION ON COMMISSIONS.—No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this Act may be paid in excess of an amount determined appropriate by the President.".

(g) AMENDMENTS TO SECTION 408.—

(1) ANNUAL REPORT.—Section 408 (7 U.S.C. 1736b) is amended by amending subsection (a) to read as follows:

"(a) ANNUAL REPORTS.—

"(1) IN GENERAL.—The President shall prepare an annual report concerning the programs and activities implemented under this Act for the preceding fiscal year.

"(2) CONTENTS.—Each report shall include—

"(A) the levels and recipients of food and other assistance provided under this Act;

"(B) the countries in which projects or activities are implemented under this Act;

"(C) a general description of the projects or activities implemented under this Act; and

"(D) a statement of the amount of each agricultural commodity made available pursuant to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985.

"(3) SUBMISSION.—The President shall submit such report no later than January 15 of each year to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.".

(2) OTHER REPORTS.—Section 408 is further amended by redesignating subsections (d) and (e) as subsections (h) and (i), respectively, and by inserting the following new subsections after subsection (c):

"(d) QUARTERLY REPORT OF ANTICIPATED AGREEMENTS.—Prior to each quarter of a fiscal year, the President shall submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of the agreements that the President anticipates will be entered into under this Act with respect to each foreign country during the remainder of that fiscal year.

"(e) CURRENT YEAR REPORTS.—The President shall submit a statement to Congress not later than June 1 of each fiscal year specifying the agreements signed under this Act for that fiscal year. Such statement shall also specify for each country with which there is an agreement under this Act for that fiscal year, the amount that country requested and is receiving under the Food and Progress Act of 1985, section 416(b) of the Agricultural Act of 1949, title I of this Act, title II of this Act, and title III of this Act. With respect to title II, the statement shall indicate for each country—

"(1) the quantity provided through the World Food Program, private voluntary organizations, or cooperatives (identified by name), or government-to-government agreements;

"(2) the type and quantity of each commodity provided; and

"(3) the quantity provided for each program category.

"(f) TITLE II FOREIGN CURRENCY PROCEED REPORTS.—The President shall, no later than the end of the fiscal year, submit a statement to Congress on the number of requests submitted and the number of requests approved under section 207 for that fiscal year for the generation of foreign currency proceeds, the amount of foreign currency proceeds generated, and a summary of the uses of such proceeds.

"(g) WORLD FOOD DAY REPORT.—On World Food Day, October 16 of each year, the President shall submit to the Congress a

report, prepared with the assistance of the Secretary and the Administrator, assessing progress towards food security in each country receiving United States Government food assistance. Special emphasis should be given in such report to the nutritional status of the poorest populations in such countries.".

(h) AMENDMENT TO SECTION 409.—Section 409 (7 U.S.C. 1736c) is amended by striking "to finance sales under title I and no program of assistance under title II" and inserting "Under this Act".

(i) REPEAL OF SECTION 411.—Section 411 (7 U.S.C. 1736e) is repealed.

(j) MULTIYEAR AVAILABILITY.—Section 413 (7 U.S.C. 1736g) is amended to read as follows:

"SEC. 413. MULTIYEAR AGREEMENTS.

"Agricultural commodities provided under this Act shall be made available on a multiyear basis, subject to the requirements of section 401 and the availability of appropriations, unless—

"(1) the past performance of the country in meeting program objectives does not warrant a multiyear agreement;

"(2) it is anticipated that the need of the country for assistance does not extend beyond one year; or

"(3) other circumstances, as determined by the President, indicate there is only a need for a one-year agreement.".

(k) DISTRIBUTION OF ASSISTANCE.—Title IV is further amended by adding at the end the following:

"SEC. 414. DISTRIBUTION OF ASSISTANCE.

"(a) NONDISCRIMINATORY DISTRIBUTION.—The President shall attempt to ensure that agricultural commodities made available under title II and title III are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(b) MILITARY DISTRIBUTION.—

"(1) PROHIBITION.—Except as provided in paragraph (2), the President shall not enter into any agreement to provide agricultural commodities under title II or title III that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(2) EXCEPTION.—Notwithstanding paragraph (1), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(A) nonmilitary channels are not available,

"(B) such action is consistent with subsection (a), and

"(C) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(3) REPORTS TO CONGRESS.—The President shall report any authorization under paragraph (2) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(c) SAFE PASSAGE.—When entering into agreements under title II and title III which involve areas experiencing protracted warfare or civil strife, the President shall, to the extent practicable, encourage—

"(1) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(2) the creation of safe zones for medical and humanitarian treatment and evacuation.".

(l) LIMITATION ON USE OF LOCAL CURRENCY FOR AGRICULTURAL PRODUCTION.—Title IV is further amended by adding at the end the following:

"SEC. 415. LIMITATION ON USE OF LOCAL CURRENCY FOR AGRICULTURAL PRODUCTION.

"Local currencies that are made available for use under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete, and determined by the President, in world markets with similar agricultural commodities (or products thereof) produced in the United States is such competition would cause substantial injury to United States producers, except that this section does not prohibit the use of such currencies for crop substitution or other alternative development activities undertaken in furtherance of narcotics control objectives.".

(m) LIMITATION ON USE OF LOCAL CURRENCY FOR ABORTIONS.—Title IV is further amended by adding at the end the following:

"SEC. 416. LIMITATION ON USE OF LOCAL CURRENCY FOR ABORTIONS.

"Local currencies that are made available for use under under this Act may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.".

(n) RESPONSIBILITIES FOR ADMINISTERING ACT.—

(1) ALLOCATIONS OF RESPONSIBILITIES.—Title IV is further amended by adding at the end the following:

"SEC. 417. RESPONSIBILITIES FOR ADMINISTERING ACT.

"(a) DESIGNATION OF AGENCY PRIMARILY RESPONSIBLE FOR IMPLEMENTATION OF PRESIDENTIAL AUTHORITY.—

"(1) TITLE I PROGRAM.—The President shall designate the Secretary as the official with primary responsibility for administering the authority granted to the President by title I, except that the requirements of this paragraph does not apply with respect to sections 105 and 105A or (to the extent they apply to title III) sections 109 and 112.

"(2) TITLE II AND TITLE III PROGRAMS.—(A) The President shall designate the Administrator as the official with primary responsibility for administering the authority granted to the President by title II and title III and (to the extent they apply to title III) sections 109 and 112.

"(b) COOPERATION BETWEEN AGENCIES.—

"(1) USDA.—The Secretary shall be responsible for ensuring that the Department of Agriculture, in carrying out its responsibility under title I, cooperates fully with the Agency for International Development with respect to the latter's areas of expertise.

"(2) AID.—The Administrator shall be responsibile for ensuring that the Agency for International Development, in carring out its responsibilities under title II and title III, cooperates fully with the Department of Agriculture with respect to the latter's areas of expertise.

"(c) REVIEW OF PROPOSED AGREEMENTS.—

"(1) TITLE I PROGRAMS.—Before negotiating an agreement (or an amendment to an agreement) under tile I, the Secretary shall consult with the Administrator to ensure that the proposed agreement will not be inconsistent with United States development assistance objectives and programs for the recipient country and with the overall development strategy of that country.

"(2) TITLE II AND TITLE III PROGRAMS.—Before negotiating an agreement (or an amendment to an agreement) under title II or title III, the Administrator shall submit to the Secretary the proposal which is the basis for those negotiations. The Secretary shall have up to 30 days in which to review the proposed agreement (or amendment) with regard to matters in the areas of the Secretary's expertise and to provide the Secretary's views on the proposed agreement (or amendment to the Administrator. The Administrator may waive the requirement of this paragraph with respect to an agreement (or amendment to an agreement) under title II if the Administrator determines, after consultation with the Secretary, that an emergency exists that requires such waiver.

"(d) CONSULTATION WITH SECRETARY OF STATE.—

"(1) TITLE I PROGRAMS.—The Secretary shall consult with the Secretary of State to ensure that agreements under title I are not inconsistent with United States foreign policy.

"(2) TITLE II AND TITLE III PROGRAMS.— The Administrator shall consult with the Secretary of State to ensure that agreements under title II and III are not inconsistent with United States foreign policy.

"(e) SAFEGUARDING USUAL MARKETING.—Prior to the beginning of each fiscal year, the Secretary shall determine, for each foreign country that is an anticipated recipient of agricultural commodities under this Act during that fiscal year, the maximum quantities of agricultural commodities that can be made available during that fiscal year under this Act consistent with the requirements of section 103(l), section 210, and section 301(g)(l). During the fiscal year, the Secretary may increase such maximum quantity with respect to a country because of changed circumstances and may determine such maximum quantities with respect to additional countries.

"(e) ACQUISITION OF COMMODITIES FOR TITLE II AND TITLE III PROGRAMS.—

"(1) USE OF COMMODITY CREDIT CORPORATION.—Subject to the approval of the Secretary, the Commodity Credit Corporation shall acquire and make available to the Administrator such agricultural commodities (that have been determined to be available under section 401(a)) as the Administrator may request to carry out agreements under title II and title III.

"(2) DIRECT ACQUISITION.—If the Administrator is unable to obtain agricultural commodities through the Commodity Credit Corporation pursuant to paragraph (1), the Administrator may use funds made available to carry out title II or title III (as the case may be) for the acquisition of agricultural commodities (that have been determined to be available under section 401(a)) for use in carrying out agreements under that title.".

(2) CONFORMING AMENDMENT.—Section 201(a) (7 US.C. 1721(a)) is amended by striking the last sentence.

SEC. 1210. FOOD FOR PEACE OFFICERS.

The Administrator of the Agency for International Development shall increase the number and the expertise of the personnel of the Agency for International Development at the agency's headquarters and its missions abroad who carry out the program authorized by title II and title III of the Ag-

ricultural Trade Development and Assistance Act of 1954.

SEC. 1211. REVISION OF REGULATIONS.

(a) IN GENERAL.—The President shall provide for the issuance of regulations to revise the existing regulations to implement the Agricultural Trade Development and Assistance Act of 1954, including all provisions necessary or appropriate to implement the amendments made by this subtitle.

(b) DEADLINES.—The regulations specified in subsection (a) shall be issued in proposed form no later than 6 months after the date of enactment of this Act and in final form no later than one year after the date of enactment of this Act.

SEC. 1212. INDEPENDENT EVALUATION OF PUBLIC LAW 480 PROGRAMS.

(a) REQUIREMENT FOR PERIODIC GAO EVALUATIONS.—Not later than 2 years after the date of enactment of this Act and 2 years thereafter, the Comptroller General of the United States shall evaluate the assistance provided under the Agricultural Trade Development and Assistance Act of 1954 as follows:

(1) SELECTION OF COUNTRIES.—The Comptroller General shall select—

(A) 5 countries that receive assistance under title I,

(B) 5 countries that receive assistance under title II, and

(C) 5 countries that receive assistance under title III.

The countries selected shall be countries that are representative of the countries that receive such assistance in each of the three following regions: Africa, Asia/Near East, and Latin America.

(2) TITLE I PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(A), the Comptroller General shall evaluate the uses of the local currencies deposited in a special account pursuant to section 104 with respect to—

(A) their impact on agricultural trade development, and

(B) the financial management of those currencies, including the personnel requirements for managing those currencies.

(3) TITLE II PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(B), the Comptroller General shall evaluate the uses of the assistance provided under that title, including an evaluation of—

(A) the impact of such assistance on enhancing food security (including nutrition),

(B) the uses for economic development of any local currencies proceeds generated by such assistance, and

(C) the financial management of those local currencies, including the personnel requirements for managing those currencies.

(4) TITLE III PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(C), the Comptroller General shall evaluate—

(A) the use of the agricultural commodities provided under section 301(d)(1) with respect to their impact on enhancing food security (including nutrition); and

(B) the use of local currencies pursuant to section 301(f) with respect to—

(i) their impact on enhancing food security (including nutrition), and

(ii) the financial management of those currencies, including the personnel requirements for managing those currencies.

(b) REPORTS TO CONGRESS.—The Comptroller General shall submit a report on each evaluation conducted pursuant to subsection (a) to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1213. AMENDMENT TO SECTION 416(b) OF 1949 ACT.

Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended by adding at the end the following:

"(13) A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this subsection during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transporation-related services for such commodities. For the purposes of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(14) No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this subsection unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(15) No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this subsection may be paid in excess of an amount determined appropriate by the President.

"(16) The President shall attempt to ensure that agricultural commodities made available under this subsection are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(17)(A) Except as provided in subparagraph (B), the President shall not enter into any agreement to provide agricultural commodities under this subsection that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(B) Notwithstanding subparagraph (A), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(i) nonmilitary channels are not available,

"(ii) such action is consistent with paragraph (16), and

"(iii) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(C) The President shall report any authorization under subparagraph (B) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(18) When entering into agreements under this subsection which involve areas experiencing protracted warfare or civil strife, the President shall, to the extent practicable, encourage—

"(A) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(B) the creation of safe zones for medical and humanitarian treatment and evacuation.".

SEC. 1214. FOOD FOR PROGRESS.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) by striking "countries that" and inserting "developing countries, and countries that are emerging democracies, that", and

(B) by striking "developing countries" and inserting "the governments of such countries, or with private voluntary organizations, nonprofit agricultural organizations, or cooperatives,";

(2) in subsection (d) by striking "with countries";

(3) in subsection (e)(3)—

(A) by striking "to a developing country", and

(B) by striking "by a developing country";

(4) in subsection (e)(4) by striking "to a developing country" both places it appears;

(5) in subsection (f)(1) by striking "to developing countries";

(6) in subsection (g) by striking "1990" and inserting "1995";

(7) in subsection (j) by striking "entered into with a country", and by inserting "with respect to a country" after "effect ";

(8) in subsection (k) by striking "recipient countries" and inserting "the recipient ";

(9) in subsection (l) by striking "1990" and inserting "1995 "; and

(10) by adding at the end the following:

"(m) A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this section during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(n) No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this section unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(o) No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this section may be paid in excess of an amount determined appropriate by the President.

"(p) The President shall attempt to ensure that agricultural commodities made available on a grant basis under this section are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(r)(1) Except as provided in paragraph (2), the President shall not enter into any agreement to provide agricultural commodities on a grant basis under this subsection that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(2) Notwithstanding paragraph (1), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(A) nonmilitary channels are not available,

"(B) such action is consistent with subsection (p), and

"(C) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(3) The President shall report any authorization under paragraph (2) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(s) When entering into grant agreements under this section which involve areas experiencing protracted warfare or civil strife, the President shall, to the extent practicable, encourage—

"(1) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(2) the creation of safe zones for medical and humanitarian treatment and evacuation.

"(u) As used in this section—

"(1) the term 'cooperative' means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership;

"(2) the term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(3) the term 'nonprofit agricultural organization' means a not-for-profit farm association of agribusiness, a not-for-profit farm association, a not-for-profit cooperator organization, or a similar not-for-profit organization; and

"(4) the term 'private voluntary organization' means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).".

SEC. 1215. EXTENSION OF FOOD SECURITY WHEAT RESERVE.

Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking out "1990" both places it appears and inserting "1995".

Subtitle B—Export Promotion

SEC. 1221. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

(a) GENERAL PROVISIONS.—Titles I through IV of the Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) are amended to read as follows:

"TITLE I—GENERAL PROVISIONS

"SEC. 101. DEFINITIONS.

"As used in this Act—

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber, and any product thereof.

"(2) DEVELOPING COUNTRY.—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) UNFAIR TRADE PRACTICE.—(A) Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy, or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement to which the United States is a party; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974.

"(5) UNITED STATES.—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(6) UNITED STATES AGRICULTURAL COMMODITY.—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) a product all of the agricultural components of which are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if—

"(I) such component is an added, de minimis component,

"(II) such component is not commercially produced in the United States, and

"(III) there is no acceptable substitute for such component that is entirely produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States code, in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 102. CERTIFICATION OF COMPLIANCE.

"The Secretary shall obtain certification with respect to commodities provided, or for which financing or credit guarantees are provided, under any commercial export promotion program of the Department of Agriculture or Commodity Credit Corporation—

"(1) from countries, or importers in countries, that were the intended destination of agricultural commodities under such program, that such commodities were received in that country; and

"(2) from the seller or exporter of record of such commodities, that there were no corrupt bonuses, extra sales services, or other items than those so provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"SEC. 103. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) monitor the progress of each proposal, specifying in a central system—

"(A) the origin of the proposal;

"(B) arguments supporting the proposal;

"(C) arguments against the proposal;

"(D) recommended action at the various stages of consideration; and

"(E) the disposition of the proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) in the event any audit discloses noncompliance with program objectives or requirements, determine promptly whether in light of such noncompliance to suspend or debar the noncomplying party from further participation in 1 or more of the programs under this title, affording the alleged noncomplying party opportunity for an agency hearing.

"(b) ACCESSIBILITY OF INFORMATION.—Information pertaining to a particular proposal shall be retrievable within the central system by country, commodity, proposal, and other appropriate categories, including participating financing institutions.

"(c) INDEPENDENT STUDY OF WAYS TO IMPROVE IMPLEMENTATION OF SYSTEM AND IMPROVE MANAGEMENT.—The Secretary shall contract with an appropriate management consulting firm to obtain from that firm detailed recommendations on how to improve the implementation of this section and, generally, the mangement information systems of the Department of Agriculture and the Commodity Credit Corporation with respect to the commercial export promotion programs of such department and agency.

"SEC. 104. POLICY.

"The Congress finds that the agricultural export policy of the United States should provide for increased emphasis on sales abroad of United States processed, value-added agricultural products due to the multiple benefits from such sales to United States producers, processors, and exporters, and the national workforce.

"SEC 105. DEVELOPMENT OF AGRICULTURAL TRADE STRATEGY.

"(a) IN GENERAL.—

"(1) DEVELOPMENT OF MULTIYEAR STRATEGY.—The Secretary shall develop, for the 3-fiscal year period beginning with fiscal year 1992, and for each 3-fiscal year period occurring thereafter, a long-term agricultural trade strategy for the United States to guide the Secretary in the implementation of United States Government programs designed to promote the export of United States agricultural commodities. In preparing such a strategy, the Secretary shall consult with the United States Trade Representative to ensure that the strategy is coordinated with the annual national trade policy agenda under section 163 of the Trade Act of 1974.

"(2) GOALS.—The long-term agricultural trade strategy established under paragraph (1) shall be designed to ensure—

"(A) the efficient, coordinated use of United States Government programs designed to promote the export of United States agricultural commodities;

"(B) the improvement in the commercial potential of markets in developing countries for United States agricultural commodities;

"(C) the growth of exports of United States agricultural commodities; and

"(D) the maintenance of traditional markets for United States agricultural commodities.

"(b) CONTENTS.—In the long-term agricultural trade strategy developed under subsection (a), the Secretary shall include—

"(1) findings with respect to trends in the comparative position of the United States and other countries in the export of agricultural commodities, organized by major commodity groups and including a comparative analysis of the cost of production of such commodities;

"(2) the agricultural trade goals for all agricultural commodities, expressed in both physical volume and monetary value, over not less than the 3-year period for which the strategy is developed;

"(3) the agricultural trade goals for each agricultural commodity, expressed in both physical volume and monetary value, over not less than such 3-year period;

"(4) the agricultural trade goals for high-value, processed agricultural commodities, expressed in both physical volume and monetary value, over not less than such 3-year period;

"(5) multiyear plans for the implementation and coordination of United States export assistance programs and foreign food assistance programs to meet all such agricultural trade goals;

"(6) findings and recommendations with respect to the movement of United States agricultural commodities in nonmarket economies;

"(7) recommended long-term strategies for growth in agricultural trade and exports, taking into account United States competitiveness and trade negotiations, and considering the effects of exchange rate fluctuations and unfair trading practices on the competitiveness and availability of exports of United States agricultural commodities;

"(8) strategies designed to make the United States a primary and dependable supplier of agricultural commodities on the world market;

"(9) an analysis of the differences in the markets of developed and developing countries (including the debt load of particular countries), and a strategy to increase exports of United States agricultural commodities to such markets; and

"(10) an estimate of the expected impact of United States Government programs designed to promote the export of United States agricultural commodities on earnings or market share, in the priority markets identified under subsection (d), of exports of United States agricultural commodities.

"(c) DESIGNATION OF GROWTH MARKETS.—The Secretary shall establish, for inclusion in the long-term agricultural trade strategy developed under subsection (a), a list of not less than 15 countries (or groups of countries) that are most lilely to emerge as growth markets for United States agricultural commodities during the 3- and 6-fiscal year periods beginning with the first fiscal year for which the strategy is developed.

"(d) DESIGNATION OF PRIORITY MARKETS.—The Secretary shall designate countries identified on the list developed under subsection (c) as priority markets for United States Government programs designed to promote the export of United States agricultural commodities (other than those programs designed to provide food assistance and those programs under the Export Enhancement Program under section 201).

"(e) ESTABLISHMENT OF MARKET PLANS.—The Secretary shall develop individual market plans for each country (or group of countries) designated as a priority market subsection (d). Each such market plan shall set forth—

"(1) specific plans to assist exports of United States agricultural commodities to and market development in the specific country or group of countries through United States Government programs designed to promote the export of United States agricultural commodities; and

"(2) the agricultural trade goals for the United States for that specific country or group of countries over at least the 3-year period for which the agricultural trade strategy under this section is developed.

"(f) CONFIDENTIALITY.—The Secretary may designate any portion of the agricultural trade strategy prepared under this section as confidential and not to be released to the general public if—

"(i) the Secretary determines that the release of the information involved would disadvantage the United States with respect to its competitiors in specific foreign markets; or

"(ii) any of such information is determined to be confidential business information.

Nothing in this section shall be construed to authorize the withholding of information from the Congress.

"SEC. 106. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) USE OF PROGRAMS.—

"(1) IN GENERAL.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) COMMODITIES SPECIFIED.—Paragraph (1) shall apply in the case of articles for which the United States has instituted, under any international trade agreement, any dispute settlement proceeding based on an unfair trade practice if such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) CONSULTATIONS REQUIRED.—For any article described in subsection (a)(2), the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy utilizing some of all of the commercial export programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 107. PRESERVATION OF TRADITIONAL MARKETS.

"The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for United States agricultural commodities.

"SEC. 108. INDEPENDENCE OF AUTHORITIES.

"Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"SEC. 109. PROGRAM EXPENDITURES.

"Expenditures for programs under this Act shall be considered to be expenditures for export promotion and not expenditures for any price support program.

"TITLE II—SPECIFIC EXPORT PROMOTION PROGRAMS

"SEC. 201. EXPORT ENHANCEMENT PROGRAM.

"(A) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—

"(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purcuasers at no cost either directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred;

"(C) in the case of livestock and livestock products, develop a methodology to determine the world price and gather and analyze appropriate price and cost of production information in foreign countries for the purpose of price discovery and to aid sales in foreign markets, and publish such information periodically; and

"(D) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of section 552 of title 5, United States Code, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from the Congress.

"(4) DISCLOSURE OF CARGO.—

"(A) IN GENERAL.—The Secretary shall ensure that commodities exported under the program established under this section arrive at the specified destination country.

The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(B) ENFORCEMENT.—The Secretary shall provide that if commodities exported under the program established under this section fail to arrive at the specified destination country, except as provided under subparagraph (A)—

"(i) any person receiving, or who otherwise would receive, a bonus under this section in connection with such commodities shall be liable for the amount of such bonus and shall be ineligible for participation in the program established under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(ii) if such failure is attributable in whole or in part to the specified destination country, no bonus is made available for exports to such country for a period of at least 1 year.

"(c) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this paragraph shall be ineligible to participate in the program established under this section for a period of up to 5 years. The Secretary shall provide that no bonus is made available, for a period of at least 1 year, under the program established under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this paragraph.

"(d) OTHER REMEDIES UNAFFECTED.—The remedies provided under this paragraph are in addition to any remedy available under any other provision of law.

"(5) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(6) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to a United States exporter, user, or processor, or foreign purchaser, under the program established under this section, agricultural commodities of a kind different than the agricultural commoditiy involved in the transaction for which assistance under this section is being provided.

"(7) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(c) PRIORITY IN THE CASE OF LIVESTOCK.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include, in connection with the purchase of the livestock, appropriate herd management training, veterinary services, nutritional training, and other technical assistance necessary for the adaptation of the livestock to foreign environments.

"(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) RECORDS.—

"(1) IN GENERAL.—In the administration of the program establish under this section, the Secretary shall require, by rule, each exporter, user, or processor who receives a bonus under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters, users, or processors participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.

"(f) FUNDING LEVELS.—

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(2) LIMITATION.—Not more than 10 percent of the funds and commodities made available for a fiscal year to carry out the program established under this section may be made available to promote the export of agricultural commodities described in section 101(6)(B)(ii).

"(g) IN GENERAL.—It is not the purpose of the program established under this section to affect adversely the exports of agricultural commodities of countries, as determined by the Secretary, that are not engaged in unfairly subsidizing their exports of agricultural commodities. The program shall be implemented in a manner necessary to minimize external and unintended effects damaging to the earnings of such countries from exports of agricultural commodities.

"SEC. 202. MARKET PROMOTION PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

"(b) TYPE OF ASSISTANCE.—Assistance under this section shall be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) REQUIREMENTS FOR PARTICIPATION.—

"(1) IN GENERAL.—To be eligible for assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) PRIORITY BASIS FOR EXPORT ASSISTANCE.—The Secretary shall provide assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization shall be—

"(1) an organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

"(e) APPROVED MARKETING PLAN.—

"(1) IN GENERAL.—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising and other export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) REQUIREMENTS.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) AMENDMENTS.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) BRANDED PROMOTION.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

"(f) OTHER TERMS AND CONDITIONS.—

"(1) MULTIYEAR BASIS.—The Secretary may provide assistance under this section on a multiyear basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

"(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

"(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

"(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

"(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

"(D) the unfair trade practice that was the basis of the provision of assistance has

been stopped and marketing assistance is no longer required to offset its effect; or

"(E) the Secretary determines that termination of assistance in a particular instance is in the best interest of the program.

"(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

"(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

"(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

"(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation of expenditures of a recipient not later than 15 months after the initial provision of funds to the recipient.

"(4) AVAILABILITY OF RECORDS.—

"(A) IN GENERAL.—In the administration of the program established by this section, the Secretary shall require, by rule, each eligible trade organization that receives assistance under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(B) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, eligible trade organizations pasrticipating in the program to make available, for a period 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(C) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this paragraph shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or empoloyee of the Department of Agriculture who knowingly discloses information made confidential by this subparagraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this paragraph shall be construed to authorize the withholding of information from Congress.

"(D) CONDUCT OF RULEMAKING.—Final rules under subparagraphs (A) and (B) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.

"(5) LEVEL OF MARKETING ASSISTANCE—

"(A) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade ogranization under the program and the level of cost-sharing required of such organization.

"(B) LIMITATION—Assistance provided under this section to private organizations for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost shall be consistent and such cost shall be documented.

"(g) PROGRAM LEVEL.—The Commodity Credit Corporation shall make available assistance under this section at a level not less than $200,000,000 for each of the fiscal years 1991 through 1995.

"(h) REGIONAL TRADE CENTER SET-ASIDE—

"(1) IN GENERAL.—The Secretary shall establish as an objective the reservation of an amount of assistance provided under this section for the benefit of applicants whose applications have been forwarded to the Secretary by the 4 regional nonprofit export trade assocations that have been established by a number of States in cooperation with the Foreign Agricultural Service of the Department of Agriculture, and for the benefit of the National Association of State Departments of Agriculture, for purposes such as the conduct of export promotion trade fairs and other export promotional activities.

"(2) DESIRED LEVEL OF SET-ASIDE.—The desired amounts of such assistance should be provided at levels no less than—

"(A) 10 percent in fiscal year 1991,

"(B) 11 percent in fiscal year 1992,

"(C) 12 percent in fiscal year 1993,

"(D) 13 percent in fiscal year 1994, and

"(E) 14 percent in fiscal year 1995,

as the Secretary may determine will best effectuate the goals of this section.

"SEC. 203. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 201, operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sales of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE III—TRADE REPORTING

"SEC. 301. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—

"(1) IN GENERAL.—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities that the Secretary may designate as produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination, if known.

"(2) CONFIDENTIALITY AND COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) IMMEDIATE REPORTING.—All exporters of agricultural commodities produced in the United States shall, upon request of the Secretary, immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) MONTHLY REPORTING PERMITTED.—The Secretary may, with respect to any commodity or type or class thereof during any period in which the Secretary determines that—

"(A) there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements.

"(B) total supplies of such commodity in the exporting countries are estimated to be in surplus,

"(C) anticipated exports will not result in excessive drain on domestic supplies, and

"(D) to require the reports to be made will unduly hamper export sales,

provide for such reports by exporters and publishing of such data to be on a monthly baiss rather than on a weekly basis.

"(b) REPORT ON ORIGIN OF COMMODITIES.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary shall require each person making a commercial export of any agricultural commodity or product thereof (hereinafter in this section referred to as a 'good') that is determined by the Secretary to be of commercial significance, before or upon that exportation, to report the quantity of such good so exported, and the percentage of the agricultural components produced in the United States and percentage produced in a foreign country by value and weight, and shall report such percentages by crop year and type, if necessary or appropriate to determine the identity of the United States and foreign agricultural components of the good exported.

"(2) EXEMPTION.—A person shall not be required to report any information under paragraph (1) that cannot be obtained from records maintained in the ordinary course of business.

"(3) REPORTS FOR HIGH-VALUE PROCESSED PRODUCTS.—With respect to exports of any good that is a high value, complex, processed product (as determined by the Secretary), a report under paragraph (1) need only be made for exports of that good over a period of not more than 1 year, and the information required under paragraph (1) may be aggregated for the period covered by the report.

"(4) CODES.—The Secretary may establish codes to identify the type and characteristics of each commodity for the purposes of reports under paragraph (1).

"(5) COMPILATION OF REPORTS.—Individual reports under this subsection shall remain confidential in accordance with subsection (c) but may be compiled by the Secretary and published in compilation form on a quarterly basis.

"(c) CONFIDENTIALITY.—The individually identifiable information contained in reports under this section shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this subsection shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this section shall be construed to authorize the withholding of information from the Congress.

"(d) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

"(e) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity under an export sales contract—

"(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

"(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity during a period for which the President has declared a national emergency for which the congress has declared war.

"TITLE IV—REPORTS

"SEC. 401. NONGOVERNMENTAL SUBSIDIES.

"(a) IN GENERAL.—The Secretary shall submit a report to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate specifying any nongovernmental agricultural subsidies provided in any foreign country. In compiling such report, the Secretary shall give priority to specifying those nongovernmental subsidies provided to livestock and commodities for which there is a price support program or marketing agreement or order in effect in the United States.

"(b) DEADLINES.—The Secretary shall submit the report specified in subsection (a) no later than 180 days after the date of enactment of the Food and Agricultural Resources Act of 1990, and shall submit additional reports at 1 year intervals for each of the next 5 years after the submission of the first report.

"SEC. 402. LONG-TERM AGRICULTURAL TRADE STRATEGY REPORT.

"(a) IN GENERAL.—The Secretary of Agriculture shall every 3 years prepare a long-term agricultural trade strategy report on the long-term agricultural trade strategy developed by the Secretary under section 105. The first such report shall be submitted under subsection (e) before the beginning of fiscal year 1992. Each subsequent report shall be submitted under subsection (e) before the beginning of each third fiscal year occurring after fiscal year 1992.

"(b) CONTENTS.—

"(1) IN GENERAL.—Each report prepared under subsection (a) shall describe in detail each aspect of the long-term agricultural trade strategy prepared under section 105.

"(2) REVIEW OF IMPLEMENTATION.—In each report submitted after the first report, the Secretary shall—

"(A) review the agricultural trade performance of the United States during the fiscal years ending since submission of the preceding report, in light of the long-term agricultural trade strategy and trade goals developed by the Secretary for such fiscal-year period under this Act;

"(B) determine whether and to what extent individual market plans developed under section 105(e) were successfully implemented during such fiscal-year period;

"(C) determine whether the use of any United States Government programs designed to promote exports of United States agricultural commodities resulted in such agricultural exports or increased agricultural exports or market share in the priority markets during such fiscal-year period; and

"(D) conduct a country-by-country analysis of expenditures made under United States Government programs designed to promote exports of United States agricultural commodities and the export performance of the United States in such market during such fiscal-year period.

"(c) CONSULTATION.—In preparing each report under subsection (a), the Secretary shall consult with the United States Trade Representative to ensure that the report is coordinated with the annual national trade policy agenda included in the annual report for the relevant fiscal year prepared under section 163 of the Trade Act of 1974.

"(d) UPDATE.—The Secretary shall prepare an annual update to the report required under subsection (a) that shall contain a description of any revisions to the long-term agricultural trade strategy made by the Secretary, any changes in law that are required to meet the goals of the long-term agricultural trade strategy, and such other information as may be specified in this section or determined appropriate by the Secretary.

"(e) TREATMENT AS ANNUAL BUDGET SUBMISSION.—The long-term agricultural trade strategy report under subsection (a) shall be submitted with the annual budget submission of the President to the Congress for fiscal year 1992 and for each third fiscal year thereafter. The annual updates under subsection (d) of each such report shall be submitted, respectively, with the annual budget submission of the President to the Congress for the 2 fiscal years after submission of such report. Any provision of the long-term agricultural trade strategy report or annual update that relates to recommended levels of spending on international activities of the Department of Agriculture shall be treated as the annual budget submission of the President to the Congress for such activities for the fiscal year beginning in the year in which the report is submitted, and shall be submitted together with the budget request for other programs of the Department of Agriculture for such fiscal year.

"(f) AVAILABILITY OF REPORT.—

"(1) SUBMISSION TO CONGRESS.—The Secretary shall submit each report required under subsection (a) (and the updates to such report under subsection (d)) to the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

"(2) AVAILABILITY TO PUBLIC.—Except as provided in paragraph (3), the Secretary may make the report required under subsection (a) available to the general public, including the department of agriculture of any State.

"(3) CONFIDENTIALITY.—The Secretary may designate portions of the report required under subsection (a) or any update prepared under subsection (d) as confidential and not to be released to the general public if—

"(A) the Secretary determines that the release of such information would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(B) any of such information is determined to be confidential business information.".

(b) CONFORMING AMENDMENTS.—(1) Section 1113(c)(9) of the Food Security Act of 1985 (7 U.S.C. 1736-1(c)(9)) is amended—

(A) in subparagraph (A) by adding "and" after the semicolon;

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 4201 of the Agricultural Competitiveness and Trade Act of 1988, and the item relating to section 4201 in the table of contents for the Omnibus Trade and Competitiveness Act of 1988, are repealed.

SEC. 1222. AMENDMENTS RELATING TO EXPORT CREDIT PROGRAMS.

(a) GUARANTEES FOR WOOD AND FISH.—Section 4(b)(1) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(1)) is amended by adding at the end the following new sentence: "In making available any assistance under this paragraph with respect to wood and processed wood products or fish and processed fish products, the Secretary of Agriculture shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products.".

(b) CRITERIA FOR USE OF AUTHORITY.—Section 4(b)(2) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(2)) is amended by inserting "directly benefit United States agricultural producers will" after "that the sale will".

(c) PROGRAM LEVEL.—Section 4(b)(10) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(10)) is amended by striking "available—" and all that follows through the end of the paragraph and inserting "available not less than $500,000,000 for each of fiscal years 1991 through 1995.".

(d) CREDIT GUARANTEES.—Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end the following:

"(e) RESTRICTION.—The Corporation shall not make credit guarantees available to any country which the Secretary determines cannot adequately service the debt associated with the guarantee.

"(f) FRAUD.—If the Corporation finds that any exporter or assignee has engaged in fraud or in any scheme, trick, or device to misuse or misappropriate any credit guarantee made available under this section, the relevant export credit guarantee issued under this section is no longer valid.

"(g) DIVERSION OF CARGO.—

"(1) IN GENERAL.—The Secretary shall ensure that commodities exported under any program under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(2) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under any program under this section fail to arrive at the specified destination country, except as provided under paragraph (1)—

"(A) any person receiving a credit guarantee under this section in connection with such commodities shall be liable for the amount of any amounts paid under such guarantee and shall be ineligible for participation in any program under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(B) if such failure is attributable in whole or in part to the specified destination country, no credit or guarantee is made available under any program under this section for exports to such country for a period of at least 1 year.

"(3) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this subsection shall be ineligible to participate in any program under this section for a period of up to 5 years. The Secretary shall provide that, for a period of at least 1 year, no credit or guarantee is made available under any program under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this subsection.

"(4) OTHER REMEDIES UNAFFECTED.—The remedies provided under this subsection are in addition to any remedy available under any other provision of law.

"(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) RECORDS.—

"(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require, by rule, each exporter under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.".

(e) USE OF PROGRAM.—Section 4(b)(5) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(5)) is amended by inserting ", foreign policy," after "foreign aid".

(f) SHORT-TERM EXPORT CREDIT GUARANTEES.—Section 1125 of the Food Security Act of 1985 (7 U.S.C. 1736t) is amended—

(1) in subsection (b) by striking "1990" and inserting "1995";

(2) in subsection (d)—

(A) by inserting "(1)" after "(d)"; and

(B) by adding at the end the following:

"(2) In making available any guarantees under subsection (b) with respect to wood and processed wood products or fish and processed fish products, the Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products."; and

(3) by adding at the end the following new subsections:

"(e) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall guarantee under any program conducted under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not guarantee under this section the value of any foreign agricultural component.

"(f) RECORDS.—

"(1) IN GENERAL.—In the administration of the program described in this section, the Secretary shall require, by rule, each exporter under the program to maintain all records concerning a program transaction for a period of 3 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.".

SEC. 1223. MARKET DEVELOPMENT TASK FORCE.

"(a) ESTABLISHMENT.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall establish a task force, to be known as the "Market Development Task Force" (hereinafter in this section referred to as the "Task Force"), to help develop the long-term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978, and to coordinate and disseminate information, and provide advice and education to entities, concerning agricultural export markets and domestic agricultural trade programs.

"(b) COMPOSITION.—The Task Force shall be composed of 12 members, of which—

(1) 1 member shall be the Administrator of the Foreign Agricultural Service, or such Administrator's designee;

(2) 1 member shall be the Secretary of Commerce, or such Secretary's designee;

(3) 1 member shall be the United States Trade Representative, or such Representative's designee;

(4) 1 member shall be the Administrator of the Small Business Administration, or such Administrator's designee;

(5) 1 member shall be the Administrator of the Extension Service, or such Administrator's designee;

(6) 1 member shall be the Administrator of the Agricultural Stabilization and Conservation Service, or such Administrator's designee;

(7) 1 member shall be a representative of the National Association of State Department of Agriculture (NASDA);

(8) 1 member shall be the special assistant to the President appointed under section 1113 of the Food Security Act of 1985 (7 U.S.C. 1736-1), or such assistant's designee; and

(9) 4 members shall be from the private sector who represent different interests in the agriculture sector of the United States economy.

(c) CHAIRPERSON.—The Administrator of the Foreign Agricultural Service shall serve as the Chairperson of the Task Force.

(d) VACANCIES.—A vacancy occurring on the Task Force among the members described in subsections (b)(7) and (b)(9) shall be filled in the same manner in which the original appointment was made.

(e) EQUIPMENT AND STAFF.—

(1) PERSONNEL.—The Secretary shall make available to the Task Force office facilities and equipment necessary to enable the Task Force to effectively carry out its functions.

(2) STAFF.—The members of the Task Force identified in paragraphs (1) through (6) of subsection (b) shall make available to the Task Force such personnel, and the Secretary shall employ such additional staff, as are necessary to enable the Task Force to effectively carry out its functions.

(f) FUNCTIONS.—The Task Force shall—

(1) participate in—

(A) the development of the long-term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978, placing particular emphasis on developing a strategy through which the Federal Government can support the export of value-added or high-value United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978); and

(B) the preparation of the report to the Congress on the long-term agricultural trade strategy and the annual revisions to that strategy required by section 402 of the Agricultural Trade Act of 1978;

(2) coordinate the information available concerning—

(A) the locations of existing and potential export markets for United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978);

(B) the types of commodities and products desirable in such markets;

(C) the existence of trade barriers applicable to such markets;

(D) the existence of Federal trade program opportunities that are available to domestic exporters; and

(E) any other information related to such markets;

(3) disseminate information relating to the long term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978;

(4) annually produce, publish, and disseminate throughout the United States through the Extension Service and through regional trade organizations, a catalog containing information available through the Federal Government concerning such markets;

(5) act as an advisor to and consult with State governments to promote the establishment and use of such markets; and

(6) perform any other functions determined appropriate by the Task Force.

(g) CONSULTATION WITH PARTICIPANTS IN PROGRAMS.—The Task Force shall consult with participants in agricultural trade programs, including regional trade organizations, in carrying out the functions of the Task Force.

(h) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, proposed regulations necessary to establish and administer the Task Force.

(i) RELATIONSHIP TO USTR FUNCTIONS.—The functions and responsibilities of the Task Force may not conflict with, or supercede, any authority of the United States Trade Representative to determine the existance of trade barriers or unfair trade prac-

tices under the Trade Act of 1974, or to develop or coordinate the trade policy of the United States.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(k) TERMINATION.—The Task Force shall cease to exist 5 years after the date of enactment of this Act.

Subtitle C—Agricultural Trade With and Fellowships for Emerging Democracies and Middle-Income Countries

SEC. 1231. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) GUARANTEES TO BE MADE AVAILABLE.—(1) The Commodity Credit Corporation, for each of fiscal years 1991 through 1995—

(A) shall make available not less than $225,000,000 of export credit guarantees for exports to emerging democracies under the program described in section 1125(b) of the Food Security Act of 1985 (7 U.S.C. 1736t(b)), in addition to the amounts required under that section;

(B) shall make available $50,000,000 to guarantee financing, on terms of not less than 3 years no more than 10 years, for the establishment or improvement by United States persons of facilities in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978); and

(C) is encouraged to make available guarantees under section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)), in addition to the amounts otherwise available under that section, for exports to emerging democracies.

The Commodity Credit Corporation shall give priority under subparagraph (B) to opportunities or projects identified under subsection (b).

(2) Before the authority under paragraph (1)(B) is exercised, the Secretary of Agriculture shall consult with exporters of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that facilities in an emerging democracy for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

(b) SHARING UNITED STATES AGRICULTURAL EXPERTISE.—

(1) IN GENERAL.—

(A) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary"), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food and rural business sytems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) EXTENT OF PROGRAM.—The Secretary shall implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

(2) EXPERTS FROM THE UNITED STATES.—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) REPORTS TO SECRETARY.—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may designate.

(6) REPORTS TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) ADVISORY COMMITTEE.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food and rural business systems of the United States.

(8) USE OF CCC.—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this subsection of not more than $10,000,000 in any fiscal year.

(c) FOREIGN DEBT BURDENS.—(1) In carrying out the program described in subsection (a), the Secretary of Agriculture shall ensure that the credits for which repayment is guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by excessively adding to the foreign debt burdens of such countries.

(2) Not later than 6 months after the effective date of this title, and not later than the end of each 6-month period occurring thereafter, the Secretary of Agriculture, in consultation with other appropriate Federal departments, shall prepare and transmit to the Speaker of the House of Representatives, the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report to assist the Congress in assessing the extent to which credits for which repayment is guaranteed under subsection (a) meet the requirements of paragraph (1). The report shall include—

(A) the amount and allocation, by country, of credit guarantees issued under subsection (a);

(B) the aggregate foreign debt burdens of countries receiving commodities or facilities under such credit guarantees, expressed in terms of debt on account of agricultural commodities or products thereof, or facilities for which guarantees may be made under subsection (a)(1)(B), and all other debt;

(C) the activities of creditor governments and private creditors to reschedule or reduce payments due on existing debt owed to such creditors by a country in cases where such country has been unable to fully meet its debt obligations; and

(D) an analysis of—

(i) the economic effects of the foreign debt burden of each recipient country, and in particular the economic effects on each recipient country of the credits for which repayment is guaranteed under subsection (a); and

(ii) the relationship between any negative economic effects on any recipient country caused by its overall foreign debt burden and debt incurred under subsection (a) and such country's political stability.

(d) EMERGING DEMOCRACY.—As used in this section, the term "emerging democracy" means any country that, as determined by the President, is taking steps toward—

(1) political pluralism, based on progress toward free and fair elections and a multiparty political system;

(2) economic reform, based on progress toward a market-oriented economy;

(3) respect for internationally recognized human rights; and

(4) a willingness to build a friendly relationship with the United States.

SEC. 1232. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE-INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program for middle-income countries and emerging democracies to provide fellowships to persons from eligible countries who specialize in agriculture for study in the United States.

(b) ELIGIBLE COUNTRIES.—

(1) IN GENERAL.—Any country that is a middle income country or is an emerging democracy as defined in section 1231(d) shall be eligible to participate in the program established under this section.

(2) MIDDLE INCOME COUNTRY.—For purposes of this section, a "middle income country" means a country that—

(A) has developed economically to the point where it no longer qualifies for bilateral foreign assistance programs from the United States because its per capita income level exceeds the eligibility requirements of such programs; or

(B) has never qualified for bilateral foreign assistance programs from the United States, but an ongoing relationship between the country and the United States, including technical assistance and training, would provide mutual benefits to that country and the United States.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided in

order to allow the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify candidates, from both the public and private sectors of those countries, for the program established under this section.

(e) PROGRAM IMPLEMENTATION.—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the objectives of the program established under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary to provide funding to carry out the program established under this section, except that the amount of such funds shall not exceed—

(1) for middle income countries described in subsection (b)(2)(A), $3,000,000;

(2) for middle income countries described in subsection (b)(2)(B), $2,000,000; and

(3) for emerging democracies, $5,000,000.

(g) COMPLEMENTARY FUNDS.—When the Secretary of Agriculture determines that it is advisable in furtherance of the purposes of the program established under this section, the Secretary may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

Subtitle D—Studies, Reports, and Other Provisions

SEC. 1241. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress not later than May 31, 1991.

SEC. 1242. REPORT ON WOOD AND FISH EXPORT PROMOTION.

Not later than 180 days after the date of enactment of this Act, and annually thereafter for a period of 5 years, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report concerning the promotion and participation of wood and processed wood products, and fish and processed fish products, in the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, section 1125 of the Food Security Act of 1985, and section 4 of the Food for Peace Act of 1966.

SEC. 1243. ROSE AND FLOWER STUDY.

(a) IN GENERAL.—The Secretary of Agricultural shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued in April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress, together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1244. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) ASSESSMENT.—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities, of the current agricultural transportation situation, focusing especially on rail transportation capabilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance certificates of transportation.

(b) ADDITIONAL REQUIREMENTS.—In preparing the assessment required by this section, the Secretary shall consult with rail, truck, and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives (such as freight containers which could be carried aboard flatbed trucks, flatbed rail cars, river barges, and oceangoing container vessels) to covered rail hopper cars for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network which would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential loads of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) REPORT.—Within 240 days after the date of enactment of this Act, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives the results of the assessment conducted under this section, and any recommendations the Secretary may have as a result of such assessment.

(d) EXPENDITURES.—For the purpose of preparing the assessment and report required by this section, the Secretary of Agriculture is authorized to expend such sums as may be necessary from any unobligated funds as may be necessary from any unobligated funds appropriated to the Department of Agriculture, and may, without the necessity of advertising for bids, contract with any appropriate private sector businesses which have expertise and experience in transporting agricultural commodities, or with experience in operating a computerized network of load and equipment matching between shippers and carriers, if the work or consultation performed under such contract is deemed necessary by the Secretary to fully comply with the scope of the assessment, and complete the report, required by this section.

SEC. 1245. RED TART CHERRY STUDY.

(a) STUDY.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall, in consultation with the United States International Trade Commission, complete a study to determine—

(1) the competitive factors affecting the domestic red tart cherry industry, including competition from imports;

(2) the effect that the European Community's restriction on imported red tart cherries has had, and may continue to have, on world trade of red tart cherries;

(3) the extent to which unfair trade practices and barriers to trade by other competing countries are impeding the marketing abroad of domestically produced red tart cherries; and

(4) the extent to which imported red tart cherry concentrate has been sold, and is being sold, in the United States at prices below the world market price.

(b) REPORT TO CONGRESS.—The Secretary shall submit a report containing the results of the study conducted under subsection (a) to the Congress.

(c) SENSE OF CONGRESS.—It is the sense of the Congress that the Secretary of Agriculture should use all available remedies, programs, and policies within the Secretary's jurisdiction to assist the domestic red tart cherry industry to maintain and enhance its ability to compete in the domestic and world market for red tart cherries.

SEC. 1246. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) REQUIREMENT OF REPORT.—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

SEC. 1247. AGRICULTURAL EXPORTS TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—The Congress finds that—

(1) the European Community has established a system, as part of its Europe 1991 economic integration plan, to set product standards and requirements, including those related to agricultural commodities and products thereof, and that system has not been transparent insofar to allow United States Government or industry experts to observe meetings of European standards-setting institutions;

(2) the European Community is also currently writing the rules by which United States exporters of agricultural commodities and products thereof will be able to show compliance with European Community product standards and requirements, and has refused to guarantee that such United States exporters will be able to show compliance with European Community product standards and requirements by using United

States laboratories or through self-certification;

(3) the United States maintains an open, transparent system to set standards and requirements for agricultural commodities and products thereof, and many reciprocal arrangements currently in place allow European Community exporters of agricultural commodities and products thereof to show compliance with United States product standards and requirements by using European Community laboratories or through self-certification;

(4) the value of United States exports of agricultural commodities and products thereof to the European Community in 1989 was $6,600,000,000 constituting 17 percent of all United States exports of agricultural commodities and products thereof; and

(5) the product standards and testing policies of the European Community are consequently unfair and discriminatory, and have great potential to reduce signficantly exports for the United States of agricultural commodities and products thereof.

(b) STATEMENTS OF POLICY.—

(1) The Congress denounces the European Community nontransparent process of setting standards and requirements for agricultural commodities and products thereof, and the Congress further denounces the refusal by the European Community to guarantee that United States exporters of such commodities and products will be able to show compliance with European Community standards and requirements by using United States laboratories or through self-certification.

(2) The Congress deplores the adverse consequences of the standards and testing policies of the European Community on the bilateral agricultural trade relationship between the United States and the European Community.

(3) The Congress urges the President to use all available means to bring about significant and far-reaching changes in the standards and testing policies of the European Community in order to protect and maintain United States access to the European Community market for agricultural commodities and products thereof.

SEC. 1248. LANGUAGE PROFICIENCY AND EVALUATION OF FOREIGN AGRICULTURAL SERVICE OFFICERS.

(a) ASSESSMENT OF FOREIGN LANGUAGE COMPETENCE.—The Foreign Agricultural Service shall revise its evaluation reports for its Foreign Service officers so as to require in a separate entry an assessment of the officer's effectiveness in using, in his or her work, a foreign language or foreign languages tested at the General Professional Speaking Proficiency level or above, in cases where the supervisor is capable of making such an assessment.

(b) PRECEDENCE IN PROMOTION.—The Director of Personnel of the Foreign Agricultural Service shall instruct promotion panels to take account of language ability and, all criteria for promotion otherwise being equal, to give precedence in promotions to officers who have achieved at least the General Professional Speaking Proficiency level in 1 or more foreign languages over officers who lack that level of proficiency.

(c) REPORT TO CONGRESS.—Within 6 months after the effective date of this title, the Administrator of the Foreign Agricultural Service shall submit a report to the Committee on Foreign Affairs, the Committee on Agriculture, and the Committee on Post Office and Civil Service of the House of Represenatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, which—

(1) details the extent to which, in the 3 years before the effective date of this title, Foreign Service officers of the Foreign Agricultural Service achieved General Professional Speaking Proficiency level in the primary foreign language of the host countries in which they served before arriving in such countries or within 1 year after such arrival; and

(2) makes specific, new proposals to the Congress on how to ensure that at least 75 percent of Foreign Service officers of the Foreign Agricultural Service have achieved General Professional Speaking Proficiency level in the primary foreign language of the host countries in which they serve before arriving in such countries or within 1 year after such arrival.

Subtitle E—Foreign Affairs Provision

SEC. 1261. USE OF ECONOMIC ASSISTANCE FUNDS FOR AGRICULTURAL AND INDUSTRIAL ALTERNATIVES TO NARCOTICS PRODUCTION IN MAJOR COCA PRODUCING COUNTRIES.

(a) WAIVER OF CERTAIN RESTRICTIONS.—For the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived, the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(2))) to promote the production, processing, or the marketing of products which can be economically produced in such country, notwithstanding the provisions of law described in subsection (b) of this section.

(b) DESCRIPTION OF RESTRICTIONS WAIVED.—The provisions of law made inapplicable by subsection (a) are any other provisions of law that would otherwise restrict the use of economic assistance funds with respect to the production, processing, or marketing of agricultural commodities (or the products thereof) or other products, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

(c) DEFINITION OF ECONOMIC ASSISTANCE.—As used in this section, the term "economic assistance" means assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) and assistance under chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund).

Subtitle F—Effective Dates and Conforming Changes

SEC. 1271. EFFECTIVE DATES.

(a) IN GENERAL.—Subject to subsection (b), this title and the amendments made by this title shall take effect on October 1, 1990, and shall be effective only for fiscal year 1991 and thereafter.

(b) SECTION 103 OF 1978 AGRICULTURAL TRADE ACT.—The provisions of section 103 of the Agricultural Trade Act of 1978 (as amended by section 1221 of this Act) shall apply to proposals pending or received on or after the date of enactment of this Act.

(c) SECTION 301 REGULATIONS.—The Secretary shall promulgate regulations to implement section 301 of the Agricultural Trade Act of 1978 (as amended by this title) no later than 180 days after the date of enactment of this Act.

SEC. 1272. CONFORMING CHANGES.

(a) REPEAL OF EXPORT SALES REPORTING.—Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is repealed, effective upon the effective date of regulations promulgated under section 1271(c) of this Act.

(b) REPEAL OF OBSOLETE LAWS.—Section 1124 and 1127 of the Food Security Act of 1985 (7 U.S.C. 1736s and 1736v) are repealed.

(c) REPEAL OF SENSE OF CONGRESS.—Section 1165 of the Food Security Act of 1985 is repealed.

Strike all of section 1109 that proceeds proposed new subparagraph (B) of subsection (b)(2) of section 302 of the Food Security Wheat Reserve Act of 1980 (page 287, line 3 through line 13) and insert the following:

SEC. 1109. REPLENISHMENT OF THE FOOD SECURITY WHEAT RESERVE.

Section 302(b)(2) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(b)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by striking "(A)" and "(B)" and inserting "(i)" and "(ii)", respectively; and

(3) by adding at the end the following new subparagraph:

In section 1109, in proposed new subparagraph (B) of subsection (b)(2) of section 302 of the Food Security Wheat Reserve Act of 1980, strike "(A)" (page 288, line 4) and insert "(i)" and strike "(B)" (page 288, line 7) and insert "(ii)"; and strike "; and" at the end of proposed new subparagraph (B) (page 288, line 17) and all that follows through the end of section 1109 (page 288, line 19) and insert a period.

Conform the table of contents of the bill.

By Mr. KOSTMAYER:

Section 1601(b)(2), strike paragraph (2).

Section 1601(c)(5), strike subparagraphs (C) and (D).

Section 1601, add at the end the following new subsection:

(e) EXCEPTION.—Section 1212 of the Food Security Act is amended by adding at the end the following new subsection:

"(f)(1) Except to the extent provided in paragraph (1), no person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the failure of such person to actively apply a conservation plan that documents the decisions of such person with respect to location, land use, tillage systems, and conservation treatment measures and schedules prepared under subsection (a), if the Secretary determines that—

"(A) such person has not violated the provisions of section 1211 more than one time on a farm; and

"(B) such person acted in good faith and without an intent to violate the provisions of this subtitle.

"(C) such person has actively applied a conservation plan with respect to location, land use, tillage systems, and conservation treatment measures and schedules prepared under subsections (a)(2) or (b)(3) except with respect to minor and technical violations that have a minimal effect on the erosion control purposes of the plan when applied.

"(2) If the Secretary determines that a person who has failed to comply with the provisions of section 1211 meets the requirements of paragraph (1), the Secretary shall, in lieu of applying the ineligibility provisions in section 1211, reduce by not less than $750 nor more than $10,000 (depending on the seriousness of the violation as deter-

mined by the Secretary), program benefits described in section 1211, that such producer would otherwise be eligible to receive in a crop year.

"(3) Any person whose benefits are reduced in any one crop year under this subsection shall continue to be eligible for all of the benefits described in section 1211 for any subsequent crop year if, prior to the beginning of such subsequent crop year, the Secretary determines that such person is actively applying conservation plans prepared under subsection (a)(2) or (b)(3), according to the schedule set forth in such plan.".

Section 1601, add at the end the following new subsection:

(e) APPLICATION OF CONSERVATION PRACTICES.—Subtitle B of title XII of the Food

Section 1603(b)(1), strike "and" at the end is amended by adding at the end thereof the following new section:

"SEC. 1214. APPLICATION OF CONSERVATION PRACTICES.

"(a) PREPARATION OR PLAN AND PROGRESS.—The Secretary, in preparing or revising a conservation plan for application under this subtitle, and in otherwise enforcing the ineligibility provisions of this subtitle, shall encourage and provide assistance to agricultural producers to enable such producers to reduce soil erosion on their land to reduce erosion to annual average rate of 5 tons per acre. The Secretary shall establish procedures to determine the progress made by the producer in achieving such reduction.

"(b) MODIFICATIONS.—

"(1) REQUEST.—A revision of a conservation plan that is or will be applied under this subtitle shall include the modification of any conservation practices or implementation schedules mandated by such plan if a request for such modification is made by the applicable producer or by the Secretary as a result of the monitoring or enforcement of this subtitle or designating special review areas as provided in section 1609.

"(2) APPLICATION OF CONSERVATION PRACTICES.—In preparing or revising a conservation plan under this subtitle after the date of enactment of this section, the Secretary shall require the producer to actively apply all appropriate primary conservation practices that would have the effect of reducing erosion on the land if, in the absence of such practices, the average annual rate of soil erosion would exceed the five tons per acre.

"(3) PRIMARY PRACTICES.—

"(A) IDENTIFICATION.—In identifying appropriate primary conservation practices to be applied under paragraph (2), the Secretary shall take into account the nature of the erosion problem, the technical feasibility of the practice, the crop or crops produced on the farm, the prevailing climate in the area, and such other relevant factors as the Secretary may think appropriate, except that the Secretary shall require the practices listed in subparagraph (B).

"(B) LIST OF PRACTICES.—The primary conservation practice required in a county shall be listed in the local field office technical guide, and such practices shall include contour farming, cross slope farming, divided slope farming, contour strip cropping, field strip cropping, wind strip cropping, grassed waterways, field borders, filter strips, conservation cover crops, cover and green manure crops, crop residue use, conservation tillage, emergency tillage, and grasses and legumes in rotation.".

Section 1603(b)(1), strike "and" at the end of subparagraph (D); insert "and" at the end of subparagraph (E); and insert after subparagraph (E) the following:

(F) by striking "and" at the end of paragraph (9); striking the period at the end of paragraph (10); and inserting "; and", and by adding at the end the following:

"(13) in the case of contracts entered into after the date of enactment of this paragraph, to comply with the provisions of subtitle C, with respect to the land that is the subject of the contract, an owner or operator shall limit soil erosion to not more than the soil loss tolerance after the expiration of the contract under this subtitle or face a loss of program benefits as described in section 1221.".

Section 1603(b), strike the period at the end of the subsection and insert "; and"; and insert at the end the following:

(4) by adding at the end the following new subsection:

"(f) INFORMATION CONCERNING FLEXIBILITY.—The Secretary shall provide owners and operators with information concerning flexibility in commodity programs to assist such owners and operators in determining whether to adopt or alter crop rotation patterns to achieve compliance with conservation provisions under this subtitle.".

Section 1603(f)(3), strike the closing quotation marks and period and add at the end the following:

"(e) NONCOMPLIANCE.—Any person who establishes or maintains farm acreage bases, as provided by section 1031 of this Act (7 U.S.C. 1461) shall be subject to an annual reduction of not less than 5 percent in such bases for each year that the Secretary determines such person has failed to actively apply a conservation plan or conservation system as required under section 1212, except if such person is ineligible under section 1211 or has benefits reduced under section 1212 in that year. Any person subject to an acreage base reduction shall be notified within 30 days of such determination by the Secretary. The Secretary shall restore in any subsequent crop year, any acreage base that has been reduced under this subsection if, prior to the beginning of such crop year, the Soil Conservation Service has certified to the Secretary that the person is actively applying the conservation plan or conservation system.

Section 1609, add at the end the following new subsection:

"(g) COMPREHENSIVE REPORT.—Subtitle E of title XII of the Food Secretary Act of 1985 (16 U.S.C. 3841) is further amended by adding after section 1246 the following new section:

"SEC. 1247. COMPREHENSIVE REPORT.

"(a) IN GENERAL.—Not later than December 31, 1992, and each year thereafter, the Secretary shall prepare and submit, to the Committees on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a comprehensive report that evaluates, in accordance with subsection (c), the programs and policies established and operated under this title.

"(b) COOPERATION AND CONSULTATIONS.—The report required under subsection (a) shall be developed jointly with the United States Fish and Wildlife Service and, where appropriate, in consultation other Federal agencies and such State agencies or officials and independent experts as the chief executive officer of each State may designate for this purpose.

"(c) REQUIREMENTS.—In conducting the evaluations required under subsection (a), the Secretary shall—

"(1) require the Soil Conservation Service to assess the progress made toward reducing soil erosion to a rate not to exceed 5 tons per acre through the implementation of the relevant provisions of this title, identify obstacles to the attainment of such goal, and recommend manners in which to overcome such obstacles;

"(2) require the Soil Conservation Service, in consultation with the Agricultural Research Service, to perform on-site evaluations of conservation practices on highly erodible lands, on-site estimates of erosion reductions that may result from the implementation of conservation plans, and to assess the technical adequacy and feasibility of such plans;

"(3) require the Soil Conservation Service, jointly with the United States Fish and Wildlife Service, to assess the contribution toward the national objectives of wetlands preservation, wildlife and waterfowl habitat improvement, and water quality improvement through the implementation of the relevant provisions of this title, identify obstacles to furthering progress toward such objectives, and recommend manners in which to overcome such obstacles; and

"(4) collect date concerning the social and economic impacts, violations, appeals and such other matters under this title as the Secretary determines to be necessary to assess the overall impact of this title.

"(d) COMPLIANCE MONITORING.—

"(1) PROCEDURES.—The Secretary shall develop and implement procedures for monitoring the compliance of producers and others with the provisions of this title at the local level. Such producers may include annual spotchecks of not less than 10 percent of all affected acreage.

"(2) REPORT.—The Secretary shall prepare an annual report that shall contain a summary of the results of the monitoring conducted under paragraph (1), and include information concerning the adequacy of conservation plans and practices on soil erosion, the number and nature of violations of such plans and appeals, and other matters that may be necessary to monitor the implementation of this title.

"(3) SPECIAL REVIEW.—Based on the information contained in the report under paragraph (2), the Secretary may designate for special review any areas or soil types for which primary conservation practices are likely to be required to attain an average annual erosion rate of 5 tons per acre per year.

"(4) NOTICE.—The Secretary shall provide notice to all persons whose conservation plans are being monitored of the results of such monitoring, and provide such persons with information regarding erosion rates, the adequacy of conservation practices, or the designation of special review status.

"(5) SUBMISSION.—The Secretary may develop and implement the procedures required under paragraph (1) in conjunction with the preparation by the Secretary of the report required under subsection (a). The reports required under paragraph (2) shall be submitted together with the report required under subsection (a).".

EXTENSIONS OF REMARKS

IF YOU CAN'T TAKE THE HEAT—TAKE THE PURPLE HEART

HON. CHARLES B. RANGEL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. RANGEL. Mr. Speaker, I rise to call your attention to three newspaper articles by David Evans of the Chicago Tribune. Mr. Evans' thought-provoking stories on the Panama invasion and its aftermath raise serious questions about the motivation for this country's actions and the methods used to justify them to the American public.

VETS BOILING OVER MEDAL FOR SOLDIER FELLED BY HEAT

(By David Evans)

WASHINGTON.—Three days before Christmas, Army Pfc. Grant Gipe was lying in a hospital bed at Brooke Army Medical Center in Texas, where he had been evacuated as a casualty of Panama's intense heat, when a general came by and awarded him a Purple Heart.

The 23-year-old paratrooper from the 82nd Airborne Division was one of 209 soldiers to have the medal pinned on his chest that day by Gen. Carl Vuono, the Army chief of staff.

But the award to a soldier felled by tropical heat has outraged many veterans, who say the Purple Heart traditionally has been reserved for wounds caused by enemy fire.

Army officials say they will not reconsider or retract the award.

"He made the decision on site," said Lt. Col. Terrence Adkins, chief of the Military Awards Branch at Army headquarters, who assisted Vuono in presenting the medals in his tour of the wards.

"It's an unusual case from the perspective of heat exhaustion," Adkins conceded, "but it is Army policy that decorations awarded by a commander on site will be upheld unless there is an impropriety in the award."

As a member of the U.S. invasion force sent in to oust Panamanian dictator Manuel Antonio Noriega, Gipe flew out of Polk Air Force Base, N.C., on the night of Dec. 20 and parachuted into Panama. According to various sources, he boarded the airplane with four canteens full of water and drank two on the flight south.

Gipe missed the designated landing area, parachuted into a swamp and was separated from this unit. In the intense heat he sloshed his way to a rendezvous point, consuming his remaining two canteens.

Gipe met up with other infantrymen from his company, and they flew by helicopter to their unit.

The company went on to scale a muddy hill exposed to Panamanian sniper fire.

Gipe, who was lugging a 25-pound machine gun and other gear, blacked out from the heat at the top of the hill. He was one of several soldiers flown to the Army hospital in San Antonio on Dec. 22 after being in Panama for less than 24 hours.

Gipe was "totally surprised when he was presented with a Purple Heart, according to an article in the March-April issue of The Purple Heart Magazine, which is published by the Military Order of the Purple Heart, an association of some 22,000 recipients of the medal.

According to Nick McIntosh, national historian for the association, Gipe's situation did not meet the criteria for the Purple Heart.

"There is no way the medical community would describe heat exhaustion as a wound or an injury," he said.

In defending the award to Gipe, Adkins said, "There are misperceptions among both serving and former [military] personnel."

However, according to Army regulations, the Purple Heart is awarded to recognize soldiers who are killed or wounded from a "missile, force, explosion or agent."

"A physical lesion is not required, provided the concussion or other form of injury is directly due to enemy . . . action," the regulations state.

Many veterans say Gipe's medical evaluation was not the direct result of enemy action.

Michael Prothero, adjutant general of the Military Order of the Purple Heart, said, "I've received at least 65 letters [from veterans] speaking against this award. Our members are upset with the Army leadership, not the soldier."

Many of them have complained in writing to the Army, and they have received a standard reply from Adkins saying the award was based on the fact that Gipe "was actively engaged in combat with the enemy at the time his injury was sustained, and . . . medical evacuation was required."

Veterans are not happy with what they see as the cheapening of the Purple Heart, said Prothero.

"At our annual convention next month I am sure there will be a resolution voted by the membership to make our feelings known to the Army," he said.

Regarding the award to Gipe, Prothero said, "I think it was a case where it was time to hand out medals, and the proper screening wasn't done. Maybe next time people will think ahead."

WHAT PURPLE HEART RECOGNIZES—ONE SOLDIER'S ORDEAL

(By David Evans)

WASHINGTON.—The Army has given a Purple Heart to a soldier who passed out from heat exhaustion in the invasion of Panama last December.

Veterans who bled or, worse, lost limbs for the right to wear the Purple Heart are rightfully upset at the de facto cheapening of an award intended to recognize death and injury from enemy fire in battle.

Indeed, the case of Staff Sgt. Lewis Olivera, of Wisconsin Dells, Wis, fits precisely the criteria for the Purple Heart, which are based on two unambiguous and engraved-in-stone standards: The soldier has to be wounded as a direct result of enemy fire, and the wounds must be severe enough to warrant medical treatment.

The 25-year-old Olivera is a member of the 2d Ranger Battalion, one of the Army's premier light infantry units, based at Ft. Lewis, Wash.

For Olivera, the night of Dec. 20 was a monumental bad dream. Shortly after midnight, Olivera leaped out of a C-130 transport 600 feet over the Rio Hato airstrip. Seconds after his chute snapped open, Olivera crashed through the jungle treetops and into an elevated power line.

Hanging from the line, Olivera was worried that Panamanian soldiers in the nearby barracks, troops of the Macho de Mantes battalion, a Panamanian ranger outfit, would see the sparks and flashes from the power line. He released the "D" rings holding the parachute to his body and, weighted down with a 180-pound pack, Olivera crumpled to the jungle floor.

A U.S. Air Force gunship flying overhead began strafing the barracks, barely 100 yards from where Olivera was crouched. To avoid being hit, he began the trek to a preplanned rendezvous point.

On the way, Olivera was ambushed by two Panamanian soldiers from the barracks. He suspects they were alerted by the sparks from his impact with the power line.

From a range of 50 feet, Olivera was hit square in the chest by two bullets from their AK-47 assault rifles. One bullet tore through two ribs and punctured his right lung. The other bullet severed the muscle above his right collar bone.

Olivera was knocked onto his back. The Panamaians approached, began rifling through his pockets for maps and documents, and discovered that he was dazed but still alive.

At point-blank range, one Panamanian soldier fired at Olivera's head. The bullet hit the lip of his keviar helmet, tore through the 19 layers of fibers and resin, and was deflected just enough that it didn't kill him outright.

Instead, the bullet struck Olivera above the left eye, fractured his skull, tore off a major chunk of the skin on his skull, an glanced off, knocking him unconscious.

The two Panamanian troopers left him for dead, tagging him with a black bandana that was the signature of a "kill" by the Macho de Mantes battalion.

The bullet to the head just happened to be a tracer round, and the heat of the burning chemical cauterized the ruptured blood vessels as the bullet passed through muscle and flesh. Doctors who later treated Olivera said the burning action of the tracer bullet probably kept him from bleeding to death as he lay knocked out on the jungle floor through the rest of the night.

Olivera regained consciousness the following morning and used his radio to call for help. According to a unit officer, Olivera's voice was noticeably faint. "We sent teams out to find him," the officer said.

Olivera was told by radio to fire three shots in the air to help the patrols locate him. In his weakened condition, Olivera was having difficulty working his right arm; he fired two shots from his M-16 into the air, but his arm dropped and the third shot

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

glanced off his head, tearing more skin off his skull.

The shots, though, were enough to alert a nearby Ranger patrol, although the troops who found the bleeding long enough to get medical treatment.

At the aid station, a chaplain offered Olivera last rites. "No, I don't think I need that. I'm doing just fine, really," Olivera mumbled.

Evacuated to Brooke Army Medical Center in San Antonio, Olivera was told by surgeous there that he would never parachute again and that his days as an Army Ranger were over.

On Dec. 22, Gen. Carl Vuono, the chief of staff of the Army, pinned the Purple Heart on the wounded Olivera, who is now fully recovered and back with his Ranger unit.

Vuono also pinned the Purple Heart that day on the soldier felled by heat.

QUESTIONS FROM AN INVASION: PANAMA AND THE PENTAGON

(By David Evans)

WASHINGTON.—In the eurphoric afterglow surrounding Gen. Manuel Noriega's abject surrender, the congressional emissaries who flew to Panama earlier this week will conduct their inevitable inquiry into the conduct of the invasion.

Hopefully, these august delegations will ask a few questions about an operation that so far has cost 23 dead and 314 wounded American troops and has turned entire sections of Panama City into the Beirut of the Western Hemisphere.

The topmost question: Have internal Pentagon politics influenced international actions? The Panama invasion force featured Army, Air Force, Navy and Marine Corps units, the standard "pie dividing" exercise where each service gets a role to play, and just a month before the Pentagon's fiscal 1991 budget request goes to Congress.

For example, the Air Force—with a sackful of stealth bombers, cruise missiles and advanced fighters in that budget request—sent a brace of F-117 radar-evading stealth fighters all the way from their home base in Nevada to bomb a field near Rio Hato. Air National Guard A-7 jets were on hand locally. Mountains would have shielded the A-7s from Panamanian radars and, besides, those radars normally don't operate at night and half of them were out of service because the U.S. embargo on spare parts.

At the least, why not hit a target? Four Navy SEALs were tragically killed in a successful attempt to knock out Noriega's Learjet at Paitillo airfield, a job that could have been done by a quick strafing run from the air.

Although a reinforced infantry brigade was already in Panama, the Army Mixmastered into the invasion force reinforcements from just about every kind of airborne, ranger, special forces and light infantry unit available.

The word among professional military officers is that the Army exploited the situation in Panama to make a grab for the Marines' traditional role of providing America's so-called "interventionary forces" for delousing Third World countries. A U.S. Army relieved of keeping Soviet tank arms at bay is facing wholesale unemployment; the task force sent to Panama appears suspiciously like a creative exercise in job transition.

If the audition overall was impressive, certain nagging details recall many of the Army's old Vietnam habits. Ticket-punching for one, where in Vietnam officers were rotated through commands every six months. For airborne troops, the ultimate ticket-punch is a combat parachute drop; it means a distinguishing star on top of the jump wings.

"Why'd they keep jumping?" asked one officer of the second wave of 82d Airborne Division troops who parachuted onto Tocumen airfield three hours after it was seized. The difference between landing the planes for the troops to walk off, and having them leap out from 500 feet, was the coveted star on the jump wings.

The firepower mindset remains firmly entrenched. "Why'd they take all that artillery down there?" asked a colonel, who happens to be an artilleryman.

Enemy sniper positions were hosed down by gunships flying overhead. Prodigious quantities of machine-gun ammunition were expended on the ground. Panama City's two million residents found themselves in a free-fire zone; according to reports from city hospitals, the gunplay killed well over 400 bystanders, including at least three American civilians, a toll that exceeds the 314 armed Panamanian soldiers the U.S. Army claims to have killed.

American help comes at a high price; one wonders if Colombia or Peru will be so willing now to invite the U.S. Army to help them combat the drug cartels.

Force creates voids and destabilizes conditions, and for all that firepower the Army appears to have been caught unprepared to deal with the burning and looting. Military police units were hastily rushed to Panama to regain control of the situation. As in Vietnam, the Army's big battalions were movable islands of force in a sea of powerlessness.

Just as those battalions were unsure of the whereabouts of the wily Viet Cong, they were unsure of Noriega's location. The composite conclusion from interviews with a half-dozen officers is that America's massive intelligence system failed to take Noriega's measure, and as a consequence commanders in the field were unable to anticipate his moves.

In the end, the Army was lucky. If there was a wimp in the whole sordid episode, it was Noriega. If he were a young Fidel Castro, Che Guevara or Ho Chi Minh, those U.S. Army battalions would be fighting today. They were spared this embarrassing and costly spectacle by the mouse that roared from Panama.

HOW USING A CARBON TAX TO REDUCE THE DEFICIT INCREASES AMERICAN COMPETITIVENESS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. STARK. Mr. Speaker, I believe we can reduce the deficit and get significant environmental benefits by enacting a carbon tax. I have introduced H.R. 4805 which imposes a $25-a-ton charge on the emission of carbon.

An article in the Economist provides an eloquent sense of urgency why America needs to impose a carbon tax. If we are to remain a world economic leader, we must act to reduce our deficits. High interest rates, caused by the deficit, are discouraging American investment. Imposing a carbon tax can cut the deficit, reduce our balance of payments, and begin to deal with the greenhouse effect.

Mr. Speaker, I urge my colleagues to learn about the many important positive effects a carbon tax can have on the American economy, our international trading position and the fight against global warming.

[From the Economist, July 21, 1990]

RED INK, GREEN TAXES

Now that those lips have finally moved, it is clear that tax increases will have to provide a large slice of the $50-55 billion of cuts that America's deficit trimmers are searching for. Indeed, that may be just the hors d'oeuvres. The administration now thinks that America's budget deficit in the coming fiscal year will be $169 billion—even before adding the cost of the savings and loan rescue. Better to find the money in ways that help the American economy than harm it.

Most taxes are levied on things that are good for an economy: government gets revenue at the expense of some economic welfare. Because income is taxed, people work a bit less hard; because capital is taxed, they have less incentive to save and to invest. The World Resources Institute thinks that such distorting effects of the tax system cost Americans 4-7 percent of GNP each year.

Why tax good things, when it is possible to tax bad ones? The obvious bad thing to tax is pollution. For, while hard work and thrift bring economic benefits, pollution brings costs—ill health, acidified water, damaged crops, crumbling buildings. Taxing pollution may also mean less need for enterprise-crushing regulation, rarely the most cost-effective way to clean up. America spends 1.5% of GNP on cleaning its environment, a sum that will almost double over the coming decade. Why spend this wastefully?

Energy is the biggest pollutant of all: causing in various ways oil spills, acid rain, smog and greenhouse warming. Over the years, American legislators have considered any number of ingenious rules to curb the dirty side-effects of burning fossil fuels: fuel-efficiency standards for car fleets, scrubbers for power-station chimneys, double hulls for oil tankers. All such devices drive up the price of fuel. But the extra money goes to the makers of catalytic converters or scrubbers. Government intervention increases; prices increase; government revenues do not.

Falling energy prices have made it harder to achieve improvements in air quality. The fuel cost of driving a mile in America, in 1989 prices, has fallen from 4 cents ten years ago to 2 cents today. That is the lowest level ever. Not surprisingly, the gains from energy saving made in the 1970s have stopped. America is once again becoming a big importer of energy, buying abroad nearly half the oil it consumes. Fuel imports are now equivalent to one-third of its trade deficit.

By increasing energy taxes, America would not only cut its budget and its balance-of-payments deficits with one swipe. It would also discourage a potent source of pollution. But there are bad and good ways to tax energy. The worst would be an oil import fee, repeatedly discussed in past budget crisis. Such a fee might cut America's dependence on imported oil in the short term. But because it would speed up the depletion of America's own oil supplies, it would increase future vulnerability. Worse, only about 40% of the increase in prices that it caused would go to the government

in higher revenues. The rest would line the pockets of American oilmen.

CARBON COPY

Far better would be to tax the carbon content of fuels, as they leave the mine, dock and well head. A tax of roughly $28 per ton of carbon content of coal, oil and gas would raise $22.5 billion revenue in 1991 and $163 billion over five years: enough to make a big hole in the budget deficit. Such a tax would also allow America, the world's biggest puffer of greenhouse gases, to stabilise carbon-dioxide emissions by the end of the century—a goal that the greener countries of Europe are already determined to reach. It would encourage energy conservation and the development of renewable fuels, giving American companies a better chance of competing on world markets in these two "green" industries. And with stable carbon-dioxide emissions would come cuts in those other nasty pollutants, sulphur dioxide and nutrous oxide.

A carbon levy could be presented not as a tax but as an "atmospheric users' charge", which might even make environmentally-conscious people feel virtuous about paying it. A broad-based tax would be less unpopular than a petrol tax: one recent poll found that 33% of Americans supported a general energy tax, but only 24% a petrol tax. The broader the tax, the more widely its burden is likely to be shared across the country; but the lower the rate needed to raise each extra dollar of revenue.

True, a carbon tax, like any tax on pollutants, would fall more heavily on the poor. But not as heavily as, say, a payroll tax. Tougher pollution rules raise energy prices too, but do not raise revenues from which the poorest could be given help. True, too, some companies would lose the competitive edge that America's cheap energy gives them. But American industry as a whole would not. A big cause of America's dwindling competitiveness is lack of investment, discouraged by the high interest rates that help finance that deficit. In competitive Japan, companies pay much more for their energy—but get their capital cheap.

TRUDE WEISHAUPT MEMORIAL DIALYSIS CENTER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. ACKERMAN. Mr. Speaker, I call upon my colleagues in the House of Representatives to join me today in celebration of the dedication of a magnificent facility, a wonderous place where men and women blessed with extraordinary talents will give to others the greatest of gifts.

For today, in Queens, New York, a ribbon will be cut and fall away and the front doors of the Trude Weishaupt Memorial Dialysis Center will swing open. In the days and years ahead, the Weishaupt Center will be a place where hundreds upon hundreds of people will go, seeking the treatment that will save their lives.

Imagine, a place so magical that within its walls exists the power to continue human life. That is why the Trude Weishaupt Memorial Center was created.

Many people are due recognition and congratulations for this achievement. In particular, the dedicated doctors, nurses, and administrators at Booth Memorial Medical Center are responsible for establishing what is the finest facility of its kind in the great city of New York.

However, Mr. Speaker, one man deserves special mention. Kurt Weishaupt, a philanthropist and civic leader of the highest order for several decades in Queens County, built this center for the most special of reasons. It is a memorial to his late wife, an honor that will keep Trude's memory vibrant as the center extends the lives of so many others. Yet this facility bears the name Weishaupt, and the entire family, including daughters Carol and Hazel and son Robert, deserve praise.

Permit me a moment to describe the Trude Weishaupt Memorial Center. The health care needs of the center's patients are multiple and complex. Care plans for each patient provide for dialysis treatment, medication, diet, and counseling. Their medical needs are met by physicians on staff specializing in the treatment of kidney disease under the direction of Dr. Chaim Charytan.

These new facilities will enable Booth Memorial Medical Center, under the direction of Major Ronald Lyons, to maintain its leadership position in this most important field of medicine. The Weishaupt Memorial Center is expected to begin treating patients in August.

Booth Memorial calls Kurt Weishaupt a philanthropist, a leader, and an ambassador. All are correct. But to me, he is even more. I am proud to call him my friend.

SENATOR ARTHUR V. WATKINS: PUBLIC SERVANT

HON. HOWARD C. NIELSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. NIELSON of Utah. Mr. Speaker, it is a personal honor to introduce legislation to memorialize the many contributions and valuable service rendered by one of Utah's most distinguished native sons: Senator Arthur Vivian Watkins. My bill would name the U.S. Post Office Building in Orem, UT, the "Arthur V. Watkins Post Office." It is but a small gesture in recognition of his selfless service to his community, his State, and his Nation.

Born on December 18, 1886 in Midway, Wasatch County, UT, Senator Watkins attended public schools in the Provo-Orem area. He entered Brigham Young Academy in 1903 and was a guard on their first championship basketball team.

In 1906, he left the academy to teach the fourth and fifth grades at Maeser Elementary School in Maeser, UT. When he was told that he would be paid only $40 a month, he asked how much sheepherders were paid. One of the school trustees, who was a sheep rancher, told him that herders were paid $60 a month because they were responsible for valuable property. Watkins stated, "I won't work for less than the sheepherders; children are a lot more valuable than sheep!" He was paid $60 a month.

From 1907 to 1910, he served a mission for the Church of Jesus Christ of Latter-day Saints in the Eastern United States. Following this, he remained in New York to study law at New York University, later transferring to Columbia University Law School, where he obtained his juris doctorate degree. In August, 1912 he passed the Utah State Bar Exam, and set up a private law practice in Vernal, UT. A year later, he married the former Andrea Rich, whom he had met while in school.

Watkins lost his first foray into the political arena, a bid for the office of Uintah County attorney. Shortly thereafter, he accepted an appointment as the assistant county attorney of Salt Lake City. Seven years later, however, health problems forced him to temporarily give up his legal activity, and he moved his family to a 600-acre ranch in Lehi, Utah County, where he became the first producer of turkeys on a commercial basis. In 1925, he moved to a 17-acre fruit farm in Orem, and opened a law practice in Provo.

Watkins tasted his first electoral success in 1928, when he was elected judge of the Fourth Judicial District Court. He served in that capacity until the Republicans were swept out of office in the election of 1932. While in Orem, in addition to significant leadership positions in the L.D.S. Church, he also served as the director of the Orem Chamber of Commerce, director and general counsel for the Provo River Water Users Association, and was instrumental in the construction of Deer Creek Reservoir.

In 1936, Watkins again fell short as a candidate for Utah's Second Congressional District, although he received more votes than Alf Landon, the Republican Presidential nominee. Ten years later, he ran for the U.S. Senate and defeated incumbent Senator Abe Murdock.

Perhaps Watkin's most notable role was that of chairman of the Select Committee on the Censure of Joseph McCarthy, the Wisconsin Senator who gained notoriety by accusing numerous individuals in and out of Government of belonging to the Communist Party. At the time, many questioned the wisdom of naming Watkins, but were soon surprised by the control and forcefulness he demonstrated while in the chair.

During his 12 years in the Senate, Watkins served as the chairman of the Joint Congressional Committee on Immigration and National Policy and was a member of the Judiciary, Interior, and Insular Affairs and Public Works Committees, as well as the Joint Committees on Economic Report and on Navajo-Hopi Indian Administration.

In the 1958 election, J. Bracken Lee, a former Governor of Utah, entered the race for Senator Watkins' seat and split the Republican vote, resulting in a Frank Moss victory. Watkins remained in Washington as a special consultant to the Interior Department on water and power matters. In 1959, he was nominated by President Eisenhower as associate commissioner to the Indian Claims Commission, later being named chief commissioner. In 1967, at the age of 81, he retired. The Washington Post wrote: "This country is deeply grateful to Mr. Watkins."

Andrea Rich Watkins died in 1971. Senator Watkins married Dorothy Watkins in March 1972. A year and a half later, he too passed on, leaving behind 7 children, 28 grandchil-

dren, and a legacy of service to his community, his State, and his country. I believe it would be most appropriate to honor him in this manner.

TRIBUTE TO SCHNECKSVILLE, PA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. RITTER. Mr. Speaker, I rise today to pay tribute to the village of Schnecksville, PA, on the occasion of its 150th anniversary.

On September 13, 1749, Adam Schneck arrived in the New World from Wurttenberg, Germany. He settled in the Whitehall Township area in order to build a new and prosperous life for himself and his descendants.

In 1840, Adam Schneck's grandson Daniel Schneck became the founder of the salient town of Schnecksville. The genesis of this town was initiated through much hard work and perseverance by Daniel. He began a shingle factory, a kiln and yard, as well as carrying on the production of building bricks for nearly 20 years which allowed for the construction of a number of buildings in Schnecksville. By 1846, Schnecksville was of sufficient size that a post office was instituted for the encompassing area.

The descendants of Adam and Daniel Schneck organized the first Schneck family reunion in 1916. In 1989, they celebrated their 70th family reunion at the Schnecksville Grange Hall.

The village of Schnecksville is proud of its educational facilities; the Lehigh County Community College and the Lehigh County Vocational-Technical School, both established in 1966. These schools foster the exchange between talented and dedicated citizens and the Lehigh Valley job market.

Schnecksville is also the home of the leading independent agricultural operation in the Lehigh Valley, Jaindl's turkey farm. It was started by the late John L. Jaindl in the 1930's, and is now owned and managed by his son Fred Jaindl, and the enterprising Jaindl family.

Mr. Speaker, I would also like to recognize the civic organizations in the Schnecksville area who make an invaluable contribution to the village through community service: Jordan Lodge, Lady Lillie Best Rebeeka Lodge No. 227, Gross Hall Fish and Game Association, Copeechan Fish and Game Club, Upper Lehigh Lions Club, Schnecksville Grange, Vernon G. Kern Post No. 8344, and North Whitehall Republican Club.

In particular, I would like to recognize the Schnecksville 150th anniversary celebration committee members who have volunteered much of their time and energy in preparation for this special occasion. They are: Arlington Baer, Edward Frantz, Joanne Horwitz, Ellsworth Meckel, Ray Saltzman, Curtis Schneck, Paul Schwarz, Clifford Snyder, Glenn Stahley, Richard Steward, and Joe Witman.

Mr. Speaker, my colleagues, please join me in congratulating the Schneck family for being a part of such a prestigious accomplishment as founding the village of Schnecksville, and the good people of Schnecksville, PA, on its 150th anniversary.

REFORMS OF THE BUDGET PROCESS

HON. BILL SCHUETTE

OF MIGHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. SCHUETTE. Mr. Speaker, today I am introducing a comprehensive package of reforms of the Federal budget process. It is high time that the budget process include some discipline. In the 15 years which have passed since enactment of the budget process, many loopholes have been found by those whose purpose is to evade budget discipline. The same may be said of the Gramm-Rudman-Hollings legislation. It is time to correct the problems which have arisen, and in my legislation—which expands on legislation I have introduced in two Congresses in conjunction with the senior representative from New Mexico in the other body—would do so in a variety of ways.

First and most important, implementation of elements of the bill itself would reduce the deficit. The Grace Commission and the Heritage Foundation both estimate that implementation of the biennial budgeting provisions would reduce expenditures by $5 billion over 5 years. Furthermore, implementation of a constitutional amendment for the line-item veto, or its statutory corollary, enhanced rescission authority, would save $10 billion over the same 5 years. Elimination of the egregious practice of wonderland budgeting, without affecting the off-budget Social Security just as included in my bill, would reduce the baseline $9 billion in the current fiscal year, and $211 billion off the baseline over the 4 outyears.

Additionally, elimination of wonderland budgeting should significantly improve the fiscal discipline of both Congress and interest groups, as it sends a strong message that the public can no longer be fooled into thinking a 2- or 3- percent increase in spending is a cut. This was an especially frustrating problem in years like 1986–87, when spending increased 6 percent while inflation rose 1.1 percent, or 1985–86 when inflation was 3.7 percent and spending rose 11 percent.

My legislation will impose further discipline on the spenders in Congress—who, it has been proved, take every $1 in revenue increases and spend $1.58—by requiring separate votes on tax legislation. Additional advantage of this measure is that it will likely result in fewer tax bills—which means fewer complex changes and less confusion for our constituents.

It will also require a separate vote on entitlement expansions, thus preventing the bundling of entitlement expansions into reconciliation, which is, ironically, intended to cut entitlements. Yet, the reconciliation vehicle has become a favorite tool for increasing entitlements—the single fastest growing part of the Federal budget.

Further discipline will be imposed by the legislation's mandate of a two-thirds vote of the House to break its own rules and spend more money even after we are over budget. Regarding the budget process—making it more difficult to spend money after we are over budget or waive other points of order.

Finally, I order to protect the lifeline of our Nation's senior citizens, this bill will remove the Social Security trust fund from the budget permanently. Never again will those to whom we owe so much—our parents—be forced to wonder if this year's budget axe will fall on their vital program.

Finally, my legislation prohibits blue smoke and mirrors budget gimmicks which have cost our Treasury—and taxpayers—so much money while masquerading as savings. For instance, under my legislation timing shifts, extensions of expiring revenue provisions, or provisions which yield savings in the first year but cost the Treasury money thereafter are prohibited from being counted as reconciliation savings. Along the same lines, full year effects of entitlement expansions must be counted. No longer would a major expansion of a entitlement program pass itself off as affordable simply because it is not designated to be implemented until August or September of its first year.

Mr. Speaker, my legislation is comprehensive, necessary and germane to our budget crisis this year. I urge my colleagues who agree that our budget process is seriously off track to consider cosponsoring this all encompassing budget reform bill.

METRO BROADCASTING, INC. VERSUS FEDERAL COMMUNICATIONS COMMISSION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. CLAY. Mr. Speaker, approximately 1 year ago, on June 29, 1989, I criticized the Supreme Court when, in Ward's Cove Packing Co. versus Atonio it took three giant steps backward in the battle against discrimination. The Court then held that there was no violation of the law when Alaska salmon canneries stratified their labor force by assigning Eskimo and Filipino workers to low-paying unskilled cannery line jobs, and white workers to the higher paying noncannery line jobs—both skilled and unskilled jobs. To add insult to economic injury, the cannery even assigned the workers to Jim Crow segregated dormitories and mess halls.

The Court in Ward's Cove created procedural legal hurdles which few employees could ever surmount. It is no longer enough for the workers, as in that case, to allege that the discrimination results from any or all of five or six different employment practices. They now must pinpoint the specific employment practice responsible for the discrimination. If they surmount this first hurdle, the workers then must prove that the employment practice is totally without "legitimate business justification." Formerly, it had been up to the employer—once discrimination was shown—to prove there was a "business necessity" for the disputed practice. It is still theoretically open for the workers to prove that there are

alternative ways of doing business, equally effective but with a lesser discriminatory impact. It is theoretically possible, I say, because the Court in Ward's Cove warned the lower courts to "proceed with care" whenever workers make this attempt, and reminded them that they, the courts, are "less competent than the employers to restructure business practices."

After this decision came down last year literally scores of pending discrimination suits were dismissed. It was, therefore, with eagerness and pleasure that I cosponsored the Civil Rights Act of 1990 (H.R. 4000) to reverse Ward's Cove and other Supreme Court decisions which took the teeth out of the civil rights laws.

That was last year.

Today, I want to praise Mr. Justice Brennan and the Supreme Court for its majority decision in Metro Broadcasting, Inc. versus FCC upholding our authority here in Congress to ensure that the views of racial minorities continue to be represented in the broadcast media.

The facts of the the case are simple.

For many years minority groups—and women—were almost totally excluded from the broadcast industry, except for an occasional FM station here and there. In 1971, minorities owned only 10 of the approximately 7,500 radio stations in America, and owned not a single one of the more 1,000 television stations.

Why? Several reasons.

It takes a lot of money to acquire a station, put it on the air and keep it going until advertisement revenues come in. Minorities lacked the necessary financial resources to compete for the lucrative broadcast stations. Equally if not more significant is lack of broadcast experience. The FCC always gave preference to those with an appropriate business background and experience. When radio came in, the licenses were awarded to those who owned a major newspaper or a string of movie theaters. When television came in, licenses were awarded to those with radio experience. Thus minorities were frozen out of the broadcast business from the start. It's like the chicken and the egg. No experience, no job—no job, no experience. How does one get started?

The consequence of all of this is that the minority audiences were denied both voice and viewpoint. The majority audience as well was denied a program which serves to enrich and educate listeners of every kind.

Diversified programming is a key objective not only of the Communications Act, but also an objective of the first amendment, so something had to be done. Therefore, in 1977 the Federal Communications Commission sponsored a conference on minority ownership policies. This conference concluded that:

Unless minorities are encouraged to enter the mainstream of the commercial broadcasting business, a substantial portion of our citizenry will remain underserved and the large, non-minority audience will be deprived of the views of minorities.

Two policies resulted from this conference.

First, minority ownership was henceforth to be one factor—a plus—to be considered when competitive applications were filed for a new broadcast station. Many other factors are considered in these competitive hearings, including broadcast experience, financial resources, local ownership, owner participation in the day-to-day operation of the station, the proposed programming, past participation by the applicant in civic affairs, and so on.

Second, the Commission adopted a "distress sale" policy to increase minority opportunities to acquire a broadcast station. In the unlikely event that a broadcast operator is called into question by the FCC for abuse of the airwaves, the operator is permitted to escape a "full-dress hearing," and a possible penalty, by selling his station at 75 percent of the market value, to an FCC approved minority enterprise.

Like the FCC, we in Congress have recognized the barriers faced by minorities in entering the broadcast industry, and for the past two decades have supported the FCC's attempts to promote program diversity by increasing minority ownership of the media.

In 1969, for example, we rejected a bill that would have eliminated the comparative hearing in license renewal proceedings; because it is when the license has expired—every 3 years—and is up for renewal that minority groups have an opportunity to make their bid for a license. We refused to freeze the status quo of white-only control.

In 1973, and again in 1974, we refused to extend the broadcast license period from 3 to 5 years, because, as we said again, "renewals provided a valuable opportunity for minorities to obtain a foothold in the industry."

In 1986 the FCC decided to reexamine the two policies adopted back in 1977.

We said "no," and in no uncertain terms. We did not want the FCC to change the policies which gave minorities a toe-hold opportunity to gain entry into the media. Why? Senator LAUTENBERG put it well when he explained that "minority broadcasters serve a need that is not well served by others. They address issues that others do not." Senator HOLLINGS added that the record "clearly demonstrates that minority ownership of broadcast stations does increase the diversity of view points presented over the airwaves."

We refused to permit the FCC to dismantle the two longstanding diversity policies. We said in our appropriation bill that we approved of these programs and that there was no need to study the topic further. Then we twice extended the prohibition on the use of appropriated funds to modify or repeal the minority ownership policies.

These policies have now been put to a constitutional test.

Rainbow Broadcasting—90 percent Hispanic owned—was awarded a new UHF television station in the Orlando, FL, area. It won out over Metro Broadcasting when the FCC determined that its minority credit outweighed Metro's credit for local residence and a better history of civic participation.

Meanwhile, in Hartford, CT, the Faith Center ran into trouble when it attempted to renew its television license, because of fraudulent advertising. Shurberg Broadcasting of Hartford then filed an application for the license. It was rejected when the FCC authorized the Faith Center to transfer its license to Astroline Communications Co.—a minority applicant—under the distress sale policy.

Metro Broadcasting from Orlando, and Shurberg Broadcasting from Hartford, appealed to the Supreme Court, the Bush Department of Justice joined in their contention that the two minority preference policies violate the equal-protection component of the fifth amendment.

Fortunately, the Bush administration was not successful. A majority of the Court held that: "benign race-conscious measures mandated by Congress—even if those measures are not 'remedial' in the sense of being designed to compensate victims of past governmental or societal discrimination—are constitutionally permissible."

The Court kept a judicial hand on the helm with its requirement that all such race conscious measures must "serve important governmental objectives within the power of Congress" and be "substantially related to achievement of those objectives."

Mr. Justice Brennan, in a 50-page opinion at once throughtful, scholarly, and moving to the spirit, concluded that these two hurdles were met.

First of all, the promotion of programming diversity serves "important governmental objectives." Minority ownership like the "diverse student body" in Bakke, contributes to a "robust exchange of ideas." All America benefits "by having access to a wider diversity of informative sources."

Second, the minority ownership policies are substantially related to the achievement of broadcast diversity. From its inception, public regulation of broadcasting has been premised on the assumption that diversification of ownership will broaden the range of programming available to the broadcast audience; every empiracle study bears this out.

Justice O'Connor wrote the principle dissent for the Reagan wing of the Supreme Court—Chief Justice Rhenquist, Justices O'Connor, Scalia, and Kennedy. They voted to keep minorities out of the broadcast industry by the use of insurmountable procedural hurdles; the same tactics they used last year to keep Eskimos and Filipinos out of the better jobs in the Alaska salmon-canning industry.

Justice O'Connor would require "strict scrutiny" by the Federal judiciary whenever "racial classifications" are an issue. While it is enough for the Brennan majority that the program serve an "important objective," Justice O'Connor would require that the program serve a "compelling interest," and affording minority access to the media is not a sufficiently "compelling interest" to justify the FCC minority regulations. In fact, the only compelling interests that fit her scheme of the constitution are those that remedy identified past discrimination against identifiable victims. Undoubtedly, she would have dissented with Justice Rhenquist from the decision written by then Chief Justice Burger, which upheld our set-aside program for minority business enterprises in the Public Works Employment Act of 1977. See *Fullilove* v. *Klutznick,* 448 U.S. 448 (1980).

Beyond this, Justice O'Connor worries that "consideration of race" in the allocation of broadcast facilities "may stigmatize" the beneficiaries. And while she approves in the abstract of diversification in the broadcast in-

dustry, she doubts the existence of a "black viewpoint," an "Asian viewpoint," or an "Arab viewpoint." Has she never viewed a Spanish language movie on the TV station BRAVO? Has she never tuned in on the commentary broadcast daily over the Howard University TV outlet.

Justice Kennedy also wrote a dissent—which Justice Scalia joined. He described the interest in broadcast diversity as "trivial." He then went on to find "disturbing parallels" between the majority opinion and the decision in *Plessy* v. *Ferguson,* 163 U.S. 537 (1896) which approved of separate but equal accommodations for "white" and "colored" railroad passengers. This I find somewhat disturbing. Justice Kennedy lauded the lone dissent in that case where Justice Harlan wrote that:

Our Constitution is color blind, and neither knows nor tolerates classes among citizens.

We all applaud and salute this sentiment; and someday, hopefully, our Nation will be color blind. But this will not happen without some assistance from us here in Congress. That is why I appreciate Justice Harlan's lone dissent in the earlier *Civil Rights Cases,* 109 U.S. 3 (1883) wherein he held that Congress had authority under the Civil War amendments to enact and enforce a public accommodations law; indeed, that we in Congress have full authority "to pass all laws necessary and proper for abolishing all badges and incidents of slavery in the United States," every "species of servitude," no matter what the source.

Examples of congressional affirmative action extend back to the Freedman's Bureau of 1866, a series of benign laws designed to give black Americans a leg up with land, education, and medical care. According to the Reconstruction Congress which initiated the Civil War amendments, that is what the 13th, 14th, and 15th amendments are all about. More recently, we enacted a voting rights law and ended the literacy tests demanded by many States as a condition of voting. The Supreme Court affirmed our authority to do this, because the enforcement clauses of these amendments are a "positive grant of legislative power authorizing Congress to exercise its discretion" in determining what laws are "necessary and proper" to secure the guarantees of full first-class citizenship, equal protection, and due process of the law, *Katzenbach* v. *Morgan,* 384 U.S. 541 (1966).

The Metro Broadcasting case is in keeping with this high tradition. I am happy with the majority decision, but we should not rest here. We cannot rest here. We must push on, as we are doing in the Civil Rights Act of 1990; until every facet, every phase of our nationhood is color blind.

CHEEKTOWAGA, NY, CHORUS TO TOUR EUROPE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. NOWAK. Mr. Speaker, next year at this time the Cheektowaga Community Chorus, of Cheektowaga, NY, will be serving as "ambassadors of music and good will" as it travels the European Continent on a concert tour. The Cheektowaga Community Chorus has been selected the sole choral representative of New York State at festivals in France, Switzerland, and Austria.

This is a well-deserved honor for this versatile ensemble which has a rich and long cultural heritage. The Cheektowaga Community Chorus is a 94-member adult choral group which performs in the western New York area at many cultural and community events. A nonprofit organization, the chorus also performs many goodwill concerts at hospitals and nursing homes and civic functions. The chorus is in its 27th year, and is currently led by Virginia Greenan, the director since 1968. Joanne Basil is the group's current president.

The chorus will start its 1991 tour in Paris, France, where they will be a part of the production of an "American Musical Salute to France," an annual event celebrating the Franco-American bond.

The tour will then go to Switzerland where it will help celebrate the 700th anniversary of Swiss unification. The chorus will also visit Austria to commemorate the 200th anniversary of the death of Amadeus Mozart.

I would like to congratulate this wonderful cultural organization, the Cheektowaga Community Chorus, and wish them good fortune in their tour of Europe, and continued success in their future endeavors.

At this point in the RECORD, I would like to insert the text of a brochure with a brief sketch of the chorus' accomplishments and history:

Very few groups in the Town of Cheektowaga have a record of community service comparable to the Cheektowaga Community Chorus. With a long and continuing tradition of dynamic participation in all aspects of cultural and civic life in the Township, they are hailed as one of Cheektowaga's foremost musical ambassadors.

Funded in part by the Town of Cheektowaga, the Chorus' charter requires them to perform two concerts per year, but the Chorus goes far beyond these basic requirements. The Chorus is a Bicentennial Pioneer, in that it has performed at every Cheektowaga Independence Day celebration since the first one in 1976. In recent years, it has provided the music for Cheektowaga's annual Interdenominational Religious Service, and has received critical acclaim for these efforts. Concerts for Nursing Homes and Hospitals are on each yearly performance schedule. They also bring their music to the people through free concourse concerts at area shopping malls.

When there is a need to show off the best which the Town has to offer, the Chorus is always called upon. They provided the musical background for both the National Historic Site Designation for the Chapel of Our Lady Help of Christians and the grand opening of the Cheektowaga Cultural Center. The fresh and vibrant character of the Chorus' music and the variety of styles they perform give them universal appeal.

Having celebrated their 25th Anniversary Year in 1988, with a memorable concert at Kleinhans Music Hall in Buffalo, they anticipate an even more challenging musical endeavor with their International Tour.

This year 1990, as the Town is recognized as the "First Model Community," these singers will enhance the festivities with patriotic performances. The Chorus is under the capable direction of Virginia A. Greenan, who was a 1980 recipient of the Cheektowaga Bronze Medal of Honor for her work with the Chorus. The accompaniment for the group is provided by Margaret Riso.

TRIBUTE TO NELSON MANDELA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. RANGEL. Mr. Speaker, I rise today to pay tribute to Nelson Mandela.

Mr. Mandela, whom all of us know by now as the man who overwhelmed this Chamber last month with stirring comments which raised in us our sleeping revolutionary spirits. He reminded us once again of the devotion to freedom and democracy that gave this Nation birth, and that through the decades has guided us through those crises of conscience that forced us to correct inequities and right wrongs.

Mandela is back in South Africa today, having convinced this Congress, and I hope this administration in the White House, that for us doing the right thing will mean sticking by our guns: Keeping in place those sanctions voted by the Congress in 1985 that Mr. Mandela and his supporters in South Africa are convinced have served as a critical wedge that has forced the stubborn leaders of South Africa to change their ways and begin to loosen the oppressive manacles of apartheid with which they have bound the majority of their people.

Give the South African leaders credit if you will—for coming to their senses—for coming to understand that 5 million can oppress 30 million only for a time. But let us not reward a change of a cold heart by giving away our own. As Mr. Mandela has warned us, we would be mistaken to think that the reactionary powers that be in South Africa are not looking for a signal from us that would allow them to step up their pressure to halt progress. If we lift our sanctions now, we will make it very easy for them to back up Mr. de Klerk and say, "enough."

Even as we speak of Mr. Mandela, we are reminded that our job of guaranteeing full participation in our Nation's life for all our citizens is not yet over. Mandela was too gracious a guest to speak on the subject, but we in this Chamber will soon be faced with yet another test of our own commitment to equal opportunity and equal protection under the law.

African-Americans over the last decade have been buffeted by an administration that thought it in its best interest to undo the gains

of the recent past in the area of civil rights. Unfortunately, the Supreme Court has seen fit to find ways to turn the clock back as well. Now with the 1990 civil rights bill, we have another opportunity to set the record straight and return the protections against discrimination on and off the job that African-Americans and other Americans of good conscience have fought so desperately to achieve.

I fully support the civil rights bill, and I encourage all of my fellow Members to support it as well. That legislation will be as important to all the citizens of this country as is our continued support of the struggle against apartheid in South Africa.

YOUNG TROUBLESHOOTER

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. RICHARDSON. Mr. Speaker, we hear constantly that the United States will never catch up with Japanese automotive technology. I'm proud to tell my colleagues today of Gabriel Garcia, an 18-year-old graduate of Santa Fe Technical High School in my district who recently won first place in the National Automotive Contest of the Skills Olympics in Tulsa, OK.

The contest, sponsored by the Vocational Industrial Clubs of America [VICA], had entrants from all 50 States, as well as Canada, the Virgin Islands, Puerto Rico, and Guam. Gabriel was awarded $20,000 for his first place finish, bringing to $60,000 the total prize money he has won for his skills over the past few years.

Gabriel also participated in the Triple A Trouble Shooting Contest, held recently in Washington, DC. He was accompanied by his automotive instructor, Skip Saurman, who taught some 65 aspiring mechanics during the past school year.

Gabriel plans a career as an automotive technician, specializing in computer systems. Mr. Speaker, I'm sure my colleagues join me in congratulating Gabriel Garcia on his accomplishments, and in encouraging more of our young people to take an interest in this vital area of technology.

GEORGE AUGUSTINE BROWN HONORING HIS 97TH BIRTHDAY, JULY 24, 1990

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. MFUME. Mr. Speaker, I rise to recognize a fine Baltimorean, and a great American, George Augustine Brown. Mr. Brown will be celebrating his 97th birthday on Tuesday, July 24, 1990.

Mr. Brown's entire family will be on hand to celebrate this splendid occasion. Mr. Brown will be joined by his 10 children, their spouses, 30 grandchildren, 40 great-grandchildren, 3 great-great grandchildren, and a host of friends. Although Mr. Brown's wife, Sarah, passed away in 1985, they shared over 70 years of happy marriage together.

Gifted with a strong sense of work ethics and family loyalty, Mr. Brown is undoubtedly a model citizen. As a U.S. Postal worker and a devoted servant of God, Mr. Brown has continued to serve as a living legacy to families across our Nation. The Brown family is truly blessed with a relative with almost a century of life experiences. Mr. Brown continues to serve as a monumental historian through stories and information about past relatives.

Through his long and joyous life, Mr. Brown is living proof that the race is not promised to the swift but to he or she who endures.

I hope that my colleagues will join me in congratulating George Augustine Brown for his many years of life and dedication to family.

OLIVE CREST HONORED

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. DORNAN of California. Mr. Speaker, Olive Crest, the Orange County-based nonprofit organization which serves abused children, has been chosen for the second time to be honored at the Washington Charity Awards Dinner on July 30, 1990 in Washington, DC. As one of only six charities and the only nonnational charity to be selected. Olive Crest is clearly one of our brightest stars in the "Thousands Points of Light."

Founded by Dr. and Mrs. Donald A. Verleur in 1973 with a home for troubled teenage girls in Anaheim, CA, Olive Crest has grown to include 29 group homes which provide loving care and treatment in family-style settings in local residential neighborhoods. Approximately 100 children have been placed in its foster homes located in Orange, Riverside, San Bernardino, and Los Angeles Counties.

This organization serves children who are victims of physical, sexual, and emotional abuse, victims of neglect and abandonment, and children from environments where alcohol and/or drug problems prevail.

Children are referred for services by the Department of Social Services, the Mental Health Department, the Juvenile Probation Department, and other professionals such as the private defender's office, private therapists, and hospitals.

Olive Crest provides safe and warm homes for several hundred children each year and has, since 1973, assisted several thousand children in rebuilding and redirecting their lives toward wholeness and success, therapy enabling then to take their places in the community as healthy, productive and responsible citizens.

Mr. Speaker, I congratulate Olive Crest for a job well done and thank them for their commitment and dedication. They serve as an example for all of us.

SALUTE TO JUSTICE BRENNAN

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. SCHEUER. Mr. Speaker, what do you get when you combine intellectual brilliance, a passion for human rights, a dedication to the quality of life, and a lifetime devotion to upholding the Constitution of the United States of America?

You get Supreme Court Justice William Brennan.

For 34 years, this man has sat on the Supreme Court actively supporting the constitutional rights of all the people.

As one of the most widely respected Justices in the history of the Court, Mr. Brennan has forged coalitions to end segregation, to uphold the rights of women, workers, minorities, and children, to preserve reproductive freedom, and to ensure that the basic civil rights endowed by the Constitution are a reality for every citizen.

The Constitution is losing one of its most eloquent and respected watchdogs. Mr. Brennan will be sorely missed, but his legacy has solidly reinforced the foundation of our democracy, and his protection of our freedoms is already part of history.

HONORING LT. COL. THOMAS G. HARLEMAN

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. ENGEL. Mr. Speaker, this week, Lt. Col. Thomas G. Harleman, currently Inspector-Instructor of the 6th Communication Battalion, 4th Marine Division (Reinforced) Fleet Marine Forces, U.S. Marine Corps Reserve stationed at Fort Schuyler which is located in my district, will be transferring his command.

Lieutenant Colonel Harleman has served in his current post for 2 years. His career as an officer in the U.S. Marine Corps dates back to 1972. During these past 18 years, Lieutenant Colonel Harleman has served with distinction at numerous posts in the United States as well as overseas. His decorations include the Meritorious Service Medal, the Navy Commendation Medal, the National Defense Service Medal, the Vietnam Service Medal with one star, and the Sea Service Deployment Ribbon with two stars.

Lieutenant Colonel Harleman's pending assignment is Assistant Chief of Staff, G-6, 9th Marine Expeditionary Brigade, Fleet Marine Forces, Camp Smedley D. Butler, Okinawa, Japan.

I join with Lieutenant Colonel Harleman's fellow officers and men in wishing him the best at his new assignment and thank him for his dedication and commitment.

IN PRAISE OF THE DELANCEY STREET FOUNDATION

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mrs. BOXER. Mr. Speaker, I rise today to pay tribute to the extraordinary work of the Delancey Street Foundation.

For 20 years, the Delancey Street Foundation has been a community of last resort for former felons, substance abusers, and the homeless who want to build a new life. Here, at no cost to the taxpayer or client, and without outside staff, residents of all ages, races, and backgrounds help and teach each other the skills and values they need to live not just drug-free, but legitimately and successfully in society.

Now, using the concepts of self-reliance, commitment, and hard work, Delancey Street residents have built a new home, "a masterpiece of social design," as described by Pulitzer Prize-winning columnist Alan Temko. Covering an entire city block, this four-story 350,000-square-foot complex contains street level retail stores, a public restaurant and outdoor espresso cafe, and 177 dwelling units that overlook a Mediterranean-style courtyard which also holds a vast array of educational and recreational facilities.

There is nothing like it anywhere in the world.

This has not only been a building project but an unprecedented vocational training program as well; over 250 formerly unemployable drug addicts, homeless people, and ex-felons now in Delancey Street have been trained in every skill in the building trades, as well as in purchasing, contracting, computer, and accounting services.

The magnificant new home will let Delancey Street double its current population. But more than that, it is a tangible representation of the Delancey Street principle that ordinary people can transform extraordinary—even impossible—dreams into reality, by pooling their resources, supporting one another, and living lives of purpose and integrity.

A TRIBUTE TO DR. PEDRO JOSE GREER, JR.

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Ms. ROS-LEHTINEN. Mr. Speaker, it is a distinct honor and privilege to recognize Dr. Pedro Jose Greer, Jr., who, on September 24 will be presented the Award for Leadership by Hispanic Heritage Awards 1990 for his outstanding achievements in public health care in the Miami, FL, metropolitan area.

This great man has an exemplary record of selfless dedication to public health care. He has devoted himself especially to the critical needs of the homeless, battered women, and children.

When the homeless people of downtown Miami had no way of getting desperately needed medical attention, Joe Greer took action. He coaxed these improverished souls out from under the bridges and out of their cardboard houses and established the Camillus Health Concern, a free, walk-in clinic for the homeless. Run by volunteers and donations of medical equipment and medications, the clinic is the only one of its kind in Florida.

When the children of Overtown Miami urgently needed medical assistance, Joe Greer again took charge. He didn't simply bemoan the plight of these poor kids, frustrated at the harsh realities of city life. He didn't simply write a letter to the editor, telling others that something ought to be done. No, he went out and made sure that something was done. He fought for these little ones and founded a second clinic. Now, these needy young kids are getting the care they need at the Douglass Elementary Clinic.

Through it all, he has refused to admit to being the extraordinary hero that he is. Instead, it has been his goal to encourage the entire medical community to volunteer their services regularly. "There is no reason why private practitioners can't donate half a day every month to work at a clinic," he has said.

Well, Mr. Speaker, Joe Greer has given much more than that, and is to be admired and emulated by us all. Dr. Greer is currently involved in many boards and committees concerned with public health, including: the Rand Corp. Drug Policy Center, Catholic Community Services, and the Stanley C. Myers' Community Health Center. He has been a member of the National Advisory Council on Health Care for the Homeless and was the medical director of the Dade project, a health care project for the homeless of Dade County.

Dr. Greer was the chairman of the Children in Crisis Committee of the Cuban American National Council, and a board member of Safe Space, a shelter for battered women in Miami. He has been chairman of the city task force for health care to the homeless and was on the board of directors for the Coalition of the homeless. This outstanding individual has also been active as a member of the executive board of the Cuban American National Council.

In addition to his magnanimous public service, Dr. Greer has held fellowships in hepatology and gastroenterology at the University of Miami School of Medicine. He is a contributing editor to the Miami Medical Newsletter, and tirelessly makes presentations at schools on providing medical services to the homeless.

Hispanic Heritage 1990, whose host committee includes 27 national organizations, as well as ambassadors of the Organization of American States, has chosen this year's recipient of the Leadership Award wisely. Joe Greer has previously received the 1990 Cedars Foundation Fund Concern Award, the 1989 Volunteer of the Year Award, and a special 1989 award honoring excellence at the Cuban Medical Convention. In 1989, Newsweek magazine named him one of the unsung heroes of America.

The Speaker, Dr. Pedro Jose Greer, Jr., one of those thousand points of light, has shown exemplary dedication to public health. He is truly worthy of the highest praise and I am proud to join Hispanic Heritage in honoring him.

LI HUI, A CHINESE POLITICAL PRISONER

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1990

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to enter into the CONGRESSIONAL RECORD a brief statement on Li Hui, a Chinese student detained along with 45 others last June in Tianjin after being accused of activities as a counterrevolutionary rebel.

According to a report in the June 17, 1989, edition of Tianjin Ribao, Li was turned over to the Beijing Municipal Public Security Bureau on June 15 of last year. The report went on to refer to Li as the "general commander of the west line of Tiananmen Square under the Beijing Self-Governing Union of College Students" and said he had taken part in blocking the path of military vehicles. The official account of the charges cited as grounds for his detention further state that he had organized a propaganda team to go to Jinan and Wuhan to stage counterrevoluntionary instigation. Li and seven others had arrived in Tianjin on June 6, 1989, and had begun to distribute leaflets describing the true situation of the June 4 massacre prior to their arrests.

According to Asia Watch and other groups that have attempted to follow the fate of the up to 30,000 political prisoners jailed for their support of the prodemocracy movement, Li's whereabouts and physical condition are unknown. I recognize that the Government of the People's Republic of China is not in the habit of responding to expressions of concern for the well-being of its citizens by Members of Congress, but I sincerely hope that in this case, it will make an exception.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

39-059 O-91-22 (Pt. 13)

Meetings scheduled for Tuesday, July 24, 1990, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 25

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings to review the methods of transporting hazardous materials and on proposed legislation authorizing funds for the Hazardous Materials Transportation Act.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

9:45 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on the current operations and future mission of the Department of Energy's national laboratories, focusing on ongoing programs at the laboratories and potential new and enhanced programs, and math and science initiatives that could utilize the expertise of the national laboratories.
SD-366

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume hearings to examine financial service developments in Europe and Japan in relation to modernizing the American financial services industry.
SD-538

Budget
Business meeting, to mark up proposed legislation to reform the budget process.
SD-608

Foreign Relations
Business meeting, to consider pending calendar business.
SD-342

Labor and Human Resources
To hold hearings on proposed legislation to revise and strengthen the Federal Drug Administration's [FDA] regulation of medical devices.
SD-430

Joint Economic
To hold hearings to review the developments at the recent Houston Economic Summit, a meeting of leaders of seven industrial countries.
2261 Rayburn Building

1:30 p.m.
Foreign Relations
To hold hearings on the nominations of Townsend B. Friedman, Jr., of Illinois, to be Ambassador to the People's Republic of Mozambique, Kenneth N. Peltier, of Texas, to be Ambassador to the Federal and Islamic Republic of the Comoros, and Genta H. Holmes, of California, to be Ambassador to the Republic of Namibia.
S-116, Capitol

Conferees
On S. 1630, to revise the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards.
SH-216

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on S. 2044, to require that tuna products containing tuna caught by methods lethal to dolphins be labeled to inform consumers of that fact.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings to examine the findings and recommendations contained in two recent reports concerning the management and operation of the National Park Service's concessions program.
SD-366

Judiciary
Courts and Administrative Practice Subcommittee
To hold hearings on S. 2465, to revise Federal criminal code to establish criminal penalties for the killing of a U.S. national outside the U.S.
SD-226

Select on Indian Affairs
Business meeting, to mark up S. 1980, to provide for the repatriation of Native American group or cultural patrimony, and S. 2340, to develop and improve child protective service programs on Indian reservations and to strengthen Indian families; to be followed by a hearings on S. 2770, to establish the Indian Finance Corporation, an independent, federally chartered financial institution in which Indian tribes would be directly involved in its administration in an effort to close the gap between the established sources of private capital and Indian country.
SR-485

4:00 p.m.
Foreign Relations
To hold hearings on the nomination of Edward W. Gnehm, Jr., of Georgia, to be Ambassador to the State of Kuwait.
SD-419

JULY 26

9:30 a.m.
Governmental Affairs
To hold hearings on the nominations of LeGree S. Daniels, of Pennsylvania, to be a Governor of the United States Postal Service, and Patrick E. McFarland, to be Inspector General, Office of Personnel Management.
SD-342

Small Business
Government Contracting and Paperwork Reduction Subcommittee
To hold hearings on the increased competition for small businesses as a result of the expansions in the activities of the Federal Prison Industries, a government-owned corporation.
SR-428A

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed amendments to H.R. 5157, to revise and extend certain laws relating to housing, community and neighborhood development and preservation.
SD-538

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Joint Economic
To hold hearings to examine how the Federal government can contribute to improving the performance of students and schools, focusing on the links between specific policies and educational gains, proposals for restructuring in education, and how Congress can best help State and local systems.
2226 Rayburn Building

2:00 p.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 2177, to improve the collection and dissemination of information relating to the supply of winter heating fuels; and to review the Energy Information Administration's final report, An Analysis of Heating Fuel Market Behavior, 1989-90.
SD-366

Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To hold hearings to review Peace Corps programs in eastern Europe.
SD-419

Labor and Human Resources
To hold hearings on S. 2515, to revise the Health Care Quality Improvement Act of 1986 to prohibit discrimination against international medical graduates, to provide for the establishment of a National Repository of Physician Records, and to provide for grants for a single national medical licensing examination or set of examinations.
SD-430

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

JULY 27

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1933, to provide for the minting of coins in commemoration of the bicentennial of the death of Benjamin Franklin and to enact a fire service bill of rights and programs to fulfill those rights.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 2521, to exchange certain lands in the State of New Mexico, S. 2527, to direct the Secretary of Agriculture to conduct a study to determine the need for a National Forest Information Center and an expanded environmental education program in New Mexico, S. 2597, to revise the act of June 20, 1910, to clarify in the State of New Mexico authority to exchange lands granted by the United States in trust, and to validate prior land exchanges, S. 2684, to authorize a study of methods to protect and interpret the nationally significant fossil trackways found in the Robledo Mountains near Las Cruces,

New Mexico, and S. 2804, to revise the act of May 15, 1965 to designate the Nez Perce National Historical Park in the State of Idaho.
SD-366

Governmental Affairs
To hold hearings to review the regulation of all terrain vehicles (atv's).
SD-342

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed legislation to increase the public debt limit.
SD-628

Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on the United States' growing dependence on foreign energy imports and on ways to increase domestic energy production and reserves.
SD-215

Foreign Relations
To hold hearings on S. 2575, to urge the Secretary of State to negotiate a ban on mineral resource activities in Antarctica, and S.J. Res. 206, calling for the U.S. to encourage immediate negotiations toward a new agreement among Antarctic Treaty Consultative parties, for the full protection of Antarctica as a global ecological commons.
SD-419

2:00 p.m.
Finance
International Trade Subcommittee
To hold hearings to review the final report on the U.S.-Japan Structural Impediments Initiative (SII) talks.
SD-215

JULY 30

9:30 a.m.
Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To hold hearings on the impact of restructuring the savings and loan industry.
SD-226

2:30 p.m.
Finance
International Trade Subcommittee
To hold hearings on the impact of environmental concerns on international trade, focusing on proposed legislation to prohibit designation of a control as a beneficiary under the U.S. Generalized System of Preferences or the Caribbean Basin Initiative unless that country has effective pollution control standards and meets those standards.
SD-215

JULY 31

10:00 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

2:00 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 2659, to revise and supplement Federal reclamation law to eliminate abuses of the Reclamation program, and H.R. 2567, to authorize funds for the construction of the Buffalo Bill Dam and the Reservoir, Shoshone Project, Pick-Sloan Missouri Basin Program, Wyoming.
SD-366

2:30 p.m.
Judiciary
To hold hearings on S. 1400, to regulate interstate commerce by providing for a uniform product liability law.
SD-138

AUGUST 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on reversing the decline of the U.S. electronics industry.
SR-253

Judiciary
Technology and the Law Subcommittee
To hold hearings on S. 2030, to protect the privacy of telephone users by permitting the use of pen registers and trap and trace devices on emergency assistance telephone lines of police and fire departments and where the provider of wire or electronic communication services enables the communication originator to block receipt of his or her number (caller identification).
SD-226

Small Business
To hold hearings to examine the impact on small businesses of proposed legislation regarding estate tax freezes and capital gains.
SR-428A

2:00 p.m.
Select on Indian Affairs
Business meeting, to mark up S. 2770, to establish the Indian Finance Corporation, an independent, Federally chartered financial institution in which Indian tribes would be directly involved in its administration in an effort to close the gap between the established sources of private capital and Indian country, and S. 2451, to establish in the Department of the Interior a Trust Counsel for Indian Assets.
SR-485

AUGUST 2

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on proposed legislation to promote energy efficiency through the use of waste and recoverable materials.
SD-366

Select on Indian Affairs
To hold joint hearings with the House Committee on Interior and Insular Affairs on provisions of H.R. 4117, to provide for the divestiture of certain properties of the San Carlos Indian Irrigation Project in the State of Arizona.
1324 Longworth Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings to review the National Science Foundation's Director's views on science and technology policy.
SR-253

Foreign Relations
To hold hearings on the Convention on the Elimination of All Forms of Discrimination Against Women (Ex. R, 96th Congress, 2nd Session).
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of Wendy L. Gramm, of Texas, to be a Commissioner of the Commodity Futures Trading Commission.
SR-332

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation on emerging telecommunications technologies.
SR-253

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To continue hearings on proposed legislation to promote energy efficiency through the use of waste and recoverable materials.
SD-366

AUGUST 6

9:30 a.m.
Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To resume hearings on the impact of restructuring the savings and loan industry.
SD-628

SEPTEMBER 12

9:00 a.m.
Select on Indian Affairs
Business meeting, to mark up S. 1554, to implement water settlements involving the Pyramid Lake Paiute Tribe, the States of California and Nevada and other parties regarding the waters of the Truckee and Carson Rivers and Lake Tahoe in Nevada and California, and H.R. 5063, to provide for the settlement of the water rights claims of the Fort McDowell Indian community in Arizona.
SR-485

SEPTEMBER 18

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Veterans' Affairs Committee on legislative recommendations of the American Legion.
SD-106

HOUSE OF REPRESENTATIVE—*July 24, 1990*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Direct our thoughts, O God, to focus on things eternal; encourage our minds to think on the blessings we have received; sustain our souls in the confidence of Your presence; give strength to our wills so we speak and do the right and, O gracious God, nurture us in all things that we will know Your gift of spiritual health and peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Oklahoma [Mr. SYNAR] please come forward and lead the House in the Pledge of Allegiance.

Mr. SYNAR led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2843. An act to establish the Tumacacori National Historical Park in the State of Arizona.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3265. An act to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1076. An act to increase public understanding of the natural environment and to advance and develop environmental education and training;

S. 1992. An act to require the Federal Communications Commission to ensure that broadcasters provide children's television programming that meets the educational and informational needs of the child audience, and for other purposes; and

S. 2874. An act to authorize the reformulation of the Cedar Bluff Unit of the Pick-Sloan Missouri Basin Program, Kansas, to provide for the amendment of water service and repayment contracts.

TIME FOR A UNIVERSAL NATIONAL HEALTH CARE PLAN

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, in January in the State of the Union Message President Bush made a promise. He announced that the Secretary of Health and Human Services would give him recommendations on how to deal with the soaring cost of health care and the people with no health coverage.

The answer came back yesterday. The Nation's health care system, Mr. Sullivan said, must remain a free market system, and no major substantive changes will be made to that health care system.

The President's promise on health care remains unfulfilled to the 37 million Americans with no health insurance. It remains unfulfilled to the working Americans who pay up to 25 percent of their income on health insurance premiums. It remains unfulfilled to the elderly who have their assets wiped out by long-term and catastrophic care costs. It remains unfulfilled to the children who have no coverage and need it the most. It remains unfulfilled to millions of small business owners who cannot continue to pay even a portion of escalating health costs for their employees.

Mr. Speaker, the current health care system is in desperate need of revision. It is time to adopt a universal national health care program for all Americans. Broken promises will not make Americans healthier. President Bush has missed a wonderful opportunity to make this country a kinder, gentler place to live.

FEDERAL FARM PROGRAMS ARE GOOD FOR AMERICA

(Mr. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERSON. Mr. Speaker, periodically, the Department of Agriculture publishes a report detailing the comparison between our food prices and what our foreign neighbors pay for their groceries. If you have taken the time to study these figures, it should be no surprise to learn that we as Americans continue to be the best fed people at the lowest cost in the world; and Federal farm programs are a primary reason why.

For the domestic consumer, the American agricultural machine is the best deal going. Knowing this, most would anticipate that the farm bill that we are considering this week should be the envy of our foreign competitors and the boast of American consumers. Unfortunately, there are those who want to dismantle current farm policy and leave farmers with empty pockets and consumers with bare supermarket shelves.

Fortunately, one fact is certain. Americans spend considerably less of their personal income on food than individuals living in any other industrialized nation. For example, the Japanese commit almost 19 percent of their consumable income to the purchase of food, the Soviets over 28 percent, the Koreans nearly 36 percent, and the Chinese over 47 percent. Yet, Americans need only put aside 11 percent of their disposable income for trips down the grocery aisle.

Critics of American agriculture also say that our farm programs are too costly. In 1990, the USDA estimates farm program costs will be slightly above $8 billion. Contrast that with more than $36 billion spent by the European Community during the same period, or with Japan, with half our population, which will spend more than $10 billion on farm supports. Our foreign competition spends far more on their programs while their consumers pay more at the supermarket. Who has the better deal?

As we consider the 1990 farm bill over the next few days, please remember that the entire Nation benefits from the American farmers' daily sunup to sundown efforts. The world greatly depends upon American agriculture to guarantee the plentiful supply of food and fiber for both domestic and overseas consumption—something every single person in this Nation can't live without.

□ 1110

OVERRIDING THE PRESIDENT'S VETO OF THE FAMILY AND MEDICAL LEAVE ACT

(Mr. VISCLOSKY asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, on September 9, 1988, before a group of 200 GOP women in Rockford, IL, candidate George Bush stated: "We need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during a serious illness."

On June 29, President Bush broke that promise. He vetoed the Family and Medical Leave Act, which would provide unpaid leave and prevent Americans from being forced to choose between work and family.

Unfortunately, this is just one of a series of broken promises to the American people. Why did the President break yet another campaign pledge?

He would like us to believe that it is an issue of competitiveness. Nonsense. The United States and South Africa are the only major industrialized nations that lack a family leave policy.

Indeed, Japan—one of our fiercest competitors—not only has a leave policy, but it is a partially paid one.

We should hold George Bush to his campaign promise, and override his veto of the Family and Medical Leave Act.

CAMPAIGN PROMISES

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, let us take a little pop quiz. Category: campaign promises.

In the year 1988 who said the following: "Treat white collar criminals as you would treat any other criminal. Lock them up. They belong in jail?"

Who said: "We need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during a serious illness?"

Who said: "We are going to keep the Social Security trust fund sound and out of reach of the big spenders?"

Finally, Mr. Speaker, who said: "Read my lips: no new taxes?"

That is right, you guessed it.

Hardly anyone has gone to jail in the S&L scandal. The President is in charge.

He vetoed the Family Medical Leave Act. He has used the trust funds to cover his deficit, and he has come out in favor of new taxes.

But that is OK, Mr. Speaker. He did not mean to break those promises.

IN SUPPORT OF H.R. 3950, THE 1990 FARM BILL

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I take the well today in support of H.R. 3950, the 1990 farm bill.

And in doing so, I want to thank and commend the Agriculture Committee for the long and hard hours of work that produced this bill.

American agricultural exports have regained international prominence—helping to balance our trade deficit. And farmers' net incomes have started to show improvement with shrinking debt.

If we have landed on agriculture policy that is working, there is no reason to abandon it. And the committee has given us a bill intended to make a successful policy that much better.

On the major commodity programs, H.R. 3950 should help stem the export of soybean acres, and allow farmers enough flexibility to begin the export of actual soybean production.

On sugar, H.R. 3950 continues a fair program to provide consumers with a consistent supply of low-priced sugar and U.S. farmers with a stable market.

On research, H.R. 3950 will enhance our ability to commercialize new alternative crops and find new uses for traditional crops.

On the environment, H.R. 3950 will increase the protection of wetlands, ground water, and topsoil resources.

My district in Nebraska is the second most agricultural district in the Nation, and agriculture is the backbone of the Nation's economy. Only when the agricultural economy is sound, can the national economy be truly stable.

I urge my colleagues not to gut the already successful farm programs.

I urge you not to demand that agriculture do more than its fair share toward reducing the deficit.

And I urge you to support the good work of the House Agriculture Committee in H.R. 3950.

OVERRIDE THE PRESIDENT'S VETO OF FAMILY AND MEDICAL LEAVE ACT

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, the President's veto of the Family and Medical Leave Act was, plainly and simply, a veto against working families and especially working women. Women are the primary caregivers for children and for the elderly. Yet we have not offered them true equality in the workplace, or adequate child care, or appropriate long-term care for the elderly. We still expect women to fulfill the traditional caregiver role and yet we penalize them when they try to do so by forcing them to choose between their jobs and their families.

People say this bill will cost jobs, but they offer no evidence. People are already losing their jobs, when a child is born or a family member becomes ill.

If you do not want mothers to be with their infants in the first critical months of life, if you would rather have Government pay for all the home care that women now provide—free—to their aging parents, and if you think America is too weak or too cheap to compete with all the other industrialized countries that now offer family leave—then by all means vote with the President on this one. But if you want to strengthen families, then I urge you to override this veto.

TIME TO CUT WASTE, FRAUD, AND ABUSE IN THE PENTAGON

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, this weekend President Bush made a couple of campaign stops and did a little politicking.

At the first stop, he pointed an accusing finger at the Democrats, saying that the Democrats were the big spenders. He wanted to reduce the deficit by cutting spending, he said.

At the next stop, he broke a bottle of champagne across the bow of a new Navy ship he was christening and he warned against spending cuts in defense.

It is a curious message the President is sending. He apparently is for spending cuts for those programs that help people, but he's not for spending cuts for the MX missile, the B–2 bomber, the Midgetman missile, the trip to Mars.

The President's weekend trip is a perfect description of why we're not able to solve this deficit mess. He says he's for spending cuts. But when it comes to cutting the biggest pot of spending in the Federal Government, then his action is that of a toothless tiger.

Mr. President, if you say the deficit can only be solved by cutting spending and then you propose that the largest area of spending be protected, I wonder how interested you are in solving the problem.

Mr. President, join the rest of us in America who understand that when we stuffed $300 billion in the pockets of the Pentagon, we got some ships and planes but we also got a lot of waste, fraud, and abuse. It's time to cut that waste, fraud, and abuse.

SENECA NATION SETTLEMENT OF 1990

(Mr. HOUGHTON asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Speaker, today I am going to introduce a bill into the House, the Seneca Nation Settlement of 1990.

This is a once-in-a-lifetime opportunity occurring in the southern tier of my own home State, New York. It focuses on two groups, the brave Nation of Seneca Indians and second, the Salamanca City, right within that nation.

In a few months it will be the end of a 100-year-long lease arrangement between the nation and the Federal Government. We are now in the process of negotiating another lease of a similar timeframe with enhanced lease payments and other considerations proposed to the Federal Government and the State.

□ 1120

I will not go into the details. I will not talk about them because we will be discussing those later. But, you know, in this day and age of finger-pointing at the President, blaming one another for one thing or another, here is a unique relationship between a nation, a city, the Federal Government and the State, who bargained in good faith, hold total trust in one another, trying to reach a conclusion to a 100-year lease situation.

Mr. Speaker, there are wonderful opportunities which exist up in upstate New York. This is one of those good-news issues with which I am proud to be associated.

CAPITAL GAINS CUT: PUNISHMENT FOR THE POOR

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in the last 10 years, the rich got richer in America and the poor got poorer. In fact, the rich income almost doubled, while poor people's income fell below $7,000 last year.

Let me say that again: The richest 1 percent in America now make more money than the 40 percent of the bottom of the ladder combined. And guess what, the poor also pay more taxes, and President Bush says we want a tax increase.

Who will that tax increase be on, folks? He wants a capital gains tax break for the rich. Capital gains, hell, this is capital punishment for the poor.

There is only one consolation I can think of for poor people in America, now that the President has said "no" to national health insurance. I never heard of anybody committing suicide by jumping out of a basement window. That is about the only advantage the poor people in this country have.

Let us stop the tax breaks for the wealthy and let us provide national health insurance for all the American people.

ABUSE OF THE EXCLUSIONARY RULE

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, Members of the House, the President of the United States sent to the Congress a long time ago a strong anticrime bill that included the death penalty for the most serious and heinous offensive crimes known to mankind being perpetrated every day in this country that we love so much.

It included a bill to modify the exclusionary rule so that criminals cannot get off on technicalities on questions like: a raid on a house where cocaine was found. Even though the search warranted wanted to look for something else, that cocaine cannot be used against those criminals because of the technicalities of the exclusionary rule.

The President wants to change that.

But, Mr. Speaker, the House Committee on the Judiciary yesterday passed a bill, controlled by the Democrats, my friends on the other side, which makes the death penalty inoperable, which makes the exclusionary rule a mockery and which the entire bill is a pro-crime bill in all its elements because it does not do anything about the career criminal, nor does it impose the death penalty on the most serious crimes in our country.

KEEP THE TOBACCO PRICE SUPPORT PROGRAM IN THE AGRICULTURE BILL

(Mr. ROSE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSE. Mr. Speaker, a great many of my colleagues in this House on both sides of the aisle have very valid and sincere concern about cigarette smoking. I recognize their concerns, and I also recognize that Senator KENNEDY and the gentleman from California, Mr. WAXMAN, and a great many of my colleagues in the House have legislation to deal with those issues in the weeks and months ahead of us.

Please, though, be careful in the farm bill when an amendment is offered to do away with the Tobacco Price Support Program. Do not think that is an antismoking vote.

The Tobacco Price Support Program keeps the price of tobacco high. It is not a subsidy program. It is paid for by the farmers. If you kill the tobacco program, you make tobacco cheaper to the companies; they will smile all the way to the bank.

Please stick with the Tobacco Price Support Program.

THE DEMOCRATIC PARTY CONVENTION IN NEW YORK CITY

(Ms. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MOLINARI. Mr. Speaker, 2 weeks ago, the Democratic Party chose New York City as the site for their 92d convention. As a New Yorker, I am delighted that our city will reap the financial infusion which it needs so desperately. From a political perspective, however, I was somewhat surprised.

Our visitors will see a city much dirtier and more congested than in the past due to recent budget cuts. They will visit a city in the grips of fear as our crime rate soars out of control. Homicides are up 20 percent over last year and our police commissioner admitted that he just "doesn't have the resources to do the job." Our fire department is sending out short-handed crews which this weekend was attributed to the deaths of three children in Harlem. Violence within our prisons can no longer be contained without more guards.

And yet our State and city taxes have gone up. New York City is once again the Nation's capital of taxes. But the only thing that has accompanied these tax increases is an increase in homes and businesses up for sale. Our one small consolation is that they are no longer moving to New Jersey thanks to Jim Florio.

Anyway, on behalf of the few Republicans in New York City, I want to express my gratitude to the Democratic National Committee for helping New York City. Lord knows we need it.

TWENTY-ONE THOUSAND TIMBER JOBS: NO THREAT TO THE SPOTTED OWL

(Mrs. UNSOELD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. UNSOELD. Mr. Speaker, on May 1, the Bush administration told the world that listing the spotted owl as a threatened species would cost the Northwest 28,000 jobs.

That same day, the administration had a plan to save many of those jobs, but kept that plan secret.

Well, it is secret no more, thanks to whistleblowers who leaked it to my colleague from Oregon, Congressman PETER DEFAZIO.

I'm talking about 21,000 jobs, good timber industry jobs—all without further threatening the owl.

Thankfully, Congress is already acting to save a lot of these jobs. Congress is moving to restrict the export of raw logs from public lands, thus keeping mill jobs here, instead of shipping them to Japan.

We know we can save thousands of jobs in the Northwest. We know the administration knows it. If we are going to save our timber towns and timber families: we do not need the administration hiding internal documents that will save timber jobs in the Northwest; we do need the administration to get on board.

PRESIDENT BUSH'S FIRST NOMINATION TO THE SUPREME COURT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, some brief thoughts about the dominant media culture's liberal reaction to a President, who won a huge victory in 1988 making his first Supreme Court nomination: arrogant and obnoxious in the extreme.

One national lady anchor person suggested there might be violence in the streets if the selection were not liberal; another one suggested we would roll back the clock if a conservative were selected.

Look, Mr. Speaker, it is obvious that school teachers, like my conservative younger brother, did not cause the pollution of the public marketplace that we have today. It has been caused by liberal philosophy.

Finally, a national person in the media has the guts to print the lyrics of Two Live Crew in a national magazine. This week's Newsweek magazine has an article by George Will. It talks about America's slide into the sewer. And it all happened with the ACLU hiding scum pornographers behind the beautiful first amendment.

Read the lyrics of Two Live Crew. Read what we are going to be talking about in the NEA debate coming up. Read what people have done to our children.

And, Mr. Speaker, every one of our sisters, wives, mothers, yes, grandmothers and daughters around this country are being victimized by the liberal philosophy that protects this kind of heinous, satanic slop in our public marketplace.

CONGRESSIONAL CAMPAIGN FINANCE REFORM

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, it is my pleasure today to introduce legislation to reform the way congressional candidates finance their campaigns.

Critics of our electoral system have charged in recent months that congressional candidates rely too heavily on contributions from political action committees, or PAC's, and too little on contributions from individual voters back home. They have succeeded in planting the idea in many peoples' minds that PAC contributions are inherently evil because PAC's serve only the interests of "fatcats" at the average citizen's expense.

Although I disagree with the critics' premise, I strongly agree that congressional candidates should shift their fundraising away from PAC's and more toward individual contributors, for several reasons. First is the public's growing perception of PAC's as special interests. Second, increased small contributions would lead candidates to get out and meet more voters face-to-face. Finally, the overwhelming majority of PAC contributions flow to incumbents, so our current system makes it tough for challengers to raise enough money to mount credible campaigns.

My legislation begins by reducing the amount PAC's can contribute to congressional candidates from the current $5,000 per election to $2,000. Next, the bill encourages small donors to contribute by creating a tax deduction of up to $200 for contributions to candidates from a taxpayer's home State. To encourage candidates to solicit such contributions, the bill provides for dollar-for-dollar Federal matching payments for all qualifying contributions. To weed out frivolous candidates, only those who demonstrate broad appeal by raising at least $25,000 in increments of $200 or less will be eligible to receive a Federal match.

I also believe candidates rely too much on negative, often vicious campaigns centered around 30-second TV commercials which say nothing about issues and only sling mud. My bill requires broadcasters to provide their lowest unit charge for congressional campaign ads of 1 minute or longer in duration. If a congressional candidate wants to go negative, he can, but it would cost him significantly less to take the high road.

Mr. Speaker, this legislation will greatly improve the way Americans elect their Congress, so I urge Members to support it. I want to thank Dr. Norman Ornstein of the American Enterprise Institute for his assistance in drafting this measure.

□ 1130

CORRECT VETO ON FAMILY AND MEDICAL LEAVE ACT

(Mr. GRANDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRANDY. Mr. Speaker, I take this time only to briefly defend the President on the veto of the Family and Medical Leave Act, and remind Members that the President has not changed his position, has not falsified any of his statements. He is committed to parental leave. He is not committed to H.R. 770.

Why? Because this bill provides, among other things, unprecedented labor damages, quadruple back pay, unknown in labor law as we see it now. It provides no option for the employer to receive notification from the employee, if he or she should decide not to return during the leave, which is also unprecedented. And unlike the 30 States, Mr. Speaker, in the United States, that do have some parental leave option, this one-size-fits-all mandate provides no flexibility for the employer and the employee to tailor their need benefits.

The President has not changed. He wants commonsense policy. He wants sound solutions that reflect an evolving workplace. For that reason, he wisely vetoed the Parental Leave Act. For that reason, tomorrow, the House will sustain that veto.

KEEP AMERICAN AGRICULTURE STRONG WITH FARM BILL

(Mr. HUCKABY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUCKABY. Mr. Speaker, for the next 2 days and 2 nights the House will consider the 1990 farm bill. We only consider farm bills every 5 years, hence its importance and significance, for it will determine the shape of American agriculture through 1995.

Mr. Speaker, the 1985 farm bill worked amazingly well. Relative prosperity has been restored to American agriculture. It has been a tremendous deal for the American consumer. The American consumer only spends 11 percent of his disposable income, on the average, for food. Only 11 percent.

Mr. Speaker, I would like to point out to my colleagues that the top 15 percent of our farms, our biggest 15 percent, produce 70 percent of the American agriculture output. There is going to be a tax on the farm bill amendments offered to prohibit some of these programs from participating in our Government programs. Let Members keep American agriculture strong. I urge my colleagues to stay with the committee.

CONGRATULATIONS TO DENNISON, OH

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, I would like to tell Members and all listening about a pulling up by the bootstraps success story in little Dennison, OH, in Tuscarawas County.

A large wholesale grocery there was pulled down in bankruptcy by its parent company, causing a lot of layoffs, 175 people in a very small community. Many people said, "Well, you cannot come back from that bankruptcy, it cannot be done." But they did not count on the dogged determination of the local towns people, and people like Gene Tolloty and Blair Hillyer, who brought the forces together to make it work, as well as the employees. The local people in the area bought the company, and they are bringing it back. This week, they opened it up under Tusco Grocers.

What could not be done, was. The Bible says, "If you have the faith of a mustard seed, you can move mountains." Believe me, they moved a lot of mountains, and they did it without any Federal help whatsoever. So our hats ought to be tipped to the people of Dennison, OH, one of the great little cities in the United States.

AFRICAN-AMERICAN HEBREWS IN ISRAEL

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, the Washington Post, on Saturday, July 7, 1990, carried a story about an agreement reached between the Government of Israel and the African-American Hebrews in Dimona, Israel. Mr. Speaker, that agreement has been as a result of more than 8 years of patient negotiations between my office and the Government of Israel. Those discussions brought me face to face with three Prime Ministers of Israel.

However, thanks to the efforts of Secretary Baker, Chairmen FASCELL, HAMILTON, and RANGEL, Mrs. LANTOS, wife of Congressman LANTOS, Stewart Einsentat, Rabbi Sarpestein, the Israeli Embassy in Washington, DC, the United States Ambassador in Israel, the Israeli Ministries of Interior and Foreign Affairs, and the patience of the African-American Hebrews. This agreement, we hope, will mark the beginning of a relationship of reconciliation regarding the problems faced by the African-American Hebrews in Israel.

LAFAYETTE DESERVES BETTER THAN THE ALBANIANS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, Marquis de Lafayette—a man who fought bravely in the American and French Revolutions. He is one of the two foreigners that Congress has honored by making a citizen of the United States. The other is Winston Churchill.

We have also honored him by naming the park across from the White House after him—Lafayette Park, a place that, unfortunately, has become the home of nothing but protest.

This week, there is another protest—this time by Albanians intent on bringing their brand of bitter, internecine warfare to the United States. They carry signs calling me, Congresswoman BENTLEY, a Stalinist puppet.

My reputation spans over nearly a half century, as a reporter and a Congresswoman trying to bring truth to bare facts and fighting for the underdog.

It is time to realize the Albanian—and Kosovo—situation for what it is. Albania is the one true repressive regime left in Europe—and was the only Maoist stronghold in Europe. The Albanians are attempting to spread their totalitarian rule over the Yugoslavian province of Kosovo while at the same time, boatloads of their citizens are fleeing to Italy.

Maybe it is time the government finds a better way to honor Lafayette than to allow those who champion suppression to parade in his shadow.

□ 1140

EXPLANATION OF PROPOSED AMENDMENTS TO THE FARM BILL

(Mr. VOLKMER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I would like to take this time of the House to announce to those who have been privy earlier to my discussions on the dairy program that although I thought I had worked out an agreement with some members of the Committee on Agriculture for the dairy program, we were unable to do so. But I will be offering my amendment that will increase the producer's income over that of the committee print, and that will do it at less cost to the taxpayer and the Government.

There will be no additional increase in price to the consumer because it is a price program that is for $10.60 per hundredweight instead of the committee print figure of $10.10. It also provides for a two-tier supply management program similar to the peanut program and similar to other agricultural programs.

Therefore, this is an amendment that I think all Members of the House can support in order to provide a stable supply of milk and dairy products to our consuming public, at the same time at less cost to the taxpayer and at the same time with over a $1 billion increase in income to the dairy producers.

Mr. Speaker, I look forward to offering that amendment when we get to title IV, and I hope that every Member will support it.

PERMISSION FOR MEMBER TO OFFER AMENDMENT IN MODIFIED FORM TO H.R. 3950, FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

Mr. SYNAR. Mr. Speaker, I ask unanimous consent that, during consideration of H.R. 3950, pursuant to House Resolution 439, I may be permitted to offer the Synar amendment printed in House Report 101-609 in the modified form that I have placed at the desk.

The SPEAKER pro tempore (Mr. HARRIS). Is there objection to the request of the gentleman from Oklahoma?

Mr. MOAKLEY. Mr. Speaker, reserving the right to object, and I will not object, I would like the House to know that the gentleman has discussed the amendment with the Committee on Rules, and the committee has no objection to the request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

The SPEAKER pro tempore. Pursuant to House Resolution 439 and rule XXIII, the Chair declares the House in the Committee of the Whole on the State of the Union for the further consideration of the bill, H.R. 3950.

□ 1142

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3950) entitled the "Food and Agricultural Resources Act of 1990," with Mr. BONIOR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, July 23, 1990, all time for general debate had expired.

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the reported bill, as modified by the amendments printed in section 1 of the House Report 101-609, shall be considered by titles as an original bill for the purpose of amendment and each title is considered as read.

No amendment to said substitute, as modified, is in order unless printed in the "Amendments" portion of the CONGRESSIONAL RECORD on or before Friday, July 20, 1990, except for pro forma amendments for purposes of debate or amendments offered pursuant to the provisions of House Resolution 439.

It shall be in order for the gentleman from Texas [Mr. DE LA GARZA] after consultation with the gentleman from Illinois [Mr. MADIGAN] to offer at any time during consideration of each title an amendment or amendments en bloc to that title, including modifications in the text of any amendments printed in the CONGRESSIONAL RECORD which are germane thereto.

It shall be in order for the gentleman from Texas [Mr. DE LA GARZA], after the disposition of all other amendments, to offer amendments en bloc, which may include amendments to portions of the bill already read for amendment.

It shall be in order to consider en bloc the amendments printed in section 2 of House Report 101-609. Said amendments en bloc made in order by House Resolution 439 shall not be subject to a damand for a division of the question.

After the disposition of all amendments, except for the amendments offered en bloc by the gentleman from Texas [Mr. DE LA GARZA] which may amend portions of the bill already read for amendment, it shall be in order to consider the amendment offered by the gentleman from Oklahoma [Mr. SYNAR], printed in section 3 of House Report 101-609. Said amendment shall not be subject to amendment, except for an amendment offered by the gentleman from California [Mr. PANETTA], and pro forma amendments for debate.

No amendment shall be in order which affects the subject of title 19 of said substitute, as modified.

The Clerk will designate section 1.

The text of section 1, as modified by the amendments printed in section 1 of House Report 101-609 of the Committee on Rules, is as follows:

H.R. 3950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Food and Agricultural Resources Act of 1990".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

TITLE I—COTTON

Sec. 101. Loan rates, target prices, disaster payments, Acreage Limitation Program, and land diversion for the 1991 through 1995 crops of upland cotton.
Sec. 102. Suspension of base acreage allotments, marketing quotas, and related provisions.
Sec. 103. Commodity credit corporation sales price restrictions.
Sec. 104. Nonapplicability of section 103(a) of the Agricultural Act of 1949 to the 1991 through 1995 crops of upland cotton.
Sec. 105. Skiprow practices.
Sec. 106. Preliminary allotments for 1996 crop of upland cotton.
Sec. 107. Extra long staple cotton.
Sec. 108. Adjustment of support prices.
Sec. 109. Cottonseed and cottonseed oil price support.

TITLE II—SUGAR

Subtitle A—Price Support and Marketing Allotments

Sec. 201. Sugar program extension.
Sec. 202. Information reporting.
Sec. 203. Marketing allotments for sugar and crystalline fructose.
Sec. 204. Establishment of marketing allotments.
Sec. 205. Allocation of marketing allotments.
Sec. 206. Assignments of deficits.
Sec. 207. Provisions applicable to producers.
Sec. 208. Special rules.
Sec. 209. Regulations; violations; publication of Secretary's determinations; jurisdiction of the courts; United States attorneys.
Sec. 210. Appeals.
Sec. 211. Administration.

SUBTITLE B—Miscellaneous

Sec. 221. Sugarcane disaster assistance.
Sec. 222. Reports on quota allocations to countries importing sugar.

Subtitle C—Import Treatment of Sugars, Syrups, and Molasses

Sec. 231. Findings and purpose.
Sec. 232. Tariff treatment when tariff-rate quotas not in effect.
Sec. 233. Tariff-rate quotas.
Sec. 234. Applicable statutory authorities.
Sec. 235. Definitions.
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Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me say to my colleagues that we begin the process today of bringing to the membership what we call the farm bill, our omnibus agricultural food and fiber research and education legislation, which encompasses 18 titles.

First and foremost, I would like to ask the Members to consider throughout the process what I will be telling them now, first, that this legislation impacts on all 270 million-plus Americans. It impacts on anyone in this country who eats. It impacts on the world, on anyone that eats, because from this where we get the commodities that we sell, that we at times barter, that we give in lower interest type loans or deferred payments to other countries, or that we give to the poor, the needy and the hungry of the world. All that is encompassed in what we will hear today. We will hear about different amendments; we will hear that this fellow got more money than that fellow, and we will hear that this impacts on the consumer. This does inpact on every single last one of our consumers.

How does this come about? We have people called farmers and ranchers who produce the food and fiber. Then it goes through the process of the middleman. Then it comes to the final user, to you, to me—that is us and we—the people who finally use the food. Everyone in this Chamber today and everyone within the sound of my voice will eat at least a minimum of one meal of some kind today. Heaven

forbid that there will be some who will not, but almost everyone, 99.9 percent of us, will eat.

Everyone will be impacted by what we do here today. So let us not be deterred by what this fellow or what that fellow got. We will be talking about the food chain here, about producing the food and the fiber, and for that the farmer needs good air, good water, and good soil.

There will be discussions on the farmers messing up the soil. They cannot do that. If they mess up the soil, they are out of business.

What do we as individuals need? How does this impact on us? The human body needs only three things for survival—air, water, and food. Only the good Lord makes air, water, and food, and only the farmers and ranchers produce food.

We will hear all kinds of charges, and we will hear figures of $2 billion and $3 billion. Here it is, I say to my friends. What does all this that we do cost the taxpayers of the United States in proportion to the total budget? Here is a graph. This is the total budget, $1.23 trillion. That is over $1 trillion. What we will be discussing today in support of the commodity programs, if you can see it here, is this tiny little line at the bottom. That is the taxpayer's dollar that we will be discussing today, six-tenths of 1 percent of the total budget of the United States of America.

□ 1150

Mr. Chairman, defense has over $300 billion, 300-plus billion. We will be speaking of less than 10.

So, throughout the days, as my colleagues hear the amendments, as my colleagues hear the discussion, I hope they will keep this in mind. How are we impacting on the budget?

The tiny little line, point six. Six-tenths of 1 percent.

What do we do with that?

We feed all of the people of the United States at a reasonable cost, less than any other major industrialized country in the world. We are at slightly over 10 percent of disposable income per family. Our major competitors are 15, 16, 18 percent. It is not that we do not have hungry people in America. We do. But it never has been the fault of the farmer. Something else went wrong.

So, Mr. Chairman, I implore my colleagues and urge my colleagues that, when they hear the discussion, and they see the papers with figures, this is the total impact to the budget: point six, six-tenths of 1 percent, and what do we do for that? Best-fed people in the world, in the history of the world, for the least amount of disposable income per family. That is what we do with our taxpayer dollars.

Mr. Chairman, that is what the discussion is going to be today, and someone may cute. Someone may offer an amendment. Someone may quote a little poetry.

Do not disrupt the food chain. It is working, and it is working well. Do not disrupt the food chain.

Mr. Chairman, we could mess it up. We could mess it up here.

Mr. CHAIRMAN. Are there any amendment to section 1?

The Clerk will designate title I.

The text of title I is as follows:

TITLE I—COTTON

SEC. 101. LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, ACREAGE LIMITATION PROGRAM, AND LAND DIVERSION FOR THE 1991 THROUGH 1995 CROPS OF UPLAND COTTON.

Effective only for the 1991 through 1995 crops of upland cotton, the Agricultural Act of 1949 is amended by inserting after section 103A (7 U.S.C. 1444-1) the following new section:

"SEC. 103B. (a) LOANS.—(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title, as determined by the Secretary, reflecting accrued storage charges of not more than 60 days, make available for the 1991 through 1995 crops of upland cotton to producers nonrecourse loans for a term of 10 months from the first day of the month in which the loan is made at such loan level, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average location in the United States a level that is not less than the smaller of—

"(A) 85 percent of the average price (weighted by market and month) of such base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the level of price support is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; or

"(B) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the level of price support is announced, of the 5 lowest-priced growths of the growths quoted for Middling one and three-thirty-seconds inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton, as determined by the Secretary).

For purposes of perfecting a security interest under any State law, the evidence of title approved by the Secretary under this paragraph shall be considered to be a warehouse receipt.

"(2) ADJUSTMENTS TO LOAN LEVEL.—(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any crop determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop, nor may such loan level be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any crop the average northern European price determined under paragraph (1)(B) is less than the average United States spot market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under paragraph (1)(A).

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any crop of upland cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective. Such loan level shall not thereafter be changed.

"(4) LENGTH OF TERMS OF NONRECOURSE LOANS.—(A) EXTENSION OF TERMS.—Except as provided in subparagraph (B), nonrecourse loans provided for in this section shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

"(B) LIMITATION ON EXTENSIONS.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeded 130 percent of the average price of such base quality of cotton in such markets for the preceding 36-month period.

"(5) COMPETITIVE POSITION DETERMINATION.—(A) IN GENERAL.—If the Secretary determines that the prevailing world market price for upland cotton (adjusted to United States quality and location) is below the loan level determined under the foregoing provisions of this subsection, in order to make United States upland cotton competitive in world markets, the Secretary shall implement the provisions of Plan A or Plan B in accordance with this paragraph.

"(B) REDUCED LOAN REPAYMENT LEVEL.—If the Secretary elects to implement Plan A, the Secretary shall permit a producer to repay a loan made for any crop at a level determined and announced by the Secretary at the same time the Secretary announces the loan level for such crop as determined under paragraph (3). Such repayment level for loans on such crops shall not be less than 80 percent of the loan level determined for the crop. Such repayment level, once announced for the crop, shall not thereafter be changed.

"(C) MARKETING LOAN.—(i) If the Secretary elects to implement Plan B, except as provided in clause (ii), the Secretary shall permit a producer to repay a loan made for any crop at a level that is the lesser of—

"(I) the loan level determined for such crop; or

"(II) the prevailing world market price for upland cotton (adjusted to United States quality and location), as determined by the Secretary.

"(ii) For each of the 1991 through 1995 crops of cotton, if the prevailing world market price for upland cotton (adjusted to United States quality and location) as determined by the Secretary, is less than 80 percent of the loan level determined for such crop, the Secretary may permit a producer to repay a loan made under this subsection for a crop at such level (not in excess of 80 percent of the loan level determined for such crop) as the Secretary determines will—

"(I) minimize potential loan forfeitures;

"(II) minimize the accumulation of cotton stocks by the Federal Government;

"(III) minimize the cost incurred by the Federal Government in storing cotton; and

"(IV) allow cotton produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(D) FIRST HANDLER NEGOTIABLE MARKETING CERTIFICATES.—(i) During the period beginning August 1, 1991, and ending July 31,

1996, if a program carried out under Plan A or Plan B fails to make United States upland cotton fully competitive in world markets and the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for upland cotton determined under subparagraph (A), then in order to make United States upland cotton competitive in world markets and to maintain and expand domestic consumption and exports of upland cotton produced in the United States, the Secretary shall provide for the issuance of negotiable marketing certificates in accordance with this subparagraph.

"(ii) The Commodity Credit Corporation, under such regulations as the Secretary may prescribe, shall make payments, through the issuance of negotiable marketing certificates, to first handlers of cotton (persons regularly engaged in buying or selling upland cotton) who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. Such payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make upland cotton produced in the United States available at competitive prices, consistent with the purposes of this subparagraph.

"(iii) The value of each certificate issued under clause (ii) shall be based on the difference between—

"(I) the loan repayment rate for upland cotton under Plan A or Plan B, as the case may be; and

"(II) the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary.

"(iv) The Commodity Credit Corporation, under regulations prescribed by the Secretary, may assist any person receiving marketing certificates under this subparagraph in the redemption of certificates for cash, or marketing or exchange of such certificates for agricultural commodities or the products thereof owned by the Commodity Credit Corporation, at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this subparagraph. Any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

"(v) Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products thereof, including storage sites thereof, such owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of such certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after such reasonable number of days and ending with the date of the presentation of such certificate to the Commodity Credit Corporation.

"(vi) The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and products for certificates under this subsection from adversely affecting the income of producers of such commodities or products.

"(vii) Under regulations prescribed by the Secretary, certificates issued to cotton handlers under this subparagraph may be transferred to other handlers and persons approved by the Secretary.

"(E) DETERMINATION OF PREVAILING WORLD MARKET PRICE.—(i) The Secretary shall prescribe by regulation—

"(I) a formula to define the prevailing world market price for upland cotton (adjusted to United States quality and location); and

"(II) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton (adjusted to United States quality and location).

"(ii) The prevailing world market price for upland cotton (adjusted to United States quality and location) established under this subparagraph shall be used for purposes of both Plan A and Plan B and marketing certificates under subparagraph (D).

"(F) ADJUSTMENT TO PREVAILING WORLD MARKET PRICE.—(i) During the period beginning August 1, 1991, and ending July 31, 1996, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subparagraph (E) shall be further adjusted if:

"(I) such adjusted prevailing world market price is less than 115 percent of the current crop year loan level for the base quality of upland cotton, as determined by the Secretary; and

"(II) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the five lowest-priced growths of upland cotton, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe (hereafter referred to as 'the Northern Europe price').

"(ii) Such adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) the United States share of world exports;

"(II) the current level of cotton export sales and cotton export shipments; and

"(III) other data determined by the Secretary, or a designee of the Secretary, to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

"(iii) The adjustment may not exceed the difference between the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe and the Northern Europe price.

"(G) COTTON USER NEGOTIABLE MARKETING CERTIFICATES.—During the period beginning August 1, 1991, and ending July 31, 1996, if for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound, the Secretary shall issue negotiable marketing certificates to domestic users or exporters for documented sales made in the week following such consecutive four-week period. The value of such negotiable marketing certificates shall be based on the amount of the difference, reduced by 1.25 cents per pound, in such prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in such documented sales. The provisions of subparagraphs (D)(iv) through (vii) shall apply to negotiable marketing certificates issued under this subparagraph, and any such certificates may be transferred to other persons approved by the Secretary under regulations prescribed by the Secretary.

"(H) SPECIAL IMPORT QUOTA; ONE WEEK'S MILL CONSUMPTION.—(i) The President shall, within 60 days after the date of enactment of this section, establish an import quota program which shall provide that whenever the Secretary determines and announces that for any consecutive ten week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under subparagraph (F), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special limited global import quota.

"(ii) Such quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(iii) Such quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under clause (i) and entered into the United States not later than 180 days after such date.

"(iv) A special quota period may be established that overlaps any existing quota period if required by the provisions of clause (i), except that a special quota period may not be established under this paragraph if a special quota period has been established under subsection (n).

"(6) RECOURSE SEED COTTON LOANS.—In order to encourage and assist producers in the orderly ginning and marketing of their production of upland cotton, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

"(b) PAYMENTS FOR FORGOING LOAN.—(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of upland cotton, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining such loan in return for such payments.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of upland cotton on which the producer requests payment.

"(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of upland cotton eligible for payment may not exceed the product obtained by multiplying—

"(A) the individual farm program acreage for the crop; by

"(B) the actual yield per harvested acre established for the farm.

"(4) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for such crop under subsection (a) exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(5) PAYMENT IN NEGOTIABLE MARKETING CERTIFICATES.—The Secretary may make up to one-half the amount of a payment under this subsection available in the form of negotiable marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(D).

"(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments (to be known as 'deficiency payments') for each of the 1991 through 1995 crops of upland cotton in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) 0/92 AND 50/92 PROGRAMS.—(i) If an acreage limitation program under subsection (e)(2) is in effect for a crop of upland cotton and the producers on a farm devote a portion of the permitted upland cotton acreage of the farm (as determined in accordance with subsection (e)(2)(A)) equal to more than 8 percent of the permitted upland cotton acreage of the farm for the crop to conservation uses (except as provided in subparagraph (F))—

"(I) such portion of the permitted upland cotton acreage in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to upland cotton for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph on such acreage, subject to the compliance of the producers with clause (ii).

"(ii)(I) To be eligible for payments under clause (i), except as provided in subclause (II) and clause (iv), the producers on a farm must actually plant upland cotton for harvest on at least 50 percent of the permitted upland cotton acreage of the farm.

"(II) The Secretary may waive the 50 percent planting requirement in subclause (I) for any crop of upland cotton.

"(iii) Notwithstanding any other provision of this section, any producer who elects to devote a portion (or, where the Secretary exercises the waiver authority under clause (ii)(II), all) of the permitted upland cotton acreage of the farm to conservation uses (or other uses as provided in subparagraph (F)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to upland cotton and eligible for payments under this subparagraph for such crop at a rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which upland cotton producers may agree to participate in the program for such crop.

"(iv) If a State or local agency has imposed in an area of a State or county a quarantine on the planting of upland cotton for harvest on farms in such area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph to producers in such area who were required to forgo the planting of upland cotton for harvest on acreage to alleviate or eliminate the condition requiring such quarantine. If the Secretary determines that such condition exists, the Secretary may make payments under this paragraph to such producers. To be eligible for payments under this clause, such producers must devote such acreage to conservation uses (except as provided in subparagraph (F)).

"(v) If an acreage limitation program under subsection (e) is in effect for any crop of upland cotton and if the Secretary determines that producers on a farm are prevented from planting the acreage intended for upland cotton to upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments computed as provided in paragraph (1)(A). Producers shall be eligible for such payments if a portion (or all) of the permitted upland cotton acreage of the farm is devoted to conservation uses (except as provided in paragraph (F)). Such acreage equal to more than 8 percent of the permitted upland cotton acreage of the farm for the crop shall be considered to be planted to upland cotton for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D). The provisions of clauses (iii) and (vi) shall apply to any such producers.

"(vi) The upland cotton crop acreage base and upland cotton farm program payment yield of the farm shall not be reduced due to the fact that such portion (or all) of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)).

"(vii) Other than as provided in clauses (i) through (v), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to upland cotton.

"(viii) Any acreage considered to be planted to upland cotton in accordance with clauses (i) and (v) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(C) PAYMENT RATE.—The payment rate for upland cotton shall be the amount by which the established price for the crop of upland cotton exceeds the higher of—

"(i) the national average market price received by producers during the calendar year that includes the first 5 months of the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop.

"(D) MINIMUM ESTABLISHED PRICE.—The established price for upland cotton shall not be less than $0.729 per pound.

"(E) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of upland cotton on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(F) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

"(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion (or all) of the acreage intended for upland cotton to upland cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(I) the number of acres so affected but not to exceed the acreage planted to upland cotton for harvest (including any acreage that the producers were prevented from planting to upland cotton or other nonconserving crops in lieu of upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(II) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(III) a payment rate equal to 33⅓ percent of the established price for the crop.

"(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or in such other form as the Secretary is authorized by law to make.

"(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of upland cotton that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act

(7 U.S.C. 1501 et seq.) with respect to the upland cotton acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the upland cotton acreage of the producers.

"(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting upland cotton or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of upland cotton shall be determined under title V.

"(e) PROGRAMS TO REDUCE ACREAGE.—(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of upland cotton, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of upland cotton an acreage limitation program as described in paragraph (2).

"(B) CONSIDERATION OF CONSERVATION RESERVE.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

"(C) ANNOUNCEMENT OF PROGRAM.—(i) If the Secretary elects to put an acreage limitation program into effect for any crop year, the Secretary shall make a preliminary announcement of any such program not later than November 1 of the calendar year preceding the year in which the crop is harvested. Such announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop acreage base described in paragraph (2)(A).

"(ii) Not later than January 1 of the calendar year in which the crop is harvested, the Secretary shall make a final announcement of such program. Such announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop described in paragraph (2)(A).

"(iii) The Secretary shall allow producers in early planting areas to elect to participate in the program on the terms of the acreage limitation program—

"(I) first announced for the crop under subparagraph (C)(i); or

"(II) as subsequently revised under subparagraph (C)(ii)

if the Secretary determines that such producers may be unfairly disadvantaged by such revision.

"(D) RATIO OF CARRY-OVER TO TOTAL DISAPPEARANCE.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carry-over to total disappearance (domestic use plus exports) of 30 percent, based on the Secretary's most recent projection of carry-over and total disappearance at the time of announcement of the acreage limitation program.

"(2) ACREAGE LIMITATION PROGRAM.—(A) UNIFORM PERCENTAGE REDUCTION.—If an upland cotton acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (not to exceed 25 percent) to the upland cotton crop acreage base for the crop for each upland cotton-producing farm.

"(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce upland cotton in excess of the permitted upland cotton acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for upland cotton loans and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Upland cotton crop acreage bases for each crop of upland cotton shall be determined under title V.

"(D) CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

"(ii) The number of acres determined under clause (i) is hereafter in this subsection referred to as 'reduced acreage'.

"(E) FARM PROGRAM ACREAGE.—Except as provided in subsection (c)(1)(B), the individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(3) USE OF CONSERVATION ACREAGE.—(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—(i) Except as provided in clause (ii) haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B)), or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(4) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—(i) The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation program for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(ii) If, at the time of final announcement of the acreage limitation program established under this subsection, the projected carry-over of upland cotton for the crop year is equal to or greater than 8 million bales, the Secretary shall offer a paid land diversion program to producers of upland cotton. Payments to producers under such a program shall be determined by multiplying—

"(I) the payment rate, of not less than 35 cents per pound of cotton, established by the Secretary; by

"(II) the program payment yield established for the crop for the farm; by

"(III) the number of permitted upland cotton acres diverted on the farm.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under this paragraph—

"(i) to not more than 15 percent of the upland cotton crop acreage base for a farm; and

"(ii) under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

The Secretary may allow producers to participate in a land diversion program under this paragraph at a level lower than the maximum level announced by the Secretary, at the option of the producer, if the Secretary determines that it will increase participation in such program.

"(5) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) ONE-HALF ACREAGE REDUCTION PROGRAM.—(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of upland cotton, make payments available to producers who meet the requirements of this subsection.

"(2) FORM OF PAYMENT.—Such payments may be—

"(A) made in the form of upland cotton owned by the Commodity Credit Corporation; or

"(B) made in such other form as the Secretary is authorized by law to make.

"(3) DETERMINATION OF PAYMENT.—(A) IN GENERAL.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) QUANTITY OF COTTON MADE AVAILABLE.—The quantity of upland cotton to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(4) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant upland cotton for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(D) otherwise complies with this section.

"(g) EQUITABLE RELIEF.—(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(h) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(k) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(m) PROHIBITIONS.—(1) CROSS COMPLIANCE.—(A) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program or compliance with crop acreage base requirements for any other commodity may not be required as a condition of eligibility for loans or payments under this section.

"(B) CROP ACREAGE BASE INCREASES.—If a producer on a farm is participating in the cotton program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

"(i) the terms and conditions of the applicable commodity program for such commodity; or

"(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

"(2) OFFSETTING COMPLIANCE.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for such farm, to comply with the terms and conditions of the upland cotton program with respect to any other farm operated by such producers.

"(n) SPECIAL IMPORT QUOTA; 21 DAY'S MILL CONSUMPTION.—(1) DETERMINATION.—Whenever the Secretary determines that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in such markets for the preceding 36 months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) QUANTITY OF QUOTA.—The quantity of the special quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(B) QUANTITY IN EVENT OF PRIOR QUOTA.—If a special quota has been established under this subsection during the preceding 12 months, the quantity of the quotas next established hereunder shall be the smaller of 21 days of domestic mill consumption calculated as set forth in subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

"(C) DEFINITIONS.—As used in subparagraph (B):

"(i) The term 'supply' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

"(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the special quota is established; plus

"(II) production of the current crop; plus

"(III) imports to the latest date available during the marketing year.

"(ii) The term 'demand' means—

"(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; plus

"(II) the larger of either the average exports of upland cotton for the preceding 6 marketing years, or the cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the special quota is established.

"(D) QUOTA ENTRY PERIOD.—When a special quota is established under this subsection, cotton may be entered under such quota during the 90-day period beginning on the effective date of the proclamation.

"(2) PROHIBITION.—Notwithstanding paragraph (1), a special quota period may not be established—

"(A) that overlaps an existing quota period; or

"(B) when a special quota period has been established under subsection (a)(5)(H).".

SEC. 102. SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.

Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1991 through 1995 crops of upland cotton.

SEC. 103. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

Effective only with respect to the period beginning August 1, 1991, and ending July 31, 1996, the tenth sentence of section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by striking all of that sentence through the words "110 per centum of the loan rate, and (2)" and inserting the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells upland cotton for export; such sales shall be made on a competitive bid basis, but in no event, however, at less than 115 percent of the lower of the loan rate or the loan repayment rate in effect for the week in which it is sold for the base quality of upland cotton, as determined by the Secretary, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)".

SEC. 104. NONAPPLICABILITY OF SECTION 103(a) OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF UPLAND COTTON.

Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1991 through 1995 crops.

SEC. 105. SKIPROW PRACTICES.

Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended by striking "1990 crops" and inserting "1995 crops. However, for the 1991 through 1995 crops, the rules shall allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped".

SEC. 106. PRELIMINARY ALLOTMENTS FOR 1996 CROP OF UPLAND COTTON.

Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379), shall be the preliminary allotments for the 1996 crop.

SEC. 107. EXTRA LONG STAPLE COTTON.

Section 103(h) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)) is amended—

(1) in paragraph (16)(B) by striking "each of the 1989 and 1990" and inserting "the 1989 and subsequent"; and

(2) in paragraph (16)(C) by striking "each of the 1987 through 1990" and inserting "the 1987 and subsequent"; and

(3) in paragraph (19) by striking "1991" and inserting "1996".

SEC. 108. ADJUSTMENT OF SUPPORT PRICES.

Section 403 of the Agricultural Act of 1949 (7 U.S.C. 1423) is amended to read as follows:

"SEC. 403. ADJUSTMENT OF SUPPORT PRICES.

"(a) CROPS OTHER THAN COTTON.—Appropriate adjustments may be made in the support price for any commodity except cotton for differences in grade, type, quality, location and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors be equal to the level of support determined as provided in this Act.

"(b) COTTON.—Appropriate adjustments may be made in the support price for cotton for differences in quality factors and location. Beginning with the 1991 crop, the quality differences (premiums and discounts for quality factors) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) market differences for such crop in the designated United States spot markets.".

SEC. 109. COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

Effective only for the 1991 through 1995 crops of upland cotton, section 203 of the Agricultural Act of 1949 (7 U.S.C. 1446d) is amended to read as follows:

"SEC. 203. COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

"If the Secretary determines that any oilseed program or programs cause, or are likely to cause, a reduction in prices received by producers for cottonseed or by processors for cottonseed oil, the Secretary shall take such actions as are necessary to offset the actual or anticipated impact of such program on prices for cottonseed or cottonseed oil. Such actions shall only include actions to stabilize or increase the price of cottonseed, and shall not include actions to decrease the prices of other oilseeds.".

Mr. HUCKABY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the first section of the 1990 bill is the cotton provision. Cotton has worked amazingly well in the last 5 years. In 1985 we implemented a new program called marketing loan for cotton. Since then cotton production has increased in the United States from a little more than 10 million bales to almost 15 million bales per year. We have seen the price increase from less than 50 cents a pound to almost 75 cents a pound, a dramatic increase.

Mr. Chairman, the program is working well. As a result of this, the bill before us today only does some fine-tuning to the cotton provision.

The target price: We freeze the target price for 5 years. For the next 5 years cotton will continue to have the existing target price of 72.9 cents. We will continue to use the existing formula. It shall be based upon 85 percent of the past market prices.

Production targets: One of the keys to the success of the cotton provision have been that we have controlled our inventory so that the farmer could get his price from the marketplace rather than from the Government. We continue to do that in the bill before us.

We have a maximum acreage reduction program of 25 percent. It is necessary, and we hope it will not be to reduce plantings by more than that. It should be an optional paid land diversion.

We change the formula by which we adjust the wool price to ensure that we are competitive. It is absolutely essential that American cotton be offered in the international markets at a competitive price always. We always want to be able to compete, and, with the changes that are made in the wool price formula, we will be able to do this.

Mr. Chairman, this is a strong title, the cotton title of the 1990 farm bill. It stands on a solid record of success of what has happened in the last 5 years, and I would urge my colleagues to adopt these provisions.

Mr. STANGELAND. Mr. Chairmam, I move to strike the requisite number of words.

Mr. Chairman, I will not take the full 5 minutes. I just want to stand in support of the gentleman from Louisiana [Mr. HUCKABY], the chairman of the Cotton, Rice and Sugar Subcommittee, and commend him for his leadership in this title.

Mr. Chairman, we have a cotton title here that is supported by all segments of the industry. To my knowledge, there is no dissent within the cotton industry on this title.

Cotton certainly is an extremely important corp domestically and in international trade. Cotton exports represent about $2 billion or about 5 percent of the total value of U.S. agriculture exports.

Mr. Chairman, the objective of the 1985 farm bill was to make U.S. cotton more competitive, and we accomplish that. While that act retained major features of previous legislation, we made some major changes. The gentleman from Louisiana [Mr. HUCKABY] has referred to those, such as some more discretionary authority to the Secretary. We provided for greater market orientation and more flexibility to promote market competitiveness. We established the marketing loan.

Let me say that this has the support of the industry, and I would urge my colleagues to overwhelmingly approve this title to the 1990 farm bill.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am representing probably what is the largest cotton producing district in the Nation of any congressional district. I rise in complete support of the cotton title of the 1990 farm bill.

Primarily what the cotton title does in the 1990 farm bill is to fine-tune and extend the 1985 cotton section of the bill which has worked extremely well, which we find ourselves in a very unique prosition, and that is supported by all segments of the cotton producing industry, and it has been strongly supported by the producers who have lived and worked under this bill for 5 years.

Mr. Chairman, I just might like to make just a moment's comment on what we anticipate some of the further discussions will be as we get into other titles in addition to the cotton title of the farm bill.

Mr. Chairman, references have been made by a number of our colleagues and references have been made in a number of newspaper articles which have recently appeared on the subject of the farm bill which discuss the policy, whether it be good or bad. Many of those critical of current farm policy in one paragraph will talk about the fact that we are paying producers not to produce, and in the same paragraph, or the one subsequent, following, to it, following, we will talk about the fact that we have over-surplus situations.

I do not know of any business, Mr. Chairman, that produces at the total extent, total capacity, of which it can produce. I do not know of any car manufacturer, I do not know of any television manufacturer, I do not know of anyone making widgets or digits that produces everything that can be produced. They produce according to market demand.

One would almost assume, or be led to believe under many of the discussions, and debates and articles about the farm program, that because we, as is indicated, pay farmers not to produce, we end up with shortages, that we do not have the commodities to fill the chain. That simply is not correct.

Mr. Chairman, under the farm program we have built into it the fact that there will be millions of bales of excess cotton produced over market demand. We build into it the fact that there will be millions of bushels or millions of hundredweights of grain that are built into the production levels so that we have adequate surpluses, so that we can in times of need or shortfalls be able to fill that demand, and yet, at the same time, do it in such a conscientious way that we do not flood the market with unusable commodities.

So, to those who would simply take the short sight, and not look into this further detail and would assume that because farmers do not produce fence to fence, do not produce every row which is capable, that in fact what they are doing is providing a good management tool to fill the demand and to fill the needs that are there to provide an adequate overage and surplus in case of shortages, but do so in a well-managed position and simply not the fact that we in this country do not produce enough because every acre that is allowed full production is not produced. There are many areas in which farmers have to comply with regulations that are imposed by the Federal Government, and in those they are compensated as such. We have seen what agricultural does when commodity programs are changed to the extent that farmers are asked or almost encouraged to produce row to row, fence to fence.

I hope we do not go back to those failed policies, Mr. Chairman, because in the past those policies have definitely been failures.

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EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: 1. On page 33, strike lines 8 through 10 and insert "sorghum or the production of guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, commodities for which no".

2. On page 41, line 21, insert after the period the following: "The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.".

3. On page 52—

(1) strike lines 19 through 24 and insert the following:

"(1) by striking paragraphs (4) through (6);

"(2) by redesignating paragraphs (7) through (19) as paragraphs (4) through (16), respectively;

"(3) in the second sentence of paragraph (5)(A)(i), as so redesignated, by inserting ', including a zero percentage reduction,' after 'reduction';

"(4) by striking paragraph (13) as so redesignated, and inserting the following:

'(13)(A)(i) Compliance on a farm with the terms and conditions of any other commodity program or compliance with crop acreage base requirements for any other commodity may not be required as a condition of eligibility for loans or payments under this section.

'(ii) If a producer on a farm is participating in the extra long staple cotton program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

'(I) the terms and conditions of the applicable commodity program for such commodity; or

'(II) the crop acreage base requirements of the applicable commodity program for such commodity.

'(B) The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for such farm, to comply with the terms and conditions of the extra long staple cotton program with respect to any other farm operated by such producers.'; and"

(2) on line 25, redesignate paragraph (3) as paragraph (5).

Title I—Cotton

Section 101 is amended:

—(1) by inserting on page 32, line 11 after the word "producers," the following: "including such condition resulting from the adjudication of Indian water settlement disputes,";.

—(2) by inserting on page 33, line 7 after the word "producers," the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

—(3) by inserting on page 34, line 9 after the word "producers," the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, these amendments en bloc actually have three items. One is an amendment by the gentleman from Texas [Mr. SARPALIUS] that would give the Secretary the authority to permit haying and grazing on conservation use acreage in case of a natural disaster.

Mr. Chairman, let me state at this point that any amendment which I will offer en bloc at the end of sections is in coordination with and consultation and agreement with the minority. I will not offer in behalf of the majority, so that the Members might remember through the day that any amendments we offer at the conclusion of a title will be in agreement, coordination and consultation with the minority.

The second amendment that we will have is by the gentleman from Wyoming [Mr. THOMAS]. There is a problem between certain water rights, historic water rights that now have reverted back to the original owners of that water, an Indian tribe. This will provide that the users of the water will be protected under a preventive planting. If they have no water, they cannot plant their crops. They have lost their water for other reasons. This during the term of this bill for the next 5 years would protect under that preventive planting, I understand it is like some 25 acres in Wyoming.

Then we have various and sundry items of a correcting nature, dotting an "i" or crossing a "t". That is the text of the amendments en bloc.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there any other amendments to title I?

If not, the clerk will designate title II.

The text of title II is as follows:

TITLE II—SUGAR

Subtitle A—Price Support and Marketing Allotments

SEC. 201. SUGAR PROGRAM EXTENSION.

(a) AMENDMENT TO THE AGRICULTURAL ACT OF 1949.—Effective only for the 1991 through 1995 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by—

(1) striking "honey, and milk" in the first sentence and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) amending subsection (h) to read as follows:

"(h)(1) The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this subsection.

"(2)(A) The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 18 cents per pound for raw cane sugar.

"(B) The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(C) If the Secretary makes a determination not to increase the support price under subparagraph (B), the Secretary shall submit a report containing the findings, decision, and supporting data for such determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(3) The Secretary shall support the price of each of the 1991 through 1995 crops of domestically grown sugar beets through nonrecourse loans at such level for each such crop as the Secretary determines to reflect—

"(A) an amount that bears the same relation to the support level for such crop of sugarcane under paragraph (2) as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, expressed on a cents per pound basis for refined beet sugar and raw

cane sugar, for the most recent 5 year period for which data are available, plus

"(B) an amount that covers sugar beet processor fixed marketing expenses.

"(4) The Secretary shall announce the loan rate to be applicable during any fiscal year under this subsection as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this subsection.

"(5) Loans under this subsection during any fiscal year shall be made available not earlier than the beginning of such fiscal year and shall mature at the earlier of—

"(A) the end of 9 months or

"(B) before the end of such fiscal year.

"(6) With respect to those sugar beet producing areas in which sugar beets normally are harvested during the last 3 months of a fiscal year, the Secretary shall make available, to each borrower under a loan made under this subsection during the last 3 months of the fiscal year on sugar processed from sugar beets so harvested, a supplementary nonrecourse loan in addition to the initial loan. In each case, the supplementary loan shall—

"(A) be made available to the borrower as of the first day of the following fiscal year;

"(B) be made at the same loan rate as the initial loan; and

"(C) mature in 9 months less the amount of time that the initial loan was in effect.".

(b) REPORT BY COMPTROLLER GENERAL.—The Comptroller General of the United States shall provide, not later than 12 months after the date of enactment of this Act, a report advising the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the progress the various agencies of the United States Government have made in addressing the concerns raised by the General Accounting Office in its official report, RCED-88-146, dated June 1988.

SEC. 202. INFORMATION REPORTING.

(a) DUTY TO REPORT.—All cane sugar refiners and sugar beet processors and all manufacturers of crystalline fructose from corn (hereinafter in this subtitle referred to as "crystalline fructose") shall furnish the Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary"), on a monthly basis, such information as the Secretary may require with respect to such person's importation, distribution, and stock levels of sugar or crystalline fructose, respectively.

(b) PENALTY.—Any person willfully failing or refusing to furnish such information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(c) MONTHLY REPORTS.—Using the information received under subsection (a), the Secretary shall publish on a monthly basis composite data on imports, distribution, and stock levels of sugar and crystalline fructose.

SEC. 203. MARKETING ALLOTMENTS FOR SUGAR AND CRYSTALLINE FRUCTOSE.

(a) SUGAR ESTIMATES.—(1) IN GENERAL.—Before the beginning of each of the fiscal years 1992 through 1996, the Secretary shall estimate the amount of sugar that will be consumed in the United States during such fiscal year (other than sugar imported for purposes other than human consumption), and the amount of sugar that will be available from carryin stocks or from domestically-produced sugarcane and sugar beets for consumption in the United States during such year. The Secretary shall also estimate the amount of sugar that will be imported for such consumption during such year (other than sugar imported for purposes other than human consumption), based on the difference between the amount of estimated consumption and the amount of sugar estimated to be available from domestically-produced sugarcane, sugar beets and carryin stocks.

(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, availability, and imports for a fiscal year no later than the beginning of each of the second through fourth quarters of such fiscal year.

(b) SUGAR ALLOTMENTS.—For any fiscal year in which the Secretary estimates, under subsection (a), that imports of sugar for consumption in the United States will be less than 1,250,000 short tons, raw value, the Secretary shall establish for that year appropriate allotments under section 204 for the marketing by processors of sugar processed from domestically-produced sugarcane and sugar beets in a manner that is fair, efficient, and equitable to producers, processors, and refiners, at a level that the Secretary estimates will result in imports of sugar of not less that 1,250,000 short tons, raw value, for that year.

(c) CRYSTALLINE FRUCTOSE ALLOTMENTS.—In general, for any fiscal year in which the Secretary establishes allotments for the marketing of sugar under section 204, the Secretary shall establish for that year appropriate allotments for the marketing by manufacturers of crystalline fructose manufactured from corn, at a level not to exceed the equivalent of 200,000 tons of sugar, raw value, during such fiscal year, in a manner that is fair, efficient, and equitable to manufacturers.

(d) PROHIBITION.—(1) SUGAR.—(A) EXCEEDING ALLOCATION.—At any time allotments are in effect and allocated to processors under section 205, the total of—

(i) the amount of sugar marketed by a processor plus

(ii) the amount of sugar pledged as collateral for a price support loan under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446)

shall not exceed the amount of the allocation of the allotment made to such processor.

(B) EXCEPTIONS.—Subparagraph (A) shall not apply—

(i) to the marketing during a fiscal year of sugar pledged in that fiscal year as collateral for a price support loan under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) after such sugar has been subsequently redeemed; or

(ii) any sale of sugar by a sugar beet processor to another sugar beet processor made to enable such other sugar beet processor to fulfill the amount of the allocation of the allotment made to such other processor.

(2) CRYSTALLINE FRUCTOSE.—At any time crystalline fructose allotments are in effect for manufacturers under subsection (c), no manufacturer may exceed the allotment made to it. No restrictions or allotments shall be established on the marketings of any liquid fructose.

(3) CIVIL PENALTY.—Any processor who violates paragraph (1) or manufacturer who violates paragraph (2) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the U.S. market value, at the time of the commission of the violation, of that quantity of sugar or crystalline fructose involved in the violation.

(4) DEFINITION OF MARKET.—For purposes of this subtitle, the term "market" shall mean to sell or otherwise dispose of in commerce in the United States.

SEC. 204. ESTABLISHMENT OF MARKETING ALLOTMENTS.

The Secretary shall establish marketing allotments for sugar for any fiscal year in which such allotments are required under section 203(b) as follows:

(1) The Secretary shall establish the overall quantity of sugar to be allotted for such fiscal year (hereafter in this subtitle referred to as the "overall allotment amount") by deducting from the estimated sugar consumption for such fiscal year, as determined under section 203(a)—

(A) 1,250,000 short tons, raw value (representing minimum imports of sugar for consumption in the United States during such fiscal year), and

(B) carryin stocks of sugar, including sugar in Commodity Credit Corporation inventory.

The Secretary shall adjust the overall allotment amount to the maximum extent practicable to prevent the accumulation of sugar acquired by the Commodity Credit Corporation.

(2) The overall allotment amount for the fiscal year shall be allotted among—

(A) sugar derived from sugar beets; and

(B) sugar derived from sugarcane.

(3)(A) The Secretary shall establish percentage factors for the overall beet sugar and cane sugar allotments applicable for a fiscal year. The Secretary shall establish such percentage factors in a fair and equitable manner on the basis of past marketings of sugar (considering for such purposes the marketings of sugar processed from sugarcane and sugar beets of any or all of the 1985 through 1989 crops), processing and refining capacity, and the ability of processors to market the sugar covered under the allotments.

(B) The Secretary shall publish these percentage factors in the Federal Register, along with a description of the Secretary's reasons for establishing the factors, as provided in section 202(c).

(4) The marketing allotment for sugar derived from sugarcane and the marketing allotment for sugar derived from sugar beets for a fiscal year, in each case, shall be an amount equal to the product of multiplying the overall allotment amount for the fiscal year by the percentage established by the Secretary under paragraph (3)(A) for such allotment.

(5) The allotment for sugar derived from sugarcane shall be further allotted among the four States in the United States in which sugarcane is produced, and Puerto Rico (hereafter in this subtitle the term "State" shall include Puerto Rico), in a fair and equitable manner on the basis of past marketings of sugar (considering for such purposes the average of marketings of sugar processed from sugarcane in the 2 highest years of production from each State from the 1985 through 1989 crops), processing and refining capacity, and the ability of processors to market the sugar covered under the allotments.

(6)(A) The Secretary shall, based on reestimates under section 203(a)(2), adjust upward or downward marketing allotments established under paragraphs (1) through (5) in a fair and equitable manner, or suspend such allotments, as the Secretary determines appropriate, to reflect changes in estimated sugar consumption, availability, or imports.

(B) In the case of any increase or decrease in an allotment, each allocation to a processor of the allotment under section 205, and each proportionate share established with respect to the allotment under section 207(b), shall be increased or decreased by the same percentage that the allotment is increased or decreased.

(C) Whenever a marketing allotment for a fiscal year is required to be reduced during such fiscal year under this paragraph—

(i) if the amount of the sugar marketed, including pledged as collateral for a price support loan under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446), for such fiscal year at the time of such reduction under the allotment by all processors covered by the allotment exceeds the reduced allotment, the amount of the excess sugar marketed shall be deducted—

(I) if beet sugar is involved, from the marketing allotment, if any, next established for beet sugar, or

(II) if cane sugar is involved, from the marketing allotment next established for the State; and

(ii) if the amount of sugar marketed, including pledged as collateral for a price support loan under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446), for such fiscal year at the time of the reduction by any individual processor covered by the allotment exceeds the processor's allocation, the amount of the excess sugar marketed shall be deducted from the allocation of an allotment, if any, next established for the processor.

(7) Except as otherwise provided in section 206, each marketing allotment of sugarcane established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment of sugar beets established under this section may only be filled with sugar processed from domestically grown sugar beets.

SEC. 205. ALLOCATION OF MARKETING ALLOTMENTS.

(a) IN GENERAL.—(1) ALLOCATION TO PROCESSORS.—Whenever marketing allotments are established for a fiscal year under section 204, in order to afford all interested persons an equitable opportunity to market sugar processed under an allotment, the Secretary shall allocate each such allotment among the processors covered by the allotment.

(2) HEARING AND NOTICE.—(A) CANE SUGAR.—The Secretary shall make allocations for cane sugar after such hearing and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of such allocations by taking into consideration processing capacity, past marketings of sugar, and the ability of each processor to market sugar covered by that portion of the allotment allocated. Each such allocation shall be subject to adjustment under section 204(6)(B).

(B) BEET SUGAR.—The Secretary shall make allocations for beet sugar after such hearing and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of such allocations by taking into consideration processing capacity, past marketings of sugar (considering for such purposes the marketings of sugar processed from sugar beets of any or all of the 1985 through 1989 crops), and the ability of each processor to market sugar covered by that portion of the allotment allocated. Each such allocation shall be subject to adjustment under section 204(6)(B).

(b) FILLING CANE SUGAR ALLOTMENTS.—Except as otherwise provided in section 206, the marketing allotment established for cane sugar under this subtitle for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.

SEC. 206. ASSIGNMENTS OF DEFICITS.

(a) ESTIMATES OF MARKETING.—At any time allotments are in effect under this subtitle, the Secretary, from time to time, shall determine whether (in view of then-current inventories of sugar, the estimated production of sugar and expected marketings, and other pertinent factors) processors of sugarcane in each State covered by an allotment will be able to market the sugar covered by the allotment applicable to them and whether processors of sugar beets will be able to market sugar covered by the portion of the beet sugar allotment applicable to them.

(b) REASSIGNMENT OF DEFICITS.—(1) CANE SUGAR.—If the Secretary determines that the sugarcane processors subject to a State allotment will be unable to market the State's allotment for the fiscal year—

(A) the Secretary first shall reassign the estimated quantity of the deficit proportionately to the allotments for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to it, with such reassigned amount to each State to be allocated among processors in that State in proportion to the allocations of such processors; and

(B) if after such reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

(2) BEET SUGAR.—If the Secretary determines that a sugar beet processor subject to an allotment will be unable to market that allotment—

(A) the Secretary first shall reassign the estimated quantity of the deficit proportionately to the allotments for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it; and

(B) if after such reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

(3) CORRESPONDING INCREASE.—The allocation of each processor receiving a reassigned amount of an allotment under this subsection for a fiscal year shall be increased to reflect such reassignment.

SEC. 207. PROVISIONS APPLICABLE TO PRODUCERS.

(a) PROCESSOR ASSURANCES.—Whenever allotments for a fiscal year are allocated to processors under section 205, the Secretary shall obtain from the processors such assurances as the Secretary deems adequate that the allocation will be shared among producers served by the processor in a fair and equitable manner that adequately reflects producers' production histories. Any dispute between a processor and a producer, or group of producers, with respect to the sharing of the processor's allocation shall be resolved through arbitration by the Secretary on the request of either party.

(b) PROPORTIONATE SHARES OF CERTAIN ALLOTMENTS.—(1) IN GENERAL.—(A) STATES AFFECTED.—In any case in which a State allotment is established under section 204(5) and there are in excess of 250 producers in the State to which it applies, the Secretary shall make a determination under subparagraph (B).

(B) DETERMINATION.—The Secretary shall determine, for each State allotment described in subparagraph (A), whether the production of sugar, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the allotment and provide a normal carryover inventory.

(2) ESTABLISHMENT OF PROPORTIONATE SHARES.—If the Secretary determines that the amount of sugar processed from all crops by all processors covered by a State allotment for a fiscal year will be in excess of the quantity needed to enable processors to fill the allotment for such fiscal year and provide a normal carryover inventory, the Secretary shall establish proportionate shares for the crop of sugarcane that is harvested during the fiscal year the allotment is in effect as provided in this subsection. Each such proportionate share shall be subject to adjustment under section 204(6)(B).

(3) METHOD OF DETERMINING.—For purposes of determining proportionate shares for any crop of sugarcane—

(A) The Secretary shall convert the State allotment for the fiscal year involved into a State acreage allotment for the crop by dividing the State allotment by the per-acre yield goal for the State, as established under subparagraph (B).

(B) The Secretary shall establish the State's per-acre yield goal for a crop at a level (not less than the average per-acre yield in the State for the preceding 5 years, as determined by the Secretary) that will ensure an adequate net return per pound to producers in such State, taking into consideration any available production research data that the Secretary deems relevant.

(C) The Secretary shall establish a uniform reduction percentage for the crop by dividing the State acreage allotment, as determined for such crop under subparagraph (A), by the number of acres in the State that the Secretary estimates would otherwise be harvested for the production of such crop of sugarcane.

(D) The uniform reduction percentage for such crop, as determined under subparagraph (C), shall be applied to the acreage base for each farm covered by the State allotment to determine the farm's proportionate share for the crop.

(4) ACREAGE BASE.—For purposes of this subsection, the acreage base for each sugarcane-producing farm shall be determined by the Secretary, as follows:

(A) The acreage base for any crop shall be the weighted average number of acres on the farm on which sugarcane was harvested for sugar or seed during each of the 5 preceding crops.

(B) In weighting past production of sugarcane, the 5 crops being considered shall be given the following weights:

Past crop	Weight factor
Most recent preceding crop	1
Second most recent preceding crop	2
Third most recent preceding crop	3
Fourth most recent preceding crop	4
Fifth most recent preceding crop	5

(C) Acreage that producers on a farm were unable to harvest to sugarcane for sugar or seed because of drought, flood, other natural disaster, or other condition beyond the control of the producers shall be considered as harvested to sugarcane for sugar or seed for purposes of this paragraph.

(5) VIOLATION.—(A) IN GENERAL.—Whenever proportionate shares are in effect in a State for a crop of sugarcane, no producer in the State knowingly may harvest for sugar or seed an acreage of sugarcane of such crop in

excess of the farm's proportionate share for the crop or otherwise violate proportionate share regulations issued by the Secretary under section 209(a).

(B) CIVIL PENALTY.—Any producer who violates subparagraph (A) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation. The quantity of sugar involved shall be determined based on the per-acre yield goal established under paragraph (3).

(6) WAIVER.—Notwithstanding the preceding subparagraph, the Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other proportionate share requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of proportionate shares.

SEC. 208. SPECIAL RULES.

(a) TRANSFER OF PRODUCTION HISTORY.—For the purpose of establishing proportionate shares for producers under section 207, the Secretary, on application of any producer, may transfer the production history of land owned, operated, or controlled by such producers to any other parcels of land of such applicant.

(b) RESERVATION OF PRODUCTION HISTORY.—If for reasons beyond the control of the owner of a farm, the owner is unable to use all or a portion of the proportionate share established for the farm under section 207, the Secretary may reserve for a period of not more than 3 consecutive years the production history of such farm to the extent of the proportionate share involved. Such proportionate share may be redistributed to other farm owners or operators, but no production history shall accrue to such other farm owners or operators, by virtue of such redistribution of the proportionate share so redistributed.

(c) REVISIONS OF ALLOCATIONS AND PROPORTIONATE SHARES.—The Secretary, after such hearing and notice as the Secretary by regulation may prescribe, may revise or amend any allocation of a marketing allotment under section 205, or any proportionate share established for a farm under section 207, on the same basis as the initial allocation or proportionate share was established.

SEC. 209. REGULATIONS; VIOLATIONS; PUBLICATION OF SECRETARY'S DETERMINATIONS; JURISDICTION OF THE COURTS; U.S. ATTORNEYS.

(a) REGULATIONS.—(1) IN GENERAL.—The Secretary shall issue such regulations as may be necessary to carry out the powers vested in the Secretary in administering the marketing allotment program under this subtitle.

(2) PRIOR CONSULTATIONS REQUIRED.—In addition to taking such other action as may be required under section 551 through 559 of title 5, United States Code, prior to proposing any regulations under paragraph (1), the Secretary shall consult with representatives of domestic sugar processors and producers with regard to ensuring that such regulations achieve the objectives of this subtitle. The results of such consultations shall be published in the Federal Register, along with the proposed regulations.

(b) VIOLATION.—Any person knowingly violating any regulation of the Secretary issued under subsection (a) shall be subject to a civil penalty of not more than $5,000 for each violation.

(c) PUBLICATION IN FEDERAL REGISTER.—Each determination issued by the Secretary to establish, adjust or suspend allotments under this subtitle shall be promptly published in the Federal Register and shall be accompanied by a statement of the reasons for such determination.

(d) JURISDICTION OF COURTS; UNITED STATES ATTORNEYS.—(1) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, this subtitle or any regulation issued thereunder.

(2) Whenever the Secretary shall so request, it shall be the duty of the several United States attorneys, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this subtitle. The Secretary may elect not to refer to a United States attorney any violation of this subtitle or regulation when the Secretary determines that the administration and enforcement of this subtitle would be adequately served by written notice or warning to any person committing the violation.

(e) NONEXCLUSIVITY OF REMEDIES.—The remedies and penalties provided for in this subtitle shall be in addition to, and not exclusive of, any remedies or penalties existing at law or in equity.

SEC. 210. APPEALS.

(a) IN GENERAL.—An appeal may be taken to the Secretary from any decision under section 205 establishing allocations of marketing allotments, or under section 207, by any person adversely affected by reason of any such decision.

(b) PROCEDURE.—Any such appeal shall be taken by filing with the Secretary, within 20 days after the decision complained of is effective, notice in writing of the appeal and a statement of the reasons therefor. Unless a later date is specified by the Secretary as part of the Secretary's decision, the decision complained of shall be considered to be effective as of the date on which announcement of the decision is made. The Secretary shall deliver a copy of any notice of appeal to each person shown by the records of the Secretary to be adversely affected by reason of the decision appealed, and shall at all times thereafter permit any such person to inspect and make copies of appellant's reasons for the appeal and shall on application permit such person to intervene in the appeal. The Secretary shall provide each appellant an opportunity for a hearing. The Secretary shall appoint an administrative law judge to conduct a hearing on the record on each appeal under this section. In all other respects, each appeal under this section shall be subject to the provisions of section 551 through 559, and 701 through 706, of title 5, United States Code.

SEC. 211. ADMINISTRATION.

(a) USE OF CERTAIN AGENCIES.—In carrying out the provisions of sections 202 through 210 of this subtitle, the Secretary may use the services of local committees of sugar beet or sugarcane producers, sugarcane processors, or sugar beet processors, State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, and the departments and agencies of the United States Government.

(b) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the services, facilities, funds, and authorities of the Commodity Credit Corporation to carry out the provisions of sections 202 through 210 of this subtitle.

Subtitle B—Miscellaneous

SEC. 221. SUGARCANE DISASTER ASSISTANCE.

(a) 1990 CROP.—Effective only for the 1990 crop of sugarcane, section 201(k)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(k)(2)) is amended by—

(1) inserting "(A)" after "(2)"; and

(2) inserting the following subparagraph:

"(B) If, because of frost, freeze, or related condition in 1989 constituting a major disaster or emergency declared by the President in the State of Louisiana under the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.), the total quantity of the 1990 crop of sugarcane that the producers are able to harvest on any farm is less than—

"(1) 60 percent of the county average yield, as determined by the Secretary of Agriculture, for such crop, multiplied by

"(2) the acreage planted for harvest to such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan level for the crop for the deficiency in production greater than percent for the crop. The Secretary shall ensure that no producer receives duplicative payments under this subsection.".

(b) 1989 CROP CLARIFICATION.—(1) DETERMINATION.—Section 103 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended by adding at the end the following new subsection:

"(f) SPECIAL RULE FOR SUGARCANE.—For purposes of determining the total quantity of the 1989 crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.".

(2) DEADLINE.—Section 152(a)(2) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended by adding at the end the following: "In the case of producers described in section 103(f), the Secretary shall permit such producers to apply for assistance no later than January 15, 1991 and shall, in the case of applications received prior to the date of enactment of the Food and Agricultural Resources Act of 1990, recompute in accordance with section 103(f) the amount of any assistance due no later than 90 days after such date of enactment.".

SEC. 222. REPORTS ON QUOTA ALLOCATIONS TO COUNTRIES IMPORTING SUGAR.

Section 902(c) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by inserting "(1)" after "(c)" and inserting the following new paragraph:

"(2)(A) Effective 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990 and by August 1 of each year thereafter through 1995, the Secretary of Agriculture shall report to the President and the Congress the extent, if any, of sugar imports from the country named in paragraph (1) by the countries described in paragraph (1).

"(B) Commencing with the quota year for sugar imports after the 1990–1991 quota year, the President shall report to the Congress by January 1 the identity of the countries that are net importers of sugar derived from sugarcane or sugar beets who have a quota for the current quota year, the identity of such countries who have verified that they do not import for reexport to the United States any sugar produced in the country named in paragraph (1), and the action, if any, taken by the President with respect to countries reported by the Secretary of Agriculture as net importers of sugar derived from sugarcane or sugar beets who imported such sugar from the country

named in paragraph (1) who reexported such sugar to the United States during the previous quota year under a sugar quota allocation.".

Subtitle C—Import Treatment of Sugars, Syrups, and Molasses

SEC. 231. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the current administration of import quotas on imports of sugar has been found to be inconsistent with obligations of the United States under the General Agreement on Tariffs and Trade (GATT) by a GATT panel established pursuant to a dispute settlement proceeding instituted against the United States by the Government of Australia;

(2) the United States has accepted the findings of the GATT panel report, and the GATT panel report has been adopted by the GATT Council;

(3) the United States now has an international obligation to bring its regime of import restrictions on sugar into conformity with the GATT rules;

(4) the conversion of the current regime of import quotas to a regime of tariff-rate quotas would comply with our international obligations; and

(5) a GATT-consistent regime of regulating sugar imports should be implemented not later than October 1, 1990.

(b) PURPOSE.—The purpose of this subtitle is to provide for the implementation on October 1, 1990, of tariff-rate quotas on imports of sugar, molasses, and syrups that are consistent with the international obligations of the United States.

SEC. 232. TARIFF TREATMENT WHEN TARIFF-RATE QUOTAS NOT IN EFFECT.

The rates of duty under column 1-general and column 2 of the HTS on sugars, syrups, and molasses that are entered during any period after September 30, 1990, when a tariff-rate quota provided for under section 233 is not in effect are the respective rates of duty that were applicable to sugars, syrups, and molasses entered on January 1, 1990.

SEC. 233. TARIFF-RATE QUOTAS.

(a) IN GENERAL.—

(1) Subject to paragraph (3), the President—

(A) may establish for any quota year beginning after September 30, 1990, a tariff rate quota on sugars, syrups, and molasses; and

(B) shall by proclamation implement each tariff-rate quota established under subparagraph (A).

(2) The President, or a designee of the President, may make such intra-annual adjustments to any tariff-rate quota established under paragraph (1) as may be necessary or appropriate.

(3) LIMITATIONS.—

(A) If the United States Trade Representative determines at any time that the application of a tariff-rate quota under this subtitle to any sugar, syrup, or molasses is inconsistent with the obligations of the United States under any trade agreement, such tariff-rate quota may not be applied to such sugar, syrup, or molasses.

(B) No tariff-rate quota may be implemented under paragraph (1) on or after the effective date specified in section 237(a) until the United States Trade Representative determines whether or not a limitation described in subparagraph (A) applies.

(b) REQUIREMENTS APPLICABLE TO TARIFF-RATE QUOTAS.—A tariff-rate quota established under subsection (a) for any quota year, and any intra-annual adjustment thereto, is subject to the following requirements:

(1) The interests in the United States sugar market of domestic producers, domestic consumers, and materially affected contracting parties to the General Agreement on Tariffs and Trade must be given due consideration.

(2) The United States Trade Representative shall allocate among supplier countries their respective shares of the tariff-rate quota established for the quota year. In making such allocations, the United States Trade Representative shall take into account—

(A) the percentage distributions allocated to supplier countries under Additional U.S. Note 3 to chapter 17 of the HTS for the quota period ending on September 30, 1990;

(B) in the case of supplier countries not included under subparagraph (A), the access of such countries to the United States sugar market during a representative period;

(C) the obligations of the United States under trade agreements; and

(D) any prohibition or limitation imposed under law as a political or economic sanction on the importation into, or export to, the United States of sugars, syrups, or molasses.

The United States Trade Representative may, from time to time, make such adjustments to allocations made under this paragraph as may be necessary.

(3) The rates of duty on sugars, syrups, and molasses that—

(A) are the product of any supplier country; and

(B) are certified upon entry as being included within the allocation made to such country for the quota year pursuant to paragraph (2);

are the respective rates that were applicable to sugars, syrups, and molasses entered on January 1, 1990.

(4) No rate of duty that exceeds 40 cents per kilogram may be imposed on sugars, syrups, or molasses that—

(A) are the product of any supplier country; but

(B) are not certified upon entry as being within the allocation made to such country for such year pursuant to paragraph (2).

(5)(A) The rates of duty referred to in paragraph (3) may be applied to all sugars, syrups, and molasses that are—

(i) entered for use only in the production (other than by distillation) of polyhedric alcohols, except polyhedric alcohols for use as a substitute for sugar in human food consumption; or

(ii) reexported in refined form or in sugar-containing products.

(B) The Secretary of Agriculture, after consultation with the United States Trade Representative, shall impose such licensing requirements, terms, conditions, bonds, or other limitations as may be necessary or appropriate to ensure that—

(i) sugars, syrups, and molasses to which subparagraph (A) is applied are utilized in accordance with the purposes stated in that subparagraph; and

(ii) reexportations are not used for the purpose of obtaining refunds and drawbacks of duties at rates applicable in circumstances described in paragraph (4)(B).

The Secretary of Agriculture shall consult with the Secretary of the Treasury regarding the implementation of clause (ii).

(c) REGULATIONS.—The United States Trade Representative and the Secretary of Agriculture are each authorized to prescribe such regulations as may be necessary or appropriate to carry out, with respect to the implementation of tariff-rate quotas established under this subtitle, the respective functions that each had in implementing the quota program established under Additional U.S. Note 3 to chapter 17 of the HTS for the quota period ending September 30, 1990.

(d) TIMING REQUIREMENTS; NOTICE.—If a tariff-rate quota for any quota year, or any intra-annual adjustment to a tariff-rate quota, is established under subsection (a)—

(1) the tariff—rate quota shall be established, and notice thereof published in the Federal Register, not later than the 15th-day before the date on which the tariff-rate quota is to take effect; and

(2) such adjustment shall be established, and notice thereof published in the Federal Register, not later than the 2nd day before the date on which the adjustment is to take effect.

SEC. 234. APPLICABLE STATUTORY AUTHORITIES.

After September 30, 1990, no quantitative limitation or duty on the entry, or withdrawal from warehouse for consumption, of sugars, syrups, and molasses may be imposed or modified except under the authority of—

(1) this subtitle;

(2) title II or III of the Trade Act of 1974;

(3) title VII of the Tariff Act of 1930;

(4) section 22 of the Agricultural Adjustment Act of 1933, as amended; or

(5) any statute, enacted after the date of the enactment of this Act, that specifically authorizes such an imposition or modification.

SEC. 235. DEFINITIONS.

As used in this subtitle:

(1) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(2) The term "HTS" means the Harmonized Tariff Schedule of the United States.

(3) The term "sugars, syrups, and molasses" means articles described in subheadings 1701.11, 1701.12, 1701.91.20, 1701.99, 1702.90.30, 1806.10.40, and 2106.90.10 of the HTS.

(4) The term "quota year" means an annual period beginning on October 1 of any year and ending at the close of September 30 of the succeeding year.

SEC. 236. CONFORMING AMENDMENTS TO HTS.

Chapter 17 of the HTS is amended—

(1) by striking out Additional U.S. Notes 2, 3, and 4; and

(2) by redesignating Additional U.S. Note 5 as Additional U.S. Note 2.

SEC. 237. EFFECTIVE DATE; TERMINATION.

(a) EFFECTIVE DATE.—This subtitle, and the amendments made by it, apply to sugars, syrups, and molasses that are entered after September 30, 1990.

(b) TERMINATION.—The authority to establish tariff-rate quotas under the authority of this subtitle expires on September 30, 1996.

AMENDMENT OFFERED BY MR. DOWNEY

Mr. DOWNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWNEY: Strike subtitles A and B of title II and insert the following:

TITLE II—SUGAR

SEC. 201. SUGAR PRICE SUPPORT.

Effective only for the 1991 through 1995 crops of sugar beets and sugarcane, section

201 of the Agriculture Act of 1949 (7 U.S.C. 1446) is amended by—

(1) striking "honey, and milk" in the first sentence and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) amending subsection (h) to read as follows:

"(h)(1) The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this subsection.

"(2) The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 16 cents per pound for raw cane sugar, except that such level may be increased under paragraph (4).

"(3) The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines is fair and reasonable in relation to the loan level for sugarcane.

"(4)(A) The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(B) If the Secretary makes a determination not to increase the support price under subparagraph (A), the Secretary shall submit a report containing the findings, decision, and supporting data for such determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Foresty of the Senate.

"(5) The Secretary shall announce the loan rate to be applicable during any fiscal year under this subsection as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this subsection.

"(6) Loans under this subsection during any fiscal year shall be made available not earlier than the beginning of such fiscal year and shall mature before the end of such fiscal year.".

Redesignate the succeeding sections accordingly.

Mr. DOWNEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, and I further ask unanimous consent that the time on this amendment be limited to 1 hour, to be equally divided between the opponents and the proponents of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DE LA GARZA. Reserving the right to object, Mr. Chairman, just to clarify this, it has just come to my attention that we would have to divide the half-hour, 15 minutes to the minority and 15 minutes to the majority.

Mr. DOWNEY. As would I, Mr. Chairman, if the gentleman will yield.

Mr. DE LA GARZA. And the gentleman from New York will do likewise?

Mr. DOWNEY. Yes, Mr. Chairman, I would respond to the gentleman that I would designate the gentleman from Ohio [Mr. GRADISON] to have 15 minutes as well.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HUCKABY. Reserving the right to object, Mr. Chairman, would this also mean then that I would have 15 minutes and the gentleman from Minnesota [Mr. STANGELAND] would have 15 minutes?

Mr. DOWNEY. Mr. Chairman, if the gentleman will yield, that is correct, 15 minutes each.

The CHAIRMAN. The Chair would inquire of the gentleman from New York if this limitation would apply to not only this amendment but all amendments thereto?

Mr. HUCKABY. Mr. Chairman, I know of one amendment, possibly two other amendments, that I will be offering to this title. As to the amount of time it will take on that, I do not know.

I would suggest that we limit the time, if we might, just to the pending amendment.

Mr. DOWNEY. That was my initial request, Mr. Chairman, that the time limitation applies solely to my amendment.

The CHAIRMAN. Just to the Downey amendment?

Mr. DOWNEY. Yes, Mr. Chairman.

Mr. HUCKABY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. DOWNEY] is recognized for 15 minutes.

Mr. DOWNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a simple amendment, but is likely to draw excessive hyperbole on both sides if we are not careful.

What the amendment does is it reduces the loan rate by 2 cents for the sugar program. We do not eliminate the sugar program. My guess is that with this modest reduction we are not going to put anybody out of business. You are going to hear a lot of charges about this one way and the other.

Why are we doing this? I think the sugar program manages to be in one small program bad economic policy, bad agricultural policy, and bad foreign policy. We are not going to correct it all with a 2-cent reduction in the loan rate, but we will have a modest and important balancing effect if we adopt this amendment.

Let us deal first with the economy. It costs consumers, this sugar program, $1.9 billion a year. That is what the U.S. Department of Agriculture says it costs. Those are not my figures.

What the sugar producers have said all along is, "Don't worry about this program. It is a no-cost-to-the-Government program."

Well, Mr. Chairman and my colleagues, if you believe that, you will believe that consumers are not taxpayers. What they have done in the sugar program is eliminate the middle man of the Government. The subsidy goes directly from the grocery store into the pockets of the producers, at a cost of $1.9 billion a year.

Now, our 2-cent reduction will save the consumers $600 million a year. That is why the Consumer Federation of America, Consumers Union, Congress Watch, and every other consumer group so strongly endorses this modest reduction.

So we take this bad economic policy and make it a little bit better. It is bad agricultural policy.

There is no question, and I do not care what you hear in the debate today, that sugar processors are the most pampered farmers in America, and I would add, the most profitable. Since 1981, total support for sugar has increased 19 percent, and other crops have gone up 5 percent.

If you take a look at the loan rate, it is up for sugar 7.5 percent and down from 1981 by 19 percent.

If you look just at 1985, you will see that all other field crops took a hit of 10 percent, save that of sugar. Sugar was left alone.

When you strip out all the costs of production and you compare sugar with other field crops, you will also see how remarkably well it does.

All we are saying with this amendment is restore the balance. The 2-cent reduction comes out to be about a 10-percent reduction in the loan support rate.

It is bad foreign policy. In the early 1980's if you took a look at the amount of sugar that was imported into this country versus that which we produced, you found that there was a balance. We imported about half our sweetener needs and we grew and processed the other half in our own country. That has changed dramatically over the last 8 years. Now we produce ourselves about 85 percent and import about 15 percent.

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It has wrought havoc among those countries, our traditional friends and allies, who would like to send us more sugar, the Philippines, the Caribbean nation countries, Australia, to mention a few, and some of the Andean nations.

If you are interested in restoring a balance, if you are interested in seeing the consumer protected by this change, this 2-cent reduction, it will translate into a 2-million short ton import program over the next 5 years, versus what is existing in the agriculture bill of about 1.25 million short tons.

Today I received a letter from the Colombian Ambassador. Let me read some excerpts of what he has to say about the sugar program. He supports the efforts that the gentleman from Ohio [Mr. GRADISON] and I are taking today. He is referring to the existing sugar program. He says,

It runs directly counter to the stated goals of the February 15th Declaration of Cartagena, which include long-term market access actions aimed at permanently strengthening the legitimate economy of Colombia and her Andean nations. The government of Colombia hopes the U.S. Government will move more decisively in the direction of free, fair and unrestricted trade in sugar, and it will remove this unwarranted threat to the Colombian economy.

Our Colombian friends are important to us, important in the effort to end the drug trade, important in the sense that we have promised them that we will allow them to have the opportunity to compete in this area.

If you adopt the Gradison-Downey amendment we give them that chance. If you maintain current law, you will simply be saying to the Colombians, the Filipinos, the Caribbean Basin initiative, we have a farm policy, but when it comes to sugar, it is far more important to reward cane, beet, and high fructose corn syrup processors than it is to allow you to sell us sugar that you produce with market efficiency. That is crazy.

This is a modest step in the right direction. It will reduce the price that consumers pay for sugar. It will be passed on in ways that will materially benefit them. I strongly urge Members to support this amendment.

Mr. HUCKABY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from New York [Mr. DOWNEY] mentioned Colombia. Let me say that every CBI nation, every CBI nation, has written to each Member of Congress supporting the bill of the Committee on Agriculture. Unfortunately, the Committee on Ways and Means stripped from this bill provisions that would have greatly enhanced the CBI nations' economic position.

Mr. Chairman, today the GATT negotiations have resumed in Geneva. Agriculture is the centerpiece of these negotiations. It appears to me that it would not be in the interest of America to significantly reduce, to reduce by 10 percent, the support price of one of the major commodities being discussed at these negotiations. Because let me point out, we support sugar here in the United States at 18 cents a pound, whereas our friends in Europe, the EC, support sugar at 30 cents a pound. 30 cents, compared to 18 cents here.

We have long maintained that if we could just get the European nations to quit dumping their extra sugar, their surplus sugar onto the world market, we would not even need a domestic U.S. sugar program, because the world price of sugar would certainly rise higher than what our support price is.

The gentleman from New York [Mr. DOWNEY] talked about the equity of sugar compared with other crops. Let us go back and look at what has happened in the decade of the 1980's.

In 1981 we passed a farm bill that once again included sugar. Let us look at what the percentage change of sugar in price has been in the last 10 years.

It starts at zero here. It rose to 7 percent and has been constant. If we look at all other commodities in the farm bill, starting at zero in 1981, they rose to almost 17 percent during the period of high inflation, significantly higher than what sugar did.

Then in the 1985 farm bill we reduced those commodities, but still to a level of higher support than sugar. So looking at the aggregate of the decade, we have only increased sugar from 16 cents to 18 cents since 1981. Mr. Chairman, we freeze the price of sugar for the next 5 years at 18 cents.

What about the retail price increases? What has happened between 1980 and 1989?

The proponents talk about what the consumers are going to get. The price of sugar increased 6 percent. But look at the price of soft drinks, 25 percent; candy, 45 percent; cereal, a whopping 93 percent increase. All of these products that are heavily sugar dependent significantly increased their prices during the 1980's, but not the price of sugar.

Let us look at the world price of sugar. What do we pay here in the United States compared to the other major cities in the world? Tokyo, significantly higher than us, as well as Stockholm, Paris, Rome, London. Here you can see the United States average price for sugar is 44 cents, lower than most cities in the world.

Mr. Chairman, I would like to point out that if you reduce the price of sugar, the consumer is going to see virtually no impact, because three-fourths of all sugar consumed in the United States is in manufactured products such as soft drinks, ice cream, and candy. Two cents worth of sweetener are in that soft drink, a little over a penny in that candy bar. You could give them the sweetener and you would not see any price decrease as far as the consumer is concerned.

Finally, I would like to point out to Members, what happened during the period of time when there was not a sugar program? We have had two periods of time back in the 1970's when the Congress did not reauthorize the sugar program. The price of sugar went from 6 to 65 cents virtually overnight. All of those retail items from soft drinks to candy bars, everything skyrocketed up.

But then when the price of sugar fell, the consumer items did not fall. We have seen that occur twice, and it would almost certainly occur again.

Mr. Chairman, in conclusion let me just say that the sugar program is a consumer program. It provides stable supplies of sugar, at a solid, reasonable, predictable price. It provides an opportunity for literally hundreds of thousands of jobs throughout 35 States in America. We maintain that if we could just have a level international playing field, it would not even be necessary to have a sugar program. But let us not significantly reduce the price of sugar before the GATT agreements are reached.

Mr. Chairman, I would urge Members to support the committee position.

Mr. GRADISON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the amendment offering by my friend and distinguished colleague from New York [Mr. DOWNEY].

Over the last decade dramatic changes have occurred in the domestic sweetener industry. Perhaps the most dramatic has been the emergence of corn sweeteners which now account for approximately 53 percent of the domestic sweetener market. For most of the past 60 years, the United States has intervened in the domestic sweetener market—primarily to protect the domestic sugar industry from the vagaries of the market, but also to attempt to stabilize domestic prices.

In the 1980's, under the stress created by the dynamism of the broader sweetener market, U.S. sugar policy has created numerous problems that have buffeted consumers, squeezed traditional foreign suppliers out of the American market, complicated our position in international trade, and skewed resources within the agricultural sector of the economy. Amidst this change, the House will have an opportunity to decide between two starkly contrasting visions on the future course of U.S. sugar policy.

The proposal recommended to the House by the Committee on Agriculture continues the relatively high level of support afforded to domestic sugar producers and constructs around it an elaborate system of "standby" domestic production and marketing controls that will take an army of USDA offi-

cials to administer. It leads, almost assuredly, to direct Federal control of the domestic sugar market at a cost to the taxpayer, according to USDA, of $200 million.

The alternative which we offer today, and which has the full support of the administration, would continue the present no net cost program, but at a lower level of support. This modest reform of the sugar program addresses the problems and dislocations caused by our present policy without resorting to supply management and without threatening the economic viability of the domestic sugar industry. It is a reasonable alternative to the committee bill.

There is amble evidence that the domestic price floor set by the Federal Government in this decade has been too high. Under the present level of support, that is the market stabilization price, which has increased 19 percent since 1981, the market has been skewed. In spite of an approximate 15 percent decline in the domestic consumption of sugar between 1981 and 1988, domestic cane and beet production increased 23 percent over the same period. This unprecedented increase in domestic production, which bore no relationship to market demand, directly threatened traditional foreign suppliers to the American market.

During the brief relatively open market period of the late 1970's the annual average level of sugar imports was 4.4 million short tons. With the reimposition of import quotas in order to maintain the integrity of the price support program, imports fell rapidly. As late as 1984, imports totalled roughly 3 million short tons. The following year, imports fell to 2 million short tons. In 1988, imports were originally limited to 758,000 short tons—a nearly 75 percent reduction over a 5-year period.

Drought conditions in the United States over the last 2 years have slightly eased these trends. The 1990 annualized import quota is currently 1.6 million short tons, just a mere 350,000 short tons above the trigger in the committee bill for domestic supply management. Given domestic consumption and production trends, absent further drought conditions or changes in the level of Federal price support, the recent improvement in foreign access to the U.S. market will be an aberration. The overall trend of escalating domestic production under a relatively high government guaranteed price, declining consumption, and a contraction in market access to foreign suppliers have created significant market distortions as well as creating problems for the United States in the GATT.

Although the case for reform of the sugar program is compelling, the Agriculture Committee has chosen to send to the floor a sugar program that walks backward in time. Marketing and production controls can exaggerate the distortions the present program has caused. The key to the sugar program is the domestic support price and the key to the support price is the loan rate. Until the loan rate is addressed and adjusted to reflect market realities and the reductions in support already taken in this decade by other major commodity producers these distortions will continue.

We will hear a great deal on the floor today, Mr. Chairman, about how reform of the sugar program represents "unilateral disarmament" in the international trade negotiations now underway in Geneva. We will also hear complaints about the trade distorting practices of the European Community. I agree that the sugar policies of the EC are one of the chief factors distorting the world sugar market. I agree that European sugar producers do not compete directly against the Europeans. U.S. sugar producers do not export into the world market and no EC country holds a quota in the U.S. market. This amendment changes nothing as far as our relationship to European competition is concerned.

As for the trade negotiations, my own view is that reform of the domestic sugar program strengthens, rather than detracts from, the position of the United States in the GATT. Recently, Ambassador Carla Hills wrote to Senator BRADLEY of New Jersey to express the administration's view that a 2-cent cut in the loan rate would not conflict with our negotiating position. I include Ambassador Hill's letter for the RECORD:

U.S. TRADE REPRESENTATIVE,
Washington, DC, July 18, 1990.

Hon. BILL BRADLEY,
U.S. Senate,
Washington, DC.

DEAR SENATOR BRADLEY: I understand that some have suggested that a 2-cent reduction in the domestic support price for sugar should be opposed because it would reduce our leverage in the Uruguay Round agriculture negotiations. The Administration supports a reduction in the sugar level and would not take this position if we felt our negotiating position would be weakened by it.

Our objective in the negotiations is to achieve comprehensive and substantial reform of the international rules on agricultural trade. We have proposed that all countries make commitments to reduce protection, subsidies and market access barriers affecting all commodities.

Our position with respect to the sugar provision of the farm bill is that substantial reform should not be undertaken. However, the Administration supports an immediate 2-cent reduction in the sugar price support level in order to modify the level of government support provided to sugar and make it more consistent with that provided to other commodities in the Food Security Act of 1985. We do not feel that this modification would conflict with our position opposing substantial reform.

Sincerely,

CARLA A. HILLS.

Mr. Chairman, we can debate the effects on the GATT negotiations all day, but I suspect that Mr. DOWNEY and I are unlikely to come to an agreement with our colleagues on the other side of this issue. We, therefore, must look at the bill before us and ask what is in the best interest of American agriculture over the next 5 years. We do not know, at this juncture, whether the Uruguay round will be successfully concluded. The House must consider the 5 year bill before it as it would any other farm bill—as a blueprint for American agriculture for the next 5 years.

Under this criterion, I believe a majority of my colleagues will come to the conclusion that adoption of this amendment is preferable to the program recommended under the committee bill. As I indicated earlier in my remarks, a continuation of the present relatively high level of support will continue to stimulate overproduction. Imports would fall. Domestic supply management would be triggered, perhaps as early as the 1992-1993 crop year. For that, the taxpayer would be asked to come up with 200 million scarce dollars, the consumer would continue to pay, and there is no guarantee the program would work.

There is an alternative. By making a modest and reasonable adjustment in the present program, the House can put the sugar program on a course that provides adequate support for sugar producers without the dislocations that have occurred over the last 5 years and without direct Federal management of the sugar market. I urge my colleague to support the amendment.

□ 1220

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. GRADISON] has consumed 9 minutes.

Mr. STANGELAND. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, first of all I think we have to set some things straight on the Downey-Gradison amendment. The gentleman from New York [Mr. DOWNEY] and the gentleman from Ohio [Mr. GRADISON] would have Members believe that if we reduce the price to the sugar producrs from 18 cents to 16 cents that there is going to be a resultant decrease in the cost to consumers. That is the wildest speculation that has no bearing in historical fact.

At any time in our history when the price of sugar has gone up the price of a sugar-bearing product has gone up as well, sometimes far in excess of what the price of the sugar went up.

When the price of sugar in our history has come down, the price of the sugar-bearing product has never come down. To say that this 2 cents can be passed on in some way to the ultimate consumer, the American housewife, is the wildest speculation. All it will do is put more money in the hands of the manufacturer who is using sugar, who already is at a high profit level.

There are those who say that we in the past 5 years have reduced target prices to other commodities; therefore, we ought to reduce the price to sugar producers.

□ 1230

On the face of it, that sounds fair. But for 5 years the sugar program has been at no taxpayer cost, while the other commodities, wheat, feedgrains, were receiving taxpayer subsidies.

Many of us did not like to see those reductions and would not want to have them happen. However, we were faced with budget constraints and still are. Therefore, those prices went down.

In this farm bill, we are now freezing those prices. But to say that because they went down we now have to take it out of the sugar beet growers and the sugarcane farmers is sheer folly.

As my colleague from Louisiana states, let me say to you that we are in the present time negotiating in the Uruguayan round of GATT to reduce farm subsidies internationally. And for our trade ambassador or Mr. GRADISON or anyone else to say that if we reduce it it is going to make the Europeans consider a reduction, again is sheer folly. We need to reduce the subsidies at the GATT in Geneva, not here on the floor.

If we give up any portion of our farm program to the betterment and advantage of the European Community, let me tell you what they will give you back: They will give you back exactly zero.

These negotiations have to be conducted in Geneva. That is where any reduction ought to take place. It had not ought to be done here unilaterally.

This President said in his campaign that he would not unilaterally reduce the sugar support, that it would have to be done in Geneva. Yet this administration now says they would support a 2-cent reduction.

I urge my colleagues to vote "no" on Downey-Gradison and pass the committee legislation.

The CHAIRMAN. The gentleman from Minnesota [Mr. STANGELAND] has consumed 3½ minutes.

The gentleman from New York [Mr. DOWNEY] has 8 minutes remaining, and the gentleman from Louisiana [Mr. HUCKABY] has 9 minutes remaining.

Mr. HUCKABY. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, those here who want to take apart the sugar program want our price for sugar to float on the international sea of surplus and shortage, When there is a surplus prices would be low, and when there is a shortage the consumer would pay through the nose.

That makes no sense to me. The sugar program is a program that works, provides stable prices for consumers and provides stable income for producers.

It is a curious thing about this body: Every time it seems to find a program that works, we are so unaccustomed to finding it, we want to figure out a way to take it apart.

Why not instead of taking apart the programs that work, find those programs that do not work and make them work?

The sugar program is a good program, it is good for the producers and it is good for the consumers, and does not cost the Federal Government any money.

We ought to turn back this amendment and turn it back soundly. What we ought to do is apply the ideas from the program that works to wheat, feed grains, and other areas and make those programs work as well, and not take apart this program that is good for everybody in this country.

Mr. DOWNEY. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. BATES].

Mr. BATES. Mr. Chairman, I rise in support of the amendment offered by the gentlemen from New York and Ohio.

By restricting sugar imports and propping up American sugar prices, our Government forces consumers to pay more than the fair market price for sugar. Higher sugar prices mean that corn syrup producers can raise their prices as well and still compete effectively in the sugar market. Every 1-cent increase in sugar prices is quickly followed by a price increase of up to 1 cent in corn syrup and other sugar substitute prices. According to both the Commerce Department and the Agriculture Department, the U.S. sugar program has cost consumers roughly $3 billion annually over the past few years.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield briefly?

Mr. BATES. I yield to the chairman of the committee, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, there seems to be an erroneous perception as to this cost. I have information which shows that the ones who made this study that shows $2.3 or $3 billion used the dump price of sugar, did not take into consideration that cuts have come to the consumer and, therefore, this is a figure that is faulty because of the criteria used to arrive at it. I would hope that the gentleman would accept that and continue with his proposal in a way which would be factual and not using a figure that cannot be verified.

Mr. BATES. I thank the chairman.

It is probably higher than that; it was probably added by the same people that gave us the deficit figures.

Mr. Chairman, this would not upset me nearly so much if the money was going to support America's struggling, small family farms. Instead, they help boost profits for the 7 largest U.S. sugarcane growers who produce roughly 14 percent of the sweeteners used in the United States. In fact, $133 million goes to just one farming operation in Florida.

Mr. Speaker, we are not being asked to do something reckless by supporting the Downey-Gradison amendment. It is rather moderate. In 1985, Congress passed a farm bill which cut nearly all major commodity programs. At that time, sugar was exempted.

According to USDA estimates, the 2-cent decrease called for in the Downey-Gradison amendment would reduce sugar and sweetener costs by over one-half a billion dollars annually. I urge support for this amendment and I thank the gentleman for yielding.

Mr. STANGELAND. Mr. Chairman, I yield such time as he may consume to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in strong support of the committee proposal.

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. MARLENEE], a member of the committee.

Mr. MARLENEE. Mr. Chairman, I rise to oppose the amendment. This amendment will cost the jobs of migrant workers who hoe and thin the sugar beet crop in my district. It will cost the jobs of those migrant workers who work the canefields. But why worry. Let them eat cake.

Let them eat cake and cookies. And let them wash it down with soda pop. And in order to do this, we in this Congress will wreck the sugar industry in California, in Florida, in Idaho, in Louisiana, in Montana. Thousands of American jobs will be destroyed.

But have a cookie.

But will that cookie be cheaper? Mr. Chairman, no, it will not.

The Mars Bars family is reported to have $1.5 billion in assets. This Congress wants to cut sugar prices so the Mars Bars family can make another one-half of 1 cent per candy bar profit. Meanwhile, thousands of American jobs are lost.

Have another candy bar. But it won't be any cheaper.

Mr. Chairman, have you ever seen the price of a candy bar go down? Have you ever seen the price of cookies come down? Of course not.

If you gave the large conglomerate sugar users all the sugar they use, the price of their products would not go down.

Mr. Chairman, this bag of cookies is made with sugar. It costs $3.32 per pound. This bag of cookies is made with no sugar. It costs $4.46 per pound.

All this demagoguery, all this chicanery, about the poor consumer.

Let's expose some consumer truths.

Let's go shopping.

Here's a bag of kitty litter. It costs 49.75 cents per pound.

Here's a bag of American produced sugar. It costs 37.25 cents per pound.

Here is a candy bar where no sugar was used. Cost: $10.82 per pound.

Here is a candy bar where sugar was used. Cost: $3.58 per pound.

And finally, Mr. Chairman, here is a case where we can compare sugar to a product you can buy at your local grocery store. And Mr. Chairman, you can burn up this product.

Here is a bag of charcoal brickets. The cost of this product is 57 cents per pound. And remember, Mr. Chairman, the cost of this bag of sugar is only 37.25 cents per pound.

Sugar is cheap—cheaper—than those products the consumer is willing to burn up or litter on.

This amendment should burn up consumers. They will never see any savings from this amendment. But let them eat cake.

I urge my colleagues to defeat this amendment.

Mr. GRADISON. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. CONTE].

□ 1240

Mr. CONTE. Mr. Chairman, my friends TOM DOWNEY and BILL GRADISON have worked long and hard to produce this important reform. They have done a great job and they deserve our support. Believe me, your constituents back home will be grateful for this vote.

The sugar program today guarantees two things: First, a price support at 18 cents a pound, and second, a badly misnamed no cost provision, which uses import quotas to make sure the price of sugar never goes below this 18-cent floor. Well, it sounds good. But, Mr. Speaker, there's no such thing as a free dessert, and there's no such thing as a no-cost subsidy.

Last week, sugar was selling at 12 cents a pound on the international market. But here in the United States, we were paying 23 cents a pound—almost twice the fair market price. Who makes up the difference? Everybody who buys food. This program inflicts a hidden tax—a tax on food, the most regressive tax there is.

The sugar tax smacks the poor harder than anyone else.

Nobody else gets a deal like this. It is antitrade, anitcompetitive, anticonsumer and antifree market.

Imagine what would happen if other industries worked the way the sugar industry does, with sellers guaranteed a price and lower-cost goods locked out of the market? Competition would vanish and quality would suffer. Consumers would scream bloody murder, and they'd be right.

But Mr. Chairman, we do not have to worry about that, because no other industry would have the gall to ask for a sweet deal like this one.

The sugar program is regressive. It is an embarrassment to our foreign policy and our trade negotiators in the GATT. By locking out sugar from Bolivia and Peru, it undermines our efforts to implement crop substitution in cocaine-producing areas. It hurts consumers, and hurts the poorest consumers the most. It is a bad deal for the country.

But this amendment is a great idea. By cutting just 2 cents off the price floor, we will recover about $500 million for America's consumers. Two cents is good sense. Support the Downey-Gradison amendment.

Mr. HUCKABY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. Mr. Chairman, I would like to extend my appreciation to the committee and to the subcommittee chairman for presenting what I consider to be a fine agricultural bill.

I rise in opposition to the Downey-Gradison amendment, of course. Let me say, this amendment has my undying opposition. I cannot think of a matter that would come to this floor which is of keener interest in the sugar provision than were in this bill, an amendment which I view as doing more harm to the constituency I represent than this one.

If I may speak to Members in a personal vein, my father used to say that the Sugar Act and that sugar beet that I love so much, and if Members have not seen it growing or harvested, I invite Members to my district, that sugar paid off the mortgage on the farm. I have a little scar on my left knee from a beet knife when I was a kid sitting around a pile, chopping those tops. So I come to this rather emotionally and, frankly, with some knowledge of this subject.

Let me assure Members, contrary to what has been said here, sugar program benefits the farmers of my district. Hundreds and hundreds of family farms, mom-and-pop operations, and they are able to make their payments on their mortgages, they are able to buy the products that are made in your district, because of sugar. Because of sugar. It is not some conglomerate that is producing this. It is decent, farming families in my district that are the backbone of this Nation.

For the life of me, to suggest that the sugar policy is wrong because it harms the consumer when, in fact, there is one Member that can honestly say that if this amendment is adopted, that the consumer will benefit, and that the savings will be passed on the consumer. That is simply not true. As a matter of fact, tell me any savings in the last 10 years in any product that have been passed on to the consumer. Members have to be terribly naive, a fool, or a knave to believe that.

First off, the amount of sugar that is in these products is minimal. We are talking less than pennies. Do you know where those pennies are going to go? For heaven's sake, do Members read the Wall Street Journal? It is bottom line. That is why the commercial users are all lined up in opposition to the provisions of the bill and in support of the amendment. It will put money in their pocket. That is what this is all about.

If any Member thinks the consumer will benefit from this, well, they deserve what will happen to him, and I have some stock in a bridge in Brooklyn that I will sell to anyone reasonably, and I think they will want to buy it, if a person believes this amendment.

I tell Members, the sugar program is as American as apple pie and ice cream. It does not hurt the consumer, and it does not hurt this Nation. It beneifts the family farmer. It provides a stable price for the American consumer. It does not cost $100 million. That is the Department of Agriculture's number. These people are opposed to this program. The CBO says it is not costing Treasury one nickel, and indeed we make money off the program through some administration charges.

I would urge Members, urge Members to vote no on this amendment. The current program as I said is beneficial for this Nation and to the consumer. In the world of sugar, and this is very important to understand this, most sugar is contracted for a fixed price. Sugar is a highly regulated commodity. The Europeans are not going to stop subsidizing sugar any more than the Japanese are going to stop growing rice. I hope Members vote "no" on Downey-Gradison.

Mr. Chairman, I rise in most strenuous opposition to the Downey-Gradison amendment to H.R. 3950, the Food and Agricultural Resources Act of 1990. The Downey-Gradison amendment proposes to reduce the sugar price support loan rate in an unacceptable fashion.

Mr. Chairman, we are told that this program benefits only a limited number of growers—

family farmers. Nothing could be further from the truth. Over 17,000 jobs in Michigan alone rely on a strong U.S. sweetener industry, and that number expands exponentially around the country. The people who work in the processing plants, the equipment dealers, the seed and fertilizer dealers, the small town merchant that sells to the growers and their families as well as the people who work in the processing plants and their families all depend upon this program. The activities of the sugar and corn sweetener industry in Michigan is over one-half billion dollars annually.

This amendment is unnecessary, not in the best interest of consumers, detrimental to our international trade position, and risks our ability to have an adequate supply of domestically-produced sugar.

First, the amendment is unnecessary because nothing is gained by cutting the price support level. The sugar program costs the Federal Government nothing. In fact, it has, according to CBO, actually produced revenue for the Federal Government. All of this has happened because the sugar price support program has been a stable one, and the Food and Agricultural Resources Act of 1990 maintains that stability.

Second, the amendment is not in the best interest of consumers because it intrudes on a key element of food shopping: being able to depend on food costs. While other food prices have gyrated over the past 10 years, the price of sugar has remained stable. Some will suggest to you that if the price of sugar goes down, the price of sugar containing products will also come down. Don't believe it. The relative amount of sugar in most sugar containing products is so small that if the sugar price came down, you wouldn't even save one cent on these processed foods. The only one who will benefit from the price cut will be the food processor, not the consumer.

Third, the amendment is not in our best interest for trade policy. The Caribbean Basin nations that produce sugar have endorsed the sugar program in the farm bill. If we cut our sugar price level, we will cut those nation's income. And with the rest of the sugar-producing world unwilling to change their programs, why should we make our producers the sacrificial lambs of international trade?

Finally, the amendment does indeed risk our domestic sugar supply. The only commodities for which we depend on foreign suppliers are those items for which the United States is not climactically suited. Such as coffee. If we drop our sugar price support level, we risk putting our producers out of business. The support level in the bill is 18 cents per pound. The current program is beneficial to the Nation, consumers, and the farmer.

According to USDA, average production costs are in excess of 19 cents per pound. Our support level is already below production costs. If we drive it down even more, we will see farmers—many of whom are our constituents—go out of business. If they go, so will the proceeding plants. Without those plants, no matter how efficient a grower may be, no sugar will be proceed.

Mr. Chairman, their are Members in this body that plead for us to understand the needs of their communities, and who will come to us to make their case each time. We work to try to understand their needs. Now it is the time for them to understand the needs of farmers and rural America. Do not believe that because you may not nave farmers in your district that you do not have a stake in this amendment. Anyone who has consumers who want to have the continued availability of a wholesome food supply and the world's most reasonable prices has every reason to support a strong American agriculture.

I urge you to vote no on the Downey-Gradison amendment.

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Chairman, today we have heard several unique arguments on why we should reduce farm spending and how we can improve American agriculture production. I am sure that the arguments will become even more creative as we move through these debates.

However, I am deeply concerned and offended regarding the newest arguments that have been leveled at the sugar program.

Opponents of the U.S. sugar program have begun to play on the emotions of the American public. We are no longer operating on facts and reality. The opponents have perpetuated a misinformation campaign in an attempt to change national policy.

The Food Security Act of 1985 established a market oriented sugar program. Unfortunately, the world sugar market is not an equally competitive market. The majority of sugar producing countries directly subsidize their sugar production.

For example, the European Community subsidizes their production to the tune of 30 cents a pound. If we were to make concessions in the American sugar program without similar changes made by our trading partners, we would literally devastate U.S. production.

This is not fair competitive trade. The only agriculture industry that approached the Reagan administration when they were trying to eliminate farm programs was the sugar industry.

They told President Reagan they could "compete on an internationally level playing field. We may lose some producers and some of the market, but we need an even playing field in order to compete."

Mr. Speaker, a decrease of 2 cents would only tilt the playing field more in favor of the European Community—I know of no American industry that can compete with those kind of odds.

The major opponents of the sugar program have stooped to an extremely low level of misinformation in order to garner support for a 2-cent reduction in the current 18-cent support price.

They are charging that this program is costing American consumers from $1.9 billion to $3 billion per year; this program is encouraging the production of illicit narcotics in Central and South American countries; and the program will cost American industry jobs because of the cost of sugar. These are all groundless allegations.

A 2-cent reduction in the support price of sugar would mean an immediate windfall of over $500 million to the American sweetener industry.

I cannot fathom how the sweeteners users are going to pass on a savings of fifteen one-hundredths of a cent to the consumer. That is how much the consumer will save on a candy bar if this legislation passes—fifteen one-hundredths of a cent.

How can we expect them to reduce the cost of sugar containing products when in the early 1980s the price of sugar went from 42 cents per pound to roughly 20 cents per pound and the cost of sugar-containing products did not decrease—what happened to passing the savings onto the consumer?

I contend the decrease experienced in the early 1980's and the decrease that will be experienced if the Downey/Gradison proposal passes will only be passed on to the sweetener user industries.

The $2-$3 billion cost to the consumer is also a highly inflated figure. These estimates are based on the U.S. price compared to the "world dump price" which is relatively meaningless. This market represents about 15 percent of the world sugar production.

The billion-dollar myth is based on a low point in the world price of roughly 3 cents per pound. I think that figure is irrelevant given the world price for the first half of 1990 was 14.53 cents per pound.

As a member of the Select Committee on Narcotics Abuse and Control, I am deeply discouraged by the correlation that the sweetener users and the opponents of the sugar program are making between drug production and the U.S. sugar program.

Sugarcane, a tropical grass, grows in large units in the lower elevation areas of Central and South America, while coca is grown in the mountainous areas in small plots tended by peasants.

In Peru, coca growers can earn $9,000 per year as opposed to the $200 per year they can earn growing a legal crop such as sugar. This, my colleagues, is simple economics—no Peruvian grower is going to turn down the opportunity to make $9,000 a year.

I am offended and disappointed to see the sweetener industries attempt to garner support for policy change using the drug plague as a shield for economic gain.

In closing, I would like to give just a few examples of what the Florida sugarcane producers have contributed to the communities that surround the production in Florida.

They have established higher education scholarships and financial assistance to local students; sponsored an endowed chair at Florida Atlantic University for Community Education, valued at $400,000; they sponsor two $100,000 scholarship funds dedicated to educational incentives; over one-half million dollars have been spent supporting community education in the area; the sugar industry has provided funding for two libraries, an auditorium facility and provided over $50,000 to expand and improve the Doyle Connor Center. These are but a few of the numerous contributions the Florida industry makes to their community.

I urge my colleagues to support the committee-passed version of the sugar title. Passing any amendments that would drastically alter the proposed legislation would begin to dismantle the American farm programs and the communities around the production areas across the country.

Unilateral concessions would sacrifice any advantages we may have at the negotiating table of the General Agreement on Tariffs and Trade.

Mr. DOWNEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. YATRON].

Mr. YATRON. Mr. Chairman, I rise in support of the amendment offered by Congressman DOWNEY and Congressman GRADISON. The modest and reasonable 2-cent reduction in the price support level that the amendment specifies is a sound way to put fairness back into U.S. sugar policy.

The current sugar program has had a negative impact on the food and beverage industries in the country, as well as in my own State of Pennsylvania.

Pennsylvania workers produce almost one-quarter of the Nation's total chocolates and candy, and almost 10 percent of the breads, cakes, cookies, and crackers produced domestically.

The current U.S. sugar program hurts U.S. workers and the competitiveness of the food and beverage industries in two ways.

First, the high U.S. price for sugar and sweeteners puts sugar-containing products at a disadvantage as they compete with other types of products in the market.

Second, many imported products are made from less expensive sugar. This lowers the cost of production of the food, and gives a foreign competitor a competitive advantage in setting wholesale price.

The amendment does not make the sugar program ineffective. It leaves the program virtually intact, but with a more reasonable price level.

Consumers and users do not argue with the need to provide a safety net for domestic sugar producers. But consumers do not want to support a program that hurts those in the food and beverage industry.

I urge my colleagues who want to restore some balance and fairness to the sugar program to vote in favor of the Downey/Gradison amendment.

□ 1250

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. HOLLOWAY], a member of the committee.

Mr. HOLLOWAY. Mr. Chairman, from listening to a little bit of the earlier debate, it sounds like if we were going to the arms control negotiations, we would disarm before we go. From listening to some of the earlier speakers, it sounds like we should disarm the sugar program and then go and negotiate a good program through GATT.

That will not work. We have to keep a strong program in this country. We have to keep this country strong. We have to quit giving in to the world and then thinking that 10 years from now they will come around and see our side of it.

The CBI supports this bill. I suppose many people, from listening to the debate, would think, well, the CBI must be strongly opposed to us not allowing sugar into our country. Every CBI representative strongly endorses the committee's bill. They feel they need these support prices and they need the process to continue.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. HOLLOWAY. I yield to the chairman of the committee.

Mr. DE LA GARZA. Mr. Chairman, I have information here that if this amendment is adopted, CBI countries will lose $85 million right away. That is what they would lose.

Mr. HOLLOWAY. Mr. Chairman, I think we have to have the support of these neighbors of ours. We have helped them with their trade items, including sugar.

We have many thousands of Jamaicans working in Florida in the sugar industry, making $5 an hour, whereas in their own country they would be making $3 to $5 a day. They are sending money back to their country to help themselves. We do not have the workers here to do it, so we get them from the Caribbean. This bill is very important to our Caribbean neighbors. They would all say that we should vote no on this amendment.

Mr. Chairman, I would ask any Member who is interested in our Caribbean neighbors to vote no on this amendment.

Mr. HUCKABY. Mr. Chairman, I yield 1 minute to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Chairman, I rise in opposition to the amendment and in support of the committee bill.

Mr. Speaker, there are no sugar beets grown in my State; there is no sugar cane grown in my State. But this is an important piece of legislation, and it is important that we not undermine it.

The sugar program is responsible for roughly a 25-cent-per-bushel increase or enhancement of the corn price. In any district of this country where corn is produced, the sugar program is a critical program.

Is the sugar program cost-neutral to the taxpayer? Yes, but it is better than that, because the sugar program is responsible for saving over $400 million to $500 million in the cost of the overall farm program because of the corn that goes off in the production of fructose and sugar. So it is not only cost-neutral but cost-beneficial to the taxpayer that we maintain this vital program.

I have enormous respect for my urban colleagues who have been pursuing this legislation, but let me say that despite the fact that I come from a very rural State, I have been very supportive of doing the kinds of things that are necessary to support a decent income for working people in urban areas.

Mr. Chairman, all we ask is equal treatment for those of us in rural America.

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. SCHUETTE], a member of the committee.

Mr. SCHUETTE. Mr. Chairman, I thank the gentleman from Minnesota [Mr. STANGELAND] for yielding time to me.

As a member of the Agriculture Committee and representing the State of Michigan and a large sugar production, I rise in opposition to the Downey-Gradison amendment which would reduce the sugar support price by 2 cents.

Since 1981, the U.S. sugar program has maintained a secure domestic supply of sugar for the American consumer, and this program also enables more than 1 million American farmers and workers who produce and process sugar and corn for sweeteners to maintain a viable U.S. industry in spite of unfair and unlevel competition from abroad.

The price reduction proposed today would jeopardize the continued existence of a strong and important industry.

Many of the facts and arguments we have heard in opposition are frankly wrong and misleading. Any reduction in the price of sugar would not bring in compliance with prices of other domestically grown crops, and most importantly of all, it would put us at a serious disadvantage with foreign competitors.

Across the world, we see government activities in other countries. We see 30 cents in Europe above our 18-cent level, and if we reduce this price unilaterally, we are embarking on a course which will bring a slow death to the American sugar industry.

When we negotiate with the Soviet Union, we do it from strength and never from weakness. The same methodology and the same negotiating posture must be taken with respect to the American sugar program, to see that we do not disarm the American farmer in the wake of heavy excessive subsidization from our foreign competitors. If we adopt this position, our negotiating position in GATT will be severely limited, greatly weakened, and at the expense of the American farmer. This is a farm bill for farmers, not for the Europeans.

Mr. Chairman, if it is the American farmer versus the French farmer, we will win, but if it is the American farmer versus Europe, Incorporated, that is not fair.

Mr. GRADISON. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I have tried to listen carefully to the opponents of the Downey-Gradison amendment. What I have heard would suggest that we are talking about abandoning the sugar program.

We are not talking about abandoning the sugar program at all. We are talking about fine-tuning the program to reduce the nonrecourse loan rate from 18 cents to 16 cents and, as a practical matter, to reduce the market stabilization price from 22 cents to 20 cents. We are not turning our backs on the sugar producers, but we are trying to do something with our amendment which has not been mentioned by our opponents at all in the debate today, and that is to do something about overproduction.

We have heard a lot about stability. There is no stability in the sugar program. That is part of the problem. Production is going up, consumption is going down, and we have strong evidence that to maintain the 18-cent loan rate is going to make the problem worse, not make the problem better.

One other thing we have not heard about is domestic jobs in industry which use sugar as a raw material. What is really happening, of course, is that our imports from other countries of products that contain sugar are just increasing explosively. A recent analysis of 58 imported food items with an average sugar content of 40 percent shows that in the 1980's imports of confectionaries and chewing gum and bakery and cereal products doubled, miscellaneous food preparations and flavored sugars, syrups, and molasses almost tripled, and another 36 categories of processed and preserved fruit and other products rose tenfold.

Let us be candid about this. We have a free trade agreement with Canada. These products which use sugar can come in from Canada once that is phased in without any restriction on our side of the border. All we are going to do if we decide to continue the program at this present level is export manufacturing jobs, probably whole candy manufacturing companies and others, just across the borders where, by buying sugar at a lower price, they can send these products into the United States.

Mr. Chairman, jobs are at stake in this bill.

Mr. HUCKABY. Mr. Chairman, I yield 1 minute to the gentleman from Idaho [Mr. STALLINGS].

Mr. STALLINGS. Mr. Chairman, I rise in strong opposition to this amendment.

With all due respect to the Members who have been speaking on the other side, this amendment will do two things, and it will do them very dramatically: First of all, it will see a massive transfer of wealth from farmers to businesses. Second, it will eliminate a larger number of farmers. When we reduce the loan rate from 18 cents to 16 cents, a number of farmers in my district will go into other commodities.

Now, in Idaho we have 180,000 acres in sugar beets. That land will not sit idle when we reduce the loan rate to 16 cents. It will go into other commodities.

□ 1300

Mr. Chairman, a University of Idaho study identified the impact on a variety of commodities, on potatoes, on beans, on virtually everything else, not only grown in Idaho, but in the Northwest, that will be devastated. The impact on program crops will be just as slow, because, as those farmers move into the program crops, the cost of the government goes up.

Mr. Chairman, this will not save consumers anything. This will hurt farmers, and it will hurt the taxpayers.

I recommend that we vote no to this Downey-Gradison amendment.

Mr. DOWNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, I appreciate the time.

Let me make two major points. The first is, yes, this is a jobs bill, and the jobs are being lost right now in my district because of the sugar program in the United States. We have a chocolate factory in Wisconsin, Ambrosia Chocolates. Guess what is happening? They are losing every day to Canadian chocolate companies that are buying sugar at the world price. We are losing jobs in Wisconsin, and I suspect in many other sugar producing industries in America, because the Canadians, they do not have this restriction. They can import world price sugar.

My colleagues are not saving American jobs. My colleagues are losing American jobs with this program. We are losing jobs in America with a sugar program because we have a lot more consumer sugar-using jobs than we have sugar-producing jobs. There are 23,000 food manufacturing companies in America. Those jobs are in jeopardy by this program.

We are not talking about a disarmament program here, as some people say, in GATT. We are talking about a very modest change, and we are not changing something to hurt others. We are changing it to help ourselves because there are a lot of consumers in America that use sugar.

Mr. Chairman, my second point is about the incidence of the benefit. Someone said, the gentleman from Idaho [Mr. STALLINGS], that this will just go to help companies. Wait a minute. If we had no competition in the sugar-using industry, he would have a point, but we have fantastic competition. When we have competitive markets, the benefits get shifted onto the consumer. Twenty-three thousand people competing in food manufacturing, that is, by definition, a condition where the benefits get sifted on down to the consumers because the producers are competing with one another. There is no such thing as locking the benefit up. If it were a monopoly, yes, but not in the case of multiple competing companies.

So, Mr. Chairman, this will be passed on to the consumers overwhelmingly. It is the consumers that will benefit. To vote against this amendment is to say, "Down with the consumers, up with the handful of producers that benefit."

The producers benefit, the consumers would lose, if we do not pass the Downey-Gradison amendment.

Mr. STANGELAND. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in strong opposition to this amendment, and urge my colleagues to reject it as well.

The sugar title, as passed by the House Agriculture Committee, provides that the sugar program will be continued at no net cost to the Federal Government. This amendment would not result in any budgetary savings, but would jeopardize the livelihoods of thousands of Americans. The sugar industry provides 361,000 American jobs and contributes $18.5 billion to our national economy.

The present bill freezes the loan rate at the current 18 cents a pound, which is critical to our farmers and processors. Compare the 18 cent level of our program to that of the European Community, which supports its sugar industry at 30 cents a pound. Such unfair competition has contributed to a 21-percent reduction in the acreage planted to sugar beets in California alone over the past few years.

This amendment would greatly disadvantage our sugar industry in competing against foreign competition which is very heavily subsidized. We currently are trying to negotiate an end to agricultural subsidies and other trade barriers in the Uruguay round of the GATT process. Reducing the loan rate for U.S. sugar producers will undoubtedly be viewed as "unilateral disarmament" by the EC and the many other nations which subsidize sugar. It thus will reduce our chances of reaching a successful agreement. Our farmers are ready to compete on a level playing field if one can be obtained in the GATT talks.

Finally, the proponents of this amendment contend that the sugar program entails substantial costs for consumers. However, they Fail to point out that since the sugar program was enacted in 1981 have actually been lower than in the prior 5 years. Moreover, from the early 1980's to 1989 sugar prices actually declined by 5 percent, while the average prices of sugar-containing food increased by 16 percent.

I urge my colleagues to reject this amendment and support the sugar program at 18 cents until at least we see what happens in the GATT talks.

Mr. STANGELAND. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. ROBERT F. (BOB) SMITH].

Mr. ROBERT F. (BOB) SMITH. Mr. Chairman, I thank the gentleman from Minnesota [Mr. STANGELAND] for yielding this time to me.

Mr. Chairman, I oppose Downey-Gradison, and I support the committee position.

Mr. Chairman, if we were to take sugar out of this discussion and I would bring to my colleagues an amendment on the floor which would provide for stable consumer prices which would support American farmers at no cost to the Treasury and, yes, yield $300 million a year to the Treasury, my colleagues would wrap their arms about it and support it, and that is exactly what the committee position does.

Mr. Chairman, there are two governments that I can think of in the world who would rejoice at the passage of this bill. One is headquartered in Bonn, and the other in Paris. The European communities are cheering us on, hoping we will pass this amendment because this is unilateral disarmament. That is what this is.

Mr. Chairman, we need to negotiate in the GATT a world trade situation in which we are in. We do not have to disarm at this point. Let us pass the committee bill and oppose the Downey-Gradison amendment.

Mr. STANGELAND. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I wish to rise in strong opposition to the Gradison-Downey amendment. If adopted, this amendment would damage major facets of the sugar industry and leave countless numbers of American sugar workers jobless. The sugar price support has remained at 18 cents for the past 5 years and the action taken by the Agriculture Committee simply extends this price level for the next 5 years.

I urge my colleagues today to not be sweet talked into dismantling a program that has helped sugar producers compete in an international market for several years now. The present support level has also provided the opportunity for American corn growers to compete for a share in the sweetener industry, further benefiting the American consumer looking for an ample supply of sugar at a reasonable price. Contrary to those who wish to destroy the present program, the sweetener business is intensely competitive because corn sweeteners compete directly against the products of sugar cane and beet growers.

Additionally, the Bush administration, though the Uruguay round, is trying to help our Nation's corn and sugar growers compete in overseas markets that benefit from substantial foreign subsidization. This country's corn and sugar producers can compete against foreign producers, but they cannot go head to head against a foreign treasury.

Our trade negotiators are presently in Geneva attempting to bring about a fair and equitable agreement which would reduce or eliminate foreign subsidies and trade barriers. Until foreign nations end the unfair trade practices, we must maintain a strong, viable U.S. sugar program. Let's not pull the rug out from under our own domestic producers before our trade negotiations address this matter at the international table.

Moreover, those who say the American consumer will benefit from a price support reduction are giving us the sweetest talk of all. Will sweetener users really cut the price of their retail goods if the support prices for sugar were to drop? I think we all know that answer. I urge my colleagues to maintain the present program and support level and not cripple our Nation's corn and sugar growers ability to compete against unfair foreign trade subsidies.

Mr. GRADISON. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in strong support of the Downey-Gradison amendment.

Mr. Chairman, all Members should support the Downey-Gradison amendment to lower the loan rate for sugar by 2 cents. Personally, I would prefer to eliminate the entire program, but this amendment will help correct some of the harmful effects of the current sugar program.

As it stands today, the sugar program hurts consumers; promotes environmental destruction; costs American jobs; stabs our allies in the less developed countries in the back; violates central provisions of the world trading system, and in light of the United States position on trade and our problems with Japan, is exceedingly hypocritical.

Mr. Chairman, supporters of Downey-Gradison are not suburban and urban villains out to destroy rural America. We are, in fact, simply trying to change a policy created by and for a narrow special interest. The sugar program has delivered a handsome return to a handful of farmers; it also temporarily allowed corn growers to make a special profit. But the program is a ticking bomb—it will fall of its own weight because it is fundamentally, economically unsound. The question is why this Congress keeps it on life support?

Finally, voting for Downey-Gradison will boost many American farmers. It will stop a process by which sugar beet farmers have bid up land prices and harmed the interests of those farmers who grow other crops.

Downey-Gradison will attempt to control the worst form of special interest legislation, and I urge my colleagues to adopt it.

Mr. Chairman, the sugar program also violates our international trade obligations. In this area the United States started on the wrong foot. In 1955, the GATT granted the United States a temporary waiver for the sugar program, with the expressed understanding that it was inconsistent with the guidelines and principals of the GATT. It is now 1990, and we are looking at 35 years of obstinancy on behalf of the U.S. national farm policymakers.

Nearly a year ago, June 1989, the GATT council, in response to an Australian charge of violation, reported that the United States program was inconsistent with the United States waiver. Did we need to get our hands slapped in this forum? No. But we deserved it. This is just one of many signals which continues to remind me it is time to reform the sugar program.

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentlewoman from Hawaii [Mrs. SAIKI].

Mrs. SAIKI. Mr. Chairman, I rise in opposition to the Downey amendment. Hawaii's sugar industry has long been a cornerstone of my State's economy. It has enacted cost cutting measures to meet the 18-cent price support that has been eroded by inflation over the past 5 years. Even at the current 18 cents, it will have to find new ways to cut more costs. Hawaii needs a viable sugar industry, and this amendment to cut the price support by 2 cents will devastate our local industry.

Hawaii's sugar industry can compete with any other in the world, and is willing to do so in a fair marketplace. But the current marketplace is not fair. The European sugar industry dumps its excess sugar on the world market at prices below the cost of production. Europe's growers are supported by their governments at almost twice the level called for by this amendment.

Mr. Chairman, it is no wonder that they are the stumbling block in the ongoing negotiations to eliminate agricultural subsidies. We are told that a 10-percent cut would strengthen our hand in international negotiations, but we know that results are achieved by negotiating from a position of strength.

Mr. Chairman, passage of this amendment will hurt our hand, not strengthen it. I ask my colleagues to oppose this Marshall plan for the rich

European growers. Let us defeat the Downey amendment.

Mr. GRADISON. Mr. Chairman, I yield the balance of my time to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, I support the Downey-Gradison amendment because it will send the right message to our farmers, not only our sugar farmers, but all of our farmers, and it will send the right message to the world.

Mr. Chairman, the problem with our sugar negotiations and agriculture negotiations is that we have two superpowers in this field glaring across a barricade of sugar bags or tons of sugar to see who will blink the first. And none of us are going to blink unless we agree to start moving.

When we pass a 5-year sugar program, as we are doing here, and maintain price supports on sugar, as we have cut price supports on everything else, all we are telling the Europeans is, "We're not going to flinch, fellows. Not for 5 years are we going to flinch."

What we need to do is adopt the Downey-Gradison amendment. It will send the right message to the Europeans. It will send the right message to the other sugar subsidizers. It will send the right message to all the American farmers that this thing has got to end, that these supports cannot go on. They are not permanent, they are not indefinite.

Mr. Chairman, it makes absolutely no sense to say that, but cutting some price support systems, we will reduce domestic prices. As my colleagues know, the candy industry, the cookie industry, the cake industry, all these industries are highly, highly competitive, particularly the soft drink industry is highly competitive, and anytime we can make any reduction, any substantial reduction, in the cost of the materials supplied to them, there is going to be a reduction.

Mr. Chairman, I realize that, when we are talking about a candy bar, one candy bar, it is not going to make a heck of a lot of difference. As we all know and, as the gentleman from North Carolina told us, there is only a penny's worth of peanuts in that bar. I do not know how much sugar is in that bar, but, when we add all these prices together, the peanuts, the sugar, all the other starches, the other things that go into these products, and we keep boosting those prices up, it is going to go up. But, if we generally reduce the prices, prices are going to come down.

So, Mr. Chairman, we will save money, we will send the right signal, and we will do the right thing.

Mr. STANGELAND. Mr. Chairman, I yield 1 minute to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Chairman, I oppose the amendment offered by Congressmen DOWNEY and GRADISON that would reduce loan rates for sugar by 10 percent.

The program that is being challenged here today is a responsible, income-generating program. According to the USDA's Commodity Credit Corporation, over the past 3 years the timely repayment of sugar producer loans generated net revenues to the CCC of more than $336 million.

Furthermore, according to a recent analysis by the University of Illinois, this program has played a vital role in the development of the U.S. corn sweetener industry, which now consumes approximately 15 percent of all the corn marketed in the United States. This has raised the price of corn by an estimated 25 cents per bushel and, according to the USDA, saves the U.S. Government $500 to $700 million a year in deficiency payments to corn growers.

Over the past few years, a great deal has been said about the impact of the sugar program on the American consumer. When I first came to Congress in 1975, sugar prices were skyrocketing. Consumers were furious then, but I do not hear consumers complaining anymore.

The fact is, consumers are quite pleased with the results of the sugar program. The average American buys 20 pounds of sugar per year for home use, and at 35 cents per pound, that costs only $7 a year.

Sugar prices are stable, reasonable, and actually lower than before the program went into effect in 1982. The sugar program as proposed in H.R. 3950 will not increase the sugar price support—it freezes it, without a cost-of-production adjustment, for the 5-year life of the bill.

It is important that my colleagues know that the U.S. sugar program is certainly not unique in the world of sugar producers. In fact, sugar production and marketing are regulated by more governments and to a greater degree than any other commodity. Governments often regulate sugar production levels, prices, factory and field workers' wages, and even prices at various stages of distribution.

And let me again emphasize a key point: This sugar program is operating at no cost to the taxpayer.

We have had the loan rate frozen at 18 cents since 1985, and those supporting this amendment, have apparently not taken into account that 18 cents in 1985 does not equal 18 cents in 1990. Adjusting for the effects of inflation between 1985 and 1990, the sugar loan rate beginning July 1, 1990, was worth only 14 cents in real terms.

We have a program in place that operates at no cost to the taxpayer, returns a net profit to the Government, and ensures great stability to sugar prices that results in lower refined sugar prices. All that we have asked for is to maintain the status quo.

I urge the defeat of this amendment.

□ 1310

Mr. DOWNEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the sugar program is a tax on consumers. The world price of sugar, whether it is a dumped or nondumped price, is approximately half what American consumers are paying today.

We see displayed before us boxes of cereal and cans of soda and the suggestion is made that with the thousands of people who compete there, that if we reduce one of the raw material prices into that, that that will not be passed on to the consumer. Nonsense. If sugar prices went up, do you think they would not be passed on? Of course, they would be passed on.

Now, one-third of all the sugar does not come in the form of candy or soda. It comes directly in packages to consumers, so if you wanted to fly to Ottawa and pay haif what American consumers pay in the United States, you can do that because they have decided that they want the free market to reign. We have not gone that far, Mr. Chairman. All we have asked for is a 2-cent reduction in the food tax that this consumer program levies today. We are not asking us to unilaterally disarm at GATT. If we were, then Carla Hills would not be for this program.

I am not worried about the European program. I am worried about what is good for American consumers. This 2-cent reduction saves them $600 million.

So if you do not have sugar beets in your district and your program in your communities is not awash with sugar cane, explain to your consumers why you are opposed to the Downey-Gradison amendment, why the administration felt that it was important to see this 2-cent reduction, but that you did not, that somehow you figured that high sugar prices are good for American consumers, When in other parts of the world this does not exist.

You have a chance, and it is very rare on this floor that we are given this opportunity, to do something direct and sound for consumers.

Vote for the Downey-Gradison amendment. Reduce the price of sugar 2 cents. Do the right thing.

Mr. HUCKABY. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. ESPY].

Mr. ESPY. Mr. Chairman, I thank the gentleman for yielding time to me.

With all due respect to my colleague, the gentleman from New York, and to the gentleman from Ohio [Mr. GRADISON], I rise in strong opposition to the Downey-Gradison amendment. I think that it will not benefit anyone except

for large food companies, large soft drink companies, and affect our world trade competitors.

I think Carla Hills is for this because it is the position of our GATT negotiators to go to a zero subsidy position. In fact, I was in Geneva recently, Mr. Chairman, and talked to the EC GATT negotiator, and he said to me quite explicitly, "What you guys in America don't realize is that in the EC, in the European Community, we think that agriculture is like religion."

If that is the case, Mr. Chairman, I say sign me up with the church, and in that respect this amendment constitutes heresay.

The sugar amendment does not add to the deficit. As a matter of fact, the sugar program operates at absolutely no cost to the U.S. Treasury. If the argument here is the cost to the consumers, market history suggests that decreases in the price given to farmers has no relation whatsoever to the price that consumers pay.

If this amendment passes, the price of candy bars and soda will not fall. What will fall is the farmers, the rural communities, and what will go up is the position of the large soft drink companies and the food companies.

Mr. Chairman, this amendment needs to be defeated.

Mr. HUCKABY. Mr. Chairman, I yield my remaining time to the gentleman from Texas [Mr. DE LA GARZA], the chairman of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Chairman, you have heard it all. The final fact is, can the manufacturers—There is not one cocoa bean produced in the United States of America. All the chocolate comes from abroad, and they do not care how much they charge for it.

Now, for every farmer you lose, for every pound of sugar you use, it will come from abroad.

So the bottom line is, it is jobs in the United States of America, farmers in the United States of America.

Vote no on the Downey amendment. It is jobs USA jobs USA, jobs USA. You cannot cut it anymore. You cannot hide it anymore.

It is jobs, jobs, jobs in the USA. Vote no on the amendment.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding to me.

Let me point out, the Europeans support sugar at 30 cents a pound. The United States at 18 cents. Our farmers will compete head up with anyone. But we cannot compete against the European subsidies.

Mr. BERMAN. Mr. Chairman, I rise in support of the gentleman's amendment. I want to direct my remarks to a little-known subsidy enjoyed by the sugarcane industry: the H–2A Agricultural Guestworker Program which brings 10,000 Caribbean workers into the United States each year to harvest sugarcane under conditions that are the shame of this Nation.

This program began in the early 1940's, when the U.S. Department of Justice indicted Florida sugarcane growers on peonage counts—that is, the U.S. Government found that the growers were conspiring to enslave black Americans almost a century after the Civil War.

In lieu of peonage, the Florida sugarcane industry now relies on bonded labor in another form: foreign guestworkers who are brought into this country to work for particular growers, and who can remain in the United States only while their employment with those growers continue.

The Florida growers claim that they are unable to find U.S. workers for the jobs in question. Little wonder, given that decades of bonded labor have seriously depressed wages and working conditions.

When other industries cannot find workers, they improve wages and working conditions to attract job seekers. Not Florida sugarcane. They import more than 90 percent of their cane cutters each year, avoiding the free market in a manner unprecedented in other industries.

H–2A workers who complain about violations of labor laws or their employment agreement are flown home and are blacklisted from working in the U.S. canefields again. In 1986, workers upset with labor conditions organized a work stoppage at Okeelanta Corp., and were immediately rounded up by the county sheriff, taken to Miami, and flown home. With these powerful tools, the Florida sugar industry has at its disposal an extraordinarily exploitable work force.

H–2A employers are suppose to pay a premium wage—the adverse effect wage rate—in order to offset the impact of imported labor on American wages. Yet U.S. Department of Labor investigations in 1987–89 disclosed that one of the largest growers failed to pay even the Federal minimum wage. Shorting workers on the number of hours they worked is rampant, with the result that even at depressed wages, workers are paid far less than they earned.

The losers in this arrangement are clearly American workers, the imported guestworkers, and American taxpayers and consumers.

About 10,000 workers continue to be brought in from Caribbean nations each year to harvest cane, even though there are thousands of potential domestic workers in the immediate vicinity of the Florida canefields—many of them refugees who have sugar harvesting experience in their Caribbean homelands.

Unemployment in the Florida counties surrounding the canefields range from 10 to 15 percent. Besides doing nothing to alleviate domestic unemployment, the use of H–2A labor depresses wages and working conditions for American farmworkers who are employed, since growers hang over them the threat that they will be replaced by foreign laborers who will work for low wages and poor working conditions.

The near-slavery conditions the Caribbean guestworkers endure enrich the Florida sugarcane industry. Many workers are cheated out of wages. Injury rates are alarming: as many as one-third of the cane cutters are injured each season. Seriously injured workers are sent home and permanently blacklisted. Living quarters typically consist of prison-like barracks with barbed-wire fences, guards, and curfews.

And Americans taxpayers subsidized this outrage. The industry's labor practices mean that taxpayers pay for subsistence benefits—unemployment, food stamps, Medicaid—paid to unemployed American farmworkers. The U.S. Treasury suffers from foregone income tax and FICA revenues which would be paid had American workers held those jobs, but from which H–2A workers are exempt.

I have heard from leading figures in the sugar industry over the last few days; they have insisted to me that the Florida sugarcane atrocity is not their problem, not their responsibility. Well I am here to say it is. It is the black eye of the industry, and cane and beet growers and refiners around the country should make it their business to see to it that worker rights are enjoyed by all workers in the American sugar industry.

The H–2A program is another edge for the sugar industry, no less than price supports, and it is financed by taxpayers, consumers, unemployed Americans, and exploited foreign workers.

Mr. WEBER. Mr. Chairman, I rise today in strong opposition to this amendment. I believe that this amendment is unnecessary, works against the interest of consumers, weakens our international trade position, and risks our ability to have an adequate supply of domestically produced sugar.

The proponents of this amendment, Mr. Chairman, are claiming that it will save the American taxpayer's money. The Members of this body should know that nothing could be further from the truth. The sugar program costs the Federal Government nothing. According to the U.S. Department of Agriculture's Commodity Credit Corporation, the timely repayment of sugar producers loans generated net revenues to the CCC of $65 million in fiscal 1987, $246 million in 1988 and $25 million in 1989. All of this has happened because the Sugar Price Support Program has been a stable one, and the Food and Agricultural Resources Act of 1990 maintains that stability.

Furthermore, Mr. Chairman, the U.S. sugar program has played an important role in the development of the U.S. corn sweetener industry, which now consumes about 15 percent of all the corn marketed in the United States. This raises the price of corn by 25 cents per bushel and, according to the USDA, saves the U.S. Government some $500 to $700 million per year in deficiency payments to corn growers. The revenue and savings that the sugar program generates would be lost if this amendment passes.

The supporters of this amendment also have claimed that the sugar program has an adverse impact on the Caribbean Basin nations. Again, Mr. Chairman, this is simply not true. In fact, the Caribbean nations that produce sugar have endorsed the sugar program in the farm bill. If we cut our sugar price

level, we will cut those nations' income. And with the rest of the sugar producing world unwilling to change their programs, why should we make our producers the sacrificial lambs of international trade?

Mr. Chairman, it is very important that the Members of this body to understand what the real impact of this amendment will be. In Minnesota alone over 24,300 jobs rely on a strong U.S. sweetener industry. Up to $1.2 billion of economic activity is generated in my State each year by the sugar and corn industry. Over 1,200 growers produce 5 million tons of sugar beets on 334,000 acres. If passed, this amendment threatens the very existence of all segments of this industry.

If the Members of this body want to vote to eliminate jobs, force farmers into bankruptcy, stunt economic growth in rural America, and eliminate revenues to the Department of Agriculture, they should vote for this amendment. However, if members want to support programs which will continue the economic recovery in rural America, they should vote against this amendment.

I strongly urge a no vote on this amendment.

Mr. Chairman, I would like to take this time to express my opposition to the Downey-Gradison amendment to the sugar title. If enacted this amendment would cut 2 cents from the current 18-cent sugar loan rate. Such a unilateral cut would be devastating to American sugar producers and would severely weaken the negotiating position of the United States in the current GATT [General Agreement on Tariffs and Trade] negotiations.

The proposed Downey-Gradison 2-cent reduction in the sugar loan rate is the type of unilateral cut which we cannot afford in the face of the GATT negotiations. Today, almost every major sugar producing country subsidizes its sugar producers at a higher rate than our program. For example, the European Community subsidizes their sugar producers at a rate of 27 cents per pound. How can we encourage other countries to reform their programs, if we have already given away all our cards?

Proponents of the reduction say this will lessen consumer costs. Three-fourths of all sugar used is in manufactured products. Lowering the cost of raw sugar will not lower the cost of a candy bar when the amount of sugar in each candy bar does not even total one penny. This money will only pad the profit margin of the large candy and soft drink manufacturers. Not one dime—not one penny will find its way into the consumer's pocket if such a reduction is enacted.

The sugar program is by law a no-cost program. In fact over the past 3 years, the program has yielded $300 million in revenues, according to USDA figures. Because of the sugar program, American consumers have been able to depend on a stable supply of sugar at a reasonable price. Reducing or eliminating the sugar loan rate could move us back to the wild, cyclical price swings that plagued us in the mid-1970's.

My State of Idaho is one of the largest growers of sugar beets in the United States. A reduction in the sugar loan rate would drive many Idaho sugar beet growers into other crops such as barley, potatoes, and wheat thus making the prospect of oversupply in those commodity markets more probable. Such a result would have an immediate adverse effect on our State economy and agricultural communities.

We cannot endanger our GATT negotiating positions with this unilateral reduction. Moreover, a 2-cent reduction in the sugar loan rate would severely impact the agricultural community. Mr. Chairman, our farmers and our Nation cannot afford this amendment. I urge my colleagues to reject this amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. DOWNEY].

The question was taken; and the Chairman pro tempore announced that the Chair was in doubt.

RECORDED VOTE

Mr. DOWNEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 271, answered "present" 1, not voting 10, as follows:

[Roll No. 258]

AYES—150

Annunzio	Hall (OH)	Payne (NJ)
Archer	Hamilton	Pease
Armey	Hammerschmidt	Petri
Atkins	Hancock	Porter
Barnard	Hawkins	Rangel
Bartlett	Henry	Regula
Bates	Hiler	Rhodes
Beilenson	Hochbrueckner	Rinaldo
Bennett	Houghton	Ritter
Berman	Hughes	Rohrabacher
Borski	Hyde	Rostenkowski
Boucher	Jacobs	Roukema
Brennan	Johnson (CT)	Rowland (CT)
Broomfield	Kanjorski	Savage
Burton	Kennedy	Sawyer
Campbell (CA)	Kennelly	Saxton
Carper	Kolbe	Scheuer
Chandler	Kostmayer	Schneider
Clay	Kyl	Schroeder
Conte	LaFalce	Schulze
Conyers	Leach (IA)	Schumer
Cooper	Lehman (FL)	Sensenbrenner
Courter	Lent	Serrano
Cox	Levine (CA)	Sharp
Coyne	Lewis (GA)	Shaw
Crane	Lloyd	Shays
DeLay	Lukens, Donald	Slattery
DeWine	Machtley	Smith (NJ)
Dixon	Markey	Smith, Robert (NH)
Donnelly	Martin (IL)	Snowe
Douglas	Mazzoli	Solomon
Downey	McCurdy	Spratt
Dwyer	McDade	Studds
Early	McDermott	Sundquist
Eckart	McGrath	Udall
Edwards (CA)	McHugh	Upton
Edwards (OK)	McNulty	Visclosky
Fawell	Meyers	Walgren
Feighan	Miller (OH)	Walker
Fields	Miller (WA)	Washington
Frank	Moakley	Waxman
Frenzel	Moody	Weiss
Gallo	Mrazek	Weldon
Gejdenson	Neal (MA)	Wolf
Gekas	Nielson	Wylie
Gibbons	Nowak	Yates
Goodling	Oakar	Yatron
Gordon	Owens (NY)	Young (FL)
Gradison	Owens (UT)	
Green	Packard	
Guarini	Pallone	

NOES—271

Ackerman	Andrews	Aspin
Alexander	Anthony	AuCoin
Anderson	Applegate	Baker
Ballenger	Hayes (IL)	Perkins
Barton	Hayes (LA)	Pickett
Bateman	Hefley	Pickle
Bentley	Hefner	Poshard
Bereuter	Herger	Price
Bevill	Hertel	Pursell
Bilbray	Hoagland	Quillen
Bliley	Holloway	Rahall
Boehlert	Hopkins	Ravenel
Boggs	Horton	Ray
Bonior	Hoyer	Richardson
Bosco	Hubbard	Ridge
Boxer	Huckaby	Roberts
Brooks	Hunter	Robinson
Browder	Hutto	Roe
Brown (CA)	Inhofe	Rogers
Brown (CO)	Ireland	Ros-Lehtinen
Bruce	James	Rose
Bryant	Jenkins	Roth
Buechner	Johnson (SD)	Rowland (GA)
Bunning	Johnston	Roybal
Bustamante	Jones (GA)	Russo
Byron	Jones (NC)	Sabo
Callahan	Jontz	Saiki
Campbell (CO)	Kaptur	Sangmeister
Cardin	Kasich	Sarpalius
Carr	Kastenmeier	Schaefer
Chapman	Kildee	Schiff
Clarke	Kleczka	Schuette
Clement	Kolter	Shumway
Clinger	Lagomarsino	Shuster
Coble	Lancaster	Sikorski
Coleman (MO)	Lantos	Skaggs
Coleman (TX)	Laughlin	Skeen
Collins	Leath (TX)	Skelton
Combest	Lehman (CA)	Slaughter (NY)
Condit	Levin (MI)	Slaughter (VA)
Costello	Lewis (CA)	Smith (FL)
Craig	Lewis (FL)	Smith (IA)
Dannemeyer	Lightfoot	Smith (NE)
Darden	Lipinski	Smith (TX)
Davis	Livingston	Smith (VT)
de la Garza	Long	Smith, Denny (OR)
DeFazio	Lowery (CA)	Smith, Robert (OR)
Dellums	Luken, Thomas	Solarz
Derrick	Madigan	Spence
Dickinson	Manton	Staggers
Dicks	Marlenee	Stallings
Dingell	Martin (NY)	Stangeland
Dorgan (ND)	Martinez	Stark
Dornan (CA)	Matsui	Stearns
Dreier	Mavroules	Stenholm
Duncan	McCandless	Stokes
Durbin	McCloskey	Stump
Dymally	McCollum	Swift
Dyson	McCrery	Synar
Emerson	McEwen	Tallon
Engel	McMillan (NC)	Tanner
English	McMillen (MD)	Tauke
Erdreich	Mfume	Tauzin
Espy	Michel	Taylor
Evans	Miller (CA)	Thomas (CA)
Fascell	Mineta	Thomas (GA)
Fazio	Molinari	Thomas (WY)
Fish	Mollohan	Torres
Flake	Montgomery	Torricelli
Flippo	Moorhead	Towns
Foglietta	Morrison (WA)	Traficant
Ford (MI)	Murphy	Traxler
Frost	Murtha	Unsoeld
Gallegly	Myers	Valentine
Gaydos	Nagle	Vander Jagt
Gephardt	Natcher	Vento
Geren	Neal (NC)	Volkmer
Gillmor	Oberstar	Vucanovich
Gilman	Obey	Walsh
Gingrich	Olin	Weber
Glickman	Ortiz	Wheat
Gonzalez	Oxley	Whittaker
Goss	Panetta	Whitten
Grandy	Parker	Williams
Grant	Parris	Wilson
Gray	Pashayan	Wise
Gunderson	Patterson	Wolpe
Hall (TX)	Paxon	Wyden
Harris	Payne (VA)	Young (AK)
Hastert	Pelosi	
Hatcher	Penny	

ANSWERED "PRESENT"—1

Sisisky

NOT VOTING—10

Bilirakis	Hansen	Nelson
Coughlin	Lowey (NY)	Watkins
Crockett	Morella	
Ford (TN)	Morrison (CT)	

□ 1338

The Clerk announced the following pairs:

On this vote:

Mr. Nelson of Florida for, with Mr. Hansen against.

Mrs. BENTLEY and Mr. STOKES changed their vote from "aye" to "no."

Mr. HUGHES and Mr. SAVAGE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1350

Mr. PENNY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this point I had intended to offer an amendment on the sugar price program to lower the price by 2 cents over the next 5 years. That would have resulted in a four-tenths of 1 cent reduction in the price support each year of the 5-year farm program.

Mr. Chairman, I was of a mind to offer this amendment because of the relative relationship of crop prices among commodities. Under the 1985 farm bill target prices and loan rates for wheat, feed grains and corn declined each of the 5 years of that farm bill. During that same time period the sugar price was maintained at a constant level of 18 cents per pound.

It was my view that while we were freezing all other target prices for crops for the duration of the 1990 farm bill that that would have left sugar with a comparative advantage due to the fact that they did not lose price while other crops did over the last 5 years.

In Minnesota at least, due to this price advantage and profit advantage enjoyed by sugar beet producers we were seeing an extraordinary bidding up of land values in the sugar beet producing counties that was to the disadvantage of all other producers of other crops within those counties.

My hope was to phase in this price reduction in a way that could have been absorbed and facilitated by the sugar beet producers and the processing industry. However, as debate on the previous amendment clearly demonstrated, any cut in that price, whether done immediately or phased in over 5 years, would not have resulted in a reduction in consumer prices. And again, because this is a program that does not impact on the Federal Treasury, no reduction in this price would have saved the taxpayers one dollar.

My view is that as we proceed with this farm bill there are areas in which we can make significant savings of taxpayer money, and I intend to place my emphasis in those areas. Tomorrow we will take up an overall limitation on program subsidies based on farm income from program crops. One amendment that I intend to offer would limit any farm subsidies to producers who exceed $1 million in sales of program crops. Another amendment which I am working on with the gentleman from Louisiana, Chairman HUCKABY, and with the gentleman from Massachusetts, Mr. CONTE, would limit payments to producers under various farm programs. We already have a $50,000 limitation on deficiency payments. We would reduce the limitation on payments for marketing loans, for Findley payments and other direct payments to farmers.

It seems to me that if we are really going to save money that efforts in support of these amendments are of prime importance. For that reason I do not intend to pursue my amendment on sugar today and will instead devote my attention and my energies to pass those amendments tomorrow.

AMENDMENT OFFERED BY MR. HUCKABY

Mr. HUCKABY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUCKABY: 1. Strike section 207(b)(4) (A) and (B) and insert the following:

"(A) The acreage base for any crop shall be the number of acres that is equal to the average of the acreage planted and considered planted for harvest for sugar or seed on the farm in each of the 5 crop years preceeding such crop year.".

2. Redesignate section 207(b)(4)(C) as section 207(b)(4)(B).

Mr. HUCKABY. Mr. Chairman, I do not believe this amendment is controversial.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, in behalf of the full committee on our side, we have examined the amendment and we think it adds to the legislation. On this side we would have no objection to it.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Minnesota.

Mr. STANGELAND. I thank the gentleman for yielding.

Mr. Chairman, we have examined the amendment on this side and certainly concur with the chairman of the committee and the chairman of the subcommittee that this does indeed enhance the legislation. We support the amendment.

Mr. HUCKABY. I thank the gentleman.

Mr. Chairman, I ask for an aye vote on the amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The question is on the amendment offered by the gentleman from Louisiana [Mr. HUCKABY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HUCKABY

Mr. HUCKABY. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. HUCKABY: Strike all of subtitle C of title II.

Mr. HUCKABY. Mr. Chairman, the intent of this amendment is to really restore the status quo as to how the sugar program operates today.

The Committee on Ways and means struck the authority for the administration to administer, to regulate our imports under what is referred to as the tariff headnote authority. We allocate country-by-country quotas based upon historic shipments, and through this we operate a no-cost program.

In addition to this, the administration had the authority under the old program to also implement and operate a tariff rate quota or to operate under section 22. The effect and intent of my amendment is to restore the status quo of how the sugar program is operating today to ensure that it will continue to operate. The administration has the authority to change and implement a tariff rate quota if they so desire or to implement section 22.

Mr. STANGELAND. Mr. Chairman, I rise in support of the amendment of the gentleman from Louisiana.

Mr. Chairman, the Ways and Means Committee provisions require the administration to implement either a tariff rate quota or to use section 22 to bring sugar import provisions into compliance with the GATT. It gives specific authority to the tariff schedules for a tariff rate quota.

Currently the quota is operated under the tariff headnote authority. The Ways and Means Committee takes away this authority.

To implement a tariff rate quota, the USTR hopes to enter a voluntary restraint agreement with Canada backed up by section 22. The administration already has the authority to implement a tariff rate quota or to use section 22, and this language in the bill would take away a tool as passed by the Committee on Ways and Means, and the gentleman from Louisiana puts the language back in to give the administration the authority to continue, if it is appropriate, to use tariff headnote authority.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. STANGELAND. I am happy to yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, it is my understanding that without this amendment it will be necessary to increase imports of domestic sugar, to increase them significantly to the point that we would have to for the first time ever implement a production control system. Does the gentleman concur with that statement?

Mr. STANGELAND. I thank the gentleman for his contribution.

I would also like to point out that in the GATT, Australia brought a complaint against the United States sugar program and the GATT upheld the Australian complaint.

□ 1350

And so we are negotiating with Australia and the GATT as to how to bring our program into compliance. That may well be to use tariff rate quotas, it may well be to use section 22, but there may also be a way to use the tariff headnote authority. These difficulties should be ironed out, again, in Geneva, in GATT, where the complaint was filed and the complaint was upheld.

Mr. HUCKABY. Mr. Chairman, many feel that the existing program before us now that has a standby production control system meets the concerns of GATT.

Mr. STANGELAND. Yes. I thank the gentleman.

Mr. GIBBONS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I recognize my friends on the Committee on Agriculture may have a hard time believing me on this argument, but this argument, and I want to tell you directly, is not aimed at the sugar program. In fact, if we adopt this, it will operate the same way it does on the peanut program and all the other programs that restrict imports.

But the real problem here is to try to get America out of the outlaw class in international trade and to adopt a way of enforcing the sugar program, carrying out the sugar program without effecting the sugar program at all by 1 penny or $1 or 1 ton, so that we will be in compliance with the GATT rules.

We have been hauled into court in GATT. We lost the case. It was vigorously argued by our side.

The only way to cure it is to do what the Committee on Ways and Means did.

Now, there will be other ways and there are other ways now of controlling this program, section 22 of the Agriculture Act. It has been in existence since in the 1930's. That is what we expect the administration to rely upon that has a GATT waiver and to rely on that in the enforcement of this program.

But we suggest a tariff rate quota. The Committee on Rules incorporated it as part of the bill. It is what is in the bill. The Committee on Agriculture is now trying to strike that out.

We do it mainly to try to bring some peace into the negotiations around the world.

We cannot get anybody to come to the table and honestly negotiate with us if we are not going to follow the rules after we have adopted them. That is a simple problem that is ahead of us.

We are not trying to abolish the agriculture sugar program here, we are not trying to cut the importation or raise the important at all. We are trying to leave it as it is.

But we are trying to do it in a legal manner. That is all the argument is about.

I recognize I may appear as a wolf, in sheep's clothing on this particular subject matter, but let me assure you that we have worked with the Agriculture Department, with the lawyers down there, with the economists down there. We worked with the people in all of the agencies. While they do not endorse this program or adopt it as theirs, they do admit that this is a sound way to do it and they helped us in the drafting of it and criticized our drafting.

So all we are attempting to do is to bring down program into compliance. If we can get compliance, people are going to be much more anxious to bargain with us.

The trouble is, when we go to the bargaining table now, we violated so many of the rules ourselves nobody will sit down and bargain with us. They say, "We can't bargain with you. You don't even obey the rules that you helped lay down that are on the books now." How can we expect anybody to cooperate with us, to work with us, on that kind of thing?

All I am attempting to do is to leave the sugar program as it is, not cost a nickel to anybody, only come into compliance with the international rules for which we have been hauled into court and found guilty.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. I thank the gentleman for yielding.

Mr. Chairman, there are many who feel like, with the production control system that is in this bill for the first time, we comply with GATT. No one really knows until we go to GATT. Different attorneys tell us different things.

We all feel that we should comply with international law.

Now, the existing program that we are operating under today, the way we are operating, the administration has the discretionary authority to implement the tariff rate quota. They have been telling us for many months they are going to do that, And the committee supports them doing that, but for various reasons they have not.

The position of the gentleman in the well mandates that they either implement that or implement section 22.

Now, we have significant problems with section 22. Section 22 changes the quota time period, it changes the imports, it changes significantly the way the program operates.

So what the committee is doing is we are just saying let us continue to operate as we are. We think we have complied with GATT. And the administration still has the authority here. They have the option to implement the tariff rate quota if they so choose.

Would the gentleman agree this is a correct statement?

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from Florida [Mr. GIBBONS] has expired.

(On request of Mr. HUCKABY and by unanimous consent, Mr. GIBBONS was allowed to proceed for 2 additional minutes.)

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. I thank the gentleman for yielding.

Mr. Chairman, the gentleman in the well [Mr. GIBBONS] is an expert on trade, tariffs, and ways and means, and I respect that. But is it not true that our operating under the headnote authority in our sugar program comes as a result of a waiver that we received to the rules in the GATT years ago, way back when?

Mr. GIBBONS. Section 22 authority comes under a waiver. Section 22 was in being a decade and a half before GATT came into being. So we got a waiver on that. But obviously, we do not have a waiver on the headnote authority, because that is what GATT found to be illegal after they took us into court, after the Australians and other people took us into court.

Mr. STANGELAND. Should that not be something that we negotiate in Geneva within the GATT as to how to resolve that Australian complaint and not do it here?

Mr. GIBBONS. That is the whole thing that I am talking about. Nobody wants to negotiate with some person who does not keep their word, who does not follow the rules after they have been ruled upon. That is our problem.

In the remainder of my time, I would like to say that all I am attempting to do here is get us into compliance with GATT, not to affect your program.

Now, tomorrow I have an amendment that affects your program. But that is not today. I hope you will realize that I am only trying to affect your program tomorrow, Mr. Chairman and members of the committee, because I think it is impossible for us to enact a 5-year subsidy program and then walk into GATT and say, "Hey, we are willing to negotiate now."

We will never get the 5-year subsidy program changed, if we ever put it

into law here for 5 years. I just want to put it into position for 2 years. But under this, let us not be the law-breakers, let us be the law-abiders. If we do not like the law, let us try to change the law.

All I am trying to do here is to make us comply with the GATT without hurting the domestic program.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment for substantially the same reasons articulated by the distinguished chairman of the Subcommittee on Trade of the Committee on Ways and Means. The effect of the Huckaby motion is to restore the same flawed language which was found unacceptable in the General Agreement on Tariffs and Trade. We resisted, we fought the case, we did the best we could with it, and we lost.

What normally happens when you lose is you go home and you change your law and you take your lumps. We have for a long time railed vigorously in the GATT at those countries which either stalled decisions or, having received decisions, made no changes in their law. And when they do, they are then subject to retaliation, and occasionally we have retaliated. And now here is a case in which we have been a clear loser.

□ 1400

It is not a split decision. We lost. The amendment that is in the bill itself and which the Huckaby amendment would strike, is language which gives the Members a chance to make our position correct, to put Members back into agreement with the rules of the GATT.

Now, if we accept the Huckaby amendment, we will be out of agreement again, or we will remain out of agreement. We will be out of agreement again, and subject to retaliation, or whatever other kind of actions our trading partners would like to make against Members.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, under international law, does not GATT recognize that where one restricts domestic production, one can regulate through a potential system, and we have changed in this bill, we have changed existing law to comply with GATT?

Mr. FRENZEL. Mr. Chairman, I heard the gentleman make that statement earlier, but I must say personally I am not the GATT lawyer, and so I have difficulty interpreting whether what the gentleman has done is going to be satisfactory.

As I understand it, it is not wholly clear, and that the preponderance of argumentation I have heard is on the other side.

Mr. HUCKABY. If the gentleman will continue to yield, certainly I do not think there is any greater supporter of GATT and the GATT negotiations than Secretary Yeutter. Secretary Yeutter today has the authority in existing legislation to implement either the tariff right quota or section 22. We are just saying, let people continue operating as we are, and let them negotiate in Geneva, and also the fact that we feel we have complied with GATT.

Mr. FRENZEL. Mr. Chairman, I thank the distinguished chairman of the subcommittee for his contribution.

I will concede that the gentleman knows the sugar business from alpha to xylophone. Nevertheless, if we are going to live up to our agreements at the international level and if, more importantly, we are going to expect our trading partners to live up to theirs, they are not going to be able to do so if we continue to break the law. I submit that the Huckaby amendment continues to put Members out of agreement with the GATT, and if it is passed, we will have, I think, some retaliation in our trading partners, which I submit is going to be in agriculture commodities. If that is the way we want it, that is the way we are likely to get it.

Mr. DE LA GARZA. Mr. Chairman, I rise in support of the amendment. Very briefly, listening to my distinguished colleagues and friends, the gentlemen from Florida and Minnesota, I concur partially with their assessment of the situation, and we know that as far as free trade and international trade, our two distinguished friends and colleagues are purists in this effort. I applaud them for that.

We have to deal with the realities of internal situation and domestic situation. I have no disagreement. I do cringe a little bit when one of our colleagues says that we are GATT illegal, and that is really a short phrase used because there is no legal or illegal, but it is a community of nations, as all Members know, that establish some rules, and Members, hopefully, will apply.

We have, by and large, been faithful to the GATT, and will continue to be. There is some degree of insistence on my part, though, for example, that who brought the complaint, and we are heard from law school days that to come into a court of equity a person must come with clean hands. The charge was brought by our friends and neighbors, and very good trading partners, from Australia, who had kept sugar from coming into their country for abut 70 years, contrary to GATT. Then they changed it, but put in a tariff which is prohibitive, so that sugar will come into Australia. But now they are GATT legal. I have discussed this with several prime ministers of Australia. I have discussed it with their Minister of Primary Industry, Agriculture, their Minister of Commerce, and they are not that agitated. They are waiting to see. They are leading an effort to arrive to some degree of consensus at GATT.

I agree with my colleagues, and I applaud and respect them for their purity in wanting to establish a world legal order in trade, and all Members look towards that day so that we would not have to be dealing with legislation like we will be dealing with here. However, at this point in time, the reality of the situation is that basically the administration needs this tool to endorse the law as we now have it, and do not disrupt when the sugar comes in, how it comes in, and therefore I would hope that with due respect to my colleagues, committing ourselves to work toward the end which they so eloquently espouse that we support the committee and allow Members to give the administration this tool to continue administering the legislation as they have done in the past.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. HUCKABY].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II?

If not, the Clerk will designate title III.

The text of title III, is as follows:

TITLE III—RICE

SEC. 301. LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, ACREAGE LIMITATION PROGRAM, AND LAND DIVERSION FOR THE 1991 THROUGH 1995 CROPS OF RICE.

Effective only for the 1991 through 1995 crops of rice, the Agricultural Act of 1949 is amended by inserting after section 101A (7 U.S.C. 1441-1) the following new section:

"SEC. 101B. (a) LOANS AND PURCHASES.—(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall make available to producers nonrecourse loans and purchases for each of the 1991 through 1995 crops of rice at a level that is not less than the higher of—

"(A) 85 percent of the simple average price received by producers, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; or

"(B) $6.50 per hundredweight.

"(2) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any crop of rice determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ANNOUNCEMENT OF LOAN LEVEL AND ESTABLISHED PRICE.—The loan and purchase level and the established price for each of the 1991 through 1995 crops of rice shall be announced not later than January 31 of each calendar year for the crop harvested in such calendar year.

"(4) LENGTH OF TERMS OF NONRECOURSE LOANS.—A loan made under this section shall

have a term of not more than 9 months beginning after the month in which the application for the loan is made.

"(5) MARKETING LOAN.—(A) IN GENERAL.—The Secretary shall permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the higher of—

"(I) the loan level determined for such crop multiplied by 70 percent; or

"(II) the prevailing world market price for rice, as determined by the Secretary.

"(B) DETERMINATION OF PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for rice; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for rice.

"(C) PRODUCER PURCHASE OF NEGOTIABLE MARKETING CERTIFICATES.—(i) As a condition of permitting a producer to repay a loan as provided in subparagraph (A), the Secretary may require a producer to purchase marketing certificates equal in value to an amount that does not exceed one-half the difference, as determined by the Secretary, between the amount of the loan obtained by the producer and the amount of the loan repayment. Such certificates shall be negotiable.

"(ii) Such certificates shall be redeemable for agricultural commodities or products thereof owned by the Commodity Credit Corporation valued at the prevailing market price, as determined by the Secretary.

"(iii) The Commodity Credit Corporation, under regulations prescribed by the Secretary, shall assist any person receiving marketing certificates under this subparagraph in the redemption or marketing of such certificates. Insofar as practicable, the Secretary shall permit an owner of a certificate to designate the storage facility at which such owner would prefer to receive agricultural commodities or products thereof in exchange for such certificate.

"(iv) If any such certificate is not presented for redemption or marketing within a reasonable number of days after issuance, as determined by the Secretary, reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after such reasonable number of days and ending with the date of the presentation of such certificate to the Commodity Credit Corporation.

"(6) SIMPLE AVERAGE PRICE DETERMINATION.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b) PAYMENTS FOR FORGOING LOAN OR PURCHASE.—(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of rice, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of rice the producer is eligible to place under loan.

"(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of rice eligible to be placed under loan may not exceed the product obtained by multiplying—

"(A) the individual farm program acreage for the crop; by

"(B) the actual yield per harvested acre for the farm.

"(4) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for such crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(5) PAYMENT IN NEGOTIABLE MARKETING CERTIFICATES.—The Secretary may make up to one-half the amount of a payment under this subsection available in the form of negotiable marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(C).

"(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments (to be known as 'deficiency payments') for each of the 1991 through 1995 crops of rice in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) 0/92 AND 50/92 PROGRAMS.—(i) If an acreage limitation program under subsection (e)(2) is in effect for a crop of rice and the producers on a farm devote a portion of the permitted rice acreage of the farm (as determined in accordance with subsection (e)(2)(A)) equal to more than 8 percent of the permitted rice acreage of the farm for the crop to conservation uses (except as provided in subparagraph (F))—

"(I) such portion of the permitted rice acreage in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to rice for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph on such acreage, subject to the compliance of the producers with clause (ii).

"(ii)(I) To be eligible for payments under clause (i), except as provided in subclause (II) and clause (iv), the producers on a farm must actually plant rice for harvest on at least 50 percent of the permitted rice acreage of the farm.

"(II) The Secretary may waive the 50 percent planting requirement in subclause (I) for any crop of rice.

"(iii) Notwithstanding any other provision of this section, any producer who elects to devote a portion (or, where the Secretary exercises the waiver authority under clause (ii)(II), all) of the permitted rice acreage of the farm to conservation uses (or other uses as provided in subparagraph (F)), under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to rice and eligible for payments under this subparagraph for such crop at a rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which rice producers may agree to participate in the program for such crop.

"(iv) If a State or local agency has imposed in an area of a State or county a quarantine on the planting of rice for harvest on farms in such area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph to producers in such area who were required to forgo the planting of rice for harvest on acreage to alleviate or eliminate the condition requiring such quarantine. If the Secretary determines that such condition exists, the Secretary may make payments under this paragraph to such producers. To be eligible for payments under this clause, such producers must devote such acreage to conservation uses (except as provided in subparagraph (F)).

"(v) If an acreage limitation program under subsection (e) is in effect for any crop of rice and if the Secretary determines that producers on a farm are prevented from planting the acreage intended for rice to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments computed as provided in paragraph (1)(A). Producers shall be eligible for such payments if a portion (or all) of the permitted rice acreage of the farm is devoted to conservation uses (except as provided in paragraph (F)). Such acreage equal to more than 8 percent of the permitted rice acreage of the farm for the crop shall be considered to be planted to rice for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D). The provisions of clauses (iii) and (vi) shall apply to any such producers.

"(vi) The rice crop acreage base and rice farm program payment yield of the farm shall not be reduced due to the fact that such portion (or all) of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)).

"(vii) Other than as provided in clauses (i) through (v), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(viii) Any acreage considered to be planted to rice in accordance with clauses (i) and (v) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(C) PAYMENT RATE.—The payment rate for rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(i) the national average market price received by producers during the first 5 months of the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop.

"(D) MINIMUM ESTABLISHED PRICE.—The established price for rice shall not be less than $10.71 per hundredweight.

"(E) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of rice on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(F) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and con-

ditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

"(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion (or all) of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(I) the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage that the producers were prevented from planting to rice or other nonconserving crops in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(II) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(III) a payment rate equal to 33⅓ percent of the established price for the crop.

"(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or in such other form as the Secretary is authorized by law to make.

"(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the rice acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the rice acreage of the producers.

"(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses is insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of rice shall be determined under title V.

"(e) PROGRAMS TO REDUCE ACREAGE.—(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of rice, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of rice an acreage limitation program as described in paragraph (2).

"(B) CONSIDERATION OF CONSERVATION RESERVE.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

"(C) ANNOUNCEMENT OF PROGRAM.—If the Secretary elects to put an acreage limitation program into effect for any crop year, the Secretary shall announce any such program not later than January 31 of the calendar year in which the crop is harvested.

"(D) RATIO OF CARRY-OVER TO TOTAL DISAPPEARANCE.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of rice in a manner that will result in carry-over stocks equal to between sixteen and one-half and twenty percent of the simple average of the total disappearance of rice for each of the three marketing years preceding the year for which the announcement is made. For the purpose of this subparagraph, "total disappearance" means all rice utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—(A) UNIFORM PERCENTAGE REDUCTION.—If a rice acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (not to exceed 35 percent) to the rice crop acreage base for the crop for each rice-producing farm.

"(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce rice in excess of the permitted rice acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for rice loans, purchases, and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Rice crop acreage bases for each crop of rice shall be determined under title V.

"(D) CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

"(ii) The number of acres determined under clause (i) is hereafter in this subsection referred to as 'reduced acreage'.

"(E) FARM PROGRAM ACREAGE.—Except as provided in subsection (c)(1)(B), the individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

"(3) USE OF CONSERVATION ACREAGE.—(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B)), or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(4) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation program for

rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(5) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) ONE-HALF ACREAGE REDUCTION PROGRAM.—(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of rice, make payments available to producers who meet the requirements of this subsection.

"(2) FORM OF PAYMENT.—Such payments may be—

"(A) made in the form of rice owned by the Commodity Credit Corporation; or

"(B) made in such other form as the Secretary is authorized by law to make.

"(3) DETERMINATION OF PAYMENT.—(A) IN GENERAL.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) QUANTITY OF RICE MADE AVAILABLE.—The quantity of rice to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(4) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant rice for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(D) otherwise complies with this section.

"(g) EQUITABLE RELIEF.—(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(h) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(k) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(m) PROHIBITIONS.—(1) CROSS COMPLIANCE.—(A) IN GENERAL.—Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop base acreage requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(B) CROP ACREAGE BASE INCREASES.—If a producer on a farm is participating in the rice program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

"(i) the terms and conditions of the applicable commodity program for such commodity; or

"(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

"(2) OFFSETTING COMPLIANCE.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the rice program with respect to any other farm operated by such producers.".

SEC. 302. MARKETING CERTIFICATES.

(a) IN GENERAL.—Notwithstanding any other provision of law, whenever, during the period beginning August 1, 1991, and ending July 31, 1996, the world price for a class of rice (adjusted to United States qualities and location), as determined by the Secretary of Agriculture, is below the current loan repayment rate for that class of rice, to make United States rice competitive in world markets and to maintain and expand exports of rice produced in the United States, the Commodity Credit Corporation, under such regulations as the Secretary may prescribe, shall make payments, through the issuance of negotiable marketing certificates, to persons who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this section. Such payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make rice produced in the United States available at competitive prices consistent with the purposes of this section.

(b) VALUE OF CERTIFICATES.—The value of each certificate issued under subsection (a) shall be based on the difference between—

(1) the loan repayment rate for the class of rice; and

(2) the prevailing world market price for the class of rice, as determined by the Secretary of Agriculture under a published formula submitted for public comment before its adoption.

(c) REDEMPTION OF CERTIFICATES.—The Commodity Credit Corporation, under regulations prescribed by the Secretary of Agriculture, shall assist any person receiving marketing certificates under this section in the redemption of certificates for cash, or marketing or exchange of such certificates for agricultural commodities or the products thereof owned by the Commodity Credit Corporation, at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this section. Notwithstanding any other provision of law, any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this section.

(d) COMMODITY DESIGNATION; STORAGE COSTS.—Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products thereof, including storage sites thereof, such owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of such certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after such reasonable number of days and ending with the date of the presentation of such certificate to the Commodity Credit Corporation.

(e) PREVENTION OF POTENTIAL ADVERSE AFFECTS.—The Secretary of Agriculture shall

take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and the products thereof for certificates under this section from adversely affecting the income of producers of such commodities or products.

(f) TRANSFERABILITY.—Under regulations prescribed by the Secretary of Agriculture, certificates issued to rice exporters under this section may be transferred to other exporters and persons approved by the Secretary.

Mr. HUCKABY. Mr. Chairman, I move to strike the last word. Title III is the rice provisions of the new 1990 farm bill. Like cotton, rice had a new program in 1985, a market loan program. It has worked very well. We have seen rice exports increase more than 30 percent today compared to 1985.

Mr. Chairman, the rice program, the provisions before Members, freezes the target price, freezes the support price for the next 5 years. Each year the target price will be $10.71. The loan rate will continue to be maintained at $6.50, minimum, and 85 percent of the past market price.

Just as in the cotton, Mr. Chairman, we establish a target prime inventory to control inventory so we could control and have some influence on the price in the marketplace. We set up stock-to-use ratio, which I think is a step in the right direction.

The rice program has continued, has shown strong result in 1985. We basically continue the same thrust of 1990 through 1995, freezing the support levels. I urge Members to adopt this.

Mr. Chairman, I yield to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Chairman, I want to salute the gentleman from Louisiana [Mr. HUCKABY] for his leadership in this rice title. Once again, we have come to a consensus where we have a rice title that is again supported by all segments of the industry.

We have to understand that rice production is highly mechanized, requiring large capital investments, probably the greatest of any of the commodities. From 70 to 75 percent of rural exports are controlled by five countries, with the United States and Thailand accounting for over one-half of this.

Rice is a big commodity in this country. The marketing loan prices of the 1985 farm bill made U.S. commercial exports more competitive. We believe that marketing loan has proven to be an effective and efficient marketing tool for rice. This title is within budget. It builds on the success of the 1985 farm bill. I urge our colleagues to support this title as written by the committee.

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer amendments en bloc.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: On page 106, strike lines 22 through 24 and insert "sorghum or the production of guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, commodities for which no".

On page 114, line 12, insert after the period the following: "The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.".

TITLE III—RICE

Section 301 is amended—

(1) by inserting on page 96, line 21 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(2) by inserting on page 98, line 18 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(3) by inserting on page 98, line 20 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Texas?

There was no objection.

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Mr. DE LA GARZA. Mr. Chairman, if I might, at this point let me take just a moment to commend the members of the subcommittee, the chairman and the ranking member, for the excellent manner in which they have handled the rice commodity in the bill. This is a very important commodity for us. We have problems with some of our trading partners.

Actually what we need is to get more people to eat rice. I hope everyone goes out and eats more rice. It is good for you, good for your heart, good for your cholesterol, good for everything that ails you.

But we have to intercede in behalf of our producers, and our colleagues have done an excellent job in this respect.

My amendment, Mr. Chairman, is the Sarpalius, which allows discretion to the Secretary, and it embraces the Thomas amendment which deals with the water owned by the Indians in Wyoming and the general technical amendments.

I might add to my colleagues that this amendment will have to be offered to all the titles. That is the extent of the amendment, and I would ask for a vote on it at this time.

Mr. STANGELAND. Mr. Chairman, I rise in support of the amendment offered by the chairman of the committee.

We have looked at the amendment. It is noncontroversial in nature. We support it and believe it ought to be made part of the package.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The question is on the en bloc amendments, offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments was agreed to.

The CHAIRMAN pro tempore. Are there other amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—DAIRY

SEC. 401. FINDINGS.

Congress finds that—

(1) United States dairy policy should foster an economic environment in which milk producers have the opportunity to receive a satisfactory return for their labor and investment;

(2) the Federal support price should establish a minimum price which guarantees an adequate supply of wholesome milk;

(3) the Federal dairy program should foster the use of a component based price support system to more readily reflect market demands and better communicate the economic composition of milk and products derived from milk;

(4) market forces, together with appropriate adjustments in the government support price and standby milk production reduction programs, should balance supply and demand for milk and dairy products;

(5) Federal dairy support programs should embody the notion that the market for dairy products is national in scope;

(6) United States milk producers should be treated equally under Federal laws that compel the Secretary to purchase dairy products under the price support program;

(7) an alternative milk production reduction program should be used only when price changes alone will not balance supply with demand within a reasonable time period without greatly disrupting the market for dairy products; and

(8) factors such as the cost of the program, the program's effect on other agricultural segments, the economic conditions in agriculture and fiscal goals should be considered when an alternative inventory management program is considered.

SEC. 402. MILK PRICE SUPPORT AND INVENTORY MANAGEMENT PROGRAM FOR CALENDAR YEARS 1991 THROUGH 1995.

Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by amending subsection (e) to read as follows:

"(e) Notwithstanding any other provision of law—

"(1) During the period beginning on January 1, 1991 and ending on December 31, 1995, the price of milk shall be supported as provided in this subsection.

"(2)(A) During the period beginning on January 1, 1991 and ending on December 31, 1995, the price of milk shall be supported at a rate not less than $10.10 per hundredweight for milk containing 3.67 percent milkfat.

"(B)(i) The price of milk shall be supported through the purchase of milk and the products of milk.

"(ii) The Commodity Credit Corporation price support for each of the products butter, cheese and nonfat dry milk, respectively, announced by the Corporation shall be the same for all of that product sold by persons offering to sell such product to the Corpora-

tion. Such purchase prices shall be sufficient to enable plants of average efficiency receiving such prices for dairy products to pay producers, on average, a price not less than the rate of price support for milk in effect during such twelve-month period under this paragraph.

"(iii) In carrying out this section, the Secretary shall offer to purchase butter for not more than an amount per pound of $0.8150 in fiscal years 1991 through 1993, and $0.7875 in fiscal years 1994 and 1995, and shall offer to purchase nonfat dry milk at such a level that results in milk being supported at the level prescribed in subparagraph (A) as adjusted under paragraph (3), except that the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in such other manner as the Secretary determines will result in the lowest level of expenditures by the Commodity Credit Corporation and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of such determination.

"(3)(A)(i) If for any of the fiscal years 1992 through 1996, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will exceed 5 billion pounds, milk equivalent, total milk solids basis, the Secretary shall decrease by an amount per hundredweight of at least $0.25 but not more than $0.50 the rate of price support for milk in effect for such fiscal year.

"(ii) The Secretary shall, by August 1 of the preceding fiscal year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed decrease in price support under this subparagraph.

"(B)(i) If for any of the fiscal years 1992 through 1996, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will not exceed 3.5 billion pounds, milk equivalent, total milk solids basis, the Secretary shall increase by an amount per hundredweight of at least $0.25 the rate of price support for milk in effect for such fiscal year.

"(ii) The Secretary shall, by August 1 of the preceding fiscal year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed increase in price support under this subparagraph.

"(C) If for any of the fiscal years 1992 through 1996, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will be less than 5 billion pounds, milk equivalent, total milk solids basis, but more than 3.5 billion pounds of milk equivalent, total milk solids basis, the Secretary shall not decrease the rate of price support for milk in effect for such fiscal year.

"(D) Notwithstanding any other provision of this subsection, in no event shall the price of milk be supported at less than $10.10 per hundredweight.

"(E)(i) As used in this subsection, the term 'milk equivalent, total milk solids basis', of milk and the products of milk purchased by the Commodity Credit Corporation shall be equal to the weighted-average of the milk equivalents, as computed on a milkfat basis, and on a milk solids not fat basis, of such products, with weighting factors equal to not more than 40 percent for the milk equivalent, milkfat basis, and not more than 70 percent for the milk equivalent, milk solids not fat basis. Such weighting factors shall total 100 percent.

"(ii) The Secretary shall issue a proposed rule defining 'total milk solids basis' no later than 30 days after enactment of this subsection, shall provide notice and reasonable opportunity for public comment, and shall issue a final rule defining 'total milk solids basis' no later than 90 days after enactment of this subsection.

"(iii) In estimating the level of purchases of milk and the products of milk under this subsection, the Secretary shall deduct the amount, if any, by which the level of imports into the United States of milk and the products of milk during the most recent calendar year exceeds the annual average level of imports into the United States of milk and the products of milk during the period January 1, 1986, through December 31, 1990, milk equivalent, total milk solids basis.

"(4)(A) Within 180 days of enactment of this subsection, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that—

"(i) recommends an inventory management program to be implemented when Commodity Credit Corporation purchases of milk and the products of milk are projected to exceed 7 billion pounds of milk equivalent, total milk solids basis, in any fiscal year;

"(ii) evaluates two-tier pricing systems, or a plan to achieve equivalent results;

"(iii) does not evaluate any termination or diversion program;

"(iv) does not evaluate the use of assessments as a mechanism to decrease price support levels; and

"(v) seeks, among other things, methods to reduce any excessive surplus of milk, lower costs to the Commodity Credit Corporation, and to provide for the orderly marketing of surplus milk.

"(B) The report submitted under subparagraph (A) shall include, but is not limited to, the following topics:

"(i) the difficulties and possible resolutions associated with the disposition and orderly marketing of milk priced at a price lower than the world market price through various marketing channels including export markets and domestic donation feeding programs;

"(ii) the establishment of a Class IV price for milk;

"(iii) the impact of a Class IV system on the Federal milk marketing order system;

"(iv) the impact of a system similar to the Class IV system on non-Federal milk marketing order milk; and

"(v) plans to achieve desired results other than through a two-tiered pricing system.

"(C)(i) If for any of the fiscal years 1992 through 1995, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will exceed 7 billion pounds of milk equivalent, total milk solids basis, the Secretary shall, except as provided in clause (ii), implement for such fiscal year the inventory management program recommended in subparagraph (A).

"(ii) The Secretary shall not implement the inventory management program recommended in subparagraph (A) before the later of January 1, 1992, or the date 6 months after the submission of the report required under subparagraph (A).

"(iii) If the Secretary is required to implement during a fiscal year an inventory management program, the Secretary shall, by August 1 of the preceding fiscal year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the type of inventory management program to be implemented.

"(iv) Not later than January 1 of any fiscal year that an inventory management program is in effect, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a certification, including a statement of facts in support of such certification, that such inventory management program will achieve a reduction in the production or marketing of milk for commercial purposes by program participants such that purchases of milk and the products of milk by the Commodity Credit Corporation, as estimated by the Secretary, for the fiscal year will not be greater than 7 billion pounds, milk equivalent, total milk solids basis.

"(D) If the Secretary is required to establish and carry out an inventory management program for milk, the Secretary shall not offer to enter into a contract with any producer of milk in the United States for the purpose of selling for slaughter any dairy cattle in which such producer owns an interest.".

SEC. 403. MILK MANUFACTURING MARGIN STUDY.

(a) STUDY.—The Secretary of Agriculture shall direct the Agricultural Marketing Service of the United States Department of Agriculture to conduct a study of state milk pricing programs for submission to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, not later than one year after enactment of this Act.

(b) EVALUATION.—The study submitted under subsection (a) shall evaluate—

(1) the objectives, rational, and operation of State milk pricing programs;

(2) the impacts on Federal Government programs, the dairy industry, and consumers, of State manufacturing allowances in States currently operating under State milk pricing programs, including a comparative analysis under the alternative allowance levels of farm and retail level prices, production levels, the supply-demand balance, and the cost of the Federal dairy price support program;

(3) the extent to which over-order premiums under federal milk marketing orders compensate for the low federal manufacturing allowances; and

(4) comparative plant operating cost data, including labor, utilities and product yields and other specialized factors in any State that has a manufacturing allowance different from the Federal manufacturing allowance.

(c) PROHIBITION.—If the Secretary finds, as a result of the study conducted pursuant to subsection (a), and after considering all the factors enumerated in subsection (b), that a

State's use of a manufacturing allowance that is different from the Federal manufacturing allowance used for purposes of price support purchases under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) has an adverse effect on the operation of the Federal dairy program, and that manufacturing cost and yield data from that same State, audited by that State and presented at public hearings in that State do not justify different manufacturing allowances in that State, then the Secretary may, after conducting public hearings and providing for a public comment period not less than 90 days from the conclusion of such hearings, prohibit that State from using an allowance which is different from the Federal manufacturing allowance to establish a price for Grade A milk for manufacturing butter, non-fat dry milk, or cheese.

(d) APPEAL.—Any State that is prohibited from establishing a manufacturing allowance different from the Federal manufacturing allowance may file an appeal with the Secretary under procedures provided for under title 5 of the United States Code 556 et seq.

SEC. 404. MINNESOTA-WISCONSIN PRICE SERIES REFORM.

(a) INITIATE REFORM.—Within 60 days of enactment of this Act, the Secretary of Agriculture shall commence to accept alternative pricing formula recommendations, as they may relate to the Minnesota-Wisconsin price series used to determine the minimum prices paid under milk marketing orders, in order to amend such milk marketing orders authorized under section 8c of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937. Among the alternative pricing formulas to be considered by the Secretary shall be a price series based on prices paid by milk processors for Grade A milk and manufacturing grade milk that is used in the manufacture of dairy products.

(b) AVAILABILITY OF DATA.—The Secretary shall compile and make available to the public the historical and current data used to compare the alternative pricing formulas submitted and recommended as provided in subsection (a) with the existing Minnesota-Wisconsin price series.

(c) DEADLINE.—(1) Not later than October 1, 1991, the Secretary shall publish in the Federal Register a proposed replacement price series and shall give notice and 30 days for public comment on such proposal. At the end of the comment period the Secretary shall publish a final rule and report such rule to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Not less than 30 legislative days after publication of the final rule, the Secretary shall implement the new Minnesota-Wisconsin price series in the federal milk marketing orders as provided under section 8c of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(2) For purposes of this section "legislative day" shall mean a day on which either House of Congress is in session.

SEC. 405. HEARINGS ON FEDERAL MILK MARKETING ORDERS.

The Secretary of Agriculture shall conclude the national hearings announced by the Secretary on March 29, 1990, regarding possible changes in the pricing provisions of federal milk marketing orders in order to effect any changes in the federal orders setting minimum prices that milk processors must pay for Grade A milk received from producers, by January 1, 1992.

SEC. 406. REPORT OF DAIRY PRODUCT PURCHASES.

The Secretary of Agriculture shall make available to the public quarterly evaluations of the acquisition and disposal of Commodity Credit Corporation purchases of dairy products.

SEC. 407. APPLICATION OF SUPPORT PRICE FOR MILK.

For purposes of supporting the price of milk under section 201(e) of the Agricultural Act of 1949 (7 U.S.C. 1446(e)), the Secretary of Agriculture may not take into consideration any market value of whey.

SEC. 408. APPLICATION OF AMENDMENTS.

The amendments made by this title shall not affect any liability of any person under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) as in effect before the date of the enactment of this Act.

SEC. 409. ADJUSTMENTS FOR SEASONAL PRODUCTION; HEARINGS ON AMENDMENTS; DETERMINATION OF MILK PRICES.

Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note) is amended by striking "1990"and inserting "1995".

SEC. 410. TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS.

Subsections (a) and (b) of section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a) are each amended by striking "1990" and inserting "1995".

SEC. 411. EXTENSION OF THE DAIRY INDEMNITY PROGRAM.

Section 3 of the Act entitled "An Act to provide indemnity payments to dairy farmers" (7 U.S.C. 450l), approved August 13, 1968, is amended by striking "1990" and inserting "1995".

SEC. 412. EXPORT SALES OF DAIRY PRODUCTS.

(a) IN GENERAL.—In each of the fiscal years 1991 through 1995, the Secretary of Agriculture shall sell for export, at such prices as the Secretary determines appropriate, not less than 150,000 metric tons of dairy products owned by the Commodity Credit Corporation, of which not less than 100,000 metric tons shall be butter and not less than 20,000 metric tons shall be cheese, if that disposition of such commodities will not interfere with the usual marketings of the United States nor disrupt world prices of agricultural commodities and normal patterns of commercial trade.

(b) SALES.—Such sales shall be made through the Commodity Credit Corporation.

(c) REPORT.—Through September 30, 1995, the Secretary shall report semiannually to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the volume of sales made under this section.

SEC. 413. COMPONENT PRICING OF MILK.

Section 8c(5)(B) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(B)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking out "and" at the end of clause (ii)(d) and adding before the final period at the end of the clause, the following: "and, (f) a further adjustment, equitably to apportion the total value of milk purchased by any handler or by all handlers among producers on the basis of the milk components contained in their marketings of milk.".

SEC. 414. ADJUSTMENTS IN PAYMENTS BY HANDLERS.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(L) Providing that adjustments in payments by handlers under paragraph (A) need not be the same as adjustments to producers under paragraph (B) with regard to adjustments authorized by subparagraph (A) (2) and (3) and clauses (B)(ii) (b), (c), and (d).".

SEC. 415. DAIRY EXPORT INCENTIVE PROGRAM.

Section 153 of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "September 30, 1990" and inserting "December 31, 1995".

SEC. 416. AMENDMENT TO THE PACKERS AND STOCKYARDS ACT, 1921, TO PROVIDE FOR THE ESTABLISHMENT OF TRUSTS FOR THE BENEFIT OF MILK PRODUCERS.

(a) DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182) is amended—

(1) in paragraph (10) by striking 'and' at the end;

(2) by redesignating paragraph (11) as paragraph (15), and

(3) by inserting after paragraph (10) the following:

"(11) The term 'milk' means cow's milk;

"(12) The term 'milk product' means any product or by product from processing milk;

"(13) The term 'milk producer' means any person who produces milk;

"(14) The term 'handler' means any person who, in commerce, receives or otherwise acquires milk, processes, prepares or arranges for marketing, or markets the milk; and".

(b) STATUTORY TRUST ESTABLISHED.—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) is amended by inserting after section 207 the following:

"SEC. 208. STATUTORY TRUST ESTABLISHED; MILK.

"(a) PROTECTION OF PUBLIC INTEREST FROM INADEQUATE FINANCING ARRANGEMENTS.—(1) It is hereby found that a burden on commerce in milk, and an obstruction to commerce in milk is caused by financing arrangements under which handlers encumber, give lenders security interest in, or have liens placed on milk purchased or received by a handler, on inventories of milk, on receivables or proceeds from milk, or on products derived from milk when payment is not made for the milk. Such arrangements are contrary to the public interest.

"(2) This section is intended to remedy such burden on commerce in milk and obstruction to commerce in milk and to protect the public interest.

"(b) TRUSTS.—All milk purchased or received by a handler, all inventories of milk or milk products, and all receivables or proceeds from milk or milk products, shall be held by such handler in trust for the benefit of all unpaid milk producers of such milk or milk products or unpaid handlers until full payment has been received by such unpaid milk producer or handler.

"(c) EFFECT OF DISHONORED INSTRUMENTS.—Payment shall not be considered to have been made if the milk producer or handler receives a payment instrument which is dishonored.

"(d) PRESERVATION OF TRUST BENEFITS BY MILK PRODUCER OR HANDLER.—The unpaid milk producer or unpaid handler shall lose the benefit of such trust if such milk producer or handler has not preserved his trust under this section by giving written notice to the debtor handler and by filing such notice with the Secretary—

"(1) within thirty days of the final date for making a payment for milk when a payment instrument has not been received, or

"(2) within fifteen business days after the milk producer or handler has received notice if the payment instrument promptly presented for payment has been dishonored.

"(e) DISTRICT COURTS.—The several district courts of the United States are vested with jurisdiction specifically to entertain—

"(1) actions by trust beneficiaries to enforce payment from the trust; and

"(2) actions by the Secretary to prevent and restrain dissipation of the trust.".

(c) RECORDS AND RESPONSIBILITY.—(1) Section 401 of the Packers and Stockyards Act, 1921 (7 U.S.C. 221), is amended by inserting ", milk handler" after "any live poultry dealer".

(2) Section 403 of the Packers and Stockyards Act, 1921 (7 U.S.C. 223), is amended by inserting ", milk handler" after "any live poultry dealer".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 90 days after the date of the enactment of this Act.

(e) AUTHORIZATION.—Such sums are authorized to be appropriated as may be necessary for the administration of this section.

SEC. 417. STATUS OF PRODUCER HANDLERS.

The legal status of producer handlers of milk under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall be the same after the amendments made by this title take effect as it was before the effective date of such amendments.

Mr. PENNY. Mr. Chairman, as we debate dairy policy, I would urge Members to consider the following:

This farm bill calls for no price cuts in dairy over the next 5 years. That is a victory for dairy farmers who have been subjected to price cut after price cut over the past several years.

We allow no herd buy out in this farm bill. The herd buy out under the 1985 Farm Act was a disaster in many respects. We do not repeat that mistake in this bill. That is a victory for dairy farmers.

We establish in this bill a study of our Federal pricing and marketing structure. In my judgment fair review based on current economic conditions can only stand to benefit dairy producers in the upper midwest. This objection, non-political review of dairy policy is also a victory for Minnesota dairy farmers.

Having said all that, I must admit this bill is not perfect.

It does not restore the recent price cuts. Price cuts which I felt were unwarranted. But then again no commodity in this farm bill is allowed a price increase. Wheat, corn, feed grain and sugar prices are all frozen at present levels. In that regard, dairy is treated no better and no worse than other commodities.

It does not establish a temporary two tier price structure to deal with surpluses. Unfortunately, the Volkmer substitute would have essentially created a permament production quota for every dairy producer. That goes farther than I could support. I believe a temporary price differential should be utilized to reduce surplus production, I am hopeful. That the Secretary of Agriculture will implement this type of supply management authority and will use my influence as a member of the Agriculture Committee to that affect.

Clearly this dairy program is not everything we wanted. But it does stabilize price supports and offers us on opportunity to review and revise the milk marketing order system. Those are positive developments and deserving of support.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment. This is an amendment that was printed in the RECORD.

The Clerk read as follows:

Amendment offered by VOLKMER:

On page 117, after line 19, insert the following:

"(4)(A)(i) Nowtwithstanding any other provision of this subsection, if for any of the fiscal years 1991, 1992, 1993, 1994, and 1995 the level of purchases under this subsection of milk and the products of milk, less sales under section 407 for unrestricted use, as estimated by the Secretary on August 1 of each year, will exceed 6 billion pounds, milk equivalent total solids basis, during such year, beginning October 1 of such year the Secretary shall provide for a reduction to be made in the price received by any producer for milk produced in the United States and marketed for commercial use by such producer in excess of such producer's individual base for milk marketing during such year. In estimating the level of purchases of milk and the products of milk under this subsection, the Secretary shall deduct an amount equal to the difference between the milk equivalent of total milk solids of all dairy products imported into the United States during the most recent year, and the annual average of the milk equivalent of total milk solids of all dairy products imported into the United States during the period January 1, 1986, through December 31, 1990.

"(ii) The reduction made under this paragraph shall be assessed and collected by the purchaser of milk from the producer. The purchaser shall remit within 30 days all amounts so collected from producers to the Commodity Credit Corporation.

"(B) If the Secretary provides for a reduction to be made in the price received by producers for milk under this paragraph, the price received by any producer may not be reduced under this subsection for milk marketed for commercial use in total quantity not in excess of such producer's base for milk for effect during such year.

"(C) The amount of the reduction under subparagraph (A) shall be 65 percent of the support price.

"(D)(i) Each producer's marketing history shall, at the option of the producer, consist of the marketings of milk by such producer for commercial use during the most recent year, or the average marketings of milk by the producer for commercial use during the two most recent years.

"(ii) A producer's marketing history established under this paragraph shall not be transferable to any other person, unless the producer's entire dairy herd is transferred.

"(E)(i) The Secretary shall establish a national milk marketing base for each year from October 1, 1991 through September 30, 1995. The national marketing base shall consist of the total quantity of milk producer's marketing histories of milk for commercial use, less the purchases of milk and the products of milk made by the Commodity Credit Corporation under this section, less sales under section 407 for unrestricted use, that exceed 6 billion pounds of milk, plus an additional amount determined by the Secretary each year to reflect increased milk use based on historical data. The Secretary shall announce the national milk marketing base not later than October 1 each year.

"(ii) If the Secretary is required to provide for a reduction in price under this paragraph for any year, the Secretary shall establish a national milk production factor by dividing the national milk marketing base for such year by the total milk production for the previous year.

"(iii) The Secretary shall establish each individual producer's base by multiplying the producer's marketing history by the national milk marketing base.

"(iv) In the case of individual producers that have no marketing history, the Secretary shall establish such producer's base at 75 percent of the annualized total milk marketed for commercial use by the producer in the month immediately prior to implementation of the reduction in price provided under this paragraph.

"(F) If the Secretary is required to provide for the reduction in price under this paragraph, the Secretary shall so advise the Committee on agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate by August 1 of the previous year.

"(G) Any money remitted to the Commodity Credit Corporation by purchasers of milk under this paragraph shall be utilized to purchase dairy products for use in the domestic food programs to the extent that net outlays under paragraphs (2) and (3) of this subsection do not exceed $725 million annually. Net outlays shall consist of the total amount expended by the Commodity Credit Corporation for the price support program under this section less remittances received from purchasers of milk under this paragraph."

Page 117, line 20, strike "(4)" and insert in lieu thereof "(5)".

Page 119, beginning on line 12, strike all that follows through p. 120, line 24.

Mr. VOLKMER (during the reading). Mr. Chairman I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Missouri?

There was no objection.

MODIFIED AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent to offer a substitute for the amendment that was printed in the RECORD.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modified amendment offered by Mr. VOLKMER: Strike section 402 and insert in lieu thereof the following new section:

SEC. 402. MILK PRICE SUPPORT AND INVENTORY MANAGEMENT PROGRAM FOR CALENDAR YEARS 1991 THROUGH 1995.

Notwithstanding any other provision of law—

(a) During the period beginning on January 1, 1991 and ending on December 31, 1995, the price of milk shall be supported as provided in this section.

(b)(1) Except as provided in subsections (c) and (d), during the period beginning on January 1, 1991 and ending on December 31, 1995, the price of milk shall be supported at a rate not less than $10.60 per hundredweight for milk containing 3.67 percent milkfat.

(2) The price of milk shall be supported through the purchase of milk and the products of milk.

(c)(1) No later than January 1, 1991, the Secretary shall establish by regulation a Milk Component Production Reduction Program providing, by means of a producer checkoff, for reductions in price support for milk marketed by a producer as provided in this subsection. If the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this section, less sales under section 407 of the Agricultural Act of 1949 (hereafter in this section referred to as "the Act") for unrestricted use, are estimated by the Secretary on December 1, 1990, to exceed 5 billion pounds of milk equivalent on a milkfat basis for the next succeeding twelve-month period commencing January 1, 1991, the Secretary shall implement the Milk Component Production Reduction Program for the nine-month period beginning on January 1, 1991. The Secretary shall first determine the milkfat in the milk equivalent of such estimated purchases in excess of 5 billion pounds of milk equivalent. The Secretary shall then establish the national percentage that the milkfat in the milk equivalent of such estimated purchases that exceeds 5 billion pounds represents of total domestic milkfat production. Finally, the Secretary shall impose a checkoff for marketings of milkfat in excess of a producer's production base, as provided in paragraph (3), reduced by such national percentage. The amount of the checkoff under this paragraph shall not exceed the Commodity Credit Corporation purchases price for butter in effect during the nine-month period beginning on January 1, 1991, per pound of milkfat marketed in excess of a producer's production base. The checkoff under this paragraph shall be assessed and collected by the purchaser of milk from the producer. The purchaser shall remit within 30 days all amounts so collected from producers to the Commodity Credit Corporation.

(2) Effective for the period October 1, 1991 through December 31, 1995, under the Milk Component Production Reduction Program, the Secretary shall require a producer checkoff for reductions in price support for milk marketed by a producer, effective on October 1 of each such calendar year, if the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this section, less sales under section 407 of the Act for unrestricted use, are estimated by the Secretary to exceed 5 billion pounds of milk equivalent on a milkfat basis for the next succeeding twelve-month period. The Secretary shall first determine the milkfat in the milk equivalent of such estimated purchases in excess of 5 billion pounds of milk equivalent. The Secretary shall then establish the national percentage that the milkfat in the milk equivalent of such estimated purchases that exceeds 5 billion pounds represents of total domestic milkfat production. Finally, the Secretary shall impose a checkoff for marketings of milkfat in excess of a producer's production base, as determined in paragraph (3), reduced by such national percentage. The amount of the checkoff under this paragraph shall not exceed the Commodity Credit Corporation purchase price for butter in effect during the twelve-month period, per pound of milkfat marketed in excess of a producer's production base. The checkoff under this paragraph shall be assessed and collected by the purchaser of milk from the producer. The purchaser shall remit within 30 days all amounts so collected from producers to the Commodity Credit Corporation.

(3) Under the Milk Component Production Reduction Program in effect during a twelve-month period commencing October 1 of any calendar year as provided in this subsection, each producer of milkfat in the United States shall be assigned a milkfat production base for milkfat marketed during such twelve-month period. The producer's milkfat production base shall be equal to the average total pounds of milkfat contained in milk marketed by the producer during the previous twelve-month period. The producer's milkfat production base for the period January 1, 1991 through September 30, 1991 shall be assigned on the same basis except that such base will cover a nine-month period.

(4) Under the Milk Component Production Reduction Program in effect as provided in this subsection, each producer of milk in the United States shall provide the Secretary with such evidence as the Secretary may require relating to the producer's marketing history of milk (milkfat basis).

(d)(1)(A) Notwithstanding any other provision of this section, if for any of the fiscal years 1991, 1992, 1993, 1994, and 1995 the level of purchases under this section of milk and the products of milk, less sales under section 407 of the Act for unrestricted use, as estimated by the Secretary on August 1 of each year, will exceed 3.5 billion pounds of milk equivalent on a total solid basis, during such year, beginning October 1 of such year the Secretary shall provide for a reduction to be made in the price received by any producer for milk produced in the United States and marketed for commercial use by such producer in excess of such producer's individual base for milk marketing during such year. In estimating the level of purchases of milk and the products of milk under this subsection, the Secretary shall deduct an amount equal to the difference between the milk equivalent of total milk solids of all dairy products imported into the United States during the most recent year, and the annual average of the milk equivalent of total milk solids of all dairy products imported into the United States during the period January 1, 1986, through December 31, 1990.

(B) The reduction made under this paragraph shall be assessed and collected by the purchaser of milk from the producer. The purchaser shall remit within 30 days all amounts so collected from producers to the Commodity Credit Corporation.

(2) If the Secretary provides for a reduction to be made in the price received by producers for milk under paragraph (1), the price received by any producer may not be reduced under this subsection for milk marketed for commercial use in total quantity not in excess of such producer's base for milk in effect during such year.

(3) The amount of the reduction under paragraph (1) shall be 65 percent of the support price.

(4) (A) Each producer's marketing history shall, at the option of the producer, consist of the marketings of milk by such producer for commercial use during the most recent year, or the average marketings of milk by the producer for commercial use during the two most recent year.

(B) A producer's marketing history established under this paragraph shall not be transferable to any other person, unless the producer's entire dairy herd is transferred.

(5) (A) The Secretary shall establish a national milk marketing base for each year from October 1, 1991 through September 30, 1995. The national marketing base shall consist of the total quantity of milk producers' marketing histories of milk for commercial use, less the purchases of milk and the products of milk made by the Commodity Credit Corporation under this section, less sales under section 407 of the Act for unrestricted use, that exceed 3.5 billion pounds of milk, plus an additional amount determined by the Secretary each year to reflect increased milk use based on historical data. The Secretary shall announce the national milk marketing base not later than October 1 each year.

(B) If the Secretary is required to provide for a reduction in price under paragraph (1) for any year, the Secretary shall establish a national milk production factor by dividing the national milk marketing base for such year by the total milk production for the previous year.

(C) The Secretary shall establish each individual producer's base by multiplying the producer's marketing history by the national milk marketing base.

(D) In the case of individual producers that have no marketing history, the Secretary shall establish such producer's base at 75% of the annualized total milk marketed for commercial use by the producer in the month immediately prior to implementation of the reduction in price provided under paragraph (1).

(6) If the Secretary is required to provide for the reduction in price under paragraph (1), the Secretary shall so advise the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate by August 1 of the previous year.

(e) As used in this section, milk equivalent on the total solids basis shall be equal to the weighted average of the milk equivalents, as computed on a milkfat basis, and on a milk solids not fat basis, of such products, with weighting factors equal to not more than 40 percent for the milk equivalent, milkfat basis, and not more than 70 percent for the milk equivalent, milk solids not fat basis. Such weighting factors shall total 100 percent.

(f) Any money remitted to the Commodity Credit Corporation by purchasers of milk under this section shall be utilized to purchase dairy products for use in the domestic food programs to the extent that net outlays under subsections (a) and (b) of this section do not exceed $725 million annually. Net outlays shall consist of the total amount expended by the Commodity Credit Corporation for the price support program under this section less remittances received from purchasers of milk under this section.

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri that the amendment be modified?

Mr. MADIGAN. Mr. Chairman, reserving the right to object, under my reservation I will yield to the gentle-

man from Missouri [Mr. VOLKMER] to tell me what the modification is.

Mr. VOLKMER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the modification basically is what I had proposed to introduce into the RECORD last Friday. I thought that I had an agreement with the gentleman from Texas, the gentleman from Wisconsin, and the gentleman from Virginia on a compromise, which I had agreed to, to reduce the price support to $10.10, along with other things. Then I put that amendment into the RECORD which I considered to be a compromise.

Mr. MADIGAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri that the amendment be modified?

There was no objection.

The CHAIRMAN pro tempore. The amendment is modified.

(By unanimous consent, Mr. VOLKMER was allowed to proceed for 5 additional minutes.)

The CHAIRMAN pro tempore. The gentleman from Missouri [Mr. VOLKMER] is recognized for 10 minutes in support of his amendment.

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent that all debate on my amendment and all amendments thereto expire at 3:30 p.m.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. GUNDERSON. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. VOLKMER. Mr. Chairman, this amendment that we now have before us is not just my amendment. It is a product of other Members, not only of the Agriculture Committee but Members outside the Agriculture Committee who are concerned about our dairy program.

I am joined in offering this amendment by the gentleman from Wisconsin [Mr. KASTENMEIER], the other gentleman from Wisconsin [Mr. OBEY], the gentleman from Iowa [Mr. NAGLE], the gentleman from South Dakota [Mr. JOHNSON], and the gentleman from Minnesota [Mr. OBERSTAR]. They, as well as I, are concerned about the direction that dairy is taking in the bill before us that came from the Agriculture Committee.

Before going into my amendment, I would like to explain what I see as the current situation as it involves dairy. The latest price support cut that was made in January of this year, the one that reduced the price support from $10.60 to $10.10, was not made because we had excess milk. It was because we had excess butter, and because we had a trigger that was geared to butterfat content. The trigger triggered in the reduction of the price support level. We have not had excess cheese or excess nonfat dry milk for over a year. All we have is excess butter. There is no excess, as I said before, of nonfat dry milk and cheese. As we know, there has been a problem in even getting excess dairy products for our nutrition and feeding programs.

However, at the present time what we are seeing, because of the decline in the price support, and now an increase—in June there was an increase of 3 percent in milk and dairy products in this country, and as projected, we will also have an increase this month—is that the price of nonfat dry is declining. It is getting very near the trigger level that will require CCC purchases.

Mr. Chairman, the bill that we have before us, because of the price cut and the component pricing of butter, is in an effective price support range of only $8.60 for our producers. That is not my figure. That is the figure that I was given by the National Milk Producers Association representatives. So we have in this bill an effective price support of $8.60, not $10.10.

So the question is, what can we do about this? How can we effectively reduce the oversupply of butter, and how can we effectively retain the price level of whole milk as it is, because the dairy farmer receives the whole milk price? The dairy farmer does not necessarily receive just the price support price. At the present time, since last year that whole milk price was around $13.50, and in one place it was up to $14. That is what the farmer is getting, not the $10.10 and the $10.60, but under the CBO estimates for the current bill we are going to see that whole milk price decline because of the $10.10 figure and because of what we have seen with the butter problem. How do I propose to handle it? I and others who join me say that we need a supply management program, just the same type of supply management program that we have in the peanut program. It is a no-cost-to-the-Government program. We have other supply management programs in agriculture. We have a wheat program. We have supply management in that. We have a grain program, a feed grain program.

We have supply management programs all through this agriculture bill, but there are some people who say that a two-tier supply management or inventory control program for dairy is not good, that it will not work.

Well, we were able to put one together that puts an assessment on excess production.

Mr. Chairman, every dairy farmer out there today has an historical production base. Every dairy farmer sells his milk, and we all know how much milk he sold. For last month, the month before, 2 years ago, 5 years ago, we have that information. It is an historical base. We will assign him that historical base. We will then have the Secretary determine whether we are going to have excess production. If we are going to have excess production, he then determines how much, and we make a percentage reduction in that base. Then if that dairy farmer produces in excess of that base, he only gets 35 percent of the price for that milk. There is a 65-percent assessment that is collected by the handler or is collected by the processor who buys it. That money goes to the CCC. That money then reduces the cost of the program to the Government.

In fact, under this proposal as against the proposal from the committee, ours costs less. We have a decrease in Government payments, less cost to the taxpayer, and more money to the producer and more money to the dairy farmer.

□ 1420

Mr. Chairman, I can give my colleagues some estimates that have been made. Five-year total farm income, including all assessments that are in our bill, we have 75-percent higher income. The annual average under their bill of the total, including all assessments, theirs is $17.969 billion. Ours is $19.318 billion. That is a $1.349 billion; that is, over the period of the bill, over the period of the bill, we have an increase in dairy producers income. The old milk price is the reason why. The total old milk price is higher on the average of 5 years by 92 cents a hundredweight over their proposal. That is the amount that the dairy farmer gets. That is the price that the dairy farmer gets.

Mr. Chairman, I will admit that under the committee bill the price that the dairy farmer gets is going to go down and continue to go down around $11, and perhaps even less during the term of that 5-year bill. And that may be passed on to consumers.

My colleagues have heard that argument before on sugar. I heard the gentleman from that side argue against a reduction in the sugar price support, that it will not be passed on. Mr. Chairman, it is not passed on to sugar. Surely it is not going to be passed on in dairy either.

Mr. Chairman, if it is not passed on, who is getting the money? The processors, the manufacturers, those who make things and sell things out of dairy, whether it is milk, ice cream, cheese, butter, whatever. They are the ones that are going to get the money, not the consumer.

However, who does not get the money? The producer.

What does it mean? It also means that the Government costs, like I said is estimated. I have an estimate here of $3 billion 4 million for the commit-

tee bill, $2.738 billion for my program. So, we are saving taxpayers' money.

Mr. Chairman, one other thing that we have come up with that we propose to do with that money that is left over between our cost and what the budget allowance is, any money that is left over in there we say should go to help with the nutrition programs that have not been helped in the past because of a lack of dairy supplies. So, we take that money, and we require CCC to use that money to buy dairy products and use them for the nutrition and feeding program. The committee bill has no such proposal.

Mr. Chairman, we feel that this bill is not only better for the consumer because it does give him, the consumer, that stability in getting whole milk, good milk, the best in the world, as far as I am concerned. It also helps with the producers because it means we are going to have more dairy farmers out there continuing in dairying, and we are going to have more producers' income, and under the bill also under our amendment we are going to have less cost to the taxpayer.

Mr. Chairman, the committee has also made a provision in there where they want to study the whole aspect. However, if my colleagues read the language very clearly, that language for the study includes that there be no assessments within any study. That means we cannot have a two-tier based on assessments made by a study, and that means that we could not have under their proposal a two-tier program such as we are proposing, that the only two-tier programs we could have would be basically one that is based on plants and plant allowances, which means that some dairy farmers would be able to sell all of their milk at the full price while other dairy farmers would have to sell part of their milk at a full price and part of it at a lower price. Even though there are some people who support that, I do not think there is any actual; maybe one, but most of the dairy organizations do not support any type of two-tier plant operation at all. They do support a two-tier assessment type of a proposal.

Mr. Chairman, National Milk Producers supports a two-tier assessment, the AMP does. MidAm supports a two-tier assessment type of program. The major organizations within dairy do because they know that it means better and more prosperous dairy farmers out there and the more prosperous dairy farmers get, they do buy the pickup trucks, and they get to buy the new equipment. They are the ones that help keep this economy going.

Mr. STENHOLM. Mr. Chairman, I rise in full support of the dairy title as established in H.R. 3950.

Before I proceed further, let me express my sincere gratitude to the chairman of the full committee, Mr. DE LA GARZA, and the ranking member of the full committee, Mr. MADIGAN, for their tremendous cooperation and assistance in developing the dairy, honey, wool, and mohair title of the Food and Agricultural Resources Act of 1990. I would also like to commend the ranking member of the subcommittee, Mr. GUNDERSON, along with other committee members on both sides of the aisle, and the staff, for working diligently over the last several months in developing a very responsible bill.

The dairy title contained in H.R. 3950 represents a bipartisan effort to ensure that those dairy producers who are efficient, innovative, and industrious will prosper in the years to come. In developing the dairy policy contained in the bill before us today, the Subcommittee on Livestock, Dairy, and Poultry received testimony from over 150 individuals during 6 regional field hearings and 2 additional hearings held here in Washington, DC. The subcommittee heard testimony from economists, producers, cooperatives, allied industry representatives, and consumer advocate groups, among others. Furthermore, the findings of the National Commission on Dairy Policy served as a valuable resource and guided the legislation found in H.R. 3950. This commission, which represented all regions of the Nation, was established by the Food Security Act of 1985 to examine every facet of U.S. dairy policy.

The 1985 farm bill was watershed legislation for dairy policy. After years of consistent overproduction, the Congress passed a farm bill that contained a dairy title that implemented a market-oriented approach to cutting burgeoning Government purchase. The result was a decrease in Commodity Credit Corporation [CCC] costs—$2.3 billion in fiscal year 1986 down to an expected $650 million in fiscal year 1990. At the same time, the support price for milk during this period dropped from $12.60 to $10.10 per hundredweight, a drop of about 20 percent. As a result, the Nation's milk supply is in the closest relative supply and demand balance we have had since the late 1970's. The dairy provisions of H.R. 3950 are budget responsible, reasonable, continue market orientation features responsible for a needed supply and demand balance, and strive toward a national dairy policy program.

Although the committee passed, in my judgment, a fair and reasonable dairy title, we have continued to discuss and evaluate modifications to the committee print in an effort to accommodate the interests of Members on both sides of the aisle. The chairman of the full committee has introduced a bipartisan amendment which provides for mandated dairy product export sales and several technical and conforming changes. These changes are the result of many hours of analysis and discussion and result in a title that received the support of the full committee and much of the dairy industry. Unfortunately, the House Agriculture Committee was unable to pursue mandated support price increases due to budget constraints that applied across the board to all commodity programs.

The dairy title of H.R. 3950 contains five key provisions. First, in order to more accurately measure CCC purchases of dairy products, milk equivalent will be based on total solids rather than on a milkfat basis. This provision will allow for a more accurate assessment of CCC dairy product purchases. Under current law, CCC purchases of nonfat dry milk are not included in the milk equivalent figures used in the supply and demand adjuster calculation. Second, the current price support level of $10.10 per hunderdweight will be the support price floor beginning on January 1, 1991. As I stated earlier, dairy producers have experienced a decrease of about 20 percent in their price support since 1985. A support price floor of $10.10 will permit efficient producers to receive a satisfactory return on their investment. Third, the support price may increase or decrease above $10.10 per hundredweight based on the levels of CCC purchases. This provision continues the market orientation of the 1985 farm bill. Fourth, the Secretary is directed to design and implement an inventory management program if overproduction is projected to be above 7 billion pounds, milk equivalent. Fifth, a replacement for the Minnesota-Wisconsin [M-W] price series and any changes in Federal milk marketing orders that are a result of the national milk marketing order hearing must be implemented by the Secretary by given dates. I want to commend the Secretary of Agriculture for announcing this national hearing process and for providing an opportunity for input regarding the effectiveness and possible improvement in the current M-W price series which is the basis for all prices established under Federal milk marketing orders.

As mentioned earlier, this dairy program strives to continue the current relative dairy product supply and demand balance by being futuristic, flexible, and by adopting many of the recommendations of the National Commission on Dairy Policy. The committee believes the combination of a market-oriented program coupled with an effective standby inventory management scheme will result in a viable, low-cost national dairy program which makes sense for consumers, taxpayers, the needy, and the dairy industry.

I urge my colleagues to support the dairy title as established in H.R. 3950.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Missouri [Mr. VOLKMER] today.

Mr. Chairman, I would say that a lot of what he has said I would find personal agreement with. We have been over this though. There were hearings that were held around the Nation. Our subcommittee held six regional hearings, to additional hearings here in Washington, DC, and there is substantial agreement for an inventory management program in the dairy industry. Let there be no doubt about that. What there is not agreement on is the gentleman's specific proposal of how to bring it about and to do it immediately.

Mr. Chairman, what we have done in the committee bill is to attempt to recognize that we can have a potential problem with oversupply of dairy products in the future and, if we do, then we do need an inventory management program. What we provide in the committee bill is that we first study it,

that we find the answer to the questions that have eluded our subcommittee of which the gentleman from Missouri [Mr. VOLKMER] is a valuable member thereof.

Mr. Chairman, the gentleman from Missouri [Mr. VOLKMER] has come to a conclusion that he has the perfect answer. I do not for a moment agree that he has the perfect answer. As we have traveled around this country, I have not found a unanimous agreement that we immediately go to a quota system and set up individual quotas for individual dairy producers and do it in 1990. That is not the feeling of dairy producers in the United States, and yet the amendment of the gentleman from Missouri [Mr. VOLKMER] today would say, "Let's do it now with a 3½ billion trigger."

Mr. Chairman, there is still room for debate. What we do in the committee bill, and why I asked opposition to the gentleman's amendment today is we say, "Let's find out what kind of a two-tier system will work best. Can there be another system?"

I personally believe a class four system might be the answer. I do not know that. I have as yet found no economist anywhere in this country that says uneqivocally the amendment of the gentleman from Missouri [Mr. VOLKMER] is the way to go.

Let me also point out that right now the 1985 farm bill and the dairy title, in which we made a dramatic change in the direction of dairy policy in this country, to most dairy men they would say that today it is working. We have a very decent dairy price today. The concern is what is going to happen tomorrow.

Mr. Chairman, that is what bothers all of us and why in the committee bill we provide for a study, and also we encouraged, and I am the first to say I am very appreciative of the fact that the Department, under Secretary Yeutter, has now undertaken a study of the Federal milk market order system because many of the questions that we would have to ask and answer rather emphatically and factually here today cannot be answered until we have, in fact, gone through the hearing process on the Federal market order system so that we know what other changes that are not in the legislation before us, either in the gentleman's amendment or in the committee bill, must be put in place in order that we can truly develop a dairy policy for the 1990's that we all on our subcommittee, and our full committee, and I judge to be the will of the House, what we would want to see done.

Mr. Chairman, the big problem that I have with the amendment of the gentleman from Missouri [Mr. VOLKMER] is that he is trying to do it today, and in the subcommittee that I am privileged to chair we have debated this, and the gentleman is totally correct. We have been split, and we have had this argument in the subcommittee, full committee, and now here we are again today on the floor of the House. We do have differences.

I do not have a difference with the gentleman from Missouri [Mr. VOLKMER] that we need an inventory management program. We have had other differences expressed that we do not. I happen to believe we do need to have one. We will argue that it needs to be first studied before it is put into place.

So, Mr. Chairman, I would ask at this time to my colleagues, "Oppose the gentleman's amendment today. It has not been as well thought out and as well crafted as it needs to be in order to put in place in legislation something as important to our dairy policy as this particular point of inventory management is concerned."

I would also make this point and plead to my colleagues from dairy country, and that includes myself.

□ 1430

We have had a terrific problem with the baseline as we have attempted to legislate the dairy title this year because of a CBO quirk in the manner in which dairy was scored. The dairy title thereof in 1986 cost $2.3 billion. Today it costs $650 million, and yet we get no credit in the dairy title for that significant reduction in taxpayer expense.

In working through the full Agriculture Committee, we have worked in a bipartisan and multicommodity basis in order to recognize that the CBO numbers would have caused the dairy title cost to go from $650 million to $211 million in 5 years, and a $211 million cost for the dairy title would be extremely difficult for us to manage a program as important to all consumers in America as the dairy title; so we have worked within the committee in saying, "Let's level the baseline. Let's keep a fair baseline for dairy," and we have been able to achieve that.

I think the gentleman's amendment breaches that agreement in a very egregious manner, and one which is not helpful to the future of our dairy policy.

So I urge all my colleagues to defeat the amendment today. Stay with the committee approach in this particular areas as best you can. In the long run I think it will certainly be in the best interests of dairy producers and consumers all over the country.

Mr. OLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has been difficult, as the gentleman from Texas has said, to come to the floor with this issue. I have all the respect in the world for the integrity and sincerity of the gentlemen from Missouri and the two gentlemen from Wisconsin. I think they have made these suggestions entirely in good spirit, but in my view if these were enacted into law, first of all we would be making a rather radical change in dairy policy, not fully defined, not analyzed, not recommended by the USDA, and not needed at this time.

This program would mandate for the first time strict production controls with an individual dairy farm base of production assigned by the Federal Government.

The program would trigger at 3.5 billion pounds of milk, which is quite a low trigger. It would essentially be in effect all the time.

It provides for two assessments on dairy farmers. It results or could result in strong incentives to increase production.

The price support is raised to $10.60. It would establish annually adjusted milk bases based on the prior year's production, and that is a pretty dangerous and tricky thing to work with.

It could very well lead to an escalation of the milk base which really would scuttle the program.

I think more than anything, a base program of this type would lock each individual farm up to essentially its present level of production more or less. It would eliminate the possibility of making reasonable adjustments which we make all the time. It comes at a very bad time, as the gentleman from Texas says, because we are just about to get the Department of Agriculture finally to review the milk marketing program nationwide, and to indicate whether adjustments in that program are needed.

What we would like to have in this country is the optimum economic production of milk in each one of the areas with milk flowing based on economics from one area to another or not flowing.

In the case of the Southeast, this bill would lock us in the shortest position. We would continue to shrink. Other parts of the country would take up the difference and it would cost us more to get our milk.

The gentleman from Missouri also eliminates the study that was going to evaluate this.

I fully expect that in the next 6 months we are going to have lots of reasons to revisit this subject. Congress could at any time enact an assessment type of two-tier program easily.

We would expect the Department of Agriculture 6 months after this bill passes will give us its recommendation. I could be very sure that this Congress is going to act on that legislation using its own judgment after plenty of debate and consideration, but the timing will be better.

Mr. Chairman, let me give a little bit of background to this. The chairman of the subcommittee has done that already, but back in 1985, 5 years ago, when we were in this same position we

were coming out of a period where we had price supports that were allowed to get too high. CCC purchases got up to 16 billion pounds of milk. The program was coasting at its peak $2.6 billion.

We authorized a whole herd buyout, specified annual reductions in the support price until supply and demand were brought into relative balance. That program in that respect was an eminent success. Surpluses went down each year. Now supply and demand are almost in balance. The CCC has not purchased any cheese or dry milk in almost 2 years. We may even be in a short position.

The program cost is down 70 percent to under $700 million a year from $2.6 billion. Farm income has been stable. Milk prices to the farmers are now appreciating what happens when you get supply and demand pretty close. The manufacturing price is $2 over the support level and the fluid milk price is $3 over the support level. Dairy farmers are having one of the best years they have ever had.

The market works when you run your supply program the way it should be run.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, Mr. OLIN was allowed to proceed for 3 additional minutes.)

Mr. OLIN. The only problem, Mr. Chairman, that we have that is very much recognized, as the gentleman from Missouri says, is that the CCC right now is buying all butter. That comes from the fact that the market has shifted away from butter fat. Cheese is flourishing. Nonfat dry milk is flourishing.

We also made some sales to the European market, which might have been ill-advised, but we have too much butter fat.

The gentleman has suggestion for getting rid of that, except that the Department of Agriculture believes that by a simple adjustment of the component price level between butter and nonfat dry milk and the CCC, and not a devastating adjustment, that over a reasonable period of time, basically 1 year, with that adjustment you can get the butter and the nonfat dry milk and the cheese back in balance. I believe that can be done. It will be very effective.

When the balance is struck, we may very well be short of milk.

The bill that we have adopted is designed to maintain a supply and demand balance. It will correct the fat unbalance.

We do not need to change the price support mechanism much at all. It has served us well for 40 years.

Some are saying, what if the growth hormone takes off and we get into a surplus condition? Well, we recognize that. As the gentleman from Texas has said, we have requested a study. We intend to be a part of that study and involved in it. We intend to make the decision with regard to the study.

Certainly we should be ready in case production goes out of control, but it is not something that we have any crying need at this time to put into effect. The proper way is to study it and not go off half cocked and mandate a program which represents as big a change as this does. We may eventually agree with the gentleman's program. That could very well be, but over the next year we are going to be revisiting this subject because of the study and because of budgetary requirements.

I think the committee has made a very wise decision to hold off the final decision on this item.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. OLIN. Certainly, I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would just like to ask the gentleman whether he agrees with the National Milk Producers Association that the effective price support level that you have in the bill as it came out of the committee with the reduction in the price of butter, that the effective price support level in that bill is $8.60, and not $10.10?

□ 1440

Mr. OLIN. Mr. Chairman, I do not agree with the gentleman.

Mr. VOLKMER. The gentleman does not agree with the national milk producers then?

Mr. OLIN. If that is what they said, I do not agree, because where the butter price was lower, the nonfat dry milk was raised, and as soon as you start buying some nonfat dry milk, we will be back in balance.

Mr. VOLKMER. We are not buying any nonfat dry milk. We are not buying any. We have got the butter price way down in this bill. We have got the butter price way down in this bill. You have reduced the price support level, the effective price support level to $8.60.

Mr. OLIN. Reclaiming my time, I appreciate what the gentleman is saying.

Mr. WALSH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have discussed this issue very, very thoroughly throughout our hearings for the past 2 years.

At the time we came to subcommittee, this same proposal was on the table, and I supported it. However, I think in the intervening time some things have changed. I think the thing that changed the most is the financial situation and the revenue estimates for our budget considerations for this year.

There has been an agreement on the committee among committee members that we would freeze target support prices. This is an effort to achieve the budget targets for the agricultural budget in conjunction with the entire 1991 budget considerations. I think it is very important that we maintain that discipline throughout the committee bill. Therefore, I would have to oppose the $10.60 support floor although in many ways I agree with the gentleman from Missouri in his efforts to keep a strong pay price to the producer.

I would also state my opposition at least to mandating of a two-tier quota system. I think this is an alternative that certainly will be considered by the Secretary in his deliberations, but none of us, I do not believe, feel 100 percent sure that the two-tier option is the only option that we have. The Secretary will consider that among others, and we will have the results of that study within 6 months of passage of the bill.

For that reason, along with the support price, I am going to vote in opposition, and I would urge others to vote in opposition.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I am happy to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would like to ask the gentleman the same question that I asked the gentleman from Virginia, and that is that it has been estimated by the National Milk Producers Association, I have been informed by their representative, that the provisions in the bill that came out of full committee are an effective support rate, not of $10.10 but of $8.60.

Now, does the gentleman agree with that or disagree with that? Or does it make any difference to the gentleman?

Mr. WALSH. I would have to respectfully disagree with the gentleman.

Mr. VOLKMER. The gentleman disagrees with the National Milk Producers?

Mr. WALSH. I have seen so many statistics and analysis of this proposed cost of this program that I am satisfied that we have all the facts in.

Mr. VOLKMER. All the gentleman has to do is look at the butter costs that we have got in the bill and figure that into the component pricing, and that is all one has to do, and it comes right out to that figure, so that is what appears to me as the alternative that the gentleman wishes to support. Now, I admit the gentleman supported me in subcommittee and we adopted this basic version in the subcommittee. I continue to believe that we can use a two-tier assessment program and maintain producers' income at the

present level, bulk milk price at the present level.

The gentleman has to admit that CBO says, if the gentleman looked at the CBO figures on the committee print on the committee bill that milk, whole milk price to your producers, is going to go down in the next 5 years.

Mr. WALSH. Reclaiming my time, I thank the gentleman for his thoughts. However, no one is precluding a two-tier for the life of this 5-year bill. This is a consideration that will be studied, and the economics of it may sound good, but the administration of a quota system is something that we have never experienced in the dairy industry, and I am not sure that we are prepared at this time to go into that.

Mr. KASTENMEIER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am the author of H.R. 1137, a piece of legislation which would create a two-tier pricing program for milk. This legislation and similar programs have been the product of years of refinement with the direct participation of dairy farmers from around the country.

Mr. Chairman, I should also state that the gentleman from Wisconsin [Mr. OBEY] and myself have noticed in the RECORD two amendments for consideration today that are close to that particular bill. One has a support price of $13.10 and represents a program alternative that would be aimed at farmers and our rural economy. The other is a support price of $10.60 and would be aimed at meeting budgetary realities. The gentleman from Wisconsin [Mr. OBEY] and I do not intend to offer either of those amendments today, because the Volkmer amendment does reflect compromises that have been made in good faith to assure a broader area of support and represents good dairy policy.

I do want to commend the chairman of the subcommittee and other members of the committee. Certainly the chairman of the subcommittee has been as conscientious, as hard working, and as far as I am concerned as effective a Member as we have in this body. However, he does claim that we are trying to do it today, to quote him. Indeed, Mr. Chairman, we are trying to do it today. This is a long-term agricultural bill. If we do not try to do it today, then the horse is gone, and there is no point locking the barn door.

It is true that it is not supported, as the gentleman from Virginia said, by the USDA. Indeed, if we relied on support of the USDA, many of the programs in this bill, and historically, would never have been adopted.

The attraction of the amendment under consideration is twofold. First of all, I want to remind Members that this amendment, the Volkmer amendment, was adopted by the subcommittee, so it is not unthinkable that the dairy subcommittee adopted this amendment with one minor change, or one change, and that is the trigger, so-called in the bill. Otherwise, we are now considering what the subcommittee reported out to the full Committee on Agriculture only a month and a half ago.

The attraction of the amendment under consideration is twofold. It is desirable for budgetary purposes, with lower program costs, by ensuring that excess dairy products were never produced rather than requiring the CCC to purchase them. It is desirable for dairy farmers, because by balancing supply with demand, a two-tier program would increase milk prices and farm income, but that income would come from the market, not the Government.

Dairy product prices are not expected to be any higher than we have seen in this past year. In fact, we are dealing with an ideal year, one which I think dairy farmers recognize may not long be characteristic of the market.

A two-tier program only works, however, if it includes assessments against an over-quota production that are strong enough to ensure that surplus products are never produced. The dairy bill before us carries no promise that such assessments would go into effect. We need to pass this amendment to ensure that the two-tier will in fact work.

This amendment is necessary because budgetary pressures on the dairy program are only going to increase as we move to deal with our deficit budget crisis. Whether we face a negotiated budget agreement or an eventual sequestration, the dairy program included in this farm bill is never going to be allowed to function as it is designed, because the real budget baseline will not accommodate that program's costs.

Figures that had been earlier provided to me by the Congressional Budget Office indicate if a two-tier program such as is advocated is triggered, the costs will fall well below the $500 million level for each of the next 5 years.

Mr. Chairman, I urge support for the Volkmer amendment.

□ 1450

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to be a little impolite, because I think the situation requires it. One hears a lot of talk about what happens to the consumers under farm programs. Well, every time the price of milk fluctuates wildly, it is not just the farmer who is stuck with confusion, it is also the consumer, and he usually winds up also being stuck with higher prices.

If you take a look at milk prices from March to December, they rose very rapidly, about 36 percent. Then in December they dropped by 18 percent. Since then they have been going up again.

What happens with the consumer, however, is that when the prices to farmers go up, the prices to consumers go up just as quickly. When the prices to farmers go down, the prices for consumers do not go down quite as quickly. The guy in the middle gets to rake off a whole lot before those prices start to react to what is happening on the farm.

The purpose of the Volkmer amendment is to try, without cost to the taxpayers, to reduce the cost that accrues to this economy from unstable milk prices by establishing a two-tier pricing system for 5 years which will essentially be self-financing, because farmers will take the lead in solving their own problems.

That is what everybody says they want, and yet they will not support the Volkmer amendment.

Now, I am going to speak very plainly here. What this amendment is trying to do is to correct a sweetheart deal which was wrapped into the farm bill some 5 years ago. Five years ago a deal was struck under which the milk marketing orders were adjusted legislatively rather than administratively, and the adjustments in the milk marketing orders favored the Southeastern part of the country.

The dairy section of the farm bill which passed at that time also wound up, overall, encouraging new production in the South and in the West. As a result, in California you have had a 15-percent increase in the milk supply the last 2 years, Florida 20 percent, Texas 30 percent.

Average herds, herd size in California is about 230 cows. You have some herds well over 1,000. In contrast, in the upper Midwest you have a herd size of around 50 cows, and you have had declining milk production.

What urban Members have to understand is that the deal that was cut 5 years ago favors the very same States who are now taking so much money away from us under the S&L crisis. California and Texas, the two biggest money gobblers on S&L's, are the same States that are going to be benefiting if you do not change this process and move to the Volkmer amendment. Because under the committee legislation, if it is not refined by the Volkmer amendment, you are going to continue to encourage new production, overproduction, in those growth areas, at the expense of the old production areas. It is in the old production areas where you find the small family farms.

Mr. Chairman, I simply want to say, if you want to encourage new milk production, you do not vote for the

Volkmer amendment. If you think it is a good idea to discourage new milk surpluses, then you vote for the Volkmer amendment. If you want to encourage the retention of the small farms as opposed to large farms, then you vote for the Volkmer amendment. If you are in favor of creating more biases for the big boys, then you vote for the committee language.

Mr. Chairman, I ask Members to remember, there is a higher percentage of poverty today in rural America than there is in urban America. I think that requires urban Members and rural Members alike to recognize that in the name of justice to the smallest farmers in this country, you need to adopt the language of the Volkmer amendment, you need to say we are going to establish regional equity, and you need to say we are going to give farmers an opportunity to do what has not happened in a long time, to deal with classic problems of overproduction. The way you do that is by passing the Volkmer amendment. It is the best thing for the taxpayers, it is the best thing for regional equity, it is the best thing to attack rural poverty, it is the best approach to preserve small family farmers, rather than encouraging the growth of the big boys.

Mr. Chairman, I urge Members to support the Volkmer-Kastenmeier amendment.

Mr. BOEHLERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, ordinarily in a proceeding on an important bill like this that impacts so heavily on so many of the people I am privileged to represent, I would stand in support or stand in opposition of an amendment.

Quite frankly, I stand up here with some questions, more questions than answers. I point out we are dealing with a bill of 1,006 pages. It is a chore in itself to go through it all, but we are doing our best to do it.

But as a matter of fact, this amendment has only been made available to Members on a short-term basis. Originally last week I was led to believe that the gentleman from Missouri [Mr. VOLKMER], who has been working very diligently on this measure, and I think the interests of dairy farmers, had reached a compromise with both the majority and the minority. But apparently that compromise fell apart, and now we find ourselves with a new version of the Volkmer amendment.

Mr. Chairman, what I would like to do is ask a few questions of the author, if he would consent to answer them.

Mr. Chairman, first of all, I would like the gentleman from Missouri [Mr. VOLKMER] to compare what he has in terms of support price in his amendment with what the committee bill has.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, my amendment provides for a $10.60 support price, which means that the whole milk price for the period of 5 years would be an average of around $12.50.

Mr. BOEHLERT. So that is a floor, an absolute floor.

Mr. VOLKMER. Yes, that is a floor. But the farmer is going to get an average of $12.50. It is a floor, $10.60.

Mr. BOEHLERT. And the committee floor is what?

Mr. VOLKMER. Mr. Chairman, the committee floor is $10.10. However, they have a butterfat price cut in there, and I estimated that that is going to be a lot less support price. But it is a $10.10. That means in a whole milk price you are going to have an average of a little over $11 whole milk price to the dairy farmer under the committee bill. So you are going to have an average of around 92 cents to $1 less going to the farmer for each one hundredweight of milk that he sells during the 5 years under the committee than you are under my amendment.

Mr. BOEHLERT. Mr. Chairman, second, because we are dealing with a relatively new concept, we have talked about it a lot of times, the two-tier pricing concept. When would your two-tier pricing concept trigger in?

Mr. VOLKMER. If the gentleman will yield further, it would trigger in at a 3.5 billion purchase, amount of purchase by the CCC, as estimated by the Secretary. The reason that I went to 3.5 billion total milk is that before we used to do it on a butterfat content basically, and the butterfat content has triggered in the present price support. The committee decided in its wisdom, and I agree with the committee, through the leadership of the gentleman from Texas, that we should go to a total solids basis, and the committee has a total solids basis.

I followed along with that. Using a total solid basis, we come to a 3.5 billion trigger, rather than a 5 billion trigger; 3.5 total solids is equivalent to about a 5 billion total butterfat trigger.

Mr. BOEHLERT. Mr. Chairman, I was listening very attentively to the previous speaker, and if I may use his words, he said the committee bill, and this is his characterization, not necessarily mine, "is a bias for the big boys."

Quite frankly, I am not too excited about the big boys. I am interested in the typical family farm in upstate New York. I will be a little bit parochial, but that is what I was sent to Congress for.

Mr. VOLKMER. Mr. Chairman, I am concerned about mine in Missouri also.

Mr. BOEHLERT. Mr. Chairman, would the gentleman from Missouri [Mr. VOLKMER] tell me what the impact would be on the typical family farm of his amendment?

Mr. VOLKMER. Mr. Chairman, you would have the producer receiving approximately the same amount of income that he is presently receiving.

Mr. BOEHLERT. How would that compare with the committee bill?

Mr. VOLKMER. Under the committee bill you would have decline in income to that same producer over the period of years. The only way that he could try and make up is continue to produce more. If he could get more cows into his system and produce more milk, or if he uses BST or anything else to produce more milk, then if he can produce more milk at the same operating costs, then will the lower price he is receiving he may be able to equal the income. But when he does that, if they start doing that, that means we are going to have overproduction. Then you are going to see further decline in that price.

Mr. BOEHLERT. Mr. Chairman, finally, if I may, let me ask the gentleman from Missouri [Mr. VOLKMER] this: I have been around this institution long enough to know that those of us who advocate a particular point of view are usually biased in our testimony. Who else besides the gentleman from Missouri [Mr. VOLKMER], outside this Chamber, has taken a look at this amendment and says it is a pretty good deal for the dairy farmers of America?

□ 1500

Mr. VOLKMER. The Associated Milk Producers I know support it, the NFO, the NFU, the Coalition for Farm Alliance, others. Parts of it I would say are supported by Midam, parts of it are not. Midam would support $10.10, National Milk would support $10.10. However, both of them also support two-tier, and a two-tier by assessment, so there are parts of mine that those latters support and there are parts of the committee that they also support.

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for his response.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, other speakers have addressed various issues, the question of surplus, the question of budgetary impact. The gentleman from Wisconsin [Mr. OBEY] has very eloquently and pointedly discussed the regional disparity issues. The gentleman from New York [Mr. BOEHLERT] asked a moment ago what would be the impact on the average dairy farmer.

Let me address that issue from the standpoint of just one of the six or seven dairy counties in my congressional district. Shoppers in Chisago County in my district are paying more for milk at the current level, and the co-ops are paying farmers $13.50, paying more for milk at $13.50 than when milk in the late 1970's and early 1980's was selling at $15.

One of my very best dairy farmers, one of those who survived the Reagan years of the herd buyout said, "You don't see any new machinery on the Ecklund farm. But the day is coming," Harold said, "when we are going to have to replace the corn planter, and I shudder to think of where I get the money to do it."

He and his son are operating an average Minnesota dairy farm. They produced 1,250,000 pounds of milk and they got $14.25 a hundredweight because they are producing high-quality milk. At roughly 13 gallons to 100, that works out to $1.09 to the farmer.

After the co-op buys the milk and puts it on the shelf in the local supermarkets, the shoppers are paying $2.45 per gallon. That is $32.50 a hundredweight. What happened between $14.25 a hundredweight and $32.50 a hundredweight? It did not go into the Ecklund farm, it is not going into the pockets of other farmers in that country because let me tell Members, 20 years ago there were 2,500 dairy farmers in Chisago County, and there are 100 of them left today. They are survivors. They work hard. They practice the best dairy practices. They are all tied into the University of Minnesota extension program and the main university computer system, and they are watching every penny. But they are not getting rich.

When farmers make a few bucks they do not spend it on highfalutin' vacations. They spend it on more machinery on the farm. They spend it on more buildings. They spend it on more productivity to try to produce better at a lower cost.

When we think about shoppers paying more for milk today than they did 10 years ago at higher prices to the farmer, there is something wrong with the system.

To ask for, as the Volkmer amendment does, a modest $10.60 floor, that is only a hedge against when times get bad, and they are not really booming right now on the farm. But when they get a little bit worse, and it does not take much, just a little rumble in the marketplace and that price goes down, and the farmer has bills to pay, and when he cannot meet them they go out of business. This happened in Chisago County and the rest of the east central part of Minnesota and all throughout farm country. We have lost over 3,000 dairy farmers in the State of Minnesota just since the dairy herd buyout program got underway.

And we are not going to get any young farmers started in agriculture with a $10.10 floor; $10.60 maybe; $13, yes. Even at $13 we are still below the supposed today market practice.

I guess what we are asking for is basic fairness to the dairy farmer, 7 days a week, 52 weeks a year on that farm, hard work, tough work.

They love it though, and they produce. And they are doing their best to keep America's most wholesome agricultural product at a reasonable, reachable price for consumers.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I am so very glad that the gentleman in the well pointed out the vast disparity between what the farmer gets and what the consumer pays.

Many people following the debate in Congress on the dairy title say, "There they go again, they want to raise the price of milk for the consumer." We do not want to raise the price of milk to the consumer. What we are trying to guarantee is a more equitable return for the hardworking dairy farmers. There is a big margin in between.

Mr. OBERSTAR. I think the fairest thing we can do to help the dairy farmer, the rock bed of American agriculture, is to support the Volkmer amendment.

Mr. SMITH of Vermont. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment because in my estimation, as a Representative from the State of Vermont where dairying is not only a way of life but a critical part of our economic structure, this amendment takes an agriculture bill with a bad dairy provision for the Northeast and for Vermont in particular and makes it a little bit better. With provision for a $10.60 base, cutting the surplus to $5 billion, and the two-tiered structure for butter fat, as well as other surpluses, and giving the Secretary of Agriculture the authority to implement that supply and management device should he feel a need to, I think are all extraordinarily important for farmers in this country, for consumers in this country, let alone people in my State.

There are two ways we can manage supply in dairying. One is to raise the base, and the other is to drive up demand. This amendment attempts to do the latter with the trigger at $5 billion and the two-tiered structure.

If we do not take this step at least, I would tell Members that there are several critical parts of American dairy policy that will be on the auction block along with hundreds of farms in the Northeast, and I dare say across the country.

First of all is our cheap food policy. Maybe we need another Dust Bowl, maybe we need another Great Depression to remind us that one of the most successful public policies in the history of this country, and certainly in this century is to protect the consumers, the families of this country against no food or against food that they cannot afford. Still today, with all of the other things that we know we can do better in this country, and our desire for cheaper food in this country, we still have the cheapest food in the world. And that I would say, Mr. Chairman, is a good thing, not a bad thing, and it is at risk along with protected regional supplies.

What is to happen when the corporate farms of the Southwest get control of the market and hold the rest of us hostage, and we have lost our capacity, our farmland has grown up, been bought by people out of State and used to look at instead of to support families and a local economy and a way of life? That it not a New England, and that is not a Vermont, and that is not an America I look forward to.

A lot of people think in my State, Norman Rockwell image that it has, dairying is just an attractive way of life. It is one of the only, other than the International Business Machines Corp., it is one of the only, and certainly the oldest area where we produce the raw material and we finish the product too.

□ 1510

It is a start-to-finish industry. It is one of the things that allows my State and many other rural States to compete in a modern economy.

I am not saying it is anyone's intention to do this, but the effect of this bill without this amendment is to rob us of the potential to continue to have that kind of an economy.

Dairying is a way of life in Vermont. It is an essential form of land management. Vermont is not unique, as much as we like to think we are; there are many, many rural States in the same boat.

As important as those two things are, dairying is the most essential local economic unit.

We have farmers who farm 15, 25, 35, 50, 75 cows; those are big operations in my State. If we lose them, we lose jobs, we lose our culture, we lose what it is, not just in Vermont but in this country, what makes rural America distinctive, a place to be admired and a place to be loved.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Vermont. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I take this short time of the House to thank the gentleman from Vermont [Mr. SMITH] for his remarks because they are well thought out and I think they are very pronouncing as far as where the dairy industry is today and where it possibly could go tomorrow, especially for those what I call, medium-size and small dairymen. We have them in my State as well as yours.

I am afraid that under the provisions in the committee print plus what we see going down the pike on the budget, that if we do not do something different than what is there, we could well see the demise of those people.

I also like to tell my city people that if that demise happens, then my people, being a little bit further from California and Florida, could very well be taking their children nonfat dry milk and mixing it with water and that is what they get to drink. That is the kind of road I see going down with these big corporation farmers, et cetera.

Mr. SMITH of Vermont. Again, I thank the gentleman. I thank the gentleman for offering this amendment. I know it is a difficult issue. It is a difficult issue for his committee. I respect his courage in bringing the amendment and am happy to support it.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The Chair would advise the gentleman from Texas [Mr. STENHOLM] has already spoken once on the amendment. He may process without objection, by unanimous consent.

For what reason does the gentleman from Illinois rise?

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words and I yield to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. I thank the gentleman for yielding.

Mr. Chairman, I just want to take a couple of minutes to interject the results of the last colloquy that occurred. I too have much sympathy for the small dairy producer. But I think I must take a look at the European situation.

The Europeans established a quota, like we are talking about establishing, 6 years ago. The results in Europe have not been as conclusive on behalf of the small dairy farmer as the arguments are being made today.

There has been a loss of dairy farms in Holland, for example, from 60,000 to 49,000, an 18-percent loss during this period of time. I think the reason why I oppose Volkmer today and why I do not want to restate again, because in the committee print what we are suggesting is a study of this before we implement it. Not that we do not take responsibility of making the adjustments today that we want an inventory management program if production goes to a high level, but how in fact we implement the two-tier system when that occurs, is the question.

I really worry about us creating arbitrarily a system that establishes a value for a quota that can be sold, because that does one thing and one thing only; it enriches the current dairy producer, whoever he or she may be, and it increases the cost of producing milk arbitrarily.

Now, I do not believe that is what we want to do in the dairy industry. I do not. I think we can devise a program that does not estabish value to quota. We are not prepared to do that today. The gentleman from Missouri suggests that we are. I do not think we are ready to do that.

To suggest this is a simple amendment and one of the reasons why I say in all of the hearings that we held and all of the hearings in which the gentlemen are here today testifying on behalf of this program, your dairy producers have not told this committee that this is what they in fact want.

Some question: Would each dairy farmer have to supply daily milk receipts to prove production history? There is one thing the farmers around the country have been telling me, that we have made things too complicated already. Now, maybe we want to do that. Maybe we do at some point in time. But there are a lot of questions that need to be answered.

For example, the suggestion was made that California was unduly enriched from the 1985 farm bill. The gentleman does not understand. California has the lowest price-support milk to their farmers than any other State in the country. It begs the point.

Now, a lot of the questions that we want to have answered and why we think the committee bill is the best way to go and why we do believe a study is in order today, is we need to take a look at—it is kind of like the little dog that chased the bus and caught it one day. Then what do we do?

That is what we are talking about here. This is a very serious question, one in which I do not oppose the concept of inventory management. I do not oppose the concept of two tiers. But I do sincerely oppose the gentleman doing it in the manner in which he proposes to do it today and the manner in which I opposed in subcommittee, as I opposed him in full committee and as I oppose him here.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. I thank the gentleman for yielding.

Mr. Chairman, I understood earlier the gentleman from Texas used the word quota, he opposes the use of quotas.

Mr. STENHOLM. If the gentleman will yield, the manner in which the gentleman is proposing it in his amendment today, yes, I do.

Mr. VOLKMER. Mr. Chairman, the gentleman supports the peanut program.

Mr. STENHOLM. The one part of the peanut program that I wish we could change is that part of the quota system that has established a value that is, in turn, put into the cost of producing the peanut. If we could change that today without eliminating the peanut program, I would in fact support that. We cannot do that. I do not want to see us make the same mistake in dairy.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield further?

The CHAIRMAN. The gentleman from Illinois [Mr. MADIGAN] controls the time.

(By unanimous consent, Mr. MADIGAN was allowed to proceed for 2 additional minutes.)

Mr. MADIGAN. Mr. Chairman, I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Mr. Chairman, under the provisions of the amendment, I would like to point out, I believe perhaps the gentleman has not had sufficient time to review it in total, there is a provision that you cannot sell the quota. There is a provision that the only way that the quota could be transferred is if you transfer your whole herd. Therefore, it does not change the amount of milk production, because it is the herd that is being transferred. It is the same herd whether you own it or I own it or John Doe owns it.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield further?

Mr. MADIGAN. I will yield briefly to the gentleman. I have a brief statement.

Mr. STENHOLM. I thank the gentleman for yielding further briefly.

Mr. Chairman, that is precisely the point: Whole herds will be sold because that is what is happening all over Europe. They do take on a value, estimated up to $2,000 per cow.

Whoever buys that quota is usually another dairy farmer. It is awfully tough for a young dairy farmer to buy that quota and to go into business under the gentleman's amendment.

Mr. MADIGAN. Mr. Chairman, if I may briefly conclude my time: I am reluctant to get into this debate, because I am not an expert on the dairy program. I have very few dairy producers in my district. They are, those that I know, all good and honest people.

But I know that the subcommittee and the full committee worked very hard on this. I think they should be supported.

Mr. Chairman, I was told by a person in the Office of Mangement

and Budget and yersterday morning I was told by the Secretary of Agriculture, both people telling me that if the Volkmer provision was adopted, the bill would be vetoed.

I have just been called out by a representative of the White House to reconfirm that if Volkmer is adopted, this bill will be vetoed. I think we ought to support the committee.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me begin by complimenting the gentleman from Missouri and everybody who has offered this amendment, and I mean that sincerely because I know your hearts are in the right place and you are doing this because you believe this will bring more income to America's dairy farmers, something I think everybody, at least most of us in this room who have been involved in the dairy debate, support.

But once in a while we have to legislate, we cannot just deal with the ideal world we would like to have exist. That is why I have asked that this chart be brought here.

Those of us on the Agriculture Committee tried to deal with the concept of an increase in the support price, and we came out of the subcommittee with that kind of a proposal. But something hit us over the head that not one of us chose for ourselves, and that is the Congressional Budget Office baseline for dairy.

□ 1520

That CBO baseline starts here at approximately $625 million, and through the life of the 1990 farm bill goes down to someplace around $200, $220 million. That is the current services baseline that we have to deal with.

Now, every other commodity in agriculture made the decision between the subcommittee and full committee, or we made the decision for them in full committee that we would have to freeze their price support program. Wheat, seed grains, cotton, rice, sugar, every other commodity had to freeze their support price, deficiency payment, as a part of that agreement to say to all of American agriculture that because of the budget we did not have any more money, and that we were going to move forward with a freeze. Frankly, some money was made available in the total budget whereby dairy also could go with the freeze.

This committee bill, unlike any other farm bill brought before Members in recent times, not the 1982 bill, not the 1985 bill, this bill allows no price cuts in dairy. We could not say that in 1985. We could not say that in 1981. We could not say that in 1977. This is the first time we brought a bill that allows no price cuts during the life of this bill. Let Members understand, we pulled that off in the midst of a freeze on every commodity.

Now, the second thing everyone needs to understand, and why I must oppose this particular amendment is because I, too, come from Wisconsin. I come from the largest dairy district in the country. Most of those are small farmers, 45 cows, and do Members know what? Many are young farmers that are either trying to get into the business or they are trying to develop an operation, modernizing the operation that dad had so that they can succeed for the rest of their working years in dairy agiculture. The problem with the amendment in front of Members is, it is a permanent, two-tier program. Under this bill, under this amendment now before Members, not one farmer in the country can expand his production because he will be at a permanent two-tier program.

Second, not one young man or young woman anywhere in the country can enter dairy agriculture because there is no provision in this amendment for a new base.0

Mr. OBEY. Mr. Chairman, will the gentleman yield for a correction?

Mr. GUNDERSON. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the gentleman indicated this would establish a permanent two-tier system. I make the point that the bill is only for 5 years. The two-tier system would only be for 5 years.

Mr. GUNDERSON. Mr. Chairman, I stand corrected. It is permanent for the life of this farm bill.

Now, moving on, we talk about starting and getting new entry into agriculture. We cannot do it in dairy under this particular amendment, with one exception. That is, if we can buy a total farm base. There is nothing in this amendment that keeps bases from being salable or keeps bases from having a value.

One of my colleagues, I think it is the gentleman from Minnesota who stood up and said we do not want to give any more incentive to corporate agriculture in the Southwest to get any bigger. I do not either. That is why I have been fighting the whole market sharing thing. But do Members know what? Under the substitute amendment being offered right now, the only way we can get the base is to buy the whole thing. Who will have the money for that? A young 22-year-old farmer from Wisconsin? No. It will be that 2,000-cow, that 8,000-cow operation in California that will buy up those bases in Wisconsin, transfer them to California. Do Members know what the impact of that is going to be?

Now, the third thing that is absolutely essential for every member of this Committee of the Whole to understand is that we are dealing with a budget summit, and we are dealing with limited resources.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 5 additional minutes.)

Mr. GUNDERSON. Mr. Chairman, there is a report put out recently called "Citizens Against Government Waste, How to Avoid Increased Taxation." Obviously, this is how we meet Gramm-Rudman, without increased spending. I want to read to Members one of their recommendations on page 26 of their report. It says, "Dairy farmers should pay half the cost of the Federal programs that stabilize and increase their incomes." I hope every dairy farmer and every dairy processor heard what I just read.

Under this amendment we begin a process that in a matter of couple of years will guarantee we have a no net cost dairy program equal to the tobacco program here today. Under this amendment, once we increase production at all, we have an automatic $6.89 assessment per hundredweight under the two-tier program. Once we read the 5-billion pound butter fat trigger, any given year we have an automatic assessment of $4.50 per hundredweight, for $11.39 assessment. Before we get to the Gramm-Rudman assessment, which is projected to be 14 cents per hundredweight based on the present projections which will tell people they will have $11.52 assessment on an amendment that guarantees a $10.60 price.

Now, if Members will look at the gentleman from Missouri's proposal in the CBO, he will say that the reason this proposal is so good is because it will get people an all-milk price next year of $13.27. Do Members know that this year, last Friday, we had an MW, the Minnesota/Wisconsin price, which was $13.28. That is without any of the assessments that are included in this particular bill. Pity the farmer who does not increase production, because under this bill, once we reach that 5 billion butter fat assessment trigger, he has $4.50, plus Gramm-Rudman, he has another 13 cents. So, a farmer who does not increase production next year one iota will have $4.63 assessment per hundredweight simply for trying to keep his production in line, but because the Congress of the United States imposed this plan on him.

Members, we have tried for a long time to put together a national and a modern dairy policy to meet what we believe is going to be a growing national industry in the 1990's. This amendment says no to that. This amendment says no to every young farmer in the country who wants to get started. This amendment says to every farmer who simply tries to hold his production in line, they get to pay $4.63 per hundredweight.

I understand that every Member's heart is in the right place. I commend the Members for the direction that they want to lead Members, but this amendment does not do it.

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes.

There was no objection.

Mr. VOLKMER. Mr. Chairman, the gentleman that just spoke in the well would lead Members to believe that the provision before Members is going to cost more than the House farm bill that is there before Members, and we can look at those figures and we will not find anything there on that green line that is below $600 million. However, if we look at the estimates made by myself and CBO at our total, it is well below those figures. The total is 536, 538, 538, 553, 373, which are below those figures on my amendment. That is CBO. They are below his figures. Therefore, less cost to taxpayer under my amendment than under his amendment.

The gentleman also proposed that no new farmers will be able to get in the dairy industry. I would appreciate if the gentleman would read page 7 of the amendment and he will find provisions where new farmers can come in at 75 percent. There is provision for new farmers in this amendment. We are not going to try and keep any person out of dairy farming.

The last thing that I would like to clear up, I heard a gentleman say $4.63, $3 and some cents, per hundredweight that they will pay on milk that they are now getting a full price on. No, it is only the excess milk that there is assessments. On your total milk marketing history, we get the full price, which is a good price, and that holds up the price.

□ 1530

Mr. Chairman, the gentleman cannot disagree. If the gentleman will look at the CBO figures for our amendment and for the committee print, he will find a whole milk price that is higher under ours than under his. He will also find that when we figure in the assessment, we will still net out more under ours than under his. In Wisconsin alone it is equal to about $300 million. Over the 5 years it is equal over 1,000 jobs on the jobs market. That is how much it is worth in the economy in Wisconsin alone. That is how much this amendment would mean in additional income to the producers.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I am glad to yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Chairman, my friend, the gentleman from Wisconsin, had suggested that the amendment was defective because it did not allow for additional and new producers.

Mr. VOLKMER. It sure does allow for it.

Mr. KASTENMEIER. But the problem we have in Wisconsin, in the first district, the second district, and the seventh district is the number of farmers we have lost in the last 10 years. That is the problem.

Mr. VOLKMER. We have had the same problem, and it is because of lower farm income.

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, I appreciate the gentleman's yielding because I want to clear up this point. I do not want to misinform any of my colleagues.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. VOLKMER] has expired.

(On request of Mr. GUNDERSON, and by unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. GUNDERSON. Mr. Chairman, if the gentleman will yield further, as I read on page 7, paragraph (D) it says:

> In the case of individual producers that have no marketing history, the Secretary shall establish such producers' base at 75 percent of the total milk marketed for commercial use by the producer in the month immediately prior to implementation.

Now, what if I am not in business the month prior to implementation? How do I get a base?

Mr. VOLKMER. You go into business, you produce for a month, and you have a base. That is all it is. It is simple. You just have to read it right. It is 75 percent of that on an annualized basis. That is it. It is very simple.

Mr. GUNDERSON. But this does not say, before you begin farming. It says, prior to implementation of the reduction in price provided under paragraph 1. It says, prior to the implementation of the program. It does not say that 1 month after you begin the commercial marketing of milk you shall receive a base.

Mr. VOLKMER. You can receive a base as soon as you go in. You produce, and after a month you come in and you get 75 percent on an annualized basis.

Mr. GUNDERSON. Well, I guess we read the language differently.

Mr. Chairman, I appreciate the gentleman's yielding.

Mr. JOHNSON of South Dakota. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Volkmer amendment.

First of all, I want to thank the gentleman from Missouri [Mr. VOLKMER], as well as the other gentlemen, for their work on this two-tiered amendment.

As a member of the Agriculture Committee and a member of the Subcommittee on Livestock, Dairy, and Poultry, I appreciate as well the hard work that the subcommittee chairman, the gentleman from Texas [Mr. STENHOLM], and the ranking member, the gentleman from Wisconsin [Mr. GUNDERSON], have put into an attempt to formulate a dairy policy that does in fact protect the interests of ordinary dairy producers. It has been a difficult project to undertake, given the budget constraints the committee has faced.

Nonetheless, it seems to me that the direction to move is in the direction of a two-tiered dairy price support. I supported and sponsored an amendment in committee which would have created a $13.10 price support on a two-tiered level which would in fact have saved the Treasury a couple of hundred million dollars at the same time. We were not successful, but I do believe that the $10.60 amendment offered by the gentleman from Missouri [Mr. VOLKMER], as presented to the House, is in fact a very responsible and moderate amendment, particularly given the fact that the Department of Agriculture itself in its most recent estimates has indicated that the national average cost of production is $13.14, which is significantly higher than the $10.64 we are talking about here today.

Our dairy producers do not have the benefit of collective bargaining, of wage and hour laws, or of minimum wage and other benefits that our urban brothers have. What we do need is an opportunity, in a common sense sort of way, to determine what is the level of dairy production that is needed in this nation and to provide a reasonable level of compensation on the level alone for those who overproduce, to allow them to bear the brunt of the penalties for that overproduction rather than an across-the-board impact on all our dairy producers.

So I do support the Volkmer amendment at a time when the administration has suggested we could be losing up to a half million farmers and when there are contentions about whether that is an accurate figure or not, but even if it is a figure that is substantially off base, that is still a substantial number of farmers that would be lost from the land, even if all we do is freeze our target price on grains and dairy products in the dairy industry.

So it seems that we need to take some bold steps. We need to be more innovative than ever in order to get a better level of income support, with a

frozen or even reduced level of funding available to us in the dairy sector.

So, Mr. Chairman, I do support this amendment. I hope that the full House will support it.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in an attempt to conclude the debate on this issue, first let me say that this is not the type of situation the committee chairman relishes, due to the fact that within the committee there is a difference of opinion, whether we call it ideological, philosophical, or whatever else we wish to call it. I might stipulate the fact, though, that not this amendment but a similar one was offered by the gentleman from Missouri [Mr. VOLKMER] in the committee. It was defeated by a vote of 24 to 14. That is how the committee voted.

We now find ourselves in a situation that is very serious and sad, because my dear friend and colleague, the gentleman from Minnesota, described the farm for us, and I have been to that farm in Minnesota; I have been to the same farm in east Texas; I have been to the same farm in south Texas; I have been to the same farm in Wisconsin; I have been to the same farm in Arizona; and I have been to the same farm in California. You just change the names.

The gentleman articulated, I think, in an exemplary manner what we are speaking about. The problem we find ourselves in now is that the gentleman from Wisconsin disagrees with another gentleman from Wisconsin on the philosophical or on the practical aspect about the implication of administering this amendment. I would hope that this could be resolved down the line, but at this point I have no other alternative but to ask my colleagues to support the committee and vote no on the Volkmer amendment. The committee defeated that amendment or a similar version by a vote of 24 to 14.

The argument has not been convincing to the nth degree that we would better the life of that little farmer in Minnesota or that little farmer in Wisconsin or east Texas. If we mention the facts about what is happening in Europe today, we find that dairy farmers in Holland are selling their land and their cattle and they are moving to Indiana, to east Texas, and to many other parts of the United States because they could no longer work under the system that has been spoken of in some degree as being favorable to the European Community. So that has not worked.

I have been to that same farm outside Munich, Germany, where the fellow told me: "The only thing that is going to save me is when they build that airport through here and I sell my land to the government." We do not want that to happen to these little dairy farmers.

We talk about this ogre, the corporation. I say to my colleagues that a corporation has to make a profit every quarter or else they fire the CEO. You do not make a profit every quarter farming. Why do they hang on? Because they love the land and because they want to keep doing what they have been doing.

So, Mr. Chairman, in view of everything I have before me, I would ask my colleagues to support the committee, and hopefully we can continue to provide that better life for that little farmer down the line.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I am happy to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I picked up on the comment of the chairman of the committee about the dairy farmer outside Munich. That is what the dairy farmers in east central Minnesota are saying. There is a new airport being planned in Minnesota, and at a meeting one of the dairy farmers stood up and said, "Jim, I have finally figured out there is more money in runways than there is in furrows and dairy cows."

Mr. DE LA GARZA. I cannot disagree with the gentleman. I have heard it.

Mr. OBERSTAR. So the same thing is happening in our area.

□ 1540

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to reinforce the statement that the gentleman from Texas [Mr. DE LA GARZA] just made. I hope he will forgive me for taking the time, but California has not been heard from in this debate, and I want to say that the farmers of California in all of their expressions to me have expressed their very strong opposition to this amendment offered by the gentleman from Missouri [Mr. VOLKMER].

Mr. Chairman, I think we have heard some very statesmanlike expressions from the chairman of the full committee, the gentleman from Texas [Mr. DE LA GARZA], the chairman of the subcommittee and the ranking minority member of the subcommittee with regard to the situation in the dairy industry. I do not know whether Texas, Florida, and California should apologize for the fact that so many people from Missouri, Minnesota, and Wisconsin have moved out of their States to ours, but I can assure my colleagues that the increase in dairy production roughly matches the increase in the number of people in these States, and there is nothing sinful about this.

If we think for any one moment that we can preserve the nostalgic image of the small dairy farm that has existed in so many parts of this country on into the future, we are wrong. That is not happening, and it will not be affected by the passage of this bill. The number of dairy farms has been going down for the last 50 years and will continue to go down.

Mr. Chairman, let me just for a moment talk about the huge corporate farm, whether it is in Florida, Texas, or California. We have those huge farmers in my district. Most of them are people from Holland, from Switzerland, from Portugal, from the Basque country of Spain. Their families have been in the dairy business for not 2, or 3 or 4 generations, but many times for 8, 10, or 12 generations. In many cases they are corporations. The corporations are controlled by the families. They still live on the farm in many cases, and they are efficient, and they want to continue to grow to keep up with the market in the most rapidly growing areas of the United States.

Mr. Chairman, the amendment of the gentleman from Missouri [Mr. VOLKMER] would prevent that in their opinion, and I have no reason to question that opinion. I believe in all sincerity, as the gentleman from Texas [Mr. DE LA GARZA], the chairman has said, that the committee has resolved these problems in the best way that we can at the present time, and I urge support for it.

Mr. GEPHARDT. Mr. Chairman, the farm bill touches the lives of Americans every day. It affects the prices we pay for food and the stewardship of our soils. Through the Food Stamps Program and our other efforts to address the problem of hunger, it determines the availability of food for those who cannot afford it. And for the Nation's hardworking family farmers, the farm bill determines whether they will be able to make a decent living and pass their farms on to their children—or face foreclosure and liquidation.

So while the debate about loan rates and target prices may seem arcane in Washington, it is of vital importance to us all and particularly to the rural heartland of this country.

As my colleague and friend from South Dakota, Senator DASCHLE, has eloquently pointed out, the 1980's saw some of the worst times we have ever seen in agriculture. When you adjust for the effects of inflation, farm income is down and falling.

Among our farmers, particularly those without the time and money to travel to Washington, there is a growing apprehension about what the future holds. Livestock markets are strong now, but what will happen when the cycle starts down, as it invariably will? I see a great worry about the future of our rural communities and of the very existence of family farm control of the Nation's food production.

In my view, the critical question facing us in this farm bill must be how to preserve a family farm system of agriculture and an adequate level of farm income at a time when the Federal Government must reduce its budget deficit. Many of our farmers are in their sixties.

Who will own and farm their lands when they retire? Another generation of family farmers? Or large corporations?

I admire and commend the work of the chairman and his committee. The chairman has worked very hard to make many improvements: To improve in many ways our Nation's programs to combat hunger, to foster good land stewardship, and to improve our export programs.

In particular, the committee has worked extremely hard and made some very painful decisions in order to stay within the constraints imposed by the House budget resolution. At the same time the committee has stopped a 5-year slide in target price reductions and reversed a policy of ever-lower loan rates. I commend and thank the chairman for these provisions.

I personally believe that we can do still better in providing opportunity in rural America. The budget constraints we face do not mean that we can't have a farm program that preserves family farm agriculture. During the floor consideration of this bill, we will consider amendments to boost the incomes of our family farmers without busting the budget. We will also consider an amendment offered by my colleague from Missouri, Congressman VOLKMER, which can raise the income of dairy farmers at no additional cost to taxpayers. I urge my colleagues to support these amendments.

Federal farm programs exist to ensure a stable, secure and diversified food supply, and to provide economic opportunity for our family farmers. John F. Kennedy once put it: "The American farmer is the only person in our economy who buys everything he buys at retail, sells everything he sells at wholesale and pays the freight both ways." Today, this rationale for the Federal farm program is as true as ever. I urge by colleagues to adopt these amendments and stand up for fairness for our family farmers.

Mr. STANGELAND. Mr. Chairman, I rise in support of the amendment by the gentleman from Missouri [Mr. VOLKMER].

This amendment establishes a dairy price support of $10.60 per hundredweight, which would be supported by Government purchases of dairy products.

This amendment would also establish a two-tier support price system if projected government purchases exceed 5 billion pounds based on a total solids basis. The producer receives full market price for milk produced within producer's base, which would be based on proportionate share of national marketing base calculated on basis of producer's marketing history.

On excess production, producers price is reduced by 65 percent of the support price which would discourage excess production and would not be subject to the $10.60 minimum.

Producers who do not exceed their base receive full market price without any reduction. Any second-tier price reduction is collected by purchaser of milk from producer and remitted to the Commodity Credit Corporation [CCC].

In regards to the food programs, the CCC is to use available funds, when two-tier price and fat checkoff programs are in effect, to purchase dairy products for use in domestic food assistance programs.

Farm prices will be reduced for excess fat marketings if projected Government purchases exceed 5 billion pounds on a milk fat basis which would combat the most likely problem area—excess production and Government purchases of milk fat.

The checkoff is not to exceed government purchase price for butter.

Mr. Chairman, I feel that this amendment is in the best interest of family dairy farmers who make a depend on the their dairy for their income. This amendment will protect their income and will put more money in the pockets of these farmers. I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Missouri [Mr. VOLKMER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GUNDERSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 70, noes 353, not voting 9, as follows:

[Roll No. 259]

AYES—70

Alexander	Geren	Perkins
Anthony	Gilman	Ridge
Applegate	Gonzalez	Rose
Aspin	Hammerschmidt	Sabo
Boehlert	Hoagland	Sensenbrenner
Bonior	Johnson (SD)	Sikorski
Bruce	Jontz	Skelton
Bryant	Kanjorski	Smith (VT)
Burton	Kaptur	Stangeland
Bustamante	Kastenmeier	Tanner
Chapman	Kildee	Towns
Coleman (TX)	Kleczka	Traficant
Condit	Kolter	Traxler
Conyers	Luken, Thomas	Udall
Coyne	Manton	Vento
Dorgan (ND)	McDade	Visclosky
Eckart	Moody	Volkmer
Emerson	Murphy	Wheat
English	Murtha	Williams
Espy	Nagle	Wilson
Evans	Oakar	Wolpe
Frost	Oberstar	Yatron
Gaydos	Obey	
Gephardt	Payne (NJ)	

NOES—353

Ackerman	Bosco	Combest
Anderson	Boucher	Conte
Andrews	Boxer	Cooper
Annunzio	Brennan	Costello
Archer	Brooks	Coughlin
Armey	Broomfield	Courter
Atkins	Browder	Cox
AuCoin	Brown (CA)	Craig
Baker	Brown (CO)	Crane
Ballenger	Buechner	Dannemeyer
Barnard	Bunning	Darden
Bartlett	Byron	Davis
Barton	Callahan	de la Garza
Bateman	Campbell (CA)	DeFazio
Bates	Campbell (CO)	DeLay
Beilenson	Cardin	Dellums
Bennett	Carper	Derrick
Bentley	Carr	DeWine
Bereuter	Chandler	Dickinson
Berman	Clarke	Dicks
Bevill	Clay	Dingell
Bilbray	Clement	Dixon
Bilirakis	Clinger	Donnelly
Billey	Coble	Dornan (CA)
Boggs	Coleman (MO)	Douglas
Borski	Collins	Downey
Dreier	Levine (CA)	Rohrabacher
Duncan	Lewis (CA)	Ros-Lehtinen
Durbin	Lewis (FL)	Rostenkowski
Dwyer	Lewis (GA)	Roth
Dymally	Lightfoot	Roukema
Dyson	Lipinski	Rowland (CT)
Early	Livingston	Rowland (GA)
Edwards (CA)	Lloyd	Roybal
Edwards (OK)	Long	Russo
Engel	Lowery (CA)	Saiki
Erdreich	Lowey (NY)	Sangmeister
Fascell	Lukens, Donald	Sarpalius
Fawell	Machtley	Savage
Fazio	Madigan	Sawyer
Feighan	Markey	Saxton
Fields	Marlenee	Schaefer
Fish	Martin (IL)	Scheuer
Flake	Martin (NY)	Schiff
Flippo	Martinez	Schneider
Foglietta	Matsui	Schroeder
Ford (MI)	Mavroules	Schuette
Frank	Mazzoli	Schulze
Frenzel	McCandless	Schumer
Gallegly	McCloskey	Serrano
Gallo	McCollum	Sharp
Gejdenson	McCrery	Shaw
Gekas	McCurdy	Shays
Gibbons	McDermott	Shumway
Gillmor	McEwen	Shuster
Gingrich	McGrath	Sisisky
Glickman	McHugh	Skaggs
Goodling	McMillan (NC)	Skeen
Gordon	McMillen (MD)	Slattery
Goss	McNulty	Slaughter (NY)
Gradison	Meyers	Slaughter (VA)
Grandy	Mfume	Smith (FL)
Grant	Michel	Smith (IA)
Gray	Miller (CA)	Smith (NE)
Green	Miller (OH)	Smith (NJ)
Guarini	Miller (WA)	Smith (TX)
Gunderson	Mineta	Smith, Denny (OR)
Hall (TX)	Moakley	Smith, Robert (NH)
Hamilton	Molinari	Smith, Robert (OR)
Hancock	Mollohan	Snowe
Harris	Montgomery	Solarz
Hastert	Moorhead	Solomon
Hatcher	Morella	Spence
Hawkins	Morrison (WA)	Spratt
Hayes (IL)	Mrazek	Staggers
Hayes (LA)	Myers	Stallings
Hefley	Natcher	Stark
Hefner	Neal (MA)	Stearns
Henry	Neal (NC)	Stenholm
Herger	Nielson	Stokes
Hertel	Nowak	Studds
Hiler	Olin	Stump
Hochbrueckner	Ortiz	Sundquist
Holloway	Owens (NY)	Swift
Hopkins	Owens (UT)	Synar
Horton	Oxley	Tallon
Houghton	Packard	Tauke
Hoyer	Pallone	Tauzin
Hubbard	Panetta	Taylor
Huckaby	Parker	Thomas (CA)
Hughes	Parris	Thomas (GA)
Hunter	Pashayan	Thomas (WY)
Hutto	Patterson	Torres
Hyde	Paxon	Torricelli
Inhofe	Payne (VA)	Unsoeld
Ireland	Pease	Upton
Jacobs	Pelosi	Valentine
James	Penny	Vander Jagt
Jenkins	Petri	Vucanovich
Johnson (CT)	Pickett	Walgren
Johnston	Pickle	Walker
Jones (GA)	Porter	Walsh
Jones (NC)	Poshard	Waxman
Kasich	Price	Weber
Kennedy	Pursell	Weiss
Kennelly	Quillen	Weldon
Kolbe	Rahall	Whittaker
Kostmayer	Rangel	Whitten
Kyl	Ravenel	Wise
LaFalce	Ray	Wolf
Lagomarsino	Regula	Wyden
Lancaster	Rhodes	Wylie
Lantos	Richardson	Yates
Laughlin	Rinaldo	Young (AK)
Leach (IA)	Ritter	Young (FL)
Lehman (CA)	Roberts	
Lehman (FL)	Robinson	
Lent	Roe	
Levin (MI)	Rogers	

NOT VOTING—9

Crockett	Hansen	Nelson
Ford (TN)	Leath (TX)	Washington
Hall (OH)	Morrison (CT)	Watkins

□ 1604

Messrs. MOORHEAD, OWENS of Utah, ROSTENKOWSKI, Mrs. UNSOELD, and Mr. NOWAK changed their vote from "aye" to "no."

Messrs. WILSON, COLEMAN of Texas, and GEREN of Texas changed their vote from "no" to "aye."

So the amendment, as modified, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY: Strike section 403 and insert the following:

SEC. 403. MILK MANUFACTURING MARGIN ADJUSTMENT.

No state may use a greater allowance than that provided for in Federal programs to establish a Grade A price for milk for manufacturing butter, nonfat dry milk, or cheese.

Mr. OBEY. Mr. Chairman, the issue we are addressing now is an issue quite different from the previous vote. This amendment simply eliminates what is known as the California make-allowance.

For the uninitiated, farmers simply receive a price for their product which is defined nationally as the support price, and in addition, an extra allowance is provided to a processor.

□ 1610

The farmers are paid at least the support price for their product, and then processors are paid what is called a make-allowance in order to reimburse for the costs of manufacturing the product into something which is storable if it cannot be used immediately.

Now, a lot of people can ask what is a Member from Wisconsin doing messing with something in California? The answer is very simple. The fact is that California is a very large delegation. I have nothing against anyone from California. In fact, as the old saying goes, some of my best friends are Californians. But the fact is that the California make-allowance costs each and every farmer nationwide, and it costs the consumer, and it cost the taxpayer. Because very simply, California has a special deal under which the State of California is allowed to pay their processors a larger fee than any other processors can be paid in any other State in the Union.

The net result of that special arrangement is that you create an artificial incentive to add to productive capacity, to add to physical plant for processing purposes, and you thereby increase the costs to the Government of purchases from California because of that artificial stimulation.

Last year dairy production in California went up 8 percent. Now, there is no problem with regard to cheese for the moment because with cheese we have a tight market, you can sell almost everything that you make. But there is a tremendous surplus of butter in this country.

One of the reasons we have that tremendous butter surplus is because of the California make-allowance. That California make-allowance creates an artificial incentive for farmers to simply produce dairy products in California, which are then processed into buter and sold directly to the Government, not to the marketplace, because there is a glut on the marketplace for butter. That is why California produced 13 percent of the Nation's milk in 1988, but they produced 26 percent of the product purchased by the Commodity Credit Corporation.

Mr. Chairman, what that means is that for anyone living outside of California there is no benefit. We get no benefit from the added production, but we do get stuck with having to finance the added cost. If we are to have a national dairy program, then we ought not to have this special deal for California just because it is the best connected and the largest State in the Union. It seems to me that we want a national program which treats every farmer equitably.

Mr. Chairman, let me remind Members under existing law, for instance, if you have commodity credit purchases above a certain level you trigger price cuts for farmers nationally. To the extent we artificially encourage additional production of butter in California, that adds unnecessarily and artificially to Government purchases. That in fact triggers price cuts for other farmers across the country.

Mr. Chairman, as I said earlier, this also means that the taxpayer is shelling out more for the cost of the dairy program than he would otherwise have to shell out.

We have heard a lot of talk about studies today. Those who oppose the Volker amendment said, well, we ought not to do that because it needed more study by the Department. But I would point out that the National Dairy Policy Commission spent 18 months looking into this and into other features of the dairy program, and they concluded that the high make allowance in California had encouraged construction of excessive manufacturing capacity and increased Federal purchases, and they declared, "Federal policy should prohibit California or any other State from using a greater allowance for manufacturing."

Mr. Chairman, I would suggest to Members this may sound like a complicated matter. Often all of these matters sound far more complicated than they are. But the fact is very simple: California is being allowed a special deal, they pay their processors more, the processors are encouraged to produce more and sell it directly to the Government. They do not sell to the market in the case of butter, because we have a glut, and that means our taxpayers all over the country pay the bill.

Mr. Chairman, if we are going to have a national program, it ought to be applied uniformly, to every State, no matter how large. So I would simply ask Members to support the amendment, which is supported by a wide variety of people on both sides of the aisle, to restore equity to the farmers of the country and to the taxpayers, and to discourage the surplus production, which most assuredly will occur if we allow the California make accounts to continue.

Mr. BROWN of California. Mr. Chairman, I rise reluctantly in opposition to the amendment.

I will not belabor the subject. There are other Members from California more knowledgeable than I who may wish to speak on the subject.

Mr. Chairman, it is possible to create economic arguments both for and against the California make-allowance. For one thing, California is a State in which there are higher cost elements, and we recognize this in many areas of Government policy. For example, we allow higher FHA loans on houses, and we are shortly going to be paying Federal Civil Service employees more money for working in these high cost areas.

Mr. Chairman, you can make the same identical argument for allowing a higher make allowance for the manufacturing of dairy products. A part of the reason that we have strong objections from representatives of States such as Wisconsin and Minnesota is that for years they have had the preponderant part of the national market for products manufactured from milk, and they do not like to lose it. They resent the fact that California is adding manufacturing capability.

Mr. Chairman, I do not want to probe these economic arguments too far, because I am sure that you can find an economist who will come down on either side of this question. What the bill provides, after considerable discussion in the committee, is a provision for a 1-year study and recommendation by the Department of Agriculture as to whether we should or should not continue with the California make-allowance. I think that is the best way to approach it.

Mr. Chairman, I frankly do not know how to evaluate all of the arguments. I think it requires the best kinds of scientific and economic analysis that we can make, and then I think we ought to abide by the results of such an analysis.

Mr. Chairman, one may say that some of those studies have already been made and that they recommend that we end the California make-allowance. I am not at all convinced that that is what a study done in today's climate would recommend, but I am willing to abide by whatever the results of the study provided for in the legislation will result in. I think the committee acted wisely and prudently, and gave full weight to the views of the Department of Agriculture. I would like to recommend that we stay with the committee position.

Mr. WALSH. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, as a member of the Subcommittee on Livestock, Dairy, and Poultry, we traveled all over the country, California included, North Carolina, New York, Minnesota, Florida, and the process was to try to develop a national dairy policy, one in which all regions would be treated equally. We struggled, might I add, to do that. I think in most cases this bill arrives at a national dairy policy.

□ 1620

However, under the existing law, California established the make-allowance, perfectly legal.

However, given the mandate of the farmers of this country to provide a national dairy policy and to try to ignore regional differences and make it fair, the support price that the Government pays for commodity purchases, $10.10, should be provided to all farmers. Under this law, California producers, California farmers receive less and the processors receive more.

What this does is it affects not only California, but it affects the farmers in the Northeast, in the Midwest, and in the South. The make-allowance artificially inflates the surplus level. The surplus level or trigger is used or has been used the past 5 years to reduce the support price of milk. So the trigger should accurately reflect what the surplus is.

The surplus is artificially inflated by the use of this California make-allowance and, therefore, all farmers, not only the farmers in California, are receiving less of a pay price. That is farmers all across the country, but this is especially devastating for the smaller farms in the Northeast.

The argument that the cost of production in California is the highest in the Nation has been refuted, and that was the reason that this make-allowance was initially instituted, to provide self-sufficiency in California where it was presumed it cost more to produce dairy products. A 1989 Cornell University study indicated that the Northeast manufacturers had the highest cost, not California, and the Midwest was even higher. California fell somewhere in the middle.

The National Dairy Commission compiled an 18-month study after the 1985 farm bill. That study stated that the California make-allowance encouraged construction of excessive manufacturing capacity and increased Federal purchases of dairy products in California. They further state that any further program adversely affecting the national dairy program should be eliminated. Clearly this adversely affects the national dairy program.

This is not an anti-California bill. I do not think that point can or should be made. This bill, in fact, will help farmers in California.

For all of those reasons I would urge support of the amendment.

Mr. BOEHLERT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, as I rise in support of the Obey-Boehlert amendment I am mindful that tonight is the night for the annual congressional baseball game. I would suggest that one does not have to go to the stadium to see some real hardball being played. It is being played right here and now. It is the big guys, California, against the rest of us.

Mr. Chairman, this amendment simply levels the playing field throughout the United States for milk processors. If this amendment is approved, milk processors in California will no longer be able to withhold part of the support price that they receive from milk sold to the CCC—from their farmers. No longer will it be more profitable for processors to build plants in California rather than any other part of the country because processors in California ultimately get to keep more of the amount paid by the CCC for milk than processors in any other State. Why should the Federal Government be subsidizing milk processors in California? Why should the Federal Government be encouraging the milk processing industry to move operations to California? Why should the dairy farmers in California be denied portions of their income to the benefit of their processors?

Let me explain how it works to the detriment of the rest of the country. In the rest of the United States, through Federal milk orders, the blend price is the minimum price that must be paid to milk producers. In California, final product prices are computed as a residual in marketing transactions. The California make-allowance determines the minimum price its producers are paid for milk used for manufacturing purposes and ensures that the minimum price—class 4A—will be below the Federal minimum price. Because the CCC purchase price for butter, cheese, and nonfat dry milk is identical in all parts of the Nation, this practice provides a subsidy to California processors by allowing them to purchase milk used in the production of dairy products at a cheaper price than must be paid by other processors in other States.

In essence, the Federal Government, through CCC purchase is subsidizing the processors of California. Processors in California are getting a better break than processors in the rest of the United States. California officials will try to tell you that it costs 20 to 30 percent more to process milk in California than anywhere else, but a 1989 study by Cornell University showed that processing costs more in the Northeast and that California is in the middle of the pack. California officials want you to spend money to study the issue—a waste of taxpayers money. Everyone knows a study will do nothing more than confirm what we already know. Furthermore, by giving California processors a break, we are encouraging more processors to move operations to California, for processors to build new plants in California, at a time when California is the root of our national problem of dairy overproduction. We don't need more milk production from California—we need less.

California officials will also try to tell you that if we take away the California make-allowance, and their farmers get the price they are supposed to for the milk sold to the CCC, we will encourage the farmers to overproduce more. Quite the contrary. The reason California farmers are overproducing is that they are not getting the price they are supposed to for their milk, and in order to cover their cost of production, they are forced to produce more to make up for the loss of revenue going into processors' pockets. If we give farmers what they are supposed to receive for their existing production, there won't be the pressure to increase production to make ends meet. That is the vicious cycle that contributes so much to the costly surplus, and when we are talking about contributions to the costly surplus, California is clearly No. 1.

California officials are quick to try to lay the blame for overproduction on Minnesota-Wisconsin by comparing what California sells to the CCC to that of M&W. But in order to get a true picture, one would have to also compare the total production of M&W to that of California on a nationwide milk product basis. Such a comparision would show that on a percentage basis, California beats everyone else hands down. It is also worthy to note that California is trying to get you to accept a comparison between their State sales to CCC compared to sales of two States to the CCC. A clever smoke and mirrors analysis.

I'm confident you will agree that all U.S. milk producers should be treated equally under Federal laws that compel a Government agency [CCC],

to purchase excess dairy products under the price support program. Why should farmers in California be getting less of the support price for their milk than farmers in any other State? Why should California milk processors be feathering their nest with the money that is being kept from their farmers? Why should the Federal Government be encouraging the milk processing industry to move operations to California?

We don't need a study of this problem. It is as plain as day to see. For too long this little goody has been hidden from public disclosure. Lets expose it for what it is—a scheme to benefit California processors at farmers and taxpayer expense. I urge everyone to vote to level the playing field. That is all our farmers ask of us.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I am delighted to yield to the gentleman from Califonia.

(On request of Mr. BROWN of California and by unanimous consent Mr. BOEHLERT was allowed to proceed for 1 additional minute.)

Mr. BROWN of California. Mr. Chairman, it is unfortunate that this amendment is being offered by two of my most respected friends. I do have some questions with the statistics the gentleman is using and the economic logic that he is following. Even given the fact that California dairy producers receive a lesser amount than they would if it were not for the higher make-allowance, California dairies are still the most profitable in the United States. And one of the reasons that they produce a great deal is because they make a profit on it, and they also want to have the colocated manufacturing capability that New York, Wisconsin, and Minnesota have had for some many years.

Mr. BOEHLERT. Reclaiming my time, I would point out that the production costs in California are considerably lower.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I am glad to yield to my distinguished coauthor.

Mr. OBEY. Mr. Chairman, I would simply say that I am delighted to hear that the California farmers are profitable. But I do not see why a part of that profit ought to come at the expense of the taxpayers because they are selling an inordinate amount of butter directly to the Commodity Credit Corporation because of the artificial incentive created by the California make-allowance.

Mr. BOEHLERT. That is a very good point, and I am glad to endorse it very strongly.

Mr. PASHAYAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I rise in strong opposition to the amendment. I have long been aware that certain dairy interests outside the State of California object to California's dairy program. But many of those do not understand the program.

□ 1630

California's State Code has existed since 1972. Dairymen there developed in the very early 1970's a special milk-pooling program for fluid milk, and its pricing mechanism necessarily contains an element of the Federal pricing structure.

The amendment before us now is not unlike its predecessor that was included in the original draft of the dairy title. That provision, section 103, would order the Secretary of Agriculture to prohibit any State from using or establishing an allowance for the manufacturing of butter, nonfat dry milk, and cheese, at a price greater than the price that is established by the Federal Government.

Although written in generic language it is painfully obvious section 103 and the amendment now before us affects only one State: California. California has unique costs for manufacturing butter, nonfat dry milk, and cheese. That difference can be as much as $13 per hundredweight. For example, it will cost a California processor $20 a hundredweight to manufacture cheese, while a processor in the upper Midwest will have a cost closer to $7.50 per hundredweight. This current amendment, like its predecessor, section 103, does not recognize these differences in cost.

I am fearful that should this amendment be accepted its impact will be just the opposite that which its proponents claim. Dairymen in California will respond to this: They will produce more milk, most of which will be converted into butter, powdered milk, and cheese. And the Federal Government will wind up having to purchase it.

Thus, I must urge care in developing a more level playing field. The Committee on Agriculture has proposed a sensible method of evaluating the differences of opinion that are developed. Section 403, the milk marketing margin study, of H.R. 3950, sets the proper parameters.

Mr. CONDIT. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, I must rise and respectfully request my colleagues to vote against this amendment. The make-allowance in California has been in existence since the 1930's and was revised somewhat in 1979. It has been around for a long time. There has been some reference that we are the only State that has a make-allowance. Other States have the option to incorporate the make-allowance if they would like to do so.

This is a State's rights issue. We believe that the language in the existing bill is appropriate. It requires USDA to study this issue, and actually provides the Secretary with the authority to prohibit States from establishing a make-allowance in the event that specified factors exist. This allows time for us to review this and see whether or not there should be some changes.

It has been mentioned that there has been an 18-month study. Well, let me tell you the 18-month study was not a study that was designed to look at the make-allowance. The purpose of the Commission's study was to look at other areas and, incidentally, they looked at the make-allowance. The Commission members were dairy producers, and no representatives of processers participated.

It also is a fact that the CBO has indicated that if we eliminate the make-allowance in California, it will cost the Federal Government $51 billion. The dairy industry estimates the cost to the taxpayers to be as high as $160 billion. The make-allowance for California has worked and it has worked very well at absolutely no cost to the Federal Government.

Instead of looking at it in the negative, maybe we ought to look at it in the positive and some other States ought to be considering establishing their own make-allowance.

I suggest, as the subcommittee chairman said on the last amendment, this is too much, too fast, too quick. Let us take a look at it. We are willing to work with you. If it needs to be fixed or changed, we will consider that, we will look at that. But the language as passed by the Committee is the way to do it, through a comprehensive look and study.

I would ask my colleagues to vote against the amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CONDIT. I yield to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, the gentleman indicated this is a State's rights issue. How is this anything other than the right of the State to force the rest of the country to pay for a special privilege and special deal for that State? Why should we acquiesce in the quaint idea of State's rights which allows a State a permanent draw on the Federal Treasury?

Mr. CONDIT. This is a State quasi-marketing order. The State has put this in action. It operates at no cost to the Federal Government. It will, however, cost the Federal Government if you take away the make-allowance. That is the report from the CBO.

We think it makes good sense for the States to have a make-allowance. If a study will indicate otherwise, we will look at that.

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. CONDIT. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman said this does not cost the Treasury. The reason so many people feel strongly about this is the fact that California has 12 percent of the Nation's dairy production but they account for 24 percent of the CCC purchases. Now, that costs us money. If we have an $800 million program, that means California costs $200 million of that.

Mr. CONDIT. That is 24 precent; 76 percent of the purchases for the CCC comes from somewhere else.

Mr. GUNDERSON. That is right.

Mr. CONDIT. I think that Wisconsin and Minnesota sold 55 percent more to the CCC than their share of the U.S. production.

Mr. GUNDERSON. No. I appreciate the gentleman bringing that point up. The fact is Wisconsin has 17 percent of the production of milk in this country. We have only 12 percent of the sales to the CCC. So we have less a percentage of sales to the CCC then we do of overall production. California has just the opposite.

Mr. CONDIT. My records show for the past 7 years it is 55 percent.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Obey-Boehlert amendment eliminating the California make-allowance, thereby treating all of our dairy farmers equally.

Mr. Chairman, I am confident that most of us here today recognize the need for this important amendment which treats all U.S. dairy producers fairly and equally under Federal law. Currently the Federal Government subsidizes the operation of milk processing plants at capacity in the State of California, at a time when we are already in an excess situation.

In fact, in California, milk producers are ensured that the minimum price paid to their milk producers for manufacturing purposes are well below the Federal minimum price. Because CCC purchases for dairy products are identical in all parts of the Nation, this practice by California provides a subsidy to its processors by enabling them to purchase milk used in the production of dairy commodities at a cheaper price than must be paid by other processors throughout the Nation.

Mr. Chairman, why should the Federal Government be subsidizing milk processors in California, thereby encouraging milk processors to relocate in California.

This unwarranted, inequitable policy should be stopped. It is depriving the California producer from receiving the support price for their milk. It is encouraging overproduction. Let us make certain that all dairy producers in our Nation will be treated equally and fairly under our national dairy policy.

Accordingly, I urge my colleagues to vote for the important amendment for dairy fairness and at the same time to reduce dairy program costs.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York, who has been a leader in this battle.

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, one of the previous speakers, not surprisingly a speaker from California, suggested that processing costs more in California. However, a 1989 study by Cornell University showed the processing costs more in the Northeast than any place else in the country and California is really in the middle of the pack.

Second, I point out that our next speaker, my distinguished colleague from California, and a number of his colleagues sent out a "dear colleague" letter which said, among other things, "For the purposes of the Commodity Credit Corporation purchase prices, the manufacturing allowance is uniform nationwide. The CCC purchases California products at the same price at which it purchases Minnesota and Wisconsin products."

Now, that is true, but what it does not tell is the rest of the story. The processors keep part of the extra money. The farmers do not get it. Therefore, the processors have a competitive advantage over the processors in the other 49 States.

The way I look at it, that just "ain't" fair.

Mr. GILMAN. I thank the gentleman for his very cogent argument.

□ 1640

Mr. HERGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the California make-allowance operates at no additional cost to the Federal Government. Its elimination would likely stimulate overproduction of milk, and would result in an estimated increase of 1.6 billion pounds in purchases made by the Federal Commodity Credit Corporation. The Congressional Budget Office estimates that this would cost $51 million over the life of the farm bill, while the industry estimates the cost would total as much as $165 million. Also, elimination of the make-allowance could actually raise consumer prices for dairy products in my State of California.

I believe that the language that was adopted by the Agriculture Committee is a fair compromise on this issue. It requires that Secretary of Agriculture to examine the manufacturing allowance system, and actually provides him with the authority to prohibit States from establishing separate allowances if it is so determined that it is not justified based on costs.

California has utilized a separate dairy policy tailored to its own unique conditions and high costs since 1935. California processors have a different make-allowance because of labor, capitalization, and energy costs which are substantially higher than the national average. The Federal Pricing and Marketing System alone has not been appropriate for California. Most producers and processors support the separate make-allowance policy because they believe it is in the best interests of the industry and consumers alike.

As such, I strongly urge my colleagues to reject this amendment and support the compromise currently contained in this legislation.

Mr. FAZIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I sense that this debate between the Minnesota and Wisconsin and New York State delegations rural Members and the California delegation rural Members should come to a close. Perhaps our friends who have been listening have grown tired of the repetition, and I suppose we can all engage in it only because we have made note of the case and there is not much more to say.

However, I think for those Members from other parts of the Nation who have not really got, at this point, a great deal on the line here, who do not fully appreciate the intricacies of the make allowance or the manufacturer's allowance, it might be important just to underscore a couple of things. One, the law has traditionally allowed the States to develop their own program. It just happens that, at this point, California is the one State that has chosen to do so, but others can as long as they, as California does, operate at no expense to the Federal taxpayer. It is important to point out that we would add to the Federal deficit if we eliminate the California program, from $10 to $40 million a year. That is additional expenditure out of the CCC. That is additional deficit, no matter how we look at it. We would end up costing the taxpayers of this Nation more money if we eliminate the California program.

Therefore, I would hope that my friends from the other 46 States would, perhaps in their own constituents' interest, that they ought not to raise milk prices in California, and their own tax costs or deviate from some other needs that we may want to meet in their States by refusing to add

additional burdens to the Federal budget.

This is a program that has worked well for California, and I believe is not in any way violating the overall benefits that the CCC was created to make. We are, in fact, in California, providing far less additional protection to the CCC than those people from Minnesota and Wisconsin who over the last 7 years have sold 55 percent more to the CCC than their share of production. I really believe this is an area that ought to be left alone, at least until the study that the committee has authorized is completed.

I think the work that was done in the committee, as is the case with all of these amendments that have been brought to the floor, should be confirmed. Let Members stick with the committee.

Mr. WEBER. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Minnesota.

Mr. WEBER. Mr. Chairman, I am just interested in one point three gentleman made, which is that every State has this option available to them, which may be legally correct. However, the gentleman is a student of agricultural policy. Would the gentleman stand there and tell me honestly that he thinks we could conduct dairy policy as we have been conducting it in this country, if every dairy producing State had the California State plan?

Mr. FAZIO. I think every State could develop its own policy. Some may want to operate on a regional basis. I think that is feasible that the States were willing to make that kind of State expenditure to make the program work. We certainly would welcome it.

Mr. WEBER. Mr. Chairman, if the gentleman would yield further, the gentleman does not believe we would cause any imbalances in the overall dairy supply and demand situation in this country, if Minnesota, Wisconsin, the Southeastern producing States, New York, all had the California policy, all were subsidizing their processing?

Mr. FAZIO. I would not be able to guess. I assume at some point the marketplace would come into play, and so would the budgetary process. However, at this point I would not want to hazard a guess, if that kind of diversity broke out. I would be willing to experiment.

Mr. THOMAS of California. Mr. Chairman, I move to strike the requisite number of words.

When I was younger and I went to the supermarket, we used to look at the butter, and it was Land o' Lakes butter. When we looked at cheese, it was made in Wisconsin cheese. I think every Member here understand what is going on. That is, the traditional surplus area of the Nation is beginning to feel a little bit of competition. I understand that.

The first time I went to Chicago, I went up in the Sears Building, and it was a clear day, and they told me to look north, and I could see Wisconsin, and look south, and I could see Indiana. I understood then why Minnesota and Wisconsin produced as much dairy products as they did. Certainly they did not consume it in their own State. They were able to market it over a very broad multistate area.

This has been the traditional pattern for Minnesota and Wisconsin. In addition, selling enormous surpluses to CCC over the years. California was an island. It is now 30 million people, but back in the 1930's when the State of California very wisely constructed a milk law which made sure we evened out the surpluses and the deficit periods, and we had amilk for ice cream and for cheese, California was an island. Most of the discussion today is focused on the fact that Minnesota, really, although they have not said it, Minnesota and Wisconsin feels threatened in its traditional areas. California is growing and changing. We used to have the highest production costs. We used to have the highest producer costs. Perhaps we do not anymore, as twice has been mentioned, a Cornell study. The point is, the world is changing in the area of dairy. What we need to do is reexamine the role of California, reexamine the role of Minnesota, reexamine the role of Wisconsin as the price setters for the Nation. But that does not mean that the first thing we do is strike a self-imposed structure that California has had for 50 years, and it has worked.

What we do is examine the changing relationship, and what I would ask people to do is to decide, perhaps the study is the appropriate way to look at this problem, see to what extend California now is overproducing, to what extent is it infringing on the traditional markets of Minnesota and Wisconsin, and to what extent is Minnesota and Wisconsin producing for surplus, and to what extent is California producing for surplus, and let Members talk about the new world that is emerging. But I do think the proper approach is to stand up and tell California a process that has worked for 50 years is going to be struck, because your producers are not getting enough money.

Let me say it will create overproduction in California. Any person who knows the dairy business knows it is a family operation. The son wants his own dairy. We have 700-cow diaries in California, but they are family operations. We give the producer more money, that older son, the second oldest son is going to be out and become a diaryman, and we will have that surplus product. There will be more products sold to CCC, and it will cost the taxpayers money. Please let Members not use the one-sided argument that California is in excess and it is a burden to the taxpayers. Minnesota and Wisconsin are in excess and they are a burden to the taxpayers. However, we do not solve the problem by striking a reasonable, equitable, fair State law that has worked for the island of California for 50 years, because Minnesota and Wisconsin feels that it product on the supermarket shelf is being pushed a little bit. I think that is a drastic solution. Why not take a look a the study, take a look a the changing world, and talk about reasonable modification, really, for the taxpayer and the consumer instead of for one region's traditional benefit that feels threatened.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Once again as chairman of the Subcommittee on Livestock, Dairy, and Poultry, and having presided over this discussion for the last year and a half, I must reluctantly come, again today for the second time, and ask that the amendment as offered be opposed and the committee position be supported.

□ 1650

I believe the wisdom of our position will, in fact, be shown when we closely examine what we are suggesting by opposing this amendment. First, I make no bones about it, there has been a lot of study of this question, and we have heard it aired thoroughly and very accurately today, including the fact that the National Commission on Dairy Policy has recommended that all milk producers should be treated equally under price support programs.

Federal law should prohibit any State from using greater make allowance to establish a price for Grade A milk used in manufacturing dairy products.

That was recommended by the Diary Commission, a group of dairy farmers from all diary producing States.

That was persuasive to me early in this debate. But it seems that now we have also agreed that there are other issues that need to be studied, not the least of which is the multiple basing points, the Minnesota-Wisconsin price series, and the reconstituted milk question, all of which will be studied in a separate study on Federal milk market orders, which has a bearing on the first stage of the national dairy policy that we are in fact implementing with this floor action today.

It seems to me—I do not hesitate to recommend this to the full committee—that we should stay with the committee position today. The committee position basically is that the Secretary of Agriculture, through the Agricultural Market Service, should conduct a study for 1 year and report back to the

House and Senate Agriculture Committees with a recommendation of how we are to deal with this question.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the problem with that is that every time anyone has suggested a change in the program, the answer is that we get a study and the problem is that a study that provides an answer after this pony has gone through the barn is a little late because we do not have the ability then to really deal with this issue legislatively. This is a bill that is going to govern dairy policy for 5 years. Why should we not deal with these issues now up front, especially with the advice we have had from people who have looked at it for 18 months?

Mr. STENHOLM. Mr. Chairman, I would give the gentleman the same answer that I gave regarding whether or not we should immediatley impose market quotas because this is the last bite of the apple. This is not the last bit of the apple. Everyone in this room knows we are going to have severe budget pressures applied to the agricultural function of the budget for the next 5 years. So, therefore, I can say with certainty to the gentleman from Wisconsin that this is not a study for the purpose of ducking the issue from the chairman's standpoint. This is a study for getting an answer to the question and then implementing it and fitting it into the total dairy policy we are going to be developing over the next 5 years, with the first installment in the House-Senate conferees and then at succeeding reconciliation points.

Mr. WEBER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to the gentleman from Minnesota.

Mr. WEBER. Mr. Chairman, I thank the gentleman for yielding.

One of the gentleman's arguments, I think, really is in favor of making the change today. I agree with the gentleman that budgetary pressures may well cause us to revisit agriculture policy over the next few years. At least that is what I think the gentleman was alluding to. If we cannot make this change in policy today based on what is a sound dairy policy for the country, how can we possibly make the change under budgetary pressures in 1, 2, or 3 years? At that point the argument that we are simply singling out California will indeed be a valid one.

It seems to me that precisely because we do not want to advocate this kind of change in response to a budget crisis, we should make it today in response to the normal processes of making a change in agriculture policy.

Mr. STENHOLM. Mr. Chairman, the gentleman makes a very compelling argument, I must say.

The CHAIRMAN. The time of the gentleman from Texas [Mr. STENHOLM] has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 1 additional minute.)

Mr. STENHOLM. Mr. Chairman, the statement was made a while ago that no one is taking dairy seriously, that the dairy title is all a burden to the taxpayer. I would submit that that is absolutely not true. The dairy title of the farm bill in 1985 has been the most fiscally responsible title, I believe, of any title in not only the farm bill but in any bill that has come to the floor. I believe that is a fair statement. Anybody can challenge me on that later.

Having said that, the budget pressures on us are going to be very severe because we are cutting from a vey low baseline, but we are going to have to cut. That was my previous argument in the last debate. We are going to have to make decisions.

So I would argue that in spite of the fact even that we have a l-year study, we may not have the luxury of 1 year to complete the study before we implement not only this policy but other policies, and I would argue, without repeating myself, that today is not the day.

Mr. Chairman, I ask the Members to stick with the committee position.

Mr. LEWIS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I stand in support of this amendment. I believe that the Committee on Agriculture has worked hard for a dairy policy.

There has been a lot of dissent within the committee on this particular issue, more so on this than any other. What this amendment is really doing is eliminating that preferential treatment recommended by the 1988 report of the National Commission on Diary. We cannot have a State-by-State policy. We cannot have a regional policy. We need a national policy, and I believe this is a great firm step in that direction. It results in increased sales to the Commodity Credit Corporation, it inhibits the ability of areas like the State of Florida, which is still in a milk deficit, to affect much-needed expansion of the dairy industry, which is needed.

So I believe that with a true and honest conviction, the Obey amendment is the way to go to correct the problem we have right now with the dairy policy. This will do it, and I ask for total support of this amendment.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me read to the Members from present law, if I may. It says in section 401 of the present law, if I may. It says in section 401 of the present law as follows:

> Whenever any price support or surplus removal operation of an agricultural commodity is carried out through purchases, the Secretary shall to the extent practicable obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodities involved have received or will receive national benefits from the price support operation.

Why do I read that language? Because it explains why we are here. My good friend, the former Secretary of Agriculture, Dick Lyng, made one mistake when he was in office; that mistake was that he was from California, so he decided not to report section 401 and enforce it, despite requests from California dairymen to do just that.

That is why this amendment is in front of us this afternoon, because we are suggesting that the law ought to be enforced, and that we ought to take the necessary steps in this farm bill to do so.

Many of the Members are well aware that on the last amendment, the Volkmer amendment, that was before us, I stood with the committee in opposition to the Volkmer amendment. Let me tell the Members that that is not easy, coming from Wisconsin. It is not easy, coming from the upper Midwest, where we have a tradition of supporting supply management in agriculture, particularly in dairy, and when we see some of the transfers in dairy that have occurred out of our region, to the South and the West, that is not an easy job politically to sell and defend back home.

Let me explain why I did it. I did it because if there is one thing that is absolutely necessary in dairy policy in this country, it is that we develop a national and a modern dairy policy. For gosh sakes, the Berlin Wall is coming down, EC-92 is going to happen, we are seeing GATT, and everything else is leading to worldwide trade. Agriculture, whether we like it or whether we do not, is going to be a part of that, and if America is going to participate in the world agricultural community, we had better at least start participating in the national agricultural market first and foremost in developing a policy that says whether you are from California, Virginia, Texas, Wisconsin, New York, or Washington, you must all abide by the same rules and participate in the same market.

□ 1700

Mr. Chairman, when we tried to put together this farm bill in subcommittee, we followed the recommendations of the National Commission on Dairy Policy which said just that. It was time to develop one set of standards

for every dairy farmer all over this country, if they wanted to sell to the CCC.

Listen to this point: California can have any make allowance it wants to, even if this amendment by the gentleman from Wisconsin [Mr. OBEY] passes. It can have any make allowance it wants to. But, if it wants to sell its surplus, its surplus dairy products, to the Commodity Credit Corporation, then it must abide by the same rules as every other dairy farmer in the country.

I say, "You want States rights? You got them. You want freedom to do what you want with your processors? You got them. Unless you want to sell to the Commodity Credit Corporation, and then we're saying you've got to live by the same rules as everybody else in this country."

Mr. Chairman, that is what the National Dairy Policy Commission recommended, and that is what we tried to pursue in subcommittee and we tried to pursue in full committee because that brings us to where we are today.

The Midwest wanted two-tier pricing, and I said, "You know what? That's good for Wisconsin, and it's good from Minnesota, but it's hard to defend in terms of a modern and national dairy policy."

New England wanted regional pricing because they said they were being affected by sales to CCC from other regions, and I said, "I understand why you want that, but we can't go to regionalism in this country. We're going just the opposite. We're trying to develop a national dairy policy."

The gentleman from Virginia [Mr. OLIN], and the South and the Southwest said, "Look. It isn't class 1 that's causing the problem. It's the manufactured product. It's the sales to CCC. If your going to cut the prices, cut the manufactured price, but don't cut the class 1 price."

And I said, "JIM, I understand why you're saying that, but that isn't fair if we're trying to develop one national policy that affects dairy farmers all over this country."

So, Mr. Chairman, then we got to California, and California says, "Wait a minute. We want business as usual regarding our make-allowance."

And we said, "No, that's not fair."

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 5 additional minutes.)

Mr. GUNDERSON. "If we're going to have a national policy for Minnesota and Wisconsin, if we're going to have a national dairy policy for the Northeast, and for the Southeast and for the Southwest, then California has got to participate in the same program as everybody else."

Now, Mr. Chairman, why is this so important? It is so important because, under the present system California, in 1975, recognized that they had reached the point where they were producing more milk than their food consumption could consume. So, they recognized that, if they were going to continue to expand production, they had to expand their manufacturing facilities.

However, Mr. Chairman, I say to my colleagues, "You know what? They're right. Whereas they have the lowest producers cost of production, they have the highest manufacturing costs."

Mr. Chairman, we do not differentiate anywhere else in the country, but they decided they wanted to differentiate, and so they got an increase in the make allowance. In 1975, California, 64 percent of their milk went to food consumption. In 1989, because of this particular make allowance, only 36 percent goes to food consumption. They are in the process of building a national manufacturing industry, and that is fine, and I will defend that to every one of my Wisconsin farmers providing they play by the same rules as everybody else.

Mr. Chairman, that is all this amendment does by the gentleman from Wisconsin [Mr. OBEY] and the gentleman from New York [Mr. WALSH] and the gentleman from Virginia [Mr. OLIN]. All this does is say, "California, you're not being treated any worse than anybody else. As a matter of fact, the truth is you've been given 14 years of a special manufacturing make allowance, but now for the 1990's let's move to one national, modern policy."

(On request of Mr. BROWN of California and by unanimous consent, Mr. GUNDERSON was allowed to proceed for 1 additional minute.)

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I asked the gentleman from Wisconsin [Mr. GUNDERSON] to yield only for the purpose of correcting what I think was probably an inadvertent mistake on his part which does not detract from his main argument.

The text of the amendment of the gentleman from Wisconsin [Mr. OBEY] read as follows:

> The Secretary of Agriculture shall prohibit any State from using an allowance to establish a Grade A price for milk for manufacturing butter, nonfat dry milk and cheese greater than the allowance established by the Department.

That is a flat prohibition, not merely a statement, that the CCC would not buy that surplus product.

Mr. GUNDERSON. Oh, no. I appreciate the gentleman from California [Mr. BROWN] bringing that up so that I might once again point out that they can have any make allowance they want providing they do not sell to the CCC. Any plant in California that wants to maintain the present make allowance under the amendment of the gentleman from Wisconsin [Mr. OBEY] can do so. What they cannot do is have it both ways. They cannot have the advantage of the make allowance in their commercial sales because they only have to abide by that when they are selling the CCC.

The amendment of the gentleman from Wisconsin [Mr. OBEY] is part of the Federal statute, affects the Dairy Price Support Program. It does not affect that milk which is bought, and manufactured, and sold on the private commercial market.

Mr. BROWN of California. Mr. Chairman, the clear language of the amendment, as I read it, says that the Secretary shall prohibit.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Wisconsin, the author of the amendment.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, I would simply say that I think the understanding of the gentleman from Wisconsin [Mr. GUNDERSON] of the way the program works is correct, but, irrespective of that fact, I would raise this question:

Why should we allow producers in one State only to simultaneously depress the price that they paid to the farmers who are producing the product in the first place? Why should the processors be allowed to do that and then in the process then be able to use this gimmick to artificially subsidize their prices nationwide, and wedge a larger share of the market, and then at the same time say, "By the way, if we can't sell our surplus directly to the market, then we are going to sell it right directly to Uncle Sam through the CCC," as they are doing with butter.

Mr. Chairman, it seems to me they are having it, not just two ways, but three, and I would suggest that the time has come that that end and that the California farmer be treated and the California processor be treated the same as they are in every other State in the Union.

Mr. GUNDERSON. Mr. Chairman, I appreciate the leadership of the gentleman from Wisconsin [Mr. OBEY] on this issue.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I simply want to add my words of support for the statement of the gentleman from Wisconsin. I think he has made the case in support of this amendment most eloquently.

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We debated this issue in committee. Unfortunately at that time we did not have the votes to pass the equivalent of the provision of the gentleman from Wisconsin [Mr. OBEY] which was offered by the gnetleman from Wisconsin [Mr. GUNDERSON] in our committee.

I think we are either going to have a national policy or we are not. We are either going to play by the same rules, or we are not. In fairness, all dairy producers ought to be under one national policy, and for that reason I urge adoption of the amendment of the gentleman from Wisconsin [Mr. OBEY].

Mr. THOMAS of California. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from California.

Mr. THOMAS of California. Mr. Chairman, I just do not want anybody at the end of this debate to assume that the California dairy producer is crying out for help and reaching to their brethren in Minnesota and Wisconsin to be freed form the yoke of the consolidated milk pooling legislation of California. I think it needs to be understood.

Mr. GUNDERSON. Mr. Chairman, the gentleman from California [Mr. THOMAS] would agree with me, would he not, that the California dairy industry is split on this issue.

Mr. THOMAS of California. No, it is not split. It is like a 95 to 5 percent split. The overwhelming majority of the dairy farmers in California support the program. We are not looking for relief for the beleaguered California dairy farmer.

Mr. GUNDERSON. Mr. Chairman, I appreciate the gentleman from California [Mr. THOMAS] making those points.

Mr. Chairman, I reclaim my time to point out that every farmer who has a base in Cloud, CA, loves the present program. The new farmers are the ones that get took.

Mr. GRANDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment, and I only take this time to talk because, as our opponents on this issue have pointed out, they are asking for a study. A study is usually compromised between ongoing policy and elimination, and normally a study is something that I, as a member of the committee, could support.

However, Mr. Chairman, let me just direct Members' attention to the language in this study. First of all, the Secretary of Agriculture shall direct the Agriculture Marketing Service of the United States. I would point out that the milk program is administered by the Agricultural Stabilization and Conservation Service. This is a price support program.

Why is the Agricultural Marketing Service involved? Perhaps because the head of that is from California.

But let me go on and specify what the criteria for this study is. The Secretary may terminate this program if he finds that a State's use of a manufacturing allowance that is different from the Federal manufacturing allowance has an adverse effect on the operation of the Federal dairy program and that manufacturing costs and yield data from that same State, audited by that State and presented at public hearings in that State, do not justify different manufacturing allowances in that State.

□ 1710

My point is simply this. If this is an impartial study, then I would like my State to have such an impartial study, audited by my State from data by my State. We all know that the purposes of advocacy are usually used up in this Chamber. The purposes of an impartial study are to split the differencs in this Chamber.

I would argue that we do not have a study here. We have a conclusion. Why spend the money on the study when we know what the answer is going to be, but if we are going to have a study, make it impartial and draw the conclusions from that study.

Mr. Chairman, I urge support for the Obey-Walsh-Boehlert amendment because it is an honest approach to this problem.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, once again I find myself in the awkward situation that the committee was divided on a vote on this issue. The committee version, and that is what is before us, prevailed on a 26 to 18 vote of the committee.

Therefore, I have no alternative but to request, and I respectfully ask my colleagues to support the committee version which provides or allows the Secretary 1 year for a study and then gives him the authority to act accordingly.

I would like from my personal standpoint to make one point, and that is even though the discussion here has been about Minnesota-Wisconsin versus California, it impacts on all of agriculture. It impacts on all the dairy industry.

If we could exercise our efforts to go and sell more product and have more people consume the product and work in the other areas of the legislation, some of which we can address in this omnibus farm bill, probably we might not have time to be having regional differences; but at this point without personally taking a side, I would state that the responsible vote in my opinion respectfully is that you support the committee, that the committee acted with a majority vote on a recorded vote and that we will continue working on this. If the committee version prevails, and I hope it does, in the end it will be addressed by the administration. We will continue addressing it here. That is my commitment to both sides, that we will continue trying to arrive at some resolution besides "you're getting and we're not." Hopefully that vote will not come to that type of situation, but rather in support of the committee, which is trying to resolve the issue.

Mr. HENRY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me simply say that this is really an issue that pits California against the Nation in terms of equity. What you are really trying to do is tell me where I have got a major cheese processing plant that is going up in west Michigan that you are going to use the dairy program to launder funds, quite frankly, in your manufacturing process to subsidize your manufacturing process so you squeeze out the rest of the national competition. Then you will do it like the rest of the Nation.

It kind of sounds like the Japanese giving support to its manufacturing process and dumping automobiles in the United States. You want to dump California cheese and California dairy products across the country, soak up the national market and use this program preferentially to do that.

I simply say if you are from any other dairy State, if you are from Michigan, if you are from Wisconsin, if you are from Illinois, if you are from New York, any other area in the Nation, you are put at a disadvantage by preferential rules in this legislation which give preferential treatment to dairy processing and manufacturing at the expense of the rest of us. It is simply not right, and I rise in strong support of the amendment.

Mr. MATSUI. Mr. Chairman, I rise in opposition to the amendment.

It appears that the facts regarding the "make allowance"—what it is and what the implications are for precluding the States' ability to set these apportionments—continue to be misunderstood.

The amendment we are considering will not eliminate or even reduce a Federal subsidy. It will not relieve the Commodity Credit Corporation from any portion of its obligations in California or any other State. What it will do is prevent the States from exercising economic flexibility. Specifically, it will put California dairy farmers at a competitive disadvantage by refusing to recognize a State's right to provide allowances for citizens who are disadvantaged by regional economic conditions.

The amendment before us today is decidedly anti-California. Although the amendment declares that "no State may establish a dairy 'make allowance' greater than that used by USDA," the fact is that there is only one

State, with a distinct make allowance—California.

The State of California, which has its own dairy marketing order program has maintained since 1979 a make allowance above the Federal allowance to offset the State's associated production cost—labor, insurance, utilities and property costs—all of which make dairy production more expensive in California than it is elsewhere in the United States. We must remember that the Federal manufacturing allowance is based on prices in Minnesota and Wisconsin, not California. Why shouldn't the State of California be allowed to compensate for that inadequacy at no cost to the Federal Government?

Make no mistake about it, this amendment will not save the taxpayer, much less the Government, any money. In fact, CBO estimates that this amendment would cost the Commodity Credit Corporation $51 million over the life of the farm bill because it would stimulate overproduction in milk.

Mr. Chairman, this amendment undercuts California's ability to take care of an important segment of its society and economy. I urge my colleagues to oppose it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. STENHOLM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 307, noes 114, not voting 11, as follows:

[Roll No. 260]

AYES—307

Ackerman	Chandler	Feighan
Alexander	Chapman	Fields
Andrews	Clarke	Fish
Annunzio	Clement	Flippo
Anthony	Clinger	Foglietta
Applegate	Coble	Ford (MI)
Archer	Coleman (MO)	Frank
Armey	Collins	Gallo
Aspin	Combest	Gaydos
Atkins	Conte	Gejdenson
Ballenger	Costello	Gekas
Bartlett	Coughlin	Gillmor
Barton	Courter	Gilman
Bateman	Coyne	Gingrich
Bates	Craig	Goodling
Bennett	Crane	Gordon
Bentley	Darden	Goss
Bereuter	Davis	Gradison
Bevill	DeFazio	Grandy
Bilirakis	DeLay	Grant
Bliley	Derrick	Gray
Boehlert	DeWine	Green
Bonior	Dickinson	Guarini
Borski	Dicks	Gunderson
Boucher	Dingell	Hall (OH)
Brennan	Donnelly	Hamilton
Brooks	Dorgan (ND)	Hammerschmidt
Broomfield	Douglas	Hancock
Browder	Downey	Hastert
Brown (CO)	Duncan	Hayes (IL)
Bruce	Durbin	Hefley
Bryant	Dwyer	Hefner
Buechner	Early	Henry
Bunning	Eckart	Hertel
Burton	Edwards (OK)	Hiler
Byron	Emerson	Hochbrueckner
Callahan	Engel	Holloway
Campbell (CO)	Erdreich	Hopkins
Cardin	Evans	Horton
Carper	Fascell	Hubbard
Carr	Fawell	Hughes
Hutto	Murphy	Skaggs
Hyde	Murtha	Skeen
Inhofe	Myers	Skelton
James	Neal (MA)	Slattery
Jenkins	Neal (NC)	Slaughter (NY)
Johnson (CT)	Nielson	Slaughter (VA)
Johnson (SD)	Nowak	Smith (FL)
Johnston	Oakar	Smith (IA)
Kanjorski	Oberstar	Smith (NE)
Kaptur	Obey	Smith (NJ)
Kasich	Owens (NY)	Smith (TX)
Kastenmeier	Owens (UT)	Smith (VT)
Kennedy	Oxley	Smith, Denny (OR)
Kennelly	Pallone	
Kildee	Parris	Smith, Robert (NH)
Kleczka	Patterson	
Kolbe	Paxon	Smith, Robert (OR)
Kolter	Payne (NJ)	
Kostmayer	Pease	Snowe
Kyl	Penny	Solarz
LaFalce	Petri	Solomon
Leach (IA)	Pickle	Spence
Lehman (FL)	Porter	Spratt
Lent	Poshard	Stangeland
Levin (MI)	Pursell	Stearns
Lewis (CA)	Quillen	Studds
Lewis (FL)	Rahall	Stump
Lightfoot	Rangel	Sundquist
Lipinski	Regula	Swift
Livingston	Richardson	Tanner
Lowey (NY)	Ridge	Tauke
Luken, Thomas	Rinaldo	Thomas (WY)
Lukens, Donald	Ritter	Torricelli
Machtley	Roberts	Towns
Madigan	Robinson	Traficant
Manton	Roe	Traxler
Markey	Rogers	Udall
Martin (IL)	Ros-Lehtinen	Unsoeld
Martin (NY)	Rostenkowski	Upton
Mazzoli	Roth	Valentine
McCloskey	Roukema	Vander Jagt
McCollum	Rowland (CT)	Vento
McCrery	Sabo	Visclosky
McDade	Saiki	Vucanovich
McDermott	Sangmeister	Walgren
McEwen	Savage	Walker
McGrath	Sawyer	Walsh
McHugh	Saxton	Washington
McMillan (NC)	Schaefer	Weber
McMillen (MD)	Schiff	Weiss
McNulty	Schneider	Weldon
Meyers	Schroeder	Whittaker
Mfume	Schuette	Williams
Michel	Schulze	Wilson
Miller (OH)	Schumer	Wolf
Miller (WA)	Sensenbrenner	Wolpe
Moakley	Serrano	Wyden
Molinari	Sharp	Wylie
Montgomery	Shaw	Yates
Moody	Shays	Yatron
Morella	Shuster	Young (FL)
Morrison (WA)	Sikorski	
Mrazek	Sisisky	

NOES—114

Anderson	Fazio	Lloyd
AuCoin	Frost	Long
Baker	Gallegly	Lowery (CA)
Barnard	Gephardt	Marlenee
Beilenson	Geren	Martinez
Berman	Gibbons	Matsui
Bilbray	Glickman	Mavroules
Boggs	Gonzalez	McCandless
Bosco	Hall (TX)	McCurdy
Boxer	Harris	Miller (CA)
Brown (CA)	Hatcher	Mineta
Bustamante	Hawkins	Mollohan
Campbell (CA)	Hayes (LA)	Moorhead
Clay	Herger	Nagle
Coleman (TX)	Hoagland	Natcher
Condit	Hoyer	Olin
Conyers	Huckaby	Ortiz
Cooper	Hunter	Packard
Cox	Jacobs	Panetta
Dannemeyer	Jones (GA)	Parker
de la Garza	Jones (NC)	Pashayan
Dellums	Jontz	Payne (VA)
Dixon	Lagomarsino	Pelosi
Dornan (CA)	Lancaster	Perkins
Dreier	Lantos	Price
Dymally	Laughlin	Ravenel
Dyson	Leath (TX)	Ray
Edwards (CA)	Lehman (CA)	Rhodes
English	Levine (CA)	Rohrabacher
Espy	Lewis (GA)	Rose
Rowland (GA)	Stark	Thomas (GA)
Roybal	Stenholm	Torres
Russo	Stokes	Volkmer
Sarpalius	Synar	Waxman
Scheuer	Tallon	Wheat
Shumway	Tauzin	Whitten
Staggers	Taylor	Wise
Stallings	Thomas (CA)	Young (AK)

NOT VOTING—11

Crockett	Hansen	Nelson
Flake	Houghton	Pickett
Ford (TN)	Ireland	Watkins
Frenzel	Morrison (CT)	

□ 1735

Messrs. PAYNE of Virginia, YOUNG of Alaska, HOAGLAND, and Mrs. BOGGS changed their vote from "aye" to "no."

Messrs. FRANK, SWIFT, SMITH of Florida, RANGEL, WEISS, GREEN, MOAKLEY, KYL, NEAL of Massachusetts, STUMP, Mrs. COLLINS, and Mrs. SAIKI changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to H.R. 3950, the Food and Agricultural Resources Act of 1990, for two reasons: First, it raises entitlement—type spending at the very time that budget negotiations are attempting to reduce the enormous deficit that is facing our country. Second, it promotes programs that reverse the current trend toward a market-oriented agricultural policy.

If H.R. 3950 becomes law it will add $6.9 billion to the deficit over 5 years. It does this mainly by rapidly expanding nutrition programs. It adds $0.5 billion to the already $2.5 billion increase included in the baseline. Such growth is totally inconsistent with the fiscal discipline being advocated in the summit talks. This is an example of the type of mandatory spending that has put us in the mess we're in. While I support the Agriculture Committee's efforts to improve the Nation's nutrition, I must also chastise them for ignoring the unhealthy effect that adding to the deficit will have on our economy.

From a market perspective, it concerns me that the Agriculture Committee has opted for increasing its commitment to central planning while all of Eastern Europe has been tearing down walls to get away from it. The competitiveness of U.S. agricultural products will suffer greatly in the years ahead because of the provisions contained in the bill that raise loan rates, freeze target prices, maintain quotas, and extend loan subsidies to new crops. When Congress took similar steps in the 1981 farm bill our exports collapsed and farm income dried up. This bill encourages a cruel repeat of those events.

As the budget summit is trying to find some solution to the deficit problem, it doesn't make any sense to make the task more difficult by passing H.R. 3950. It would only take some modest amendments to make H.R. 3950 fiscally reasonable. Until those changes are made. I cannot support it.

Mr. ROGERS. Mr. Chairman, I rise in strong support of H.R. 3950, the Food and Agricultural Resources Act. I want to commend our Ag-

riculture Committee for the untold hours spent in developing this crucial legislation.

Our farmers are the backbone of this Nation. Developing legislation which satisfies the agricultural needs of this Nation, encourages economic growth at home and abroad, and at the same time sustains and inspires our farmers is not easy. Some of our colleagues want to attack policy which they consider unfair or unnecessary. I stand before you to defend our farm policy and H.R. 3950.

My congressional district is 100 percent rural and I am working hard to increase our agricultural resources, efficiency and income. In 1987, agricultural income in my district was $524 million—53 percent from livestock, 42 percent from cash crops, and 5 percent from forestry. By the year 2000, agricultural income has the potential to increase 76 percent to $920 million. That is significant development for my district and crucial for our future and I believe the future of this Nation.

Mr. Chairman, our farm communities are healthy and growing. My farmers are interested in experimenting with new crops and new methods in response to the concerns and needs of our Nation. Let us support this invaluable resource and continue on the road to agricultural recovery.

Once again, I laud the committee for yeoman's work and urge my colleagues to support H.R. 3950 as reported by our Agriculture Committee under the leadership of Mr. DE LA GARZA.

Mr. TAUZIN. Mr. Chairman, I rise in strong opposition to the Downey-Gradison amendment to H.R. 3950, the Food and Agricultural Resources Act of 1990.

I'd like to bring into focus some of the so-called economics floating around this floor today.

First, the sugar program protects the average shopper by curtailing the upward price potential of an extremely volatile world market. Opponents of the sugar program are quick to point out that it costs the American consumer approximately $1.9 billion a year. However, most of their cost-benefit comparisons highlight only the difference between a support price of 18 cents a pound and a speculated world price for sugar.

Nothing could be more naive. That sort of comparison incorrectly assumes that: First, the world price for sugar is the result of a competitive marketplace; and, second, the world price will remain constant or nearly constant in the absence of a sugar program. How can that be when the USDA tells us that 110 countries subsidize their sugar production, consumption, and/or trade in some way? Moreover, who would assume a constant world price when in 1974, in the absence of a sugar program, sugar sold for over 60 cents a pound? The fact is that the current world price is tremendously distorted, the result of intense global manipulation of the market. At 18 cents a pound, the American sweetened-product manufacturer saves a bundle of money.

Are these savings passed on the consumer? Has the price of Coke decreased since 1974? Perhaps we've just stumbled upon the reason why industry, and not consumer groups are pressing for a further reduction in the sugar program. Eighty-five percent of the sugar consumed by the public is done so through processed foods and drinks. Consequently, the benefits of any price decrease will go directly into the pockets of corporate manufacturers of those foods, not the Nation's shoppers.

Mr. Chairman, because of the price and production stability, this sugar program creates jobs. The U.S. Department of Commerce has found that, contrary to the claims of program opponents, a support price above the current world price has caused neither an influx of sweetened-product imports nor a relocation of the sweetened-product manufacturing industry. This would signify confidence in the sugar industry's ability to provide a steady inventory at a fair price. Interestingly, a recent study by a London commodity research firm indicates that the U.S. sugar industry has directly and indirectly created over 361,000 jobs and generates more than $18 billion in annual revenues.

Finally, I'd like to clear up a misconception that the sugar support level is not in equity with other major commodities. The net result of the 1981–90 price support changes was an average increase of 8.6 percent for other major crops—higher than the 7.5 percent increase for sugar.

The Agriculture Committee has produced viable, responsible recommendations for American farm policy, recommendations we should sustain. I urge Members to reject this misguided attack on the U.S. sugar program.

Mr. DE LA GARZA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PENNY) having assumed the chair, Mr. BONIOR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 3950 entitled the "Food and Agricultural Resources Act of 1990" had come to no resolution thereon.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present I would have voted "nay" on rollcall No. 259 and No. 260.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent and missed rollcall vote 258, which occurred on the amendments offered by Mr. DOWNEY and Mr. GRADISON on the sugar title to H.R. 3950, the 1990 farm bill. Had I been present, I would have voted "aye."

I also missed two votes on amendments to the dairy title of the same bill. On rollcall 259, the Volkmer amendment, I would have voted "no." On rollcall 260, the Obey amendment, I would have voted "aye."

PERSONAL EXPLANATION

Mr. HOUGHTON. Mr. Speaker, I was not present for the vote on the Obey amendment to the 1990 farm bill (rollcall No. 260). Had I been present, I would have voted "yes."

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2584

Mr. PARKER. Mr. Speaker, I ask unanimous consent to have my name removed from cosponsorship of H.R. 2584.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ENOUGH IS ENOUGH: LET'S SHUT DOWN IRAN-CONTRA PROBE

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. BROOMFIELD. Mr. Speaker, 3 years ago, when the congressional investigation of the Iran-Contra affair was winding down, I said that the investigation went on too long.

Nothing that has happened since then has changed my judgment.

The special prosecutor has hired a treasure trove of attorneys, spent tens of millions of dollars over the better part of 4 years, and still hasn't done any better.

Enough is enough. Lawrence Walsh has invested an elephant's worth of taxpayer dollars, and he has come up with a mouse.

Today I sent a letter to Attorney General Thornburgh asking him to shut down the office. And I plan to introduce legislation putting a 2-year sunset provision on future special prosecutors.

Mr. Speaker, I include my letter to the Attorney General as part of the RECORD.

HOUSE OF REPRESENTATIVES,
Washington, DC, July 24, 1990.

Hon. RICHARD L. THORNBURGH,
Attorney General,
Department of Justice, Washington, DC.

DEAR MR. ATTORNEY GENERAL: I am writing to request that you use your authority under title 28, chapter 40, section 596(b)(2) of the United States Code to begin actions to terminate the office of independent counsel established for the Iran-Contra matter.

Last Friday's decision by the federal appeals panel setting aside the convictions of Lt. Col. Oliver North again focuses attention on Lawrence Walsh's "perpetual investigation," which has continued for the better part of four years and cost tens of millions of taxpayer dollars. I believe we are well past the point where further pursuit of this matter by an independent counsel serves any public good. Your office can tie up any remaining loose ends from the current investigation and make appropriate decisions as to how to respond to the recent court decision.

The Iran-Contra affair has been thoroughly investigated; we've paid for two congressional committees, a presidential commission, and an independent counsel; and scores of lawyers, accountants, and investigators have pored over the documents, interviewed hundreds of witnesses, and

issued report after report. Still, Walsh seems intent on ensconcing himself as part of the permanent bureaucracy as he continues to pursue his investigation, which might more appropriately be labeled a fishing expedition. I believe the time has come to say enough is enough.

Already, Walsh has spent twice as long on his investigation as any other Independent Counsel or Special Prosecutor appointed since enactment of the Ethics in Government statute save one. Prolonging this appointment, and moving into new areas as Walsh declared he was going to do following the Poindexter conviction (which now also seems likely to be set aside), is contrary to the intent of the authorizing statute. Congress never intended that a special prosecutor make a career of his investigation. In fact, when we reauthorized the Independent Counsel Act in 1987, we tried to make it clear that the independent counsel should work as diligently and as quickly as possible to resolve his particular investigation or prosecution.

The Independent Counsel Reauthorization Act of 1987 gives you the authority to request that the division of the court terminate an office of independent counsel and have remaining matters turned over to your office for completion. I hope you will act swiftly to put this entire ordeal behind us.

Sincerely,

WILLIAM S. BROOMFIELD,
Member of Congress.

HONORING PAUL BURES, THE DRIVING FORCE BEHIND HOUSTON CRACKDOWN

(Mr. FIELDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FIELDS. Mr. Speaker, I would like to take a moment to salute a true civic leader, Paul Bures, who has been the driving force behind the Houston Crackdown antidrug campaign since its inception in 1988.

Paul is no stranger to community service. He has served, or currently serves, on a wide and diverse number of civic organizations which have made Houston a better community in which to live.

But it is for his work with Houston Crackdown that Houstonians most owe him their gratitude.

Houston Crackdown was conceived in 1988 as a means of bringing together the best minds in our community to fight the problem of drug abuse. Houston Crackdown unites government officials, business executives, clergy, educators, law enforcement officers, media representatives, medical experts, and private citizens to address the host of problems associated with drug use in Houston—and to devise solutions to those problems. By bringing every segment of the community together, the program allows individuals and agencies charged with reducing drug use in the Houston area to communicate more effectively and to better coordinate their antidrug efforts.

Houston Crackdown acts as an umbrella organization dedicated to reducing the use of crack cocaine and other illegal drugs; to support increased and improved rehabilitation opportunities for drug addicts who want to obtain treatment; to educate young people about the legal and medical dangers involved with drug use; and to show all Houstonians that, working together, there is something that each and every one of us can do, we can battle the scourge of drugs in our community.

Houston Crackdown is a model for other communities nationwide, and Houstonians have rallied behind Houston Crackdown as they have rallied behind no other local program.

Until Paul conceived of Houston Crackdown, Houstonians were concerned and worried about our local drug problem—but they really didn't know what they personally could do to solve that problem. Paul showed them that each of us has a role to play in our Nation's war on drugs.

As a result, Houstonians have responded enthusiastically and generously, as have businesses throughout the Houston area.

On behalf of Houston Crackdown, Paul recently presented a check in the amount of $250,000 to Houston Mayor Kathy Whitmire. That money was raised at a citywide anti-drug rally called A Night of a Thousand Lights, held in Houston in April. The money will be used for substance abuse education and awareness.

Paul is a remarkable man whose sense of civic duty has made an indelible imprint in Houston. A former advertising executive, Paul served as general sales manager and vice president for television sales at KTRK-TV, the ABC affiliate in Houston, from 1971 to 1982. In 1982, he left Houston to serve as president and general manager of WTVD-TV in Durham, NC for 4 years. But in 1986, he returned to Houston as president and general manager of KTRK-TV. Paul recently announced that he will soon resign that position to achieve one of his life long dreams: become a full-time author. Fortunately for all Houstonians, Paul has indicated he will remain in Houston.

Paul's list of civic activities are almost too numerous to mention. In addition to his active participation in Houston Crackdown, Paul serves on the boards of directors of the Greater Houston American Red Cross; Houston's Campaign for Literacy; and Houston Area Urban League. He served as a member of the host committee of the just concluded Houston Economic Summit; he is a cabinet member of the Houston Campaign for the Homeless; he serves on the steering committee of Partners in Space; he is an adviser to the Houston Grand Opera and the Houston End Hunger Network; he belongs to a variety of chambers of commerce in the Houston area; and he serves as a member of the International Platform Association.

Houston has been richly blessed by, and is deeply fortunate to have in its midst, a man named Paul Bures. His contributions to a better Houston are unparalleled, and his motivation has been a love for Houston—and a desire to see his city become a better place for his family, and all Houstonians, in which to live.

Mr. Speaker, it is with profound gratitude that I salute Paul's civic efforts, particularly his work with Houston Crackdown. It is with deep appreciation that I congratulate him on a job well done at KTRK-TV in Houston. And it is with tremendous anticipation that I await the publication of his first novel. I know you join with me in wishing this remarkable man well in all his future endeavors.

PHIL SOKOLOF BATTLES FOR MILLIONS

(Mr. HOAGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. HOAGLAND. Mr. Speaker, distinguished colleagues in the House, standing on the easel next to me is an urgent message to Members of the Senate and House on H.R. 3562, the Nutrition Labeling and Education Act.

Phil Sokolof, president of National Heart Savers Association and a constituent of mine from Omaha, NE, has dedicated his life and personal wealth toward lowering cholesterol and reducing the risk of heart disease, by waging a one-man campaign of proper nutrition and responsible accurate food labeling.

Members will remember Phil Sokolof's full-page advertisements raising concerns about the content of the food in McDonald's fast food chains around the country.

Today, Mr. Sokolof placed the ad you see next to me in several major national newspapers around the country. He is trying to bring to our attention the positive benefits of understanding the food we eat. Mr. Sokolof feels we in Congress need to address the Nutrition Labeling and Education Act as quickly as possible, and I unequivocally agree with him. Millions of Americans face near-fatal health situations every year as a result of not being properly informed of the nutritional composition of the food they eat.

The Federal Government spends billions of dollars on curing health problems created by high-cholesterol, high-fat diets. It makes good policy sense for the Federal Government to take preemptive action to improve the health of our citizens.

By the way Mr. Speaker, there is something else you should know about Mr. Sokolof. Nearly 24 years ago he got a second chance in life. He nearly died of a heart attack. Since then, Mr. Sokolof has dedicated his life to saving the lives of others. Mr. Speaker, we should join him and help Mr. Sokolof help others to better their health and better their lives.

Mr. Speaker, I include this New York Times article to be made part of the CONGRESSIONAL RECORD.

By the way, his ad campaigns are having a major effect. Today, McDonald's has announced it is now deep-frying its french fries in vegetable oil rather than beef tallow.

Congratulations Phil, you are making a difference.

[From the New York Times, July 22, 1990]

ONE MAN WITH A PURPOSE TAKES ON HEART DISEASE

(By William Robbins)

OMAHA.—The "little guy out here in Omaha," as Phil Sokolof sees himself, has a new message for the giants of the fast-food industry. He has no plans to let up on them until he sees a lot of improvement in American diets.

"How can I stop as long as there are people out there I can help?" said Mr. Sokolof, a 67-year-old industrialist whose attention was focused on diet problems by a near-fatal heart attack 24 years ago.

For the last five years, Mr. Sokolof, a widower who prepares his own meals "with a microwave and a can opener," has been urging Americans to lower their cholesterol levels. For the last couple of years under the name of National Heart Savers Association, he has been financing a national advertising campaign against food companies he regards as offenders because of saturated fats in their products. He estimates that he has spent about $2.5 million so far in his crusade.

Mr. Sokolof's latest advertisement, which ran on July 3 in several newspapers including The New York Times, focused on the McDonald's Corporation and some of its rivals. "McDonald's, Your Hamburgers Still Have Too Much Fat!" it said, "and Your French Fries Still are Cooked with Beef Tallow." In a footnote it said, "Both references are applicable to Burger King and Wendy's."

CONFIDENT OF IMPROVEMENT

"I can't say we're going to tear down the golden arches by the year 2000," Mr. Sokolof said in an interview here. "But I am confident that by the year 2000 they are going to be serving more healthful food under those golden arches."

Earlier, Mr. Sokolof ran a series of advertisements entitled "The Poisoning of America" that pictured products of several companies. His target was saturated fats used as ingredients, particularly coconut and palm oils. Saturated fats raise the level of cholesterol in the bloodstream; cholesterol has been identified as a major contributor to heart attacks.

A subsequent advertisement named a dozen food companies that had altered products to exclude saturated fats. The implication was that the changes had come in response to the advertising campaign.

Mr. Sokolof's attacks have stirred angry replies from several companies named in them, including McDonald's, but some have indicated a grudging respect. Among independent specialists, observations have been mixed.

"HE DESERVES HIGH MARKS"

Spokesmen for McDonald's assail the advertisements as "absurd" or "reckless, misleading, the worst kind of sensationalism." And they say many McDonald's restaurants are experimenting with vegetable cooking oils.

Terry Thompson, a vice president of the Pillsbury Company, one of many food companies that have altered products, said: "My only observation then and now was that he was an effective communicator on an issue that was very important to him. He deserves high marks for that."

But he continued: "Like a lot of other food companies, Pillsbury's interest in reformulations preceded Mr. Sokolof's campaign. If anything, he probably accelerated some programs."

A FORTUNE IN CORNER BEADS

Philip Morton Sokolof was already a millionaire when he suffered his heart attack. Born in Omaha on Dec. 14, 1922, he was the son of a fruit-market owner who branched out into liquor stores and bars. Mr. Sokolof showed a childhood skill as a song-and-dance performer, and from the ages of 17 to 21, he earned his living on the road with a big band.

Following his father into business, Mr. Sokolof soon found himself in real estate and then in home building. In 1955 he found the niche in which he built his fortune. He bought a $15,000 metal-forming tool and began producing corner beads, the metal fittings that protect wallboard joints. Phillips Manufacturing, the company he formed to produce them, quickly became a success.

Meanwhile, he met and married Ruth Rosinsky, a woman who captured and held his admiration.

"She had an indomitable spirit," he said. His wife, who became ill at the age of 26 with a glandular cancer that finally caused her death in 1982, spent much of her life working with blind children while also bringing up the Sokolofs' two children.

Mr. Sokolof, always a compulsive worker, never had a hobby except bridge, a game at which he won many tournament events and became a life master. But he gave it up, complaining of a lack of time. Still he found time to pursue an interest in stock investments, a pursuit he credits as the source of part of his fortune, which he places as somewhere "in eight figures."

In 1966, when he was 43, came his heart attack, a surprise because he was slender, did not smoke and said he "was really into exercise, in great physical condition." After the heart attack, he discovered that his cholesterol level was dangerously high.

But it was not until 1984, when a Government study showed sharp reduction in heart attacks among people with low cholesterol levels, that he felt he had ammunition enough to start a national campaign.

In 1985 he started Heart Savers, an association with no membership rolls and with Mr. Sokolof as its sole supporter. That same year, in Grand Island, Neb., he started a program of cholesterol testing and soon replicated it in 16 other cities.

Mr. Sokolof summed up this way: "I have had great good fortune—being able to make a lot of money and being able to do something with it that I think is important."

[An advertisement from the Washington Times, July 24, 1990]

AN URGENT MESSAGE TO MEMBERS OF THE UNITED STATES SENATE AND HOUSE OF REPRESENTATIVES

WHAT IS MORE IMPORTANT THAN THE HEALTH OF THE AMERICAN PUBLIC?—OBVIOUSLY NOTHING!

A Vital Food Labeling Bill endorsed by leading U.S. health experts and organizations awaits final action in both houses of congress.

The Food Labeling Bill will require that food companies identify precise amounts of saturated fat, cholesterol, sodium, sugar, calories, and other important information. It will prohibit misleading labeling claims such as:

"Lite," which can mean anything from fewer calories to merely lighter in taste, color, texture, or weight;

"97% Fat Free," which may misleadingly imply that a food is low in fat;

"No Cholesterol," which appears on labels of foods laden with saturated fat;

"Helps Reduce the Risk of Heart Disease," which can be applied to foods high in sodium.

"High in Fiber," which sometimes appears on labels of foods that contain small amounts of fiber.

The absence of nutrition information on most groceries and this barrage of misleading nutrition and health claims on food labels is an abuse you have the power to stop.

Please, Senate Majority Leader Mitchell, Senator Kennedy, Senator Metzenbaum, Speaker Foley, Congressman Dingell, and Congressman Waxman, end this public health peril by ensuring that this bill is promptly brought to a floor vote. But don't sacrifice strong consumer protection laws to appease the food industry.

Senator Hatch, this much needed legislation enjoys strong bipartisan support. Please reconsider your opposition.

Don't let a crowded agenda prevent H.R. 3562/S.1425, The Nutrition Labeling and Education Act, from reaching the House and Senate floors.

The Food and Drug Administration may initiate food labeling regulations without congressional approval. However, litigation could thwart their implementation indefinitely.

An Act of Congress will make proper food labeling a fact. This bill will be a giant step forward in helping consumers make the intelligent choices necessary to lead healthier lives.

The American People Are Depending On You To See That This Legislation Is Enacted. Don't Let Us Down!

Sincerely,

PHIL SOKOLOF.

OMAHA, NE.
(402) 339-3813

(Phil Sokolof, as a private citizen, paid for this ad. Mr. Sokolof is president of National Heart Savers Association, a private foundation not permitted to promote legislation.)

□ 1740

S&L PROVISIONS OF THE CRIME PACKAGE

The SPEAKER pro tempore (Mr. PENNY). Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, the House Judiciary Committee yesterday reported a crime package by a bare vote of 19 to 17. The narrowness of this margin was due primarily to provisions in the package with respect to the death penalty, habeas corpus, exclusionary rule among others. There was, however, one area in which Democrats and Republicans agreed and that is the amendment introduced by Mr. SCHUMER and adopted by the committee dealing with the savings and loan crisis.

That amendment had its genesis in legislation introduced by my colleague from Ohio, Mr. WYLIE (H.R. 5050), and legislation introduced by the minority leader on behalf of the administration (H.R. 5150). What the committee adopted with respect to savings and loans must be processed separately and done so as soon as possible. Therefore, Mr. WYLIE and I are introducing that amendment as reported by the committee in a spirit of bipartisanship, recognizing that the ideas originally proposed by Mr. WYLIE and the administration have been perfected by the contribution of others, Democrats and Republicans alike. This bipartisan effort must not only be supported, it must be considered on its own and now. This work of Democrats and Republicans alike cannot be allowed to become the stuff of political rankling—it cannot and should not be allowed to be the pretty paper covering a package of provisions that will undercut law enforcement.

Mr. Speaker, I am pleased that so many positive features of the President's crime bill have been recognized by my colleagues on the other side of the aisle and incorporated into the package of S&L reforms that we are offering today. I must first recognize the long and early efforts of my colleague from Ohio, Mr. WYLIE, the chief sponsor of H.R. 5050 which was recently passed 42 to 0 by the Financial Institutions Subcommittee of the House Banking Committee. His contributions were confirmed by the action of the Judiciary Committee which incorporated 80 percent of them in its final savings and loan amendment.

I must commend the administration, specifically the Attorney General, for taking decisive action in prosecuting cases of savings and loan fraud. While others have talked, he has acted. As early as 1987, well before the publicity surrounding this crisis reached the front page, this was a priority of his department. Since October of 1988, major savings and loan prosecutions by U.S. attorneys have yielded 202 indictments involving 329 defendants; 213 defendants have been convicted so far and sentenced to nearly 400 years of imprisonment collectively. Restitution of almost $60 million has been ordered.

Mr. Speaker, the Congress now can become a full partner with the administration by finally providing our law enforcement officials with the resources they need and the public will be well-served by bipartisan action.

I want to highlight one provision that is in the legislation we introduce. It would empower the special counsel entrusted with investigating the savings and loans fraud to investigate any involvement of current or former Members of Congress, the Cabinet and high executive officials and their immediate families.

Mr. Speaker, this provision is crucial if we as a body are to ensure the confidence and respect of the American people. We must be as vigorous about wrongdoing on the part of those who have abused the public trust as we are about private sector criminal behavior if we expect to put this crisis behind us. The American people demand no less of us than complete forthrightness.

This legislation is timely and necessary. It must be considered separately and now. Mr. Speaker, I urge the support of all my colleagues.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. WYLIE] is recognized for 5 minutes.

Mr. WYLIE. Mr. Speaker, I am pleased to join with my friend, the gentleman from New York, Mr. HAMILTON FISH, in introducing a bill today designed to move quickly to get at the major savings and loan fraud cases and those responsible for them. Much of the bill is H.R. 5050 which I introduced, along with Chairman GONZALEZ, BOB MICHEL, Chairman ANNUNZIO, and Congressman BARNARD and Congressman HILER.

When I appeared before the Judiciary Subcommittee on Crime 2 weeks ago, Chairman SCHUMER indicated that any bill of this nature had to have five provisions in it. I pointed out that H.R. 5050 had all five of those provisions in it, and that the chairman should give serious thought to signing on as a cosponsor.

Basically, the title which deals with this issue of the crime bill is good legislation and incorporates about 80 percent of H.R. 5050 in it, for which I commend Chairman SCHUMER and the others on the Judicary Committee. The problem is that the crime bill has been referred to four other committees, which only serves to delay consideration of any provision of this title of the bill, and the S&L title is designed to be a rifle shot approach. Our bill which we are introducing today is designed to be a rifle shot approach to prosecuting savings and loan criminals and recovering some of the money from white collar crimes which took place in the savings and loan debacle.

The Financial Institutions Subcommittee reported out H.R. 5050 by a vote of 42 to 0. There are 51 Members on the Committee on Banking, Finance and Urban Affairs, so this represents a clear majority from the committee with primary jurisdiction and responsibility in the area of savings and loans. The Justice Department gave a qualified endorsement and the FDIC chairman, Bill Seidman, strongly supports H.R. 5050.

In addition to the provisions of H.R. 5050, we have added, as Congressman FISH indicated, another provision having to do with a special prosecutor. What we are concerned with is that the crime bill will move so slow in the process that we will not get to considering the provisions which we consider so important. So we want to put it out as a separate bill and get it on a fast track. We think we need to be moving this legislation expeditiously.

Mr. HILER. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Indiana.

Mr. HILER. Mr. Speaker, I thank the gentleman for yielding and want to commend him and the gentleman from New York, Mr. FISH, for their expeditious efforts in moving this product, as it moved out of the Judiciary Committee, moving it into a separate piece of legislation and bringing it to the attention of the full Congress.

As the gentleman from Ohio has so accurately reflected, much of this bill is the original H.R. 5050 as well as the Taxpayer Recovery Act, and parts of H.R. 5150, and the gentleman from Ohio has been a principal author on all three of those pieces of legislation.

□ 1750

And it is always gratifying to know when your work is being considered by other committees.

Flattery, what is the old saying about flattery: When someone copies something, it is the sincerest form of flattery. I think that is great flattery to you that so much of your three original bills were adopted in the Judiciary Committee's provision.

But I think, as the gentleman points out, the issue here is not authorship or pride of authorship, it is getting this legislation moved to the floor of the House and passed before we leave for the August recess.

There is absolutely no reason why this particular provision of the crime bill cannot be separated out and brought up on the floor next week. I would certainly encourage the Democratic leadership, who runs the schedule and determines the schedule, to bring this measure to a vote quickly, get it out to the floor so we can give the Justice Department and the regulators more authority and more power and more money to go after the bad guys in this S&L crisis.

We have heard a lot of talk about what has been done and what has not been done. This is a very positive step that can take place, and we ought not adjourn in the House of Representatives until we have passed this legislation.

Mr. WYLIE. I thank the gentleman for his contribution and associate myself with his remarks. What we want to do is to speed up the process so the Federal Government has the proper tools to do the job effectively and as quickly as possible.

I learned a long time ago that you can accomplish a lot in this world if you do not worry about who gets the credit.

Congressman FISH and I are not concerned about that. We are concerned that the provisions which would speed up the prosecution of the savings-and-loan criminals and speed up the process of regaining some of the ill-gotten funds and property has become bogged down in a partisan effort in the crime control bill.

We would call on the House Democratic leadership to allow the provisions of the bill we introduced tonight to be brought to the floor as quickly as possible in a bipartisan effort.

SCHUMER AMENDMENT TO H.R. 5269

The Schumer amendment adds a new title to the bill, entitled "Banking Law Enforcement." It has seven subtitles.

SUBTITLE A—ENHANCED CRIMINAL PENALTIES

Subtitle A contains provisions that enhance existing criminal penalties and that establish new crimes.

Section 1

Section 1 of the bill amends chapter 47 of title 18, United States Code, to add a new offense entitled "concealment of assets from conservator or receiver of insured financial institution." The offense makes it a felony (five years imprisonment) for a person, with intent to impede the functions of the Federal Deposit Insurance Corporation (acting as conservator or receiver) or the Resolution Trust Corporation (acting as conservator or receiver) to conceal an asset or property from (or to place or endeavor to place an asset or property beyond the reach of) the Federal Deposit Insurance Corporation or the Resolution Trust Corporation.

H.R. 5050: As amended by Mr. McCollum, the Schumer Amendment is virtually identical to Section 308 of H.R. 5050.

Section 2

Section 2 of the bill amends section 19(a) of the Federal Deposit Insurance Act to expand the prohibition on control of, or participation in the conduct of the affairs of, an insured depository institution. Section 19(a) prohibits a person convicted of certain offenses from serving as an institution-affiliated party, or owning, controlling, or otherwise participating in the affairs of an insured depository institution. The Federal Deposit Insurance Corporation is authorized to waive this prohibition.

Section 2 of the bill prevents the Federal Deposit Insurance Corporation from waiving the prohibition of section 19(a) for a period of ten years if the person has been convicted of a violation of specified offenses. The offenses are:

18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans);

18 U.S.C. § 656 (relating to bank embezzlement);

18 U.S.C. § 657 (relating to thrift institution embezzlement);

18 U.S.C. § 1005 (relating to fraudulent bank entries);

18 U.S.C. § 1006 (relating to fraudulent federal credit institution entries);

18 U.S.C. § 1007 (relating to Federal Deposit Insurance transactions);

18 U.S.C. § 1008 (relating to Federal Savings and Loan Insurance Corporation transactions);

18 U.S.C. § 1014 (relating to fraudulent loan and credit);

18 U.S.C. § 1032 (relating to concealment of assets);

18 U.S.C. § 1341 (relating to mail fraud) if the offense affects a financial institution applications);

18 U.S.C. § 1343 (relating to wire fraud), if the offense affects a financial institution;

18 U.S.C. § 1344 (relating to bank fraud); and

18 U.S.C. § 1956 (relating to laundering of monetary instruments).

H.R. 5050: No comparable provision to Section 2 of the Schumer Amendment.

Section 3

Section 3 of the bill amends chapter 73 (obstruction of justice) of title 18, United States Code, to add a new crime punishing interference with the examination of a financial institution. The new offense makes it a felony (five years imprisonment) corruptly to obstruct, or to attempt to obstruct, an examination of a financial institution by a federal agency with jurisdiction to conduct the examination.

H.R. 5050: No comparable provision to section 3 of the Schumer Amendment. The provision may have been suggested by the Office of the Comptroller of the Currency.

Section 4

Section 4 of the bill increases from 20 years to 30 years the maximum prison term that can be imposed for various financial-institution-related offenses. The offenses are:

18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans);

18 U.S.C. § 656 (relating to bank embezzlement);

18 U.S.C. § 657 (relating to thrift institution embezzlement);

18 U.S.C. § 1005 (relating to fraudulent bank entries);

18 U.S.C. § 1006 (relating to fradulent federal credit institution entries);

18 U.S.C. § 1007 (relating to Federal Deposit Insurance transactions);

18 U.S.C. § 1014 (relating to fraudulent loan or credit applications);

18 U.S.C. § 1341 (relating to mail fraud), but only if the offense affects a financial institution;

18 U.S.C. § 1343 (relating to wire fraud), but only if the offense affects a financial institution; and

18 U.S.C. § 1344 (relating to bank fraud).

H.R. 5050: No comparable provision to Section 4 of the Schumer Amendment.

Section 5

Section 5(a) of the bill amends the statute of limitations provision of title 18, United States Code, to increase the period within which a criminal prosecution may be commenced when the offense is a RICO violation, if the racketeering activity involves certain financial institution offenses (or a conspiracy to commit one of those offenses). The period is increased from five years to ten years. The financial institution offenses are:

18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans);

18 U.S.C. § 656 (relating to bank embezzlement);

18 U.S.C. § 657 (relating to thrift institution embezzlement);

18 U.S.C. § 1005 (relating to fraudulent bank entries);

18 U.S.C. § 1006 (relating to fraudulent federal credit institution entries);

18 U.S.C. § 1007 (relating to Federal Deposit Insurance transactions);

18 U.S.C. § 1008 (relating to Federal Savings and Loan Insurance Corporation transactions);

18 U.S.C. § 1014 (relating to fraudulent loan or credit applications);

18 U.S.C. § 1341 (relating to mail fraud), but only if the offense affects a financial institution;

18 U.S.C. § 1343 (relating to wire fraud), but only if the offense affects a financial institution; and

18 U.S.C. § 1344 (relating to bank fraud).

H.R. 5050: No comparable provision to Section 5 of the Schumer Amendment.

Section 6

Section 6 of the bill amends the money laundering offense to add six new predicate offense to the definition of "specified unlawful activity." The six new offenses are:

18 U.S.C. § 1005 (relating to fraudulent bank entries);

18 U.S.C. § 1006 (relating to fraudulent federal credit institution entries);

18 U.S.C. § 1007 (relating to Federal Deposit Insurance transactions);

18 U.S.C. § 1014 (relating to fraudulent loan or credit applications);

18 U.S.C. § 1341 (relating to mail fraud), but only if the offense affects a financial institution; and

18 U.S.C. § 1343 (relating to wire fraud), but only if the offense affects a financial institution.

H.R. 5050: No directly comparable provision to Section 6 of the Schumer Amendment. H.R. 5050 does make certain amendments to the moneylaundering statutes in Section 315.

Section 7

Section 7 of the bill requires the United States Sentencing Commission to promulgate sentencing guidelines for certain financial institution offenses that call for an offense level of 24 if the defendant derives more than $1 million in gross receipts from the offense. For a first-time offender, a level 24 offense calls for a prison term of 51 to 63 months. The offenses covered are:

18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans);

18 U.S.C. § 656 (relating to bank embezzlement);

18 U.S.C. § 657 (relating to thrift institution embezzlement);

18 U.S.C. § 1006 (relating to fraudulent federal credit institution entries);

18 U.S.C. § 1007 (relating to Federal Deposit Insurance transactions);

18 U.S.C. § 1014 (relating to fraudulent loan or credit applications);

18 U.S.C. § 1341 (relating to mail fraud), but only if the offense affects a financial institution;

18 U.S.C. § 1343 (relating to wire fraud), but only if the offense affects a financial institution; and

18 U.S.C. § 1344 (relating to bank fraud).

H.R. 5050: No comparable provision to Section 7 of the Schumer Amendment.

Section 8

Section 8 of the bill amends title 18, United States Code, § 981(e), the civil forfeiture provision which authorizes the Attorney General to distribute forfeited property. Section 8 amends that provision to permit the Attorney General, with regard to property forfeited as proceeds traceable to any of eight financial institution offenses, to restore the forfeited property to a victim of the offense. The eight financial institution offenses are: (1) 18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans); (2) 18 U.S.C. § 656 (relating to bank embezzlement); (3) 18 U.S.C. § 657 (relating to thrift institution embezzlement); (4) 18 U.S.C. § 1005 (relating to fraudulent bank entries); (5) 18 U.S.C. § 1006 (relating to fraudulent federal credit institution entries); (6) 18 U.S.C. § 1007 (relating to Federal Deposit Insurance transactions); (7) 18 U.S.C. § 1014 (relating to fraudulent loan or credit applications); and (8) 18 U.S.C. § 1344 (relating to bank fraud).

H.R. 5050: No comparable provision to Section 8 of the Schumer Amendment.

Section 9

Section 9 of the bill amends the restitution provision of title 18, United States Code, which authorizes the sentencing court to order a convicted defendant to make restitution to a victim of the offense. Section 9 adds a definition of the term "victim" for the purposes of an offense affecting a financial institution that has as an element a scheme, a conspiracy, or a pattern of crime activity. The definition provides that a person is a victim of such an offense if the offense caused direct harm to the person.

Section 9 of the bill also amends the restitution provision to permit the court to order restitution to the extent, that the parties have agreed to restitution in a plea agreement.

H.R. 5050: Section 9 of the Schumer Amendment is virtually identical to Section 311 of H.R. 5050.

Section 21

Section 21 of the bill expands the civil injunction against fraud provision of title 18, United States Code. That provision authorizes the Attorney General to bring a civil action to enjoin a violation of 18 U.S.C. ch. 63 (mail fraud), or 18 U.S.C. § 287 (false, fictitious, or fraudulent claims), 371 (conspiracy to commit offense or to defraud the United States), or 1001 (false statements). Section 21 of the bill expands the violations covered and the remedy that can be sought.

As amended by section 21, the civil injunction against fraud provision authorizes, the Attorney General to bring a civil action in federal court if a person is violating or about to violate the above provisions or is committing or about to commit a banking law violation. The remedy provided is an order enjoining the violation.

The civil injunction against fraud provision, as amended by section 21, also authorizes the Attorney General to bring a civil action in federal court if a person is disposing of, or about to dispose of, property obtained as a result of a banking law violation. The remeby is an order enjoining such violation or restraining any person from disposing of the property, or property of equivalent value. The court can also appoint a temporary receiver to administer the restraining order.

H.R. 5050: Section 9 of the Schumer Amendment is virtually identical to Section 307(c) of H.R. 5050.

Section 22

Section 22 of the bill amends section 11(d) of the Federal Deposit Insurance Act to authorize the Resolution Trust Corporation and the Federal Deposit Insurance Corporation to place under the control of a court appointed trustee the assets of an individual who may be held culpable in the failure of an insured financial institution. This provision would prevent such individual from dissipating assets or removing them from the jurisdiction of the court in anticipation of an adverse judgment of liability.

H.R. 5050: Section 22 of the Schumer Amendment is virtually identical to Sections 307(a) and 307(b) of H.R. 5050.

Section 23 of the bill amends the bankruptcy code to prevent institution-affiliated parties from using bankruptcy to evade commitments to maintain capital reserve requirements of a federally insured depository institution or evade other civil or criminal liability to federal banking regulatory agencies.

Subsection (a) adds new banking-related definitions to section 101 of the Bankruptcy Code. "Institution-affiliated party," "insured credit unions," and "insured depository institution" are given the same meaning as these terms have under the Federal Depository Insurance Act and the Federal Credit Union Act. "Federal depository institutions regulatory agency" is defined according to the specific context in which it is used in the amendment.

Subsection (b) adds a new subsection (o) to section 365 of the Bankruptcy Code, to provide that the trustee of a debtor's estate shall be deemed to have assumed, consistent with the debtor's other obligations under section 507 of the Bankruptcy Code, any commitment by the debtor to maintain the capital of an insured depository institution. This provision applies to bank holding companies and savings and loan holding companies as well as to institution-affiliated parties. The effect of this provision is to prevent the trustee from rejecting any such commitment as an executory contract under his usual "avoidance" powers. Subsection (o) makes clear that the provision does not supersede any banking regulatory law which would otherwise terminate such a commitment.

Subsection (c) makes four changes to section 523 of the Bankruptcy Code, delineating certain debts that are deemed nondischargeable through a bankruptcy proceeding. The first change exempts a federal depository institutions regulatory agency, in its capacity as conservator, receiver, or liquidating agent for an insured depository institution, from having to prove that it relied on an institution-affiliated party's false financial statement in order to make debts arising for such false statement nondischargeable.

The second change creates a new category of nondischargeable debts—debts resulting from the debtor's failure to fullfil any commitment to a federal depository institutions regulatory agency to maintain the capital of an insured depository institution.

The third change exempts a federal depository institutions regulatory agency from having to make a timely request to the bankruptcy court in order to preserve as nondischargeable a debt against an institution-affiliated party relating to fraud, false statements, fiduciary defalcation, (or willful and malicious injury).

The fourth change provides that an institution-affiliated party will be deemed to have been acting in a fiduciary capacity for purposes of determining whether any debt to a federal depository institutions regulatory agency is nondischargeable under section 523(a)(4), which applies to debt for fraud or defalcation while acting in a fiduciary capacity.

Subsection (d) creates an exception to discharge chapter 11 reorganization for a commitment to a federal depository institutions regulatory agency to maintain the capital of an insured depository institution. The subsection provides that a chapter 11 reorganization plan may not be approved unless it provides that, following the completion of the plan, the debtor will maintain any such commitment and will continue to be obligated for any debt resulting from failure to fulfill any such commitment. The subsection makes clear that it does not supersede any banking regulatory law which would otherwise terminate such a commitment.

Subsection (e) makes certain debts owed by an institution-affiliated party to a federal depository institutions regulatory agency which are already nondischargeable in bankruptcy generally also nondischargeable in chapter 13 bankruptcy as well. These are debts relating to fraud, false statements, fiduciary defalcation, willful and malicious injury, and fines and criminal restitution.

H.R. 5050: Section 23 of the Schumer Amendment is virtually identical to Title IV of H.R. 5050, the Taxpayer Recovery Act of 1990, which was introduced in the Senate by Senator Dole and in the House by Congressmen Wylie and Hiler.

Section 24

Section 24 of the bill amends section 11 of the Federal Deposit Insurance Act to provide the Federal Deposit Insurance Corporation with the ability to avoid fraudulent transfers of assets by institution-affiliated parties and debtors of an institution within five years of the date that the Federal Deposit Insurance Corporation is appointed conservator or receiver. Further, Section 24 limits FDIC's right to recover assets from the transfer where the transferee has taken the property for value in good faith. Additionally, this provision gives the FDIC superior rights to the trustee or any other party (other than a federal agency) in bankruptcy with respect to the property transferred.

Currently, the Federal Deposit Insurance Corporation's authority to void fraudulent transfers of property is established by state law only. Under state law, the Federal Deposit Insurance Corporation may void such transfers for a period ranging from three to seven years from the date of transfer.

H.R. 5050: Section 24 of the Schumer Amendment is similar to Section 306 of H.R. 5050 but slightly expands the scope of activities that may be considered a fraudulent conveyance.

Section 25

Section 25 of the bill prohibits an institution which does not meet its minimum capital requirements from entering into golden parachute contracts or making payments unless it gets the prior written approval of its primary federal regulator, and the Federal Deposit Insurance Corporation under certain circumstances. It also prohibits the payment of legal fees and civil penalties in actions brought by the federal banking agencies, without the prior written approval of the primary federal regulator and the Federal Deposit Insurance Corporation. These provisions will prevent management from voting themselves generous bonuses at the expense of the Federal Deposit Insurance Corporation and ultimately the tax-

payer. This section would not prohibit the institution's payment of premiums for officers' and directors' liability insurance, unless that insurance covers payment of civil money penalties.

H.R. 5050: Section 25 of the Schumer Amendment is virtually identical to Sections 318 of H.R. 5050 as reported from the Banking Committee's Financial Institution's Subcommittee. This provision was derived from a bill introduced by Congressman Price that had wide bi-partisan support.

Section 26

Section 26 of the bill amends the civil forfeiture provision of title 18, United States Code, to expand the offenses covered. Section 26 adds 18 U.S.C. § 1032, 18 U.S.C. § 1341, but only if the offense affects a financial institution; and 18 U.S.C. § 1343, but only if the offense affects a financial institution. Section 26 also amends the civil forfeiture provision to expand the authority of the Attorney General to make forefeited property available to federal financial institution regulatory agencies and financial institutions.

H.R. 5050: Section 26 of the Schumer Amendment is virtually identical to Section 312 of H.R. 5050.

Section 27(a) of the bill amends the civil forfeiture provision of title 18, United States Code, to expand the property subject to forefeiture. Section 27(a) adds property that represents, or is traceable to, the gross receipts obtained from any of five specified offenses, but only if the offense relates to the sale of assets obtained or held by the Federal Deposit Insurance Corporation (as conservator or receiver) or the Resolution Trust Corporation (as conservator or receiver). The six offenses are: (1) 18 U.S.C. § 666(a)(1) (relating to federal program fraud); (2) 18 U.S.C. § 1001 (relating to false statements); (3) 18 U.S.C. § 1031 (relating to major fraud against the United States); (4) 18 U.S.C. § 1032 (relating to concealment of assets); (5) 18 U.S.C. § 1341 (relating to mail fraud); and (6) 18 U.S.C. § 1343 (relating to wire fraud). Section 27(a) also amends the civil forfeiture provision to provide that if specified offense is committed for the purpose of (1) executing or attempting to execute a scheme or artifice to defraud or (2) obtaining money or property by means of false or fraudulent statements, then the property forfeitable includes all property—real or personal, tangible or intangible—that is obtained by means of the offense. Finally, Section 27(a) amends the civil forfeiture provision to authorize the Attorney General to distribute property forfeited under the new language to the Resolution Trust Corporation or a federal financial institution regulatory agency.

Section 27(b) of the bill amends the criminal forfeiture provision of title 18, United States Code, to order to convicted defendant to forefeit property representing, or traceable to, the gross receipts of six specified offenses involving the sale of assets obtained or held by the Resolution Trust Corporation as conservator or receiver. The specified offenses are: (1) 18 U.S.C. § 666(a)(1) (relating to federal program fraud); (2) 18 U.S.C. § 1001 (relating to false statements); (3) 18 U.S.C. § 1031 (relating to major fraud against the United States); (4) 18 U.S.C. § 1032 (relating to concealment of assets); (5) 18 U.S.C. § 1341 (relating to mail fraud); and (6) 18 U.S.C. § 1343 (relating to wire fraud). Section 27(b) also amends the criminal forfeiture provisions to provide that if the specified offense is committed for the purpose of (1) executing or attempting to execute a scheme or artifice to defraud, or (2) obtaining money or property by means of false or fraudulent statements, then the property that can be ordered forfeited includes all property—real or personal, tangible or intangible—that is obtained by means of the offense.

H.R. 5050: No comparable provision to Section 27 of the Schumer Amendment.

Section 28

Section 28 of the bill amends section 11 of the Federal Deposit Insurance Act to prohibit an individual who has been convicted of a specified major banking offense from purchasing assets of a failed institution, where that individual is in default on loans to that institution and where such loans, if left unpaid, will result in a substantial loss to the institution. The specific offenses are:

18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans);

18 U.S.C. § 656 (relating to bank embezzlement);

18 U.S.C. § 657 (relating to thrift institution embezzlement);

18 U.S.C. § 1005 (relating to fraudulent bank entries);

18 U.S.C. § 1006 (relating to fraudulent federal credit institution entries);

18 U.S.C. § 1007 (relating to Federal Deposit Insurance transactions);

18 U.S.C. § 1008 (relating to Federal Savings and Loan Insurance Corporation transactions);

18 U.S.C. § 1014 (relating to fraudulent loan or credit);

18 U.S.C. § 1032 (relating to concealment of assets);

18 U.S.C. § 1341 (relating to mail fraud), if the offense affects a financial institution applications);

18 U.S.C. § 1343 (relating to wire fraud), if the offense affects a financial institution; and

18 U.S.C. § 1344 (relating to bank fraud).

H.R. 5050: No comparable provision to Section 28 of the Schumer Amendment.

SUBTITLE C—IMPROVED PROCEDURES FOR HANDLING BANKING-RELATED CASES

Subtitle C contains provisions to improve the way in which banking-related cases are investigated and extends the limitation period for civil actions under section 951 of FIRREA.

Section 31

Section 31 of the bill expands the wiretap provision of title 18, United States Code, to authorize the Justice Department to seek an order permitting use of a wiretap to investigate three financial institution-related offenses. The three offenses are:

18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans);

18 U.S.C. 1014 (relating to fraudulent loan or credit applications); and

18 U.S.C. 1344 (relating to bank fraud).

Section 31 also makes technical amendments to the wiretap provision in order to correct clerical and typographical errors.

H.R. 5050: Section 31 of the Schumer Amendment is virtually identical to Section 316 and part of Section 315 of H.R. 5050.

Section 32

Section 32(a) of the bill amends section 8 of the Federal Deposit Insurance Act to authorize federal banking agencies to request the assistance of foreign banking authorities and to establish an office outside of the United States. Section 32(a) also authorizes federal banking agencies to assist foreign banking authorities.

Section 32(b) makes a parallel amendment to section 11 of the Federal Deposit Insurance Act concerning the Federal Deposit Insurance Corporation and the Resolution Trust Corporation, as conservator or receiver.

H.R. 5050: Section 32 of the Schumer Amendment is virtually identical to section 303 of H.R. 5050.

Section 33

Section 33 of the bill amends section 951 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to provide a limitation period for commencing a civil action authorized by section 951. The amendment provides that a suit under section 951 must be commenced within ten years from the date the cause of action accrues. Current law (28 U.S.C. § 2462) provides a five year period for such suits.

H.R. 5050: No comparable provision to Section 33 of the Schumer Amendment.

Section 34

Section 34 of the bill amends section 1 of the Federal Deposit Insurance Act to expand the Federal Deposit Insurance Corporation's subpoena authority to apply to closed, as well as open, institutions. The amendment also gives the Resolution Trust Corporation, acting as conservator, receiver or exclusive manager, subpoena authority for an insured depository institution in conservatorship or receivership. Such authority in a failed institution situation would provide the Federal Deposit Insurance Corporation and the Resolution Trust Corporation a powerful tool in conducting closed institution investigations. The Federal Deposit Insurance Corporation's current authority to investigate and trace fund movements is extinguished when the institution is placed in receivership. This provision will give the Federal Deposit Insurance Corporation and the Resolution Trust Corporation the ability to "follow the money" even after the institution fails.

SUBTITLE D—STRUCTURAL REFORMS TO IMPROVE THE FEDERAL RESPONSE TO CRIMES AFFECTING FINANCIAL INSTITUTIONS

Subtitle D has provisions establishing a Financial Institution Fraud Unit in the Department of Justice, authorizing interagency cooperation in financial institution cases, and providing additional investigatory authority for the Secret Service.

H.R. 5050: Section 34 of the Schumer Amendment is virtually identical to Section 301 of H.R. 5050.

Section 41

Section 41(a) of the bill establishes a Financial Crime Unit, headed by a Special Counsel, within the office of the Deputy Attorney General. Section 41(b) provides that the Special Counsel is responsible, and reports directly, to the Deputy Attorney General. Section 41(c) provides that this section sunsets in five years.

Section 42

Section 42(a) provides that the President appoints the Special Counsel, by and with the advice and consent of the Senate. Section 42(b)—sets forth the responsibilities of the Special Counsel, which includes supervising and coordinating investigations and prosecutions of crimes in and against the financial services industry. Section 42(c) provides that the Special Counsel is paid at the rate for level V of the Executive Schedule.

Section 43

Section 43 of the bill authorizes the Attorney General to assign to the Financial Institution Fraud Unit whatever personnel the Attorney General deems necessary in order

to provide an appropriate level of enforcement activities in the area of crimes in and against the financial services industry.

Section 44

Section 44(a) of the bill requires the Attorney General to establish such financial institution fraud task forces as the Attorney General deems necessary in order to ensure that adequate resources are made available to investigate and prosecute crimes in and against financial institutions and to recover the proceeds of unlawful activities from persons who have committed crimes in or against the financial services industry. Section 44(b) requires the Attorney General to determine how each task force is to be supervised and permits the Attorney General to have the Special Counsel supervise any task force.

Section 44(c) establishes a senior interagency group for the purpose of assisting in the identification of the most significant financial institution cases and in the allocation of investigative and prosecutorial resources. The Attorney General appoints the members of the groups, which is chaired by the Assistant Attorney General in charge of the Criminal Division. Section 44(c) requires, however, that the group include senior officials from the Justice and Treasury Departments, the Office of Thrift Supervision, the Resolution Trust Corporation, the * * * the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the National Credit Union Administration.

H.R. 5050: Section 41 through 44 of the Schumer Amendment are derived from the Administrative Plan to combat S&L crimes announced by the President on June 22nd. These proposals are already being implemented by the Department of Justice.

Section 45

Section 45(a) of the bill permits the Justice Department to accept, and another federal agency to provide, without reimbursement, the services of attorneys, law enforcement personnel, and other employees in order to assist in the investigation and prosecution of crimes in or against financial institutions. Section 45(b) gives attorneys detailed to the Justice Department from other federal agencies the authority, subject to the supervision of the Attorney General, to perform functions that United States attorneys are authorized to perform.

H.R. 5050: Section 45 of the Schumer Amendment is virtually identical to Section 208 of H.R. 5050.

Section 46

Section 46(a) of the bill amends 15 United States Code § 3056(b)(1) to expand the investigative authority of the Secret Service to seven financial institution offenses. The offenses are: (1) 18 U.S.C. § 215(a) (relating to receipt of commissions or gifts for providing loans); (2) 18 U.S.C § 656 (relating to bank embezzlement); (3) 18 U.S.C. § 1005 (relating to fraudulent bank entries); (4) 18 U.S.C. § 1341 (relating to mail fraud), but only if the offense affects a financial institution applications); (5) 18 U.S.C. § 1343 (relating to wire fraud), but only if the offense affects a financial institution; (6) 18 U.S.C. § 1344 (relating to bank fraud); and (7) 18 U.S.C. § 1510(b) (relating to obstruction of criminal investigations).

Section 46(b) provides that an investigation conducted under the authority of the amendment made by Section 46 is subject to the direction and supervision of the Attorney General. Section 406(c) provides that the amendments made by Section 46, (1) do not alter the authority of any other federal law enforcement agency and (2) expire when the Resolution Trust Corporation's authority expires.

H.R. 5050: No comparable provision to Section 46 of the Schumer Amendment.

SUBTITLE E—REPORTING REQUIREMENTS

Section 51

Section 51 of the bill requires the Attorney General to report to Congress on a quarterly basis regarding activities of the Department of Justice with respect to crimes affecting financial institutions. Specifically, the section mandates that the Attorney General's reports include information regarding criminal referrals, the number and status of investigations, prosecutions and civil actions, a description of sentences obtained and resources devoted to the above efforts with respect to pursuing crimes affecting financial institutions.

SUBTITLE F—NATIONAL COMMISSION ON FINANCIAL INSTITUTION REFORM, RECOVERY AND ENFORCEMENT

Subtitle F establishes, sets forth the duties and powers of, and requires reports from a National Commission on Financial Institution Reform, Recovery, and Enforcement.

H.R. 5050: Section 51 of the Schumer Amendment requires the Attorney General to report to Congress certain information concerning S&L prosecutions on a quarterly basis. H.R. 5050 requires the same type of information to be reported, but also requires the Attorney General to appear before the House and Senate Banking Committees on a quarterly basis. This provision was derived from H.R. 4990 sponsored by Congressman Neal with wide bipartisan support.

Section 61

Section 61 of the bill establishes the duties of the Commission, specifically to:

Investigate the causes of the S&L crisis;

Recommend methods for disposing of assets by the RTC;

Recommend methods and procedures for regulating and supervising the financial services industry;

Recommend administrative or legislative action to protect the safety and soundness of the financial services industry;

Investigate and develop recommendations for strategies and tactics for law enforcement regarding financial crimes;

Investigate the causes of fraud and abuse in the industry; recommend measures to prevent financial crimes from occurring in the future.

H.R. 5050: Section of the Schumer Amendment establishes a National Commission to study different aspects of the S&L problem. Section 61 adopts verbatim all of the duties of the National Commission on Financial Crimes established in Section 101 of H.R. 5050. The Schumer Amendment adds certain new duties for the Commission which include: (1) Studying the causes of the S&L problem; (2) Recommendations for RTC reforms: and (3) Recommendations for actions to protect the safety and soundness of the financial services industry.

Section 62

Section 62 of the bill provides for membership of the 12 person Commission. The President shall appoint four individuals; the Speaker of the House of Representatives shall appoint four individuals, one upon the recommendation of the minority leader of the House; the President pro tempore of the Senate shall appoint four individuals, one upon the recommendation of the minority leader of the Senate.

This section also provides for terms of the Commission including, terms of appointment, filling vacancies, prohibition on compensation, travel expenses, meetings, etc.

H.R. 5050: Section 62 of the Schumer Amendment is similar to Section 102 of H.R. 5050. Schumer, however, establishes a 12 Member Commission evenly divided between the political parties whose Chairman is elected by the Commissioners. H.R. 5050 establishes a 9 member Commission that is chaired by a Presidential appointee.

Section 63

Section 63 of the bill amendment establishes the powers of the Commission, including the power to hold hearings, subpoena witnesses and evidence, administer oaths, request official data and administrative support services.

Section 64

Section 64 of the bill provides for staffing of the Commission.

Section 65

Section 65 of the bill permits the Commission to submit interim reports to the President and Congress as appropriate, and requires the submission of the final report within 1 year from the date of enactment.

Section 66

Section 66 mandates the termination of the Commission 30 days after the submission of the final report.

H.R. 5050: Sections 63 through 66 of the Schumer Amendment are virtually identical to Sections 106 through 107 of H.R. 5050.

Section 67

Section 67 authorizes an appropriation of $1 million for the Commission.

H.R. 5050: No comparable provision to Section 67 of the Schumer Amendment.

SUBTITLE G—AUTHORIZATION

Section 71

Section 71 of the bill authorizes $153 million for the Department of Justice for investigators, prosecutions and civil actions involving financial institutions for fiscal years 1991 through 1993. With respect to fiscal years 1991 and 1992, the authorization will be allocated as follows:

FBI—$100,000,000.

U.S. Attorneys—$39,000,000.

Criminal Division—$3,000,000.

Civil Division—$10,000,000.

Tax Division—$1,000,000.

With respect to fiscal year 1993, the authorization is not specifically allocated amongst these entities.

The current authorization under FIRREA for these activities is $75 million for fiscal years 1990 through 1992.

H.R. 5050: Section 207 of H.R. 5050 is similar to Section 71 of the Schumer Amendment. Schumer authorizes a total of $153M excluding IRS agents, while H.R. 5050 authorizes $152M including the IRS. H.R. 5050 does not include the details that the Schumer Amendment contains to allocate the authorization between different programs.

INTRODUCTION OF THE MEDICATION PRICE CONTROL ACT OF 1990

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today I am introducing the Medication Price Control Act of 1990, which would amend the Internal Revenue Code of 1986 and disallow research and development tax credits for pharmaceutical companies introducing copycat drugs or excessively inflating the price of prescription drugs.

Over the past decade, drug prices have risen at a rate almost three times the general rate of inflation. Medi-Span Inc. recently published data regarding drug pricing between 1988 and early 1990. Their data shows, for example, that major pharmaceutical manufacturers Sandoz and UpJohn raised their prices on Visken and Xanax, respectively, an average of 22 and 17 percent—per year. These increases come at the same time that investment analysts Hembrech & Quist, Inc., stated that "return on equity for the pharmaceutical industry has been consistently above that of the S&P 400. If anything, this gap has widened over the past 10 years." A study, also released in 1988, by the Italian pharmaceutical manufacturing association reported that European citizens pay up to five times less for brand name drugs than we do in the United States. Further, the drug companies' executive compensation packages remain one of the highest among American industries. We should not be providing research and development tax subsidies to American Home Products at the same time they pay their president, J.R. Stafford, more than $1.5 million and continue to raise their drug prices.

I might be able to understand modest increases in drug prices, if I believed that the industry was incurring huge costs to achieve medical miracles and produce significant new products. But a recent excellent report by the Senate Special Committee on Aging seems to prove otherwise. The committee found that the bulk of research and development by prescription drug manufacturers produces "insignificant new products and add little or nothing to drug therapies already on the market." Of the 348 new drugs introduced by the top 25 U.S. drug makers between 1981 and 1988, only 3 percent were judged as significant contributions by the FDA. During the same period, these same companies introduced 292 drugs which the Food and Drug Administration cited as having insignificant or no therapeutic potential—but which they were able to use in figuring research and development tax credits.

It is this copycat or me-too factor which greatly contributes to the rising cost of new medicines. Because they are not developing significant new drugs at the same rate they achieved during the fifties and sixties, companies must raise prices on existing drugs to maintain the profit margin to which they have become accustomed. In addition, pharmaceutical companies are beginning to advertise their products directly to the public. Private citizens are usually unable to make logical, informed decisions as to drug choices—this should be left to the doctor. This direct advertising expense further inflates the price of the drug to the consumer. It is not increased prescription drug use which accounts for rising drug costs to our Government: 97 percent of the increases between 1980 and 1987 were a result of the inflation in drug prices—only 3 percent due to increased usage.

While I do understand that the cost of bringing a new drug to market is high, I do not feel that the taxpayer should offer research and development tax credits to companies introducing drugs with no signficant value.

The bill which I am introducing today would deny tax credits for new drugs which the Food and Drug Administration finds have no new therapeutic gains. In addition, it would penalize pharmaceutical firms excessively inflating the prices of valuable drugs by revoking their R&D tax credits for the year in which the increase of the drug price was greater than the CPI plus 2 percent.

The time is already here when the Federal and State governments cannot afford the needed drugs for their poorest citizens. The antischizophrenic drug clozaril is a prime example. While most agree that the drug can be provided at a cost of $10–$20 per week, its manufacturer, Sandoz, has proposed a monitoring program which would drive prices to about $170 per week. Experts agree that this monitoring program could be performed much cheaper, and see the Sandoz plan as only an extra profit generator. Although clozaril might be able to help many ill persons, its high price puts it out of reach of most of those who need the treatment.

I hope that my colleagues will join me in approving this legislation. We need to send the message to the pharmaceutical manufacturers that we will no longer offer tax credits for the development of copycat drugs while drug prices continue to inflate obscenely. We cannot allow the health of our poorest citizens to be jeopardized by an industry solely interested in their balance sheets.

OPERATION OF THE "MEDICATION PRICE CONTROL ACT OF 1990"

FDA designation	Eligible for R&D tax credit	Inflation control
A (important therapeutic gain).	Yes	If price increase greater than CPI plus 2 percent, company loses R&D credit for a 1 year period.
or		
B (modest therapeutic gain).	Yes	Do.
C (little or no therapeutic gain).	No	N/A.
Orphan drugs	Does not affect	Does not affect.

PROPOSED CRIME BILL DOES MORE HARM THAN GOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MCCOLLUM] is recognized for 5 minutes.

Mr. MCCOLLUM. Mr. Speaker, I have taken this time today to talk about the crime bill that the Judiciary Committee passed out of its full committee yesterday and will come to the floor here maybe as early as next week.

Unfortunately, this bill does more harm than good in the critical areas that it addresses. I am not here to talk about the things that did not happen that should have happened in the bill, but rather to talk about provisions that I think my colleagues would find startling if they know what is in this bill, as bad as it is. We just simply cannot let it wait until we get it to the floor to understand what is in here.

First of all, let us talk about capital punishment or the death penalty.

What does this bill do in that regard? A lot of us wanted to see the death penalty procedures at the Federal level finally reinstated after the 1972 decision of the Supreme Court. Well, that has not occurred. In fact, what has occurred in this bill is that we will actually repeal a number of the existing crimes on the books today that could get the death penalty. In other words, you will not be allowed to give the death penalty, if this bill goes through, for such things as planting a bomb on a plane or mailing a bomb on a plane when somebody is killed as the plane explodes, or you cannot have the death penalty any longer for the murdering of a member of the FBI, an FBI agent. You will also not be able to have the death penalty imposed because of murder in the course of bank robbery.

There is a whole host of those things, a long list of those things which have been exempted which for history's sake and all the past and currently under Federal law you have the death penalty on the books for, it would eliminate if this bill is passed.

Second, on the procedures alone, it is unlikely we are going to get the death penalty imposed very often because procedures that would be used now under the law that would be put in effect with this bill would require at least two aggravating factors, not one, which is what the normal requirement is, for getting the imposition of the death penalty, but at least two.

That means if the President of the United States is assassinated, the very fact that he is assassinated by somebody is not enough. It is going to require that the guy have some previous criminal record or there be some other factor that has to be proven up.

In the area that we have been working on for a long time trying to get some reforms in to expedite the carrying out of sentences, especially the death penalty, to keep people from appealing it again and again and again, in terms of the so-called habeas corpus laws. Justice Powell has said that the provision in this bill that is coming to the floor of the House is such that it would—as a practical matter, we would not ever see a death penalty, at least at the Federal level and maybe at the State level, ever carried out in the country again if this law is passed.

And the exclusionary rule, you know, a lot of us would like to see more evidence be admitted from the searches that police officers make at the scene when they find heroin or some other contraband, cocaine, whatever, we would like to have it intro-

duced into evidence, admitted into evidence.

Right now, the court has the exclusionary rule that if it is an exclusionary search and seizure you cannot have that admitted. Well, this bill, this particular provision in the bill now only codifies existing law. It does not change the law to allow it, more evidence is required to be put in.

Instead, we do not get any relief.

A lot of us wanted to see certain parameters for good-faith exceptions for police officers that we do not let these people off on technicalities. But that is not what this law does. It makes it worse, it makes it tougher. In fact, it narrows the parameters of how the court may allow evidence in and codifies it.

Last but not least, I want to point out the fact that under this legislation as it comes to the floor, if it were to become law, there is going to be a "Willy Horton provision." To me, in view of the last Presidential campaign, this is amazing. Under this bill, we are going to give the Bureau of Prisons the power to release anybody who has been convicted and sentenced for a Federal crime on a work-release program for anybody for the entire duration of their sentence, even a 20- or 30-year sentence. There is absolutely whatsoever on the work-release program that the Bureau of Prisons could let somebody out under this.

Right now, Federal law says you cannot do it for more than 6 months or the last 10 percent of your sentence. It is absurd to open the door like that and let people out on the streets.

I know we have overcrowded conditions in our prisons, but the answer is to build more prisons and to take remedial steps in that regard. It is not to let people out on the streets, especially not to let the Bureau of Prisons make that decision.

So all in all my point to my colleagues is that you should be very wary of this bill. It actually eliminates the opportunity for the death penalty under conditions that could be achieved under existing Federal law. It changes the rules of procedure on the death penalty not to allow it to be constitutional but to actually require tougher procedural hoopla to go through that effectively means we will probably never have capital punishment under Federal law again. And it changes the State rights in this situation so that it could eliminate capital punishment altogether.

It is a very dangerous bill. I urge my colleagues to look at it very carefully.

THE EXCLUSIONARY RULE IN THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire [Mr. DOUGLAS], is recognized for 5 minutes.

Mr. DOUGLAS. Mr. Speaker, I wanted to also speak on the question of the crime bill that came out of Judiciary yesterday, specifically the question of the exclusionary rule that Mr. MCCOLLUM, the gentleman from Florida just mentioned. We have a very bad section in that crime bill dealing with the exclusionary rule of evidence, and I just wanted to explain briefly what the exclusionary rule is.

If you are involved with an interrogation of an individual and you use undue force, whether it is physical or psychological, that confession that comes out of that station house is inherently suspect.

The courts in Miranda and other decisions have said that because of that, we will keep that evidence out. On the other hand, the exclusionary rule is one that arises out of the fourth amendment, and what it says is that it really does not matter if it was good or bad evidence, whether it really was heroin or cocaine or stolen checks, the catch is that unless the police officer did everything absolutely 100-percent correctly, all the courts in this country are required to exclude the seized evidence at trial.

Now, I was a judge on the New Hampshire Supreme Court back in the early 1980's, in 1982. I dissented at that time and said this is an inflexible rule. It hits outrageous conduct as well as innocent mistakes. It hits bad faith, malicious conduct, the same as good-faith mistakes by a police officer.

So for me this has been a cause that I feel very strongly requires that the Congress say to the Supreme Court and to the courts of our land that if the police officer in objective good faith, not what he thought but what an objective good-faith determination reveals, conducted the search or conducted the seizure in basically proper accordance with the law as it would otherwise be construed by the courts, but he made some technical mistakes, that technicality will not keep that evidence out.

□ 1800

Unfortunately, while we have a very simple resolution of the problem, and I offered it, it was defeated on a 22-to-14 vote, and instead the Sangmeister version was put in that accomplishes absolutely nothing.

The gentleman from Illinois has a measure that codifies the rule that if the evidence is seized under a search warrant, and it is not 100-percent correct, it can come in in good faith nonetheless. That is already the law of the land. The United States versus Leon has already decided that. By his version being put into the crime bill, we are in effect telling the Fifth Circuit and the Eleventh Circuit Court of Appeals who have already adopted the approach I recommend, that "You are wrong." I think that is an incorrect way to address the crime problem in this country.

I would urge that the crime bill be stricken of that section of the Sangmeister amendment, that my language be put in for the good faith exception to be in its broadest sense the law of the land, and I would certainly urge that that be one of the things we try and correct as that crime bill comes to the floor.

I just wanted to add one historical footnote. I, too, want to praise the gentleman from Ohio [Mr. WYLIE] and the gentleman from New York [Mr. FISH] and the gentleman from Indiana [Mr. HILER] and all the others who were so involved in crafting a very good bill that was stolen from them and made to appear to be some kind of a great solution to the S&L crisis. That had been worked on on the Republican side of the aisle. They did an excellent job, and it is a good, strong measure. I support it. I voted for it in the committee, but it really should not be part of that comprehensive crime bill. It should be stripped out, voted on separately and, in fact, it needs to be strengthened. There are some strengthening amendments that I know we could be forthcoming with if we had that opportunity. Even though we do not get to run this place, those who do should show their good faith and allow this S&L bill, which is H.R. 5353 to come to the floor as soon as possible for a vote. I know that bills come to this floor that have never been through a hearing, that have never been through subcommittee. We just did it last week with the so-called balanced budget statute. So, if the leadership really wants to vote, let H.R. 5353 come up next week.

ACTION IN COMMITTEE ON THE JUDICIARY

The SPEAKER pro tempore (Mr. PENNY). Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, the American people, by a wide margin in every opinion poll that has been taken in the last 10 years have indicated, without question, that they favor the imposition of the death penalty on proper cases of the series murderer, savage, heinous, tragic cases that the newspapers reveal almost every single day. There is no question about that.

So, when we in the Committee on the Judiciary try to fashion a death penalty statute that will work for drug dealers who kill in their continuing enterprises in which they are involved, for a mass murderer in a transportation center, I am not making these things up. These are things that

happen in our country. When a person tries to kill the President of the United States or commits treason or espionage. Am I making these things up? Are they not a part of our everyday life, it seems, and because of that we need to crack down on all these phases of crime, especially those which deal with the taking of innocent life by hoodlums and murderers.

So what do we have? When we finally get to the point where the Committee on the Judiciary is pushed into considering a death penalty, the opponents of the death penalty win today because they allow a death penalty that is ineffective to stay on the books. We have had a system in many States whereby a defendant's rights in a murder case are fully defended. If he is found guilty of murder in the first degree, there is a separate hearing on whether he should have the death penalty imposed, and the same jury decides through a series of evidence, whether or not there is sufficient aggravating circumstance to allow the imposition of the death penalty. What the opponents of the death penalty have done is insist that two aggravated circumstances have to be shown in order to have the death penalty apply.

What does that mean? That means that if someone has killed already, has a murder conviction on his record, and now commits another one, then the jury has to decide whether or not the death penalty should be imposed for the second one. He has escaped the electric chair in the first one. The jury now has to find 2 aggravated circumstances, one on top of the fact that he committed a murder sometime before the one for which he is being tried. That is outrageous. One aggravating circumstance, especially a previous murder, should be enough to allow a jury to decide that now in the second killing perpetrated by this individual that the death penalty ought to be applied.

These are the kind of killing amendments, to use the wrong phrasing of the death penalty statute that the majority of the Committee on the Judiciary are attempting to foist on the American public, to say and to be able to go back home and say, "We are for the death penalty," and put one on the books that did not work, that cannot result in putting a desperate murderer, who would kill a family or a whole series of people, and still be able to escape the electric chair because of the burden of proof required in the determination of whether or not the death penalty ought to be applied. That is something that we are going to try very hard to overcome.

The second thing, how many people have Members discussed the situation with, having to do with a criminal escaping on a technicality? How many times have we read that the police catch someone with the goods, are in court, and then because of a technicality the judge frees the man or individual who is in front of them on a very serious charge? Let me give Members a quick example. There is one where a search warrant was issued for pornography, or some other kind of offense, and the officers go in and find a whole load of cocaine. Because the search warrant did not have in it "looking for cocaine," and they seize the cocaine, and they know whose it was, the judge has to throw it out because it did not list it on the search warrant. Now, that is outlandish.

We are trying to do something about it. This exclusionary rule about which this is, has to be reformed. We have to allow police officers who in good faith enter the premises for whatever purpose, for some other crime that they are investigating, and happen to find cocaine. Well, surprise, surprise perhaps, but they found cocaine. We should not permit the laws of the land to prohibit the police from using that evidence, and let the evidence go scot free because the search warrant had "pornography" on it or had "a gun" on it or some other object, other than the cocaine, which is killing our youngsters right and left.

These are the kinds of things we are trying to do. The Committee on the Judiciary's leadership and those who oppose these tough law enforcement measures are making it tough for Members who want to abide by the wishes of the American people to get tough on crime, especially on the death penalty and on the exclusionary rule, to make sure that technicalities do not result in freeing desperate hoodlums who would kill and who would steal and would poison our young people.

RAINBOW LOBBY UPDATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DYMALLY] is recognized for 60 minutes.

Mr. DYMALLY. Mr. Speaker, today marks 1 year since I embarked on a project to expose a political cult known in Congress as the Rainbow Lobby, and ofttimes confused with Reverend Jesse Jackson's Rainbow Coalition.

□ 1810

It took the media approximately 2 to 3 years to uncover Lyndon LaRouche's cult, so it is no surprise that two of the five journalists credited with uncovering LaRouche have done tremendously valuable work on uncovering this so-called Rainbow Lobby, which is but one of myriad front organizations, all leading to cult strongmen and LaRouche associated Fred Newman.

The credit should go to Dennis King and Chip Berlet. Other reporters who wrote articles on this cult are Ken Lawrence and Charles Tisdale of the Mississippi Jackson Advocate.

The problem is, Mr. Speaker, that despite these heroic efforts, major newspapers have decided to overlook the evidence and instead provide coverage exuding with laudatory remarks about the Rainbow Lobby which is not even afforded to the Rainbow Coalition headed by the Reverened Jesse Jackson.

The Washington Post devoted two-thirds of the Federal Page to the Rainbow Lobby, and the Los Angeles Times picked up the story which sets this front organization and the expert not only on Africa but Eastern Europe.

Evidence placed in the CONGRESSIONAL RECORD shows that this cult cultivated relations with journalists and fed them information on Members of the Congress, especially members of the Congressional Black Caucus.

According to an internal cult memo introduced in the CONGRESSIONAL RECORD on May 17, 1990, on page E1626, they peddled a story on me to Washington Post reporters Dan Morgan and Jim McGee. The latter is described as a "beat up on black Congressmen specialist."

It is unfortunate, Mr. Speaker, that newspeople faced with the pressure to struggle with captivating headlines such as "baby born with tattoo" or "wife says: I am married to the werewolf,'" or "lonely aliens kidnap U.S. pets into UFO's" in the National Enquirer and other similar tabloids opt to write negative stories on black Congressmen rather than expose LaRouche and the Rainbow Lobby.

So I want to bring to the attention of Members this devious group, this group that indulges in intrigue and divisiveness, which has singled out certain Members for harassment, and I will place in the RECORD, to support my assertion, three articles describing their work.

This so-called Rainbow Lobby was created as another front organization for Fred Newman and his political cult in order to confuse Congress and the public so they will allow its shady members access, thinking it is affiliated with Reverend Jackson's Rainbow Coalition.

Let me make that abundantly clear. The Rainbow Lobby is a New York-based group, with an office in Washington. It has nothing to do with Rev. Jesse Jackson's Rainbow Coalition. Rather, they have used that name to confuse the public. The only relationship is the name, "Rainbow," which was adopted by design. Those who wish to pursue that, pot of gold at the end, instead of discovering a scenario for the cult, whose origins are traced to Lyndon LaRouche, may look at these articles which I will place in the RECORD.

Mr. Speaker, the Rainbow Lobby has singled out some Members of Congress. In 1986, they singled out Congressman GRAY. They ran a candidate against Congressman GRAY. In 1988, they singled out Congressman Leland, myself, Congressman FLOYD FLAKE, and Congressman FAUNTROY on matters dealing with Haiti.

It ought to be carefully observed that these people concentrated most of their divisive energies on Members of the Congressional Black Caucus. They have also attempted to infiltrate a group known as the New Jewish Agenda. The New Jewish Agenda discovered who they were and expelled them from their organization. I will place in the RECORD this memorandum from the New Jewish Agenda.

Other groups across the country, representing gays, Lesbians, and progressives, have all spoken about the devisive nature of this group and their method of operation. One of the methods they use is to file lawsuits against Members. They provide false information to newspapers about Members with whom they disagree, and they smear these Members in the newspapers which they publish on a weekly basis.

What I am attempting to do today, Mr. Speaker, after 1 year of careful research is to provide a documentation to the Members of the House for their examination so that when this group comes around, they will know exactly with whom they are dealing, that they are not dealing with Rev. Jesse Jackson's Rainbow Coalition but they are dealing with the Rainbow Lobby.

Last week, pretending that they were somehow affiliated with Rev. Jesse Jackson, they were able to secure a room in the Senate to put together a seminar on Haiti. It is interesting to note that the two countries they focus on, because of the belief that it would attract support from the African-American community, are Haiti and Zaire. But the Members or the people in the Senate, the Senate Rules Committee, those who gave them this room, were under the impression they were Jesse Jackson's supporters.

They operate in New York, and they are well funded. Last year, Mr. Speaker, they spent over $1 million here in Washington. When the Republicans and the Democrats look around their treasuries and they find they are short of cash, they need only to look at the finances of the Rainbow Lobby. They raise millions of dollars through a therapy center. Some believe they are centers for brainwashing some of their members, and one center in New York in particular, the Castillo Center, raised $2.7 million.

A number of investigative reporters from time to time have brought to the attention of the American public their intrigue, and I will place in the RECORD some of these articles so that Members can clearly see that whatever I say here is documented by well researched articles.

Mr. Speaker, on a more personal note, some time ago this group came to me, and believing they were part of Jesse Jackson's operation, I, of course, greeted them very warmly and began working with them. I worked with them on some matters on Haiti, and I worked with them on matters on Zaire, and on one occasion they brought the opposition leaders from Zaire to meet with me. At that time I was in a conference committee on a State Department authorization bill and was unable to meet them, as a result of which they lambasted me for my refusal to meet with their guests. That was not exactly true. The fact is that I was just busy. But they have filed a $2 million suit against me, and they tried to gag me.

They asked a Federal judge, Mr. Speaker, to prevent me from coming on the floor to discuss their intrigue and their deceptiveness and their divisiveness and their harassment directed against Members. The judge was so incensed that he forbade their lawyer from coming back to his chambers and did not grant a restraining order.

They also ran a candidate against me in Los Angeles. They got a lawyer, and without knowing what he was getting into, he ran against me and disrupted a meeting my daughter was organizing. They came to a dedication of a park to picket me, and by and large they smeared me in the newspapers every week.

So today, after 1 year of research, I am inserting documents and well-researched material in the RECORD to bring to the attention of the Members the intrigue of this group, with the hope that the public at large would understand that the Rainbow Lobby and its affiliates, the U.S. Congo Friendship Committee, the New Alliance Party, the New Alliance Newspaper, the Castillo Social Therapy Centers, and a number of other front organizations are in no way related to Rev. Jesse Jackson's Rainbow Coalition.

This group is a very divisive group. As I stated before their main targets are members of the Congressional Black Caucus. They operate from New York and have an office here in Washington.

□ 1820

So, Mr. Speaker, I hope, when they come around to Members, that Members understand that the Rainbow Lobby is not Jesse Jackson's Rainbow Coalition, and hopefully by tomorrow this assertion on my part, well documented, with a series of well-researched articles, not to mention the fact that over the last year I have placed in the RECORD material about this group, their obsession with targetting members of the Congressional Black Caucus, smearing them, using the first amendment guarantees, placing with reporters in the metropolitan newspapers false information about Members and, by and large, trying to make life difficult for some of us. Mr. Speaker, I hope that Members at least will be alerted, believing, as I do, in a free and democratic society and free speech. I am not in any way trying to gag them, but simply to say to Members, as they come around, I hope they will understand whom they are and what they are about, that this is not a group designed to bring people together. This is a group designed to be very divisive.

Finally, Mr. Speaker, I think that I will have had the last word on this issue. It has been 1 year now that I have been talking about this group and trying to bring their work or their divisiveness, and their harassment and their intrigue to the American public, and I am pleased that I am giving to the Members of the House material which basically supports the information which I have just spoken about.

Mr. Speaker, there is one last word I should add. The group filed a complaint against me for having gone to Zaire. I went to Zaire in my capacity as a member of the Committee on Foreign Affairs, filed the necessary papers promptly, and other Members, I might add, have gone to Zaire. They did not single those Members out. But they filed a complaint, a harassment complaint. The whole modus operandi is harass, harass, harass until you either give up, surrender or let them go about their work triumphantly.

I am just a little too stubborn, Mr. Speaker. I am not going to let a group such as this beat me down. I have been through enough political wars to know that truth will win out in the final analysis and that my record speaks for itself.

So, I conclude with just a word of caution to my colleagues in the House and, hopefully, Members in the other House will read the RECORD to know the true nature of this group which purports to be pushing a progressive agenda, but in effect is a very divisive group which indulges in harassment of Members of Congress, and in particular, members of the Congressional Black Caucus.

[From the Los Angeles Times, June 10, 1990]

GROUP SAYS TWO-PARTY SYSTEM IN U.S. CONTRIBUTES TO EROSION OF DEMOCRACY

(By Dan Balz)

WASHINGTON.—Many Americans have watched the flowering of democracy in Eastern Europe with a sense of pride. Nancy Ross looks on in frustration and envy.

The outbreak of free elections in Eastern Europe and the multitude of political parties competing for support have only heightened Ross' conviction that something

is wrong in this country. She argues that the antidote to low voter turnout, public disgust at negative campaigns and the absence of substantive debate in campaigns is a little Eastern European-style politics.

Ross, the executive director of the Rainbow Lobby, a small, left-liberal, grass-roots organization, believes that the two major political parties in this country have a stranglehold on the process and that their collusion protects incumbents and freezes candidates with radical or innovative ideas out of the political dialogue.

Her group is trying to attract attention to a package of proposals that Ross believes will stimulate interest in the political process. "Our main concern is the erosion of democracy in this country," she said.

The Rainbow Lobby was organized in 1985 by a number of people who had worked the year before on Jesse Jackson's presidential campaign (hence the similarity of the name to the Rainbow Coalition, even though there is no connection).

So far, it has made little dent on the political process and is lightly regarded on Capitol Hill. And there is nothing to suggest that the current quest is anything other than quixotic. But for activists like Ross, a former school board member in New York City and a founder of the New Alliance Party, hope springs eternal.

Ross argues that the two political parties have "set up the rules to lock third-party candidates out."

In 1988, for example, a third-party candidate for President had to obtain 674,495 valid petition signatures to be listed on the ballots in all 50 states and the District of Columbia. Realistically, candidates need to collect twice that number, because many signatures are ruled invalid. That is 26.5 times the number needed by a Democratic candidate and 11 times the number needed by a Republican candidate.

In Florida, third-party candidates not only need 56,000 valid signatures—each on a separate postcard—but also must pay 10 cents for each signature they submit.

The solution, says Ross, is a bill sponsored by Rep. John Conyers, Jr. (D-Mich.) that is designed to make it easier for independent candidates or third parties to gain access to the ballot throughout the country by sharply reducing the number of signatures needed.

Conyers got interested in the idea from his work on voter registration. He introduced the bill in the last session of Congress but it got no hearings. The same fate appears to await the bill this year.

But Julien Epstein, a Conyers aide, who is staff director of the House Government Operations Committee, said recent events in Eastern Europe put the U.S. system in a new light. "There is a growing sense here that it is time for imaginative forms of changes and opportunities," he said.

Conyers' bill has been referred to the House Administration Committee, but an aide to Rep. Al Swift (D-Wash.), chairman of the elections subcommittee, said no hearings are planned.

Swift also comes from a state with relatively easy ballot access, and the aide said that he believes the proliferation of candidates on the ballot in the race to fill the Senate vacancy created by the death of Democrats Henry M. Jackson led to considerable confusion among voters.

Many political analysts argue that the two-party system in America helps provide stability to the electoral and governing process. Party primaries help to filter out unacceptable candidates, and the parties provide checks against one another's power without bringing about the kind of governmental paralysis often seen in multiparty systems.

But with the decline of allegiance to the parties by voters and the increased tendency of candidates to run on their own merits rather than their party's, outsiders such as Ross see the two parties joining to defend a decaying system.

To encourage a livelier political dialogue, the group wants legislation that would guarantee a spot in future presidential debates to legitimate independent or third party candidates who have qualified for the ballot in at least 40 states and raised at least $500,000.

In 1988, the debates were organized by a commission controlled by the two major parties. Under the Rainbow Lobby's proposal the debates would have included Libertarian Party candidate Ron Pell and New Alliance Party candidate Lenora Futani.

What would these proposals produce? "You might see something like Eastern Europe," Ross said. "You might see increased * * * participation. You might see a greater discussion of issues. It is a scandal that so few people vote.

[From the Washington Post, May 23, 1990]

RX FOR LETHARGY AMONG VOTERS: MORE PARTIES?

(By Dan Balz)

Many Americans have watched the flowering of democracy in Eastern Europe with a sense of pride. Nancy Ross looks on in frustration and envy.

The outbreak of free elections in Eastern Europe and the multitude of political parties competing for support have only heightened Ross' conviction that something is wrong in this country. She argues that the antidote to low voter turnout, public disgust at negative campaigns and the absence of substantive debate in campaigns is a little Eastern European-style politics.

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So far, it has made little dent on the political process and is lightly regarded on Capital Hill. And there is nothing to suggest that the current quest is anything other than quixotic. But for activists such as Ross, a former school board member in New York City and a founder of the New Alliance Party hope springs eternal.

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Conyers' bill has been referred to the House Administration Committee, but an aide to Rep. Al Swift (D-Wash.), chairman of the elections subcommittee, said no hearings are planned, in part because Swift is "hesitant" to mandate federal election standards for the states.

Swift also comes from a state with relatively easy ballot access and, the aide said, believes the proliferation of candidates on the ballot in the race to fill the Senate vacancy created by the death of Democrat Henry M. Jackson led to considerable confusion among voters.

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In 1988 the debates were organized by a commission controlled by the two major parties. Under the Rainbow Lobby's proposal, the debates would have included Libertarian Party candidate Ron Paul and New Alliance Party candidate Lenora Fulani.

Ross has heard many of the arguments against the proliferation of parties and candidates, but she believes public apathy represents a rejection of the system that politicians can no longer ignore.

What would these proposals produce? "You might see something like Eastern Europe," Ross said. "You might see increased other participation. You might see a greater discussion of issues. It's a scandal that so few people vote."

THE SEEDY SIDE OF THE RAINBOW

(By Tim Kingston)

This organization (the New Alliance Party), and please quote me on this, is an

opportunistic infection on the body politic of the gay and lesbian community," vehemently declares Sue Hyde, a seasoned lesbian activist from Boston, now working at the National Gay and Lesbian Task Force in Washington. Hyde is not the only lesbian/gay activist who practically vaporized the telephone in this reporter's ear when three words were mentioned: New Alliance Party.

"The New Alliance Party (NAP) uses progressive politics, but what it really is is a cult. The purpose is to perpetuate an organization for [party founder] Fred Newman's ego and instead of religion they use progressive politics," states Sheila McCue, former NAP member and secretary to Newman. "You think you are working for revolution but really you are giving money and giving up independent thought."

Steve Ault, a Co-chair of the March on Washington, sees NAP as the "Moonies of the left" and calls the group "deceptive, manipulative and dishonest."

The NAP is one of the fastest growing organizations on the left in America. NAP has offices in over twenty states and cities across the nation including Chicago, New York, Los Angeles, Boston, and Washington, D.C. Their presidential candidate, Lenora Fulani, is the first black woman in the history of the United States to appear on the ballot in all 50 states and Washington. She has collected over $1 million in federally matched campaign funds. By comparison, in 1984 NAP was on the ballot in approximately 30 states and did not receive matching funds. Fulani has managed to garner considerable media interest, including a spot on the McNeil-Lehrer News.

Critics of NAP differ on what they believe its ultimate goal is; some charge it with operating as a front for the right, wreaking havoc amongst left wing organizations. Others see it simply as an independent, opportunistic group exploiting vulnerable communities to further advance its effort to control the progressive agenda.

Whatever the ultimate goal, there is general agreement that NAP tactics used to gain entry into other organizations have included the insinuation of endorsements, including the misuse of names and titles; infiltration; the hosting of pseudo forums where the actual agenda is to recruit new members; the creation of parallel organizations that siphon off support and funds from the host group; and finally, if all else fails, smears and personal attacks.

Many of these charges are made against small sectarian left groups, but what distinguishes the NAP is its creation of what Newman and his closest associates call the "Social Therapy" movement, which posits that virtually all psychological problems are directly related to social conditions and can be alleviated through political work (often with NAP). Critics suggest the therapy is also a way the NAP maintains control over its own members.

The central figure in NAP is Fred Newman, the man who created the Centers For Change (CFC), a therapy organization in New York that affiliated with Lyndon LaRouche's National Caucuses of Labor Committees (NCLC) in 1973. While with the NCLC, the group changed its name to the International Workers Party (IWP). In 1977 when the California Peoples Party raised questions about the IWP's legitimacy, the group dissolved and then resurfaced in 1979 as NAP.

The most consistent target of the NAP is the Democratic Party, most recently in the form of Lenora Fulani's Presidential campaign. Fulani is waging an all-out campaign to lure lesbian, gay and black voters to support Fulani and oppose Dukakis.

THE PERFECT PARTY, AT A PRICE; GEORGE BUSH

NAP insists it is a black-led, women-led, pro-gay, pro-peace, multiracial political party which is dedicated to the creation of a left wing independent third party as an alternative to the Democrats.

Fulani calls her campaign the Two-Roads strategy. NAP first called for support of Jesse Jackson and his platform, but when he was effectively neutralized it pointed to the bankruptcy of the Democratic Party and urged progressives and others to support Fulani. "We have to make it really clear that we voted for Jesse's political agenda and not the Democratic Party, that we're willing to step outside of that party and build whatever we need to do in order to bring the two-party system to its knees."

Fulani argues that right-wing Democrats now have more clout than left Democrats, because right wingers cannot be relied on to vote Democratic and have to be enticed back to the party. She argues an independent party will do the same thing for the Democrat's left wing that George Wallace's bolting from the party did for the Dixiecrats.

"I wouldn't lead my mother to vote for Michael Dukakis. I'm going to do everything that I can to cripple the bastard and send a message to the Democrats that if they want our vote, be it the black vote, the gay vote, every other vote we can go out and get, they're going to have to work for it."

(Even before Jackson's defeat, however, Fulani was campaigning against the Democrats. Local activist Pat Norma, currently a canadidate for supervisor, says Fulani told a Lesbian Agenda For Action meeting this past spring before the California primary: "We will pull votes away from the Democrats and let the Republicans win . . . In order to get what we want, we will have to punish the Democrats!")

That strategy enrages a lot of lesbian and gay politicos and activists. Maurice Belote, president of the Harvey Milk Lesbian/Gay Democratic Club, fulminated, "A vote for Fulani is a vote for George Bush is a vote for hundreds of thousands of people dying. For these people to allow Bush to sail into the White House is just beyond me."

GAY POSITIONS

NAP is aggressively campaigning in the lesbian/gay community nationwide. They are pushing for a national "AIDS Bills of Rights," and have obtained the endorsements of about two dozen gay leaders for the initiative. NAP organized a national day of lobbying in Washington, DC (that conflicted with the official gay/lesbian day of action on October 11). NAP has contacted the gay press and leaders for support, including Coming Up!. They have only succeeded in getting the endorsement of Just Out, a Portland, Oregon gay/lesbian paper.

Joyce Hunter, co-founder of the Harvey Milk High School in New York for lesbian/gay youth, exploded when asked about NAP, "They are a pain in the butt and they use the gay issue!"

Hunter says she was approached in 1986 by NAP, because they wanted to attend a conference she was organizing. They told Hunter NAP had developed a new approach to empower gays and lesbians, "that homosexuality is a political protest against conditions of oppression . . . (societal) repression creates homosexuality." Fulani told "Coming Up!" much the same thing: "Coming out is a statement in opposition to sex roles in this country which are organized in very oppressive ways."

The statement enraged Hunter; "Homosexuality is a natural proclivity. It is not a political protest. If you are coming from that point of view there is a cause!" She charges that the NAP has simply rephrased a pathological definition of homosexuality by putting it in terms of a political pathology. If political oppression is the cause of sexual oppression, "In a post revolutionary society there would be no need to be gay," notes Steve Ault.

AIDS: BILL OF RIGHTS OR BILL OF GOODS?

The AIDS Bill of Rights is the centerpiece of the NAP's strategy to attract lesbians and gays to the party. Fulania says it includes a statement about AIDS "victims" [sic] being treated with respect and dignity and having the rights that all patients in this country have, a statement in opposition to the anti-sodomy law, a statement supporting a national health care program and also an amendment to the constitution for gay and lesbian rights.

Sounds great. So why is it that the AIDS Action Council and the New York Human Rights Commission, AIDS Division are apposed to it? Critics charge the AIDS Bill of Rights with being badly drafted, ineffective, counterproductive and ultimately opportunistic.

NAP's AIDS proposal is a revamped AIDS bill that NAP tried to float in New York, which in itself was a copy of California law. Mitchell Karp, the New York City AIDS division attorney, told NAP, "Your bill does not correspond to New York law—it's modeled afer Los Angeles and San Francisco—and it would be struck down.

Jean McGuire, AIDS Action Council executive director in D.C., says the AIDS bill is poorly drafted because it does not take into account pre-existing and pending anti-discrimination legislation based on diability for people with HIV disease, Karp adds that it would probably disrupt a newborn alliance with disability and differently-abled rights groups now working with AIDS groups.

"There is not the political will to pass AIDS-specific legislation now," argues McGuire. Translated, that means AIDS specific legislation would attract right wing crazies like flies. On top of that, both Karp and McGuire say there are limited resources for AIDS work. Why waste good energy on something that might backfire?

"That's total garbage!" replies Fulani, who says her campaign is tapping enormous resources among lesbians and gays. "It's not just a fight of 15 progressive people." She says she supports disability antidiscrimination legislation but believes it doesn't go far enough. She complained the arguments against her bill were the same ones whites made against rights for blacks, by saying they "were in the bill of rights, they didn't need another amendment," while blacks were being lynched. "We need stronger legislation."

Karp disagrees. "We don't have a monopoly on discrimination." Karp wondered what would the point be of a black civil rights bill if it excluded Native Americans? The issue is discrimination and how to be inclusive and not separate people so as not to set them up as targets. "They have billed themselves as the protectors of the AIDS-related community. I question that."

LYNN MARCUS, LYNDON LAROUCHE AND THE CENTERS FOR CHANGE AND FRED NEWMAN

NAP members are a trifle touchy about their organization's historical affiliation with the LaRouchies. According to local activist John Belskus, when he quietly inquired of an NAP canvasser on Castro Street, "Well what about your party's connection with Lyndon LaRouche in the early days of the organization?" the response was rather dramatic. She slammed shut her folio and screamed at him "You are stupid! You are a democrat! and you are a Communist!" and hightailed it off down the street, leaving Belskus musing that at least she was right on two points.

The LaRouche connections have stuck to NAP and Newman like an albatross that won't let go. Newman say the Centers For Change, a therapy group he founded, became involved with Lyndon LaRouche in late 1973. "We had made a collective determination to explore left politics and wound up working with the National Caucus of Labor Committees." Newman says his group worked with the NCLC between November 1973 and August 1974. The Newman group merged with the NCLC between June and August of 1974.

That was precisely the period that LaRouche was winding down Operation Mop-up, a calculated campaign of brutal terror attacks conducted against the left that resulted in the hospitalization of several people. NCLC members would break up meetings with baseball bats in the hope of destroying organizations in precisely the way Nazi brownshirts went after socialists in pre-war Germany.

Ken Lawrence, a freelance journalist in Mississippi and frequent contributor to Counter Spy magazine who has been investigating NAP, says Operation Mop-up began in April 1973.

Newman says he was unaware of Operation Mop-Up until November or December of 1973, "We heard them discussing it in a meeting." When he found out about Mop-Up Newman says he was outspokenly critical. He says the CFC members argued with NCLC members about Operation Mop-Up. "Our perspective was to redirect them. . . Ultimately our perspective was to make every effort to redirect them, it was too little too late."

Lawrence finds that hard to believe. He says Operation Mop-Up was common knowledge on the left, "It's not as if this were hidden stuff. They (the NCLC) were proud of it and boasted about it."

The letter sent by Newman's group in August 1974 to LaRouche's NCLC announcing the formation of the IWP and the severing of formal ties with the NCLC does not even mention Operation Mop-Up as a reason for the split. The IWP even offered to continue a joint petitioning drive.

The tone of the letter is certainly not one of political abhorrence at fascist attacks carried out by the NCLC against other left groups. Instead, it is a cordial discussion of two groups going their separate ways. Of the 39 individuals who signed the letter, 22 remain with NAP today, among them the Boston National Alliance bureau chief, it's managing editor and one of Fulani's vice presidential candidates.

FINDING THE NEW MAN WHO RUNS THE ALLIANCE

Fred Newman the man at the center of the controversy around the NAP provokes widely disparate reactions. Opponents give the impression of a power-hungry despot determinated to expand his power base to eventually include "hegemony" over the entire progressive movement in the United States. In a phone interview with Coming Up! he came across as a rational, reasonable and very articulate radical with an incisive critique of the American politicial system.

"The problem with NAP is that basically they are a very dishonest group," explains Dennis Serrette, NAP 1984 presidential candidate. Before that, he was a black trade union organizer and civil rights worker. In early 1985 Serrette quit the party charging both duplicity and racism—charges he repeated under oath—because there were no blacks in leadership positions in the organization.

"There is absolute control by one person over this entire body," says Serrette. "The way he controls that is, in my opinion, racist, sexist and homophobic. He uses gays to penetrate gay organizations. He uses blacks to penetrate black organizations. . . I hesitate to even call it an organization—as much as I would call it a group headed up by a very egotistical and powerful person."

In reply, Newman laughs and says that at some point or other the leader of nearly every leftist group in the country has had the same charge leveled at them. He says it is "one of the standard sectarian criticisms—you know, Bob Avakian is in charge of the RCP," According to Newman, NAP is "one of the most open and democratic parties on the U.S. left. (it's) a terribly local and autonomous party."

Fulani also rejects the charges. "When people accuse us of being a cult and say that Fred is a leader of it, one of the things I point out is their racism and sexism, because given that more people know me, I at least should be the leader of the cult!. . . Fred is one of the poeple who works for me."

Newman grew up in the Bronx and went to City University. He earned a PhD in the early 1970s in the philosophy of science from Stanford University. He says he started his political career doing some organizing during the '60s, which eventually coalesced into the CFC. For change.

Some of those who left the NAP highly critical of the organization still respect Newman. San Francisco activist Cheryl Lazar, a member of the party from 1973 until 1981, says, "I have always thought of him as extremely strong willed, a strong ego, very loving, very caring. He was always there. He's a strong leader and probably is a very powerful and influential human being. I don't see him as a megalomaniacal cult leader."

Several ex-members, however, disagree. Serrette wrote of the NAP leader, "When Newman is happy everyone is happy. When he is mad everyone is terrified." of the eight ex-NAP members contacted by Coming Up!, only Lazar was unwilling to describe him as a controlling influence; of the eight, three had extensive contact with Newman up until 1985. Two of the eight had worked with the NAP until this summer.

Newman's control over his followers was noted in 1977 by Casey Peters, then the People Party national secretary, when he attended the NYC Working and Poor Peoples Party convention, another forerunner to NAP. Peters said, "When . . . the head of the organization puts his hand up it's like the ripples in a pond. Fred is the Kingpin." Indeed, in documents of the time, the group was frequently referred to as Newmanites. Peters also obtained secret internal documents proving that the IWP was still very much alive after it was officially dissolved.

Dennis Serrett, Cathy Hollandberg-Serrette and Sheila McCue, all dissident ex-members, claim the NAP is still controlled by Newman along with a small core group who are either invited in, or have been with the organization for a considerable length of time. According to Hollandberg-Serrette, those people include Nancy Ross, a director of the Rainbow Lobby, Jaqualine Salit, editor of the New Alliance paper, Hazel Daren, head of national operations, Debra Green, head of finances, and Gail Albey, chief of personnel.

Hollandberg-Serrette left the NAP in 1985 and say the IWP was alive and well with about 150 members in NAP. She asserts emphatically, "There is no way that would be disbanded." McCue was a member of the IWP from 1981–85, and says that when one joins the IWP you sign over control over your life, and your property is at the disposal of the organization.

* * * * * * *

FIXING THE FORUM

One common NAP strategy is to create or take over forums and turn the discussion into a NAP recruiting drive. Coming up! was informed of incidents in Los Angeles, Boston and New York. In New Orleans the same tactic was tried in the Women's Caucus of the American Public Health Association's (AHPA) annual conference. P. Ellen Parsons, a rainbow coalition activist and member of the APHA, say the Women Caucus was chaired by NAP member Cathy Stewart. "She inserted people on the panel and they would give highly political presentations. . . This women got up and talked about being a lesbian and being older, and basically said to work on your sexuality join an Institute for Social Therapy." Parson's says NAP confuses here, "I never understand what the hell their purpose is. I always feel they are on the wrong side!"

THE NEVER ENDING CAMPAIGN

The Fulani campaign against Dukakis is nothing new, it is just bigger. NAP has a reputation for running against progressive Democrats in close races with Republicans. NAP is currently running Mary Fridley against Senator Edward Kennedy. Fred Newman asserts "we now have two right wings." Newman charges the Democratic Party with using compassion to cover a move to the right, thus it is correct to target progessive Democrats. "I think Ted Kennedy is a bigger problem, (it) is well known that Bush is bad, but Kennedy has wound up supporting Reagan, and Dukakis is an anti-gay candidate."

In 1985, in a case of particular interest to Bay Area activists, NAP decided to run Jim Mangia in the race for New York City councilor. Mangia, National Coordinator of Lesbians and Gays for Fulani (recently hired as the AIDS Project of the East Bay Health Educator) entered the New York race against David Rothenberg, a progressive Democrat and founder of the Fortune Society, a prisoner's service organization. Rothenberg had turned down NAPs endorsement. The Republican won, but while Rothenberg doubts the NAP campaign had more than one or two percentage points effect, it soured him to politics. He says Mangia specifically campaigned against him to take away liberal and gay votes.

Mangia alleges at the time when Rothenberg refused the NAP endorsement "there were a whole series of moves by the Democratic party . . . The issue is, Does a gay

candidate represent the gay community? Harvey Milk did not run with the support of the gay establishment. Those people have a vested interest in supporting the status quo. We are the uptstairs . . . We made a lot of people real angry! We are doing the right thing."

TAKEOVERS/INFILTRATION

NAP has made two recent attempts to intervene in the Peace and Freedom Party and the New Jewish Agenda. One effort was partly successful, the other failed.

In California the Peace and Freedom Party (PFP) has been the unwilling subject of NAP's attentions, twice. The first time was in 1984, when according to Emma Mar, a long term Peace and Freedom Party activist, NAP bused in 50 people of color from Watts who chanted and stomped and yelled until the NAP contingent was given three or four delegate seats. Depending on whose side you listen to, it was either disenfranchised people gaining their rightful place at the convention, or a successful extortion operating in exchange for seats and peace so the conference could continue.

This year's convention was even more raucous. This time not one, but two sectarian outfits descended upon the party. The Internationalist Workers Party and the New Alliance Party attempted to get their own presidential candidate nominated by the PFP. They wanted the nomination because of the juicy plum that PFP's presence on the California ballot represented.

The convention turned into a three-ring circus, with the Internationalist WP, NAP, and the unaffiliated Peace and Freedom delegates all engaged in a Hobbesean struggle for the soul of the PFP.

The convention concluded with the NAP delegates stalking out to waiting NAP vans—with a Cadillac reserved for Fulani—to go to a nearby hotel for an instant rump convention. All three groups complained to the Secretary of State who responded by pulling PFP off the ballot. Now Fulani is the only alternative candidate left on the California Ballot.

NEW JEWISH AGENDA INTERVENTION

On October 25, 1987 the New Jewish Agenda (NJA) passed a resolution prohibiting any NJA member from publicly or in print associating themselves with NAP. The decision was the culmination of what some NJA members suspected was a NAP infiltration attempt. Clare Kinberg, Administrative Director of the Agenda, says the Manhattan branch of the NJA noticed an influx of NAP members.

When the NJA asked why the NAP members were joining, Kinberg says party members all gave the same "word for word" answer, "I am a progressive Jew and wanted to join a progressive Jewish organization." Eventually Helen Abel, a NAP member elected from the Los Angeles NJA chapter, requested that she be allowed to do NAP party work and use the NJA's name. The October 25 resolution was passed at that time.

Kinberg is unhappy with NAP tactics which she says "play heavily on Jewish guilt. They focus on black/Jewish relations. . . They proclaim to be doing something about it, but I think their influence is negative.

Then there is Louis Farrakhan.

In a September 6 press release obtained by Ken Lawrence, Fulani discussed at length Jewish-Black relations. In discussing Farrahkan's "righteous criticism" of Jewish landlords, she states that the Nation of Islam emphasizes the Jewishness of the landlord while she emphasizes the landlord aspect of the relation. But she comments, "I do not believe it is insignificant that a slumlord is Jewish."

When Coming Up! questioned her on the statement, Fulani explained how historically there is a "love-hate" relationship between the black and Jewish communities because, "Jews have been the last grouping of whites to be let into the middle class," thus she argues many blacks will have Jewish landlords.

DOUBLE RAINBOW

Perhaps the most frequent charge leveled at NAP is that they assume a name for themselves that closely resembles an already-active organization in order to encourage participation. In particular, they have called themselves the Rainbow Lobby in regions where Jesse Jackson's Rainbow Coalition has been particularly active.

Fulani argues that the first time the term "Rainbow" was used was by Black Panther party member Freddie Hampton in the '60s. "See, the rainbow, there's one in the sky, and there's one in the Bible, and then there's the only people angry at NAP's use of the term and nobody owns it." Fulani argues the only people angry at NAPs use of the term are Democratic Party hacks.

Coming Up! spoke to several activists for whom the term does not seem appropriate. They document instances where NAP behavior was less than straightforward. In Washington, D.C. and Atlanta, NAP supporters in the Rainbow Alliance allegedly collected money without distinguishing themselves from the Rainbow Coalition. In Mississippi, Fulani supporters campaigned for their candidate while, Francis Beal, Frontline editor and former SNCC worker says "much like leeches they attached themselves to the Jackson campaign," says The New Alliance newspaper featured a photograph doctored so at first glance it appeared as if Fulani was on the same stage speaking next to Jesse Jackson. Fulani says they worked for Jackson in the East Bay, but one East Bay Jackson activist states, "To the best of my knowledge they were not visible." Another prominent Jackson supporter says NAP put an ad in the New Republic next to an article about Jackson, "I have no doubt that many people were confused."

When queried about the NAPs tenacious tendency to tag along with Jackson, Newman turned around and said there is "an excessive connection between the Jackson Democratic Party and the Rainbow, and what has been projected is this is the only Rainbow."

Margeret Cerillo at Hampshire University says that NAP intervenes in communities where "people feel they have no choice. They speak to real issues, but they are incredibly opportunistic." That may be the key to NAP. Where a community is dispirited or feels powerless to change its situation, opportunistic groups will intervene.

Kris Kleindiest, author of an article in The Gay and Lesbian News Telegraph that discouraged NAP activity in St. Louis, says NAP is targeting the gay community, "At the March, a lot of people were vulnerable to this quick sweet-talk who have no historical perspective, people who don't know the history of NAP." It seems the gay and lesbian community is learning quickly. A recent appearance by Lenora Fulani was constantly interrupted by heckling ex-NAP members.

Lenora Williams, director of the Center for Democratic Renewal in Atlanta, says, "People often look for pat labels but . . . the question is are they being honest, are they representing the aims and aspirations of the community?"

IT NEEDS TO BE SAID

The SPEAKER pro tempore (Mr. PENNY). Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, there are two current newspaper articles making statements that need to be heard in today's climate of international trade. Both articles should be of interest to most Americans because they spell out some of the difficulties in our current trade policy.

One piece is a letter to the editor in the New York Times and the other is an article from the Washington Post.

Both pieces go to the very heart of "competitiveness" which has been the buzzword for the eighties for American business, and now it is becoming the buzzword for EC 92.

The first article is a New York Times letter to the editor by John M. Culbertson, emeritus professor of commerce at the University of Wisconsin.

His letter titled "Pauperized Workers Are Price of 'Free' Trade" is an important statement about our ability to compete and how the consequences of that competition affect the American worker. Although I am not in total accord with some of his views, I do believe we must have fair trade.

(From the New York Times, July 13, 1990]

PAUPERIZED WORKERS ARE PRICE OF "FREE" TRADE

(By John M. Culbertson)

To the Editor:

The foreign-trade deal the Bush Administration has negotiated with Japan (front page, June 29) follows the thinking of the Reagan Administration and will continue the giveaway of essential interests of the United States. Because it assumes that unregulated foreign trade—always called "free trade"—automatically benefits both nations involved, this viewpoint makes light of the one-sidedness of United States trade. The net takeover of our markets by excess imports, and the shrinkage of our industries and jobs, is attributed to some outside factor, and token policies are devised to deal with these imaginary causes.

Thus, the real causes of the self-destructive pattern of United States foreign trade were not touched by the Reagan Administration's initiating unfair trade practices investigations or getting commitments from other countries to increase their "economic growth." Neither will they be touched by the Bush Administration's getting Japan to increase its public-works spending, to speed up the issuing of patents, to reduce protection of small shops and to increase prosecution of bid rigging. These actions may be desirable, but their effect on the huge United States trade deficit with Japan will be long delayed and trivial. Saving the economic future of the United States requires the reg-

ulation of United States imports to bring about balanced, two-way-benefit trade with countries that differ from us in economic policies and institutions, market sizes and qualities, wage levels and other ways.

The widening spread in American incomes and the worsening plight of our ordinary workers is shown by data and has been viewed with concern by many commentators. Americans were once proud of being the only country where the factory parking lot was filled with the workers' cars—cars of one-income families. Two incomes may not permit workers to raise a family in today's United States, and the situation is continuing to worsen.

History provides an illuminating parallel. The ancient Roman Republic became politically unworkable largely because the jobs of ordinary Roman workers and small farmers were taken over by cheaper outside labor, in this case by burgeoning use of imported slave labor. Slave labor was cheaper than the labor of free Romans. Thus, "the free market" said, "Use the slave labor." During so enriched Roman landowners and the affluent. But the shift to slave labor took away the jobs of ordinary Romans, who had been the backbone of Rome's armies and state. They became an unemployed proletariat in the city of Rome, degraded by politicians' free bread and circuses—and Rome as a republic stopped working.

The United States turned the jobs of its ordinary workers over to outside labor—because it was cheaper than American labor—by accepting imports vastly in excess of our exports, imports that are cheaper than American-made goods because of foreign wage levels a tenth or less as high (as was initially true of Japan, which now relies on other advantages over United States production). One-sided immigration of low-wage labor has the same effect.

The Americans whose jobs are given away to outside labor, like the pauperized Roman workers and farmers, will not go away. They have no place to go. They are finding that the available temporary jobs, the parttime jobs, the minimum-wage jobs without job security, medical insurance and retirement benefits do not permit them to live and raise a family like other Americans—not even when both spouses work. What is to become of these people? What will become of a United States in which groups not subject to such foreign competition live extravagantly, while the ordinary workers thrown by one-sided foreign trade into wage competition with the poorest of the world's burgeoning millions of poor become outcasts in their own country?

The economic theory on which United States policy is based evades this problem by assuming an imaginary world in which unemployment is cured by lowering wage levels, where foreign trade and job shifts automatically balance out and where cheaper implies more efficient. Laissez-faire economics and the Bush foreign trade policy perhaps would work in this imaginary world—just as Communist economics perhaps would work in its imaginary world.

But in the world of reality, the United States is self-destructing in permitting one-sided "free trade" to throw ordinary American workers into competition with hundreds of millions of foreign workers who can live on much less than they. This kind of "free trade" may be a time bomb of laissez-fair ideology more deadly even than "free" savings and loan association pillaging, "free" airliner mergers, "free" liquidate-American-industry takeover deals, the "free" selling of America to foreigners and "free" government spending without taxes.

Professor Culbertson makes some profound statements about competitiveness which we should consider. He has aptly pointed out that the major burden of competitiveness is thrust upon the American worker and—until we do something to change our policies of free trade, the American worker will continue to pay the price of competitiveness.

The second article from the Washington Post is by Michael Schrage, a columnist for the Los Angeles Times. His piece is titled, "In R&D, Japan Should Be Willing to Contribute, Not Just Consume."

What a statement this article makes about Japan's university system and its being a net consumer, rather than a producer, of knowledge. It clearly points out that Japan has taken advantage of our brightest young minds, our research facilities, and our taxpayers national laboratories."

Mr. Schrage is right on target. His article follows:

[From the Washington Post, July 13, 1990]

IN R&D, JAPAN SHOULD BE WILLING TO CONTRIBUTE, NOT JUST CONSUME

(By Michael Schrage)

Even though Columbia Pictures didn't make the movie, Sony Corp.'s Akio Morita should pop the Beta version of "Treasure of the Sierra Madre" into his VCR. He should pay particular attention to the scene where Walter Huston tells Humphrey Bogart that, now that they have mined the mountain of its gold, they have to fix it up. "This mountain's been good to us," he says, and they owe it to the mountain to make it whole.

Morita, who was quick to chide Americans for short-term thinking in his book "The Japan That Can Say No," would immediately get the point. Japan, to its great credit, has relentlessly and successfully mined America's great research base. For decades, Japan has sent its best and brightest young minds to America's top research universities, the National Institutes of Health and the national labs—tapping into the largest tax-supported research infrastructure in the world. There is absolutely no question that this open access to knowledge has made a tremendous contribution to Japan's ability to compete so successfully in so many global markets.

If Japan really cares about assuming its rightful place as a global leader, if that nation wants to be a genuine collaborator in the creation of knowledge, it has to put in as much—or more—than it has taken out. The time has come for Japan to behave like a nation that has the gumption to invest its wealth in basic scientific research as willingly as it is prepared to snap up a Van Gogh or a Rockefeller Center.

It's not enough that the Sonys, Hitachis and Fujitsus spend billions on proprietary research and development—that's nothing but pure economic nationalism. The fact is that Japan's research and development infrastruture, unlike America's revolves around commercial interests: It is less interested in replenishing the world's endowment of intellectual capital than in capturing new ideas and techniques and turning them into profitable products. And why not? As things currently stand, Japan's top companies can often get the best of U.S. research for less than 20 cents on the dollar. That's a pretty good deal. In economics, this phenomenon of capitalizing on other's research on the cheap is called "the free rider," In biology, it's called parasitism.

In the United States, the government provides nearly 46 percent of the nation's research and development budget; in Japan, the government contribution barely touches 20 percent—and most of that sum goes more to development.

What's more, Japan's university system lacks the research tradition and initiative that mark America's top schools such as the California Institute of Technology, Massachusetts Institute of Technology and the University of California at Berkeley. Structurally, culturally and financially, Japan has evolved into a net consumer, rather than a producer, of knowledge. That's all very well and good for Japan's economy but it makes Japan's incessant complaining about America's consumption of goods a little annoying.

Even in health-care research for its own people, Japan is a laggard. America spends more than $6.3 billion on the National Institutes of Health-one of the great medical research institutions of the world—and even that's not enough to support some truly excellent research proposals.

In Japan, which has been one of the world's most prosperous countries for more than a decade, there's nothing even remotely like an NIH, and medical researchers are starved for funds. Nobel laureate Arthur Kornberg, who has been encouraging Japan to create its own counterpart of NIH, reports that the total budget for all government kakenhi—research grants—is "only 10 percent of Toyota's annual profits and 15 percent of the annual budget for research and development in a typical electronics company."

"They used to plead, 'We're a poor country'," says Kornberg, a Stanford University biochemistry professor who's been in touch with top Japanese science officials for years. "Now they tell me they're helpless in the face of a bureaucracy."

Nevertheless, Kornberg claims to be "optimistic" that Japan will live up to both its financial and intellectual responsibilities. Indeed, his fellow Nobel laureate, James Watson, who is overseeing this country's huge Human Genome Initiative to map the galaxy of human genetic code sequences, is energetically—some say aggressively—pushing the Japanese to give money and human resources to the project. These gene sequences would be the raw material for millions of medical insights and innovations. Shouldn't Japan be willing, if not eager, to be a partner in this endeavor? Or would Japan prefer to reap the benefits without the burden of the costs?

After National Academy of Science President Frank Press proposed this past spring that Japan make a significant investment in America's basic research infrastructure, he reported that many Japanese were astonished. "They said, 'Aren't you embarrassed, a great nation like you, to go around with your hat in your hand?'" he recalls.

It takes real *zuzushii*—the Japanese word for chutzpah—to say something like that. Japan's scientific establishment has been on the U.S. dole for so long that it acts as though it's entitled to this subsidy. Press said more in sorrow than in anger, that if Japan's leaders don't wise up, Congress is going to find a way to turn this into a trade issue. Indeed, National Science Foundation

Director Erich Bloch once actually threatened to deny Japanese researchers access to the U.S. national labs if Japan didn't make its laboratories more open to Americans.

Yes, Japan can point to a few chairs that its companies have endowed at places like MIT, as well as something called the Human Frontiers Program in Science that has all of a $20 million endowment. But that's just a few grains of rice.

For its own interest—if not the world's—Japan should be willing to make matching grants in key areas of biology, materials research, physics and other domains to U.S. universities, the NIH and the national labs in sums up to at least $200 million a year. There are more than 40,000 Japanese in the United States listed under the category of "foreign study, research and training." That works out to $5,000 per person per year. Given the billions that American taxpayers shell out each year to fund basic research, that hardly strikes me as unreasonable. Indeed, it takes a lot of *zuzushii* to explain why Japan hasn't already offered to be as willing to contribute as it is to consume. Indeed, here is a wonderful opportunity for Japan to demonstrate that it can craft ingenious funding initiatives to match its ingenuity in technological products.

I want to stress that even if Japan gave our basic research infrastructure a cool $1 billion a year, I don't think it would affect our global competitiveness one whit. As America has already discovered, a great research base doesn't necessarily translate into world-class competitive products. The issue here isn't the global marketplace—it's the continued viability of our treasures, our intellectual and scientific gold mines. Our research infrastructure is a global resource, but countries that assiduously mine it should be prepared to help keep it whole.

JAPANESE FIRMS IN UNITED STATES REPORTED LESS PROFIT IN 1987

(By John Burgess)

Income reported by Japanese-owned companies operating in the United States declined 65 percent to $219 million in 1987, according to figures released yesterday, a fall that gives new ammunition to congressional critics who contend that many of the firms are manipulating their books to avoid paying U.S. taxes.

Income reported by all foreign-owned companies, however, rose to $5.6 billion from a net loss in 1986. Higher income normally results in higher tax being paid.

As foreign capital began streaming into the United States in the 1980s, the role of foreign firms in the economy began rising quickly. Their sales rose from $459 billion in 1984 to $650 billion in 1987, according to yesterday's figures.

The Internal Revenue Service is reported to be auditing in detail the U.S. operations of many foreign companies and banks.

Representative Duncan Hunter (R-Calif.) and two other Republican members of the House yesterday released the figures, which were provided to them by the IRS, and charged that foreign companies may owe up to $50 billion in back taxes They urged that any money due be collected before U.S. citizens are asked to pay additional taxes as part of a new budget package.

The Organization for Fair Treatment of International Investment, which represents foreign investors, concedes that income reported in 1986 by foreign companies fell sharply. But it says that was due to hard times and the impact of a falling dollar, which is hard on the companies because they import a lot of goods.

"In '86 our tax went down because our income went down," said Sandra E. Taylor, chairman of the group's Washington committee. "It wasn't because we were manipulating" the books. She noted that total income reported rose in 1987, calling it an end to the temporary conditions of 1986.

She suggested that the income of Japanese companies as a group may have continued to fall in 1987 because of heavy costs associated with starting up new U.S. plants, particularly auto factories. Japanese-owned companies had reported total sales of $185 billion and profit of $2.19 million.

Critics charge that foreign companies may be illegally inflating costs at their U.S. subsidiaries to lower profit reported here and U.S. taxes paid. In this way, profits are said to be transferred to appear on the books of the parent company or some subsidiary in another country.

Hunter yesterday also released a letter from a former American employee of Sony Corp. of America. The employee said he had questioned certain "service charges" that his employer was carrying on its books. In the letter, the man said he was told to destroy copies of a memo he had written on the subject and soon after was fired on "trumped-up charges."

Sony spokesman Jason Farrow said yesterday that "it's Sony's corporate policy to obey U.S. law and we conscientiously strive to do that." Farrow denies the allegation of misconduct and said the employee was dismissed for "just cause" in June 1989 and has brought a legal action against the firm.

Both Professor Culbertson and Mr. Schrage clearly outlined that the American people are paying a high price for the current policy toward foreign companies and governments.

In this race to be competitive we should consider the needs of American business and not tie their hands or give foreign companies an advantage.

The latest hearings of Congressman JAKE PICKLE on the evasion of taxes by foreign companies is one example of giving an advantage to foreign companies. Granted, many of these companies are law-abiding taxpayers.

The Washington Post recently reported in an article "Japanese Firms in United States Reported Less Profit in 1987" by John Burgess, that the income of "Japanese-owned companies operating in the United States declined 65 percent to $219 million in 1987."

The article explained that "As foreign capital began streaming into the United States in the 1980's, the role of foreign firms in the economy began rising quickly. Their sales rose from $459 billion in 1984 to $650 billion in 1987."

As an example of how some of the tax dodges are done, the article reported that Congressman PICKLE released a letter from a former American employee of Sony Corp. of America. The employee said he had questioned certain service charges that his employer was carrying on its books. In the letter, the man said he was told to destroy copies of a memo he had written on the subject and soon after was fired on trumped-up charges. The taxes of foreign companies are vitally important to the working people of this country, and I am grateful to Congressman PICKLE for taking on this task.

It should concern all of us when our strongest competitor, the Japanese, set up shop in the United States, buy our securities to finance our debt, and then don't pay their taxes—then you start wondering not only about Japanese intentions, but also our own policies.

This country was built by people with a vision of freedom and opportunity and, each generation has fought to keep that vision pure to pass on to their children. We can do little more than protect that freedom. It is time that we demand we need fair trade for American businessmen, so that we will be able to maintain our heritage of freedom and opportunity for future generations. The American people understand this, and I join with them in this battle.

Thank you, Mr. Speaker. I will leave my article for inclusion in the RECORD.

□ 1840

CAREER SCHOOLS—A VITAL AND NECESSARY SEGMENT OF THE HIGHER EDUCATION COMMUNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, last Friday, the House passed H.R. 5515, the Equity and Excellence in Education Act of 1990 by an overwhelming majority. This legislation offers significant educational opportunities for many Americans who seek to overcome hopelessness and illiteracy, to achieve their educational goals, and to share in the American dream.

During the debate on H.R. 5115, we defeated an amendment consisting of 28 separate elements that could very well have eliminated that opportunity for far too many of our men and women, young and old.

It was introduced under the clever guise of reducing the costs associated with defaults in the guaranteed student loan programs, but, in reality, was a direct attack on the career training sector of higher education because that is where a large portion of the defaults are occurring.

This attack is not surprising. Many people do not believe that career training schools—whether public or private, profit or nonprofit—should be classified as institutions of higher education.

And, these same people continually blame the career training schools for every problem that arises in the stu-

dent aid assistance programs—particularly when it comes to student loan defaults.

Let us get one thing straight before I go any further, students default on student loans, not schools.

Many of us in this Chamber realize that the issue of defaulted student loans is a serious one that must, and will, be dealt with next year during reauthorization of the Higher Education Act of 1965.

While the Department of Education has not completed its data book on the guaranteed loan programs for fiscal year 1989, it has developed some estimates that give a pretty clear indication of what is happening in the programs.

Through fiscal year 1989, it is estimated that of all the money loaned out in the 25 years of the programs, almost 67 billion dollars' worth of loans has been paid back or is in the process of being paid back, while only $7.1 billion—9.5 percent of the $74 billion in repayment status—is in default.

At the end of fiscal year 1990, it is expected that almost $76 billion will have been repaid or will be in the process of being repaid, while only $8.4 billion—9.9 percent of the $84.3 billion in repayment status—will be in default.

Those defaulted loans amount to a lot of money by anyone's standards and, as I said, the default issue must be dealt with, but not by denying educational opportunities to those students who most need financial assistance.

We know as a matter of fact that educating these students is an excellent investment in our Nation.

Between 1940 and 1944, Congress enacted a series of laws for World War II veterans that became known as the GI bill of rights and one of these rights provided veterans with educational assistance.

Through the GI bill, the Government invested $14 billion in education and job training benefits for 7.8 million veterans.

It is estimated that almost $7 billion was used by 2.2 million GI's for college and graduate school. The value of that investment is clear. For every dollar the Government spent in education under the GI bill, the Nation got back no less than $5 and estimated as much as $12.50.

A 1989 report, using today's students, done by Shearson Lehman Hutton estimates that taxpayers save $17,938 per student per year for every American who finishes a training program and gets a job earning $15,000. This money is saved as follows:

Family welfare benefits, $6,000;
Food stamps, $1,908;
Women and infant care, $480;
Housing, $7,200; and
Medicaid, $500.

In addition, the taxes generated by that $15,000 job is equal to $1,850.

Even though we know that education and career training are among the best investments that our Nation can make, we seem to completely forget this when discussing the student loan default issue.

We have known for quite some time that certain students are more likely to default on student loans and that these high risk students tend to be among the poorest and the most in need of education to rise above their economic circumstances.

When we created the student assistance programs, we recognize that some students simply could not finance their own education. That is why we created the Pell Grant Program for the neediest of students and developed loan programs for other students.

Unfortunately, over the years, we have not kept pace with our original commitment of providing sufficient grants for the neediest students.

For example, the maximum Pell grant has risen only $200 since 1985-86 to $2,300. At this same time, the average cost of attendance has increased by more than $1,500.

Obviously, we are forcing more and more of these students to borrow thousands of dollars to finance their education.

If we continue this trend, education will become further out of reach for those students who most need assistance to realize their dreams, expand their horizons, and change their lives and the lives of their families for the better.

I am becoming very concerned about what will happen to these students after we complete reauthorization of the Higher Education Act.

There seems to be a movement gathering force that is urging us to adopt the quickest and final solution to the default issue—that of eliminating high-risk students from any of the assistance programs.

The reasoning behind this is really very simple. If high-risk students are not allowed to participate in these programs, they cannot default.

This so-called final solution would be very effective in reducing default costs, but let's look at what happens to students when we adopt these quick-fixes.

Last November during the budget reconciliation process, we were forced to make a number of changes to the Supplemental Loans for Students Program [SLS].

These changes, which were made over my protests, denied SLS loans to students who do not have high school diplomas or graduation equivalency diplomas; prorated the amount of the loan based on the length of the educational program; and flat out denied loans to students attending schools with a default rate greater than 30 percent.

At the time, we knew these changes would affect students attending career training schools but we didn't know to what extent.

Now, 8 months later, we are just beginning to see the tremendous impact they have had on denying access for those students—who desperately need career skills—to the very schools that would teach them these skills.

These changes have forced 15 percent of all career schools to close. This is more than three times the number of schools that closed in the previous 2 years combined.

And, after talking with many owners and operators of career schools, it is clear that the majority of the closings have been, and will continue to be, in major metropolitan areas—the same areas where the need for skill training is greatest.

Those schools serving city students can't survive in these areas because the students attending them have the greatest likelihood of defaulting on their loans.

There are other problems as well in these areas. Just one is the tremendous number of absences on days when welfare checks arrive because the students must literally stand at their mailboxes to ensure that no one steals their family's check. According to school administrators, it takes many extra unpaid hours just to keep these students in the programs.

I'm not talking about just a few students.

The 15-percent decrease in number of schools has resulted in an 11-percent decrease in total enrollment at career training schools—more than 200,000 students.

Some people would like us to believe that forcing these schools out of business is the best thing anyone can do for these students, that these students have somehow been rescued and are now free to attend more traditional institutions of higher education.

Before getting caught up in this fairy tale, there are some things you should know about the students in career schools: 46 percent of them are over the age of 25; 40 percent are minorities; 78 percent are women; and 54 percent are financially independent of their parents.

In addition, 71 percent of first-time career training school students are parents and half of these are single parents.

Are we to believe that these 200,000 students—who also have a high likelihood of being high school dropouts, poor and underskilled—will rush to attend more traditional institutions of education or will miraculously be accepted into other job training programs?

I doubt either of these results and you should too.

To get an idea of the types of attacks that will be waged against career training schools as we approach reauthorization, let me tell you about two proposals that are floating around right now.

One proposal would require banks to assume 5 percent of the risk when making loans to high-risk students.

Since the very inception of the student aid assistance programs, we have encouraged banks to make loans to high-risk students by guaranteeing these loans at 100 percent of their value. And, even with this 100-percent guarantee, high risk students still have difficulty finding banks that will give them loans.

Common sense tells us that if banks must assume 5 percent of the risk, they will simply stop making loans to these students—further aggravating the existing problem.

The other proposal would require that members of vocational accrediting agencies not be affiliated in any way with any of their member schools.

This contradicts existing provisions requiring that the makeup of vocational accrediting agencies be composed of "persons specially qualified to evaluate training provided by schools of that category."

How are the "specially qualified" persons supposed to acquire the experiences and knowledge needed to do an effective peer review if they have had no relevant contact with the schools in this sector?

These agencies clearly recognize the importance of having outside imput on their decisions and this is reflected in the membership of their accrediting boards. For example, 57 percent of the accrediting board at National Home Study Council is composed of members with no ties to the schools. This compares to 47 percent at National Accreditation Commission of Cosmetology Arts and Sciences, and 44 percent at National Association of Trade and Technical Schools. Also at NATTS, the chairman of the accrediting board is not affiliated with any of the schools.

These agencies are trying to get rid of the bad apples. They don't like them anymore than we do, but eliminating effective review of the schools in this sector is definitely not going to force the ineffective schools out of business while retaining the quality schools.

This provision would only cast serious doubt on the quality of education at all vocational schools because the people overseeing them would have no working knowledge of what constitutes good and bad practices in the schools.

According to Department of Labor statistics, we need good, quality career training schools now more than ever.

Some of the fastest growing occupations percentwise to the year 2000 are those that require some form of career training such as medical assistants, radiology technologists and technicians, data processing equipment repairers, medical record technicians, medical secretaries, physical therapists, computer systems analysts, physical and corrective therapy assistants, EEG technologists, occupational therapists, computer programers, electrical and electronics engineers, flight attendants, and the list goes on.

In their rush to wage war on career schools, too many people seem to overlook the fact that we desparately need these schools. These same people also seem to overlook the fact that career training is an integral part of our Nation's history and most career training schools are proven extremely successful at teaching needed skills to their students.

Some of the current members of the major career training school organizations are more than 100 years old. For example, out of the 950 schools accredited under the Association of Independent Colleges and Schools—70 have operated for more than 100 years and 92 others have operated for more than 50 years.

Career training actually dates back much farther than 100 years to when young men were apprenticed to individuals who would provide skill or intellectual training.

Someone desiring to be a blacksmith, lived and trained with a blacksmith. Someone desiring to make wagons, trained with a skilled craftsman.

Lawyers took in students to read law and the town physicians trained their successors.

Later, schools were established to give students the opportunity to learn the three R's—reading, writing, and arithmetic.

And, as the demand for more trained persons grew and as higher skill levels were required, career schools were established to teach more people the needed skills.

With our society becoming more technologically advanced every day and higher skill levels increasingly required of all of our workers, now is not the time to drive the quality training schools out of existence.

Today there are many quality schools that are graduating really top-notch students.

I have given several special orders in the past, and will continue to give them, to recognize some of the millions of successful career training school graduates. If anyone is interested in receiving copies of these special orders, please contact my staff and we will send them to you.

In closing, let me tell you about another one of these students.

Jonathan Knight discovered the world of art by the time he was 3 years old and by first grade, he was sketching his teachers and the clothes and accessories they wore.

In seventh grade, Mr. Knight was illustrating the books that his English class was reading and his teacher introduced him to a private art teacher.

He studied with this art teacher for 7 years and later accepted a scholarship to the Art Institute of Fort Lauderdale. He graduated summa cum laude with an advertising design degree and received the Best Protfolio Award.

After graduating from the art institute, Mr. Knight joined the staff at Hallmark Cards in Kansas City, MO, where he has received several promotions during the 10 years he has been with the company. His current position is that of card designer/supervisor.

Mr. Knight designs greeting cards and other Hallmark products such as calendars, notebooks, and plaques and has been featured in a national television advertising campaign.

He has also won many awards for his paintings, among these are first prize in oil painting at the Georgia Miniature Art Society's Second Annual International Competition, and Best in Show at the Miniature Art Society of Florida's 13th Annual International Exhibition.

Mr. Knight is a truly talented artist and is just one of the millions of successful career training school graduates.

We must keep the door of opportunity open to these students. Through the GI bill, we have seen the return of between $5 and $12.50 for every $1 invested in higher education.

And, through the Shearson Lehman Hutton study, we have seen that taxpayers save $17,938 per student per year for every American who receives career training and gets a $15,000 job.

If we force career schools out of existence, these savings will quickly dwindle, become nonexistent, then turn into direct costs.

While we must, and will, deal with the student loan default problem, denying educational access to those students who most need assistance to realize their dreams is definitely not the answer.

□ 1900

SETTING THE RECORD STRAIGHT ON THE SAVINGS AND LOAN CRISIS

The SPEAKER pro tempore (Mr. PENNY). Under a previous order of the House, the gentleman from Virginia [Mr. PARRIS] is recognized for 60 minutes.

Mr. PARRIS. Mr. Speaker, I once again take to the well of the House, as I have many times before throughout

the past 5 years, to discuss the greatest financial disaster facing our Nation—the savings and loan crisis.

Over the past 5 years, I have taken precious time like this to address this great legislative body, and the American people as well, on the impending doom threatening over one-third of the thrift industry and the Federal Savings and Loan Insurance Corporation, now known as the Office of Thirft Supervision. However, my purpose in taking the valuable time of this institution today is not to sound alarms on the thrift crisis—they have already been sounded, and the American people have heard them, and experienced first hand this tragic financial situation. My purpose today is to address another wrong—the attempt to rewrite the historical events that led to the thrift crisis by Democrat political strategists.

One might ask why Democrat political strategists would want to rewrite the political history of the S&L fiasco to put the blame on Republicans? Well, the answer is easy—to provide damage control in an attempt to hide the egregious errors made by Democrat leadership and its members in aiding and abetting the thrift fiasco.

Let me set the record straight and remind the American people—and also remind those political strategists who apparently suffer from either a severe lack of knowledge, amnesia or at least selective memory—how we ended up with a $300 billion financial debacle that has now been placed on the back of the Federal Government and the American taxpayers.

I know a little bit about the S&L crisis. Since the early 1980's, I have followed closely and been involved as a Member of Congress with the activities of the savings and loan industry and those of us who are involved with the responsibility of legislating in this area.

□ 1910

In 1985 I informed the House on the startling conclusions of an investigation and report I had requested from the General Accounting Office on the health and the status of the thrift industry and the Federal Savings and Loan Insurance Corporation. The information that I received from the GAO at that time was so disturbing that I took to this very poduim—at which I now stand—to share the results of that alarming report with the Congress and the American people. I had hoped at that time that the Democrat controlled Congress and the House Banking Committee—on which I served—would listen and respond to warnings that were being sounded about the thrift crisis looming on the horizon.

Regrettably—for every man, woman and child in the United States—my hopes of early and corrective action were in vain.

On October 29, 1985, I reminded the Congress from the floor of this House that according to the GAO "42 percent of all savings institutions [were] insolvent or [had] a dangerously low net worth." That group of 1,343 institutions, at the end of 1984, had roughly one-half of the industry's assets, $483.7 billion. At that time I also noted that according to Bank Board officials "the cost [to clean up the bankrupt thrifts] could amount to between $30 and $50 billion." That quote can be found in the CONGRESSIONAL RECORD on page H9309.

That was in 1985, and by the time the Congress took substantive action to address the thrift crisis in 1989, 4 years later, that figure had multiplied by a factor of 10. Now, some predict that the ultimate resolution cost of this situation will approach one-half trillion dollars.

HISTORICAL BRIEFING

We are frequently asked, how did the size of this problem get so large? What happened that created a financial crisis for this Nation that will cost more to fix than it cost to wage all of World War II?

I, and others, have reviewed the history of the S&L industry ad nauseam. I certainly do not intend to consume the valuable time of this body to belabor the historical perspectives of the thrift industry. However, a brief review of the rise and fall of over one-third of the Nation's thrift industry and the Federal insurance funds that guarantee it may serve to remind us how we got to where we are today.

Savings and loans were originally created to provide mortgage financing for first-time homebuyers, and to take in small deposits in the form of savings accounts for consumers. Traditionally, commercial banks had little desire for small deposits and long-term mortgage loans, and S&L's filled this gap for many low- and moderate-income families.

The first savings and loan in the United States, then called a building and loan, was formed in 1831 in Frankford, PA. By the 1920's there were 12,000 S&L's in operation in the United States.

As a result of massive bank runs during the Great Depression of the 1920's, the Congress created Federal deposit insurance. The FSLIC was established in 1934 to protect depositors' money and prevent future depositor panic and subsequent runs on financial institutions. After 1934, depositors could rest easy when it came to their hard-earned money that they had placed in a savings account—after all, their money was insured by Uncle Sam.

For many years, savings institutions accepted modest deposits and lent money out in long-term, typically 30-year, fixed-rate home mortgages. Thrifts made money by charging higher interest rates on their loans than they paid on short-term deposits, and the interest they could pay on deposits was controlled and established by law.

The motto for the lending practice of S&L's in the "old days"—prior to 1966—was 3-6-3: offer 3 percent on savings, lend at 6 percent, and make your tee time at the golf course by 3 o'clock in the afternoon.

The Federal Government in 1966 codified regulation Q to place an interest rate cap of 5¼ percent on the amount of interest thrifts could pay on deposits. This was done in order to protect the housing market from high interest rates. The theory was that by preventing thrifts from competing for deposits by offering high interest rates, interest rates on home mortgage loans would remain relatively low as well—since S&L's would not need additional income to cover the amount of interest they paid in order to attract deposits.

THE FALL OF THE S&L INDUSTRY

The savings and loan system worked quite well up through the late 1970's. S&L's became an important financial component of communities, making home ownership affordable for an emerging middle class who, in turn, fueled the American economy.

So what happened?

Jimmy Carter economics is what happened. Jimmy Carter failed to deal successfully with the single greatest challenge facing his administration: inflation.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. HILER].

Mr. HILER. I thank the gentleman for yielding at this point.

Let me see if I can understand this last several minutes of what the gentleman has said so we can kind of capsulize it.

The S&L industry operated fairly successfully from the time it was first chartered back in the twenties or thirties—

Mr. PARRIS. Thirties.

Mr. HILER. The thirties. At that time and up until the late seventies it essentially operated fairly successfully. They were able to borrow their money because interest rates had been fairly stable for that 50- or 40-year time period, able to borrow money at a fairly low rate, tack on about 3 percent and loan it back out for a long-term fixed-rate mortgages, 30-year fixed-rate mortgages.

Mr. PARRIS. To middle-class Americans.

Mr. HILER. Middle-class Americans.

Mr. PARRIS. That is correct.

Mr. HILER. In a sense, they were then able to generate enough profitability from that spread between what they borrowed the money from the de-

positors for and what they loaned it out to homeowners for, is that correct?

Mr. PARRIS. That is correct.

Mr. HILER. And so up until really the late 1970's they never really had a problem because those interest rates, which were fixed—you mentioned regulation Q earlier—the fact that they were fixed did not really matter that much because there was not anything happening in the overall economic system that drove interest rates up, is that correct?

Mr. PARRIS. That is again correct.

Mr. HILER. So for literally 40 years or so, with stable economics, we were able to have stable interest rates and S&L's were able to lend out their money, then, for a long period of time on that stability that had been in the system for so very, very many years.

Mr. PARRIS. Precisely. That is where Americans got used to the idea of a 15- or 30-year mortgage on their home and the low-interest rates that came with that opportunity for construction of single-family residence.

Mr. HILER. That takes us up to what you called Jimmy Carter economics. I think that is where I interrupted you, and I will yield back to you and let you pursue that point.

Mr. PARRIS. I thank the gentleman for his contribution and the dialog.

As I was indicating, what happened in the late seventies, as has been said by the gentleman from Indiana [Mr. HILER], is that there was enormous economics change in the climate of the United States of America.

And now when Jimmy Carter failed to address the issue of inflation, the Carter administration could have pursued an anti-inflationary monetary policy with the Federal Reserve Board to reduce the rate of consumer spending in the economy or the price increases that accompanied OPEC's actions which effected the domestic oil industry. In fact, conventional wisdom and contemporary commentators advised that the Carter administration do just that at that time.

Instead, Carter offered bits and pieces of a vague economic policy based on economic rules and incentives that he said would encourage efficiency, discourage waste and reward successful competition.

□ 1920

Jimmy Carter's policies would turn out to be a complete and total failure.

By defying both accepted economic theory and practice and pursuing his economic policies alone, Jimmy Carter effectively abandoned any working relationship he might have had with then Federal Reserve Board Chairman, Arthur Burns. At that time, Burns was the one man in Washington that the Nation's business community considered to be serious about fighting inflation.

Not surprisingly, Carter was later precluded from coordinating White House and Federal Reserve Board efforts to reduce inflation once it became clear that his policies were inadequate.

The Carter administration's economic policies and its inability to work with the Federal Reserve Board caused the money supply to grow—too many dollars continued to chase too few goods and interest rates continued to climb to unprecedented heights.

The disastrous effect of Carter's misdirected economic policies wreaked havoc on the S&L industry.

The S&L practice of borrowing short-term and lending long-term made the profitability of S&L's largely dependent upon the maintenance of relatively stable interest rates, and thrifts found themselves subject to massive withdrawals of funds—generally called disintermediation—whenever interest rates shot up.

Thanks to the Democrat economic policies of the Carter administration, an explosive inflation rate that ravaged the economy during the late 1970's, interest rate caps, and new competition in attracting deposits as a result of newly introduced developing money market funds, federally insured savings associations were becoming severely handicapped.

S&L's found themselves limited to paying 5¼ percent on deposits while inflation was running at over 13 percent in 1979, and thrifts subsequently found it increasingly difficult to attract and keep deposits.

Under the Carter administration the Federal Reserve tightened credit to 12 percent and imposed an additional reserve requirement of 8 percent on banks.

These actions, all during the term of a Democrat adminstration, threw financial markets into a tailspin, and S&L's were hit by these misdirected policies very hard. S&L's were forced to borrow money at over 12 percent while relying for earnings on mortgage portfolios with an average yield of only 9 percent or less.

To illustrate the damage that occured in the financial markets, and particularly the S&L industry during the Carter era—in 1972 the Nation's S&L loans had a combined net worth of $16.7 billion. Eight years later, by the end of the Carter administration in 1980—and its misdirected Democrat economic policies—the combined net worth of S&L's had plummeted to a negative $17.5 billion, and 85 percent of S&L's were losing money at an extremely fast pace.

Mr. HILER. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Indiana.

Mr. HILER. There has been so much focus on this S&L problem, as if it occurred just in the last 6 months or 9 months or year or 2 years. What the gentleman is saying is that the origins of this problem really go back 12, 13, 14 years, back to the latter part of the 1970's and the Carter administration, and that, in fact, because kind of the macroeconomic environment at that time that was impacted on our citizens, and who can forget those days of 21-percent interest rates, and 13- and 14- and 15-percent inflation rates? Who can forget that? But because of that, that causes massive disintermediation or this massive amount of money that left S&L's and went into what were becoming popular at that time, the money markets, it caused the S&L's to lose a great deal of money and, in fact, in 1972 to 1980 they went from a positive network of $16.7 billion to a negative of $17.5 billion, is that correct?

Mr. PARRIS. That is correct.

Mr. HILER. If the gentleman will continue to yield, a large number of S&L's at that time would have been insolvent.

Mr. PARRIS. Reclaiming my time for a moment to remind the gentleman he was not in the room when I said earlier in these remarks, on October 19, 1985, I took to this podium on the floor of this House and tried to suggest to my colleagues that there were 1,343 institutions out of roughly 3,500, almost one-third of the thrifts in 1985, with a half a trillion dollars worth of assets that were either insolvent or dangerously undercapitalized. So this was 4½ years or so ago, and that was 5 years after the economic period that we are discussing in terms of these enormous interest rates and the rest.

Mr. HILER. If the gentleman will yield, obviously this tremendous loss in equity in the industry was putting great pressure on the industry. It must have result in some type of acts taking place back in 1980. Maybe that is where the gentleman was heading?

Mr. PARRIS. That is exactly where I am going.

Under the policies of the Carter administration, thrifts were permitted to expand their funding sources to include floating rate certificates, negotiable and fixed-rate CD's, commercial paper, mortgage-backed bonds, and passthrough securities, as well as variable-rate mortgages. Thrifts were also allowed to dip into old reserves in order to stay in business; all at a time when many financial experts believed they should be holding greater reserves to maintain their creditworthiness.

In October 1979, the Federal Home Loan Bank Board, which was in charge of the Savings & Loan Thrift Industry, freed $2.5 billion for S&L's by reducing their reserve requirement and gave thrifts permission to borrow outside funds equal to 20 percent of

their assets—up from less than 10 percent.

And at the same time they were permitted to hide their true financial condition by utilizing regulatory accounting practices instead of generally accepted accounting practices.

Mr. HILER. If the gentleman will yield, so that regulatory accepted accounting practices have been at times derogatorily referred to as RAP as opposed to generally accepted accounting practices, or GAAP. So the RAP accounting really started back in 1979?

Mr. PARRIS. It developed very much like Topsy, a little bit at a time, but essentially I think the trend for RAP accounting began right in that time frame.

There has been a great deal of finger pointing by many Democrats that it was the Reagan administration which proposed deregulating the S&L industry, and thereby "opened the floodgates for fraud and abuse in the thrift industry."

Let's set the record straight. As it was recently reported by an ABC news program, it was the Carter administration—a Democrat administration—which proposed, advocated, and initiated the deregulation of the S&L industry.

Moreover, it was the Carter administration which enacted the first thrift deregulation bill, the Depository Institutions Deregulation and Monetary Control Act, in March 1980. This legislation had two significant impacts on the thrift industry.

First, it authorized the gradual phase out of interest rate ceilings on deposits placed in S&L's. Interest rates had become so high under the Carter administration, and inflation had gotten so out of control, that S&L's could not attract deposits by paying the maximum permitted interest rate of 5¼ percent on savings deposits while money market funds were paying the market rates of 13 percent and more.

□ 1930

In addition, to enable thrifts to earn more in order to pay higher interest rates on deposits, the bill authorized S&L's to invest up to 20 percent of assets in more risky consumer loans, commercial paper, and corporate debt securities. Even though the interest rate cap was lifted, however, S&L's found themselves having to pay higher interest on deposits than they were receiving from their 30-year mortgage loans, and thrifts began losing money at a faster rate than ever.

Second, the bill increased the FSLIC insurance coverage on deposits from $40,000 per account to $100,000. Regulators later said that "raising deposit insurance, to $100,000, may have been the most costly mistakes made in deregulating the thrift industry." The push for this increase came essentially from one man, Fernand St Germain, the then-Democrat chairman of the House Banking Committee.

Mr. HILER. Mr. Speaker, will the gentleman yield at this point?

Mr. PARRIS. I yield to the gentleman from Indiana.

Mr. HILER. Mr. Speaker, that raising of the insurance coverage from $40,000 to $100,000, does the gentleman from Virginia know if there was a vote on an amendment on the floor to do that? I mean for a very significant action to take place, I presume there must have been debate and discussion at that time on the floor of the House.

Mr. PARRIS. There must be mystical vibes transforming through the air this evening, I would say to the gentleman from Indiana, because this is my next paragraph.

Chairman St Germain and a Democrat Member of the other body singlehandedly raised deposit insurance from $40,000 to $100,000 per account behind closed doors, in the dead of night while negotiating the final provisions of a conference report on S&L legislation.

Mr. HILER. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Indiana.

Mr. HILER. So, Mr. Speaker, this substantial raising of the amount of money that could be insured, this over doubling of it took place, and there was literally never a debate really in committee, or on the floor of this House, or the floor of the other body? Is the gentleman aware of any debate in the other body on this?

Mr. PARRIS. I am not, and I should say in all candor that I was not a Member of Congress at the time, but we have researched very carefully the history of all of this, and I assure the gentleman from Indiana [Mr. HILER] that the increase of this insurance amount, the guarantee, if my colleagues will, of the Federal Government, was never discussed by the appropriate committees of this Congress.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I do not think most Americans, at least in 49 States, have any idea who Fernand St Germain is, the chairman of the Banking Committee here for a quarter of a century. I know the people of Rhode Island were well aware of him because, unlike my State where there is 45 Congressmen, there is only two there, two Congressmen, two Senators, so all four about equally known. He was known well enough in his own State because they turned out a 25-, 6-, 7-, or 8-year incumbent chairman of the Banking Committee, and what I read, and it is precious little, about Mr. St Germain and in that race which was considered one of the scandal upsets, one of four out of six races that were turned, three on a real scandal, one on a proceed and two on races that were won by less than 1,000 votes in the 1986 election. Then in the 1988 election we had the highest percentage of returned Congressmen ever, 99-point-something percent, but the St Germain was one of the three scandals, and then another perceived scandal in New York which was unfair.

Mr. Speaker, I understand that he came here, as I did, at 43 with no resources other than home ownership and that he came in a much younger age with nothing and left this Chamber a multimillionaire.

Mr. Speaker, I think Americans should know that, that some people have become very wealthy as Congressmen. When he came here, the pay was something like $30,000 a year. So, a lot of people leave this House like Mr. Wright, Mr. Coelho, Mr. St Germain, and, by just giving up the prestige of this office, all investigations stop. I do not know if the Justice Department is still investigating any of these people. All investigations stopped, and they trade their seat, whether they want to leave or not, even in election defeat, they are then left alone, but the millionaire status remains, and it is just something that Americans should know.

Mr. Speaker, I just want to tell my colleagues that I have learned more in the special order of the gentleman from Virginia [Mr. PARRIS] tonight, and he is not even through, than I have learned in most of my reading in the press on this issue. But I do know this Congressional Research Service, which is bipartisan, will make up a seminar of an hour, 2 hours, 3 hours, whatever Members want, and they will present to us, and I hope the gentleman will help me with this, in a classroom around here, one of our committee rooms, and they will present, as I have had them do on Social Security, a few years ago, a 2-hour lecture to Members and staff on the whole S&L thrift mess, and I would hope they would incorporate much of what the gentleman has said because Americans are angry now, but still confused. There are Members around here who are all angry and still confused, as the average American, on how this thing got away from us.

I heard there was no debate on the move from $40,000 to $100,000 insurance which was telling these people, like pirates and freebooters, because most of them were not stealing money. Some were. They were free-wheeling freebooters with no entrepreneurial risk whatsoever, and that is what caused some decent men to just go bonkers in spending other people's money and a lot of dishonest men to say, "Buy a Lear jet, get a yacht, get

me some Baccarat crystal, and let's really go to town here," and now a lot of Americans are suffering badly.

Mr. PARRIS. Mr. Speaker, I thank the gentleman from California [Mr. DORNAN] very much for his kind words.

Mr. HILER. Mr. Speaker, will the gentleman yield further at this point because I think this question of insurance really is going to become integral to, I think, a lot of what the gentleman has to say the rest of this evening and possibly on other occasions because it was the raising of that insurance from $40,000 to $100,000 that really then gave the operators and those S&L's who maybe were a little bit more adventuresome maybe would be a kind way to say it. It really gave them the ability to attract the deposits that would fund their adventures I suspect.

Mr. PARRIS. The gentleman from Indiana [Mr. HILER] is exactly correct. And it is almost as if the gentleman is reading off of my speech.

Mr. HILER. I assure the gentleman from Virginia [Mr. PARRIS] that I am not.

Mr. PARRIS. I am sure the gentleman from Indiana is not because this is the only copy, but I would say to the gentleman that he is almost reading my mind because that is exactly where I am taking this discussion at this time, and I would say to my friend from California that I am about to make mention of one of the players in this decision, which is a Senator from his State of California.

The increase in deposit insurance was heavily supported by an S&L lobbying group. No congressional hearings were held, and there was no recorded debate on this drastic and significant change in Federal deposit insurance. "It was almost an afterthought," a House staffer later told a reporter. Afterthought indeed—that afterthought by Fernand St Germain and a Democrat Senator in the other body cost the American taxpayers billions of dollars.

It is interesting to note that the Democratic Senator that helped the S&L highflyers by pushing for the increase in Federal deposit insurance to $100,000 is a member of the so-called Keating Five.

It is also interesting to note that Fernand St Germain was later allegedly essentially living off a credit card of the S&L lobby which pushed for the increase in deposit insurance and was not reelected by his constituents 2 years ago largely for that reason.

Raising deposit insurance opened the door to fast and loose money brokers and swindlers. Moreover, the combination of lifting the interest rate cap and the increase in the amount of FSLIC insurance per account allowed depositors to seek the highest interest rate from S&L's—regardless of how sick or mismanaged—and it allowed the S&L's to attract $100,000 blocks of insured money with which they could wheel and deal at no risk to themselves.

The new deposit insurance level of $100,000—pushed by Democrat Fernand St Germain—ended the days when deposit insurance focused on insurance for the small saver.

□ 1940

Instead, the new level guaranteed the affluence of the wealthy, and it exacerbated the recklessness of S&L's, and it created a combination of circumstances that were deadly to the solvency of all financial institutions, healthy or not, because it required them literally to bid in a competitive market for deposits in order to stay in the business.

Obviously, the best way to attract those deposits was to pay above-market interest rates to the depositors, wherever they were found in the United States. Consequently, in order to offset the increased deposit costs the institutions found themselves entering into ever more increasingly speculative and risky investments and loans in order to generate a sufficient return to pay the increased interest rates.

All of that was a sure formula for self destruction.

When Jimmy Carter left the White House he left the Reagan administration with a Federal funds interest rate level of 19 percent, the prime interest rate was 21.5 percent, the unemployment rate was the highest in years, and the savings and loan industry was plunging into ruin.

These were the results of a Democrat administration's economic policies on the thirft industry. This was the genesis of the troubles which would bring about the greatest financial disaster our Nation has ever experienced, and the need for the Congress and the Reagan administration to address an ailing S&L industry was and is obvious to us all.

Mr. HILER. Mr. Speaker, will the gentleman yield at that point?

Mr. PARRIS. I am glad to yield to the gentleman from Indiana.

Mr. HILER. Mr. Speaker, I think what the gentleman says is so critical to having a really enlightening debate on the S&L problem. The fact is that when the gentleman from Virginia was elected in 1980, took office in 1981, as did the gentleman from Indiana, When Ronald Reagan was elected in 1980, taking office in 1981, at the time that we were taking office in fact not only the seeds of this problem, but the well-spread roots of this problem had already taken hold and in fact from 1981 on, almost every event that took place was in reaction to the disaster that was inherited in 1981.

I mean, would that be a fair statement to make?

Mr. PARRIS. I think, Mr. Speaker, that is exactly correct. I say to the gentleman in my remarks that I just completed, the savings and loan, the seeds of the disaster of the savings and loan industry, at least in one-third of the industry's financial institutions, was sown and we were reaping the whirlwind of the conditions that existed from economic policies that were beyond the control of anybody at that time, including my poor friend from Georgia, Mr. Carter.

Mr. HILER. Mr. Speaker, if the gentleman will yield further, does the gentleman have any specific names of thrifts, or at least recollect in his memory of thrifts in different parts of the country utilizing this expansion in the insurance authority to attract money in such a way that they grew precipitously, in that they went from small institutions to very large institutions?

Mr. PARRIS. Well, I would say to my friend that perhaps a classic case of that is the Vernon Savings & Loan in Vernon, TX, that was owned by Mr. Dixon, who just a week or so ago was sentenced by a court in Texas to 30 years in jail.

Mr. HILER. Mr. Speaker, if the gentleman will yield further at that point, I think Mr. Dixon was indicted. It was another gentleman.

Mr. PARRIS. I am sorry. The gentleman is correct. Mr. Dixon is not correct. I apoligize for that. That was not the correct name, although Mr. Dixon was just indicted.

Mr. HILER. Yes.

Mr. PARRIS. And the other gentleman's name, very frankly, escapes my mind at the moment; but the Vernon Savings & Loan, which was a typical high-flier Texas institution, that was a ma and pa savings and loan institution in a small town somewhere in west Texas, purchased by this gentleman, and through brokered accounts attracted by higher than market interest rates grew by billions of dollars in a very short period of time, in 1, 2, or 3 years, and it turned into an $8, $10, and $20 billion institution, and it had been a corner thrift savings and loan prior to that time, and that was typical.

Mr. HILER. Mr. Speaker, I thank the gentleman.

Mr. PARRIS. And so it was the Reagan administration and the Congress that was at the beginning of 1981, left to clean up the S&L mess that had been created by 4 years of a Democrat administration's economic policies which left the thrift industry—a major source of housing finance for low- and moderate-income families—in peril, and on the financial institutions endangered species list.

Four years of economic and administrative mismanagement by the Carter administration set the stage therefore for the thirft crisis.

The failed economic policies of the Carter administration led directly to that crisis in the S&L industry.

By the beginning of 1981, as we have just indicated, the stage was set—losses had already occurred in the thrift industry and action was needed to correct this extremely serious situation.

In this industry, which has a trillion dollars' worth of assets and something like 400,000 employees is providing funding for mortgage financing throughout this Nation and was in real trouble.

This, of course, is not the end of this tragic chapter in the history of America's federally insured institutions. There is more, much more, and I intend to continue this discussion on the S&L crisis in future special orders I have reserved.

I thank the gentleman for his contribution to this discussion this evening.

ORDER OF BUSINESS

Mr. PASHAYAN. Mr. Speaker, I ask unanimous consent that I be allowed to give my special order at this time.

The SPEAKER pro tempore (Mr. PENNY). Is there objection to the request of the gentleman from California?

There was no objection.

AMERICA'S FOOD SUPPLY AND THE HAYDEN INITIATIVE IN CALIFORNIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PASHAYAN] is recognized for 60 minutes.

Mr. PASHAYAN. Mr. Speaker, I wish to call to the attention of my colleagues an environmental initiative that will be on the ballot this November in California.

The measure is called the California Environmental Protection Act of 1990.

Its author is California State Assemblyman Tom Hayden, with help from California State Attorney General John Van de Kamp and several environmental groups.

The initiative is popularly known in California as "the Hayden initiative" or "the Big Green."

THERE IS POLITICAL RISK IN SPEAKING AGAINST BIG GREEN

There are several provisions of the Hayden initiative that concern me and lead me to oppose it. A compelling reason for me to speak out against the measure is that there is no question in my mind but that the Hayden initiative would reduce California crop yields, force up the price of food, and disrupt our Nation's food supply.

I believe deeply in protecting and preserving our environment and assuring the safety of agricultural produce. But there are too many features of the Hayden initiative that would have a negative impact on California's economy and on the Nation's economy.

I thought long and hard about the Hayden initiative before deciding to speak out against it. Many of the initiative's objectives are similar to my own. Moreover, the initiative is at this time a popular proposal in California. A poll sponsored by its opponents showed that 75 percent of voters surveyed, upon hearing their first description of the initiative, said they would vote for it. If the election were held today, the Hayden initiative would probably pass.

Even in my own 17th Congressional District, where farming is a multi-billion dollar industry, the Big Green will garner considerable votes this November. By opposing the Hayden initiative, I am setting myself up for the charge that if I am not for the Big Green, I must, therefore, be in favor of Californians having to eat produce that was sprayed with carcinogenic chemicals and having to breathe toxic fumes. Nothing could be further from the truth.

In my 12 years in Congress, I have been a strong supporter of Government efforts to assure the safety of pesticides and the chemicals.

For example, I voted for the Fungicide, Insecticide, and Rodenticide Act Amendments of 1988. The FIFRA law is a far-reaching statute that over the next few years will have the beneficial result of making our food supply safer than it is now—and, keep in mind, the American food supply, even before the adoption of FIFRA, was the safest and the cleanest of all the world's developed nations.

In addition, I have promoted the technology of Integrated Pest Management as a method for reducing agricultural use of chemicals. Using good bugs to kill bad bugs is an increasingly popular pest control strategy on California farms, and I am all for it. I am all for any reasonable attempt to reduce the use of pesticides. In summary, I have worked hard to encourage programs such as FIFRA and IPM to assure safe pesticides and to reduce their use whenever possible.

However, despite my longtime support for several of the objectives of the Hayden initiative, I cannot endorse it. I doubt not that it was crafted with idealistic intentions. But it is also a reckless and irresponsible proposal, a radical departure from current practices and an extreme solution to complex difficulties. The Big Green tries to do too much too soon.

The Hayden initiative would have a negative impact upon agriculture as practiced in my district and in California. The Nation itself would suffer higher food costs and lower yields as our efficient system of food supply, the best on Earth, would be made to undergo fundamental change.

And, as I point out later in my remarks, the Hayden initiative would have the unanticipated result of causing the importation of more food from foreign nations, thereby increasing the amount of chemical residue on our fruits and vegetables.

Finally, I would note that some political figures, as well as some journalists, have hyperventilated the pesticide story by making claims that the United States has a dangerous, poisonous, and carcinogenic food supply. That claim is not true.

But all too often the facts do not catch up with the original charges. That is irresponsible and has caused many Americans to lose confidence in the safety and cleanliness of their food. I would recommend that all of us try to evaluate the issue of food safety on its merits and not on unproven allegations.

WHERE THE HAYDEN INITIATIVE EXTENDS

While ostensibly the Hayden initiative is designed to affect only California, it should have an impact on other parts of the Nation, notably those States that buy California food and fiber and those States which grow human food and animal feed and ship them to California. It should have a like effect on foreign nations.

The Hayden initiative is 39 pages long and has some 15,000 words. For that reason, I am not going to ask that it be reprinted in the RECORD. I shall, however, see that each Member receives a copy of the initiative, with my remarks. I shall describe the initiative briefly.

The Hayden initiative is a sweeping piece of legislation that is designed to restrict or eliminate the use of pesticides in California, and to restrict or eliminate the use of pesticides on food and animal feed produced out of state but shipped to California.

The Hayden initiative would ban, over a period of 5 years, the use of pesticides known or determined to cause cancer or reproductive harm or to contain an inert ingredient that causes cancer or reproductive harm, or prohibited by proposition 65, the State's Safe Drinking Water and Toxic Enforcement Act of 1986.

In addition, the Hayden initiative is intended to protect against oil spills off the California coast, to prohibit cutting in certain Redwood forests, to curtail auto emissions, to raise water quality standards, and to combat further damage to the environment by creating an elected and independent environmental advocate who would have the authority to litigate and take other actions without prior approval of, or coordination with, the Governor, the legislature, the courts, or any

other component of the State's government.

It has been reported in California that Assemblyman Hayden would seek election as the environmental advocate, if it should be created.

GROUPS LINED UP ON BOTH SIDES OF THE INITIATIVE

Activities on both sides of the issue are preparing for the campaign on the Hayden initiative. Observers anticipate that large sums of money will be spent for and against the proposal.

In the gubernatorial election this fall, the candidate of the Democratic Party, former San Francisco Mayor Diane Feinstein, supports the Hayden initiative.

Senator PETE WILSON, the Republican Party candidate, opposes the Hayden initiative.

Among the interest groups that support the Hayden initiative are the Sierra Club, the Natural Resources Defense Council, and other environmentalist groups.

Among the opponents are California's water districts, public utilities, retailers, general manufacturers, auto makers, chemical and petroleum manufacturers, agricultural supply and forest products industries, food processors, grocers, farmers, and several others.

Under the leadership of the California Chamber of Commerce and the California Manufacturers Association, opponents have formed an entity known as the California Coordinating Council to mobilize efforts to defeat the measure.

CALIFORNIA ATTORNEY GENERAL'S SUMMARY OF HAYDEN INITIATIVE

On November 28, 1989, the office of the attorney general of California issued a summary of the chief purpose and points of the Hayden initiative, as follows:

Natural Environment. Public Health. Bonds. Initiative Statute.

Requires regulation of pesticide use to protect food and agricultural worker safety. Phases out use on food of pesticides known to cause cancer or reproductive harm, chemicals that potentially deplete ozone. Requires reduced emissions of gases contributing to global warming. Limits oil, gas extraction within bay, estuarine and ocean waters. Requires oil spill prevention, contingency plans. Creates prevention, response fund from fees on oil deliveries. Establishes water quality criteria, monitoring plans. Creates elective office of Environmental Advocate. Appropriates $40 million for environmental research. Authorizes $300 million general obligation bonds for ancient redwoods acquisition, forestry projects. Summary of estimate of Legislative Analyst and Director of Finance of fiscal impact on state and local governments: state costs of $300 million in bond principal, $235 million in projected bond interest for acquisition of ancient redwood stands and forestry grant projects. Unknown loss of state and local revenues resulting from acquisition of ancient redwood stands. One time cost of $17 million and annual costs of $40 to $70 million to state agencies to administer pesticide, air emission, marine resources and other required programs. One time state appropriation of $750,000 for elected Environmental Advocate and $40 million for environmental research programs. Approximately $360 million in revenues to the Oil Spill Prevention and Response Fund by 1996-97; unknown additional revenues from potential penalty assessments. Indefinite deferral of potentially over $2 billion in future state oil and gas revenues resulting from limits on oil and gas leases in marine waters. Unknown costs and revenue losses to state and local governments if measure changes energy costs and gasoline consumption. Unknown costs to state and local governments if reduced pesticide usage creates higher food costs.

INITIATIVE WILL CUT CROP YIELDS, RAISE FOOD COSTS

The initiative's features that I want to discuss now have to do with the measure's intent to restrict or eliminate the use of pesticides on the farms in California, and on food and animal feed shipped into California.

The Hayden initiative calls for elimination of at least 130 chemicals and 13 inert ingredients, many of which are critical components in the pesticides used by California farmers.

In addition, the initiative would prohibit the sale in California of foods, feed grains, and oilseed meals used for livestock and poultry feed that contain detectable residues of banned pesticides.

I have a partial list, complied by the California Grape and Tree Fruit League, of the chemicals likely to be banned by the initiative. The list was printed in the April 1990 edition of Fruit Grower magazine. I insert it at this point in the RECORD:

1,3-dichloropropane (Telone II)
Acephate (Orthene)
Acetochlor (Acenit)
Amitraz (Ectodex, Mitac)
Amitrole (Amitrol, Cytrol)
Atrazine (Gesaprim, Atrazine)
Azinphos-Methyl (Guthion)
Benomyl (Bentate)
Bromacil (Bromax)
Captan (Captan, Orthcide)
Clofentezine (Apollo)
Chlorbenzilate (Acraban, Akar)
Chlorothalonil (Bravo)
Cyhexatin (Pictran)
Cypermethrin (Ammo, Larvadex)
Dichlobenil (Decabane, Norosac)
Dichlorvos ((DDVP), (Vapona, Verdisol)
Dicofol (Hifol, Kelthane)
Dimethoate (Cygon, Dimethoate)
Dinoseb (Basanite, Sinox General)
Disulfoton (Di-Syston)
Ethoprop (Mocap)
Ethylene Oxide (ETO)
Fenarimol (Rubigan)
Folpet (Fungitrol II, Folpan)
Fosetyl Al (Aliete)
Hexythiazox (Savey)
Lead arsenate (Gypsine)
Lindane (Forlin)
Mancozeb (Dithane M-45, Manzate)
Maneb (Dithane M-22, Polyram)
Methidathion (Supracide)
Methomyl (Lannate, Nudrin)
Metiram (Polyram, Zinc Metiram)
Naled (Dibrom)
Napthalene acetic acid & salts (Amid-Thin W)
Oryzalin (Surflan)
Oxydemeton-methyl (Metasystox-R)
Oxyflurofen (Goal)
Paraquat (Gramoxone, paraquat)
Parathion (parathion)
Permethrin (Ambush, Pounce)
Phosalone (Zolone)
Phosmet (Imidan, Prolate)
Piperonyl Butoxide (Butacide)
Prochloraz (Rival, Sporgon)
Pronamide (Kerb)
Propiconanazole (Tilt, Banner)
Simazine (Princep, Simanex)
Sodium Arsenite (Chem Pels C)
Thiophanate-Methyl (Topsin M)
Triadimefon (Bayleton)
Trifluralin (Treflan)
Zineb (Aspor, Hexathane)
Ziram (Zirex, Caarbazinc)

It is important to note that the California Grape and Tree Fruit League and anyone else, including the backers of the initiative, are uncertain at this time precisely which agricultural chemicals would be banned. The uncertainty is a flaw in not only the pesticide provisions of the Hayden initiative; the same shortcoming—not knowning what the impact of the law would be—is found throughout the measure.

IMPACT OF PROP 65 AND FIFRA UPON PESTICIDE USE

Discussion of the impact of the Hayden initiative on the food supply of the United States should include a brief description of two other laws affecting California farm production—Proposition 65 adopted by California voters in 1986, and a 1988 Federal statute.

As farm analysts at the University of California at Davis, Michael W. Stimmann and Mary P. Ferguson, pointed out in the July-August 1990, issue of California Agriculture, Proposition 65 does not cancel pesticide registrations. It provides information to consumers at the marketplace and restricts the discharge of certain chemicals into the waterways. The law establishes a scientific advisory panel and requires that the State of California develop a list of chemicals known to cause cancer or reproductive toxicity.

Under the labeling provisions of the law, any person who may be exposed to a listed chemical at a significant level must be warned of any product that contains chemicals on the list which amount to a significant risk. Generally, the warnings are signs or labels displayed where the product is sold.

Proposition 65 exempted pesticide-treated commodities from the warning-label requirement, but recently a court decided to require such labels on agricultural commodities. The decision is under appeal.

The water-quality provisions of Proposition 65, if executed, would impose heavy fines on those responsible for the discharge of a listed chemical into any waterway.

The law established by Proposition 65 does not itself remove pesticides from use. However, farmers may be unwilling to use those pesticides or the manufacturers may withdraw California registrations if they should be subjected to commodity labeling requirements or if they risk substantial fines as a result of illegal discharges into a waterway.

The Federal Insecticide, Fungicide, and Rodenticide Act, amended in 1988 [FIFRA 1988], now requires accelerated reregistration of pesticides for which the Environmental Protection Agency did not have complete registration data. Federal reregistration is scheduled for completion in 1997.

Companies will lose registrations before 1997 if they do not agree to provide data or do not pay reregistration fees. Under FIFRA 1988, cancellations will occur if EPA shall determine that the pesticides should not be reregistered for use.

In addition, registrants may voluntarily withdraw pesticide reregistrations when they shall estimate that their costs for continued registration exceed potential sales revenue, or when the liability shall outweigh the potential profits.

As can be seen from this brief description, these two laws combined with the Hayden initiative would have a significant impact on California agriculture. The bureaucratic requirements alone would be an imposing and formidable challenge for individual farmers to overcome and could of themselves add an additional cost to the price of producing, growing, and marketing food and fiber.

TECHNICAL DESCRIPTION OF INITIATIVE'S PESTICIDE FEATURES

The Hayden initiative focuses on the carcinogenic potential of registered pesticides. The measure would eventually cancel the use of a significant number of pesticides included on the Environmental Protection Agency's list of chemicals evaluated for carcinogenic potential.

EPA's "A" list is limited to those chemicals known to be human carcinogens. Chemicals on the "B" list are those classified by the agency as probable human carcinogens. Chemicals on the "C" list are considered possible human carcinogens.

The Hayden initiative would cancel the registrations of the chemicals on the "A" and "B" lists and would revoke their tolerances by January 1, 1996. If it were shown at that time that no effective alternative pesticides were available, the State Director of Health Services could authorize an additional 3 years of use, requiring a 10-percent reduction in use each year before cancellation.

The registrants of the "C" list would have to petition for a determination of noncarcinogenicity if they wished to retain registration. Petitions would be due by November 7, 1994.

If the "C" list chemicals were determined to be a probable human carcinogen, the Hayden initiative would cancel registration and revoke its tolerance by the year 2001. The State director of health services could also authorize the optional 3-year extension. If the chemical were determined not to be a probable human carcinogen, its registration would remain in effect.

The Hayden initiative has a provision stating that all other pesticide tolerances must be evaluated by the State department of health services by January 1, 1997, and revised or revoked by January 1, 1998.

The Hayden initiative would incorporate the pesticides covered by the proposition 65 list, and would eventually cancel their use entirely.

The Hayden measure would prohibit importing into California those commodities carrying residues of pesticides on proposition 65's list or the Hayden initiative's list of banned chemicals. Most of these cancellations would take effect on January 1, 1996.

Most pesticide formulations include various inert ingredients in order to make them effective. The Hayden initiative defines inert ingredients to include any ingredients that are not active, and contaminants, metabolites, or degradation products in the formulated pesticide.

Specific information on most inert ingredients is considered a trade secret by manufacturers and is not publicly available. Proposition 65 includes some of these inert ingredients; 13 inert ingredients meet the same criteria applied to active ingredients, adding them to the Hayden initiative list of prohibited chemicals.

HAYDEN INITIATIVE HAS MANY UNCERTAINTIES

A frustrating feature of the Hayden initiative is that analysts who study the measure cannot predict with any certainty how the new law would be interpreted and administered and how significant would be its effect upon the farming industry and the food supply.

All that can be predicted with certainty is that farmers could be at the mercy of breakthroughs in the science and manufacture of agricultural chemicals. These breakthroughs presumably would enable the development and availability of new pesticides that would satisfy the requirements of the Hayden initiative.

Seen in its most favorable light, the Hayden initiative assumes that for every pesticide that is banned a new, safe, reasonably priced, acceptable pest-control technology will come on the market. That might happen or it might be wishful thinking, however, and it poses a dilemma for farmers who, as they plan for the future, have little left more than unprovable assurances that things will turn out all right. It is difficult or impossible for a farmer to get a loan from a bank with only hope as his collateral.

In no other industry, in no other human pursuit, do we require of practitioners that they proceed into a future so riddled with uncertainty and economic pitfalls. I sympathize with California farmers in this regard, for their farms, their careers, their life's work are being subjected to a plebiscite.

Reflective of the farmers' dilemma in planning for the future is information contained in the California Agriculture article by UC-Davis analysts Michael Stimmann and Mary P. Ferguson.

The authors wrote that the Hayden initiative

includes a clause that may eventually prove very significant. The initiative would set the maximum allowable risk of carcinogenicity to an exposed population at one case in one million. This risk would be determined using the most conservative risk assessment model that is accepted as scientifically valid.

The—Hayden initiative—states that this "* * * shall also apply to other adverse health effects of any pesticide as to which there is no generally accepted scientifically valid threshold below which exposure is safe * * *."

Depending on future interpretation, this portion of the initiative could impact any pesticide that shows any measurable neurological, behavioral, or reproductive activity in test animals. It could also affect pesticides shown to be mutagenic in higher organisms.

We cannot predict with certainty, however, how this portion of the initiative would be interpreted. Since—the Hayden initiative—includes no provision for review by a recognized scientific advisory organization, the process for establishment of standards and the technical determination of scientifically valid thresholds remains unclear.

The authors go on to say that the Hayden initiative, when combined with requirements of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1988 and proposition 65,

may cause progressive losses of pest management chemicals for the farming industry * * *.

Implementing acceptable alternative pest management strategies over the next five years would be expensive and require increased research and extension programs and, perhaps, major adjustments in agricultural production and management systems.

Stimmann and Ferguson reported that many possible alternative technologies exist and deserve further study, but they "are only partially developed and have not yet proven to be efficacious and economical."

The authors concluded by saying that, while the effort will be expensive, "with time" effective, affordable alternatives "may be developed."

To that I would say, yes, alternatives may be developed, but in how much time? And at what cost? The Hayden initiative never says. In effect, Assem-

blyman Hayden has asked the farmers of my State to have faith in technology and, at the same time, has asked the people of California to provide a blank check for the development of that technology: entirely idealistic; entirely impracticable.

ALL AMERICANS HAVE AN INTEREST IN THE HAYDEN INITIATIVE

Ordinarily, initiatives in California are California's matters and not of concern to the Congress or the national government. But the Hayden measure is an exception. It would have a significant impact on America's ability to feed itself, not only in California but in every State of the Union.

I mean not to overstate the difficulties that the Hayden initiative might raise. But I think it is fair to use an analogy. Let us say that the New York State Legislature was considering passing a law that would encourage Wall Street brokers to shut down or would require American investors largely to turn to the Tokyo Stock Exchange or to take some other drastic action that would undermine the entire national economy. That would be an issue deserving of the attention of the Congress. The collapse of the Chrysler Corp. in 1979 was a national issue.

Actually, the Hayden initiative, if adopted, goes beyond that analogy. The loss of the Nation's ability to feed itself may well be a more significant setback than anything that can occur on Wall Street. The proposed law would seriously curtail California's $19 billion farm industry. The proposed measure, if passed, would affect all of us, so all of us should know what may be coming.

The people of California will decide in November. But the Congress should know about potential changes in farming procedures in California, the Nation's most agricultural productive State, because what occurs there is going to affect everybody. Everybody's food is going to cost more and there are going to be lower yields. Working families and those who are at or near the poverty line would suffer the most.

INITIATIVE FAILS TO DISTINGUISH BETWEEN CHEMICAL AND DOSE

On agricultural pesticides, we should remember that it is the dose that makes the poison. Several of the pesticides currently in use in California do cause harmful effects on people if they are administered in huge doses. But this is also true of some other nonfarm chemicals that we have come to rely on in our daily lives.

Chlorine is an example. In concentrated form, it is one of nature's most deadly poisons. One swallow of pure chlorine could be fatal. Yet its addition in relatively small amounts to our water will prevent disease and bacteria growth, which is clearly a benefit. That is what I mean when I say the dose makes the poison.

That is a point which Assemblyman Hayden and his colleagues neglect to consider in their antichemical campaign. The Hayden initiative says merely that if a chemical proven to cause harm to people can be detected on a piece of fruit or a vegetable then its use shall be canceled.

That is incorrect logic. If the pool service man who adds chlorine to the local high school's swimming pool applies a bit too much, the results can be burning eyes, irritated skin, and bleached trunks. If he applies tremendous amounts too much, the result can be a serious threat to the health of swimmers. But if he applies the right amount and follows established procedures in his application, the result is a clean swimming pool and recreational and health benefits to those who play and exercise in the water.

One day science will come up with a substitute for chlorine. But that day has not come yet. Until it does, chlorine will continue to be a valuable and reasonably inexpensive chemical that provides many benefits to society.

Chlorine should not be banned because it has potential harmful effects. Chemists could detect the presence of chlorine in virtually every swimming pool in America. They could detect it in drinking water. But merely detecting its presence is not the measure of anything. It is the amount of chlorine that matters. It is the dose that makes the poison.

The same principle applies to chemicals used in farming. Instead of recognizing that important principle of balanced application, the Hayden initiative falsely assumes that any chemical that could be harmful in large doses must also be harmful in small doses. The Hayden initiative is wrong on that score. Small doses can be harmless. It is irresponsible for Mr. Hayden to give the public the fear that small doses of farm chemicals are always dangerous to their health.

There is no question but that people are worried about the chemicals that are used on their fruits and vegetables. The Hayden initiative panders to that concern. It is an unsatisfactory promotional tactic for political leaders to pander to the public's fear by neglecting to draw the distinction between chemicals and dosages.

INITIATIVE WILL DISRUPT NATION'S FOOD SUPPLY

Similarly, Mr. Hayden has not informed the public of what impact his initiative would have on the State and Nation's food supply. There is a strong likelihood that, if the Hayden initiative shall pass, the effectiveness of the Nation's food production, supply, and distribution would be seriously diminished.

We live in a bountiful Nation where there are ample supplies of fresh fruits, vegetables, and other food products available at affordable prices all year around. For the most part, we have access to virtually any food we desire at any time and without having to wait in long lines.

Too many of us take for granted the American food supply. We should recognize, by comparison with other countries, just how effective our farmers are at producing food at affordable prices.

For example, according to the Agriculture Council of America, American families pay 14 percent of their income for purchasing food. In Japan families spend 21 percent; in Greece, 42 percent; and in less developed countries such as Sierra Leone, 65 percent.

One American farmer provides food for 114 persons: 92 Americans and 22 persons living overseas.

Food and fiber production accounts for 17 percent of the U.S. gross national product.

Agriculture provides one out of every six jobs.

Agriculture generates an estimated 20.1 million jobs, about 17 percent of the workforce, with almost 90 percent of the jobs being off the farm.

The U.S. agricultural labor force, which also includes forestry, hunting, and fishing, in its large sense represents 0.3 percent of the world's agricultural labor force, yet it produces 8 percent of the world's food grains, 27 percent of the world's feed grains, and 25 percent of the world's beef.

The United States is the world's largest exporter of agricultural products, with $35.5 billion in 1988 compared to $21 billion in agricultural imports. This gives us a $14.5 billion favorable balance of trade for agricultural products and helps reduce the trade deficit from industrial trade.

Less than 1 percent of American farm land is foreign-owned and most of that is timber land.

Like other independent businesses, many American farms are incorporated but most, almost 82 percent, are family held.

The average farm is 463 acres, with assets of $373,700 and debt of about $70,500.

After all is said and done, however, the most important question of any nation's food supply system is, Does it provide safe, healthy, nutritious, attractive, affordable food for the people it serves? Yes, in America, it does.

The ready access to affordable and nutritious food would dwindle and could even end with the passage of the Hayden initiative. I suggest the very real possibility that the Hayden initiative could dwindle the highly efficient American system of supplying food, and perhaps even end it. Backers of the Hayden initiative deny that a disruption would occur. But critics of the initiative say such a disruption would occur.

STATE FARM CHIEF WARNS OF WORMS IN FRESH PRODUCE

Henry Voss, the director of the California Department of Food and Agriculture, said on July 5 that if California voters approve the Hayden initiative in November, the esthetically appealing and sanitary features of California's fresh fruits and vegetables might no longer exist. "I think we may get to eat fruits with worms in them," said Mr. Voss.

Mr. Voss, himself a tree-fruit farmer in the San Joaquin Valley town of Ceres, said that approval of the Hayden initiative would phase out 60 to 70 percent of the chemicals farmers use today, and chemical companies would lack the time and financial incentives to develop alternatives.

By 1996, Mr. Voss said, the Hayden initiative's chemical prohibitions would extend to chemically inert materials because background studies have only been done on toxic materials. "With no toxicological studies on—the inerts—they would be banned." Mr. Voss said, adding that although companies would try to develop products to replace some banned chemicals, the process could take years.

GRC STUDY PREDICTS 40-PERCENT CUT IN YIELDS

There are studies that determine what the Hayden initiative's impact would be. Californians for Responsible Food Laws [Careful], an organization composed of the California Farm Bureau, the Western Growers Association, and others, retained GRC Economics of Washington, DC, a unit of Hill & Knowlton, to study how the Hayden initiative would affect the agricultural industry and California's economy in general.

Careful, I should note at this point, is sponsoring a California initiative that would be an alternative to the pesticide provisions of the Hayden initiative. The Careful initiative is a balanced proposal and not extreme in any sense and I am supporting it.

GRC Economics came up with several disturbing findings of what would happen if the Hayden initiative passes.

GRC said it approached this effort determined to arrive at estimates which were conservative in nature; that is to say, GRC analysts said that if they erred they wanted to err on the side of more likely understating the dimensions of problems caused by the Hayden initiative than overstating them.

GRC said the Hayden initiative would lead to a 40-percent reduction in output of fruits, vegetables, and field crops.

The impact of pesticide restrictions would be felt by livestock, poultry, and dairy producers, GRC said, adding that the State is not self-sufficient in feed grains and oilseeds used in the production of animal feed.

Most of these feed ingredients are imported from other States. The Hayden initiative would prohibit the use of such feedstock that contain the banned pesticide. GRC said this could effectively cut off the major supply of animal feeds to California producers.

GRC Economics said the inability to sell food products containing pesticides banned in California would further restrict the availability of many foods that could be imported from other States.

This, combined with reduced yields and consequent increases in production costs, would push up prices of fruits and vegetables, poultry, and eggs by as much as 50 percent or more in California; beef, pork, and dairy prices would also increase, GRC said.

The GRC study said California would end up exporting a large segment of its agricultural sector to other States and countries. Production of commodities whose yields and quality cannot be maintained without the use of banned or restricted pesticides would shift outside of California.

The United States would be forced to import more fresh fruits and vegetables to meet the shortfall from California, GRC said, adding, "* * * U.S. agricultural exports will decline as exportable supplies of rice and cotton fall reflecting smaller production in California. The result of these movements will be a worsening of the U.S. trade deficit."

HAYDEN LAW WILL DISRUPT INTERSTATE COMMERCE IN FARM GOODS

Of all the likely disruptions in the food supply that the Hayden initiative would create, none is more troublesome than its impact on interstate trade and foreign commerce.

Because of the major role California plays in domestic and global commerce in food, the rest of the Nation and our trading partners would have to react once the Hayden initiative is in place. The other 49 States and other nations would try to maintain commerce with California or, failing that, they would abandon California as a market and try to develop substitute markets elsewhere.

Foreign governments and indeed the 49 States would have to set up two trade policies: one for commerce with the 49 States and the rest of the world, and the second for commerce with California.

In the United States, California would be a separate entity unlike all the other States, a State whose producers and consumers have standards distinct from everyone else. The Hayden initiative, then, would have the result of encircling California producers and consumers with a protectionist wall.

I know not whether Mr. Hayden and his associates intended to erect a protectionist wall around California, but that is what they will have achieved.

The commerce clause of the U.S. Constitution is specific on the issue of commerce between the States. There is to be no barrier to interstate commerce. The Hayden initiative would create barriers to interstate trade, and lead to long and disruptive litigation.

So significant are the dire implications to foreign commerce of the Hayden initiative that the issue already has arisen in the U.S. International Trade Commission.

Among several briefs filed before the ITC on the impact of the Hayden initiative was one submitted by the California-Arizona Citrus League, a voluntary nonprofit trade association composed of marketers of California and Arizona oranges, grapefruit, and lemons. Members of the Citrus League include farmer cooperatives and independent shippers that represent more than 90 percent of the 10,000 citrus-fruit farmers in Arizona and California.

Fred P. LaBue, chairman of the Citrus League, told the ITC that the Hayden initiative, if passed, would separate California from the rest of the United States.

"This ballot initiative must be recognized for what it really is intended to be," said Mr. LaBue. "It is a highly protectionist measure intended to protect California from the benefits of the Uruguay round, the free trade agreements with Israel, Canada, and Mexico and from competition in the United States.

"From the standpoint of commerce, the United States would consist of 49 States and California.

"It is doubtful this would remain that way very long. Undoubtly, other States would be forced to follow California's behavior and soon the United States would break up into different—would totally disrupt commerce in the United States."

"World trade would be adversely affected in the same way," Mr. LaBue said, explaining, "It will not take countries around the world long to see the ultimate protectionist measure adopted by California and to model their programs after it."

"One can only imagine how the United States would export food to Japan when each Japanese prefecture adopts a different residue standard."

At my direction, my staff has been working with the staffs of the House Committee on Agriculture and the House Committee on Energy and Commerce. The committees, both of which oversee food safety and pesticides, helped us in assembling data showing how the Hayden initiative, if passed, would affect the interstate commerce in farm goods. We found many examples, none of them encouraging. Here are five examples, but there are several more:

First, farmers in the States of Florida, Michigan, New York, and Ohio market celery in California. Like their California counterparts, the farmers in these States use acephate (orthene) in the production of the crop. But celery containing acephate would be prohibited by the Hayden initiative. Therefore, the Hayden initiative would no longer allow Florida, Michigan, New York, and Ohio to sell celery in California. They would have the choice of giving up use of the widely used pesticide, or of abandoning the California market.

Second, California produces most of its own onions in the spring. But many of its summer onions come from farms in New Mexico, Texas, and Washington. Onion farmers, no matter where they grow their crop, rely on parathion, another pesticide on the preliminary list of pesticides that the Hayden measures would ban.

Third, similarly, California, which is the second largest producer of grapefruit in the United States, does not grow sufficient numbers to meet its own demand. Florida, which is the largest in grapefruit production, markets their product in California. Growers in both States utilize dimethoate (cygon) and methidathion (supracide) in the cultivation of grapefruit. The Hayden initiative would ban both pesticides. Grapefruit may become an endangered product in California, losing its own productive capability and preventing Florida products from being sold there.

Fourth, California produces 30 percent of the national crop of fresh tomatoes, basic to most salads. Its major competitor is Florida. The pesticide common in growing tomatoes is methomyl (lannate, nudrin). Florida would either find new markets for its tomatoes or it would be forced to reduce output.

Fifth, California does not produce enough animal feed grains and meals. For its $4 billion livestock, dairy, and poultry industries it must import animal food products. Such products come from several States including Iowa, Illinois, Nebraska, Missouri, Kansas, Texas, Idaho, Washington, and Montana. We estimate that the total loss to these States in sales to California would be in excess of $150 million each year just in barley and corn. California is totally dependent on other States for all of its soybeans and most of its sorghum feed grains.

CALIFORNIA ACCOUNTS FOR LARGE AMOUNTS OF U.S. PRODUCE

I want to go into detail on the amount of food and fiber that California produces each year. I know my friends who serve on the Agriculture Committee are aware of the large farm yields that come from California's farmers. But other Members may find these statistics informative as they look down the road and try to assess the impact on our Nation's food supply if the Hayden initiative should pass.

California's agricultural production is the envy of the world. The value of last year's crops was $19 billion. There has never been anything to compare to these yields.

For example, in my own 17th Congressional District, which includes the counties of Fresno, Kings, Tulare, and Kern, farm production in 1989 was $6.8 billion, more than one-third.

Fresno Country's farm production was $2.6 billion, with principal crops being grapes ($464 million), cotton ($398 million), tomatoes ($194 million), milk ($142 million), cattle ($122 million), turkeys ($106 million), cantaloupes ($91 million), nectarines ($80 million), plums ($71 million), citrus ($69 million).

Tulare County's farm production was $1.853 billion, with principal crops being milk ($363 million), citrus ($311 million), grapes ($258 million), cattle ($177 million), cotton ($130 million), plums ($90 million), alfalfa ($81 million), nectarines ($47 million), olives ($37 million), wheat ($33 million).

Kern County's farm production was $1.6 billion, with principal crops being grapes ($278 million), cotton ($263 million), almonds ($149 million), citrus ($135 million), carrots ($134 million), potatoes ($80 million), alfalfa ($77 million), nursery ($71 million), milk ($46 million), onions ($28 million).

King's County farm production was $741 million, with the principal crops being cotton ($215 million), milk ($159 million), cattle ($60 million), cottonseed ($40 million), turkeys ($31 million), alfalfa ($28 million), safflower ($26 million), peaches ($19 million), wheat ($18 million), alfalfa seed ($17 million).

In 1989, California was the leading producer nationwide of 58 commercial crop and livestock commodities. I shall list them and, when available, place beside each product its value for 1989 and, when available, its share of the entire production in the United States.

Alfalfa seed ($41,7 million; percent NA).
Almonds ($600 million; 99.9 percent).
Apricots ($29.6 million; 92.9 perecent).
Artichokes ($38.2 million; percent NA).
Asparagus ($83.4 million; 48 percent).
Avocados ($205.2 million; 86.1 percent).
Broccoli ($266 million; 90.9 percent).
Brussel sprouts.
Cantaloupes ($114 million; percent NA).
Carrots ($247.3 million; 65.1 percent).
Casaba melons ($6 million; percent NA).
Cauliflower ($161.5 million; 79.2 percent).
Celery ($147.7 million; 68.4 percent).
Chinchillas.
Crenshaw melons ($3.1 million; percent NA).
Cut flowers ($654.9 million; 28.6 percent).
Dates ($19.7 million; 99.9 percent).
Eggs ($297.7 million; 11.1 percent).
Figs ($16.6 million; 99.9 percent).
Flower seeds.
Garlic ($40.5 million percent NA).
Grapes, table, wine, raisin ($1.35 billion; 91.6 percent).
Green lima beans.
Hay.
Herbs.
Honeydew melons ($47.4 million; 69.1 percent).
Indoor plants.
Kiwifruit ($22.4 million; 100 percent).
Ladino clover seed.
Lemons ($171.4 million; 82.3 percent).
Lettuce ($632.4 million; 73 percent).
Nectarines ($78.8 million; 97 percent).
Nursery plants ($919 million; 27.6 percent).
Olives ($50.4 million; 99.9 percent).
Onions ($104 million; 32.1 percent).
Oriental vegetables.
Parsley.
Peaches ($177.8 million; 58.7 percent).
Pears ($74.5 million; 35.1 percent).
Persian melons ($1.3 million; percent NA).
Persimmons.
Pigeons and Squabs.
Pistachios ($104.3 million; 100 percent).
Plums ($102 million; 80.6 percent).
Pomegranites ($6.3 million; 100 percent).
Prunes ($114 million; 100 percent).
Rabbits.
Safflower ($32 million; percent NA).
Spinach.
Strawberries ($388.9 million; 73.9 percent).
Sudan Grass.
Tomatoes, processed ($385.6 million; 88.4 percent).
Turnips.
Vegetables seeds.
Walnuts ($190 million; 100 percent).
Wild rice.

In addition to these commodities, California is in the top 10 in 23 other products. These include the following, with, when available, 1989 value and share of United States production:

Corn, sweet, No. 2 producer nationwide ($29.4; 13.4 percent).
Cucumbers, for processing, No. 3 ($14.7 million; 10 percent).
Mushrooms, No. 2 ($110.1 million; 17.8 percent).
Tomatoes, fresh market, No. 2 ($264 million; 17.8 percent).
Apples, No. 4 ($117.7 million; 6.9 percent).
Cherries, sweet, No. 4 ($20 million; 14 percent).
Grapefruit, No. 2 ($55.4 million; 13 percent).
Oranges, No. 2 ($458.4 million; 26 percent).
Cotton, No. 2 ($1.02 billion; percent NA).
Barley, No. 7 ($46.1 million; 3.7 percent).
Beans, dry, No. 2 ($104.7 million; 15 percent).
Potatoes, No. 7 ($143.6 million; 4.8 percent).
Rice, No. 2 ($197.5 million; 18.5 percent).
Sugar beets, No. 2 ($178 million; 21.4 percent).
Sweet potatoes, No. 3 ($15.3 million; 10.5 percent).
Cattle and calves, No. 7 ($1.6 million; 4.8 percent).
Chickens, No. 9 ($343 million; 5.1 percent).
Honey, No. 2 ($10 million; 9.9 percent).
Milk and cream, No. 2 ($2.08 million; 13 percent).
Sheep and lambs, No. 2 ($66.5 million; 10.5 percent).
Turkeys, No. 3 ($200.3 million; 11.3 percent).
Wool, No. 3 ($10.1 million; 8 percent).

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CALIFORNIA WILL HAVE TO SET UP A FORTRESS

An unanticipated result of the Hayden initiative would be that American consumers might have more pesticides on their foods, not less. That is because the State of California, while it may enlarge its produce inspection capability, cannot guarantee compliance in foreign nations or in other States.

Foreign and out-of-State growers may be able to violate the pesticide proscriptions, without the State of California ever finding out about it. Even it if does develop preliminary information indicating violation of California's pesticide laws, how is California going to enforce compliance? Will the Department of Food and Agriculture retain Interpol, the internaitonal police agency, to patrol the vineyards of Chile or the feed lots of the Argentinian Pampas in search of violations of California's law?

Already, we have seen instances wherein foreign produce and wines shipped into California were grown or produced with prohibited chemicals. Federal authorities have admitted that they are committing inadequate resources to inspecting imported food products. That is a tacit admission that food products with banned pesticides are being imported into the United States.

Thus, the Hayden initiative would force California to impose a large and costly administration of compliance within the State.

One of the most serious failings of the United States is its inability to control its own borders against unlawful immigration, drug smuggling, and the importation of other contraband. The State of California, with neither the resources nor the mandate of Federal authorities, will do no better, and probably much worse, in managing an effective border patrol.

That is but one more reason why it would be a mistake for us to increase reliance on food supplies from foreign nations, where chemical regulations will be more difficult to enforce, while, in effect, encouraging our own domestic food producers to decrease their own productive capacity.

I mean not to offend any foreign farmer anywhere in the world. Representing the most productive agricultural district in the Congress, I feel a certain kinship with growers everywhere, in my own district, in the United States, and around the globe. There would be no civilization on this planet without farmers. It is only with a reliable food supply that men and women can then go out and accomplish the things that make civilizations prosper.

However, all that being said, I have more confidence in American farmers meeting chemical requirements than I have with those overseas. This is simply because American farmers live here and expect to remain here and to continue as food producers.

The Department of Agriculture and the President's Council of Economic Advisers report imported foods are also increasing at high rates. In the past 5 years, there has been a 30-percent increase in imported fruits, and a 10-percent increase in imported vegetables from foreign producers. No one argues that imports would decrease; they would increase because the consumer is going to want and would pay for fresh fruits and vegetables regardless of the season.

HAYDEN LAW WOULD BRING CONFUSION TO U.S. CITRUS INDUSTRY

I want to quote again from Mr. LaBue, chairman of the California-Arizona Citrus League, because his comments on oranges, grapefruit, and lemons demonstrate how finely tuned the citrus industry is in this country. Other specific crop industries are also finely tuned, some more than others. The delicate nature of these industries makes them especially vulnerable to abrupt alteration imposed by governments. That is the sort of change the Hayden initiative mandates.

Mr. LaBue said:

The current production patterns in the United States reflect the economic comparative advantage that exists in each of the production regions. While these patterns are constantly changing as new production technology comes on stream, it is generally true that California predominates in the fresh citrus market and Florida produces mainly for the processed citrus market. In the 1987-88 crop year, about 200 million boxes of oranges were produced in the United States. Of this total, Florida produced approximately 138 million boxes and California produced nearly 59 million boxes.

These regional production patterns have emerged because growers and marketers have learned that when the lowest production and marketing costs for each individual use of the product. That is, under present conditions, Florida generally has a cost advantage in the production of oranges for processing and California has a like advantage in the production of fruit for the fresh market. These cost and production relationships among citrus producing regions have emerged largely from the application of cultural and economic research that has been conducted over the years by both public and private institutions.

A primary objective of the research has been to discover and develop new and improved cultural practices that increase productivity and lower costs. The per acre yield of marketable oranges has increased dramatically over the years as these improved cultural practices have been adopted by citrus growers.

One of the most important cultural practices that has accounted for increased productivity and lower costs is an effective control of insects. Insects, left uncontrolled, have a devastating effect on citrus production. They attack and destroy both the citrus tree and the fruit. This is not a theory or possibility in this instance. It is a certainty that if the California citrus industry is denied by State statute the use of pesticide to control insects, production levels will decline and production costs will significantly increase.

Under these circumstances, it does not take extensive elaboration to make conclusions about the probable economic impacts of restricting the use of pesticides in California citrus production. The trends are clear. Decreases in productivity and increases in costs in California production will force production shifts in other areas of the United States and the world. If one agrees with the proposition that current production patterns conform with regional comparative advantages, then there are no winners in this scenario. In economic terms, California producers will be denied production opportunities, and consumers will wind up paying higher prices for their citrus products.

INCREASE IN FOOD PRICES HURTS AMERICA'S WORKING POOR

The working poor and those dependent on fixed incomes are injured by the slightest rise in the cost of food.

Less food in the marketplace means higher prices.

For example, recently, Representative BOXER of California chaired hearings of the Budget Committee Task Force on the impact of milk and orange shortages on the Department of Agriculture's food assistance program for women, infants and children, known as the WIC Program.

State directors of the WIC Program from New York, Texas, and West Virginia, and a legal authority from the WIC Program in California, testified before the task force. They were of one voice in saying that the increase in the cost of milk and orange juice had exhausted the program's ability to continue to provide balanced diets to recipients.

The increased cost of milk was caused by a decline in surplus and an increase in demand; the increased cost of oranges was prompted by the winter freeze in Florida. To a large extent, there was little that government or the farm industry could do to circumvent these developments. Certainly, there is not much that we can do to avoid a sharp dip in temperatures in Florida.

But consider what happened because of these developments. The cost of food increased and a program like WIC desperately needed an 11th-hour supplemental appropriation. Multiply that occurrence many more times, and it becomes apparent what risk we create for the Nation, particularly the working poor and those at or near the poverty line, by tampering with the food supply in the unpredictable manner of the Hayden initiative.

HAYDEN INITIATIVE COMES AT A TIME OF STRONG CONTROLS

The Hayden initiative comes along at a time in the evolution of California agriculture when the State already has the most advanced and effective pesticide laws and regulations in this country and the world.

This was the point in an analysis of the Hayden initiative made by a group of 40 California State legislators, whose statement of March 15, 1990, opposing the measure said the initiative has the "potential to wreak havoc on California's economy and county government finances."

"If passed," the legislators said, "the initiative would impose large new energy, water and numerous other costs on California businesses, the farm community and consumers, placing our State at a competitive disadvantage to the rest of the Nation and the world."

The legislators said the Hayden measure:

Will undo much of the balanced public policy the legislature has put in place. For example, just last year the legislature took important steps to better ensure the safety of our food supply when we enacted the Food Safety Act of 1989. This legislation received overwhelming bipartisan support from the entire legislature and the full endorsement of California's leading health groups including the California Medical Association and the California Children's Lobby. The [Hayden initiative] ignores the medically balanced steps taken in the Food Safety Act in favor of an unscientific approach that may do more harm than good to the public health.

The legislators expressed opposition to the creation of "environmental advocate who could possess dictatorial powers" that would likely conflict with the work of other State agencies.

The legislators speaking against the Hayden initiative were Democratic State Senators Rose Ann Vuich, Ruben S. Ayala, Robert Presley, Alfred E. Alquist, and Dan McCorquodale; Republican Senators Marian Bergeson, John T. Doolittle, Don Rogers, Ken Maddy, Henry J. Mello, Newton Russell, and Jim Nielsen; Democratic Assemblymen Jim Costa, Bruce Bronzan, Sal Cannella, Rusty Areias, Norm Waters, and Steve Clute; and Republican Assemblymembers Bev Hansen, Trice Harvey, Carol Bentley, Curt Pringle, Dave Kelly, Tom McClintock, Tim Leslie, Bill Jones, Marian W. Ma Follette, Robert C. Grazee, Pat Nolan, Nolan Frizzelle, John Lewis, Steven Statham, Charles W. Bader, Sunny Mojonnier, Paul Woodruff, Chris Chandler, Cathie Wright, Bill Lancaster, Phil Wyman, and Tricia Rae Hunter.

REDUCED CHEMICAL USE IS A GROWING TREND IN CALIFORNIA

Large numbers of farmers in California are cutting back on using pesticides whenever they can. Organic farm products constitute a growing percentage of my State's agricultural output.

Many more farmers are enlisting the aid of "good bugs" to kill "bad bugs." Integrated pest management is a growth industry in California.

HAYDEN INITIATIVE SEEMS OUT OF CHARACTER FOR AUTHOR

There is a dimension to the Hayden initiative that does not square with what we know about the author of the measure. Assemblyman Tom Hayden engaged in radical politics in his youth. As a founder of the radical movement, students for a Democratic Society [SDS], Hayden wrote:

The Port Huron Statement, which Longtime Washington, DC, reporter Eugene H. Methvin described in his book The Riot Makers was "a warmed-over Marxist analysis of American society, with a pinch of Lennin's Imperialism, the Last Stage of Capitalism and a heavy flavoring of anarchistic utopian idealism.

Whether he was predicting the demise of the United States or was leading an assault on an administration building at Columbia University, Mr. Hayden justified his conduct on the grounds that he was doing it on behalf of the powerless, those people who were being victimized by impersonal and oppressive forces that, he said, controlled America.

Assemblyman Hayden would object to being characterized as a radical today. In many areas of his political pursuits, he has joined the mainstream of political activity and thought. But I do not think he would deny that he is still motivated by a desire to help people not able to help themselves—the poor, the indigent, the disenfranchised, those for whom the American dream is often not a viable goal.

I certainly do not agree with Mr. Hayden's politics. but I do not doubt his determination to improve the lives of the disadvantaged. That is why I am puzzled as to what Mr. Hayden's intentions were when he wrote the so-called Big Green. The very people he has spent his life trying to help will be the very people most damaged by his initiative. Does he not agree that the cost of food is a significant item in the budgets of millions of working Americans? Why would anyone want to increase that already heavy burden the working families of America must carry?

There are many provisions in the initiative which will have uncertain consequences. We shall not know the impact of them until they are actually in place. But one thing we know: that the Hayden initiative will cause, first, the amount of food grown in California to decline; and, second, the price of food to go up.

Let me repeat that point. The supply of food will decrease; the cost of food will increase.

Who will suffer the most from that? It will be the poor, the working poor, the disenfranchised, the low-income elderly on fixed incomes, those families for whom food is a major part of their budget.

For the overwhelming majority of Americans, food is plentiful and affordable. But those who live on the economic fringes, acquire food with careful budgeting. Many fruits and vegetables grown without chemicals will sell for from 20 to 50 percent more. This will be a hardship on many families.

Retired couples living on a fixed income, for example, are very sensitive to sudden fluctuations in the price of vegetables and fruits caused by unseasonal weather, labor-management strife, and other developments over which tney, as consumers, have no control.

Moreover, California, which exports about $7 billion in farm products, plays a major role in providing groceries to millions of families in foreign countries. Foreigners, too, will be affected should the Hayden initiative pass.

FAMINE THREATENS MANY NATIONS OF THE WORLD

I need not have to remind Mr. Hayden and other supporters of the Big Green that food is in short supply in large areas of the world.

Food shortages are going to worsen in this decade because, in the Third World, agricultural production is not keeping pace with population growth. The United States, which is blessed with more food than it needs, will continue to play an important role in abating world hunger. That is so apparent to me that I am at a loss to understand why Mr. Hayden did not take it into account when he wrote his initiative.

The Agriculture Council of America noted that the estimated population growth for the next quarter of a century is so enormous that all world leaders should place the production of food at the top of their nations' agendas.

It will require total mobilization of all global productive resources—land, infrastructure, people skills, technology—to prevent massive famine in the 1990s. Projections call for a world population of nearly 11 billion by the year 2050.

This increase will take place in a world where already more than 75 percent of the population can barely feed themselves.

Almost 500 million people are malnourished.

Millions of children worldwide die each year from starvation.

This is not the time to set out to undermine farm production. But that is the road down which the Hayden initiative would take us.

ORGANIC FOOD LOSSES POPULARITY AT CASH REGISTER

Early public opinion surveys show that there is, at first blush, sizable support in California for the Hayden measure. About 75 percent of registered voters say they are for the initiative. However, that figure drops just

below the 50 percent level when respondents are told in detail what the initiative would do.

The polling data on this issue is reminiscent of a recent experience of Raley's, a supermarket chain based in Sacramento. Raley's is an organization that takes pride in being sensitive to consumer concerns. The firm's executives noted polls which were showing that more and more Americans preferred organic food.

The growth of organic foods' popularity was in part the result of genuine concern about farm chemicals. But it was also prompted by an orchestrated promotional assault on pesticides, carried out with religious fervor. The campaign seemed designed to convince consumers that all foods grown with any chemicals were dangerous to their health.

In some portrayals, the spraying of pesticides on agricultural crops was characterized as the moral equivalent of dropping napalm on unsuspecting peasants in the Mekong Delta.

Many people began to fear their own Nation's food supply. That is regrettable because it is fear largely unreleated to reality. As we will see, however, in the Raley's experience, reality has a way of making itself felt.

Trying to be responsive to consumer concerns, Raley's began offering a wide variety of organic foods. But the firm had to charge 20 to 50 percent more for the produce than it charged for old-fashioned "tainted" fresh fruits and vegetables. Shoppers may have preferred organic food, but they balked at steep prices.

Raley's realized that, while its organic venture had received praise from the media and environmentalists, the public was not ready for the higher prices and pulled back from the organic commitment.

The Raley's experience indicates that large-scale marketing of organic fruits and vegetables is not practical at this time. It also shows that we should be cautious about politically mandated and abrupt changes in the farm industry.

SOME ORGANIC FOODS GROWN ON LARGE FARMS ARE NOT ATTRACTIVE

There is another aspect to produce grown without chemicals that I want to mention briefly. It is that organic food grown in small parcels is often as attractive to look at as produce grown with the help of chemicals.

But this is not always the case with large-scale farming without chemicals. When we harvest crops grown without chemicals on larger farms the result is frequently an unattractive product. Studies have shown that consumers want safe, nutritious, and attractive fruits and vegetables.

BUGS CANNOT BE LEGISLATED OUT OF EXISTENCE

By populist fiat, the Hayden initiative seeks to avoid the inevitable. The truth is that no matter how much we wish for something more pristine in the way farmers produce the Nation's most important product, our food, growers are still going to have to protect crops from certain bugs.

Whether we do it with increased "good bug vs. bad bug" technology, whether we do it with state-of-the-art integrated pest management, whether we do it with new chemicals or whether we do it with a combination of all these, the truth is we are still going to have keep pests away from fruits, vegetables, and grains.

At this time in technological development, government-mandated, large-scale, chemical-free farming will result in lower production and higher prices. That is why it would be unwise suddenly to abandon pesticides as a tool in farming or impose impractical government restrictions on their use.

In the failed experiment of Raley's with chemical-free produce, the push for widespread marketing of organic foods was revealed to be a mixture of media hype and good intentions often oblivious to economic realities. The same mixture can be found in the Hayden initiative.

One day soon there will be a breakthrough enabling farmers to market large amounts of organic produce at low prices. Until then, consumers should insist on more R & D in the chemical industry to develop safer pesticides. Growers should be encouraged to use newer techniques such as integrated pest management. Voters can demand more effective regulation and inspection. Federal programs at our borders for detecting foreign produce with banned chemicals are inadequate and can be improved.

These constructive steps make more sense than does the Hayden initiative. It is an idea that may sound good in the abstract but which would disrupt the way this Nation produces its food.

AMERICAN FOOD SUPPLY SYSTEM WORKS REASONABLY WELL

In conclusion, I want to point out that the Hayden initiative neglects to take into account that the United States has a reasonably smooth functioning system of food supply and that the system has evolved over the years into a sophisticated production, distribution, and marketing capability. From farm fields to grocery stores, the system works reasonably well.

We did not arrive at this point overnight. Domestic market forces had to be balanced with uncontrollable considerations such as weather conditions and foreign supply and demand. Government regulations must also be addressed. New technologies were developed and then had to make a nondisruptive transition into the supply system. Other unforeseen events such as labor-management conflicts temporarily can throw the system out of whack. It never functions perfectly. But it continues to function reasonably well—certainly at least as well as any other nation's, and better than most.

Moreover, on the pesticide front it is not as if American growers have stood idly by as spectators while the rest of the Nation became increasingly concerned about chemical use in agriculture. As previously noted, California has a new pesticide control statute. There are new Federal pesticide regulations.

In addition, California growers are moving away from pesticide use whenever possible. Integrated pest management—the technique of relying less on chemicals and more on good bugs that kill bad ones—has become increasingly popular among California growers.

The lesson in all this is that growers in California and elsewhere, along with processors, packers, distributors, brokers, growers, virtually everybody involved in the food supply industry, are well aware of the public concerns about pesticides. And much progress has been achieved reducing chemical use.

But these many people involved in growing and delivering food to market are also well aware of their responsibility as participants in a supply system that must provide sufficient amounts of fruits, vegetables, meats, dairy products, and poultry to comprise three meals a day for more than 250 million Americans and millions more around the world.

This is no easy task. To achieve it, a lot of thought and planning went into it. There was, and is, a certain amount of trial and error, mistakes are made, unexpected victories are scored. The point is, this is a dynamic system sensitive to its primary mission: Keeping affordable food on the table for the American people.

The Hayden initiative does not consider the American food supply as a whole, as a piece, as a coordinated mechanism that works, and works well, in cooperation with all its component parts—and in response to its primary objective: feeding a Nation. The Hayden initiative presumes to introduce pesticide reform into the system but neglects to provide assurances that the system will continue to function well or that it will even continue to function at all afterward.

The major flaw in the Hayden initiative is that it is prepared to sacrifice a reliable system of food supply at the altar of reduced chemical use. There is no middle ground in the Hayden initiative. There is no room for compromise or moderation. It is radical, extremist solution to a complicated challenge.

The Hayden initiative would have the unanticipated result of throwing the food supply system into disarray, of extracting from it its rationality and balance. A government mandate

of this magnitude would surely be followed by even more government mandates until, ultimately, the State, faced with the need to restore order and equity, would take more and more control of the food system.

□ 1950

THE CULTURAL WAR IN OUR SOCIETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker and Members, I have taken this special order this evening for the purpose of talking to my colleagues about the matter that will be coming up on the floor of the House for consideration, probably sometime this week, dealing with our colleague, the gentleman from Massachusetts [Mr. FRANK]. The House Ethics Committee submitted a report on July 20, which was just last Friday and that report has now been printed in the RECORD, and I will make reference to it as I discuss this issue.

I think it is appropriate for we Americans to recognize that a cultural war is going on in our society. Actually, there is nothing new about this cultural war. It has been going on from the beginning of the history of man in that man has constantly struggled to resist the idea that each of us owes allegiance to our Creator, God in Heaven, who created this world and everybody in it.

This cultural war has intensified in America in the last 25 years, and it has been overshadowed by the cold war that is more familiar to most Americans. Some of us believe that perhaps the intensity of that cold war, which is economic, political, psychological has decreased, at least in Eastern Europe and the Soviet Union. This Member of Congress believes that the cold war is still continuing in Third World nations, but because of the attention that has been focused on the cold war and the extent of the resources that have been invested by the U.S. Government in struggling with that cold war, this cultural war that has also been going on has been largely overshadowed. This cultural war represents two conflicting philosophies, the one, the philosophy that I believe is the foundation of Western civilization; namely, the Judeo-Christian ethic, that philosophy establishes that, or is a reflection of, what is stated in the Declaration of Independence that all men are endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness.

The main theory or basis for the American experiment, self-government, is that God created man, and God's message to man is a system of laws or rules that govern society. As Ted Koppel said in speaking to the graduating class of Duke University some time back, when Moses came down from Mount Sinai, he did not bring the Ten Suggestions. Those Ten Commandments established the foundation of the laws in this country. They give us standards by which to judge our conduct and the conduct of our peers, and this philosophy of the Judeo-Christian ethic is in conflict in this cultural war with the philosophy of moral relativism.

The philosophy of moral relativisim can also be described as secular humanism, and the cornerstone of this belief is that there is no God, that man is able to resolve all conflicts that he encounters independent of the existence of a higher being.

□ 2000

Moral relativism says that situation ethics is what governs the nature of the relationship of one human to another, and each of us is at liberty to decide for ourselves what we want to do, so long as we do not infringe on the rights of other people.

This cultural war evidences itself in issues that we confront as Members of Congress, such as pro-life and pro-abortion. This conflict is at the cornerstone of that struggle in American society. It is at the bottom of the issue of whether or not we in America will reinstate voluntary prayer in public schools. That right was taken away from us in 1962, by a divided U.S. Supreme Court, and in my view has been largely responsible for the intensity of this cultural war that I am talking about this evening.

As to the drug epidemic in America, we Americans should not be surprised that a generation of kids growing up is having difficulty in just saying no to drugs, which is the observance of a standard in how we treat our own bodies, when in fact we as a society have kicked the Creator of those standards out of the public school system of America by the decision of the U.S. Supreme Court in 1962.

This cultural war evidences itself also with respect to the issue of family units and the survival of marriage in American culture. We all know the tragedy that has unfolded before our eyes, and particularly the decline in the stability of marriage units, most particularly since that decisions by the U.S. Supreme Court in 1962.

A gentleman by the name of David Barton has written a book on that specific subject "To Pray or Not to Pray," and traces the decline in school performance, the increase in the incidence of juvenile delinquency, the increase in crime, the increase in venereal disease in America, the tragic view of what is happening to family units in our society. In other words, we are looking at as part of this cultural war the disintegration of our society before our eyes.

I mention this cultural war and the two conflicting philosophies because the tragedy of BARNEY FRANK evidences this cultural war as well. Mr. FRANK is a very distinguished Member of the House. He is a man of great intelligence, and has acquitted himself well in terms of his contributions to the political issues facing America. The tragedy is how he became involved in activity which prompts the House to take up the issue sometime this week.

I have discussed this matter with the chairman of the Ethics Committee, Mr. DIXON. I am hopeful that the resolution which I seek to offer concerning Mr. FRANK, that would have the House address the issue of his expulsion from the House by virtue of his conduct, can be taken up when the measure is presented by the Ethics Committee, probably on Thursday of this week.

I have great respect for the integrity of Mr. DIXON. I have asked Mr. DIXON to permit me at the conclusion of the presentation of the report of the Ethics Committee, to permit the offering of this motion for expulsion, so that the House can work its will concerning it before the House votes on the recommendation of the Ethics Committee.

Mr. DIXON has advised me that he will let me know tomorrow with respect to whether or not that procedure will be possible, and the importance of the issue, I think, can be emphasized by recognizing where we are from a procedural standpoint.

A motion to expel is a privileged resolution. The recommendation of the Ethics Committee also has a privileged status. They are of equal privileged status, at least as I have been advised by the House Parliamentarian. If I seek recognition and Mr. DIXON as the chairman of the committee seeks recognition, in all probability Mr. DIXON would receive recognition before this Member from California on the issue.

Once the report of the committee is taken up by the House, no other matters would be available to be presented, except the motion to recommit, which I am advised may be used by some Member for the purpose of offering the House an opportunity of a motion to censure. But, as I say, I am hopeful that an accommodation can be worked out where this Member will be able to offer the motion of expulsion before the House votes on the recommendation of the Ethics Committee in order that the House may work its will on that issue, which is the most severe of the penalties that we can provide, before the House votes on the recommendation of the Ethics Committee, which relates to a matter of a

formal reprimand, which is contained in the committee's recommendation.

I would like briefly to discuss the issue of what was contained in the Ethics Committee report to the House on July 20. I believe that the newspaper accounts of the conduct of Mr. FRANK are quite well-known to all of us, but I think it is also appropriate that some discussion be made so that we have the issue before us.

Beginning sometime in 1985, believed to be around April of that year, at least in the statement of——

The SPEAKER pro tempore (Mr. PENNY). If the gentleman from California [Mr. DANNEMEYER] will suspend for a moment, at this point the Chair would caution all Members that it is not in order in debate to engage in personalities. Members should refrain from references in debate to the conduct of other Members, where such conduct is not the subject then pending before the House as a question of the privileges of the House.

When a privileged resolution is offered, it would be appropriate for any Member then to discuss the details of the case. At this point, it would be inappropriate.

Mr. DANNEMEYER. Do I understand the Speaker to say that it would be inappropriate for me to discuss the details of the report that has been filed?

The SPEAKER pro tempore. It would be inappropriate to discuss the conduct of other Members, where such conduct is not the subject then pending before the House as a question of privilege.

Mr. DANNEMEYER. Well, if I may inquire of the Speaker, the report of the Committee on Standards of Official Conduct was filed July 20. It describes in detail the items that I feel like I am in a position to discuss at this time, by virtue of the fact that this report is now part of the public record.

The SPEAKER pro tempore. The report has been filed. The report is not the pending business.

Mr. DANNEMEYER. Well, I do not want to transpose on the rules or decorum of the House, Mr. Speaker. Do I understand you to say then that this Member would be precluded from discussing the report at this time; is that right?

The SPEAKER pro tempore. To the degree that it goes into the detail of the conduct of another Member, the gentleman would be. Up until this point, the gentleman has not been engaged in that type of discussion. If the gentleman avoids specific references to the conduct of another Member, he can continue to comment on the general issues involved.

Mr. DANNEMEYER. Is it appropriate for me at this point to discuss the findings of the committee, making refererence to what is contained in the report?

The SPEAKER pro tempore. Not to the degree that they relate to the specific conduct of another Member.

Mr. DANNEMEYER. Would it be appropriate to discuss observations by persons other than the Member as to what the Member did? For instance, there are percipient witnesses to this incident. May that be discussed?

The SPEAKER pro tempore. That would fall under the same restriction.

Mr. DANNEMEYER. So then the only opportunity that a Member would have to discuss the matter would be when the House takes the matter up, is that right, whenever that event takes place?

The SPEAKER pro tempore. That is consistent with precedent on these matters, cited at page 500 of the House Rules and Manual.

PARLIAMENTARY INQUIRIES

Mr. DANNEMEYER. Mr. Speaker, I have a parliamentary inquiry: when the House takes up the matter of this report, assuming that takes place on Thursday of this week, and if Mr. DIXON as chairman of the committee seeks recognition and I would be on the floor seeking recognition, who would take precedence in terms of recognition with respect to any motion that would be forthcoming, between Mr. DIXON, the chairman of the committee, and myself?

The SPEAKER pro tempore. Under those circumstances, if the motions were of equal precedence, and at that time the Speaker would make a determination as to whom to recognize.

Mr. DANNEMEYER. I note Mr. DIXON is a member of the majority party, the Democratic Party of the House, and I am a member of the Republican Party. Would the Speaker choose to speculate as to who would be recognized?

The SPEAKER pro tempore. The Chair cannot anticipate the Speaker's recognition. The Speaker has the power to recognize. The Chair would not predict for the gentleman whom the Speaker might recognize under those circumstances.

Mr. DANNEMEYER. If I file my motion for expulsion, the matter would then be pending before the House and would be eligible for discussion, would it not?

□ 2010

The SPEAKER pro tempore (Mr. PENNY). If the resolution is pending, the discussion could proceed.

Mr. DANNEMEYER. Then I will certainly respect the ruling of the Speaker with respect to the appropriateness to discuss this matter. I honestly believed that since the report had been filed it was appropriate for this Member to discuss the matter. But apparently this is not what the ruling has been forthcoming.

Let me just say on this point that if I am able to work out this arrangement with the gentleman from California [Mr. DIXON] so that I can make my motion of expulsion and be recognized before the House votes on the recommendation of the committee, which is a formal reprimand, then I think that logically is the way the sequence should follow, and that should be all at one time. The gentleman from California [Mr. DIXON] has assured me that he will let me know tomorrow as to whether or not that procedure can be worked out, but I would advise the House at this time that if that accommodation is not forthcoming, and I would not be recognized to offer my motion of expulsion before the House would then take up the recommendation of the committee and vote on the official reprimand, then this Member would intend to offer this resolution of expulsion tomorrow. And the reason I would do that is because I want an opportunity to analyze and have the House consider and the Members focus upon certain deficiencies in the recommendations of the report of the Committee on Standards of Official Conduct, and in order for me to have that opportunity I have got to have my resolution of expulsion recognized as a part of the business of the floor so that I can discuss the details of what the gentleman did and what other people said he did. And I agree, I will say again, this should all come as part of one consideration of the issue, but if I am in the position where I am not able to offer my motion of expulsion and the vote on that issue before the recommendation of the committee, then as I say, I would be inclined to offer my resolution of expulsion, whenever I can get recognition, assuming that I will get the Speaker's authority, or at least I can get the recognition of the Speaker to recognize me.

I am not sure that requires a response, but I just wanted to share that with the Speaker now, because as I understand the rules, if a Member stands up in the regular business, when we are in the full House, I would have the authority to be recognized for what business would come before the House, would I not?

Mr. DORNAN of California. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman's statement of intent will appear in the RECORD. Again, the Chair's observation to the gentleman earlier about making these remarks on Members' conduct when the business is pending still stands.

Mr. DANNEMEYER. I thank the Speaker.

The SPEAKER. Does the gentleman from California [Mr. DANNEMEYER]

yield to the gentleman from California [Mr. DORNAN]?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I was listening in my office and I want to get something clear. We are not supposed to ever discuss another Member's conduct, and that is fitting and as it should be.

But suppose an Ethics Committee report is released and the House votes expulsion, for example, in the case of Adam Clayton Powell, and he is gone so we can talk about it all we want, that is one question, is that correct? And two, if someone is censured, can we refer to that Member's conduct that brought about the censure after it is voted upon forever, and does that also apply to reprimand, and does it also apply to this new category that I was not aware of called letter of reprimand as opposed to a formal reprimand, so I guess now we have four categories once action has all taken place and the House has taken its action in the case of an Ethics Committee in a letter of reprimand where nothing takes place on the floor, are we then allowed to discuss ad infinitum the conduct of that Member who has been disciplined?

Mr. SPEAKER pro tempore. As long as a Member remains a Member, the prohibition on discussing a Member's conduct would apply, unless another disciplinary action were pending on the House floor.

Mr. DORNAN of California. I did not know that, so I am informed. But then the only time you can ever discuss a Member's conduct is when an Ethics Committee report is on the floor, no action has been taken; that is the only time you can discuss it. But once it has been adjudicated and the House has voted dismissal, or to follow the recommendations of the Ethics Committee, or to increase the recommendations of the Ethics Committee, and that action is taken, then it is a dead issue, and can never, that Member's conduct can never be discussed again?

The SPEAKER pro tempore. It has been the policy in the House to discuss this matter only when that report is pending before the House or when another Member might bring some type of disciplinary resolution relating to that Member before the House.

Mr. DORNAN of California. I am with you, Mr. Speaker, and appreciate the Parliamentarian's giving us this information. Generally a million people follow the course of this House, and they are learning along with me.

So there is another category besides when the Ethics Committee brings an action to the House floor and the House is discussing it. There is that time when a Member might seek recognition of the Speaker and come forward with some other issue of conduct when he is demanding some action be taken?

The SPEAKER pro tempore. That is another possibility under which those discussions could occur. The gentleman from California [Mr. DANNEMEYER] has already indicated his intent to proceed in that fashion.

Mr. DORNAN of California. I was not referring necessarily to him, because I missed part of the discussion coming over here.

The SPEAKER pro tempore. The Chair is referring to him, but in general terms. That is an authority that is available to each Member of the House, and when they are recognized by the Speaker to raise such a question of privilege, then such a discussion could proceed.

Mr. DORNAN of California. Then, if a Member was apprised on the evening news that a Member had defected to Albania, he could come to the floor and say I am apprised of this I have called and found out it is true, and I move, Mr. Speaker, that we expel that Member right now so that he cannot come back? That is what the Speaker is talking about, a Member coming with a disciplinary action at that moment?

The SPEAKER pro tempore. When recognized by the Speaker for that resolution, it would then be considered by the House.

Mr. DORNAN of California. All right, then just in reconsidering this, this Member has now been apprised for the first time—I hope I have not violated this over the years—I might have with one particular Member—that when a Member has received a punishment by this Chamber, that is sealed forever and no one in the Chamber can ever again refer to that Member's conduct or the punishment he received?

The SPEAKER pro tempore. While that person is a Member of the House, unless during the pendency of another disciplinary resolution.

Mr. DORNAN of California. While they are a Member of the House. Thank you, Mr. Speaker. I yield back to the gentleman from California.

Mr. DANNEMEYER. Mr. Speaker, I thank my colleague. In light of the ruling of the Speaker, I will respect that and make no comment with respect to the gentleman from Massachusetts.

But I will call my colleagues' attention to the action of an elementary school principal here in the District of Columbia, Mr. Gabriel Massaro, who was involved in an incident here in the District of Columbia involving a prostitute named Gobie, and when this all came to light the elementary school principal resigned his job.

I will also draw my colleagues' attention to a tragedy that we saw unfold here in the Nation's Capital where the president of a university, American University by the name of Richard Berendzen, so far as the press account is concerned, the gentleman, the president of the university made one obscene phone call to another lady in this area, and on the basis of that evidence the president of the university resigned.

We had in the history of the House of Representatives 30 Members that have been considered for expulsion since the creation of the institution and 4 were actually expelled. The latest one was Mr. Michael Myers, in 1980, for corruption.

I think I can also draw my colleagues' attention to the tragedy of a former Member of the House, Mr. Wilbur Mills, the chairman of the Ways and Means Committee, who was afflicted with obvious inability to handle alcohol, became involved with a stripper by the name of Fannie Fox, and when this came to light Mr. Mills resigned.

I mention this because I think it is indicative of how other people in our society have acquitted themselves when they have violated the public trust that is placed in them by the people that brought them to leadership positions in the institution which they serve.

This Member from California will consider this matter further on tomorrow or Thursday of this week when hopefully the Members of the House will have an opportunity to reflect on the conduct of the gentleman from Massachusetts as well as the recommendations of the Ethics Committee and certain observations that this Member will have concerning the report of the committee and an appropriate recommendation concerning this issue.

Mr. Speaker, I yield back the balance of my time.

□ 2020

AMERICA's SLIDE INTO THE SEWER

The SPEAKER pro tempore (Mr. PENNY). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

Mr. DORNAN of California. Mr. Speaker, I made a 1-minute speech at the beginning of today's session where I pointed out an article I mistakenly thought was in Time magazine, and it was Newsweek. I had carried it around opened to the article for a day. So I had forgotten that Mr. George F. Will writes for Newsweek.

Mr. George F. Will, very provocative writer, has a great gift with words and with speech. He is a regular on one of my regularly viewed, personally viewed television shows on Sunday, the so-called Sunday shows that discuss political and current world af-

fairs, David Brinkley's show, "This Week with David Brinkley," an excellent show.

Mr. Will is the house conservative. But more than that, he has become the house conservative for ABC, the whole network. More than that, it seems that NBC and CBS feel since ABC, their competitor, has a conservative on the air periodically, he can serve as the house conservative for all three networks. Thank heavens CNN has people on because I think they are a powerful fourth network, people like Patrick Buchanan. So Mr. Will has not become the house conservative for all of the major electronic outlets in this country.

But he brought up a subject, Mr. Will did, on Sunday's "This Week With David Brinkley." Mr. Brinkley, with more experience in broadcasting than anybody on the air regularly, agreed with Mr. Will instantly. That is that the whole debate on the corruption of the public marketplace in this country, from pornography to child pornography to music lyrics to speech on films, to speech on films that are not coming to us through commercial outlets but through cable television, that this whole debauchery in the public marketplace, which includes narcotics, narcotics, narcotics, legal prescription drugs, illegal prescription drugs, home-manufactured rainbow chemical drugs, the violence in schools, gang warfare, drunkenness, that the entire horrible side of American life that some countries are led to call us "the Great Satan" because of this, that all of this is losing out in the debate because we cannot be specific.

That includes the floor of this great deliberative Chamber, the floor of the other body, the U.S. Senate. We have a decorum here, and I like it. We call one another "my distinguished colleague," we kind of keep a calm level on debate. The worst that happens around here is when somebody cannot get "distinguished" through his teeth, he says, "Will the Member from Massachusetts understand such and such."

It first hit me that we were not going to properly discuss the corruption of the marketplace out there, the pollution of the minds of our youth, when they could not bring the Mapplethorpe photographs, the NEA-funded controversial, deceased-of-AIDS photographer, we could not bring his works to this floor.

I was not one of those who wanted to, they were so horrible. They involved child pornography, a new term, homoerotic art. I never heard the term hetererotic art, which usually means pornography. So this was homosexual pornography. We could not bring it to the floor.

One Member wanted at least to display it in the Speaker's lobby behind me and behind you, Mr. Speaker, and the compromise was it had to go in the far room of the Speaker's lobby because we did not want to offend people who might be walking through the Speaker's lobby. And the only people who have access to your Speaker's lobby other than Members are the press, if they are so credentialed.

I found it unusual that we might offend the press with these Mapplethorpe pictures, because most of the press, at least the dominant media culture liberal press, the biggies, they were defending all of this Mapplethorpe garbage in general.

So Mr. Will says to his colleagues on that show, I think it was Hodding Carter, who is a liberal, very distinguished, very articulate, and it was not Anthony Lewis but another one of the writers, Tom Wicker from the New York Times, very articulate liberal from the South, which is kind of unusual, and Mr. Brinkley, again, instantly agreeing with Mr. Will, Mr. Will says we are crippled in this debate, we are not discussing the lyrics of 2 Live Crew. We are not discussing what some of these NEA projects are. We are not discussing what Andrew Dice Clay, who calls himself "the Diceman," who has a movie out now called "Ford Fairlane," that by my mentioning it may sell a few more tickets, but that all the reviewers say is not nearly as ugly, as crass, as misogynist—meaning antiwoman—as his so-called humor in his nightclub standup act.

He says we cannot discuss any of this. Brinkley says, "I agree."

Will should have mentioned, I guess he did not want to push his Newsweek magazine article, but he should have mentioned that his article was coming out in the Monday edition, yesterday, of Newsweek.

In this article, and I do not think many children read Newsweek, not preteen children, he manages to cross the bridge a little bit and get graphic, to explain the horror.

I have been here a long time, I am 57 years of age, for 3½ years I covered 49 of our 50 States. I only missed Alaska because of its distance. I was eventually going to go there, but I won a congressional seat.

I covered this Nation talking about child pornography and pornography. I thought I had seen and heard it all. But some of the concepts of some of the so-called pseudo-art that people in NEA, through their peer review panels, are trying to get us to fund with no strings attached with taxpayers' dollars, I could not conceive of this. There are no psychopathic dark recesses of my mind that know how to handle sadism, masochism, bondage, discipline, or torture disguised as some sort of a sexual thrill that I could even conjure up some of this sexual garbage.

So I had no idea of the depths of degradation into which the lyrics of 2 Live Crew had sunk.

So now, Mr. Will gives us this in Newsweek. Now, because we, by a vote in this House back in April 1979, began televising these proceedings, Mr. Speaker, there is no way any of us are assured that children, especially in the summertime—it doesn't matter, because in the wintertime they could be home sick—are not following the proceedings of this House on C-SPAN.

I would hope that the children who visit this Chamber with their parents, I would hope their parents would take them out of the Chamber if we are going to discuss some of this because decorum must still prevail on the House floor.

So I cannot read part of Mr. Will's article exactly, but I can use euphemisms that will go past children but adults will know what I am talking about.

Now, I want to read the last paragraph of Mr. Will's article because it has the essence of the whole piece, it has got the punch. Then I may read it a second time.

He says, "America today is capable of terrific intolerance about smoking," I am intolerant, "or toxic waste that threatens trout. But only a deeply confused society is more concerned about protecting lungs than minds, trout than black women. We legislate against smoking in restaurants, singing "Me So Horny," is a constitutional right. Secondary smoke is carcinogenic; celebration of torn women, but the word for women here is a medical word for female genitalia, "celebration of torn women is mere words."

"Words," said Aristotle, "are what set human beings, the language-using animals, above lower animals."

Not necessarily, George Will concludes.

When I first read this article, and I have given it to about 100 Congressmen today, I wrote as a footnote at the bottom, "God have mercy on our beloved country." These are my words.

"Forgive the liberals for they know not what they do."

□ 2030

Then I wrote: "I hope, meaning I hope they don't know what they do."

Here is the way the article begins. It is titled, and by the way it is, Monday's brandnew Newsweek, dated July 30, America's Slide into the Sewer." This title by Newsweek comes out of George Will's words, where in one paragraph he says "This slide into the sewer is greased by praise."

Now, listen to this subtitle: "A Confused Society, Protects Lungs More Than Minds, Trout More than Black Women." George Will begins with a preface in italicized print, "I regret," this is Will writing, "I regret the offensiveness of what follows. However, it is high time adult readers sampled

the words that millions of young persons are hearing."

His article begins, "which words are lyrics, which are testimony." In a Manhattan courtroom testimony continues in the trail of young men accused of gang rape and other satistic violence against the Central Park jogger in last April's 'wilding' episode. This is one of the defendants in the trial that is going on now. "We charged her and we got her on the ground. Everybody started hitting her and stuff and she is on the ground, and everybody is stomping and everything. I grabbed one arm, and this other kid grabbed one arm, and we grabbled her legs and stuff, and then we took turns getting on her." "They did it for fun for entertainment," Mr. Will writes.

A new quote from the courtroom: "After she was hit on the head with a pipe, did someone take her clothes off," the prosecutor asks. "Yeah." "OK, Who took her clothes off?" "All of us." "Did someone have sex with her?" "Yeah."

When arrested, a defendant said, "It was something to do. It was fun." Mr. Will, "Where can you get the idea that sexual violence against women is fun? From a music store, through Walkman earphones, from boom boxes blaring forth the rap lyrics of 2 Live Crew." Then he starts the lyrics, and I have not done this yet. While I try to censor for House decorum the lyrics that George Will slightly censored by using a letter and then dashed and then another letter for some street words for female genitalia. Here are the lyrics: "To have her walkin' funny we try to abuse it, a big stinking"—censor street word for genitalia—"can't do it all, so we try real hard to bust the walls," end of 2 Live Crew lyrics.

Back to George Will: "That is, bust the walls of women's"—and he used a medical word while I prefer female genitalia. Only a slight distinction. Nothing wrong with medical words. "2 Live Crew's lyrics exult in busting women—almost always called bitches—in various forms, forcing"—sex where he has a different word, forcing women to—here I part from Mr. Will. House decorum, and he is talking about making women perform acts with, and he used the word "feces."

Back to 2 Live Crew lyrics. "He'll tear the"—street word for female genitalia—"open cause it's satisfaction." A word for oral intercourse. My word for female genitalia, bitch. Mr. Will just used dashes, and first and last letters, comma, "It makes you puke."

A question from Mr. Will: "That's entertainment?" That is the title of a great TV series that my cousin, Jack Haley, Jr., produced directed and wrote, and won Emmys for. That's entertainment? That's a statement, not a question mark.

Then Mr. Will switches, and I'm not doing him justice here because the writing is beautiful. He writes, "This is medicince. The jogger lost most of her blood, her temperature plunged to 85. Doctors struggling to keep her alive had to tie down her arms and legs because, even hours after the attack, while in a coma that would last weeks, she was flailing and kicking as if in a fighting stance." Those are the doctor's words. "Her face was so disfigured, a friend took 15 minutes to identify her. 'I recognized her ring.'" And now a BOB DORNAN footnote that I found out today. One of her eyes was pushed out of the socket, back into her cranium, and that was pulled forward in reconstructive surgery, and that is why she has blurred vision. She is a vice president of the Salmon Bros., one of the biggest investment counseling firms on Wall Street. She is back on the job. She has trouble reading because of her double vision. She has trouble walking because of injuries to her inner ear, sometimes falling to the right or left. Her friends help her. She has been on the stand for days. It took her 2½ minutes walking to get her on the witness stand by the prosecution, and she asked that her name not be used, and all the radios, newspapers, and television outlets are respecting that.

George Will continues, and this is after, "I recognized her ring."

"Do you recognize"—that is you, Mr. Speaker, that is me, that George Will says, "Do you recognize the relevance of 2 Live Crew?"

New lyrics: "I'll break ya down"—and street word for intercourse. Not the "F" word, another one. "I'll break ya down and"—street word—"bust your"—street word for female genitalia—"and break your backbone."

Back to George Will: "The furor—if anything so evanescent can be called that—about 2 Live Crew has subsided, for two reasons. Saturation journalism, print and broadcast, around the clock, quickly wrings the novelty out of subjects, leaving them dry husks," like discarded corn. "Then, as someone raises the subject again, the answer is a journalistic shrug: 'Not again.' But for 2 Live Crew the tour rolls on and the money rolls in."

When I read this article last night I could hear the music from the Broadway show "Evita," "And the money keeps rolling in." I could hear the song from the other Broadway plan "Cabaret" that Liza Minnelli sang so brilliantly in the film version "Money, money, money, money, money, money, money, money, money, ching, ching, ching." "So the money rolls in," and we are told not to discuss the Diceman or 2 Live Crew because they are going to make more money if we discuss them, so our kids' minds get twisted and polluted.

Back to Mr. Will's article: "Anyway, the 'fury' over the lyrics was feigned. It has to be because everyone dependent on journalism did not learn what the offending words were." That is all of us, because we censor it on the House floor, we censor it even slightly in this article in Newsweek, censored generally in Newsweek and Time and all newspapers and censured on television unless a person is watching a slimy movie now coming to our homes on paid television that pays a reflection of our 2 Live Crew lyrics. We do not know what these offending words were. "Media coverage was characterized by coy abstractness, an obscured mist of mincing, supercilious descriptions of the lyrics as 'explicit' or 'outrageous' or 'challenging' or 'controversial' or 'provocative.'"

"Well, now. Provoking what, precisely?"

From the jogger trail, testimony from court by young teens, "Steve was holding her with his leg and someone was ripping off her clothes and pulling her down. She screamed and Steve held her while Kevin pulled down his pants and had sex with her. Steve hit her with a brick twice."

□ 2040

Mr. Speaker, is there something I am missing here with young Americans? The smashing of this woman's face in with a brick is part of the rape? That is the new way to have sex with a rape victim while somebody else tees off with an iron pipe like it is a golf club, and smashes her head in and brings her so close to death?

Back to George Will.

"Fact: Some membrs of a particular age and social cohort, the one making 2 Live Crew rich, stomped and raped the jogger to the razor edge of death for the fun of it. Certainty: the coarsening of a community, the desensitizing of a society will have behavioral consequences.

"Juan Williams of the Washington Post is black and disgusted. The issue, he writes, is the abuse of women, especially black women and the corruption of young blacks' sensibilities, twisting their conceptions," quote from Mr. Williams, "of good sex, good relationships and good times," unquote Williams. Half of all black children live in single parent households headed by women.

I repeat: Half.

"The black family is falling apart in America. Teenage pregnancy regularly ruins lives. The rate of poverty is steadily rising, and 2 Live Crew," quotes Mr. Williams, "is selling corruption, self-hate, to vulnerable young minds in a weak, blackened America," unquote, Williams.

Mr. Speaker, I would have used the word "weakened black Americans."

Footnote from Congressman BOB DORNAN: Two members of the Black Caucus in this House, friends of mine, approached me and said, "Because of your 1-minute speech at the beginning of the day, I read the article. It is powerful."

The first black Congressman who approached me said, "I reached out and grabbed the article and began to read it before your 1-minute was through, and I agree with you completely, BOB. This is a powerful article, and I agree with every aspect of it."

Bold black letters for the second part of George Will's article: "No Morals."

"No Morals: In such selling, liberals are tools of entertainment corporations. The liberals and the corporations have the morals of the marketplace. Corporations sell civil pollution for profit. Liberals rationalize it as virtuous tolerance in, the marketplace of ideas."

"Not to worry, yawn the New York Times editorialists."

Quote from a New York Times editorial: "The history of music is the story of innovative, even outrageous styles that have interacted, adapted and become mainstream," New York Times.

"Oh, I see," says George Will. "First Stravinsky's Rite of Spring, now 2 Live Crew's Me So Horny: I won't tell your mama, and then the words from Me So Horny. 'I won't tell your mama, if you don't tell your dad. I know he'll be disgusted when he sees your,' female genitalia, street word, busted," Me So Horny lyrics.

Innovative. When that is, "mainstream," this will surely be an interesting country.

"2 Live Crew, who are black, resemble the cretinist, monstrous Andrew Dice Clay, the white, comedian. There is nothing new about selling the talentless to the tasteless. What is new is the combination of extreme infantilism and menace in the profit driven degeneration of popular entertainment. This slide into the sewage is greased by praise, yes, praise.

Hence, Mr. Speaker, the Newsweek title of the article.

"When journalism flinches from presenting the raw reality, and instead says only that 2 Live Crew's lyrics are, "explicit," and "controversial," and "provocative," there is an undertone of approval. Antonyms of those adjectives are—you have to look up these adjectives in a book: provocative, controversial, explicit, and here is what you get: vague, bland, and unchallenging. Somehow we never reach the subject of busting vaginal walls. Vague, bland, unchallenging.

"America today," and I repeat this final paragraph:

America today is capable of terrific intolerance about smoking, or toxic waste that threatens trout. But only a deeply confused society is more concerned about protecting lungs than minds, trout than black women. We legislate against smoking in restaurants; singing "Me So Horny" is a constitutional right. Secondary smoke is carcinogenic; celebration of torn vaginas is "mere words."

Words, said Aristotle, are what set human beings, the language-using animals, above lower animals. Not necessarily.

Concludes George Will. Well done, George. Excellent article. It is in the RECORD twice today. I will use it during the debate on NEA funding.

Mr. Speaker, the latest outrages in our beautiful National Federal City, the Capital of the United States of America, the leading city in the free world, is the "Alleged Area Male Prostitution Ringleader Surrenders." This is Henry Vinson, 29. He has been a fugitive for months, ran this big call boy operation under the names: Man to Man, Jack's Jocks, and the Dream Boys. According to one of the papers in town, it was frequented by all sorts of people in high places around here from the executive branch to all the way across the river to the Pentagon. They have just opened up the files on this Vinson call boy operation.

Mr. Speaker, they claim they are only going after the ones that ran the call boy operation, although they captured in a raid on Vinson's house months ago last year, they picked up a sophisticated AT&T telephone bank, paging devices, an adding machine, a credit card imprinter, and a credit card approval machine. They found lists of alleged customers' names, lists of preferred sexual acts after those customers' addresses, telephone numbers, and prices to charge. To date, however, the investigators have disclosed no evidence linking any high-level Government official, and they probably will not. What is that; some old boy network?

Mr. Speaker, the indictment charges the four defendants with conspiracy, racketeering, interstate transportation for purposes of prostitution. Vinson and Chambers are also charged with credit card fraud. That is Robert A. Chambers, 37, of Upper Marlboro. The other is James A. Macko, M-a-c-k-o, 29, and James Travis Smith, 23. The four are charged, I repeat, with conspiracy, racketeering, interstate transportation for the purposes of prostitution. Vinson and Chambers are also charged with credit card fraud.

Mr. Speaker, the indictment charges that Vinson set up the alleged prostitution ring sometime prior to August 1987 and served as its leader until at least June 1989. Chambers, the son of the owner of the Riverdale Funeral Home where Vinson once worked is accused of also helping to establish the ring and obtaining a merchant account with American Express to process credit cards used by the clients.

Mr. Speaker, my American Express card grows radioactive in my pocket as it does every time I read that they give money to Planned Parenthood.

My colleagues, I repeat for about the fourth or fifth time on this House floor, and I will keep repeating it, and that is that we are in a culture war, a vicious, horrible culture war that is a direct assault upon every woman in our society. I am glad my grandmothers are gone. I am glad my wife's mother and my mother are gone. Thank God I never had a sister to live in this world, but I have got three daughters. We have four granddaughters, and maybe another one on the way to join the three grandsons and the two sons. I was raised to protect women. I do not know if that is chauvinistic, but men are generally stronger, particularly in the upper body strength, and I was raised by my mother who would keep telling me that she wanted a little girl, that she wanted a sister for us so we could learn to treat every women the way she would have wanted us to treat them or would have wanted somebody to treat that sister we never had. I do not know where chivalry has gone in our country, but I know that some nations accuse us of moral corruption, and decadence, and the decay in our society. It was their excuse to continue the horror called communism.

Mr. Speaker, I have debated communism. I remember doing this in the Polish Embassy in Laos, a corner of the world, in 1970. I was sitting there with four wives of missing-in-action pilots, and not one of those great ladies got their hero guy back, their hero pilot back.

□ 2050

An Air Force wife, two Air Force wives, three Air Force wives and a Marine Corps wife, and this Polish Communist Ambassador to Laos said to us, "Why would we want to give up communism for your democracy? We don't have your narcotics problems." Now they do.

"We don't have your pornography problem." Now they do.

"We don't have the problems of moral decay and our kids turning to drugs in high school, your dropout rate." Now they are starting to get that.

Is that what comes with freedom? I heard that Hustler or Penthouse is now going to be produced in Hungary, that they have already got seven home-produced porno magazines, that when East Germans came out of years of Communist imprisonment, locked behind the Berlin Wall, shot if they tried to climb over the Wall, hang-glider over the Wall, race under the barrier in sports cars, jumped it with motorcycles, a la Steve McQueen, what they did, they killed them; 86 people died trying to cross that Wall, but when it comes down to opening

the gates, the dominant media culture tells us that the people rushed to the live sex shows in West Berlin and rushed to the porno shops.

I choose not to believe that was everybody.

Is there some dark side of freedom and liberty that turns to this sort of self-corruption? I hope we can turn this back and I hope the dominant media culture, and what I mean when I say dominant media culture is the New York Times, the Washington Post, the L.A. Times, the Wall Street Journal, ABC, CBS, NBC, CNN, Newsweek, Time, U.S. News and World Report—and who have I left out? There are 14—AP and UPI. I hope those 14 outlets—oh, and PBS and CNN. Now I have got 14. I hope those 14 outlets of information, and that is what most of us mean when we say dominant, because it is not everybody in the media. It is the dominant ones, media culture, and it is a separate culture. If they think these lyrics will turn into tomorrow's mainstream or that Andrew Dice Clay is not creating a direct frontal assault on women, and Nora Dunn was correct, and the Irish female singer, Shana Sinead, they were correct not to appear on Saturday Night Live, but Saturday Night Live's ratings went up when the Dice Man appeared and came up with more gutter street language for female genitalia that I cannot mention on the floor of the House of the U.S. Congress because of decorum here, but it was okay for the producers of Saturday Night Live to go out to America uncensored, and then they griped the next day that Andrew Dice Clay lied to them and got dirty when he promised not to.

No, we have a cultural war, and maybe some of the Cretons, as George Will calls them, some of these moral—you cannot even use medical words, for people who are mentally impaired or handicapped, these moral devils, maybe we can turn the clock back.

If the young people in this country, my seven grandkids and, God willing, an eighth due in a few weeks, will have the same chance to be raised in a decent America as I was. My grandparents came here as dirt poor Irish immigrants. I was raised in a wholesome environment, but my mom and dad told me when I was being raised in a nice environment, "Don't ever forget that there are black children who are still living in virtual slavery in the South 100 years after the Civil War is over and they don't have the same educational benefits that you do."

So just as the frightened Jewish family that came here fleeing Kossack pograms in Poland or Byelorussia, they came to America and they could hit all the economic homeruns they wanted, when Italians came here seeking economic freedom and political freedom, the Irish people, people from all over the world as is still happening with Haitians and Cubans and Guatemalans and Salvadorans and Nicaraguans and Cambodians and Laotians and Vietnamese, people coming from all over the world. Now some Hungarians can go home because freedom has opened up there; but when the black Americans, who are as American as anybody else because they have been here for three centuries, two centuries longer than my Irish relatives, when they finally get freedom, fought for in the civil rights period of the sixties, and they come up the back way, the economic door is slammed in their face.

Quick divorce is now a part of all society. The family structure begins to fall apart, and then the white dominant media makes excuses for a culture that is a counterculture, a subculture in the black community, that is a direct assault upon black women, and that is why George Will says a society that protects trout, fish, more than it protects women from a class that has suffered so much in a country that they did not even choose to come to, but accepted lovingly as their homeland and thought that their problems were solved with the Civil War, and they were not, now are being assaulted in a way more severely than slavery itself was an assault.

Less young black males die, chained in slavery, once they had suffered the third rate of every one in three dying on the Atlantic route of the slave trade, once they had gotten here, they were not dying, the young males, at the same rate the young black males are dying by gunshot. It is the No. 1 cause of death in some of our cities.

I do not know if the dominant media is psyched by this whole thing. Do they not consider blacks worthy of the same type of coverage that Irish-Americans, Jewish-Americans, Polish-Americans, Cambodian-Americans, have gotten over the years, What a tragedy.

I hope the Black Caucus will take this up as an item of discussion at their next meeting and see if there is not some way, because most of them consider themselves liberal, they will not be betraying their liberal principles to stop, and I quote George Will's title, "The slide into the sewer" for all of us, but the first group in our country that is suffering the earliest, and most severe attacks and the most destruction are our fellow brothers and sisters who are black.

Mr. Speaker, I close again with those words that I wrote at the bottom of this article, "Oh, God, have mercy on our beloved country. Forgive liberals, for they know not what they do." I hope they know not what they do.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HILER) to revise and extend their remarks and include extraneous material:)

Mr. FISH, for 5 minutes, today.
Mr. WYLIE, for 5 minutes, today.
Mr. MCCOLLUM, for 5 minutes, today.
Mrs. BENTLEY, for 60 minutes, August 6, August 7, and August 8.
Mr. WOLF, for 60 minutes, July 27.
Mr. GEKAS, for 5 minutes, today.
Mr. DANNEMEYER, for 60 minutes, today.

(The following Members (at the request of Mr. HUGHES) to revise and extend their remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DORNAN of California, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HILER) and to include extraneous matter:)

Mr. PURSELL.
Mr. KYL.
Mr. PORTER in two instances.
Mr. HASTERT.
Mr. GILMAN.
Mr. DREIER of California.
Mr. EMERSON.
Mr. STUMP.

(The following Members (at the request of Mr. HUGHES) and to include extraneous matter:)

Mr. PANETTA.
Mr. WALGREN in three instances.
Mrs. KENNELLY.
Mr. WYDEN.
Mr. NELSON of Florida.
Mr. ERDREICH.
Mr. HOCHBRUECKNER.
Mr. MAZZOLI.
Mr. MORRISON of Connecticut.
Mr. CLEMENT.
Mr. LEVINE of California.
Mr. VISCLOSKY.
Mr. SKELTON.
Mr. KANJORSKI.
Mr. STARK.
Mr. HAWKINS.
Mr. ROSTENKOWSKI in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's

table and, under the rule, referred as follows:

S. 1076. An act to increase public understanding of the natural environment and to advance and develop environmental education and training; to the Committee on Education and Labor.

S. 2874. An act to authorize the reformulation of the Cedar Bluff Unit of the Pick-Sloan Missouri Basin Program, Kansas, to provide for the amendment of water service and repayment contracts; to the Committee on Interior and Insular Affairs.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 577. Joint resolution designating the month of November 1990 as "National American Indian Heritage Month."

ADJOURNMENT

Mr. DORNAN of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 25, 1990, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of July 23, 1990]

3609. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance technology transfer for workers prepared under cooperative research and development agreements under the Federal Technology Transfer Act of 1986; jointly to the Committee on Science, Space, and Technology and the Judiciary.

[Submitted July 24, 1990]

3610. A letter from the Acting Deputy for Programs and Installation Assistance, Department of Defense, transmitting notification of the decision to convert the custodial services function at Martin Army Community Hospital, Fort Benning, GA, to contractor performance which was found to be the most efficient and cost-effective, pursuant to Public Law 100-463, section 8061 (102 Stat. 2270-27); to the Committee on Armed Services.

3611. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles estimated to cost $50 million or more (Transmittal No. 90-45), pursuant to 10 U.S.C. 118; to the Committee on Armed Services.

3612. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles estimated to cost $50 million or more (Transmittal No. 90-47), pursuant to 10 U.S.C. 118; to the Committee on Armed Services.

3613. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles estimated to cost $50 million or more (Transmittal No. 90-46), pursuant to 10 U.S.C. 118; to the Committee on Armed Services.

3614. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-249, "District of Columbia Family and Medical Leave Act of 1990", and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3615. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services (Transmittal No. 90-48), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3616. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles and services (Transmittal No. 90-47), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3617. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles and services (Transmittal No. 90-45), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3618. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles and services (Transmittal No. 90-46), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3619. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on the Judiciary. H.R. 4225. A bill to amend title 18, United States Code, to prohibit the possession, transfer, and certain exports of restricted weapons, the manufacture of firearms capable of accepting a silencer or bayonet without alteration, and the possession and transfer of large capacity ammunition feeding devices, and for other purposes, with an amendment (Rept. 101-621). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. S. 1814. An act for the relief of Wilson Johan Sherrouse (Rept. 101-622). Referred to the Committee of the Whole House.

Mr. BROOKS: Committee on the Judiciary. H.R. 3920. A bill for the relief of Fiona Lamont DuVal (Rept. 101-623). Referred to the Committee of the Whole House.

Mr. BROOKS: Committee on the Judiciary. H.R. 2863. A bill for the relief of Michael Wu; with an amendment (Rept. 101-624). Referred to the Committee of the Whole House.

Mr. BROOKS: Committee on the Judiciary. H.R. 2961. A bill for the relief of Sonanong Poonpipat (Latch) (Rept. 101-625). Referred to the Committee of the Whole House.

Mr. BROOKS: Committee on the Judiciary. S. 1683. An act for the relief of Paula Grzyb (Rept. 101-626). Referred to the Committee of the Whole House.

Mr. BROOKS: Committee on the Judiciary. S. 1229. An act for the relief of Maria Luisa Anderson (Rept. 101-627). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSTENKOWSKI:

H.R. 5350. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

By Mr. ANDREWS:

H.R. 5351. A bill to amend the Internal Revenue Code of 1986 to extend the credit for fuel produced from a nonconventional source and to restore such credit for certain gas produced from a tight formation; to the Committee on Ways and Means.

By Mr. CHANDLER (for himself and Mrs. KENNELLY):

H.R. 5352. A bill to amend the Internal Revenue Code of 1986 to restructure and revitalize the Federal income tax incentives for certain employee stock options; to the Committee on Ways and Means.

By Mr. WYLIE (for himself, Mr. FISH, Mr. MICHEL, Mr. GINGRICH, Mr. LEWIS of California, Mr. VANDER JAGT, Mr. EDWARDS of Oklahoma, Mr. SOLOMON, Mr. HUNTER, Mr. MCCOLLUM, Mr. WEBER, Mr. GEKAS, Mr. HILER, Mr. DOUGLAS, and Mr. PARRIS):

H.R. 5353. A bill to enhance the ability of the Federal Government to successfully prosecute financial crimes and gain increased recoveries at failed financial institutions; jointly, to the Committee on the Judiciary and Banking, Finance and Urban Affairs.

By Mr. DERRICK:

H.R. 5354. A bill to amend the Internal Revenue Code of 1986, the Federal Election Campaign Act of 1971, and the Communications Act of 1934 to reform financing of congressional elections, and for other purposes; jointly, to the Committees on Ways and Means, House Administration, and Energy and Commerce.

By Mr. ROSTENKOWSKI (by request):

H.R. 5355. A bill to increase the statutory limit on the Public debt; to the Committee on Ways and Means.

By Mr. ENGEL:

H.R. 5356. A bill to require certain entities receiving United States funds from the

International Fund for Ireland to comply with the McBride principles; to the Committee on Foreign Affairs.

By Mr. HOCHBRUECKNER:

H.R. 5357. A bill to amend title 10, United States Code, to allow eligible entities under the Department of Defense procurement technical assistance program to furnish technical assistance relating to procurement with other Federal departments and agencies; to the Committee on Armed Services.

By Mr. STARK:

H.R. 5358. A bill to amend the Internal Revenue Code of 1986 to disallow the research credit for duplicative medications and excessively priced new therapeutic medications; to the Committee on Ways and Means.

By Mr. TORRES (for himself, Mr. HOCHBRUECKNER, Mr. ANDERSON, Mr. BATES, Mr. BEILENSON, Mr. BERMAN, Mr. BONIOR, Mr. BROWN of California, Mr. BRYANT, Mr. CONDIT, Mr. COYNE, Mr. DE LA GARZA, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FAZIO, Mr. GAYDOS, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HORTON, Ms. KAPTUR, Mr. LEWIS of Georgia, Mr. MARKEY, Mr. MILLER of California, Mr. NAGLE, Mr. OWENS of Utah, Mr. PALLONE, Ms. PELOSI, Mr. RANGEL, Mr. RICHARDSON, Mr. ROYBAL, Ms. SCHNEIDER, Mr. SCHROEDER, Mr. SIKORSKI, Mr. TOWNS, Mr. WALSH, and Mr. WOLPE):

H.R. 5359. A bill to amend the Solid Waste Disposal Act to provide management standards and recycling requirements for spent lead-acid batteries; to the Committee on Energy and Commerce.

By Mr. MICHEL:

H.J. Res. 630. Joint resolution to recognize and commend the efforts being made to create a gallery in the U.S. Army Museum, Fort George G. Meade, MD, to commemorate the Battle of the Bulge; to the Committee on Armed Services.

By Mr. ENGEL (for himself, Mr. ANNUNZIO, Mr. CONTE, Mr. FASCELL, Mr. FAZIO, Mr. PALLONE, Mr. PANETTA, Mr. RINALDO, Mr. ACKERMAN, Mr. ANDERSON, Mr. APPLEGATE, Mr. AUCOIN, Mr. BATES, Mr. BENNETT, Mrs. BENTLEY, Mr. BORSKI, Mr. BOSCO, Mrs. BOXER, Mr. BRENNAN, Mr. BROWN of Colorado, Mr. CARR, Mr. CLEMENT, Mrs. COLLINS, Mr. COSTELLO, Mr. DEFAZIO, Mr. DOUGLAS, Mr. DOWNEY, Mr. DWYER of New Jersey, Mr. FALEOMAVAEGA, Mr. FEIGHAN, Mr. FISH, Mr. FOGLIETTA, Mr. FROST, Mr. FUSTER, Mr. GALLO, Mr. GILMAN, Mr. GORDON, Mr. GUARINI, Mr. HANSEN, Mr. HERTEL, Mr. HOAGLAND, Mr. HORTON, Mr. JONTZ, Ms. KAPTUR, Mr. KASICH, Mr. KILDEE, Mr. KOLTER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANCASTER, Mr. LENT, Mr. LEWIS of California, Mrs. LOWEY of New York, Mr. MCCOLLUM, Mr. MCDADE, Mr. MCDERMOTT, Mr. MCEWEN, Mr. MCGRATH, Mr. MCHUGH, Mr. MCNULTY, Mr. MACHTLEY, Mr. MANTON, Mrs. MARTIN of Illinois, Mr. MAZZOLI, Mr. MILLER of California, Ms. MOLINARI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MRAZEK, Mr. NEAL of Massachusetts, Mr. NOWAK, Mr. OBERSTAR, Mr. OWENS of Utah, Mr. PASHAYAN, Mr. PAXON, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PICKETT, Mr. POSHARD, Mr. RANGEL, Mr. ROE, Mr. RUSSO, Mr. SABO, Mr. SAVAGE, Mr. SCHEUER, Mr. SCHUETTE, Mr. SHUMWAY, Mr. SLATTERY, Ms. SLAUGHTER of New York, Mr. SMITH of Florida, Mr. SOLARZ, Mr. SOLOMON, Mr. STANGELAND, Mr. SUNDQUIST, Mr. THOMAS of Wyoming, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. VANDER JAGT, Mr. WALSH, Mr. WAXMAN, and Mr. YATES):

H.J. Res. 631. Joint resolution designating October 1990 as "Italian-American Heritage and Culture Month"; to the Committee on Post Office and Civil Service.

By Mr. KOSTMAYER (for himself, Mr. CROCKETT, Mr. YATRON, Mr. WEISS, Mr. STUDDS, Mr. JOHNSTON of Florida, and Mr. GEJDENSON):

H. Con. Res. 355. Concurrent resolution condemning human rights violations in Guatemala and supporting negotiations to peacefully end the 30-year civil war in that country; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mrs. BENTLEY introduced a bill (H.R. 5360) for the relief of Fanie Phily Mateo Angeles; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 586: Mr. DWYER of New Jersey.

H.R. 1085: Ms. SCHNEIDER.

H.R. 1500: Mr. TRAFICANT and Mr. JACOBS.

H.R. 1861: Mr. MINETA.

H.R. 2376: Mr. WISE, Mr. HAYES of Illinois, Mr. TORRES, Mr. VENTO, Mrs. LLOYD, Mr. MACHTLEY, Mr. DE LUGO, Mr. FORD of Michigan, Mrs. LOWEY of New York, and Mr. FORD of Tennessee.

H.R. 2380: Mr. EDWARDS of Oklahoma, Mr. HARRIS, and Mr. SHAW.

H.R. 2437: Mr. BURTON of Indiana and Mr. ENGEL.

H.R. 2776: Mr. WOLPE, Mr. BLILEY, and Mr. STUDDS.

H.R. 2786: Mr. MRAZEK and Mr. CLAY.

H.R. 2858: Mr. PEASE.

H.R. 2862: Mr. APPLEGATE, Mr. DE LUGO, Mr. FAUNTROY, Mr. HORTON, Mr. INHOFE, Mr. MCDADE, Mr. PARRIS, Mr. QUILLEN, and Mr. ROBINSON.

H.R. 2902: Mr. BUECHNER.

H.R. 2972: Mr. HAYES of Louisiana.

H.R. 3256: Mrs. MARTIN of Illinois, Mr. MURPHY, Mr. EMERSON, and Mrs. MEYERS of Kansas.

H.R. 3409: Mr. YATES.

H.R. 3461: Mr. HORTON and Mr. MRAZEK.

H.R. 3651: Mr. IRELAND.

H.R. 3776: Mr. TAYLOR, Mr. MCDERMOTT, and Mr. MORRISON of Connecticut.

H.R. 3814: Mr. MAZZOLI.

H.R. 3907: Mrs. MEYERS of Kansas.

H.R. 3979: Mr. WALGREN and Mr. MCMILLEN of Maryland.

H.R. 4048: Mr. JONTZ.

H.R. 4084: Mr. DIXON, Mr. POSHARD, and Mr. WASHINGTON.

H.R. 4131: Mr. HASTERT, Mr. DONALD E. LUKENS, Mr. MARTINEZ, and Mr. CLINGER.

H.R. 4149: Mr. GORDON, and Mr. CAMPBELL of Colorado.

H.R. 4231: Mr. ECKART and Mr. MANTON.

H.R. 4264: Mr. MCNULTY, Mr. NAGLE, Mr. MANTON, Mrs. MEYERS of Kansas, Mr. BARNARD, Mr. BATES, Mr. LIPINSKI, Mr. VENTO, Mr. TOWNS, Mr. ORTIZ, and Mr. TAUKE.

H.R. 4289: Mr. WOLPE, Mr. CARDIN, Mr. FORD of Michigan, Mr. YATES, Mr. BERMAN, Mr. DERRICK, Mr. PORTER, and Mr. MARKEY.

H.R. 4324: Mr. CONDIT, Mr. HUGHES, Mr. KOLTER, and Mr. WEISS.

H.R. 4493: Mrs. COLLINS and Mr. TALLON.

H.R. 4494: Mr. ESPY, Mr. MOODY, Mr. CLARKE, Mr. BROWDER, Mr. WILLIAMS, Mr. MILLER of Ohio, and Mr. COLEMAN of Missouri.

H.R. 4650: Mr. CHAPMAN, Mr. DURBIN, and Mr. MCGRATH.

H.R. 4714: Mr. STUDDS and Mr. MAVROULES.

H.R. 4729: Mr. DORNAN of California.

H.R. 4773: Mr. WOLPE.

H.R. 4793: Ms. KAPTUR, Mr. NOWAK, Mr. GEKAS, and Mr. HOUGHTON.

H.R. 4795: Mr. VALENTINE.

H.R. 4801: Mr. OWENS of Utah.

H.R. 4915: Mr. CAMPBELL of California.

H.R. 4958: Mr. BRUCE and Mr. SAVAGE.

H.R. 4965: Mr. ARMEY, Mr. SAXTON, and Mr. BROWN of Colorado.

H.R. 4979: Mr. PERKINS.

H.R. 5007: Mr. FROST, Mr. SHAYS, Mr. BATES, and Mr. CLAY.

H.R. 5083: Mr. BRUCE.

H.R. 5086: Mr. MCEWEN.

H.R. 5108: Mr. GORDON and Mr. MCDADE.

H.R. 5156: Mr. WALGREN and Mr. GOODLING.

H.R. 5163: Mrs. BOXER.

H.R. 5166: Mr. STOKES.

H.R. 5202: Mr. SCHEUER, Ms. SCHNEIDER, Mrs. BOXER, and Mr. CONTE.

H.R. 5203: Mr. SCHIFF, Mr. SCHUETTE, and Mr. ARMEY.

H.R. 5266: Mr. BUSTAMANTE, Mr. DWYER of New Jersey, Mr. EMERSON, Mr. KASTENMEIER, Mr. MARLENEE, Mr. MCDERMOTT, Mr. MORRISON of Washington, Mr. SAVAGE, Mr. TALLON, Mr. WILLIAMS, Mr. WILSON, Mr. SKEEN, and Mr. HAYES of Louisiana.

H.J. Res. 418: Mr. MINETA, Mr. LEVIN of Michigan, Mr. BARNARD, Mr. SAXTON, and Mr. JOHNSON of South Dakota.

H.J. Res. 459: Mr. NIELSON of Utah, Mr. RITTER, Mr. BARNARD, Mr. HEFNER, Mr. ROWLAND of Georgia, Mr. WASHINGTON, Mr. PARKER, Mr. MURPHY, and Mr. WEBER.

H.J. Res. 481: Mr. DE LA GARZA, Mr. DICKS, Mr. KILDEE, Mr. YOUNG of Florida, Mr. BONIOR, Mr. BROWN of Colorado, Mr. CRAIG, Mr. FISH, Mr. PANETTA, Mr. MONTGOMERY, Mr. ANNUNZIO, Mrs. BOGGS, Mr. COLEMAN of Texas, Mr. COOPER, Mr. COYNE, Mr. ECKART, Mr. HERTEL, Ms. LONG, Mrs. MARTIN of Illinois, Mr. BROOKS, Mr. CARDIN, Mr. BLILEY, Mr. BROWN of California, Mr. CALLAHAN, Mr. DAVIS, Mr. DIXON, Mr. GEKAS, Mr. HUTTO, Mr. KOSTMAYER, Mr. INHOFE, Mr. HOYER, Mr. GEPHARDT, and Mr. JACOBS.

H.J. Res. 492: Mr. WHITTEN, Mr. STAGGERS, Mr. ESPY, Mr. PAYNE of New Jersey, Mr. WOLF, Mr. HARRIS, Mr. CARDIN, Mr. COLEMAN of Texas, Mr. WISE, and Mr. JONES of Georgia.

H.J. Res. 498: Mr. BATES, Mr. BUSTAMANTE, Mr. CLAY, Mr. COSTELLO, Mr. CROCKETT, Mr. FAZIO, Mr. FOGLIETTA, Mr. LEHMAN of Florida, Mr. PAYNE of New Jersey, Mr. PICKETT, Mr. ROE, Mrs. SAIKI, Mr. STOKES, Mr. TRAXLER, Mr. VALENTINE, and Mr. WAXMAN.

H.J. Res. 519: Mr. LEATH of Texas, Mr. JACOBS, Mr. PRICE, Mr. EMERSON, Mr. BONIOR, Mr. BROWN of California, and Mr. CHAPMAN.

H.J. Res. 551: Mr. HYDE, Mr. PAYNE of New Jersey, Mr. MATSUI, Mrs. PATTERSON, Mr. STANGELAND, Mr. VALENTINE, and Mr. RANGEL.

H.J. Res. 552: Mr. PERKINS, Mr. RANGEL, Mr. SABO, Mr. SCHUETTE, Mr. SLATTERY, Mr. SMITH of New Hampshire, Mr. STUDDS, Mr. TAUZIN, Mr. CONTE, Mr. COYNE, Mr. ERDREICH, Mr. LEACH of Iowa, Mr. MCCOLLUM, Mr. MILLER of Ohio, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Mr. COURTER, Mr. BUSTAMANTE, Mr. RAVENEL, Mr. ROBINSON, Mr. LIPINSKI, Mr. MARTIN of New York, Mrs. BOGGS, Mr. BORSKI, Mr. HERTEL, Mr. DEFAZIO, Mr. GEREN of Texas, Mr. GRAY, Mr. JENKINS, and Mr. MATSUI.

H.J. Res. 598: Mr. ENGLISH.

H.J. Res. 613: Mr. JONTZ, Mr. FAZIO, Mr. YOUNG of Florida, Mr. WALSH, Mr. CLEMENT, Mr. ENGLISH, Mr. MARTINEZ, Mr. HATCHER, Mr. VALENTINE, Mr. WILSON, Mr. SPENCE, and Mr. MCDADE.

H.J. Res: 616: Mr. HUBBARD, Mr. SKELTON, Mr. CARPER, Mr. FLIPPO, Mr. BEVILL, Mr. HENRY, Mr. PAYNE of New Jersey, Mr. TAUKE, Mr. NAGLE, Mr. MILLER of California, Mr. ERDREICH, Mr. JONES of North Carolina, Mr. NIELSON of Utah, Mr. PAXON, Mr. MARTIN of New York, Mr. OWENS of Utah, and Mrs. MORELLA.

H. Con. Res. 346: Mr. SCHEUER, Mr. DWYER of New Jersey, Mr. DELAY, Mr. BLILEY, Mr. LIGHTFOOT, Mr. HERTEL, Mr. SMITH of Florida, Mr. WALSH, Mr. SCHIFF, Mr. LIPINSKI, Mr. UPTON and Mr. HASTERT.

H. Res. 134: Mr. DONALD E. LUKENS, Mr. BONIOR, and Mr. DYSON.

H. Res. 380: Mr. CONDIT, Mr. WALSH, and Mr. BURTON of Indiana.

H. Res. 398: Mr. BEREUTER and Mr. SMITH of New Jersey.

H. Res. 418: Mr. FAUNTROY and Mr. DONALD E. LUKENS.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2584: Mr. PARKER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3950

By Mr. SYNAR:

—Page 385, after line 22, insert the following new subtitle:

Subtitle F—Pesticide Export Reform

SEC. 1251. SHORT TITLE.

(a) SHORT TITLE.—This subtitle may be cited as the "Pesticide Export Reform Act of 1990".

(b) REFERENCE.—Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Insecticide, Fungicide, and Rodenticide Act.

PART 1—EXPORTED PESTICIDES

SEC. 1252. DEFINITIONS.

(a) IN GENERAL.—Section 2 (7 U.S.C. 136) is amended by adding at the end the following new subsections:

"(hh) COUNTRY OF USE.—The term 'country of use' means any foreign country in which a pesticide—

"(1) is intended by the exporter to be used or formulated; or

"(2) on the basis of information reasonably available to the exporter, the use or formulation of such pesticide being exported is foreseeable.

"(ii) EXPORTER.—The term 'exporter' means any person who arranges to transport, or who transports, any pesticide from the United States or any territory or possession of the United States to any country other than the United States.".

(b) MISBRANDED.—Section 2(q)(1) (7 U.S.C. 136(q)(1)) is amended—

(1) in subparagraph (G), by striking "or" at the end thereof;

(2) in subparagraph (H), by striking the period and inserting "; or"; and

(3) by adding at the end thereof the following new subparagraph:

"(I) in the case of a pesticide intended for export from the United States, the labeling does not meet the requirements of section 17(a)(8).".

SEC. 1253. REGISTRATION OF ESTABLISHMENTS.

Paragraph (1) of section 7(c) (7 U.S.C. 136e(c)(1)) is amended to read as follows:

"(1)(A) Any producer operating an establishment registered under this section shall inform the Administrator within 30 days after the establishment is registered of the types and quantities of pesticides and active ingredients used in producing pesticides that the producer—

"(i) is currently producing;

"(ii) has produced in the past 365-day period; and

"(iii) has sold or distributed during the past 365-day period.

"(B) Any producer operating an establishment registered under this section shall inform the Administrator within 30 days after the establishment is registered of—

"(i) the types and quantities of pesticides, and active ingredients used in producing pesticides, for export to a foreign country; and

"(ii) the date of export and quantity of pesticides and active ingredients exported to each foreign country to which the producer has exported during the past 365-day period.

The information required by this paragraph shall be kept current and submitted to the Administrator annually as required under such regulations as the Administrator may prescribe.".

SEC. 1254. PROTECTION OF TRADE SECRETS AND OTHER INFORMATION.

Section 10(d) (7 U.S.C. 136h(d)) is amended by adding at the end the following new paragraph:

"(4) The information submitted to the Administrator under sections 7(c)(1)(B)(ii) and 17(a)(6)(C) shall not be entitled to confidential treatment under subsection (b).

"(5) The data, summaries, and reviews described in section 17(a)(2)(A)(ii) shall be available to the public and shall be subject to the restrictions on use prescribed by section 3(c)(1)(D) as if they were submitted for purposes of registration under section 3.".

SEC. 1255. UNLAWFUL ACTS.

Section 12(a)(2) (7 U.S.C. 136j(a)(2)) is amended—

(1) by striking "or" at the end of subparagraph (R);

(2) by striking the period at the end of subparagraph (S) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(T) to knowingly or recklessly export a pesticide or device in violation of section 17.".

SEC. 1256. EXPORTS.

(a) SUBSECTIONS (a) AND (b).—Subsections (a) and (b) of section 17 (7 U.S.C. 136o) are amended to read as follows:

"(a) PESTICIDES OR DEVICES INTENDED FOR EXPORT.—

"(1) IN GENERAL.—

"(A) Notwithstanding any other provision of this Act, no pesticide or device may be exported to a foreign country unless such pesticide or device is prepared and packaged according to the specifications of the foreign purchaser and the legal requirements of the country of use is not considered misbranded under section 2(q).

"(B) The producers and exporters of any such pesticide or device shall be subject to the requirements of paragraphs (1), (2), (6), (7), and (9) of this subsection and sections 2(q), 7, 8, 19(a), and 19(e).

"(2) EXPORT OF PESTICIDES.—

"(A) No person shall export to any country of use a pesticide unless—

"(i)(I) that pesticide is registered with the Administrator under section 3; or the active ingredients in that pesticide are the subject of a food tolerance established under section 408 of the Federal Food, Drug, and Cosmetic Act;

"(II) if that pesticide is for use in connection with agricultural production related to food use unless that pesticide is registered with the Administrator for use in connection with agricultural production related to food under section 3; or the active ingredients of that pesticide are the subject of a food tolerance established under section 408 of the Federal Food, Drug, and Cosmetic Act; or

"(ii)(I) the pesticide is not registered under section 3, it has not been denied registration under section 3, it has not been the subject of an application for registration under such section that had not been granted because the Administrator had raised significant concerns about adverse human health effects, or the registration of the pesticide has not been canceled or suspended;

"(II) the exporter of the pesticide has provided the Administrator with a set of data and summaries of the data for acute effects, subchronic effects, teratology, oncogenicity, neurotoxicity, mutagenicity, and metabolic and pharmakinetic characteristics according to United States or foreign standards which the Administrator has determined by rule are sufficient to make a preliminary determination of the human health effects of the active ingredients in the pesticide;

"(III) the exporter of the pesticide has provided the Administrator with all methods known to the exporter for detecting residues of the active ingredients of the pesticide in food;

"(IV) the active ingredients in the pesticide are registered for use in a country which is a member of the Organization for Economic Cooperation and Development;

"(V) the Administrator has reviewed the data and summaries submitted under subclause (II) and has determined that they meet the requirements of the rule described in subclause (II), and has made a preliminary determination that the active ingredient does not pose an unreasonable risk to human health;

"(VI) the Administrator has determined that there is a practical method for detecting and measuring the presence of such pesticide chemical on such raw agricultural commodity or processed food that the Secretary of Health and Human Services is able to perform on a routine basis as part of sur-

veillance and compliance sampling of raw agricultural commodities and processed foods for pesticide chemicals; and

"(VII) all data and information described in this clause and the Administrator's evaluation of the data and information are available to a country of use receiving a notice under paragraph (6)(D) upon request and the country has granted consent to accept such pesticide.

The consent of a country of use described in clause (ii)(VII) shall be effective for not more than 24 months after the date of issuance of such response and such country of use may withdraw such consent at any time on or after the date of issuance of such consent.

"(B) A pesticide shall be considered to be for use in conjunction with agricultural production related to food use under the requirements of subparagraph (A)(i) if in the country of use—

"(i) on the basis of the advertising, promotion, packaging, distribution, labeling of such pesticide, or other circumstance, it is probable that such pesticide may be used in connection with agricultural production related to food use;

"(ii) patterns of pesticide use in the country indicate that it is probable that such pesticide may be used in connection with agricultural production related to food use;

"(iii) such pesticide is in use in connection with agricultural production related to food use; or

"(iv) the quantity of such pesticide that an exporter intends to export to a country of use exceeds the quantity, on the basis of expectations of use, that could be used in the country of use for use other than in connection with agricultural production related to food use.

"(3) TEMPORARY WAIVER FOR THE CONTROL OF COMMUNICABLE DISEASE.—On the request of a country of use, the Administrator may issue a temporary waiver from any requirement under paragraph (2) or (6) to permit the export to a country of use of a pesticide that does not otherwise meet the requirements for export under paragraph (2) or (6) to prevent the imminent spread or to arrest the spread of a communicable disease of humans that poses a serious threat to public health in such country of use if—

"(A) based on the certification of the country of use and information readily available to the Administrator, the Administrator makes a determination that—

"(i) the pesticide is to be used on a temporary basis for a period of time that shall not exceed 180 days;

"(ii) there is no practical chemical or nonchemical alternative to using the pesticide to prevent the imminent spread or arrest the spread of the communicable disease; and

"(iii) the pesticide will not be used as part of a routine continuing pest control program;

"(B) no quantity of the pesticide shall be exported in excess of a quantity that the Administrator, in consultation with the country of use, determines to be necessary to accomplish the purpose for the use of such pesticide under this paragraph;

"(C) the exporter agrees to assist in providing for the disposition or removal from the country of use of any unused or excess quantities of the pesticide at the time the purpose for the use of such pesticide under this paragraph has been accomplished; and

"(D) the Administrator publishes a notice in the Federal Register prior to the exportation of such pesticide, or as soon thereafter as practicable, that includes—

"(i) the factual basis for any determination that the Administrator makes under this paragraph;

"(ii) the identity of the exporter and the country of use;

"(iii) the quantity and identity of the pesticide (including a complete chemical description of the active ingredient of such pesticide that includes any commonly accepted chemical (generic), or abbreviated chemical name of such active ingredient) that the Administrator authorizes for export under this paragraph; and

"(iv) the estimated dates of export for the pesticide.

"(4) TEMPORARY WAIVER IN CIRCUMSTANCES OF FAMINE.—On the request of the country of use, the Administrator may issue a temporary waiver from any requirement under paragraph (2) or (6) to permit the export of a pesticide that does not otherwise meet the requirements for export under paragrph (2) or (6) to stop the spread or to prevent the imminent spread of a pest that is destroying or will destroy sufficient quantities of the food supply of the country of use so as to result in widespread famine or human starvation in the country of use if—

"(A) based on the certification of the country of use and information readily available to the Administrator, the Administrator makes a determination that—

"(i) the pesticide is to be used on a temporary basis for a period of not to exceed 180 days;

"(ii) the pesticide will only be used to stop the spread or to prevent the imminent spread of a pest that is destroying or will destroy sufficient quantities of the food supply of the country of use as to result in widespread famine or human starvation in the country of use;

"(iii) there is no practical chemical or nonchemical alternative to the use of the pesticide to stop the spread or to prevent the imminent spread of the pest in the country of use in time to prevent the destruction of such quantities of the food supply of the country of use as to result in human starvation in the country of use;

"(iv) the pesticide will not be used as part of a routine continuing pest control program; and

"(v) based on information provided by the country of use, food supplies stored in the country of use or that are available for purchase by the country of use or that are likely to be made otherwise available to the country of use are not likely to be adequate to prevent widespread famine or human starvation caused by the pest in the country of use;

"(B) no quantity of the pesticide shall be exported in excess of a quantity that the Administrator, in consultation with the country of use, determines to be necessary to accomplish the purpose for the use of such pesticide under this paragraph;

"(C) the exporter agrees to assist in providing for the disposition or removal from the country of use of any unused or excess quantities of the pesticide at the time the purpose for the use of such pesticide under this paragraph has been accomplished; and

"(D) the Administrator publishes a notice in the Federal Register prior to the exportation of such pesticide, or as soon thereafter as practicable, that includes—

"(i) the factual basis for any determination that the Administrator makes under this paragraph;

"(ii) the identity of the exporter and the country of use;

"(iii) the quantity and identity of the pesticide (including a complete chemical description of the active ingredient of such pesticide that includes any commonly accepted chemical (generic), or abbreviated chemical name of such active ingredient) that the Administrator authorizes for export under this paragraph; and

"(iv) the estimated dates of export for the pesticide.

"(5) STATUTORY CONSTRUCTION.—Except as specifically provided in this section, paragraphs (1) and (2) shall not be construed so as to allow the Administrator to exempt any pesticide or device from any requirement under this section except in the case of a pesticide that is exempted from the provisions of this Act pursuant to section 25(b).

"(6) ADDITIONAL REQUIREMENTS FOR THE EXPORT OF CERTAIN PESTICIDES.—

"(A) This paragraph applies to a pesticide—

"(i) for which a restricted use classification for reasons of human health risk is effective under section 3;

"(ii) that is subject to an order of suspension under section 6(c);

"(iii) that is the subject of a cancellation proceeding under section 6(b);

"(iv) that is the subject of a conditional registration under section 3(c)(7)(C);

"(v) that is the subject of an interim administrative review described in section 3(c)(8) in which the Administrator proposes to cancel the product;

"(vi) that contains an active ingredient that is included on the World Health Organization list of Class 1A, 'extremely hazardous', or Class 1B, 'highly hazardous' pesticides;

"(vii) that contains an active ingredient that was the subject of a registration under section 3 that was canceled, or was amended to delete a registered use because of human health risk associated with the registered use; or

"(viii) that is described in paragraph (2)(A)(ii).

"(B) No pesticide described in subparagraph (A) shall be exported if—

"(i) the exporter has not provided the notice required in subparagraph (C);

"(ii) the exporter has received from the Administrator, or the Administrator has published in the Federal Register, a written notice that the country of use has refused to consent to the importation of such pesticide pursuant to paragraph (7)(B); or

"(iii) to the extent not in conflict with requirements of the country of use, the pesticide is not packaged, and stored in conformity with standards for composition and quality of the Food and Agriculture Organization of the United Nations.

"(C) No pesticide described in subparagraph (A) may be exported unless, prior to shipment of such pesticide, the exporter provides to the Administrator—

"(i) the common or trade names by which such pesticide is known in the country of use and a complete chemical description of the active ingredients of such pesticide, including any commonly accepted, chemical (generic), or abbreviated chemical name known in the country of use for such active ingredients;

"(ii) the name and the address of the producer and exporter;

"(iii) the name and address of the foreign purchaser;

"(iv) the intended date and quantity of shipment of such pesticide;

"(v) the manner of transport of such shipment;

"(vi) the country of use that is the ultimate destination of such shipment; and

"(vii) the raw agricultural commodity, as defined in section 201(r) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(r)), or processed food, if any, on which such pesticide is intended or likely to be used.

"(D) For each pesticide identified in a notice submitted under subparagraph (C), if such notice is the first such notice that identifies a country of use for that pesticide that is received by the Administrator in the 12-month period immediately preceding the date of the receipt of such notice, the Administrator shall, within 60 days of the receipt of such notice submitted under subparagraph (C), notify the appropriate official in the appropriate regulatory department or agency designated by the country of use and the office responsible for the International Register of Potentially Toxic Chemicals of the intended export. Such notice by the Administrator shall contain a description in English, and in an official language of the country of use, of—

"(i) the information required by subparagraph (C);

"(ii) if the pesticide is subject to a conditional registration under section 3(c)(7)(C), an interim administrative review or suspension or concellation proceeding, or is classified for restricted use under this Act, a statement explaining the reasons for such status;

"(iii) alternatives known to the Administrator, including nonchemical alternatives, to the use of such pesticide;

"(iv) if the pesticide is described in paragraph (2)(A)(ii), a statement that a set of data, summaries, and reviews on the pesticide are available upon request; and

"(v) the name and address of the office of the Environmental Protection Agency that, on request of an appropriate official of the country of use, will provide additional information concerning such pesticide and alternatives to the use of such pesticide.

"(7) RESTRICTION ON THE EXPORT OF CERTAIN PESTICIDES.—

"(A) The Administrator shall publish a notice in the Federal Register disclosing that a country of use has informed the Administrator, or an international agency of which the United States is a member, that such country does not wish to import a pesticide, not later than 10 days of the receipt by the Administrator of such information.

"(B) The Administrator shall publish a notice under subparagraph (A) concerning a specific country of use only if—

"(i) the country of use has indicated that it does not wish to import the pesticide pursuant to an international system of pesticide export and import controls—

"(I) adopted by an international agency, if the United States is a member of the international agency and has consented to the adoption of the system; or

"(II) reached through an international agreement to which the United States is a signatory; or

"(ii) on the basis of a notice issued in accordance with paragraph (6)(D), the country of use does not consent, or has given conditional consent, to the importation of a pesticide.

"(C) Any refusal of consent by a country of use shall be considered as a continuing refusal that shall be effective until the country of use modifies or withdraws such refusal.

"(D) A refusal by a country of use to consent to the importation of a pesticide shall not be effective unless the country of use has certified that it—

"(i) is not producing and will not produce the pesticide or a similar product with the same active ingredient for use in the country of use; and

"(ii) is not importing and will not consent to the importation of the pesticide or a similar product with the same active ingredient from any other country.

"(E) If the Administrator makes a determination that the country of use is not in compliance with the certification provided under subparagraph (D), the Administrator shall withdraw the notice published under subparagraph (A).

"(8) LABELS.—The label of any pesticide intended for export from the United States shall—

"(A) be written in English and the official language of the country of use or in the major language of international relations of the country of use; and

"(B) to the extent not in conflict with requirements of the country of use, contain any health, safety, environmental and other related information, as determined by the Administrator to be applicable to the country of use and required to be included under section 3 in the labeling for such pesticide for use in the United States.

"(9) SPECIAL EXEMPTION FOR THE EXPORT OF RESEARCH OR EXPERIMENTAL PESTICIDES.—

"(A) Notwithstanding paragraphs (2) and (6), an exporter may export a pesticide for research or experimental use for use in a country of use if such pesticide is for research or experimental use—

"(i) is not and has not been the subject of any registration under section 3; and

"(ii) is to be used only for research or experimental purposes.

"(B) Nothing in this paragraph shall be interpreted so as to authorize the export of a pesticide for research or experimental use without the written consent of the government of the country of use. Such consent shall be obtained in the manner prescribed under subparagraph (C).

"(C)(i) In order to obtain the written consent of the government of country of use, the exporter shall submit a written request for consent to export the pesticide for research or experimental use to the Administrator and to the government of the country of use.

"(ii) The Administrator shall transmit to the appropriate official in the appropriate agency responsible for the regulation of pesticides in the country of use—

"(I) such written request;

"(II) a summary of all available information relating to the actual and potential adverse effects of the pesticide for research or experimental use on human health and the environment prepared by the Administrator; and

"(III) a complete statement of the factual basis for the issuance by the Administrator of an experimental use permit under section 5(a) for such pesticide if such permit has been issued for such pesticide.

"(iii) Not later than 60 days after the receipt of a request under clause (ii)(I), the Administrator shall certify whether such request meets the requirements of subparagraph (D).

"(D) A written request for consent that is submitted to the Administrator for transmittal to the country of use, and submitted to the country of use, shall identify the pesticide for experimental use and the active ingredients of such pesticide and include—

"(i) the name of the exporter;

"(ii) the trade names and chemical names of the active ingredients of the pesticide (including any commonly accepted, generic, or abbreviated chemical names);

"(iii) a complete description of the proposed experimental activity, including the formulation of the pesticide, the application rates and methods, the pests that are sought to be controlled, the locations where the experimental use will be made, the size of the areas where the experimental pesticide will be applied, the dates on which the experiment will be conducted, and the manner in which experimental data will be collected and recorded;

"(iv) the name of the persons who shall be responsible for the design and execution of the experiment and for the evaluation of the results of the experiment, along with the qualifications of these persons;

"(v) the name, address and qualifications of the person who will be the representative of the exporter in the counry of use and, if different, the named address and qualifications of the person in the country of use who will supervise the experiment;

"(vi) the location and manner of storage of the pesticide in the country of use;

"(vii) the protective techniques, devices and measures that will be provided to protect the health and safety of workers who will apply the pesticide and the health and safety of persons who live or work near the location of the experiment;

"(viii) a complete description of the results of all information known to the exporter of the toxic effects of the pesticide, including its effects on the pest that is to be controlled, its effects on plants and animals other than the pest that is likely to be controlled (with special reference to plant and animal species at and near the location of the experiment, including any crops or livestock to which the pesticide may be applied), and its chronic and acute effects on human health;

"(ix) a complete description of all information known by the exporter concerning the environmental persistence and fate of the pesticide, including the rate and manner of its degradation, its retention within plants and livestock, and its movement within water supplies;

"(x) such other disclosures as the Administrator may by regulation require;

"(xi) a written undertaking by the exporter to promptly advise the country of use of any changes, revisions or additions in the facts, circumstances and information that relate to the disclosures and that are required by this paragraph;

"(xii) a written certification by the exporter that the pesticide will be used only for experimental purposes, and will not be used for any nonexperimental commercial purpose; and

"(xiii) a written undertaking by the exporter that the exporter will destroy any crops or livestock to which the pesticide is applied or that the crops or livestock will be fed only to experimental animals that will be destroyed and not used for food purposes.

"(E) On the request of the appropriate official of the country of use, the Administrator shall provide a copy of any records in the files of the Administrator that are associated with the issuance of an experimental use permit issued pursuant to section 5(a) for the pesticide for research or experimental use that is the subject of a request under this paragraph if such permit has been issued for such pesticide, except that a complete confidential statement of the composi-

tion of the formula to be tested shall not be required to be provided.

"(F) The appropriate official of the country of use may consent, deny consent, or consent to such request on such terms and conditions as such official determines to be appropriate and shall transmit the response of the government of the country of use to the Administrator and the exporter. If the official sends a written notice of consent to the use of the pesticide for research or experimental use to the Administrator, the Administrator shall, not later than 5 working days after receipt of such notice, notify the exporter of such pesticide. On receipt of such written notice of consent from the Administrator or the country of use, the exporter of such pesticide may export such pesticide in accordance with—

"(i) the terms of the request submitted under subparagraph (D);

"(ii) any term of condition in the written notice of consent issued by the official of the country of use; and

"(iii) the requirements of this section.

"(G) The written notice of consent issued by the official of the country of use shall be subject to public review and inspection.

"(H) A producer or exporter of a pesticide that exports a pesticide for research or experimental use to a country of use pursuant to this paragraph shall be subject to the requirements of section 2(p), 2(q), 7, and 8.

"(b) NOTICES OF REGULATORY EVENTS FURNISHED TO FOREIGN GOVERNMENTS.—

"(1) IN GENERAL.—The Administrator shall, not more than 30 days after the effective date of the actions described in subparagraphs (A) through (D), transmit a notice to the appropriate officials of the appropriate departments or agencies of all countries, and to the office responsible for the International Register of Potentially Toxic Chemicals. The Administrator shall provide such notice each time—

"(A) a registration or a cancellation (whether voluntary or involuntary) or suspension, due in whole or in part to human health or environmental risks, if registration of a pesticide becomes effective or ceases to be effective under this Act;

"(B) a pesticide is first classified for restricted use under this Act;

"(C) a registration of a pesticide is made subject to conditions under section 3(c)(7)(C); or

"(D) a pesticide is made subject to an interim administrative review under section 3(c)(8).

"(2) CONTENTS OF NOTICE.—A notice described in paragraph (1) shall include—

"(A) the factual basis on which the Administrator issued findings in support of any regulatory action described in subparagraphs (A) through (D) of paragraph (1);

"(B) an explanation of the legal significance of such regulatory action;

"(C) information reasonably available to the Administrator in the case of any action that causes a pesticide to be subject to subsection (a)(2)—

"(i) concerning other pesticides registered under section 3 that could be used as an alternative to such pesticide including—

"(I) a complete summary of the regulatory status under this Act of any alternative pesticide; and

"(II) a summary of possible adverse effects on human health or on the environment that any alternative pesticide may cause;

"(ii) nonchemical alternatives to such pesticide;

"(iii) the names and addresses of international organizations that the Administrator determines to be capable of providing information concerning nonchemical alternatives to such pesticide; and

"(iv) the name and address of the office of the Environmental Protection Agency that will, on request, provide additional information concerning any pesticide that is subject to regulatory action, and alternatives to such pesticide.

(b) SUBSECTION (d).—Subsection (d) of section 17 (7 U.S.C. 136o) is amended to read as follows:

"(d) COOPERATION IN INTERNATIONAL EFFORTS.—The Administrator should—

"(1) convene, in cooperation with the Agency for International Development of the Department of State, the Food and Drug Administration of the Department of Health and Human Services, the United States Department of Agriculture, the United Nations Environment Program and agencies, Food and Agriculture Organization, and any other appropriate Federal agencies or departments, not later than 1 year after the date of the enactment of this section, a meeting of representatives of foreign governments, nongovernmental organizations, and other interested parties, and sponsor such additional meetings, as the Administrator determines to be necessary to promote the development and implementation of improved research and regulatory programs for pest management, and improved strategies for sustainable agriculture, including the promotion and development of integrated pest management;

"(2) provide foreign countries with technical assistance to develop comprehensive pesticide regulatory programs; and

"(3) not later than 1 year after the date of enactment of this section, convene, a meeting of representatives of foreign governments, nongovernmental organizations, and other interested parties, and sponsor such other meetings as may be necessary, to actively encourage the adoption of a binding multilateral convention requiring standard, mandatory notice and export control measures for pesticides.".

(c) STUDY.—Subsection (h) of section 17 (7 U.S.C. 136o) is redesignated as subsection (i) and the following is inserted after subsection (g):

"(h) STUDY OF COUNTRIES THAT IMPORT PESTICIDES.—

"(1) Not later than 1 year after the date of enactment of this section, and every 3 years thereafter, the Administrator shall conduct, publish, and transmit to Congress a study of countries that import pesticides from United States exporters and from which the United States imports agricultural commodities, to—

"(A) ascertain the procedures that are implemented by each such country regarding registration, labeling, and training to ensure safe handling, transportation, application, and disposal of pesticides; and

"(B) ascertain the procedures that are implemented by each such country to control residues on foods in order to meet tolerances established under United States law.

"(2) Not later than 1 year after the date of enactment of this section, the Administrator shall conduct a study, in cooperation with the Food and Drug Administration and the Department of Agriculture, on the ability of such agencies to test effectively for residues of pesticides.".

SEC. 1257. CONFORMING AMENDMENTS TO TABLE OF CONTENTS.

The table of contents in section 1(b) (7 U.S.C. prec. 121) is amended—

(1) by adding at the end of the items relating to section 2 the following new items:

"(hh) Country of use.

"(ii) Exporter.";

(2) by striking the items relating to subsections (a) and (b) of section 17 and inserting the following:

"(a) Pesticides or devices intended for export.

"(1) In general.

"(2) Export of pesticides.

"(3) Temporary waiver for the control of communicable disease.

"(4) Temporary waiver in circumstances of famine.

"(5) Statutory construction.

"(6) Additional requirements for the export of certain pesticides.

"(7) Restriction on the export of certain pesticides.

"(8) Labels.

"(9) Special exemption for the export of research or experimental pesticides.

"(b) Notices of regulatory events furnished to foreign government.

"(1) In general.

"(2) Contents of notice.";

(3) by striking the item relating to subsection (d) of section 17 and inserting the following:

"(d) Cooperation in international efforts.";

(4) by striking the item relating to subsection (h) and inserting the following:

"(h) Study of countries that import pesticides.

"(i) Relationship to Solid Waste Disposal Act.".

PART 2—STUDY

SEC. 1258. STUDY OF EXPORTS OF UNREGISTERED PESTICIDES.

(a) Within 6 months of the date of the enactment of this title, the General Accounting Office shall conduct a study of those pesticides for use in connection with agricultural products related to food use or those which have an active ingredient which is the subject of a food tolerance established under section 408 of the Federal Food, Drug, and Cosmetic Act which are exported from the United States and which contain active ingredients that are not contained in any pesticide product registered under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act. The study shall identify each such active ingredient, the pesticides containing such active ingredient exported from the United States in the calendar year preceding the date of the enactment of this title and their destination, the volume and value of such pesticides, the countries which are members of the Organization for Economic Cooperation and Development in which pesticides containing such active ingredient are registered for use, available information about the health and environmental effects of such active ingredient, the food products on which such active ingredients are likely to be used, and their potential for import into the United States.

(b) In conducting the study described in subsection (a), the General Accounting Office shall use readily available information sources and shall solicit cooperation of persons engaged in exporting pesticides from the United States.

(c) The study described in subsection (a) shall be transmitted to the Speaker of the House of Representatives and the President pro tempore of the Senate within 6 months after the date of the enactment of this title.

PART 3—EFFECTIVE DATES

SEC. 1259. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle, and the amendments made by this subtitle, shall become effective 6 months after the date of the enactment of this title.

(b) SECTION 17.—

(1) SECTION 17(a)(2)(A)(i).—The provisions of section 17(a)(2)(A)(i) of the Federal Insecticide, Fungicide, and Rodenticide Act (as amended by section 1256) shall become effective 6 months after the date of enactment of this title, except that such provisions shall become effective 36 months after the date of enactment of this title with respect to any pesticide that—

(A) on the date of enactment of this title, has not been the subject of a food tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act, or an application for registration under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a)) all of which have been denied, revoked, canceled, or suspended; and

(B) is the subject of a food tolerance petition under section 408 of the Federal Food, Drug, and Cosmetic Act or an application for registration under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act that is filed not later than 6 months after the date of enactment of this title.

(2) SECTION 17(a)(2)(A)(ii).—The provisions of subclauses (III), (IV), (VI), and (VII) of section 17(a)(2)(A)(ii) of the Federal Insecticide, Fungicide, and Rodenticide Act (as amended by section 1256) shall become effective 6 months after the date of enactment of this title. The provisions of subclauses (II) and (V) of such section shall become effective 18 months after the date of enactment of this title with respect to any pesticide that is described in such section 17(a)(2)(A)(ii).

(3) EXTENSION.—

(A) The Administrator of the Environmental Protection Agency may grant up to a 1-year extension of the 36-month period described under paragraph (1) for good cause shown if the applicant for a food tolerance petition filed pursuant to paragraph (1)(B) has filed a complete petition in accordance with paragraph (1)(B) that has not been denied by the Administrator and if such applicant has exercised due diligence in pursuing such petition.

(B) The Administrator may grant up to a 1-year extension of the 18-month period described under paragraph (2) if the exporter has submitted the data, summaries, and other information described in paragraph (2) in a timely fashion, and the Administrator has not completed review of the submissions and made final determinations with respect to such submissions.

(c) SENSE OF CONGRESS.—It is the sense of Congress that the Administrator of the Environmental Protection Agency shall, within 1 year of the date of the enactment of this title, promulgate regulations to implement section 17(a)(2)(A)(ii) of the Federal Insecticide, Fungicide, and Rodenticide Act.

SENATE—July 24, 1990

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The Senate will be led in prayer this morning by the Senate Chaplain, the Reverend Richard C. Halverson.

Dr. Halverson.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Except the Lord build the house, they labour in vain that build it: except the Lord keep the city, the watchman waketh but in vain.—Psalm 127:1.

Eternal God, Creator, Sustainer, Consummator of history, guide the Senate in its work that its labor be not in vain. As it builds laws to provide social, moral, economic, and fiscal order, let not its building be a house of cards which collapses under the weight of reality. As the Senators struggle with the pragmatism of politics, help them to accept the limitations of legislation at its best, remembering that even the perfect law of God cannot produce a perfect society. And in the awareness of that limitation, grant them grace to allow Thee to intervene and work Your will in and through them. We pray in the name of the Lord and Giver of life. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the time of the two leaders has been reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business until the hour of 9:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. SPECTER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Pennsylvana [Mr. SPECTER], is recognized for not to exceed 5 minutes.

Mr. SPECTER. Mr. President, point of inquiry. Is there a vote certain set this morning at 11:30 under the unanimous-consent agreement?

The PRESIDENT pro tempore. There is a vote set for the hour of 10:30 a.m. on the Bradley amendment.

Mr. SPECTER. Is there any unanimous-consent agreement for a further vote after the vote at 10:30?

The PRESIDENT pro tempore. Following the vote on the Bradley amendment, there will be 40 minutes on the Cohen amendment, at the completion of which time there will be a vote.

Mr. SPECTER. Was that established, Mr. President, by unanimous consent?

The PRESIDENT pro tempore. It was.

Mr. SPECTER. Mr. President, I had come to the floor this morning for two purposes. One was to inquire on that unanimous-consent agreement and I shall await the arrival of the distinguished majority leader, for the concern that I have is the scheduling of matters for today which had been set for yesterday. I had an extended discussion with the distinguished majority leader on Friday on the subject of the regular order. It was this Senator's position, having been available on Mondays as the majority leader had advised some time ago, that I was concerned about the rearrangement of the schedule to the middle of Tuesday, when President Bush was scheduled to be in Philadelphia and had requested my presence along with my colleague's.

I had said to the majority leader I did not intend to ask for any special dispensation, realizing his own scheduling concerns, but at the same time did not want to see prejudice to this Senator by rearrangement of Monday's business to Tuesday. Having discussed that on Friday and again yesterday, I was somewhat surprised to find the unanimous-consent agreement entered into yesterday at the close of business. I was in the Capitol but not notified. But I shall await the arrival of the distinguished majority leader, Mr. President, to pursue that issue.

NOMINATION OF JUDGE SOUTER

Mr. SPECTER. At this time, Mr. President, I choose to make some observations about the nomination of Judge Souter for the Supreme Court of the United States, with specific reference to the controversy which has arisen as to whether a nominee should be required to answer a specific question. In the context of this nominee's presentation to the Senate and to the country, a controversy has already arisen as to where he stands on the abortion issue.

I suggest, Mr. President, that it is inappropriate to call for any nominee to answer any specific question on two grounds: First, it calls for a prejudgment of an issue and, second, it suggests selling or shading of his vote. Selling or shading of the vote, Mr. President, is especially applicable in the context of this specific nomination where there is such a divided country on the issue of abortion. It has been accurately stated that there has not been such a divisive issue in this country since slavery.

I further suggest, Mr. President, that our President, President Bush, acted entirely properly when he did not ask Judge Souter what his position was on abortion, as the President stated in his announcement yesterday, because to have asked Judge Souter that question would have been to raise the suggestion of looking for an answer favorable to the President's position. In that context, it would be only natural for the nominee to perhaps shade his answer in seeking the job. The nominee might not do that, but that temptation would, obviously, be present.

The nominee owes the country, the Court, the Constitution, his best judgment on constitutional issues, and he should not be confronted at the outset either on questions from the President or from the Senate on how he stands on a specific issue which might affect his getting that job. If the President is to ask the question, the nominee has reason to know what the President's predisposition is and the nominee would be very tempted to shade an answer to sell his vote on the question.

The same process occurs when a nominee appears before the Judiciary Committee, and a Senator may ask a question where the Senator has already expressed himself on the abortion issue, for example. That has been tabbed in some circumstances as "confirmation conversion" when a nominee shades his answer.

So I say, Mr. President, that it would be inappropriate for the nominee to have been asked the question by the President. It would be inappropriate for the nominee to be asked the question by the Senate because the nominee ought to come to that constitutional issue unfettered to render his best judgment on the constitutional interpretation without being called

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

upon to affect his own self-interest for the job.

Mr. President, the second reason why I suggest it is inappropriate to ask how a nominee would cast a specific vote is because it calls for a prejudgment. It is not realistic to answer a question on abortion or any other question in the abstract. When cases come before the Supreme Court of the United States or when cases come before any court, they arise in the context of a specific factual situation. That is when a case is ripe for decision.

The PRESIDENT pro tempore. The 5 minutes of the Senator has expired.

Mr. SPECTER. Mr. President, I ask unanimous consent that I be permitted to speak for an additional 3 minutes.

The PRESIDENT pro tempore. Is there objection?

Mr. NUNN. Mr. President, will the Senator repeat the request?

Mr. SPECTER. I ask unanimous consent for an additional 3 minutes.

Mr. NUNN. Mr. President, what is the standing order of the Senate?

The PRESIDENT pro tempore. The standing order, until 9:30 a.m., there will be a period for the transaction of morning business, with Senators permitted to speak therein for not to exceed 5 minutes each and with the Senator from Georgia [Mr. NUNN] being recognized for 15 minutes.

Mr. NUNN. I will not object for a couple minutes, but I want to have time for my colleague from Virginia to speak, and my remarks are going to take at least 15 minutes. We are pressed for time. As I understand, at 9:30, there will be another item of business.

So I will not object if the Senator will change it to 2 minutes.

Mr. WARNER addressed the Chair.

The PRESIDENT pro tempore. Is there objection?

Mr. WARNER. I should not object, Mr. President, but I ask unanimous consent that I might have 3 minutes following the remarks by the distinguished Senator from Georgia.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none. It is so ordered. The Senator is recognized.

Mr. SPECTER. Do I have 2 minutes or 3 minutes?

The PRESIDENT pro tempore. The Senator's request was for 3 minutes.

Mr. SPECTER. I thank the Chair.

The PRESIDENT pro tempore. If the Senator will allow the Chair, is there objection to the request of the Senator from Virginia [Mr. WARNER]? The Chair hears no objection, and it is so ordered. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I was developing the point that it is not realistic to answer a question in the abstract because when a matter comes before the Supreme Court or any other court, it is phrased in the context of the specific factual situation and then it is ripe for decision.

When the matter comes before a court, briefs are submitted, presumably read, and argument is heard. Then the Justices confer among themselves. Only at that juncture is a decision made. So that it is not realistic to ask someone how that prospective Supreme Court Justice is going to answer a specific question.

Mr. President, it is my hope that the nomination of Judge Souter would not degenerate into a single issue litmus test. It is understandable that people on both sides of that controversial issue would like to know where Judge Souter stands. But a litigant is not entitled to a judge who is predisposed to his position. A litigant is not entitled to know what a judge's position is. A litigant is entitled to an unbiased judge. But that is all. It is not necessary for a judge to articulate in advance his predisposition on any issue.

There are many very important matters to be considered by a Supreme Court Justice. The baseline question is Marbury versus Madison and the finality of the Supreme Court as the arbiter of the Constitution. Civil rights are very important, as are the questions of Federal-State jurisdiction, criminal rights, and many other issues.

So it is the hope of this Senator, serving on the Judiciary Committee, that the nomination process will not degenerate into a single issue. It is my further hope, Mr. President, that Senators will approach this nomination with an open mind, unlike the proceedings on Judge Bork, where 11 of the 14 Judiciary Committee members had announced positions in advance of the hearings and more than 51 Senators had announced their positions in advance of the time the matter came before the floor of the Senate.

I suggest that while abortion is tremendously important, perhaps the most important issue facing the Court, there are many other issues of great importance and it is not proper to inquire about a judge's specific position on a specific issue because his answer may suggest selling or shading of his vote, and it simply is not ripe for decision in the absence of a specific case.

I thank the Chair for the additional time. I yield the floor.

The PRESIDENT pro tempore. The Senator from Georgia is recognized for 15 minutes under the order.

FISCAL YEAR 1991 DEFENSE AUTHORIZATION BILL

Mr. NUNN. Mr. President, on Thursday, July 12, the Armed Services Committee voted unanimously to report S. 2884, the fiscal year 1991 authorization bill, to the Senate. The bill was filed last Friday and the bill and report are available to all Members.

The majority leader has indicated that he intends to call up this bill next week. In anticipation of the Senate's debate on this important bill, I am going to be making several speeches over the next few days highlighting what I consider to be some of the major features of the bill.

MAJOR THEMES OF THE COMMITTEE BILL

The fiscal year 1991 Defense authorization bill reported by the Armed Services Committee is the most far-reaching defense bill since I came to the Senate in 1972. It is based on a careful assessment of the dramatic changes in the threat to our national security that have taken place in the last year, and the changes that are needed in our military strategy and our defense budget in light of this changed threat.

The bill puts the Defense Department on a responsible and manageable glidepath toward a smaller and restructured defense establishment over the next 5 years. As preparation for the decisions made during our week-long markup, the committee conducted 64 hearings and received testimony from more than 220 witnesses.

The committee's recommendations can be grouped under five major themes:

First, maintaining nuclear deterrence with forces lower in levels and more stable in structure than those currently proposed at the START negotiations;

Second, shifting to a reinforcement strategy in which the United States would reduce its forward-deployed forces, encourage specialization with its allies, and emphasize a reinforcement capability, including the use of Reserves to augment the remaining forward-deployed forces;

Third, making greater use and more innovative use of the National Guard and Reserve forces;

Fourth, adjusting the readiness of certain forces to reflect the changed threat, the amount of warning time, the likelihood that the forces will go into action, and the availability of airlift and sealift to transport these forces of the United States to the battle;

And finally, developing a stable and effective resource strategy around the theme suggested by former Ambassador David Abshire: "Think smarter, not richer."

Mr. President, in preparation for our markup, the Armed Services Committee adopted a specific set of markup guidelines designed to carry out these major themes. I ask unanimous consent that these guidelines be printed in the RECORD at this point.

There being no objection, the guidelines were ordered to be printed in the RECORD, as follows:

GUIDELINES FOR THE SENATE ARMED SERVICES COMMITTEE'S MARKUP OF THE FISCAL YEAR 1991 DEFENSE AUTHORIZATION BILL

Reflect changes in the threat
Emphasize five-year approach
Stress long-term
Identify follow-on assumptions and budget implications for recommended changes
Frame adjustments in terms of broad strategic goals and objectives, such as:
Maintain nuclear deterrence with forces lower in level and more stable in structure than those currently proposed at START
Adjusted readiness of selected forces
Emphasize lighter, more lethal, more mobile forces
Retire older, single purpose combat systems
Maintain technological superiority
Minimize impact of the transition to lower force levels on military members and their families
Enhance utilization of the National Guard and Reserve components
Encourage constructive competition for roles and missions
Improve management of defense programs
Endorse as much as possible of DoD's Management Improvement Act
Fly before buy
Product improvements
Streamline headquarters and consolidate organizations
Avoid micromanagement of defense programs
Eliminate reporting requirements on DoD
Minimize line item adjustments to the DoD budget

DEFENSE MANPOWER

Mr. NUNN. Mr. President, I think inevitably the main focus in the debate on the floor next week is likely to come in the area of big strategic programs like SDI, B-2 bomber, and the MILSTAR Satellite Program.

But in my view, the committee's recommendations in the area of manpower and personnel are the most important parts of this bill. One of the committee's highest priorities throughout our markup was to sustain and, where possible, enhance the well-being and the combat effectiveness of our military personnel as the overall size of the military services is reduced substantially over the next 5 years. With the direction and authority provided in this bill, the military services can now begin planning for the military force structure they will have at the end of 5 years, assuming of course our provisions become law of the land.

PERSONNEL STRENGTH LEVELS

Mr. President, the committee authorized an end strength for each of the military services for fiscal year 1991 and also for fiscal year 1995, the last year of the current 5-year defense program. We took this unusual step of looking down the road 5 years in order to give each of the military services a clear roadmap of what we thought their strengths should be. In this way, the military services can begin planning now to meet this long-term strength level instead of managing on a year-to-year, ad hoc basis.

The fiscal year 1995 end strengths for the military services are based on the reduced threat and the change in mission and force structure that the committee expects the military services to make in response to this changed threat.

For the Army, the end strength at the end of 5 years is 510,000, which is 32 percent, or 234,200 below the current fiscal year level of 1990.

For the Navy, the fiscal year 1995 authorized strength is 500,000, which is 15 percent, or 90,500 below the current level.

For the Marine Corps, the fiscal year 1995 authorized strength is 177,000, which is 10 percent, or 19,700 below the current level.

For the Air Force, the fiscal year 1995 fiscal year authorized strength is 415,000, which is 24 percent or 130,000 below the current level. The Air Force strength in particular reflects the committee's decisions to shift certain missions to the National Guard and Reserve.

These proposed fiscal year 1995 strength levels are generally in line with the 25-percent reduction in force structure which Secretary Cheney recently outlined for the budget summit. These reductions assume, but do not necessarily require, force structure reductions in the Army of at least 6 active divisions; a reduction of at least 111 Navy ships, including 2 aircraft carriers; 2 carrier air wings; and the deactivation of at least 11 active air wings in the Air Force.

The strengths authorized in the bill for fiscal year 1991 put the military services on a guide path to achieving the strengths authorized for fiscal year 1995. The fiscal year 1991 strengths for the military services are 100,000 below the fiscal year 1990 level:

The Army's fiscal year 1991 strength is 704,170, which is 40,000 below the current level;

The Navy's fiscal year 1991 strength is 568,500, which is 22,000 below the current level;

The Marine Corps' fiscal year 1991 strength is 193,735, which is 3,000 below the current level; and

The Air Force's fiscal year 1991 strength is 510,000, which is 35,000 below the current level.

Based on the information we have received in our hearings, the military services should be able to achieve these reductions in active duty end strength without involuntarily separating career personnel short of retirement.

For the National Guard and Reserve, the bill freezes fiscal year end strengths for each of the components at the fiscal year 1990 levels. This recommendation is part of a larger initiative taken by the committee to increase our reliance on National Guard and Reserve forces. I will have more to say on this larger initiative—and I am sure Senator WARNER will also—in the next several days.

The overall civilian personnel strength authorized for the Defense Department in fiscal year 1991 is 1,048,634, which is 47,107 below the administration's request. A large portion of this reduction is the result of the hiring freeze which Secretary Cheney put in place for the Defense Department last January.

REGULATED STRENGTH REDUCTION PROCEDURES

As the overall size of the military services is reduced, it is very important that the military services retain the essential cadre of experienced career enlisted and officer personnel which are the backbone of the military services.

The committee approved legislation requested by the Defense Department to allow the military services to reduce senior officer strength over the next 5 years. These authorities include more liberal selected early retirement and voluntary retirement measures.

However, the committee also made it clear that as the force is reduced, the midcareer officer and enlisted force must be the last segment of the force to be cut. The bill contains a provision specifying the order in which the military services should make strength reductions over the next 5 years.

First, the military services must set accession levels for new recruits at the level necessary to sustain the reduced fiscal year 1995 strength levels authorized in this bill.

Second, the military services must reduce the retirement eligible population consistent with the requirement for senior grade officers and enlisted personnel at the fiscal year 1995 strength levels.

Third, the military services must reduce the first-term, noncareer population consistent with the requirement for junior officer and enlisted personnel at the fiscal year 1995 strength levels.

And fourth, only after going through the first three steps will the services be able to reduce the midcareer personnel to reach the authorized strength levels for any given year.

Mr. President, this process ensures that the valuable and experienced midcareer segment of the military services is the last place that will be affected by the reduction in the size of the military services. It also ensures that the Defense Department will not hollow out the segment of the force most crucial to maintaining the fighting ability of the military services.

INVOLUNTARY SEPARATION COMPENSATION AND TRANSITION INITIATIVES

Even with this carefully regulated process for strength reductions, the reduction in the size of the military serv-

ices over the next 5 years will inevitably require some we hope very limited involuntary separation of career military personnel short of retirement. It is impossible at this point to say how widespread these involuntary separations will be. We hope they will not involve large numbers of midcareer personnel.

The committee is very mindful that the people serving in the All Volunteer Force today volunteered for service and are in uniform because they want to be. This is particularly true of career military members, who have made a commitment to serve their country in a dangerous profession for a full career. It is especially painful for the committee that some of these midcareer personnel will be asked to leave their service over the next 5 years before becoming eligible for retirement benefits.

In recognition of this fact, the committee bill contains a package of new compensation and benefits for military personnel who are involuntarily separated from active duty due to reductions in strength levels over the next 5 years. This package increases the current level of separation pay for officers, and for the first time authorizes separation pay for enlisted personnel. This separation pay will be provided to officers and enlisted personnel who are involuntarily separated with more than five but less than 20 years of service. This transition package also provides affected military members with medical transition benefits; unemployment compensation equal to that provided in the civilian sector; vesting in education benefits under the Montgomery GI bill; transition and job search services; and transportation benefits for resettlement to any location within the United States.

Mr. President, this package of compensation and transition benefits is an important effort to keep faith with military members. It provides a safety net for those military personnel who have planned on a career in the military but who may now be required to leave active duty through no fault of their own before they become eligible to retire.

REDUCTIONS IN OVERHEAD

As the size of the military services is reduced, it is important that the overall administrative structure of the services is also reduced. The committee bill includes a ceiling on officer strength in the military services that is consistent with the current ratio of officers to enlisted personnel. The bill also requires a 20-percent reduction in flag and general officers and in senior civilian personnel in the Defense Department over the next 5 years.

There are several other initiatives in the bill to reduce overhead in the Defense Department. In an effort to simplify and streamline the acquisition process, the committee recommends a 20-percent reduction in the Defense acquisition work force over the next 5 years. There is a similar 5-year, 20-percent reduction in management headquarters staffing. This reduction should be carried out by eliminating entire headquarters functions, not by simply reducing each and every function by a uniform percentage. Finally, the committee bill directs a 25-percent reduction in the number of personnel in intelligence-related organizations over a 5-year period, beginning in fiscal year 1992.

SENIOR OFFICER POSITIONS FOR THE JOINT STAFF

A final manpower and personnel issue I want to highlight is the provision in the bill that would authorize the President to designate up to six positions within the Joint Staff to be exempt from the overall ceiling on the number of three- and four-star officers in the military services.

This provision is based on a request from the Secretary of Defense and the Chairman of the Joint Chiefs of Staff for this authority. The committee believes that this provision will encourage the military services to nominate their best officers to fill the key positions on the Joint Staff, and will also provide the Chairman of the JCS greater flexibility in selecting officers recommended by the military services to fill these key positions.

CONCLUSION

Mr. President, the fiscal year 1991 Defense authorization bill marks a watershed. It sets the military services on a glide path to a smaller defense establishment based on the changes in the threat and a revised military strategy.

In the area of defense manpower, the committee worked very hard to establish clear guidelines for managing personnel programs not just in fiscal year 1991, but over the next 5 years. I think it is very important that military members and their families understand that the reductions in the defense budget are not directed at them personally. The paradox is these reductions are possible because they have done their job well. I think all of us should keep this in mind.

The American people understand and appreciate the fact that the sacrifices and dedication of a generation of men and women in uniform have helped hasten the end of the cold war and reduced the likelihood of superpower confrontation. It was in recognition of this service that the committee worked very had to minimize the impact of force reductions on military members and their families.

I want to congratulate the chairman and ranking minority member of the Manpower and Personnel Subcommittee, Senator GLENN and Senator MCCAIN, for their excellent and tireless work in this area.

Mr. President, I will have more to say on other areas of the fiscal year 1991 Defense authorization bill in the days ahead.

Mr. President, if I have remaining time, I will yield it to the Senator from Virginia.

The PRESIDENT pro tempore. The Senator has 1 minute and 20 seconds remaining, which he yields to the Senator from Virginia [Mr. WARNER] who is now recognized for 4 minutes and 20 seconds.

Mr. WARNER. Mr. President, I thank the Chair.

Mr. President, I commend the distinguished chairman of the Senate Armed Services Committee. Under his leadership, with the full cooperation in almost every respect of the minority Senators and minority staff, I think we have crafted a very good bill to bring to the floor of the Senate next week. It sets down a realistic marker as to the amount that we can cut back our Nation's defense and remain within an acceptable level of risk.

I am glad that the chairman emphasized that throughout the deliberations we kept our eye on one goal, namely, the men and women who proudly serve in uniform in our Armed Forces. We are trying in every respect to minimize the hardship that will be inflicted on them as a consequence of the build-down of our defense structure.

On the first page, Mr. President, the chairman referred to dramatic changes in the threat to our national security. I urge the chairman in the future to focus on those dramatic changes—having occurred in really only one place on the globe, and that is central Europe.

All too often, as we look at the impetus behind cutting defense today, the dramatic changes in central Europe are driving calls for changes in the Pacific Rim, in the Persian gulf, in the Middle East, and in other areas of the world.

I believe during the course of our deliberations we will point out there has not been a dramatic change in the threat in terms of lessening the threat. Indeed, this Senator and others are of the opinion that the Middle East presents a more serious situation today than in years past.

Further, in his enumeration of the various goals, the chairman did not put quite the enphasis I would on the doctrine of "fly before buy." It is likely to be incorporated in his last point. But I think the committee properly believes that, with the receding threat posed by the Soviet Union, some of our major programs today, which have as a primary goal deterrence against the Soviet Union, could be developed and researched over a longer period of time.

This country has witnessed bitter experiences with the B-1 bomber and with other systems, and we do not

want to see that repeated with the current major items now in research and development and at beginning stages of production.

The B-2 is currently the subject of a lot of controversy. This Senator believes the principal mission of the B-2 is to be available and on alert at all times thereby deterring any thoughts by the Soviets of aggression with the use of nuclear weapons. We should not try to overly define the mission. The cost of deterring the Soviet military planner from even considering a military attack on the United States is not cheap—but if it works, it is worth the price. We should remain on the present course, as laid down by the Senate Armed Services Committee, to provide for both continued research and development and minimal production of the B-2. The B-2 is a prudent insurance policy against nuclear war.

The distinguished chairman of the House Armed Services Committee, with whom I had a debate earlier this morning on national television, is taking steps to kill the program. But at the same time, he has taken what I regard as a vague position in which he says, put the production in mothballs. I challenge the chairman of the House Armed Services Committee, if he really intends to proceed down that line, to inform the American public of the very real additional cost of mothballing and then restarting the production facilities for the B-2 bomber. I challenge Mr. ASPIN to describe how he would propose to recreate the team of highly skilled workers that has thus far put together that system, once that team is abolished by his actions. I challenge Mr. ASPIN to define how he would propose to quickly enhance our deterrent if changes in the world should suddenly take a turn for the worse.

The PRESIDENT pro tempore. Time of the Senator has expired.

Mr. MCCAIN. Mr. President, I wish to thank the chairman of the Senate Armed Services Committee, Senator NUNN, and the ranking member, Mr. WARNER, for supporting the insertion of S. 2663, the McCain comprehensive transition plan into the Defense Authorization Act of 1991.

It is indeed important to recognize that this force drawdown will adversely affect those men and women who wished to make the armed services a career and now will not be allowed to. These men and women made a conscious commitment to serve the citizens of this great country by volunteering for this oft thankless career.

As has so eloquently been stated by my esteemed colleague from Georgia, Senator NUNN, we cannot let our search for a "peace dividend" result in our military personnel being forced from the armed services without proper protection and recognition of their service as volunteers. These men and women volunteered to serve our Nation, and it is due to their valiant efforts that we are now seeing a thaw in the cold war. We cannot now leave them the unfortunate victims of our rush to cut the defense budget.

That is why I worked closely with the military coalition in drafting the comprehensive transition plan that became S. 2663, and that now will be part of the fiscal year 1991 Defense authorization bill. Mr. President, I am very pleased that all the key provisions of S. 2663 were included in the Defense Authorization Act.

Additionally, I am deeply grateful to the chairman of the Subcommittee on Manpower and Personnel, Senator GLENN, for his help in ensuring that our gallant men and women in uniform were not forgotten. I also want to thank the rest of my esteemed colleagues on the Senate Armed Services Committee for lending their support. Finally, I must reiterate my gratitude to the military coalition for helping to draft this legislation and for their unswerving commitment to the well-being of the men and women of the armed services.

Mr. President, I yield the floor.

ABUSES OF THE COPYRIGHT DOCTRINE OF WORK MADE FOR HIRE

Mr. COCHRAN. Mr. President, hearings last fall on my work made for hire bill, S. 1253, produced evidence of abuses by publishers in their dealings with freelance creators. One of those abuses is the practice of requiring a creator to sign a blanket work for hire agreement, under which the creator surrenders not only his rights to the commissioned work, but also to all future works produced for the commissioning party.

My bill explicitly states the intent of Congress to forbid this overreaching practice. Congress intended the 1976 Copyright Act to allow a particular commissioned work to be made for hire if the parties so agreed in writing after negotiation of terms relating to the work in question. One of those terms, compensation, would be based necessarily on the parties' assessment of the value of the copyright in that work over time. Where the work for hire contract does not relate to any particular work, but rather to all future undefined services, there is no meaningful opportunity to negotiate fair compensation for the creator. Not only is the value of the services unknown; the precise identity of the copyrightable works resulting from those services cannot be known.

This practice is not confined to publishers. I am today placing in the RECORD two recent examples of blanket work for hire contracts used by commissioning parties outside the publishing industry. Both examples illustrate the need for better protection of the rights of freelance creators.

One of the agreements has been used by Toyota Motor Manufacturing, U.S.A., Inc., to extract work for hire concessions from freelance photographers. The Toyota agreement provides that all photographic services provided by the freelancer shall be considered works for hire. At no point does the contract identify or specify those services; it indiscriminately covers all work produced by the photographer pursuant to subsequent letter agreements over the course of his relationship with Toyota. The photographer is forbidden to reproduce his work for his own purposes, even if those purposes have nothing whatsoever to do with Toyota's business.

Since Toyota's work for hire provision applies to unidentified services to be rendered in the future, there is no way of knowing what the value of the copyrights in the future photographs will be. The fee paid to the photographer in exchange for this blanket surrender of rights does not, indeed cannot, bear any relationship to the value of the unknown future copyrightable works.

The second example is even more offensive because of the misleading statements accompanying it. In August 1989, Lee Hill, Inc., a marketing and communications firm in Chicago, mailed to freelance photographers a form letter stating that:

> Due to recent judicial interpretation, it is required that all individuals and studios who participate in the creation and design of artwork or promotional materials for Lee Hill, Inc., sign the attached form.

The form was a blanket work for hire agreement applicable to all projects, was effective immediately, and pertained to existing purchase orders as well as future transactions.

The suggestion that the Supreme Court decision on the Reid case somehow required photographers to sign blanket work for hire agreements was obviously meant to induce them to sign a form contract without questioning its legality or scope. The firm was unfortunately following typical current practice: Any freelance photographer interested in getting future assignments must agree that any or all work produced in the course of those assignments are works for hire in which the photographer has no rights.

Even more outrageous is the fact that the Lee Hill contract was a blanket work for hire agreement that covered not only future, but also past projects undertaken by the photographer. What would the photographer be paid for this wholesale divestiture of rights? Not a cent. He would simply have the opportunity * * * to receive future assignments from us.

These practices violate the spirit and intent of the 1976 Copyright Act. Un-

fortunately, there is no express prohibition against them in the language of the law. Experience over the 12 years the act has been in effect has shown that these practices will stop only if we amend the definition of "work made for hire" to require that work for hire terms be negotiated on a work-by-work basis. That is one of the goals of S. 1253, and I urge Senators to join me in passing that legislation to put an end to the practices that are destroying the ability of freelance creators to survive.

I ask unanimous consent to have printed in the RECORD at this point the work for hire contracts used by Toyota Motor Manufacturing, U.S.A., Inc., and Lee Hill, Inc.

There being no objection, the contracts were ordered to be printed in the RECORD, as follows:

WORK FOR HIRE AGREEMENT

This Work for Hire Agreement (this "Agreement") is entered into as of the last date indicated below by and between Toyota Motor Manufacturing, U.S.A., Inc., a Kentucky corporation ("TMM") and ———— (the "Contractor").

TMM and the Contractor hereby agree as follows:

1. TMM hereby retains the Contractor to perform, and the Contractor hereby agrees to provide, photographic and/or video services to be more particularly described from time to time in letter agreements to be executed by parties (the "Services"). The letter agreements, which together with this Agreement shall legally bind the parties, shall describe in detail the Services to be provided by the Contractor, the time schedule for providing the Services and the compensation to be paid to the Contractor in exchange for providing the Services.

2. The parties acknowledge that the Services will be undertaken by the Contractor at the request of TMM and that TMM will have the right to supervise and accept or reject recommendations made by the Contractor relating to the Services. Accordingly, the Contractor will perform the Services on a "Work For Hire" basis, as that term is defined in 17 U.S.C. S101. All photographs, prints, plates, tapes, films, videos, negatives, transparencies, layouts or other products produced by the Contractor pursuant to this Agreement or any subsequent letter agreements between the parties shall be the exclusive property of TMM. Except as otherwise specifically authorized by TMM in writing, the Contractor shall not make any copies from or otherwise reproduce any photograph, print, plate, tape, film, video, negative transparencies, layout or other product created pursuant to this Agreement or any subsequent letter agreement between the parties. The Contractor shall deliver all photographs, prints, plates, tapes, films, videos, negatives, transparencies, layouts or other products produced pursuant to this Agreement and any subsequent letter Agreement to TMM within five days of receipt of written request from TMM.

3. In providing the Services the Contractor may be exposed to or have access to machinery, designs, processes, present or future engineering, developmental efforts or operation, research and/or other manufacturing trade secrets relating to TMM's and its affiliates' business which are proprietary in nature ("Proprietary Information"). All Proprietary Information and all photographs, prints, plates, tapes, films, videos, negative transparencies, layouts and other products produced by Contractor pursuant to this Agreement and any subsequent letter agreements between the parties shall be deemed confidential and shall not be disclosed by Contractor or its employees to any person without TMM's prior written consent, which may be withheld in TMM's sole discretion.

4. This Agreement shall remain in effect until terminated by either party by delivering written notice to the other party at least thirty (30) days prior to the effective date of termination. The obligations of the Contractor described in paragraphs 2 and 3 of this Agreement shall survive the termination of this Agreement and any subsequent letter agreement between the parties.

5. This Agreement supercedes all prior contracts and understandings between the parties and may not be modified, changed or altered except by further written agreement signed by both parties.

6. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective legal representative, heirs, successors and assigns.

7. The terms of this Agreement shall be governed by the laws of the Commonwealth of Kentucky.

In Witness Whereof, the parties have executed this Agreement the last day, month and year set forth below.

Toyota Motor Manufacturing, U.S.A., Inc.
By:
Title:
Date:
("TMM")

By:
Title:
Date:
("Contractor ")

LEE HILL
MARKETING COMMUNICATIONS, INC.,
Chicago, IL.

DEAR ——: DUE TO RECENT JUDICIAL INTERPRETATION, IT IS REQUIRED THAT ALL INDIVIDUALS AND STUDIOS WHO PARTICIPATE IN THE CREATION AND DESIGN OF ARTWORK OR PROMOTIONAL MATERIALS FOR LEE HILL, INC. SIGN THE ATTACHED FORM.

This requirement is effective immediately and pertains to existing purchase orders as well as future transactions.

Please return the signed form to:
Theo Djan,
Lee Hill, Inc.,
25 W. Superior,
Chicago, IL 60611.

Your prompt response will be appreciated. Should you have any questions please call Theo Djan at 312-266-9090.

Sincerely,

SUSAN MITCHELL,
Lee Hill, Inc. Controller.

BLANKET WORK FOR HIRE/RIGHTS AGREEMENT

From time to time, Lee Hill, Inc. ("LHI") may retain ("you") to work on projects. For such work, LHI agrees to compensate you on a project by project basis and at mutually agreed upon prices for services and materials (including artwork) supplied by you to LHI.

In consideration of such payment, you agree that all the materials you produce on all projects for LHI shall be "works made for hire" under the copyright law and belong to LHI. If any materials you produce for LHI do not qualify as "works made for hire," you hereby sell, assign and grant to LHI all now and hereafter existing rights, title and interest in and to those materials, including, but not limited to, the copyright and all rights under the copyright law. In addition, you agree that all materials you produce for LHI are commissioned works which LHI may alter without your consent.

In consideration of the opportunity for you to receive future assignments from us, and in consideration of any payments made by us for those assignments, you agree to grant LHI all the rights described in the preceding paragraph with regard to other materials you supply or have supplied to us.

Please indicate your agreement below and return this letter to .

Very truly yours,
By:
Name:
Title:
Date:
Lee Hill, Inc., a Marketing Corporation of America Company
Accepted and agreed
By:
Name:
Title:
Date:
Fein # or SS #:

OHIO FLOOD VICTIMS

Mr. GLENN. Mr. President, I rise today to extend my deepest sympathies to the families and friends of those persons whose lives were lost during last month's devastating flood in eastern Ohio. As I traveled through Shadyside and surrounding areas in the wake of this tragedy, I was deeply shocked by the sheer devastation wrought by the flood's raging waters. On June 14, in a matter of minutes, familiar everyday life was without warning turned upside-down. Countless citizens of Belmont and Jefferson Counties were suddenly without homes, businesses, or places of worship. Where town fixtures stood just moments before, now there were only scattered reminders of their former functions.

More disturbing than the physical destruction was talking to families who were still awaiting news of their relatives and friends. I was struck by the agonizing uncertainty these people must have been experiencing as they nervously awaited the word of their loved one's fate. Tragically, 26 families ultimately received the news that their loved ones had lost their lives in the flood.

I would now like to read the list of those 26 persons. Edna Andrecht, John Andrecht, Scott Balsei, Roger DeNoon, Mary Gatten, Stephen Gatten, Timmy Gatten, Sophia Glazewski, Bart Graham, Debbie Graham, Don Grimes, Mary Grimes, Danny Humphrey, David Humphrey, Sue Humphrey, Jerry Krupa, Patsy Krupa, Novalee Mellott, Dorothy Moore, Jim Moore, Kerri Polivka, Rose Ramsay, Donald Webb, Tiffany Webb, Jim West, and Naomi West.

While I join in mourning these lives lost, I would also recognize the efforts

of those countless persons throughout Ohio and the United States who donated food, clothing, money, and time to ensure that the level of loss to life and property was not even worse than what occurred. Likewise, the heroic efforts of the rescue workers will always be remembered.

The people of Shadyside, Dillonvale, and surrounding areas are just now beginning the long and painful task of rebuilding their lives in the wake of this devastating and unexpected tragedy. I stand ready to work with the appropriate Federal and voluntary relief agencies in providing Jefferson and Belmont Counties with quick and efficient technical and financial assistance. The void left by the victims of this tragedy cannot be filled. However, the generosity and good will shown by countless persons and organizations in response to the flood will continue. Hopefully, this will make the healing of spirits and the renewing of livelihoods a little quicker and a little easier.

CONGRESS MUST RENEW GREAT LAKES SET-ASIDE

Mr. COATS. Mr. President, I rise to express my concern over the impact that the expiration in 1989 of the Great Lakes set-aside has been having on Indiana farm exports, the Great Lakes shipping industry, and the Port of Indiana.

In the 1985 farm bill, the Congress expanded the U.S.-flag cargo preference from 50 to 75 percent on all Government food aid cargoes. Recognizing the devastating blow that this action would have on midwestern farm producers due to the fact that Great Lakes ports are serviced primarily by foreign vessels and Public Law 480 cargoes would be diverted to other ports, the Congress also enacted into the 1985 law a Great Lakes set-aside under which approximately 4 percent of the total Public Law 480 Program—245,000 tons a year—would be preserved for the Lakes ports regardless of what flag merchant vessels carry the shipments. Unfortunately, while the 75-percent cargo preference remains in force indefinitely, the Great Lakes set-aside expired at the end of 1989.

The failure of Congress to extend the set-aside threatens to seriously damage Indiana agriculture, labor, the Port of Indiana and other businesses engaged in providing food shipments for the Public Law 480 Food for Peace Program.

Mr. President, I ask unanimous consent that the text of an article from the Journal of Commerce on the impact of the decline in food aid is having on Great Lakes ports be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DECLINE IN FOOD AID WORRIES GREAT LAKES PORTS

(By Kevin Commins)

CHICAGO.—A sharp reduction in government aid cargoes may imperil what otherwise should be a stable Great Lakes shipping season, U.S. port officials say.

A law expired last year that had guaranteed Great Lakes ports a percentage of cargoes shipped under Public Law 480 Title II, the Food for Peace program. The result will be a much smaller portion of the PL-480 pie.

"We'll definitely see less this year," said a spokesman for the Port of Duluth, Minn. "That will hurt us, Milwaukee, Toledo and Chicago."

At this time last year, about 50 million pounds of PL-480 Title II had been allocated to Great Lakes ports. So far this year, there have been no allocations to the Lakes.

The reduction in PL-480 allocations could have far-reaching effects on the Great Lakes, reducing the number of vessel calls and limiting other types of cargo movements, some port officials say.

Frequently, PL-480 cargoes act as a magnet for the Great Lakes system, attracting vessels that normally wouldn't come into the Lakes. Often, these vessels carry inbound cargoes and depart with additional outbound cargoes.

"If we have a reduction in PL-480 cargoes, it hurts the entire system," noted Dan Pappas, assistant port director at Burns International Harbor in Indiana.

Under the 1985 farm bill, Great Lakes ports were guaranteed a minimum volume of PL-480 cargoes as part of a compromise package that also increased the U.S.-flag requirement on government relief cargoes from 50 percent to 75 percent. Since the Great Lakes have limited U.S.-flag service, expiration of the "set-aside" puts the Lakes at a considerable disadvantage to other U.S. seacoasts, Lakes officials say.

Most Great Lakes port officials would like to see a continuation of the set-aside or a return of the U.S.-flag requirement on relief cargoes to 50 percent.

Extension of the Great Lakes set-aside for 1991 and beyond will be discussed this year as part of the congressional debate on the new farm bill.

Apart from the prospect of a reduction in PL-480 cargoes, most Great Lakes port officials predict a stable year in 1990, with grain and steel imports holding steady.

A relatively low dollar, continuation of U.S. export subsidies and strong overseas demand should ensure that U.S. grain exports remain reasonably strong. As always, however, there are a number of uncertainties.

"There's so many things that can affect grain that we don't know about: weather, how much the Russians will buy, whether there will be problems again on the Mississippi River," a spokesman for the Port of Duluth said. "It's still a question mark."

Last year, no Soviet ships visited Duluth. Six had called the previous year. The port hopes that a return of Soviet vessels in 1990 will enable it to bolster bulk grain exports, which fell off considerably in 1989.

Some Great Lakes ports are concerned that steel exports—a major growth cargo on the Lakes in the last two years—may weaken somewhat this year.

Last year, steel exports through the St. Lawrence Seaway increased 422 percent to 1.5 million metric tons, breaking the 1982 record of 1.25 million tons.

Cargo volumes moved by Canada's Great Lakes Carriers

[In millions of metric tons]

Year	*Volume*
1989	74.0
1988	80.7
1987	76.5
1986	72.1
1985	74.8
1984	84.6
1983	78.9

Source: Canadian Shipowners Association.

Helen Brohl, marketing director of the Illinois International Port in Chicago, thinks export steel volume at Chicago docks could soften somewhat in 1990, but over all, she expects this year will be about equal to 1989.

Similarly, the Port of Detroit is concerned that steel exports may drop off following a big increase in 1989. Otherwise, 1990 will be very similar to 1989, a spokesman said.

At Burns International Harbor, which lies adjacent to several steel mills, there is no sign that the steel industry or steel exports are slowing down, Mr. Pappas said.

Mr. COATS. Mr. President, either the cargo preference requirements must be eliminated, the Great Lakes set-aside must be renewed, or some safety net like the set-aside must be enacted. Otherwise the food producers and workers, the port and the businesses and workers that depend on the exporting of agricultural products for their livelihood will be threatened. That is why I cosponsored the Great Lakes Maritime Trade Act and why I am prepared to support other efforts to remedy this problem which could have a devastating economic impact on Indiana and on other States in the Great Lakes region. I hope that this matter will be addressed in the pending legislation.

HUMANITIES ON THE HILL

Mr. STEVENS. Mr. President, on May 3 I had the opportunity to attend the annual Humanities on the Hill congressional breakfast sponsored by the Federation of State Humanities Councils. The federation, founded in 1977, is the membership association of the 53 State Humanities Councils. Through its program of research, conferences, collaborative projects, and communication on issues of public interest to Members, legislators, and others, it provides support for the State Humanities Councils and strives to create greater awareness of the importance of the humanities in public and private life.

The State councils continue to expand and develop the remarkable grassroots network that brings humanities programs to more than 25 million Americans each year. Working with volunteer boards and committed to the idea that every citizen should have the opportunity to develop the life of the mind, the councils sponsor programs ranging from large conferences to teacher institutes to reading

and discussion groups, lectures, exhibits, and films.

Among many of the activities of the federation is the Humanities on the Hill breakfast brings together representatives from the State councils with Members of Congress and their staff as another effort of promoting a further dialog of the humanities in America.

The annual Humanities on the Hill breakfast, which grows in numbers and reputation each year, offers an opportunity for State Humanities Council representatives to focus national attention on the work of the councils and on issues that deserve support.

At this year's breakfast, Dr. James Billington, the Libriarian of Congress, addressed the group on "The Future of the U.S.S.R." Dr. Billington's address could not have come at a more poignant time with the dramatic developments occurring in the Soviet Union and throughout Eastern Europe. I believe he presents an excellent commentary on the recent moves toward democracy in the world today and how it reflects on current events here in America.

I invite my colleagues to read Dr. Billington's speech which I am inserting into the CONGRESSIONAL RECORD. I think it will provide some valuable insight for all of us to ponder and I strongly encourage my colleagues to consider its significance.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

RUSSIA: HISTORIC CONTINUITY OR RADICAL CHANGE?

(By James H. Billington, the Librarian of Congress)

No one, that I know of, predicted the specific course of change currently underway in the U.S.S.R.; and no one, I suspect, can predict the exact outcome. More than a decade ago, however, I did write that, when a new generation of leaders arrived, there could be a new thrust towards a market economy, a serious parliament, and a relegitimation of religion.

I suggested this not because I saw the system then moving in a benevolent direction, but because I have always seen Russia in humanistic terms as one of those dolls-within-dolls, a matryoshka: a society with hidden layers inside that contain latent creativity. I believed that there was an inner face of aspiration different from the outer face of power that would remain hidden from view until the survivors of the Stalin generation like Brezhnev and Chernenko died.

Layering in of the U.S.S.R. today, Gorbachev himself may be something of a matryoshka—containing within one package at least three different faces. So, after looking briefly at the historic U.S.-Soviet relationship, I want to discuss three faces of Gorbachev and focus on his Russian face.

There are striking similarities between the U.S.S.R. and the U.S.A. Both are multiethnic, continent-wide civilizations. The Anglo-Saxons have about the same slight plurality in America as the Great Russians have in the Soviet Union. Both nations are partly European and partly special products of a vast frontier that leads beyond. Both were primarily religious, rural civilizations that have moved on to largely urban and secular ways of life. Both colonized a continent by moving out on frontiers—ours moving west across North America, theirs east across and beyond Siberia—the two meeting at the Russian outpost of Fort Ross north of San Francisco at the beginning of the 19th century. We have, however, had remarkably little direct contact with Russia. The USA had extensive economic relationships with both the Russian Empire and the U.S.S.R. before we had formal political relationships (not until 1809 with the old Russian Empire, and 1933 with the U.S.S.R.). We have never fought the Russians, but never exactly fought alongside them. Even when we were allies in two world wars, we had no common front and relatively little contact.

By and large, the Russians did not come to America as others did from western Europe and Africa, and we did not go to them as we did to East Asia.

There has been (even to this day) very little immigration to the U.S.A. from the dominant Great-Russian nationality. It was largely the minority nationalities of the old Russian Empire (Finnish, Polish, Ukrainian, Jewish) that came here late in the period of great immigration. But, since the ethnic Russians were largely Christians, we did not have the missionary contact with them that we did with China in ways which led to a measure of understanding and even affection.

We have, in truth, had shockingly little contact over the years with our rival superpower. This has fostered mutual ignorance which has made the differences between us even more acute.

Politically, the Russian state has always been a centralized autocracy in which the key institution has been the military and the key modern leader, the engineer. The United States is a decentralized federal democracy in which the key institution has been the productive economic enterprise and the key modern leader, the lawyer.

Ideologically, both societies have been legitimized by revolutions. The United States and the Union of Soviet Socialist Republics are among the very few countries in the world whose formal names do not carry any ethnic-national designation. They are both the product of revolutions based on universalistic ideas. The Soviet Union's revolution was for equality to obtain social rights in hierachical Eastern Europe. The United States' revolution was for liberty to sustain civil and property rights in an open, entrepreneurial North America.

Psychologically, there is also a difference. Both feel unique—and profoundly different from traditional European nations. But (to oversimplify somewhat for both sides) Russians tend to feel uniquely persecuted, and long to be respected; Americans, uniquely favored, but wish to be loved. As the global reputation of both superpowers eroded in the 1970s, each turned to a new leader who spoke to those special needs. The Soviet Union turned to Andropov who came from an institution (the KGB) that commanded respect based on fear and efficiency. America produced in Ronald Reagan a specialist in communicating its sense of national favor trained in an institution (the cinema) which inspired confidence based on affection.

Gorbachev is a protege of Andropov who, as head of the KGB, epitomized the nomenklatura, or inner Leninist control structure of the Soviet state. Andropov modernized and brought scientific talent to streamlining the Soviet police structure, which is in a way, the central institution within the nomenklatura.

This then is the first face of Gorbachev on the matroshka: the face of a privileged insider from the nomenklatura, that central structure of perhaps 3 million people, which controls all important decisions and dispenses the perquisites of power. Gorbachev rose not by leading economic enterprises or political regions, but as an insider in the Leninist political machine. He was a kind of life-guard at a Beverly Hills Hotel—catching the attention of the aging Soviet leadership as they came to the resort town of Stavropol, where he was the bright, young man in charge.

The Soviet political machine is the largest and probably most effective political machine of the modern era. It is not successful in our terms (delivering services to people), but it is in its own terms of perpetuating the power of a ruling oligarchy—manipulating divided democratic societies abroad and atomizing opposition forces at home.

The Leninist machine has succeeded in its own terms; and much of Gorbachev's program can be explained in terms of simply modernizing the machine by ridding it of ideology and bureaucratic paralysis.

The form of Gorbachev's program has classical Leninist elements—centralization of authority, work discipline, warning against left and right deviations, and enforcing party obedience in the name of vague slogans (perestroika), which only the leader can define. His new super-presidency gives him dictatorial power with only one real limitation on his power: the need to be elected popularly in five years.

His new presidency makes it impossible for the party alone to throw him out as they did Khrushchev. He thus has an insurance policy for retaining, as well as exercising, power—he has brought the heads of KGB and Army into his new presidential cabinet.

But with food, medical care, and housing all less abundant than they were when Gorbachev came to power, he felt compelled to attempt radically to restructure the administrative system. Thus, he has unleashed during the last year a program of internal political reform and external devolution of empire in Eastern Europe which now leads a life of its own and threatens to undermine the machine that created him.

As in a Greek tragedy, these forces of change were unleashed by the central protagonist himself with Gorbachev's insistence on new ideas and models from outside the Soviet Union. This reformist restlessness reflects the fact that although Gorbachev is politically a product of the patronage system of the nomenklatura, he is culturally a product of a more educated postwar, post-Stalinist generation.

This is Gorbachev's second face: that of the first university graduate ever to rule the Russian Empire. He is both the representative and the mobilizer of a professional middle class that has grown up during 45 years of a peace and relative prosperity rare in Russian history. His wife is also the first spouse of a leader to be a university graduate and to define a public role for herself. Glasnost' and the introduction of a measure of popular choice through the new electoral process represent an unprecedented attempt to enlist this amorphous group as a political counter to the conservative party bureaucracy that is resisting modernization.

Gorbachev thus mobilized the new professional classes on the "left" against the old party apparatus on the "right," and has been playing them off against each other in a classical Leninist way.

The trouble with his reform program is that it is mostly glasnost' and not much perestroika. Gorbachev is seen as a talker rather than a doer. The economy is retrogressing, and restiveness and defiance have appeared among the subject nationalities.

Ethnic-based unrest, in turn, has activated and intensified the power of another deep force of change at work in the Soviet Union today: the search for a usable Russian identity. Gorbachev's willingness to work with this little-understood longing may be the most brilliant and original part of his entire program.

Gorbachev's third face is that of a Russian in search of pride. This is the earliest and least studied aspect of his personality. Before he graduated from Moscow University and rose in the nomenklatura, he was an ethnic Great Russian brought up by an Orthodox mother and a peasant father. His subsequent political career was made entirely in the Russian Republic; and, once in power, he has assembled one of the most ethnically Great Russian top leaderships that the Russian Empire has ever had, depending largely on Great Russians who have also made of their careers within the Russian Republic—many in Siberia, the most intensely Russian part of the vast Russian Republic.

Beyond the economic search for new efficiency in Gorbachev's U.S.S.R. and the political search for new authority, there now looms the psychological-ideological need for a new legitimacy in view of the discrediting of the Communist belief system. As the minority peoples increasingly seek new legitimacy in nationalism, the key element in this cultural-spiritual crisis has become the search for a non-Stalinist identity within the dominant Russian nationality.

The restiveness of the minority nationalities has been reflected in the parliament where nationalities are better represented than in the party. But the televised tumult there only feeds further the insecurity of the dominant Russian nationality and intensifies its search for some new identity in the modern age.

Faced with intractable domestic problems, Gorbachev has legitimized himself in foreign policy. But he is not following the previous reform pattern set by Khrushchev's neo-Leninist revivalism and assertion of a rising revolutionary tide in the Third World. Rather, Gorbachev seems to be retreating back to an inner ring of traditional Great Russian authority—back from the illusion of a Communist future to the lessons of the Russian past.

Gorbachev's deference to Russophile sentiments is sound politically because the key consideration in retaining central control within this polyglot imperial state is whether or not the dominant Russian nationality can find a way of feeling good about itself without feeling hostile to others: a sense of self-worth not dependent on domination. Most of the nationalities in ferment within the U.S.S.R. are more economically advanced than the Russians. But for the Russians, unlike the others, the problem of defining a new national identity is complicated by the fact that they were the authors of the original Communism—taken over from within, rather than conquered by an alien army from without.

Moscow is the center not just of Soviet power but of this search for Russian identity. The situation there increasingly borders on the surreal. The parts are recognizable, but they do not fit together, and there is no overall coherence. Educated people who have at last gained some of the freedom and political reform they have long sought seem more unhappy and pessimistic than ever. The Gorbachev leadership stands center-stage—but, as in the theater of the absurd, in eerie detachment from popular opinion. The condition of Jews has improved, but their dissatisfaction has increased. Precisely as their numbers decline, fantasies about Jewish dominance are growing.

The greatest absurdities come from those who are paid to be rational. A world-renowned humanistic scholar told me in all seriousness that Gorbachev's overwhelmingly Russian circle of confidants were almost all either Jewish or married to Jews—and that Gorbachev himself had been initiated into a Masonic lodge by Margaret Thatcher in London. One of Russia's greatest scientists recently published a treatise, "Russophobia," in which all of human history is seen as the war of clever "little nationalities" to undermine noble big ones like the Russians.

Gorbachev, who is widely popular abroad, is widely disliked at home. He has accumulated more power than any other Soviet leader since Stalin, but he may have even less moral authority in the society than the miserable Constantine Chernenko whom he succeeded.

"All one gets from the talkers around Gorbachev is SPID," one provincial Russian party official muttered in a morbid play on words with an acronym that stands both for the "the perestroika and democracy syndrome" and for AIDS. The first onset of that disease, the growing shortage of goods, the rise of narcotics, and the disaster at Chernobyl are all given apocalyptical significance. Some seriously speak of the imminent end of the world (as early as 1991, when the feasts of the Annunciation and Easter will occur on the same day). Everyone is reading the sensational new novel, The Man Who Did Not Return, which depicts the violent and devastated Russia that allegedly emerges by 1993 as a result of perestroika.

Gorbachev continues to legitimize himself largely by his international stature while his tiny band of genuine supporters—many of them fellow alumni of Moscow University from the early post-Stalin years—plunges on into the uncharted waters of writing new laws for a real legislature. Whereas the cause of reform had troops without leaders in China, Russia has leaders without troops.

The hitherto largely silent and long-suffering Russian people have been discovering recently that they have fewer things now and are having fewer children for the future even than most other nationalities in the U.S.S.R. The Russians who have at last become aware that they themselves have gained so little would like to be recognized as something more than the people responsible for all that has gone wrong.

Gorbachev has gone much further to accommodate this desire than Khrushchev, his only real role model as a Soviet reformer. Khrushchev launched a program against the Russian Orthodox Church almost as vicious as Stalin's while exhorting Russians to pour scarce resources into an alleged rising tide of revolution in the distant Third World. By contrast, Gorbachev emphasizes improvement at home. His wife serves on the Board of a new Cultural Fund, which is largely devoted to recovering lost cultural artifacts from the Russian past. She attended the lavish state ceremony in the Bolshoi Theatre celebrating the Millennium of Christianity among the Eastern Slavs in 1988, the commemoration of which Gorbachev himself mildly encouraged and helped channel into a celebration of Russian national tradition.

But Gorbachev has taken away the old history books without yet providing new ones. This is a particularly hard blow for the Russians, who had previously appeared as the vanguard of human progress in the Russocentric version of Communist history that the U.S.S.R. had propagated ever since Stalin's nationalistic turn in the 1930s.

The Gorbachev leadership is being whipsawed by the simultaneous opposition of swelling popular movements from both right and left. Fear that the extremes may once again squeeze out the center accounts for the increasingly frequent suggestion in the U.S.S.R. that violence is inevitable and some form of civil war probable. Yet ironically both of these extreme alternatives are almost certainly more popular at the moment than Gorbachev's cautious reformism—and largely because they provide clearer answers than the Gorbachev leadership to the basic question of Russian identity.

On the right there is a traditional reactionary answer to the question of Russian identity. Among delegitimized bureaucrats, worried writers, and some ordinary people, there has been a resurgence of Great Russian chauvinism, which sees a strong, Russian-dominated political machine as the only glue that can hold together an otherwise fragmented and potentially anarchic, multi-national empire. It must be preserved not to sustain a materialistic ideology and a socialist model for the world, but to protect an idealized Russian tradition (sometimes now presented as Slavic tradition in order to include the Ukrainians and Belorussians as well as the "great" Russians). This reactionary answer to the question of Russian identity derives some authority from the practical experience of managing the largest and most long-lived empire of the modern world. The Russian army and police and the Russian language have been the controlling elements in an empire where subject nationalities have been essentially kept in territorial compounds and often played off against one another.

Directly opposite from the nationalists on the right are the radical reformers to the left of Gorbachev. They are led by educated Russians principally in Moscow who argue that Russia's proper identity can be found only by proceeding directly to build a pluralistic, multi-party democracy based on the rule of law following essentially Western models. They see a new Russian identity being forged by the moral tasks of building a just society rather than by the physical exercise of sustaining an empire. They have forged in the parliament a tactical alliance with the most sophisticated and radical of the national minority movements, which seek to separate from the U.S.S.R. under their own democratic national auspices. This Interregional Group seeks an altogether new legitimacy which could make a new set of laws and institutions and which could be more than just another new front for the old system. These radicals on the left have lost a great moral leader in Sakharov, but they have won the moral high ground and much of the best talent in the new post-Stalinist generation. Wherever there was a genuine choice in the recent elections, these

radicals proved far more popular than the reactionaries.

Maneuvering between two positions that have broader support than his own, Gorbachev seeks to raise the Russian people towards a kind of de-ideologized productive dynamism. If he were able to open up the economy more boldly or de-collectivize agriculture and thus raise living standards, he might develop a sustaining constituency for what seems to be his alternative: a pragmatic authoritarian identity that seeks to rise above traditional questions of national identify and to avoid the need to relegitimize the system by either returning to Russian tradition or plunging on to real democracy.

Perhaps Gorbachev can continue to maneuver between the two positions, since they fear one another more than they hate Gorbachev. But his increasingly conservative and unproductive economic policy has produced all the resentments of an open competitive system while retaining all the inefficiencies of the old centalized command system. People of all persuasions in Moscow now believe that unless there is a turnaround in the declining standard of living, the odds will favor more internal violence that will produce a reactionary turn and probably sweep away Gorbachev's already retrenched reform program—hence the pessimism, the apocalypticism, and the growing desire either to get out before there is a search for scapegoats or to keep one's head down to avoid being hit by the coming bullets.

But it there a chance that Gorbachev or some future successor might be able to go beyond merely keeping a delegitimized Leninist party in power by improving its table manners and manipulating reactionary and the radical fears of each other's alternatives? Could the dominant Russians themselves possibly install the kind of open society and accountable government that their more Westernized former satellies have espoused? Certainly, such changes may not be sustainable in Eastern Europe and will not be conceivable in the U.S.S.R. itself without Russian support. So the key question is can the Russians find a non-Leninist and non-chauvinist identity for themselves: a way of feeling good about themselves without feeling hostile to others.

The conventional wisdom is that this is asking too much of human nature in general and of an aggrieved less-Westernized people like the Russians in particular. And the conventional consolation is that Western spectators at this Eastern drama should not get too emotionally or economically involved because the only realistic outcome will be either an inertial continuation of Gorbachev's present course or a reactionary reversion to Russian nationalism.

But these are not conventional times. There is no real precedent for the historic drama we are witnessing. We have entered a world of unpredictable contingencies in which the thirst for freedom has spread like an uncontainable epidemic to previously immune populations—even Mongolia—and the future has become truly indeterminate.

The Russians themselves may be developing a fourth alternative answer to their problem of identity that is more positive than mere chauvinism and may, indeed, be the prerequisite for any long-term evolution towards democracy.

Such a new Russian identity is based on the large-scale determination of the Russian people to rediscover everything meaningful in their shared experience that Stalin attempted to destroy and that Stalin's successors continued to defile: traditional village culture, the soil and rivers of a once pristine ecology, the long-suffering compassion of grass roots Russian Orthodoxy, the artistic majesty of a pioneering monastic culture that carried that faith across the forbidding Siberian frontier on to Alaska, and above all, a unique, modern literary tradition permeated with moral passion. There is a desire not just to recover but to learn from and make restitution to old Russian culture. The voluntary association for historical preservation has the largest membership of any organization in the U.S.S.R. An even more passionate environmental movement has been growing in strength ever since it forced the Politburo to drop its plans for diverting the flow of rivers in the Russian north three years ago.

Russia's leading academic expert on old Russian culture, the 83-year-old chairman of Mrs. Gorbachev's Cultural Fund, Dmitry Likhachev, has become a media celebrity in the U.S.S.R. with his call to defend and recover both "the ecology of culutre" and "the culture of ecology."

Many high officials who still call themselves Communists now purport personally to find a new and deeper basis for morality in the philosophically-rich Russian literary tradition of Dostoevsky and Tolstoy. But now that the corpus of works published in the U.S.S.R. has expanded to include figures who came into direct, heroic conflict with the Soviet regime like Bulgakov, Pasternak, and the still-living Solzhenitsyn, educated people are increasingly turning to the older Russian religious tradition which infuses these writers' works. Many who were present contend that the remarkable church service held last autumn—for the first time since 1918—in the Kremlin's Cathedral of the Assumption, where the Tsars were once crowned, was the most moving, single gathering they have ever attended. Part of that feeling may be attributed to the most surprising fact of all: the growing sympathy for restoring at least some version of a monarchy. The journalist who claims to know the secret burial place of the imperial family after their assassination by the Bolsheviks in 1918 is one of the most sought-after figures in Moscow. When the popular writer Rasputin spoke up for a constitutional monarchy at a dinner hosted for me by Soviet officials, it was the officials rather than the writer who seemed on the defensive. Even a liberal writer and critic of Rasputin like Andrei Voznesenky talked to me with quiet pride about his recent poem celebrating a small piece of wood which he has reverently kept in his dacha: a fragment of decorative carving from the last house lived in by the Tsar's family in Siberia just before it was razed.

Of course, collective historical restitution, inner oral conversion, and the proliferation of independent cultural organizations among Russians may not ultimately effect the dynamics of power in the U.S.S.R. Many Russians speak wearily about their own continued fatalism and passivity; the Leninist political tradition is skilled at co-opting Russian national symbols; and token gestures may be enough to keep the lid on—such as the recent return to believers of a few confiscated churches or the recent creation of new cultural institutions within the state structure of the Russian republic. But the thirst for new cultural institutions is now being satisfied throughout the U.S.S.R. almost entirely by a rising tide of new voluntary organizations that reject Communism in all it forms. There is almost no popular support for the current fall-back effort of reformers within the political system to relegitimize Communism by juxtaposing a good Lenin to a bad Stalin.

Most of the many new Russian political groupings and cultural undertakings that have sprung up in recent months have not been reported in the West and involve previously unknown, young leaders. Our bibliographers count between 400 and 700 new unofficial publications in the U.S.S.R. today. Much activity centers on a massive new Russian Encyclopedia designed to run for at least 50 volumes in an effort systematically to recover the lost regional history of Russia during the Soviet period. There is a new 12-volume agricultural encyclopedia, which will essentially attempt to reconstruct the culture and ecology of rural Russia prior to the atrocity of collectivization; the U.S.S.R's first private secondary school since the revolution, a neo-traditional Andrei Rubelve Lyceum, named after Russia's famous monastic painter; and an already completed 10-volume Orthodox encyclopedia.

Noble and intelligent voices of Russian dissent like Sakharov and Siniavsky doubt that a renewed traditionalism is compatible with democratization. But it may be worth remembering the religious roots and moral convictions independent of government were prerequisite to the establishment and future health of representative government in America—as Washington clearly noted in his farewell address. And the forming of voluntary associations independent of central government and bureaucracy was prerequisite to the establishment of democracy on a continental scale in America—as Tocqueville noted a half century later.

There are, finally, neglected aspects of the Russian cultural experience which may make a return to tradition more compatible with democracy than we have been inclined to think possible. There was more independent civil society and local organizational innovation in the late Tsarist period than the largely state-centered and triumphalist historians of the Russian empire have written about (self-governing local zemstvos, local zemgor committees that sprang up during World War I, an amazingly rich set of welfare institutions set up by women's convents, etc.). The most traditionalist ethnic Russians, the Old Believers, were also the most entrepreneurial. It seems appropriate that the newly reformed ministry of culture is now supporting Likhachev's Cultural Fund in a restoration of the main Old Believer center at Bela Krinistsa which was destroyed by Stalin in 1947. The writer Daniel Granin has attracted 6,000 members in a short pace of time to this new Society of Charity in Leningrad, which promotes voluntary humanitarian services independent of the state.

We cannot know if the Russians will eventually find their post-Stalinist identity by combining a religious-tinged return to tradition with a secular move forward to democracy. It would at best be a tortuous process—and one fraught with peril in the near term—for the Russians must simultaneously deal with a potentially dissolving empire as well as a demonstrably dead ideology. If we must, therefore, keep up our guard, we in America should at the same time raise our sights. We are the only nation by which they can measure themselves as they face the awesome challenge of trying to build democracy in a multi-cultural, continental context. In times of radical change, Russians have often reasserted traditional ways

to compensate psychologically for their simultaneous borrowing from their leading Western adversary. They took their religion from Byzantium, there first modern government from the Swedes, their industrial organization from the Germans—only after fighting all three. They look to us now more than we realize, and we cannot afford not to become more involved. America's and Russia's expanding frontiers once met at the old Russian outpost of Fort Ross just north of San Francisco. Our future paths will not converge, but there may be unexpected common horizons.

The forces of change that Gorbachev has stirred up are the dynamic forces in the world today—and these are more than just the material market forces that we have talked about so much in the 1980's or even desire for freedom. They seem to me to be immaterial aspirations that more and more of the world wants to share with us: (1) peaceful evolution rather than violent revolution as the engine of change; (2) widespread participation and accountability rather than centralization of power as the form of rule; and (3) access both to basic secular enlightenment and to one's own distinctive religious and cultural traditions as the right of all peoples.

We may be in the midst of global process that seems to be both moving forward to democratization and back to religion. But, in fact, democracy arose historically out of religion, which may be necessary to underpin it ethically. Thus, the new Soviet interest in both our liberal democracy and their own conservative spiritual heritage could prove to be two sides of the same coin—rather than conflicting sides of an irreconcilable Slavophile-Westernizer polarity as we usually tend to think.

The trend towards democracy may ultimately prove the best long-term quarantee of peace. Out of the large and generally depressing literature on how wars actually start in the modern world, there is one encouraging fact: democracies in history do not fight one another. If we can better understand and at least marginally help the extraordinary process of ferment that is going on in the Soviet Union (its cultural as well as its economic and political strivings), we may be able to help build a new agenda that will come to realize anew with Reinhold Niebuhr that man's capacity for good makes democracy possible; his capacity for evil makes it indispensable.

SOVIET IMMIGRANTS IN ISRAEL

Mr. REID. Mr. President, earlier this month I visited Israel for the third time. I met with many state dignitaries—many very prominent and important people.

I also met with my old friend, Arkady and Helen May, Soviet Refuseniks who Mrs. Reid and I helped leave the Soviet Union a few years ago.

One night we were having a small dinner with a number of other people in Jerusalem, and I rose to extol the heroism of my friends, the Mays, who had struggled through many years of adversity.

When I was through, Helen May rose and said, "We are not heroes; we are ordinary people. We are no different than so many other Soviet Jews."

Helen May went on to recount the story of her years as a Refusnik. She told us of how her internal visa was revoked, and she could not travel to see her dying mother. Her mother died without being able to see her daughter.

She told us of the many times she was taken to KGB headquarters in the middle of the night for questioning. She told us of her arrest and sentencing to Siberia, which, was never carried out.

She and her husband were not allowed to work. Many times they were without food. Their friends here in the United States used to have smuggled to them items like transistor radios which they could sell on the black market for a little money.

When Helen was through describing their odyssey, and how, with the help of her American friends, they were finally free, there was not a dry eye in the room. Everybody was moved by this triumph of the spirit—something that I still call heroism, despite her protestations.

One of my traveling companions, an old friend of mine and former staff member, Evan Wallach, was so moved that he wrote a poem. I wish to reprint that poem here, and dedicate it, as Mr. Wallach has, to Helen and Arkady May, but, also to all the heroes of Soviet Jewry who have experienced the same struggle.

WE ARE NOT HEROES

(For Helen and Arkady May)

We are not heroes
We are ordinary people, she says
Her eyes gleam
We lost our jobs
We survived
The KGB followed, looked, listened
They called us in for questioning
Siberia, they said, the Far East
Instead of the Near East

We struggled
They would not let me, she says
They would not let me see
My Mother before she died
We were forced by circumstances
We are not heroes
Let my people go

We are not heroes, they cry
It echoes through our ancient land
A hollow shout in a trench through the tells of time
Sinking through the mounds of antique cities
Look down the wells of history
See the levels of our despair
We are not heroes
Let my people go

We are not heroes
We wept at Massada and shivered in fear
As the causeway rose day by day
We are ordinary people
When they burned us in Spain with our books
We sobbed prayers in flames of knowledge
We are not heroes
When the Cossacks rode drunk and crazy

We cried and hid and shaved our heads
And when they came to the Ghetto
For the last lost few
We did what we could and died
We are not heroes
Let my people go

I am the Lord they God
Who brought you out of the land of Egypt

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,956th day that Terry Anderson has been held in captivity in Beirut.

SENATOR QUENTIN BURDICK

Mr. KERRY. Mr. President, for the past 30 years, this body has been favored with the presence of one of its finest, most conscientious Members, Senator QUENTIN BURDICK. Although I have only worked with Senator BURDICK for 6 of his 30 distinguished years, I am honored that I have been able to serve with him, and I look forward to doing so in the future.

The people of North Dakota have shown their great wisdom by choosing QUENTIN BURDICK to represent them in Washington for three decades. Senator BURDICK has diligently and faithfully represented their interests and the interests of the Nation. Throughout his tenure he has never forgotten why he is here and has never forgotten the troubles and needs of the common man and woman. The people of North Dakota and the Nation owe QUENTIN BURDICK a great debt.

In an age of sound bites and negative ads, Senator BURDICK represents the good intentions and nonpartisan cooperation which are too often overlooked—and indispensable to the functioning of our democracy. His quiet competence and dedication, often lost in the clamor of the media, have not gone unnoticed in this Chamber. This is particularly true as he has so ably carried out his responsibilities to protect our Nation's environment and restore the soundness of our public infrastructure as chairman of the Senate Environment and Public Works Committee.

Mr. President, I am proud to join with every Member of this Chamber in congratulating him on his 30 years of service and to thank him for his dedication to this body and to the people of this Nation on this day when his colleagues will participate in a special tribute to his many years of Senate service. They have long recognized what is now clear to me—Senator BURDICK is an always reliable and persistent champion of the working and farming families of this country and always will be.

WORKSITE SCHOOLS—A PROMISING IDEA IN EDUCATION CHILD CARE

Mr. KENNEDY. Mr. President, the American Bankers Insurance Group, a corporation in Miami, FL, has on its grounds a satellite school run by the

Dade County public schools. The school is open to childern of ABIG employees in grades K to 2. I visited the school last year and spoke with teachers, parents, and students. I believe it can serve as a model for similar partnerships—in the most active sense of the word—between school districts and private industry across the country.

Conversations with parents whose children attend the school reveal how successful this effort has been. Parents drop off their children at the school on their way to work, and pick them up at the end of the workday. In between, parents can visit their children during their lunch hour, meet with the teachers, and become actively involved in their children's education. After school, children engage in activities provided at the school site by community groups until their parents are ready to pick them up.

Benefits accrue not just to parents and their children, but also to the corporate sponsor. ABIG has found this to be a profitable investment. It provided a building to house the school, and the Dade County schools provide the teachers, books, and supplies. With this facility on the corporate campus, ABIG reports that employee absenteeism has fallen 30 percent and employee turnover has dropped 13 percent.

Dade County has established similar satellite schools at Miami International Airport to serve employees of the County Aviation Department, and at the Miami-Dade Community College. Joseph Fernandez, who created the satellite school concept as school superintendent of Dade County, is now exploring ways to bring satellite schools to New York City workplaces where he now heads the public school system.

We talk about parents' involvement in their children's education, about child care for working parents, and about smaller, more intimate school environments where children, parents, and teachers can work together more effectively. The satellite school addresses all of these goals. I ask unanimous consent to include in the RECORD an article appearing in a recent edition of the American Federation of Teachers magazine American Educator on the satellite schools in Miami. It presents an excellent analysis of the advantages of this idea, and will be of interest to all of us in Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORKSITE SCHOOL

(By Ellen Hoffman)

Item: Millie De Villa, mother of first-grader Alexander, has two "jobs"—one as a scheduler for a cargo airline at the Miami airport and the other as a volunteer art teacher at the Miami International Airport Satellite Learning Center.

Item: Parents of kindergartners and first-graders at the Miami Dade Community College Satellite Center are talking with campus officials about how their youngsters might benefit from close access to science labs and other community college facilities.

Item: An employee of the American Bankers Insurance Group in Miami may sign up to spend part of the lunch hour in class with his or her child at the satellite learning center on the grounds of the corporation. Once notified, teachers make sure that the child is involved in a small-group academic activity—such as a reading lesson—so that the parent can participate and observe during the visit.

Such parent commitment and participation are both the primary goals and benefits of a new breed of educational institution that is attracting both interest and approval from educators, employers, and parents: Public schools located at parent worksites and operated as a joint venture by the school system and the employer.

Dade County, Florida (which includes the city of Miami), where the concept is being pioneered, now has three "satellite learning centers," and other school systems in Florida, Minnesota, and other states have also started similar programs.

Brainchild of former Dade County Superintendent Joseph Fernandez (now head of the New York City school system), the satellite learning center concept is a simple device for meeting several goals: providing working parents with convenient, flexible education programs for their children; enhancing opportunities for involvement of working parents in their children's education; combating employee absenteeism and trunover by reducing stress from concern about or problems with their children; and relieving budgetary pressure faced by a school system that grows in enrollment by ten thousand to fifteen thousand students each year.

From the day Dade County school superintendent Joseph Fernandez floated the idea of satellite schools to a Miami Chamber of Commerce audience in 1987, it was only three months until the first one opened. It was a kindergarten housed in a trailer on the grounds of the American Bankers Insurance Group.

That original class of twenty-four kindergartners has blossomed into a full-blown primary school, located in a new building on the ABIG grounds and attended by more than seventy students in kindergarten through second grade.

And now Dade County has two more satellite centers, both serving kindergartners and first-graders and slated to admit second-graders next year—one at Miami International Airport and one at Miami-Dade Community College's North campus.

A formal contract guides the school system-employer relationship in each case, specifying that the employer provide the school facility and maintenance and security for it and that the school system provide the staff, furniture, equipment, and supplies that are normally found in any county school. A lead teacher is in charge at each school site, but ultimate operating and legal responsibility for the satellites remains with the principal of a nearby "host" elementary school.

The ebb and flow of the daily schedule at satellite centers begins as early as 7 a.m., when parents on their way to work drop off their children. The children may play or watch television in supervised setting until school starts around 8:30. The school program ends at 2 p.m. and is followed by an afterschool program staffed and conducted either by the YMCA or the county's community school unit. Although some parents take their children home around 2 or 3 p.m., most stop by later in the afternoon, after completing their work day.

Educators and parents alike consider the private parent-child time in the car to and from work each day an important benefit of the program. Cynthia Collins, for example, works as a personnel specialist in the Department of Aviation at the airport. The mother of five-year-old twins Stacee and Tracee says: "I get an extra thirty minutes each way (in the car) with the kids. . . . It gives me a chance to do the homework with them and find out who did what in school. It's fantastic."

Physical proximity of parents to children, both in case problems develop during the day and to facilitate parent involvement in school activities, is another plus cited by advocates of the satellite concept. The result, they say, is an increased sense of security for both parents and children.

American Bankers center teacher Karen Borgmann recalls the day a youngster fell and split her lip even before class started in the morning. "Her mother (who was working less than five minutes away) picked her up, took her to the dentist and the child was back in school with ten stitches by 11 a.m.," Borgmann recounted.

Mona Comeau, a divorced parent who is studying electronic engineering at the community college campus, explains that "it feels good" to have her daughter nearby all day: "I bring Chelsea (a 5-year-old) here from eight to five. My classes are from eight to one-thirty. . . . It's right across the campus. I can come and have lunch and as I drive by, I can see the children playing."

The lead teacher in each center plays a pivotal role, combining teaching and administrative responsibilities with supervision of other teachers and aides.

Under Dade County's teacher professionalization initiatives—which are set forth in the union contract between Dade public schools and the United Teachers of Dade—a lead teacher can play a variety of different roles. "In a secondary school, a lead teacher is more like a department head," observes Thomasine Morris, lead teacher at the airport center. "But we are at a site responsible for a program.

"I don't teach any differently," explains Morris, "because we have the same Dade County objectives." But before she ever got up in front of her new kindergarten class, Morris had been deeply involved in planning the conversion of an office building into the school, in the selection of furniture and equipment, and in hiring staff.

The satellite program is "giving teachers a chance to blossom," she says. "Instead of following a given format, we are creating and designing."

The lead teachers from each of the three worksite schools note also that the satellite center's small size and its physical separation from a larger school have created a dynamic in which center staff are constantly exchanging information and ideas about the children and the program.

Nonetheless, all involved in the program stress the importance of developing and maintaining strong ties between satellites and host schools, for staff and children alike. For staff, the connection is an important safeguard against the professional isolation that can occur when a teacher works in a school with as few as three staff members. While most staff members interviewed said that they don't feel isolated in their

centers, they stressed the positive effects of participating in regularly scheduled faculty meetings and other activities at the host schools.

Staff of the satellite schools acknowledge that they could also benefit from more collaboration among the three centers. When this reporter invited the three lead teachers to meet with her for this story, it was the first time they had gotten together as a group, without the presence of school system officials or other "outsiders." A number of staff of the centers had never visited the other satellite centers on a school day.

Contact with the host school is also seen as critical to the development of students in satellite centers, who must be prepared for the transition from a very small school—in which many of their classmates have been friends since they attended the same day care programs—to a much larger one.

For satellite school students, visits to the host schools may offer the only window on the experience they will encounter when they transfer to a larger school in third grade. Coping with lunch in a large cafeteria, for example, looms as a daunting prospect for these youngsters. To help prepare the children for this, Robert Keiser, lead teacher at the American Bankers center, has arranged for school lunches to be served cafeteria style at her satellite. Field trips, holiday parties, and other joint activities for the children are scheduled at the host schools throughout the year.

With the American Bankers center in its third year of operation and the other two in their second year, is the Dade County satellite learning program working?

Data collected by ABIG show that employee absenteeism is down 30 percent and turnover, 13 percent. A company vice president, Philip Sharkey, says enthusiastically that the benefits to the employer go far beyond expectations, and beyond the $375,000 invested in construction of a new building to house the school.

But there are no other data—such as compilations of test scores—on the program yet, and until the school system implements a pending plan for an evaluation, other measures of success must be used.

One way parents vote is by enrolling their children. Two of the three centers are at capacity and face the prospect of having more enrollees than they can accommodate next fall. Muriel Lundgren, director of the preschool on the Miami-Dade campus, has a six-year-old in the satellite and a four-year-old in the preschool. "I feel like," she struggled for the exact word, ". . . blessed . . . not only to have the convenience but also to have the continuity for the children's education," which, she stressed, is very important for working parents.

"Our employees (parents) are here on time, they are here daily, and if something happens to their kids, they don't have to lose two hours, because the children are five minutes away," sums up Esterlene Lewis, chief of administration and community affairs for the Dade County Aviation Department.

Parent participation and involvement in the satellite schools clearly exceed that in the average school. Points out ABIG teacher Barbara McMillan, "We are in contact with the parents all day long. They talk to me when they arrive, when they pick up the kids . . . and I have their phone numbers."

Parents of children in the satellite centers may belong to both the Parent-Teacher Association at the host school and a parent group at the center. The latter meets several times a year so that parents can be updated on school activities and receive tips on subjects such as how to supervise children's homework or how to prepare children to take standardized tests.

Each school has its regular parent volunteers such as Ronald Gutierrez, a recent graduate of a computer course who oversees the computer lab on Fridays at the airport center, where his son is a student. Others are more informal, such as the parent who came to pick up his child in Thomas' classroom at the community college. "Is everything okay here? Do you need anything?" he queried. Pointing to a light that was out, he asked if he should fix it.

School events, such as Christmas parties and fathers' day brunches, draw not just a few parents, the teachers report, but virtually 100 percent attendance.

Test scores and other academic measures of the children's progress will be evaluated in the future, but teacher Karen Monuse, from the community college satellite, observes that the constant presence of parents in the school and their contacts with teachers have a positive effect on children's study habits: "There's a difference in the kids as a result of the parent contact. Because they are aware that parents are always on top of things, they're not so likely to slack off. If I say I'm going to call their mom, they know I'm going to do it."

Although integration was not originally a goal of the satellite centers, it appears that social, economic, racial, and ethnic integration is greater in the satellite schools than in most. The 268,000 students in Dade County in 1988–89 included about 44 percent Hispanics; a third black non-Hispanic, 21 percent white non-Hispanic; and a small percentage of native Americans and other ethnic groups.

Each of the satellite schools has a racial and ethnic mix of about one-third of each of the three largest groups—Hispanic, black, and white. In the American Bankers school, two little girls in the same reading group are respectively the daughters of a company employee and her boss and are said to be good friends. The economic and social mix also occurs naturally when the sponsor employs parents who do everything from maintain the lawns to manage the company.

In Dade County, as in many metropolitan areas, the workplace is more integrated than the neighborhood. "These are all equal-opportunity employers," explains Morris, "so the schools offer equal opportunity for the children."

Data have not been compiled, but teachers in the schools say that they also have a mix of children who come from single-parent families (including some being raised by their fathers); two-parent families; and both one- and two-wage earner families.

Exposure of youngsters in the satellite programs to the work and career possibilities of the on-site employers is one area that may be developed more in the future, teachers say. Children at the airport have toured the facility, and many at the American Bankers center have visited their parents' offices. But Roberta Keiser points out that it would be possible in future career units to introduce children to such areas as food service, security, computer, and mail room operations, all at the nearby company headquarters.

The generally positive feelings about the satellite schools have promoted a movement toward expansion that has raised a variety of logistical and educational issues.

Expansion could take several forms: more K–2 classes at existing sites; more satellite centers; extension beyond second grade, perhaps up through sixth grade. All of these options present issues that are being discussed within the school system and by participants.

Each of the existing centers is located near a previously established day care program. The majority of the children in the K–2 classes were also together in day care, and this offers some of the benefits of continuity so valued by both parents and teachers.

Some parents would like children to remain in the satellite school beyond second grade. This presents space problems and also raises what Beulah Richards, principal of Cutler Ridge, the host school for the Amerian Bankers satellite, calls "a socialization issue. When the children get to third grade," she suggests, "they probably need to be in a neighborhood school."

There are no current commitments—other than adding a trailer to accommodate the second-grade class at Miami Dade next year—to providing additional space for the satellites. ABIG's Sharkey says that he is working with school personnel to try to accommodate all parents who want to enroll their children. The Aviation Department's Lewis sees both budget constraints and the difficulty of meeting state requirements (for outdoor space, etc.) as barriers to expanding.

Several potential sponsors, including an industrial park and several hospitals, have been talking with the school system about establishing programs. But so far, they have run into barriers ranging from community concern about potentially harmful pollution to church-state conflicts.

The county, which faces continuing pressure to build new classrooms, has a powerful incentive to identify sponsors who will work with them because the result is "free classrooms," a boon to both the school system and the taxpayer. Lynn Shenkman, a spokesperson for Dade County Schools' Department of Professionalization, emphasizes, however, that the school system is not totally wedded to the existing models and is willing to consider other options that might be proposed.

In the meantime, Dade's satellite schools serve as a model to other school systems seeking solutions to the challenge of providing quality education to the children of working parents. They respond to a steady stream of visitors—more than four hundred came last year—and inquiries. They have also inspired creation of similar programs sponsored by General Electric and Pinellas County in Tampa, by the state transportation department in Tallahassee, and a bank in St. Paul, Minnesota.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is closed.

FOOD, AGRICULTURE, CONSERVATION AND TRADE ACT OF 1990

The PRESIDENT pro tempore. Under the previous order, the hour of 9:30 having arrived, the Senate will now resume consideration of S. 2830, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bradley amendment No. 2314, to extend the current sugar program for five years and decrease the loan rate from 18 cents to 16 cents.

Conrad amendment No. 2330, to modify the repayment requirements for advance deficiency payments for certain producers.

Mr. EXON addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. EXON] is recognized.

Mr. EXON. Mr. President, I ask unanimous consent that I be permitted for no longer than 3 minutes to proceed as in morning business.

The PRESIDENT pro tempore. The Chair advises Senators that under the order previously entered, there will now be 1 hour of debate on the Bradley amendment, which is already running short by 2 minutes, and there is a vote scheduled for 10:30 a.m.

Mr. EXON. I thank the Chair.

Several Senators addressed the Chair.

Mr. JOHNSTON. Will Senator CONRAD yield me 5 minutes?

The PRESIDENT pro tempore. The Senator from New Jersey has control of one-half hour of the time. The manager of the bill, if he opposes the Bradley amendment, has control of the other half. If the manager does not oppose the amendment and supports the amendment, then the minority leader has control of the time in opposition to the amendment. Who yields time?

The Senator from New Jersey [Mr. BRADLEY] is recognized.

Mr. BRADLEY. Mr. President, the amendment we are considering is a reduction in the sugar loan rate from 18 cents to 16 cents. It is a very simple amendment. We debated it last week for an hour. Today we will have another hour of debate and then the vote.

The amendment deals with the Sugar Program. Now the Commodity Credit Corporation provides nonresource low interest loans to sugar growers with sugar standing as collateral. Current law also mandates that this program be managed at no cost to the Federal Government.

The Secretary of Agriculture was to ensure that there are no defaults on CCC loans. As such, he must ensure that the domestic price for sugar stays above the loan rate plus shipping, handling, and storage. Because the resulting so-called market stabilization price must cover the highest cost producer and the greatest transportation cost from Hawaii to the Northeast, the Secretary is forced to maintain a domestic price of about 22 cents per pound or 4 cents above the loan rate. Of course, the way he does this, Mr. President, is by reducing imports dramatically. In the last several years, imports have dropped from 5 billion tons to about 1 billion tons.

Mr. President, it is the contention of this Senator and the proponents of this amendment that this policy is a disaster, and I would like to make the case on several points.

First, the U.S. sugar policy gives our overall farm policy a bad name. Sugar is the only major commodity in the 1985 farm bill that did not take a 10 to 15 percent cut in total support. Sugar is the only commodity in the 1985 bill, which we are now debating the reauthorization of, that did not take a 10 to 15 percent cut in total support.

Second, the result of the high loan rate and the high market stabilization price led to a high rate of return for sugar, higher than other crops, and that resulted in an increase in the number of acreage planted in sugar in this country. In fact, sugar cane now has the highest acreage in 20 years, and beet sugar, the highest acreage since 1974, 1975.

The result of this expansion of acreage has been beet farmers in the upper Midwest bidding up prices of land from wheat farmers and from soybean farmers and taking the land for the planting of sugar beets.

Mr. President, this is not my imagination. This was confirmed on the floor of the Senate last week by the distinguished Senator from Minnesota, who confirmed that beet farmers are in competition with wheat farmers for land, and the price is going up because of that competition.

Mr. President, on the floor last week the Senator from North Dakota made another very telling admission. He said the following, and I will quote from the RECORD. When I raised the issue of other farmers being in competition with sugar farmers, he said:

The wheat farmers, the soybean farmers, the barley farmers, support the Sugar Program. In fact, they would like to have one like it, because it is one of the few programs that is working to secure incomes for American agricultural producers.

Indeed, I suppose they would like to have a program like it, because it is a better deal. Of course, they would like to have more than they get in the Wheat Program or the Soybean Program or the Barley Program.

Why is it a better deal? Why is it that other farmers want to have the same kind of program as the Sugar Program? Well, there is no down side here. If the prices go up, as they have in the past, the sugar farmer reaps the up side; but if the prices go down, there is a floor. So the sugar farmer has no down side. Who would not want that?

So it is understandable why the wheat farmers are envious of the sugar farmers, and why the barley farmers are envious of the sugar farmers, because the Sugar Program is about the best deal that you can imagine.

Does that sound familiar? I say, Mr. President, that the Sugar Program is the S&L of agriculture policy. It is ensured sugar deposits. There are no down sides here. There is only an up side potential. If there is a drought in Brazil and the price goes up, they reap all the benefits. If the price goes down, there is no down side.

So, Mr. President, I say first, the Sugar Program is wrong agriculture policy.

Second, Mr. President, I say that the Sugar Program threatens U.S. competitiveness and jobs. If you are a manufacturer, food manufacturer, confectioner, baker, do you have to pay a higher price for sugar, 15 cents on the world market? No, it is 22 or 23 cents in the United States to get it.

Mr. President, what happens you might block the import of cheaper sugar, you might block the import of sugar into the United States, but you are not going to block imports that have sugar in them. In fact, prices of U.S. bakery goods are going up, prices of sugar and sugar confection products up 157 percent since 1981, candy imports up 140 percent since 1980, and 10-pound chocolate bar since 1980 imports up 3,000 percent.

Mr. President, the Sugar Program is a blow to U.S. competitiveness and jobs, costing jobs and making our industry less competitive in the world market. We cannot sell our goods as well because we pay a higher price for sugar. In addition to that let us not even spend too much time but at least note the fact there was an industry in this country that refines sugar imports and that is virtually bankrupt, 2,000 jobs lost. Second, the Sugar Program threatens U.S. competitiveness and costs American jobs.

Third, the Sugar Program undermines our foreign policy. It undermines our foreign policy. We have been over this a lot of times. Should it not give concern to anyone who makes speeches on the floor about democracy in Central America, freedom, and about the pure free market economy, the open economy?

Mr. President, in the Sugar Program we have seen imports drop from 5 million to 1 million in the last several years. Who has been hurt by this? Little countries in Latin America, the Guatemalas, the Nicaraguas, the Panamas, the Philippines.

As I noted last week, all of the economic benefits of the Caribbean Basin Initiative which this Senate has been

very proud of are offset totally by the withdrawal of the sugar quota for those CBI countries.

So, Mr. President, our foreign policy is being undermined by the Sugar Program. Instead of allowing imports to come into this country at a price low enough so we can have consumers benefit, we do not allow the imports to come in. We deny comparative advantage to the country that has it in sugar production. The result is a poorer economy in those countries. The result is internal turmoil, economic turbulence, revolution. And then we proudly send foreign aid and military assistance to solve the problem that we in part created by blocking the import of sugar into the United States.

So, Mr. President, this is bad foreign policy, it threatens U.S. competitiveness in jobs, it undermines our foreign policy and, yes, it runs counter to our efforts to eradicate drugs, drug-producing plants, in other countries.

Mr. President, I made this argument last week and it hit a sensitive nerve. The fact of the matter is in Peru and Bolivia, several years ago there were 30,000 hectares of sugar production. Now there are 2,600 hectares of sugar production. Mr. President, at the same time coca production has skyrocketed. This is not just the Senator from New Jersey that suggests that our sugar policy has something to do with that. The Senator from New Jersey does not say if we simply cut the loan rate 18 cents to 16 cents we eliminate the problem with drugs. I am not arguing that.

I am saying on the margin these countries have to have other goods that they can produce and export. Sugar is one of those goods.

I quote just a few other authorities on this subject such as the five Andean Presidents at a recent meeting said the following, that opening the U.S. market for sugar to these countries would contribute significantly to the well-being of Andean peasants and improve potential economic development. From what, Mr. President? From coca production. Alternative development from coca production.

Take the Bolivian Embassy official who said many coca growers used to be sugarcane producers. Take the DEA, the DEA which today says that the coca price is below the break-even point.

Mr. President, I ask unanimous consent to print the table in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BOLIVIAN COCA LEAF PRICES [1] SINCE COLOMBIAN CRACKDOWN

[September 1989 to May 1990]

Area	Sept. 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
CHAPARE									
Shinahota	30	30	30	17	10	10	10	12	10
Ivíragarazama	27	27	27	13	8	8	8	10	8
Eteramazama	40	40	40	13	8	12	13	14	11
COCHABAMBA									
Chaparena	45	45	45	26	17	13	10	14	15
LA PAZ									
Yungas	29	59	34	16	10	N/A	N/A	N/A	N/A
Asunta	62	62	48	31	39	35	27	43	47
Chulamani	83	97	68	47	52	48	40	55	63
Coripata	110	131	90	55	72	63	52	76	86

[1] Prices are for 1 carga of leaf (i.e., 100 lbs). Break-even point is $30.000. Colombian crackdown commenced during August 1989.

Mr. BRADLEY. Mr. President, this is an opportunity for us on the margins to begin to wean some of these countries from coca production and into other forms of crop production, particularly sugar which we are blocking by this effort.

One final comment on the drug question, Mr. President, and I know the distinguished Senator from Massachusetts will want to address this in greater detail. The American Council on Drug Education says the following: "Access to the U.S. sugar market for Peruvian peasants will not solve the world drug problem."

Unfortunately I agree with that. But it would, according to a study, provide Peruvian farmers with the suitable alternative crop that offers an opportunity for legal, safe, and livable profit.

Mr. President, the sugar policy runs counter to our efforts to eradicate coca production in many of the South American countries.

The sugar policy also threatens the environment, with the high loan rate, high rate of return, more acres in sugar production.

In the State of Florida, for example, since 1982 there have been 68,600 more acres of sugarcane production. The result of that, of course, is more phosphorus and nitrate pollution, moving into the Everglades threatening the fragile ecological system of the Everglades. Mr. President, that is not the only danger to the Everglades that is posed by sugarcane production, but clearly sugarcane production has been a major factor threatening that vital ecosystem.

So, Mr. President, sugar policy threatens the environment. Sugar policy also costs U.S. consumers. Take your choice. It is anywhere from $3 billion in cost, according to the Commerce Department, and $806 million, according to the FTC. However you cut it, it is a lot of money.

The Consumer Federation of America agrees with the proponents of this amendment. They support this amendment. That is why they have endorsed it because they recognize there are tremendous costs to consumers from the sugar program.

The opponents of the amendment have a nice chart that shows retail price, 41 cents in other parts of the world, 40 cents. They argue like it does not have much effect. We have stable prices. Stable prices only have an upside potential as I made the point earlier. But it ignores something called opportunity costs. We are not talking about simply what the price is now. We are talking about what the price could be if there was not a sugar program. In a world where market price in the world is 13 or 15 cents, it is definitely going to be a better deal for American consumers.

So, Mr. President, the Sugar Program is a bad deal for American consumers.

Finally, the Sugar Program I think runs counter to our efforts to get the European Community to reduce its price supports for sugar. The only way we are going to get the European Community to move on subsidies is if we act. Right now in the Uruguay round they point to the existence of the United States Sugar Program, GATT illegal declared, so they point to the existence of the United States Sugar Program as why they cannot move.

Mr. President, if we take this small step, 18 cents to 16 cents on the loan rate, we will shift the burden of proof into negotiations, and I think the result will be a much better chance to reduce those subsidies.

So, Mr. President, why are we wreaking havoc with the American farm program, pitting wheat farmers and soybean farmers against their best neighbors, assuring sugar farmers the highest total support of any other crop, higher per acre return than any

other commodity? Why are we frustrating our foreign policy efforts to promote democracy? Why are we undermining our attempts to eradicate the drug trade? Why are we endangering the fragile ecosystem in the Everglades? Why are we supporting the policy that makes the American food industry less competitive and depends on keeping thousands of workers underpaid, in horrible working conditions? Why we are casually passing the cost of over $1 billion to American consumers without concern?

Mr. President, I cannot tell you why we have done this. But I hope we will begin to change it today.

But I can tell you who benefits from the program. For 2.2 million farmers, not 1,000 sugar farmers, Mr. President, I am the first one to say that not all sugar farmers are rich; of course they are not. But I do know about 1,000 beet farms under sugarcane production, control 50 percent of all production. I do know that according to USDA In 1988 10 percent of all beet farmers accounted for 33 percent of all production. I do know that the largest sugarcane grower has 170,000 acres of cane in Florida, 40 percent of his State acreage. I do know that the sugar sales from that to be close to $240 million. I do know that the seven cane producers in the United States gross over $100 million. So I do know who benefits from these programs.

Mr. President, as I have said this does not eliminates the sugar program. This nicks it, cuts it from 18 cents to 16 cents. That is not a lot, but it is a beginning.

Mr. President, as I have talked to my colleagues on the floor and in the halls about this program, the same message comes back: We think you made some good points. but, you know, I got my crop, and if I go with you on sugar, well, my crop is going to be hit.

The result is, Mr. President, that we do not act against the program. That gives the entire farm program a bad name. Today is our opportunity to so act.

The PRESIDENT pro tempore. Who yields time?

Mr. LEAHY. Mr. President, how much time is there remaining to the Senator from Vermont in opposition?

The PRESIDENT pro tempore. The manager of the bill has 28 minutes and 50 seconds.

Mr. LEAHY. Mr. President, I designate the Senator from North Dakota in control of that time.

The PRESIDENT pro tempore. Who yields time?

Mr. CONRAD. Mr. President, I yield myself 4 minutes.

The PRESIDENT pro tempore. The Senator from North Dakota yields himself 4 minutes.

Mr. CONRAD. Mr. President, what we are being asked to do today is to engage in unilateral disarmament in an agriculture trade war. At the very time that we are in the midst of trade negotiations in Geneva, at the very time Europe is subsidizing their sugar producers at the rate of 30 cents a pound, when we only have a loan rate of 18 cents a pound, we are being told on the eve of those negotiations, let us unilaterally cut back.

Mr. President, I suggest that makes no sense at all. That would undermine our negotiations. In the midst of a trade war, we would be signaling retreat. We would never do that in arms negotiations. I see no reason to do it in trade negotiations.

Now we have heard the argument again advanced today that somehow if we would cut the loan rate for our farmers 2 cents a pound that all of a sudden drug production in the world would go down.

Mr. President, let us use some common sense. How can that be? The multibillion dollar drug cartel is somehow going to cut back on coca production? The facts are simply this: In Peru, according to the same study that the Senator from new Jersey cited, a Peruvian farmer can earn $9,000 a year producing coca. On that same amount of land for any legal crop, he can get $200. Mr. President, the coca is produced in the shadow mountains. Sugar would be produced down on the plain. So in order to accept the argument of the Senator from New Jersey, we would have to believe that these farmers are first going to move and, second, that they are ready to take a 98-percent pay cut.

Mr. President, let us look at history. There have been times we had no sugar program. We have had two times in the last 15 years with no sugar program. I think it is instructive to look at what happened. This chart shows what happened to U.S. sugar prices from 1947 to 1990 and focuses on the two periods in these yellow bars where we have no sugar program.

What happened? Prices absolutely skyrocketed. They went from under 25 cents a pound to 65 cents a pound, absolutely having a heavy hit on consumers and those refine sugar. And then what happened? Prices collapsed. And in the second period where we had no sugar program, exactly the same set of facts, sugar prices skyrocketed damaging consumers; then sugar prices plummeted, bankrupting producers, bankrupting refiners. That is the history. Mr. President, I think that is instructive.

Next I want to turn to the argument about the effect on consumers. We have heard much of that in this debate. This chart shows retail sugar consumer cost. The United States, 40 cents a pound; the worldwide average, 41 cents a pound; and in the developed world, the average is 44 cents a pound.

Mr. President, the charge that somehow consumers are disadvantaged just does not stand up. It does not stand the light of the evidence.

One other argument that we have heard advanced, Mr. President, is that somehow the sugar program is unfair to other commodities. Let us just take a look at the average reduction in support from 1981 to 1990. This chart shows very clearly the weighted average for corn, wheat, cotton, and rice. We have seen a reduction of about 22 cents.

The PRESIDENT pro tempore. The Senator's 4 minutes has expired.

Mr. CONRAD. Mr. President, I yield myself 1 more minute.

The PRESIDENT pro tempore. The Senator is recognized for 1 additional minute.

Mr. CONRAD. We see a 22-cent reduction for the other four major commodities. For sugar, we have seen a reduction of 23.5 percent. If this cut were made, it would be 32 percent for sugar. Clearly, sugar would be asked to take more of a reduction than any of the other commodities.

So, Mr. President, this sugar program does not cost consumers in this country. It is good for producers. And we believe it ought to be continued. To do otherwise, Mr. President, would signal unilateral disarmament on the very eve of trade negotiations.

Mr. President, I yield 1 minute to the Senator from Nebraska.

Mr. EXON. I thank my friend and colleague from North Dakota.

Mr. President, the big industrial users of sweeteners, the supporters of Senator BRADLEY's effort to cut 2 cents off the sugar loan rate, have taken out ads and have been distributing a button around our Capitol Hill offices with the message "2 cents makes sense." It certainly does make sense—for these big industrial user companies. It means $500 million a year in increased profits for them, not help for consumers.

We should not forget these profit increases come out of the pockets of our Nation's farmers and from the earnings of sugar exporting countries to our market. At this year's import level, these countries will lose more than $490 million, while U.S. farmers will lose some $400 million.

Yes, 2 cents makes sense for those sweetener using companies. It makes absolutely no sense, however, for our Nation's sugar and corn sweetener producers nor as a matter of public policy. This is clearly a case of helping the greedy at the expense of the needy.

One could perhaps justify considering such action if these user companies were struggling to survive. Nothing could be further from the truth, however.

We are talking about some of the most prestigious, profitable corpora-

tions in America. These companies are doing extremely well. According to the January 1990 Forbes "Annual Report of American Industry," the beverage and food processing industries are among our Nation's most profitable with an annual average return on equity over the past decade of more than 20 percent. Their earnings growth has exceeded 16 percent per year over the past 5 years in the beverage industry and 14 percent for the food processing industry. I support having profitable food processors as much as anyone else, but I think its time we put this issue in perspective. A 2-cent-a-pound reduction in sweetener costs means $500 million to these companies.

We should remember that these profits have been secured at a time when retail sugar prices have increased by a mere 6 percent during the decade of the eighties. Soft drink prices, on the other hand, have increased 25 percent; candy 45 percent, cookies and cakes 65 percent and cereals by 94 percent. Are we supposed to believe a reduction in their sweetener costs will mean lower consumer prices? We know that a reduction in the price of sugar—a product which accounts for 1⅓ cents in the 45-cent candy bar, less than 2 cents in a can of soda pop, and a penny in a package of cookies—will not be passed through to the consumer. These big companies would hardly be pushing the 2-cent reduction if they were planning to pass it on.

Yes, a 2-cent reduction in the sugar support level makes sense from their perspective. It makes no sense as a matter of public policy, however. Farmers are expected to continue in business with no increase in support levels, and in this case with a $100 an acre reduction in gross return, while big food processing, beverage, and confectionery companies add $500 million to their annual profits. Speak of equity. It certainly isn't found in this proposal.

I urge my colleagues to oppose the Bradley amendment.

Mr. CONRAD. Mr. President, I yield 4 minutes to the Senator from Louisiana.

The PRESIDENT pro tempore. The Senator from Louisiana is recognized for 4 minutes.

Mr. JOHNSTON. Mr. President, I was sorry to read in the New York Times that States in the Northeast have an economic slowdown. But, Mr. President, I wish my State of Louisiana had the kind of slowdown that they have in the Northeast. Our per capita income is about one-half of what it is in Connecticut. And most of the States in the Northeast have incomes far in excess of what we have in my State of Louisiana.

So, Mr. President, when a proposal like that submitted by the Senator from New Jersey, which would take 15 to 18 percent of our sugarcane farms in Louisiana which employ 24,000 Louisianians, we do not take very kindly to that kind of a suggestion that those who live in the Northeast would export our jobs. Now that is exactly what we have involved in this case. I think it is not fair, and I think it is not good economic policy.

Mr. President, as if the oil slowdown was not enough, last year we had the coldest weather of the century which wiped out 60 to 100 percent of the sugarcane crops. So we have devastation, economic devastation in these parishes—parishes are counties to you.

So, Mr. President, please, I ask my colleagues, do not do this unless it is absolutely necessary because it will devastate my State.

Mr. President, it is incredible that a program which has no net cost to the taxpayer should be the one under attack. This does not cost the taxpayer one thin dime, but we are told the consumer pays. Mr. President, that simply is not correct.

This year, in January, the cost of a Coca-Cola in the Hart Senate Office Building went up from 50 to 65 cents. The loan rate on sugar did not change, Mr. President. And the amount of sugar in that 65-cent soft drink for which they charged more elsewhere is only 2 cents. A 45-cent candy bar has 1.3 cents of sugar in it.

The increased cost of confections and soft drinks is not due to sugar.

The real danger is not to the consumer. The real danger is to American jobs. I do not know why the foreign aid group, the goody-goody softheaded American job exporting gang wants to get together and export still another species of American jobs. We see it in industry after industry. We destroyed the textile industry in this country and shipped the jobs overseas. Now the agricultural industry.

We have a Super 301 trade bill where we gave the President the power to stop discrimination against American products. And what do we hear? Let us keep a level playing field. So the President says.

This country has to wake up and stop the export of our jobs. We do it day after day. What does the Senator from New Jersey tell us, Mr. President? He says if we will cut our price, cut what he calls a subsidy—and it is not a subsidy, it is a no-net-cost program, but our loan rate is 18 cents—he said maybe then the people in the European Economic Community will cut their price.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. JOHNSTON. I wonder if the Senator will yield me 1 more minute.

Mr. CONRAD. I would very much like to accommodate the Senator from Louisiana, but we are badly oversubscribed on time. I very much appreciate his contribution.

The PRESIDENT pro tempore. Who yields time?

Mr. CONRAD. I yield 2 minutes to the Senator from Wyoming.

The PRESIDENT pro tempore. Mr. Simpson is recognized for 2 minutes.

Mr. SIMPSON. Mr. President, I yield 1 minute to my colleague from Wyoming [Mr. WALLOP].

The PRESIDENT pro tempore. Mr. WALLOP is recognized for 1 minute.

Mr. WALLOP. Mr. President, I thank my colleague, Senator SIMPSON. I would say the arguments that have been made about drugs, about us leading GATT, about us doing all of these noble things, are simply specious on their face; they bear no philosophical nor logical examination.

The sugar program is very important to my State, Mr. President. It not only provides jobs in agriculture but it provides jobs in sugar refining.

I rise to join many of my colleagues in opposition to the amendment offered by the Senator from New Jersey calling for an 11-percent cut in the sugar support price. The sugar program, along with numerous other programs vital to the West, Midwest, South, and Southeast has been targeted by a coalition of Senators, who I believe are unaware of how their actions will hurt agriculture. The amendments couched in appealing arguments, are misguided and would undoubtedly have a disastrous economic effect on many States, including my State of Wyoming.

While reform in agriculture is certainly possible and needs to be seriously considered, it must be done in an orderly, equitable, and across-the-board manner. Many farmers and ranchers in my State would strongly support such liberalizations in our domestic agriculture policy, as would I.

Mr. President, there are numerous reasons I rise to voice my support for a continuation of the current sugar program. Primary among them is the economic impact on the least populated and most rural State in the Nation—Wyoming. Wyoming has seen its share of difficult economic times over the past decade with the decline of the energy industry. The national media has been more than willing to recount Wyoming's troubles over the last decade. Well, Wyoming is making a come back and the sugar program has played an integral role.

The Wyoming sugar beet industry has provided consistent and reliable economic activity. Our farmers in Wyoming have become some of the most efficient producers of sugar beets in the country and could no doubt compete with other world producers if placed on a level playing field. The Wyoming sugar beet industry provides roughly a quarter of a billion dollars of economic activity in our State; almost 3 percent of Wyoming's gross

State product. The sugar beet industry as a whole supplies the equivalent of 5,435 jobs for Wyoming's economy and sugar is Wyoming's only true value added product.

But, beyond the impact of the sugar program on Wyoming and the other sugar-producing States—sugar beets have a global value that could play a decisive part in a final negotiated agreement on agriculture barriers in the GATT talks which are scheduled to come to a close in December of this year.

One of President Bush's most notable goals in these talks is to negotiate reductions and liberalizations in worldwide agricultural trade. The American farmers, by far the most efficient and productive agricultural producers today, would dominate to an even greater extent the world markets if allowed to compete in a fairer marketplace. The effective conclusion of these talks between more than 100 nations hold the key to achieving the level playing field which I believe is sought by each and every one of my colleagues.

However, a unilateral cut in any commodity and especially sugar before the conclusion of this round of GATT talks in December is unwise. It not only reduces America's bargaining power at the negotiating table in relation to our own domestic producers, but realistically threatens the overall outcome of these negotiations. A unilateral reduction in the U.S. sugar program will be counterproductive to the negotiated reductions being sought by the USTR.

Possibly the great attribute of the sugar program in the United States is the stability it provides in what has historically been an unstable world sugar market. It exists through necessity. Congress has seen the effect of legislating away sugar support many times in the past. Yet as time passes and memories fade, many forget the true rationale for the program and mount yet another attack. We saw this happen in 1974 and 1979. The result? Erratic sugar prices which hurt both the consumer and the producer. Are we going to let it happen again in 1990?

Who would benefit from a 2-cent cut in domestic sugar prices? It is doubtful that the consumer would benefit. The farmer certainly would not benefit. The real beneficiaries will be foreign producers—like the European Community and Cuba—and domestic manufacturers of sugar containing foods—Mars Candy Co. in New Jersey.

Mr. President, I am certainly not against assisting the economies of the CBI countries and competing with the net exporters out there supplying the world market. But with the kind of proof and documentation we have about barriers and supports around the globe propping up so many sugar producers in their foreign countries, I find a real lack of credibility in the arguments being put forward—especially since the CBI countries support the higher 18-cent price support level and oppose the Bradley amendment. Quota levels for CBI countries have also rebounded and are currently estimated at 2.03 million tons—approximately 25 percent of all sugar used in the United States. On top of this, USDA and industry analysts have documented time after time that reductions in the price of a raw material such as sugar into the manufacturing process seldom if ever results in a reduction in price. In fact, I call my colleague's attention to a Wall Street Journal article written in 1981, but certainly still valid, about the 70-percent fall in world sugar price between October 1980 and October 1981 and its effect on domestic prices. This was, coincidently, one of those volatile periods without domestic supports. The United States saw a drastic fall in sugar prices—you might ask, what affect did this fall have on the consumer price of the 14 largest sugar consuming products being manufactured in the United States? Nothing. In fact, Mars Candy of New Jersey even boosted their prices 3.4 percent in the face of a 70-percent drop in sugar price. And the proponents contend that the 2-cent drop—11 percent—in sugar price will result in lower consumer prices. I strongly disagree. What will result from a cut in support price, as documented by USDA, is a savings by the manufacturer of $600 million annually and additional profits by sweetener users and not savings passed on to the consumer.

It comes down to a question of whether to continue to support the family farmer at the 18 cent level until our President and trade negotiators are able to bring some equity to one of the world's most distorted commodity markets. The 18-cent price levels the playing field for over 360,000 farmers nationwide—an $18.5 billion industry which is one of a dwindling few infrastructures in many rural States.

The case against this reduction in sugar price at this point in time is strong. The policy change would hurt: First, our country's efforts to liberalize agriculture in the GATT talks; second, it would hurt the CBI countries who support the 18 cent support price; third, it would certainly hurt rural America and our farmers; and fourth, the individual consumers would not benefit.

Mr. President, I hope this amendment is defeated.

SUGAR POLICY HAS NOT INCREASED DRUG PRODUCTION

CBI AND OTHER SUGAR EXPORTERS TO UNITED STATES: IMPACT OF U.S. POLICY

Mr. President, CBI countries—Bolivia, Uruguay, Ecuador, Peru, Costa Rica, El Salvador, Honduras, Panama, and the Philippines—have expressed support for the continuation of the sugar support prices at 18 cents. The 2 cent reduction will reduce income of countries exporting sugar to the United States by $35 million annually. It is estimated this decrease in income will not be made up by increased quotas. CBI will benefit more from the current program than from the revision being proposed. Imports peaked in 1984 at 3.09 million short tons and is estimated this year at 2.03 million short tons.

QUESTION ON DRUG PRODUCTION: HAS COCA PRODUCTION INCREASED?

Has United States sugar policy—due to reductions in quota sugar imports—resulted in the spread of cocaine production in Peru, Bolivia, and Colombia? The idea that sugar growers are switching to coca is absurd.

Coca is a highland crop, typically grown on small family plots. Sugarcane is a lowland crop, typically grown on large plantations. We do not know if coca production has increased—especially due to our sugar policy. I read in the paper sometime ago that cocaine had gone up in price substantially here in the United States because of a purity problem. It seems this would be a much more logical argument for an increase in production of coca in Colombia or Peru.

However, USDA estimates that sugarcane production in Colombia, Bolivia, and Peru have increased. A number of countries importing to the United States have failed even to meet their quota—Peru, Bolivia. Peru, in fact, is a net importer of sugar and merely funnels sugar through their country from the world market and into the United States.

Countries such as Bolivia, Uruguay, Ecuador, Peru, Costa Rica, El Salvador, Honduras, Panama, and the Philippines, whose United States import-quota allocations constitute a large share of their total sugar exports, would gain scant benefit from any increase in the world market price which may result from our expanded dependence on world market supplies, which would occur if domestic production declines. Those quota rents are sizable and the increased earnings of the countries named, assuming 1989 average world prices for the current 21-month quota period and a domestic price equal to the MSP, will be more than $100 million. For the Philippines alone, quota rents will be more than $55 million at the present quota level and for all exporters to the United States market, they will exceed $225 million.

Some critics have gone so far as to suggest that reductions in United States quota sugar imports, which peaked at 3.09 million short tons in calendar 1984 and are estimated by USDA at 2.03 million this year, have

contributed to the spread of cocaine production in Peru, Bolivia, and Colombia. The allegation that sugarcane growers are switching to coca is absurd, for a number of reasons:

First, coca is a highland crop, typically grown on small family plots. Sugarcane is a lowland crop, typically grown on large plantations.

Second, according to USDA estimates, harvested sugarcane area for these three countries has actually expanded. This year's estimated combined area of 219,000 hectares is up 5 percent from 1982 to 1983 when U.S. import quotas were first in force, and is up 11 percent from a decade ago.

Third, though their sugar quotas have recently increased, Peru and Bolivia failed even to fulfill their allocations in recent years. Peru, in fact, is a net importer of sugar. And sugar output in Colombia, the largest producer of the three by far, is estimated this year to be about 15 percent above its production levels of the early 1980's. Colombia, by the way, is not a major coca grower but a cocaine processing country.

Fourth, with sugarcane harvested area in Latin America estimated at 2.85 million hectares and total coca area estimated at 42,000 hectares, the scale of the two industries is so different as to make any comparison belabored, to say the least.

In conclusion, the U.S. sugar program is under attack for three reasons:

First, it is under attack because access to dumped sugar on the world market would increase the profits of the already very profitable large industrial users of sweeteners who are the buyers of nearly all corn sweeteners and a large majority of sugar. They have long conducted a heavily financed expert public relations campaign in their effort to get such access.

Second, it is under attack by foreign producers seeking to make the United States more dependent on sugar imports and to counter the threat posed by the expanding corn sweetener industry.

Third, it is under attack because it is a complicated market and program that is not easily understood. Opposition arguments make great 30-second sound bites. Defense of the program requires a greater depth of understanding.

The current sweetener program, and it is a sweetener program, for it also protects the large very efficient corn sweetener industry from the severe losses which would result from its having to compete with dumped sugar, is working and working well.

COCAINE AND SUGAR—NO LINK

One of the Nation's largest sugar users is promoting a misinformation campaign aimed at discrediting the sugar program and attempting to draw some link between coca and sugar. There is no link.

These are the facts:

First, Peru currently consumes more sugar—750,000 tons—than it produces—550,000 tons—thereby making it a net importer of sugar.

Second, Peru is not able to deliver its current quota of sugar to the United States.

Third, Peru has been a net importer of sugar for 7 of the last 8 years according to the Sugar Year Book published by the International Sugar Organization.

Fourth, in 1970 Peru nationalized its sugar industry and gave it to sugar employees who formed co-ops which have never produced as much as they did under private ownership.

Fifth, coca plants grown in the cloud mountain area of Peru in small plots tended by peasants. Sugarcane, a tropical grass, grows in the valleys in large units hundreds of miles from the mountainous areas.

Sixth, sugarcane, because of the logistics of growing and harvesting, must be grown near a mill and moved by large machinery to be efficient. It is not grown by small farmers successfully anywhere in the world. Sugarcane industries are large labor employers.

It is most disturbing that a major manufacturer would stoop to this misinformation tactic. This type of dirty tricks campaign by one of the leading sugar users is a cheap shot. It's untrue.

The value of sugar in a candy bar is less than 1.5 cents. The proposed cut in the sugar program would cut the manufacturer's unit cost by one and one-half tenths of a penny but would be a windfall to the company of millions of dollars in additional profits—at the expense of America's sugar farmers.

Mr. President, I ask unanimous consent two articles be printed in the RECORD. The first is a Wall Street Journal article, December 23, 1981, by G. Christian Hill.

The point he makes in this article is that no matter whether sugar increases or decreases in price, prices of products containing sugar always increase.

A Department of Agriculture survey showed the cost of 14 sugar-heavy products ranging from candy bars to soft drinks rose 8.4 percent during this 70 percent drop in world sugar price between October 1980 and October 1981.

Consumers will not save from a drop in the price of sugar.

The second is from the New York Times, June 3, 1989, a letter to the editor by John Kingery, former associate general counsel for the USTR.

He states, "the United States should not be required to disarm itself unilaterally in the highly restricted world sugar market."

He asks the writer of a New York Times article who blasted the sugar program—

Why are you so quick to blame America and cry Mea Culpa? Remember, in sugar the major price depressant is the massive dumping of highly subsidized sugar into the world market by the European Community.

Sugar is our exception and other countries rule.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, December 23, 1981]

FALLING SUGAR COSTS GENERALLY FAIL TO BRING DOWN RETAIL FOOD PRICES

(By G. Christian Hill)

Sugar is one of the largest costs at Bierman's Bakery in Los Angeles, and the price of refined sugar has dropped by about half in the past year. But the little shop on Wilshire Boulevard recently raised the price on its sugar-laden almond croissants by five cents each.

That's Gray's Law of Sugar at work. Its propounder, Agriculture Department economist Frederick Gray puts it this way: "Whether sugar increases or decreases in price, prices of products containing sugar always increase."

With exceptions, the law generally applies to processed foods. When the cost of their main ingredients rises sharply in the futures or cash markets, food processors are quick to raise prices and blame the increase on costs. When commodity prices fall, the processors often raise their prices, too, or at least leave prices unchanged, but neglect to mention declining costs. Sugar offers as sweet an example as any. From October 1980 to October 1981, an oversupply of "world," or nonsubsidized sugar, forced the price down by about 70%. But according to an Agriculture Department survey, the cost of 14 sugar-heavy products ranging from candy bars to soft drinks rose 8.4% over the same period.

There are reasons why falling sugar costs fail to bring retail prices down. For one thing, although the cost of sugar is an important one for candy makers, soft-drink bottlers and others, there are other costs, too, and they may be rising while sugar prices are falling.

For another, it's convenient for processors to justify increases when sugar prices have risen, even though, other cost increases might have encouraged rises anyway. The cost of sugar accounts for about 15% to 20% of the price of a bottle of pop. Packaging costs, including the costs of plant and labor, account for about a third, analysts figure, and distribution costs, 11%.

Yet the discrepancy between sugar costs and retail prices seems wider than usual over the past year. Consider that most sugary of all retail products, sugar itself. Since October 1950, its wholesale list price in the Northeast has fallen by 53%. The retail price, however, has declined by only 33%. In the last big sugar slump, in 1975, the retail price fell 55% against a decline in the wholesale price of 61%.

SHIFTING MARGINS

One reason why sugar savings aren't getting passed along, sugar brokers and other specialists believe, is that food processors, wholesalers and retailers are keeping more of the savings for themselves. That's in an attempt to repair profit margins eroded by

years of inflation or market competition. While some companies may be keeping prices firm despite falling sugar costs, others may be increasing their profits even more by raising prices.

"That is what happens in an inflationary spiral," an officer of a big sugar cooperative says. "A drop in sugar prices is like a drop in the price of tires to auto makers. They use that margin to make up losses from cost increases they can't control."

Or so, apparently, Hershey Foods Corp., Hershey, Pa., is doing. Hershey hasn't raised the price on its Hershey bars since April 1980. But it endured big sugar-cost increases that year. This year, with sugar depressed, Hershey is believed to be using its savings to compensate for what happened in 1980.

"If a manufacturer goes through a period of rising commodity costs, he'll try to raise prices as quickly as possible, but typically can't recover all the costs because of consumer resistance," says Lee Tawes, a sugar-industry analyst. "When prices come down, he won't cut prices unless forced by competition. He'll typically take a bigger margin."

Hershey is hardly encouraged to cut prices. One of its big competitors, M&M-Mars Inc., Hackettstown, N.J., has dealt with the sugar market in a different way and actually raised its prices by 3.4 cents a bar in September. The company cited higher costs. It also suggested that because Mars bars are bigger than Hershey's and other rivals, it could hold onto its market share. "Even at our new prices, our bars will be the best value in the chocolate bar market," said Jay Langdon, director of marketing, when Mars raised prices.

PRICING PRESSURE

Mars' competitors insinuated profiteering. After all, they observed, not only sugar costs but also cocoa costs were depressed. Hershey even took out advertisements saying it didn't consider a price increase justified. Curiously enough, however, Hershey remains under some pressure to raise its prices, too, even though H may genuinely prefer not to. The reason is that wholesalers and retailers prefer to price like products alike, so that a price increase by an aggressive marketer often leads to price increases by its competitors.

In early 1980, for instance, chewing-gum makers increased their wholesale prices to raise the pack of gum at retail by five cents. Wrigley, a big gum maker, at first didn't go along. Even so, retailers raised the price of Wrigley's gum by five cents a pack. They told Wrigley that a standard price on chewing gum made it easier for cashiers. In the case of Wrigley's gum, of course, raising the retail price with no increase in wholesale cost made Wrigley's much more profitable for the retailers.

"The retailers were enjoying higher than normal margins, and we were paying for it." Says Bill Piet, an assistant vice president at Wrigley. "Our margins were going down"—because of other costs—"and the consumer wasn't benefiting." Finally Wrigley, too, raised its prices.

Similarly, wholesale and retail prices of sugarless drinks, such as Tab, rose right along with sugar-filled drinks last year. Neither bottlers not retailers like to charge distinctly different prices on such beverages. Indeed, beverage bottlers, perhaps even more than other sugar users, have benefited from sugar's declining cost. They're getting more money for nonsugar concoctions and paying less for sugar. Coke bottlers, at the end of October, for instance, were being charged by Coca-Cola Co. only $2.64 a gallon for Coke syrup, down from $3.73 in October 1980, according to a bottler.

But Coke bottlers themselves don't keep all the savings. Most of Coca-Cola's 550 contract bottlers pay for the sugar in their syrup at a price based on sugar's average publicly listed wholesale price each quarter. But sugar brokers say that Coca-Cola gets much of its sugar directly from producers and pays refiners a "tolling fee" to process it. Wholesale prices have fallen less than producers' prices. Even when Coca-Cola buys at wholesale from refiners, the brokers say, its cost are at least $3 to $4 a hundredweight less than the wholesale price, and it gets high-fructose corn syrup, a sugar substitute, for about $1 below wholesale.

Coca-Cola is the biggest sugar consumer in the U.S. It buys, industry estimates have it, about a million tons of sugar and fructose a year. A broker estimates that the difference between the prices at which Coca-Cola can buy at wholesale and the wholesale list price amounts to more than $25 million a year. Coca-Cola won't discuss its sugar cost and price. But others in the business think that much of the cash generated by its spread between cost and price goes to finance Coca-Cola's marketing battle with Pepsi-Cola.

PRICE "UMBRELLA"

To the extent that it means discounting Coke prices in certain competitive markets, the consumer benefits. But overall, sugar brokers say, Coca-Cola's pricing policy maintains an "umbrella" over prices, under which other soft drink companies can keep their own prices higher than they might otherwise be able to.

Yet another factor influences sugar-product prices in the U.S.—the government. Since 1977, it has supported the price paid for U.S. produced raw sugar at 15 cents to 16 cents a pound by imposing duties and fees on imported sugar that accounts for half of U.S. consumption.

Under a pending farm bill, the support level would rise to 18 cents a pound by 1984. The aim is to protect U.S. sugar growers against foreign competition.

Sugar specialists estimate that sugar consumers in the U.S. pay $300 million a year in higher prices for each cent that the U.S. support price exceeds the world market price on sugar. It means that at the current support level, the additional yearly cost is running close to $1 billion.

That, complains the Ohio Soft Drink Association, "contributes to inflation, constitutes unfair taxation, benefits a select nonvital industry at the expense of American consumers and makes a mockery of the free-enterprise system."

[From the New York Times, June 3, 1989]

SUGAR QUOTA OUR EXCEPTION, THEIR RULE

To the Editor:

There you go again. In your May 23 editorial on trade, you claim that U.S. sugar quotas serve as a good example of why we should not accuse anyone else of unfair trade practices.

As the lawyer who wrote the briefs in the case you cite with regard to the General Agreement on Tariffs and Trade, I can assure you that no one claimed the sugar quotas were wise policy. Indeed, the U.S. position in the Uruguay Round of trade negotiations concerning the unwinding of all agricultural trade restrictions implicitly stated that such quotas were unwise. However, the U.S. should not be required to disarm itself unilaterally in the highly restricted world sugar market.

You ignore two important aspects of the GATT case. First, the country bringing the case, Austrialia, has had an absolute ban on imports of sugar for 70 years. Last year it announced a "reform" with a proposal to change from a ban to a tariff. However, Australia admitted to the International Sugar Organization that, at least for the next several years, the tariff will be so high that it will have the same effect as a ban. Now that is hypocrisy.

Also, during the GATT panel proceeding, the panel asked just how widespread restrictions such as the U.S. sugar quotas were. The U.S. quotas were administered under a tariff provision negotiated in a GATT round almost 40 years ago. We found many such restrictions in others' tariff schedules, including an illegal local content rule on tobacco in Australia. In particular, the European Community has so many quotas in its tariff schedule that we had a list several pages long after reviewing only a fraction of the E.C. schedule.

Why are you so quick to blame America and cry mea culpa? Remember, in sugar the major price depressant in the world is not the U.S. quotas, it is the massive dumping of highly subsidized sugar into the world market by the European Community. The lesson of the sugar case is not that we are as bad as everyone else; it is that an exception to our general practice is the rule for most of our trading partners.

JOHN C. KINGERY.

SIMSBURY, CONN., *May 23, 1989.*

The PRESIDENT pro tempore. The Senator from Wyoming [Mr. SIMPSON].

Mr. SIMPSON. Mr. President, I thank my colleague from North Dakota. Indeed, the sugar business is big business in the State of Wyoming. It may not sound that way to others, but to a small State of 470,000 people, the sugar industry we have there is obviously a critical business. We should not be weakening our GATT negotiating position and targeting farm bill benefits to profitable international corporate giants.

I earnestly urge the defeat of the amendment. My State has very limited options for agriculture production. Maintaining the sugar loan rate, which does not cost a nickel, will help a very important sector of the State's economy. It is a critical matter for our State. We need your help to reject this ill-advised amendment. It is a killer to business in the State of Wyoming and the Northwest.

Mr. President, these are certainly critical times with regard to farm bill legislation. I regret that I was not able to participate in the debate last Friday. I was necessarily absent at that time to greet our fine President as he paid a visit to my native State of Wyoming to assist in celebrating our centennial. Yesterday, I had a field hearing in Wyoming which had been scheduled many months ago on the critical issue of health care issues and rural and, so called, frontier areas in Wyoming and the West. Thus, I did not arrive back in the city of Washington until nearly 10 o'clock last night.

I am here today to strongly oppose the amendment offered by my fine friend—and he surely is that—my colleague from New Jersey. I urge my colleagues to join me in rejecting this amendment.

The Senator proposes to increase sugar quotas by reducing the current support price level to a level that would be extremely injurious to producers in my State. The proposed level is not economically feasible for sugar processing in Wyoming; 74,000 people in 14 States are employed in the sugar beet industry in full and part-time jobs on the farm and in the factories; 361,000 people are dependent on the domestic sugar industry for their livelihood.

In my home State of Wyoming, 584 farmers produce sugar beets on 62,000 acres. We have three sugar factories in Wyoming—at Torrington, Worland, and Lovell. These factories provide 1,154 jobs and account for 6 percent of the total nonfarm employment in the three counties in which they operate. They have a combined payroll of $10 million. That may not sound very "big" to some one from the Northeast—but it sure is in Wyoming.

Wyoming sugar growers provide 896 full-time jobs and 1,752 seasonal jobs. Wyoming sugar growers are efficient producers who would be able to compete in a totally free and unsubsidized international marketplace.

The production of refined sugar from sugar beets is the largest processed food industry in Wyoming and sugar beets are the highest value cash crop in my State.

Sugar producers don't receive USDA checks. They simply are not contributing to the Federal deficit. This is a no-cost program.

We must not forget that every major sugar producing nation in the world provides some sort of economic incentive or protection to their domestic sugar producers.

The Uruguay round of GATT is in the midst of negotiation for a level international playing field for trade. Why should we be giving away part of our sugar program now? This move could result in a further reduced sugar loan rate in the near future. We should remain patient and let the Uruguay round be completed before we start making rash policy decisions. We should negotiate our position on sugar from strength—not from an already weakened industry standpoint. On the surface, it might be argued that consumers are being overcharged for sugar, but this just isn't true. One of the very staunchest allies of this effort to reduce the sugar loan rate is the food and beverage industry.

From a profit perspective, the food and beverage industry is No. 2 in the Nation. Just take a look at the market reports and the activity in their various common stock trading in the past year. Now there is a place to use the word "big". This industry is clearly very stable and exhibits continual growth patterns for the future.

Annual sales projections for the 1990's for this industry illustrate how sweet it really is. Around $200 billion annually over the next 5 years. How can a sugar loan rate reduction be so important to this extremely profitable industry?

Each person in the United States now consumes more than two 12-ounce cans of "sody pop" a day, with retail spending for soft drinks topping over $43 billion in 1988 alone.

Do we really expect these giants to reduce the prices they now charge when they are seeing this amount of profit? If is clear that these industries are not endangered and continue to improve their profitability.

Coca-Cola and Pepsi have bragging rights for a combined 1990 estimated profit of $2.5 billion. Sales for Coca-Cola increased $5.9 billion in 1980 to over $8 billion in 1988, an increase in 41 percent.

Coca-Cola is leading the pack in the battle to lower the sugar loan rate by 2 cents. This is an extraordinary company—a superbly managed company with a great history of support of social, educational and cultural activities throughout the world. A remarkable man, Robert W. Woodruff—who was a close personal friend of mine and my family—was a great leader of that company for many years. He was the boss in every sense. He owned a ranch in Wyoming next to the small place of my parents'. He had an affection and love for Wyoming that was rich and deep. He would be deeply and personally distressed to see what his company's campaign and activities in this legislation would do to Wyoming—the State that he loved so thoroughly. This legislation does have just that kind of impact. Such a reduction will give this giant cheaper sugar to increase its profit even more. The argument for cheaper consumer prices for products that contain sugar doesn't ring true. The real fact of the matter is that if the loan rate is reduced; private industry will see higher profits; producers will see additional declines and be faced with the competition of increased imports.

We should not be weakening our GATT negotiating position and targeting farm bill benefits to profitable international corporate giants. Therefore, I earnestly urge the defeat of this amendment.

My State is faced with very limited options for agricultural production. Maintaining the sugar loan rate will keep alive a very important sector of my State's economy. This is a critical matter to my State. Critical. We need your help—those fellow Senators on the floor—to reject this ill advised amendment. It is truly a killer to a great business in Wyoming and the West. We urge your rejection of it.

The PRESIDENT pro tempore. Who yields time?

Mr. BRADLEY is recognized.

Mr. BRADLEY. I yield 4 minutes to the distinguished Senator from Washington.

The PRESIDENT pro tempore. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, my opposition to the sugar program is not of recent origin. In fact, I was a cosponsor, along with Senator BRADLEY, of an amendment to the 1985 farm bill designed to reform the sugar program. The failure of that amendment has cost the American consumer billions of dollars for no good purpose. So this year I am supporting once again the efforts of the Senator from New Jersey.

Mr. President, frustration with the sugar subsidy and quota program has been building since it was reinstated in 1982. By now, most of us are familiar with the legacy of this failed program. What is that legacy? High consumer prices for sugar, lost jobs in sugar refining and sugar using industries, harm to other U.S. farmers, damage to trading partners—especially various impoverished developing nations, and finally the violation of international trade laws. In short, the sugar program is bad consumer policy, bad agricultural policy, bad foreign policy and bad trade policy.

The amendment offered by the distinguished Senator from New Jersey is a necessary, reasonable and all-too-modest first step toward restoring balance to U.S. sweetener policy. Under current law, Congress provides an 18-cent-per-pound loan for sugar producers. Because the program must be run at no cost to the Government, however, sugar imports must be restricted to keep the domestic price of sugar above the 18-cent loan rate. The result is a domestic sugar price nearly double the world price. This amendment would reduce sugar price supports by just 2 cents and thus allow the Government to ease restrictions on sugar imports.

What effect would this reduction in the support price have? On the roughly 12,000 sugar beet and cane producers, only a modest and affordable effect. In the United States, sugar producers are among the most profitable farmers in the Nation. The average sugar producer in the United States earns over $400 an acre. Compare that figure to the average wheat grower who makes approximately $130 per acre.

But what effect would this amendment have for the consumer? Even though the 1984 farm bill mandated that the sugar program be run at no cost, it annually costs several billion dollars. Who bears this cost? The con-

sumer. Last week, sugar sold on the world market for approximately 12 cents per pound. Domestically sugar sold for about 23 cents a pound. The 11-cent differential between those two markets is the smallest in many years.

As a consequence of the program, the average retail price for a pound of sugar today is an inflated 42 cents. This amendment, Mr. President, would save consumers over half a billion dollars a year. It is outrageous that the Members of this body should defend this program on the grounds that it is cost-free to the Treasury while they impose outrageously higher prices on every American sugar producer.

In addition to overcharging every retail consumer, the present program causes many of our sugar-using industries—like candy manufacturers—to be noncompetitive in the world markets, costing us at least as much in export income as a more liberal policy would.

In addition, American agriculture would benefit from increased sugar imports and a lower sugar support price. As sugar imports increase, capital in sugar exporting countries also increases. With the increased revenue derived from expanded exports, quota-holding countries will have more money to spend on U.S. farm and industrial products.

This amendment also will place the sugar support price in line with other commodity support prices. The 1985 farm bill required that all the major commodity programs be cut by 10 percent. The sugar program escaped these cuts. This 2-cent reduction, roughly 10 percent of the current sugar support level, would restore the balance among major commodity programs. Yet even with the reduction, sugar would remain among the most profitable crops in the Nation.

The consumer and the farmer are not the only people who stand to benefit by a reduction in the sugar-support price and increased sugar imports. The quotas squeeze on sugar effectively denies access for many poverty-stricken, developing nations to the world's largest market. Consequently, many Third World countries lose the opportunity to market one of their principal sources of income.

Ironically, it is to these same countries, to the Philippines, to Caribbean and Latin American nations, that the United States sends billions of dollars in aid each year. Elimination, or at least a reduction, of the sugar price support would allow us to raise our quota levels and open or borders to the sugar exports of these developing nations and, probably, to lower our foreign aid to them.

Mr. President, last year, while the United States was citing Japan, India, and Brazil for unfair trade practices, Australia was appealing to GATT about our sugar quota system. And winning. Apparently, we want other countries to accept our view of what trade rules should be—but we're not living by the trade rules that the industrial world accepted long ago. Is that equitable? No, it simply is bad trade policy.

Mr. President, there are many other reasons to adopt the amendment offered by my distinguished colleague from New Jersey. But the overwhelming reason is that a 2-cent reduction in the sugar loan rate makes sense because it is fair to consumers, fair to industry—both agriculture and manufacturing, and it is fair to our trading partners and allies. This amendment will put 2 cents worth of fairness back in our Nation's one-sided sugar policy.

The PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. I yield 4 minutes to the Senator from Minnesota.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. BOSCHWITZ] is recognized for 4 minutes.

Mr. BOSCHWITZ. I thank the Senator from North Dakota. Some years ago when the Reagan administration decided they would propose to GATT that all tariffs would be phased down, and trade impediments be eliminated, only one agricultural organization came to them and said, "We agree with that; that is really what we want." That was the sugar producers.

They said they did not want subsidies. They did not want particular preference in the world market. They would compete on a fair world market.

This amendment implies that the high price domestically is caused by the loan rate in sugar. "There is definitely going to be a better deal for consumers," says my friend from New Jersey. Quite clearly that will not occur.

Sugar, as I pointed out in an earlier speech on the floor, is a small crop internationally. It is about 107 million tons. Of that, 13 million tons of sweetener are used in the United States.

If we begin the process of undermining the American sugar industry and a major portion of our sugar demand enters the world market, there is no question about the fact that the world market is not going to stay at 11 cents, as my friend from Washington said, or 15 cents, as it recently was. The sugar price, which is very volatile on the world market, will rise and rise very rapidly.

Will the American consumer thereby be protected or will his interest be enhanced? The answer is clearly not. The American consumer and the world's consumer will be enhanced in the event that all barriers to trade are taken away, and in that case, the sugar program of the United States will fall, but it will fall in a more reasonable way. It would not fall in such a manner as to benefit the Europeans.

Quite clearly, if we begin the process of dismantling the American sugar program, we will benefit the Europeans. The Europeans are the principal violators in many areas of international trade and agriculture. They have created the surpluses in sugar that have, through export subsidies, been dumped on the markets at very low prices.

If the support price of sugar is lowered, the Europeans will save a considerable amount of money, and will continue in their practices. Their practices have really undermined the business of world agriculture.

What we should be moving to is a program of undoing all the barriers in agricultural trade. Only then will the people of the world, the consumers and, most particularly, the farmers of the Third and Fourth World countries be properly served.

We do, as the Senator from New Jersey referred, a great injustice to them by subsidizing our exports. This is done not by holding the price high as we do in the sugar program, but by subsidizing the export of wheat and other grains into their country at very low prices and, in effect, bankrupting those farmers of the Third and Fourth World nations.

I am for the disarmament of all the world with respect to trade barriers in agriculture. Certainly, that would benefit the poor; certainly, that would benefit the emerging nations; it would benefit American farmers because we are a competitive lot in this country. But unilaterally doing it does not serve our interest and does not serve the interest of world trade.

I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. BRADLEY. Mr. President, I yield 4 minutes to the distinguished Senator from Massachusetts.

The PRESIDENT pro tempore. The Senator from Massachusetts [Mr. KERRY] is recognized for 4 minutes.

Mr. KERRY. Mr. President, I rise in support of Senator BRADLEY's amendment. Obviously, my primary reason for cosponsoring this amendment is that I believe the current sugar subsidy program is costing American consumers much more than its value to American agriculture really is. But, at this time, I would like to address another important reason to curtail our excessive sugar price support program. As chairman of the subcommittee of the Foreign Relations Committee with jurisdiction over international narcotics matters, I have a particular appreciation for the role that alternative development in coca producing countries must play in any viable policy to solve this Nation's cocaine problem. As the problem is multifaceted, so must be the solution. There is no more important component of such a policy than a serious effort to reduce U.S. demand for cocaine, but it must also include a

serious international effort to reduce supply.

What, my colleagues may ask, does this have to do with a vote to reduce the loan rate on raw sugar by 10 percent? It is time we understood the relationship between our agriculture policies and our drug policies. A recent paper written by former Vice-Minister for Economy of Peru, Dr. Roberto Abusada, explains the connection between the closing off of the United States sugar market to imports and the rise in production of coca in Peru. Previously, the sugar growing region of Peru had been the magnet that attracted the highly migratory labor force of Peru. When the U.S. export market was closed off, this magnet ceased to exist and the high jungle frontier, the coca region, took its place.

More importantly, the paper outlines a sophisticated plan to replace coca farming with the cultivation of alternative legal agricultural crops, including sugar. The paper confirms that revitalization of the Peruvian sugar industry is a key part of any alternative development strategy and that such a revitalization is dependent, in part, on increased access to the stable and large U.S. sugar market.

As my colleague from New Jersey has made very clear, his amendment will not, by itself, solve this Nation's drug problem. But if we are serious about stemming the supply of cocaine to this country, we must pursue an integrated policy—one that includes not only eradication and interdiction but alternative development. In fact, if we do not stress alternative development, all the headway that has been made on the interdiction side will be squandered.

ARGUMENTS MADE

Some people suggest it a fantasy to think that by reducing the loan rate to our farmers, that the Peruvian farmer is going to turn his back on income of up to $9,000 a year in order to get $200. It may be the unfortunate truth that United States demand for cocaine could sustain such an income for the Peruvian coca farmer, but reality of farm level prices for coca leaves in Peru is quite different.

According to a February 2, 1990, Wall Street Journal article, "Peru grows an estimated 65 percent of the world's coca from which cocaine is made." But the Colombian Government, assisted by the DEA, has had recent success in placing a fence between the cultivation of coca leaf in Peru, and downstream production of cocaine in Colombia. Since last September, the Colombian Government has disabled many labs, airstrips, and storage areas used by the Colombian drug rings, which ultimately ship the refined cocaine to the United States. As a result, there is a glut of coca leaves which has driven down the price. The DEA's efforts and Colombia's brave crackdown on the drug trade have lowered the demand for coca leaf in Colombia to the point where the price for coca leaves has fallen to as low as $10 per 100-pound lot in the Upper Huallaga Valley, $8–$11 in the Chapare Region of Bolivia and $15 in the Cochabamba area of Colombia, according to the DEA. Prices used to be as high as $400 to $500 per 100 pounds, according to a May 20 article in the New York Times. In fact, this same New York Times article claims that in Bolivia, today 100 pounds of coca leaves may only bring $5 to $7.

Dr. Abusada's study states that in Peru, the price of coca leaf has dropped from $3 per kilogram in the mid-1980's to 90 cents today in the Upper Huallaga Valley, the highest price in existence. The price is only 20 to 25 cents in Bolivia, according to the Abusada study. These figures are consistent with the general magnitudes reported by the DEA and the New York Times article.

According to the Bureau of International Narcotics Matters [BINM] as well as Peruvian researchers R. Webb, J. Nunez, and R. Reategui, annual coca yields range from 0.7 metric tons to 4.5 metric tons per hectare per year. The Peruvian national average is about 2.8 metric tons.

Taking the absolute maximum yield and the highest possible current coca leaf price, the maximum gross receipts per hectare, per year for coca is about $4,050. The average gross income is about $2,000 and in Bolivia, it may have dropped to as low as $600.

Thus, the highest net income achievable from coca at current prices is about $1,500. So much for the $9,000 figure we keep hearing from the U.S. sugar industry. That is old news, rendered obsolete by the efforts of the Colombian Government and the DEA. Now if we miss this opportunity and the cartels move deep into the Peruvian jungle the coca leaf glut will disappear and prices for the leaves will climb again. We will have squandered this opportunity.

Now that we have debunked the myth that peasants currently earn $9,000 per hectare per year for growing coca, let us look at the claim that any legal crop can only yield $200 per year. A look at the facts will show that this claim is ludicrous.

Peru used to have sugar yields that were the envy of the world. According to the International Sugar Organization, Peruvian sugar yields in the late 1970's and early 1980's were on the order of 16 metric tons of raw sugar per hectare per year. This figure is confirmed in the Abusada study. Even at a net of transportation cost prices of 17 to 19 cents a pound, which assumes a lower U.S. price, the gross yield per hectare, per year for Peruvian sugar would be $6,000 to $7,000. Contrast this to coca where currently the highest possible gross yield is about $4,000. Factoring in production costs, a Campesino could earn a net income of $1,500 to $3,000 per hectare per year from sugar, if access to the U.S. market were increased.

There is no question that at current prices, sugar and many other crops would be competitive with coca. But as anthropologists and businessmen operating in the coca producing regions have stated, coca production can be an insecure, dangerous business. Therefore, peasants will accept a lower profit on legal crops. For this reason legitimate tobacco producers in the Huallaga Valley are being inundated with former coca laborers where once labor was so scarce that it had to be flown in from the coast. In Bolivia, according to the New York Times, coca prices are so low that coca farmers are voluntarily abandoning their coca fields in favor of other crops.

Given that interdiction and eradication continues to be somewhat successful, sugar would be one attractive alternative based on price alone. In addition, sugar production involves certain technological factors that make it attractive as a driver of economic development. International investors are desirous of making agribusiness sugar investments in the Peruvian upper jungle. They need a signal that there will be a stable U.S. market worthy of such investment.

Revival of the Peruvian sugar economy would help absorb workers now producing coca. Sugarcane production is labor-intensive. Moreover, sugarcane, which has been cultivated in Peru since the middle of the 16th century and the machinery for which I understand has been built in Peru since the turn of the century, can be grown in regions near to those where coca is now being produced. Over 350 square miles of Upper Huallaga land is currently devoted to coca production. The Peruvian Federation of Agrarian Sugar Cooperatives estimates that over 200 square miles of land in the Upper Huallaga is suitable for sugar production.

A more disturbing question is what will those farmers do if the Andean nations and the United States continue to interdict and to eradicate cocaine production but fail to construct the third leg of the policy stool—an alternative source of income for the peasant farmers? One suspects the answer would be that peasant farmers would either move their coca production deeper into the jungle and try to stay one season ahead of the DEA's search and destroy mission, or seriously consider joining the Sendero Luminoso. It would be deplorable for the United States to contribute to such a dilemma.

The Bradley amendment to reduce the loan rate on raw sugar by 10 percent—2 cents per pound—will not, by itself, solve the drug problem nor will it ensure that the farmers in Latin America won't be tempted to grow coca. But it will open the U.S. sugar market to a few more imports from the Andean region. It will send an important signal to the leaders of the Andean nations and equally important, will send a signal to international investors. Clearly, an alternative development program for any of the Andean countries will require increased access to markets for many products; but on May 23, 1990, at the summit at Machu Picchu, the leaders of the five Andean nations singled out only one product for which they believe increased market access in the United States is imperative. That product is sugar. To vote against the Bradley amendment would be to close the door on what may be the most promising alternative crop to coca.

Mr. CONRAD. Mr. President, at this point, I yield 3 minutes to the Senator from Florida.

The PRESIDENT pro tempore. The Senator from Florida [Mr. GRAHAM] is recognized.

Mr. GRAHAM. Thank you, Mr. President. Mr. President, I am going to focus on one issue that has been raised in this debate, and that is the impact of the sugar program on the Everglades.

I have had a long-term interest in the protection and preservation and enhancement of the Everglades. While I was Governor of Florida, we initiated a major program with the optimistic title of "Save the Everglades." There is a clear linkage between the sugar industry and the Everglades, but I suggest it is not necessarily the linkage that has been suggested.

From an economic standpoint, there is an assumption that if the number of acres in the Everglades which are currently being used for sugar were being used for some alternative, that that would have a beneficial effect on the quality of water in the Everglades system.

I suggest that is not necessarily the case. The land that we are talking about here has been selling at an average price in excess of $3,000 an acre. It is not land that is going to lie foul or be used for a low-intensity purpose. The fact is that sugar is one of the least intrusive potential uses of this land in terms of its contribution of pollutants toward the water supply.

Second, I inform the Senate that the sugar industry has now come forward with some commitments as to what role it will play in terms of the protection of the Everglades through a reduction of pollutants and an assurance of quantity of water into the Everglades system.

Through recent negotiations which I anticipate will soon be completed and incorporated through action of the local water management district, the agreement has been reached that there will be approximately a 150-ton reduction in phosphorus flowing out of the Everglades agricultural area into the balance of the Everglades system; that, of that 150 tons, half will be reduced within the Everglades agricultural area itself and the other half will be reduced through a series of transition zones that separate the agricultural area from the adjacent public conservation preserves, wildlife refuges, and eventually Everglades National Park; that the agricultural interest, specifically the sugar interest, will contribute toward the acquisition of those lands which will serve as that transition zone; and, finally, that there will be assurance of an adequate quantity of water flowing through the Everglades system in order to sustain Everglades National Park.

All of those commitments have major cost implications to the industry. I believe that at the time we are going to be asking the industry to make a greater financial commitment to the protection of the Everglades it would be inappropriate and, if fact, self-defeating to reduce the economic capacity of the industry to do so.

Mr. CONRAD. I yield to the Senator from Idaho for 1½ minutes.

The PRESIDENT pro tempore. The Senator from Idaho [Mr. SYMMS] is recognized for 1½ minutes.

Mr. SYMMS. Mr. President, why is sugar important to Idaho? It should not surprise anyone to find out that we produce in Idaho 32 percent of the Nation's potatoes. But we also produce 18 percent of America's barley, and 16 percent of her onions. We also produce slightly over 16 percent of the national sugar beet crop.

The diversity of Idaho's farm economy owes much to the stability that the sugar program offers. Sugar beets are a type of risk control—used by nearly 1,500 farmers in Idaho who can grow onions or potatoes, beef, or barley because of the stability provided by having 100 acres or so—average: 120 acres/farm—of sugar beets on the side—an important role for a crop produced on 180,000 acres of Idaho farmland, 1.3 million acres nationwide.

The sugar beet is a $150 million cash commodity in its own right ($300 million after value-added), just in Idaho. The industry employs 10,500 people, or about 1 out of every 50 Idahoans.

WHY IS WORLD-TRADED SUGAR NOT A TRUE "MARKET"?

Sugar on the international market is anything but a stable commodity; 75 percent of all the sugar produced is consumed in the country of origin. Export sugar markets, therefore, are frequently residual aftermarkets, often seen as a place to dump the excess sugar that is not sold domestically.

The world sugar price is seldom reflective of actual costs of production, and can vary violently. For instance, sugar prices soared to 65 cents/pound in 1974, and then dropped to less than 10 cents/pound in 1976-78. By 1980, it had risen again to 42 cents/pound, and then shortly after dropped back to 10.

One of the largest sugar exporting countries in the world, Cuba, places its sugar totally in the hands of its government to be used as barter for arms, fuel, and other supplies from the Soviet Union. In its contracts with the Soviet Union, the price of Cuban sugar is guaranteed at 31.5 cents/pound. Cuba's level of exports has nothing to do with the free market—depending more on the intensity of Cuba's intercontinental military campaigning than on any market-driven demand.

FLAWED ARGUMENTS FOR 10-PERCENT REDUCTION

The proponents of the amendment argue that "the sugar program is too costly." Let's get the facts straight—unlike other Federal farm programs financed directly by U.S. taxpayers to the tune of $12 billion in 1990 alone, the current sugar title of the 1985 farm bill requires that the program be operated at "no cost to the Federal Government." The program is operated entirely by the adjustment of quotas, and the Treasury doesn't spend a penny in the support of sugar beet growers.

When the proponents of a 10-percent reduction in the sugar loan rate talk of "saving money," they are not talking about reducing the deficit at all—their only claim is that the 18-cent sugar loan rate costs consumers.

In truth, if you were to slash the sugar program down by a third, the consumer would probably not notice any price change at all. It would represent 0.4 cents off the price of a typical candy bar, and 0.6 cents off the price of a can of non-diet soda. Foods with any lower sugar content would be nearly unaffected. And remember, that is the consumer impact of a 6-cent reducton in the sugar loan rate. The consumer impact of a 2-cent reduction, as proposed here, would likely be absolute zero.

In fact, a Cambridge Reports survey has found that, during the years from 1980 to 1987, in which the sugar program was in effect, the consumer price index—an index of the prices paid by consumers for goods and services—increased 38 percent, candy prices increased 37 percent, the price of cookies and cakes increased 45 percent, but the price of retail sugar actually dropped 17 percent.

COST OF REDUCED DOMESTIC SUGAR PRODUCTION

The truth is that the sugar program actually saves the taxpayer money. If 180,000 acres of prime Idaho farmland

were not devoted to sugar beets, they would be devoted to some other crop, very likely wheat or feed grains, crops that, unlike sugar, receive direct Federal payments.

The average sized 570-acre farm in Idaho includes roughly enough acres planted to federally supported program crops to qualify for $17,000 in payments from the U.S. Treasury. For every farmer that stops growing sugar beets, about 120 acres of land will be thrown into that farm's mix of other program and nonprogram crops. Simply assuming that the ratio of the mix holds about the same, the additional cost to the U.S. Treasury, per farm, goes up $3,600 a year, just in added program crop payments on the additional wheat or barley acres.

Of course, because the additional acreage leads to additional production, supplies of program crops go up and prices go down. Because Government support payments are greater when market prices are lower, this factor also will lead to higher taxpayer costs for every sugar beet farmer who stops growing sugar beets.

CONCLUSION

Speaking as a fiscal conservative, the amendment before us makes no sense. It provides virtually no benefit to consumers. It has a negative impact on taxpayers. And it has a devastating impact on sugar producers, farmers and many rural economies. I strongly encourage my colleagues to oppose it.

Mr. President, I wish to make two quick points. No. 1, sugar is a very capital-intensive crop, and for people to think that somehow some campesino in Peru is going to raise sugarcane on half a hectare just does not make any sense at all. That is not the way sugar is grown and produced out of the United States or in the United States. It is a very capital-intensive crop.

In my State, for example, 1 out of every 50 Idahoans receives his or her job from the sugar industry. It amounts to $300 million. It requires enormous capital investment in processing as well as equipment to grow the beets. It is labor intensive, and it has been very productive for us.

I might make point No. 2. If everyone remembers, when the price of sugar went way up and the price of soda pop went way up, the price of nonsugar diet soda pop went right up with it. The Senator from Louisiana [Mr. JOHNSTON] already made that point, but there is just no argument as far as the consumer case.

No. 3, sugar provides great diversity for farmers. In my State, we grow 16 percent of the Nation's sugar beet crop and 30 percent of the Nation's potato crop. We have done some estimates. If those farmers that grow sugar grew wheat, this Congress would have to pay $10 million for subsistence payments for the wheat farmers. There are no payments out of the Treasury on sugar.

Mr. CONRAD. Mr. President, I yield to the Senator from Minnesota [Mr. DURENBERGER] for 1½ minutes.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Minnesota [Mr. DURENBERGER].

Mr. DURENBERGER. Mr. President, I rise to strongly oppose the Bradley amendment; up front, my bias and my credentials as well. Minnesota is the Nation's No. 1 producer of sugar beets, and when you combine that with the sweetener produced from Minnesota corn, we are clearly a major contributor to U.S. production. We farm 450,000 acres of sugar beets in 25 counties in the Red River Valley in North Dakota, and Minnesota.

The U.S. sugar program has been the focus of many misguided attacks.

Critics moan about the program's cost to consumers. This is misguided and not supported by the facts. Prior to the current program, sugar prices fluctuated wildly. Prices soared as high as 65 cents per pound, then plummeted to less than 10 cents per pound, and then shot back up to 42 cents. This fluctuation cost consumers and food processors dearly creating intolerable price uncertainty.

Mr. President, since the sugar program was implemented the prices have actually gone down relative to products that use sugar. From 1980 to 1987, the Consumer Price Index increased by 38 percent; for products using a lot of sugar like candies the price has gone up 37 percent; for cookies and cakes 45 percent; and cereals 63 percent. Yet, retail sugar prices dropped 17 percent and the price of corn syrup used in soft drinks fell 23 percent. Thus, those who argue that sugar prices are too high miss the fact that all major products that use sugar have increased in price while the cost of sugar has decreased. This means that any reduction in the wholesale price of sugar ends up not saving the consumer money but enriching the processors.

Critics argue it is protectionist; it is unneighborly; and it runs counter to America's free trade policy.

For the last 12 years, Mr. President, I have served on the Senate Finance Committee and I have heard all the arguments from the Senator from New Jersey. We have argued free trade, fair trade. The bottom line on the issue is that until there is free trade in this world, which most sugar beet growers would like to see, we are going to have to deal with fair trading.

The United States is one of the few nations that over the last decade has had a predictable, consistent agriculture policy and trade policy as it relates to sugar. People in my State of Minnesota and the State of our neighbor, North Dakota, and this Senator will support free trade with sugar and a variety of other products, but we do not believe in unilateral changes like that which the Senator from New Jersey proposes today. Changes in the sugar program can only come when all nations agree to that change.

Thus, as the Congress debates the U.S. sugar program I want Minnesotans and my colleagues to know that although the sugar program is loudly criticized it is not only good for Minnesota but good national policy in a world of subsidized and dumped sugar. Prices are low and stable and rural Minnesotans receive adequate incomes. This would not be the case with the U.S. sugar policy and this is why I oppose the pending amendment.

Mr. CONRAD. Mr. President, I yield 1 minute to the Senator from Idaho.

The PRESIDENT pro tempore. The Senator from Idaho, Mr. MCCLURE, is recognized for 1 minute.

Mr. MCCLURE. Mr. President, I strongly oppose a 2-cent reduction in the current sugar loan and urge my colleagues to extend the existing sugar program as recommended by the Senate Agriculture Committee.

The domestic sugar program has worked extremely well. It has provided stable and affordable prices to the American consumer at no net cost to the Federal Government. U.S. consumers pay less for their refined sugar than consumers in other sugar importing developed countries and even some of the sugar exporting countries. It has also provided a U.S. producers and processors with a minimum level of support in the face of heavily subsidized world markets. Extending the current program will allow U.S. sugar producers to continue providing a reliable supply of sweetener products at reasonable prices, and it will assure the United States of a strong domestic sweetener industry.

The sweetener industry is a vital part of the our Nation's economy. Approximately 361,000 U.S. jobs rely on the sugar and corn sweetener industries. The economic activity generated in the United States year by these industries is $18.5 billion in 42 States. Sugar beets are grown in 14 States and are processed in 35 sugar beet factories. The sugar beet industry directly employs 74,000 people in the full and part-time jobs on the farm and in factories. Additional jobs are provided by the sugarcane and corn sweetener industries.

In addition to the importance of the sugar industry to the Nation's economy and the American consumer, the sugar industry is extremely important to the economy of my State. Idaho ranks third in the Nation in sugar beet production. This represents 16.4 percent of the domestic sugar market. Sugar beet production is second only to potatoes. Approximately 1,800 farmers in Idaho produced over 4 million tons of sugar beets on almost

180,000 acres in 1988. This represents a total cash value of $180 million. Sugar beets are grown in 15 of Idaho's 44 counties.

There are three sugar processing plants in Idaho which employ 1,200 full-time and 1,600 part-time workers. Salary and wages for these factory workers is $34 million. The total economic activity generated by the sugar industry in Idaho is almost $800 million. A 2-cent reduction in the loan rate would result in a loss of approximately $18 million to sugar beet growers in my State, and even more to the State's economy as a whole.

PROPOSED 2-CENT REDUCTION

Those who support a 2-cent reduction in the sugar loan rate argue that price support levels for other commodities were significantly reduced under the 1985 farm bill while the sugar loan rate remained the same. They further argue that in order to be equitable, the sugar loan rate should be reduced by 10 percent.

Is is true that the average price support level for the major commodities—wheat, corn, cotton, rice, peanuts, soybeans—declined under the 1985 farm bill. However, that is only part of the story. Those who support a 2-cent reduction in the sugar loan rate fail to mention that the average price support level for those same crops increased 14.9 percent from 1981 to 1985 while the sugar loan rate only increased 7.5 percent during the same period. Even with the reductions required by the 1985 farm bill, the average support price levels for those commodities are still higher than the current loan rate which has remained at the current level of 18 cents per pound since 1985.

The farm bill we are considering today freezes price supports at the current level for the next 5 years. If a 2-cent reduction in the sugar loan rate is adopted, the average price support level for the major commodities will exceed the sugar loan rate by 13 percent. That is not equity. A 2-cent reduction in the current sugar loan rate would not restore balance among all commodities. It would do just the opposite. The sugar loan rate would drop well below levels established under the 1991 farm bill.

If the United States were to lower the loan rate for sugar at this time, it would place a heavy burden on our sugar industry. We should not have to compete on a world market with heavily subsidized foreign sugar. According to USDA, 110 countries support or control their sugar production, consumption, and prices in some way. All major exporters guarantee producer price minimums, and most subsidize exports and the amount of sugar available for domestic consumption. The European Community guarantees producer prices, applies prohibitive levies on imports, and subsidizes exports as necessary for them to compete on the world market.

COST TO CONSUMERS

Another argument that is frequently used against the sugar program is the high cost of sugar to American consumers. Opponents say that the sugar program costs consumers an estimated $3 billion per year in higher food costs. This is a complete myth. First, this inflated cost to consumers assumes our ability to purchase sugar at the world market price. The world market price is an artificial price for excess sugar that is dumped on the open market.

Sugar is one of the most strictly regulated commodities in the world. Only 15 percent of the world's sugar is actually traded on the open market at prevailing world prices. The rest is either consumed in the country where it is produced at a guaranteed price above the so-called world price, or it is sold under long-term trade agreements—above the world price. The supply of sugar that is available at the world market price is very limited and very unpredictable. Critics who charge that the U.S. sugar program costs consumers $3 billion, assume that we could supply our domestic sugar needs fom this limited market and that increased demands on this limited supply of sugar would not affect the price.

The $3 billion cost to consumers is also based on a world market price of less than 3 cents a pound. That is not the current world price which was 14.53 cents for the first half of 1990. It is not even the average world price over a period of time. The basis of these calculations is a historic low point of less than 3 cents per pound.

Even if sugar were available at the so-called world market price. And even if that price was actually 3 cents a pound, saying that this would save consumers $3 billion a year implies that the entire cost savings of purchasing sugar at the world price would be passed on the consumer. That has not been the case.

For example, when Congress failed to renew a previous sugar program in 1974, sugar prices fluctuated wildly. The price of sugar skyrocketed to 65 cents a pound, then plunged to less than 10 cents in 1976-78, and increased again to 42 cents a pound in 1980. Consumer prices for food rose dramatically as the price of sugar increased. However, the prices did not come down again when sugar prices later declined. These price gyrations, which occurred when there was no sugar program, severely damaged the domestic sugar industry. Many sugar beet and sugar cane producers were forced to switch to other crops while others went out of business. In just a few years, 39 sugar mills and processing plants went out of business.

According to a national survey, 86 percent of the consumers in the United States believe that food manufacturers maintain the price of their products when the cost of an ingredient such as sugar goes down, instead of passing this cost savings on to the consumer.

Sugar and corn sweetener costs actually constitute a very small portion of the cost of most sweetened products. For example, a 70-cent scoop of ice cream or a 45-cent package of cookies only contains about a penny's worth of sugar. A 45-cent candy bar contains approximately 1.3 cents' worth of sugar, and a 50-cent can of soft drink contains about 2 cents' worth of high fructose corn syrup. As you can see, it is not the cost of sugar that determines the final cost of sweetened products to consumers.

U.S. SUGAR IMPORT QUOTAS

The Caribbean initiative countries, the Philippines, and other developing countries that hold most of the United States benefit from the United States sugar program and oppose a reduction in the sugar loan rate. The United States import quota system insures them of a premium price over the depressed world market for sugar. From 1982 to 1989, prices in this so-called world market averaged only 7.7 cents per pound. This is less than the cost of production for even the lowest cost producers in the world. On the other hand, the United States market has provided quota holding countries with an average return of 20 cents per pound—after transportation costs—during the same period.

Using this year's quota-import level of 2.125 million short tons, the proposed 2-cent reduction would result in an immediate loss in revenues to quota holding countries of $85 million.

Of the 39 countries holding U.S. quotas, 15 actually import more sugar than they export; 24 export 10 percent or less of their sugar production onto the world market; 16 of those 25 countries export no sugar onto the world market; 21 countries export more sugar to the United States than to the world market; 8 sell more sugar to the European Community market than to the world market. So the charge that the current sugar program denies developing countries access to United States markets is unfounded.

So is the claim that countries like Peru, Bolivia, and Colombia must resort to the production of cocoa because they are being denied access to United States markets. This is absurd. According to USDA estimates, harvested sugarcane area for these three countries has actually increased. This years estimated area is up 5 percent from 1982-83, when U.S. import quotas were first imposed.

Even though United States sugar import quotas have recently increased, Peru and Bolivia have not met their allocations. In fact, Peru is a net sugar

importer. Sugar production in Colombia this year is estimated to be 15 percent above production levels of the early 1980's.

GATT NEGOTIATIONS

The United States is currently involved in the Uruguay round of the negotiations on the General Agreement on Tariffs and Trade. There is a major emphasis by the United States to eliminate trade-distorting agricultural policies. I believe the American sugar producer can compete with sugar producers anywhere in the world if they are allowed to compete on a level playing field. However, reducing the sugar loan rate in the midst of these negotiations would amount to unilateral disarmament and would severely weaken our bargaining position. We should not make drastic changes in the domestic sugar program unless our foreign competitors make the same concessions in an equitable and simultaneous manner. Otherwise, U.S. producers will continue to be at a disadvantage due to heavily subsidized foreign products.

I strongly oppose the proposed amendment to reduce the sugar loan rate by 2 cents per pound and urge my colleagues to support continuation of the sugar program as the Agriculture Committee recommended. Maintaining the current sugar program will assure a reliable supply of sugar at affordable, stable prices for American consumers. And it will provide some degree of certainty to small businesses which cannot afford the wild price fluctuations that will surely accompany a loan rate reduction.

Mr. President, I think the record should reflect the fact that Peru is a net importer of sugar today. If there were ready transferability from one agricultural industry to another, they would be producing more sugar today instead of importing it.

Mr. President, the first pronouncement that then candidate George Bush made on agricultural policy during the campaign was in Twin Falls, ID, the site of a sugar plant, the site of the intensive agriculture that is common to southern Idaho. He made a pledge to Idaho farmers and to the farmers of the United States at that time that he would not sacrifice the sugar industry to unfair trade competition. I think that is the basic issue we have before us today and it is important to note the President's position.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. CONRAD. Mr. President, I yield 1 minute to the Senator from Louisiana.

The PRESIDENT pro tempore. The Senator from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. President, I have heard some novel arguments on the floor. I think one of the most novel is that if you increase the production of sugar, you are going to decrease the production of cocaine. I suggest the only connection between the two is that they both happen to be white powder. Increasing the production of sugar has absolutely nothing to do with decreasing the production of cocaine. If you look at a government program to see if it is working you look at, No. 1, is it costing the Treasury too much?

This program costs the Treasury absolutely nothing. It is one of the few farm programs that in fact has no cost to the Treasury.

The second point, is the cost to consumers too much? We do not get letters from consumers saying the price of sugar is too high. Soft drinks with no sugar sell for exactly the same price as soft drinks with a lot of sugar. The sugar price has been stabilized because of this program since the act went into effect. It is the purpose of the act. It, indeed, has worked very well. It costs the Treasury nothing, and it does not cost the consumer too much. In fact, it has stabilized their price.

The argument that somehow we would help foreign countries is one that simply does not wash. I oppose the Bradley amendment.

The PRESIDENT pro tempore. Who yields time? The Senator from New Jersey has 1 minute, 55 seconds. The Senator from North Dakota has 1 minute, 24 seconds.

Mr. BRADLEY. Mr. President, let me deal quickly with some of the arguments on the other side. First, that sugar is a substitute for coca. I say yes. The opponents say no. I ask unanimous consent there be printed in the RECORD the New York Times article that says, "Bolivians Switch Crop as Coca Market Falls."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 20, 1990]

BOLIVIANS SWITCH CROPS AS COCA MARKET FALLS

(By Shirley Christian)

ETERAMASAMA, BOLIVIA.—Félix Lazo's harvest of coca leaves lay on the floor of his cinder-block house, unsold because actions against drug dealers and processing laboratories in Bolivia and elsewhere have destroyed the market for the raw material of cocaine.

A hundred pounds of coca today may bring only 15 to 20 bolivianos, the equivalent of $5 to $7, he said, "and for that I have to carry the bags of leaves up to the crossroads on my back, then pay for transport to market." It is a familiar predicament for the small farmers here who produce a third of the world's coca, a crop that once provided a secure cash flow, as much as $400 to $500 for 100 pounds.

Drug experts say the price drop, which has led farmers to plant other crops, is a result of the crackdown on major drug traffickers in Colombia and the relentless assaults on drug laboratories and wholesale buyers of coca paste here in Bolivia.

Those actions are believed to have interrupted processing activities and lowered demand for coca leaves. Some of Bolivia's coca is turned into cocaine inside the country and more is processed in Colombia, with virtually all of the marketing done by Colombian dealers.

"Since the price fell, there is almost nothing for the people here," Mr. Lazo said as he led the way through the insects and interminable tropical rain to his remaining patch of coca—about two and a half acres, third of what he had three years ago. For lack of money, he said, he has stopped fertilizing and spraying it.

Mr. Lazo and other farmers here in the Chapare rain forest, Bolivia's main coca-growing region, have begun to substitute fruit and other crops.

They are doing it at such a quick pace that the aid programs run by the Bolivian Government, the United States, the United Nations and others are unable to keep up with the demand for seeds, plants and eradication payments.

A State Department official in La Paz said that when the United States does its annual aerial survey of drug-producing countries this year, Bolivia will show its first ever decline in total coca acreage.

BOLIVIA'S 'DYING INDUSTRY'

Drug experts attribute the race to other crops to the almost total collapse in the price of coca leaves in the last six months. Although there are skeptics among them who say they believe that the price drop is temporary or maintain that the farmers are eradicating coca along the roads while going deeper into the jungle to start new seed beds, more of the experts say they believe that in just a few years, Bolivia's part in the cocaine business could be reduced to a minor role.

The State department official called it a "dying industry" in Bolivia. He and other experts said the sharp decline in coca production in Bolivia would not necessarily lower the total supply of cocaine because the Upper HuaDága Valley in Peru, the leading source of coca leaf, is capable of expanded production.

Drug experts in La Paz said the presence of the Shining Path guerrilla organization in Peru greatly inhibited raids and other interdiction activities against drug laboratories and traffickers there. As a result, they said, the price of coca leaf in Peru has not collapsed as in Bolivia, and recent reports from Peru say farmers there are planting more acres in coca than ever before.

But officials say that in the Chapare, farmers have voluntarily dug up more than 8,000 acres of coca plants this year—more than was eliminated in all of 1989 and more than the Government, in an agreement with the United States, promised to eradicate in all of this year. The Chapare was estimated to have 100,000 acres of coca last year.

Some Government officials say they fear that the mass retreat from coca by Bolivian farmers will gather steam faster than economic development programs can find ways to replace the $500 million to $600 million that coca is thought to represent in hard-currency income.

A SWITCH TO RICE AND CORN

It is the lost income that worries Mr. Lazo and about 40,000 other farmers producing coca in the Chapare. Despite the big money associated with cocaine, their place at the bottom of the ladder earned them an income only slightly above subsistence level. But it was better than most Bolivians had.

Now, the coca farmers say they fear that they and their families will have nothing to eat and that there will be nowhere to sell the other products that agronomists and extension agents are persuading them to grow.

Down the road from Mr. Lazo, Guiliermo Grandón lighted an oil lamp, filled his guests' glasses from a half-gallon bottle of Coca-Cola, and said his "only hope" lay in the 750 young plants growing in his greenhouse, including citrus, macadamia, coconut and black pepper. He said he planned to mix them with subsistence crops like rice and corn.

Like his friend Hilario Claros, Mr. Grandón eradicated part of his coca for a one-time payment of $2,000 per 2.5 acres and joined a United States-financed crop-substitution program that helped them start the perennials that they hope will pay off in the future.

LIMITED EXPORT MENTALITY

Both men traveled to Costa Rica in the last two years under the substitution program to see how small farmers there were succeeding with tropical crops. They returned enthusiastic and have signed on as promoters of the substitution program to spread the word to others.

"The Costa Rican trip convinced us that this can work," said Mr. Claros. "But it won't work if we don't get some agro-industry in here to process and sell what we produce."

José Decker, who directs the substitution program from offices in Cochabamba, the departmental capital, said his biggest worry was finding markets for the products—citrus, pineapple, macadamia, ginger, pepper, exotic fruits and flowers, and more—that will be pouring out of the Chapare in the next few years.

"The problem is that private national firms in Bolivia have no experience in international marketing," he said. "Except concerning tin and coca, this country has never had an export mentality. Coca, in fact, is the only product that Bolivians have ever exported with value added."

PLAN FOR MACADAMIA NUTS

Joe López, a New Mexico-born tropical agriculture specialist who serves as a consultant to the crop substitution program, is less worried. He is convinced that as the crops come into production, the markets and processing plants will appear. He said several foreign companies had expressed interest in buying from the Chapare.

Among other things, Mr. López was instrumental in bringing in the macadamia nuts from Costa Rica that are now sprouting into tiny trees in make-shift greenhouses across the Chapare. Although they will not begin to produce for about seven years, he said that world demand for the nuts was strong and growing and that he was convinced that Bolivia can join Hawaii and Costa Rica as major producers. Many farmers are putting their faith in that possibility.

Joaquin Valderrama, head of a low growers' group, complained bitterly about the lack of roads and electricity in the area and the Government's failure to keep promises of help in the past. Then he said he had eradicated half his coca and planned to plant macadamia trees, among other things.

Told that a small container of macadamia nuts costs several dollars in the United States, he said he hoped this price remained high "because we're going to produce a lot of those nuts."

Mr. BRADLEY. Mr. President, the fact is they are already switching. Shall we accelerate that or shall we retard it?

Second, somehow this a major blow to our trade negotiations. I ask unanimous consent that there be printed in the RECORD a letter by the trade negotiator, Carla Hills, who says the administration supports a reduction in the sugar support level and would not take this position if it felt our negotiating position would be weakened by it. It strengthens our position in negotiations. It does not weaken it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
WASHINGTON, DC, JULY 18, 1990.

Hon. BILL BRADLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR BRADLEY: I understand that some have suggested that a 2-cent reduction in the domestic support price for sugar should be opposed because it would reduce our leverage in the Uruguay Round agriculture negotiations. The Administration supports a reduction in the sugar support level and would not take this position if we felt or negotiating position would be weakened by it.

Our objective in the negotiations is to achieve comprehensive and substantial reform of the international rules on agricultural trade. We have proposed that all countries make commitments to reduce protection, subsidies and market access barriers affecting all commodities.

Our position with respect to the sugar provision of the farm bill is that substantial reform should not be undertaken. However, the Administration supports an immediate 2-cent reduction in the sugar price support level in order to modify the level of government support provided to sugar and make it more consistent with that provided to other commodities in the Food Security Act of 1985. We do not feel that this modification would conflict with our position opposing substantial reform.

Sincerely,

CARLA A. HILLS.

Mr. BRADLEY. In terms of increased costs, indeed, 41 cents versus 42 cents, the fact is that retailers have eaten that difference. We are not talking about the actual cost; we are talking about the opportunity cost, what it could be, and it could be a lot lower in price for consumers.

Fourth, the spikes, price spikes. They occurred during the Sugar Program in 1973-74, not after the Sugar Program in June 1974, but it began to go up earlier than the Sugar Program.

The last argument about the Everglades. It is a very interesting argument that we should not reduce the price support, loan rate, because the polluters have agreed to clean up. That is what we do with toxic wastes, Mr. President. The polluters have to pay. I am glad that the polluters of the Everglades are going to have to pay, but that is not the point. The point is no pollution in the first place. The distinguished Senator from Florida, in his letter to his colleagues, did not state that sugarcane was not a polluting force in the Everglades. In fact, it is a polluting force in the Everglades.

I ask unanimous consent that a "Dear Colleague" letter from Senator GRAHAM, dated July 13, 1990, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 13, 1990.

DEAR COLLEAGUE: As we prepare to consider the 1990 Farm Bill, I want to bring to your attention the importance of sugar farming to Florida's economy and the fact that Florida sugar growers have a critical role to play in the protection of the Everglades. Because the health of the Everglades is inextricably linked to the sugar industry's economic stability, Florida cane fields are an integral component of the Everglades ecosystem.

As Governor, I made the protection and expansion of the Everglades one of my highest priorities. The environmental vitality of the Everglades remains a primary concern for me in the Senate. I appreciate the support which most of my colleagues have given to the protection of this national treasure.

Therefore, in order to ensure sugar's ability to accept and pay for the improvement of the Everglades' ecosystem, I support the Senate Agriculture Committee's decision to continue the current sugar program.

The sugar industry has assured me of its commitment to a program of environmental protection. Among the measures it has agreed to take are:

A significant reduction in the flow of nutrient runoff (phosphorus) into the Everglades. A reduction of nutrients from agricultural sources through Best Management Practices and other programs such as flow through marshes of at least 60-75 tons per year is needed.

The quantity and quality of the water that flows into the Everglades National Park must be sufficient to protect and preserve the Park.

I expect the sugar industry to fulfill its commitments to the environment and therefore urge you to support the federal sugar program which provides the growers with a stable production and marketing framework.

Enclosed is an editorial from The Miami Herald which supports the government's sugar program and recognizes the complex interrelation between the farmers, the environment and the government.

Sincerely,

BOB GRAHAM,
U.S. Senator.

Mr. BRADLEY. Mr. President, I ask unanimous consent that a letter from the Audubon Society of Florida in support of this amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FLORIDA AUDUBON SOCIETY,
July 21, 1990.

Senator BOB GRAHAM,
Dirksen Senate Office Building,
Washington, DC.

DEAR BOB: I have received a copy of a "Dear Colleague" letter Dated July 13 concerning the 1990 Farm Bill, which appears to bear your signature. In this letter, you assert that the ". . . health of the Everglades is inextracably linked to the sugar industry's economic stability . . .", that ". . . in order to ensure sugar's ability to accept and pay for the improvement of the Everglades ecosystem, (you) support the Senate Agriculture Committee's decision to continue the current sugar program.", and that ". . . the sugar industry has assured (you) of its commitment to a pogram of environmental protection."

According to your "Dear Colleague" letter, this "commitment" includes agreement to reduce nutrients from agricultural sources through Best Management Practices and other programs by at least 60 to 75 tons per year, and that the ". . . quality and quantity of water that flows into the Everglades National Park must be sufficient to protect and preserve the park."

First, even if this were the commitment of the industry, it is seriously inadequate on its face. The proposed 60 to 75 ton annual reduction of "nutrients" (I presume this means phosphorous) is less than half the reduction that has previously been identified as necessary in the South Florida Water Management District S.W.I.M. plan process.

Second, and even more important, though your "Dear Colleague" letter bears the date of July 13, we know of no "agreement" by the sugar industry to any of the things that are alleged to be agreed to in your letter.

I attended the South Florida Water Management District Governing Board meeting where the S.W.I.M. plan was discussed earlier this month. It was apparent that there was no agreement from the industry on any of the points you mentioned.

Further, on July 17th Dr. Bernard Yokel, President of Florida Audubon, and I attended a meeting held at the request of Nathaniel Reed at the Royce Hotel in West Palm Beach. Present at the meeting were Woody Woodraska and James Garner, Executive Director and Chairman of the South Florida Water Management District, respectively, and representatives of all of the major companies and cooperatives that make up the "sugar industry" in Florida. While the discussions were interesting (and we hope that they will continue), it was clear to us that at present "the sugar industry" is not in agreement with any plan to resolve the Everglades water quality problems that the sugar industry is causing.

At present, the position of the industry (articulated as late as the July 1990 meeting of the Governing Board of the Water Management District) is that the Everglades Water Conservation Areas (including the Loxahatchee National Wildlife Refuge) should continue to be the dumping ground for agricultural runoff from the sugarcane fields. The position of the industry is that the legislation of the 1940's that created the Central and Southern Florida Flood Control Project and which authorized the U.S. Army Corps of Engineers to participate in the project intended that the Conservation Areas be managed as reservoirs primarily for the convenience of agriculture and development.

In concluding your letter, you relied upon an editorial published in the Miami Herald which supported continuation of the sugar program, while the Herald did in fact publish such an editorial, it is important to note that it is the only major newspaper in Florida to do so. The overwhelming weight of the editorial opinion in Florida is against continuation of the sugar program and in favor of the Bradley/Roth amendment to the farm bill. A sample of some of these recent editorials is enclosed.

We hope that you will carefully review the sources of information that led to the issuance of your "Dear Colleague" letter of July 13 copcnerning the 1990 Farm Bill. We believe that the information that you relied upon is gravely in error.

In January, 1990, the Everglades Coalition, comprising the major state and national environmental groups that are working for the implementation of the "Save Our Everglades" goals, identified the eliminaiton of the current sugar program as an important objective for everglades Protection. I would greatly appreciate the opportunity to discuss this matter with you prior to your vote on the Farm Bill next week.

Sincerely,

CHARLES LEE,
Senior Vice President.

Mr. BRADLEY. Mr. President, I urge adoption of the amendment.

Mr. CONRAD. Mr. President, I yield 1 minute to the Senator from Hawaii.

The PRESIDENT pro tempore. The Senator is recognized for 1 minute.

Mr INOUYE. Mr. President, I wish to summarize the opposition to the Bradley amendment. The sugar program is the most successful agriculture program we have on the books. It does not cost the taxpayers a penny. In fact, according to the Department of Agriculture, this country has profited by more than $200 million. It provides much needed employment.

Without this program the bad economy of Louisiana would be completely devastated; the Florida economy would be devastated; and the State of Hawaii's economy would be devastated.

It has been suggested that the CBI sugar group, the Caribbean Basin Initiative group, and the Philippines support the Bradley amendment. I have two letters here in opposition. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CBI SUGAR GROUP,
July 12, 1990.

Hon. DANIEL K. INOUYE,
U.S. Senate,
Washington, DC.

DEAR SENATOR INOUYE: This letter is in response to your inquiry as to the effect of a two cent reduction in the sugar loan rate on the CBI sugar producing countries.

Without a guarantee that a price reduction would produce a substantial and immediate increase in quotas, the result would be a net loss in income for our countries.

Simple mathematics convince us that a two cent reduction in price would, in fact, result in lower foreign exchange earnings for our economies that need social and political stability.

I would also mention my remarks to the American Sugar Alliance symposium on June 25, 1990:

"The assumption made by many that the U.S. price is out of line with what a true world market would dictate oversimplifies the present world dumping market. The only credible study I have seen, done by Landel Mills, concludes that the world price in a free market would be somewhere between 15 and 22 cents, which is the same range as the U.S. price."

I hope this is responsive to your inquiry.

Sincerely,

JULIO HERRERA,
Pesident.

REPUBLIC OF THE PHILIPPINES,
SUGAR REGULATORY ADMINISTRATION,
Diliman, Quezon City, July 23, 1990.

Hon. STEPHEN J. SOLARZ,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE SOLARZ: As you know, the House Agricultural Committee reported a farm bill that included a sugar title which would be highly beneficial to the Philippines sugar industry. It provided for a minimum import quota of 1,250,000 tons, and a re-export program, for which the Philippines would have been eligible.

Last week the Ways and Means Committee voted to drop the re-export program from the bill.

We understand that when the bill reaches the House floor, Congressmen Downey and Gradison plan to offer an amendment which would, among other things, remove the minimum import quota and lower the price support level by two cents.

A two-cent reduction in the price support is not enough to bring about a significant drop in domestic sugar production. Since it appears that a similar amendment to be offered in the Senate has little chance of passing, it must be assumed that if the Downey/Gradison amendment is adopted, the most likely outcome in conference would be a one-cent reduction to 17 cents.

Under those circumstances our exports to the United States could not increase enough to offset the reduction we would receive in the price of the sugar.

We are concerned that without the minimum quota, total imports could drop to under 800,000 tons as they did in 1988, with disastrous effects in the Philippines.

We urge you to support the minimum import quota in the Committee bill, and therefore to vote against the Downey/Gradison amendment.

Yours truly,

ARSENIO B. YULO, Jr.,
Chairman/Administrator, Philippine Sugar Regulatory Administration.

Mr. ROTH. Mr. President, last week I stood to cosponsor with Senator BRADLEY an amendment to the farm bill that will cut the federally funded loan rate for sugar by 2 cents. I explained that the bill, which would extend an 18-cent loan rate for another 5 years creates a false economy that will continue to batter the American consumer, begin to penalize the American taxpayer, and allow the domestic sugar growers to thrive in a protected state that will become more and more difficult to break.

Though these reasons are sound enough to demonstrate why we should

begin now to cut back the loan rate, to restore domestic sugar to reality-based economics, they are not the only reasons. As I see it, beyond protecting the consumer, the taxpayer, food and candy manufacturers, and even the future of the domestic sugar growers, there are five other specific reasons why this amendment is necessary:

First, we must restore equity to the agricultural community. In 1985 we reduced the price support level of all major commodities—corn, wheat, soybeans, tobacco, and dairy products—on all major commodities except sugar. Rather, we allowed sugar to continue to expand in an artificial environment, planting record levels of acreage at the expense of these other crops. For example, Mr. President, in Texas, in 1987 returns over variable costs for sugar cane producers averaged about $470 per acre compared with returns for corn and cotton of about $200 per acre. In Minnesota, sugar beets returned an average of about $660 an acre while corn returns were about $190 per acre. Not only is this unfair to the farmers, we all pay for it as consumers.

Second, we must demonstrate to our trading partners, currently at odds with us in the Uruguay round of trade talks over agricultural policy, that we practice what we preach. Our negotiators are vehemently arguing against European protectionism in the farming policies, and their negotiators are countering by pointing to our sugar policies which are locking out less expensive foreign sugar.

The third reason springs from the second, and that is that because we are locking out sugar imports—which generally come from developing countries—we are creating economic havoc in Central America, the Caribbean, the Philippines, Africa, and elsewhere. Our laws have caused a 75-percent decline in import quotas between 1981 and 1988, and the Overseas Development Council estimates that this protectionism has completely offset the benefits of the Caribbean Basin Initiative. It has increased the demand for foreign aid to these areas and in the end cost the taxpayer a bundle.

Fourth, our current laws are dealing a ferocious blow to the environment. The elite growers who are getting fat off the sugar subsidies are destroying miles of pristine land, especially in the Florida Everglades, to, as they say, make hay while the Sun shines. When the bottom falls out of the false economy perpetuated by the price support system, the Everglades will require hundreds of millions of dollars to clean up and will never be fully returned to their current state. Even now, there is a Federal lawsuit filed by the U.S. attorney for south Florida. He has sued the Florida Water Management Agency and the Natural Resources Department for failure to regulate the sugar industry in that State.

Another environmental hazard is related to the fifth reason why we must begin to reduce these subsidies, and that is the resultant increase in drug—or coca farming—on lands once devoted to sugar. Many developing nations, including Bolivia and Peru are turning their agricultural acreage from sugar to coca as quotas restrict the former and make it an economically disadvantageous commodity. Presidents from these South American countries have pleaded that we lower our quotas and reduce our domestic price supports to encourage sugar farming as a economically viable replacement for coca farming. As I indicated, the advantages of doing so would spill over into the environment as it's been discovered that converting coca leaf into paste in the Andes has led to the dumping of petroleum distillates and other chemicals in the watershed of the Amazon.

Mr. President, clearly these five reasons are significant enough for us to approve this amendment—to begin now to restore a semblance of equity and economic reality to the sugar growing industry. To reduce the loan support by 2 cents is not a lot, it's not dramatic, but it's a step in the right direction. And we will see the benefits that result from a more even farm policy. We will see the benefits to foreign policy, our drug policy, trade policy, the environment. But again, let me restate the most compelling reason—and that is to take care of the American consumers. It all comes down to the family. It all comes to down to grocery bills, to the cost of living. It's nice to state that cutting back subsidies and relaxing quotas will increase America's competitive posture, but the real issue is taking care of our people. And that's what this amendment is all about.

Consequently, I strongly urge all of my colleagues to support this modest, but necessary step.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of this amendment to provide a 2-cent reduction in the price support level for sugar.

Mr. President, the sugar program badly needs reform. The current program is hurting consumers, it is hurting producers of products containing sugar, and it is hurting many of our sugar-producing allies and neighbors. And all of this for the benefit of only a few thousand producers.

Mr. President, the sugar program is a huge rip-off of the American consumer. According to the U.S. Department of Commerce, the sugar program cost American consumers an estimated $3 billion in 1987, though that figure may now be reduced to $2 billion. In effect, this is an enormous hidden tax—and a very regressive one at that.

Manufacturers of candy, chocolate, and other sugar-containing products also are paying a heavy price for the sugar program. Some have fled to Canada to avoid the inflated United States prices, leaving their American workers behind. Those who have remained are being placed at a competitive disadvantage because foreign competitors are producing their products with cheaper sugar. The result again is lost American jobs and lost American manufacturing capacity.

The harmful effects of the Nation's sugar program do not stop at the border. By limiting imports of sugar, we are hurting many of the poorest countries in the world that depend heavily on sugar exports—countries like the Philippines, El Salvador, Costa Rica, and several Caribbean and African countries. Many of these countries are struggling to maintain democracy and improve their economies. Their people are struggling with desperate poverty.

The United States has strong interests in supporting these countries. Yet while we often uphold these interests in our rhetoric, we undermine them with our sugar program, a program that can only be labeled as protectionist.

For all the costs the sugar program imposes, it benefits a relatively small number of producers: only about 11,000 grow sugar cane or sugar beets, and fewer than 1,000 of those account for 50 percent of sugar production.

The few that benefit do so in a big way. The program's effective annual subsidy works out to between $170,000 to $270,000 per sugar grower. For some, the program means millions of dollars in Government-created income.

Mr. President, our sugar program has been a sweet deal for sugar producers, but has soured our relations with many in the Third World. Millions of Americans—and millions more around the world—are suffering so that a narrow special interest can reap a large and unjustified windfall. That is fundamentally wrong.

This amendment will begin to correct that wrong. I commend my colleague from New Jersey, Senator BRADLEY, for his leadership in this area, and I urge my colleagues to support this amendment.

Mr. HATCH. Mr. President, since 1981, the U.S. sugar program has helped to maintain a secure domestic supply of sugar at reasonable prices for American consumers. The program allows more than 1 million American farmers and workers who produce and process beets, cane, and corn for sweetner to maintain a viable U.S. industry despite unfair foreign competition.

Nearly 100 countries worldwide produce sugar. About 70 percent of all the sugar produced in the world is consumed in countries of origin. Another 15 to 20 percent is traded under bilat-

eral agreements or special arrangements. The rest, as little as 10 percent of the sugar produced each year worldwide, is traded on the so-called world market, a dumping ground for surplus sugar.

Every major sugar producing country subsidizes its producers or insulates them from the world market. These Government interventions allow excess sugar to be dumped on the world market, often at prices far below the actual cost of production. That is why the so-called world price of sugar has fluctuated wildly, ranging from as low as 2.6 cents per pound to as high as 65 cents per pound. In contrast, the U.S. sugar program assures U.S. farmers of an 18-cents-per-pound support level.

Passage of this amendment will impose an extreme economic hardship on our domestic producers and undercut an industry that contributes some $18.5 billion in revenues annually to the U.S. economy and is responsible for over 361,000 American jobs. In addition, passage would also penalize traditional exporters of sugar to the United States and hinder the ability of our Trade Representatives at the GATT negotiations who seek to rid world trade in agriculture of all tariff and nontariff barriers on a concurrent basis.

The U.S. sugar program helps to assure that American farmers and workers will not lose their jobs because of the import of artificially cheap, heavily subsidized foreign sugar. The program operates at no cost to the taxpayer and is supported by all segments of the U.S. sweetner producing industry. It is program that should continue as outlined in the committee bill and until foreign nations end their unfair trade practices, we must maintain a strong, viable U.S. sugar program. It is a good deal for all Americans—consumers, farmers, and workers and I urge defeat of this amendment.

WE NEED TO TRIM SUGAR LOAN RATE

Mr. PELL. Mr. President, I was pleased to join my colleague, the senior Senator from New Jersey [Mr. BRADLEY] in proposing an amendment to reduce the loan rate for sugar by a modest 2 cents, from 18 cents to 16 cents.

Frankly, I support even deeper cuts in this so-called no-cost program. The loan rate has proved to be an expensive disaster that has guaranteed high profits for sugar growers—at the expense of all other Americans.

The modest reduction of about 10 percent, that our amendment would require, is a step in the right direction.

Federal Government outlays for this no-cost program have been minimal but, as my colleagues have pointed out, the cost to nonsugar farmers, to U.S. competitiveness, to our foreign policy, to our drug policy, to our trade policy, to the environment, and to the consumer have been enormous.

Our sugar policy has been characterized as America's least efficient welfare program. Critics cite the U.S. Department of Commerce estimate that in 1988 that the Federal sugar program cost American consumers $3 billion a year.

The critics note that in the preceding year sugar farmers had a total estimated income from sugar sales of about $300 million. That translates into a frightfully inefficient program that costs consumers $10 for each $1 of income sugar farmers received.

The cost to consumers for the sugar program is probably closer to $2 billion per year now, but those costs remain far in excess of what we should tolerate.

A 10-percent cut in the loan rate will not resolve the problem, but it should help stop the needless expansion of acres planted in sugar crops. The less efficient growers and less productive land will be taken out of sugar crops. This may help limit or reverse adverse environmental impacts.

Most importantly, the modest 2-cent reduction will provide a break for consumers. In these years of staggering Federal deficits, when we should be tightening our belts, it is long past time for us to demand that the sugar program be trimmed and that American consumers get an honest deal.

Mr. ADAMS. Mr. President, the debate on the future of the U.S. sugar program has been exceptionally vigorous and hard fought. After serious consideration of the arguments raised by both the opponents and supporters of the existing sugar program, I have decided to vote against the Bradley-Roth amendment.

This amendment would effectively cripple the U.S. sugar industry, an industry that produces approximately $18.5 billion in revenues, and provides 360,000 jobs. Sugar growers, sugar beet growers, refiners, all would suffer. American businesses would go bankrupt and American jobs would be lost.

I have always supported free trade, and accepted the risks that run with such a policy for individual American businesses, because of the benefits that free trade brings to our economy as a whole. In this case, however, I am concerned that the benefits claimed through reduction of the sugar policy are illusory, and not worth the social costs of dismantling the current program.

It is claimed that reduction of the sugar subsidy will result in lower consumer costs, and that the candy makers and the soft drink bottlers will automatically pass on the savings to the consumer. If this actually happened, it would be an act of corporate generosity unheard of in the annals of American business. It is certainly true that excess corporate costs get passed on to the consumer, but in my experience the reverse is rarely true. Especially due to the small amount of sugar in each item.

In addition, estimates made by proponents of this amendment of the potential savings to the consumer are misleading. Massive government support of sugar production worldwide has produced a two-tiered market—a contract market reflecting production costs, and a dump market for surplus sugar priced far below production costs. Estimating consumer savings based on the dump market price is a flawed analysis, because it is not based on a realistic calculation of the long-term price.

Consumers do not benefit from a fluctuating market vulnerable to shortfalls and sudden price increases. Consumers benefit from a steady, stable sugar supply; and that is what they get from the current program.

The proponents also claim that reduction of the sugar subsidy will have foreign policy benefits, both in terms of aiding our allies abroad and in terms of the war on drugs. Again, I find these promises illusory. Once the subsidy is cut we have no guarantees that any of these good things will happen. The sugar market will respond to the laws of the market and the manipulations of entrepreneurs, not our foreign policy desires.

I also feel it is inappropriate to unilaterally reduce our sugar subsidy given our long-term goals in the Uruguay round of the General Agreement on Tariffs and Trade [GATT]. The United States is attempting to eliminate all tariff and nontariff barriers to world trade in agriculture on a concurrent basis. Unilaterally slashing our sugar program at this stage of this negotiations would be tactically unwise.

In conclusion, Mr. President, the potential benefits of this amendment are not worth the very clear costs of dismantling a viable American industry, and I must oppose this amendment.

Mr. MACK. Mr. President, I rise today in opposition to the amendment offered by my colleague from New Jersey, Mr. BRADLEY, which would lower the sugar loan rate from 18 cents per pound to 16 cents per pound.

Mr. President, I oppose this legislation for several reasons, and I would like to take this opportunity to address some of the arguments made by my colleagues in favor of Mr. BRADLEY's amendment.

First, the U.S. sugar program does not deny needed income to developing countries. On the contrary, the system provides foreign sugar-exporting quota holders with a guaranteed U.S. market at prices consistently above those available on the world residual market for sugar. And I want to emphasize the residual nature of that market. The so-called world price for sugar is

essentially meaningless, as it reflects only a small dumped market. According to USDA figures, 110 countries subsidize their sugar in some manner, thereby distorting world markets. Eighty-five percent of that sugar is purchased at subsidized prices which are generally well above the world market price. The remainder is dumped on the world market for whatever price it may bring. This means that the world price is well below the average cost of production, and is therefore a meaningless figure for comparison.

The administration has stated repeatedly that it would not make any modifications in the existing sugar program that might be construed as unilateral concessions in the Uruguay round. However, a reduction in the loan rate by 11 percent, as proposed by my colleague from New Jersey, would do just that. It would send a signal to our trading partners in the GATT that the United States is willing to trade away its industries without requiring reciprocal actions by GATT members. It is imperative that we maintain our leverage as the negotiations continue, so that we are truly able to realize the administration's goal of the complete reduction of subsidies within the next 10 years. This goal is shared by our Nation's sugar farmers who were the first to publicly express their support for the administration's objectives in the Urugary round. U.S. sugar producers have repeatedly stated that they are more than willing to cut their subsidies if other countries will take similar action. However, it makes no sense whatsoever for our producers to accept dismantling of their program unilaterally.

Supporters of the loan reduction have established a completely false linkage between increased coca production in Peru and the United States sugar program. They allege that, because the United States sugar program supposedly discourages sugar production in Peru, that Peruvian farmers have turned instead to coca production. First, coca plants grow in the mountain area of Peru in small plots tended by peasants. Sugarcane, a tropical grass, grows in the river valleys in large units hundreds of miles from the mountainous areas. They further allege that tropical rain forests are being destroyed by coca planters. Since coca is grown on the steep mountain sides, it is hardly a rain forest. Clearly the issue of coca production comes down to one thing: Simple economics. It is far more profitable to grow coca in Peru than it is to grow sugar.

Mr. President, I would like to call to the attention of my colleagues an editorial which appeared earlier this year in my hometown newspaper, the Fort Myers News-Press. This editorial provides some needed perspective on the issue of sugar price supports, and I ask unanimous consent that it be printed in the RECORD as part of my statement.

It is my hope, Mr. President, that my colleagues will join me in opposing any attempt to weaken unilaterally our domestic sugar program and will vote against the amendment by the Senator from New Jersey. Thank you, Mr. President.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Fort Myers (FL) News-Press, May 4, 1990]

HELP FOR NATION'S SWEET TOOTH

Food manufacturers are beating the drums again for dropping sugar price supports. They want U.S. sugar producers to compete on the volatile world market, forcing them to take smaller profits while raising profits for candy, soft-drink, pastry and other food manufacturers.

The cost of sugar represents only a tiny fraction of the cost of a candy bar or a sweet roll. Any lowering of the price of raw sugar would not change prices to the consumers, it would only raise profits for the maker.

But having to compete on the world market could be disastrous for sugar cane and sugar beet growers and processors.

That's because every major sugar producing country subsidizes its producers or insulates them from the world market. More than 70 per cent of world production is consumed in the countries in which it is grown; some is traded under long-term agreements at negotiated prices, and the rest is dumped on the world market at give-away prices.

The world price currently is about 10 cents a pound for raw sugar based at a foreign port, while the world average cost of production is 23 cents a pound.

The present U.S. program provides 18-cents-per-pound loans to growers. That price is maintained to make sure the government is repaid. It provided stability in the sugar market throughout the past decade, without costing taxpayers anything.

U.S. price supports have been criticized for putting the squeeze on some foreign producers whom it is in our interest to help—in the Philippines and Caribbean, for instance. But the free market for sugar is depressed primarily because of dumping by the European Economic Community which has expanded production by almost 40 percent, dumping surpluses onto the free market.

The U.S. program has spared American consumers steep price fluctuations and prevented shortages of sugar. It's in the best interests of American consumers and taxpayers to continue it.

Mr. CONRAD. Mr. President, might I make an inquiry as to the time remaining?

The PRESIDENT pro tempore. The Senator has 13 seconds.

Mr. CONRAD. I yield my remaning time to the Senator from Hawaii [Mr. AKAKA].

Mr. AKAKA. Mr. President, in the 14 years I have served in Congress, this is the fourth farm bill we have debated. With each passing bill, it seems as though fiction, and not fact, governs the debate on sugar. As I listen to everything being said about the sugar program, it appears there is no problem in the farm community today that cannot be blamed on sugar. And, during this year's farm policy debate, it seems that sugar is now responsible for a host of the world's foreign policy problems as well.

First, we are to believe that South American cocaine production is being stimulated by the U.S. sugar program. Clearly, the big, corporate manufacturers of foods and soft drinks who oppose the sugar program will say almost anything to malign sugar. But to attribute the cocaine crisis to the sugar program is a bit ridiculous. Despite what opponents wish us to believe, sugar is not the root of all evil.

Those who seek to gut the sugar program suggest that is must be revamped because the steady flow of cocaine from Bolivia, Colombia, and Peru is directly attributable to the United States sugar quotas and the domestic sugar program. Their theory goes something like this: Because these countries have been cut off from our sugar market, sugar production has lagged and farmers are turning to alternative crops, namely, coca.

One need only look at the agricultural reports from cocaine producing countries to soundly debunk this theory. Since the United States sugar quota was adopted in 1982, Colombia's sugar acreage has increased by more than 10 percent. Our USDA agricultural attaché reports that sugar acreage in Colombia "continues stable while cane yields are improving."

In Peru, sugar acreage has increased 40 percent since the quota was adopted. Despite these increases, Peruvian farmers can produce only 75 percent of their country's sugar needs. As a consequence, Peru failed to fill almost one-third of its quota last year.

Bolivia is not even a player in the field of sugar exports. Despite an acreage increase of more than 10 percent, Bolivia cannot produce enough sugar to satisfy its domestic needs, let alone fill its United States quota.

No amount of sweet talking will make people believe that the domestic sugar program is the cause of our Nation's drug problem. The U.S. sugar program can hardly be responsible for the agricultural woes of these cocaine producing nations when they fail to produce enough sugar to satisfy internal demand or fill their U.S. quota.

Mr. President, the drug crisis is a problem of monumental proportions. All the creative attention and enlightened thought Americans can muster will be necessary to fight this menace. As we search for proper solutions to the vexing problem of drugs in America, I think we should "just say no" to misguided proposals which disguise themselves as solutions to the drug crisis.

Next we are supposed to believe that the sugar program is the most destabilizing influence since Manuel Ortega arrived on the scene a decade ago. In fact, the opposite is true. As a consequence of the United States sugar program, the Philippines and the sugar producing nations of the Caribbean are not required to sell their sugar at depressed prices on the world sugar market.

In a recent study of the Caribbean Basin Initiative program, the U.S. Department of Agriculture and the U.S. International Trade Commission determined that without the U.S. sugar program, CBI revenues would drop by 20 percent. This would mean a loss of several hundred million dollars of exports for the region. Nothing would be a more mortal blow to the fragile economies of our Caribbean friends than the enactment of this amendment. Our struggling neighbors can ill-afford such losses. Will the United States be able to make up these losses through increased foreign aid to the region? Given our current budget woes, I think not.

If the sugar program was as harmful to the economies of the region as the proponents of this amendment would have us believe, then you would expect them to support this amendment. In reality, the opposite is true. Caribbean sugar producers strongly opposed this attempt to cut the sugar program. In the words of the President of the CBI sugar group, "a 2-cent reduction in price would, in fact, result in lower foreign exchange earnings for our economies that need social and political stability."

Those who study the politics of sugar understand that the real villain among the world sugar producing nations is not the United States, which supports sugar at a price equal to the cost of production, but the Common Market. As a consequence of Common Market policies which promote domestic production through exorbitant price supports at the same time that sugar imports are virtually prohibited, the European Community has moved from being a net importer of 1 million tons of sugar in 1970, to exporting nearly 5 million tons of sugar in 1988.

Mr. President, a vote for this amendment is a vote to let Common Market sugar farmers celebrate Christmas in July. It is they who will be the principal beneficiaries of any amendment to cut the sugar program. And sugar farmers in Hawaii and other States will suffer as a consequence.

Any meaningful discussion of this essential commodity cannot proceed without an understanding that sugar is the most widely grown and heavily protected commodity in the world. The U.S. sugar program is fair and appropriate for a country that leads the world in both production and consumption of nutritive sweeteners. In light of the current world and U.S. cost of production for sugar, it is anything but excessive.

Statements of administration policy normally carry great weight when we consider farm bill amendments. With regard to the pending amendment, however, the Bush administration has lost all credibility. That is because they can't seem to make up their mind. By my count, they have voiced their support for the sugar program in four instances and been against it an equal number of times.

The administration has changed its position on sugar almost as often as Secretary Yeutter changes his jacket and tie!

This on-again, off-again approach to agricultural policy prevents growers in Hawaii from making any long-range decisions and keeps sugar workers and their families on the edge of their seats. What we need to do is defeat this amendment so that our sugar growers can go back to producing steady supply of sugar at reasonable prices.

Mr. President, this is a bad amendment. It will hurt the sugar workers in Hawaii. It will hurt our Nation. We will be at the mercy of foreign cartels.

Therefore, Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the demand sustained? Obviously it is.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Hawaii to lay on the table the amendment of the Senator from New Jersey. On this question the yeas and nays have been ordered, and the clerk will call the roll. The clerk will please repeat the responses so that all may hear.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN] is necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

The PRESIDENT pro tempore. Are there any Senators in the Chamber who wish to vote or change their vote?

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—54

Adams	Dodd	Lott
Akaka	Durenberger	Mack
Baucus	Exon	McClure
Bentsen	Ford	Mikulski
Boren	Fowler	Pryor
Boschwitz	Gore	Riegle
Breaux	Graham	Rockefeller
Bumpers	Gramm	Sanford
Burdick	Harkin	Sasser
Burns	Hatch	Shelby
Byrd	Heflin	Simon
Cochran	Helms	Simpson
Conrad	Hollings	Stevens
Cranston	Inouye	Symms
D'Amato	Johnston	Thurmond
Daschle	Kerrey	Wallop
DeConcini	Leahy	Wilson
Dixon	Levin	Wirth

NAYS—44

Armstrong	Hatfield	Mitchell
Biden	Heinz	Moynihan
Bingaman	Humphrey	Murkowski
Bond	Jeffords	Nickles
Bradley	Kassebaum	Nunn
Bryan	Kasten	Packwood
Chafee	Kennedy	Pell
Coats	Kerry	Reid
Cohen	Kohl	Robb
Danforth	Lautenberg	Roth
Dole	Lieberman	Rudman
Domenici	Lugar	Sarbanes
Glenn	McCain	Specter
Gorton	McConnell	Warner
Grassley	Metzenbaum	

NOT VOTING—2

Garn	Pressler

So the motion to lay on the table the amendment (No. 2314) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. Under the order, the Senator from Maine [Mr. COHEN] is recognized to offer an amendment on which there will be 40 mintues of debate to be equally divided and controlled in the usual form, which means that the managers of the bill will control half of the time and the mover of the amendment will control half.

Does the manager of the bill oppose the amendment?

Mr. LEAHY. The manager of the bill supports the amendment.

The PRESIDENT pro tempore. Then under the usual form, the minority leader or his designee will control the time in opposition to the amendment.

Who yields time?

Mr. MITCHELL. Mr. President, will the Senator yield a moment to permit me to get a unanimous-consent agreement regarding the handling of amendments immediately following the amendment of the Senator from Maine?

Mr. COHEN. I am happy to yield to the majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the time used to obtain this unanimous-consent agreement not be charged to either side on the amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that, upon the disposition of the Cohen amendment regarding "flexible basing," Senator BOSCHWITZ be recognized to offer an amendment relating to "loan rate," and that the amendment be under a 2-hour time limitation, equally divided in the usual form; that no amendments to the Boschwitz amendment be in order, and that upon the use or yielding back of time the Senate pro-

ceed to vote without any intervening action or debate on or in relation to the Boschwitz amendment.

I further ask unanimous consent that, upon disposition of the Boschwitz amendment, Senator CHAFEE be recognized to offer an amendment relating to honey, that the amendment be under a 90-minute time limitation, equally controlled and divided in the usual form, that no amendment be in order to the Chafee amendment, that upon the use or yielding back of time the Senate proceed to vote, without any intervention action, on or in relation to the Chafee amendment.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears no objection.

Mr. BOSCHWITZ. Reserving the right to object; after the termination of this amendment, does the majority leader want me to go forward with mine, which I am very willing to do?

Mr. MITCHELL. Yes.

Mr. BOSCHWITZ. I would say to the majority leader that I have a meeting in my office that I cannot avoid, so I will speak on this amendment and attempt to come back and be timely for the proposal and adoption of my amendment, which will come next.

Mr. MITCHELL. I appreciate that very much. I just want to make sure the Senator will be in a position to return so that if we stack these we are not in a position of waiting for everything else.

Mr. BOSCHWITZ. I will be in a position to return no later than 20 after 11.

Mr. SYMMS. Mr. President, reserving the right to be object, and I will not object; I just wanted to make inquiry of the leader and the managers of the bill. Some of us have amendment that are being cleared. I have two now that are cleared. Is there a time where we want Senators on the floor to get those taken care of?

Mr. LEAHY. Mr. President, I ask any Senator who has an amendment that is being cleared to have them here for either the Senator from Indiana or myself. If they have been cleared, we would be happy to bring them up ourselves as we get time.

Mr. SYMMS. That is fine. I will submit them to the managers.

Mr. LUGAR. Mr. President, will the leader submit to a question? How will the recess for the party meetings fit in the 2-hour time limit on the Boschwitz amendment?

Mr. MITCHELL. I think it will come during the Boschwitz amendment. I was going to ask, after we got the agreement, that when we got close to 12:30, if there were any possibility of completing action roughly at that time, it might be wise to do so and vote then. But that would obviously require the consent of both parties.

Mr. LUGAR. Otherwise the time for the vote would come after the recess?

Mr. MITCHELL. Yes.

Mr. BOSCHWITZ. I say to the majority leader that I have spoken on my amendment on the floor several times now so that it may well be that we will not use the entire 2 hours.

Mr. MITCHELL. I thank my colleagues.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears no objection. The request is granted.

Mr. MITCHELL. Mr. President, I thank my colleagues for their courtesy.

The PRESIDENT pro tempore. The Senator from Maine is recognized.

AMENDMENT NO. 2335

(Purpose: To prohibit certain fruits and vegetables from being eligible for the flexibility provisions in the commodity titles)

The PRESIDENT pro tempore. The amendment of the Senator from Maine is at the desk.

The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN], for himself, Mr. LEVIN, Mr. CONRAD, Mr. MITCHELL, Mr. BURDICK, Mr. CRANSTON, Mr. SYMMS and Mr. RIEGLE, proposes an amendment numbered 2335.

Mr. COHEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection it is so ordered.

The amendment is as follows:

On page 316, line 23, after the word "crop", insert the following: "(or any fruit or vegetable crop (including potatoes and edible beans) not designated as an industrial or experimental crop by the Secretary)";

On page 319, line 7, after the word "oilseed" add the following: ", industrial crops and experimental crops (as designated by the Secretary)";

On page 319, line 8, replace the period at the end of the line with a comma and add the following: "except any fruit or vegetable crop (including potatoes and edible beans) not designated as an industrial or experimental crop by the Secretary.".

Mr. COHEN. Mr. President, I ask unanimous consent that Senator MACK be added as a cosponsor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time?

Mr. COHEN. Mr. President, I yield myself 1 minute.

The PRESIDENT pro tempore. The Senator is recognized for 1 minute.

Mr. COHEN. Mr. President, I am going to proceed in a somewhat unusual fashion. Senator BOSCHWITZ has indicated that he has an important meeting that he has to attend with a Cabinet member back in his office. For that reason, rather than proceeding with debating the merits of the amendment, I am going to yield the floor so that Senator BOSCHWITZ may proceed in opposition. Because, in my judgment, the opposition has so little merit to his argument, I do not see this as compromising the substantial arguments in favor of the amendment. So I will yield the floor at this time to accommodate Senator BOSCHWITZ.

The PRESIDENT pro tempore. How much time is yielded by the opposition?

Mr. LUGAR. Mr. President, I yield to the distinguished Senator from Minnesota as much time as he requires.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. BOSCHWITZ] is recognized for as much time as he may require.

The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Thank you, Mr. President, and I thank my colleague from Maine, the senior Senator from Maine.

Mr. President, farm programs are schizophrenic in many, many ways. We send very mixed signals to farmers. And it is that which we are trying to correct, among other things, in the 1990 farm bill.

The whole idea of flexibility which has been watered down in the 1990 farm bill is to begin the process of unmixing the signals that we send to farmers. First, we tell the farmers to plant fence row to fence row. Then we reverse the signals by introducing a conservation reserve program. Then, with high target prices and higher loan rates, we induce plantings so that farmers plow up new lands and plant wheat, corn and other crops in new areas, marginal areas farther up the side of the hill in southeastern Minnesota, further out to the prairies in South Dakota, Colorado, and North Dakota; land that really should be grazed, land that really should not be cropped.

Then we have a reversal and we buy that land that we have induced into production, we buy it out of production with the conservation reserve program or some other program.

Then we send the soil and conservation experts out to the land and we tell farmers how they can drain their swamps. We tell them how they can tile their land and we even participate financially in tiling the land so that they can drain the swamps. And then we turn around and we implement swamp buster because what we expected to happen is happening, wetlands are being drained.

And so it is over the years that we have this schizophrenia that applies to agriculture and to agriculture policies. There really is no consistency.

In 1985, when we offered this 5-year farm bill, Senator BOREN and I offered a 6-year farm bill because prior to that there had only been 4-year farm bills. We felt it was important to have consistent policy. We wanted a longer

period. We did not get 6 years, but we got 5 years. And now 5 years is the established norm. As a matter of fact, in the bill that I introduced I even asked for 7 years hoping that it might go up another year once again. The likelihood of that happening was not great because then we would have it once again in an election year and that is not considered to be desired if it can be avoided.

But, in any event, there has been a very schizophrenic element to the whole business of agricultural policy, and it is that which we were trying to begin to change with the business of flexibility. And now comes my good friend from Maine and says that with the flexibility that we have introduced here that we are possibly undermining producers of fruits and vegetables and other crops.

Back in 1985, when we had the so-called decoupling plan where we not only allowed a farmer to retain his base but to get a payment and be able to plant other crops. The Senator from Maine made the point that he is making this morning to me and I agreed with him. And so in this farm bill we simply say that the farmer will be able to maintain his base, his corn base, his feed grain, wheat, cotton, or rice base. The interchangeability of crops is not quite as great as some would think.

The interchangeability of cornland or wheatland with potatoes, asparagus, or various root crops for which special equipment is involved really is not very great.

For things like navy beans and sweet corn, the interchangeability is greater. Really, my farmers have more to fear from that than do the farmers of the Northeast, farmers who are principally involved in more specialty vegetable crops than ours in the Midwest are.

Specialty crops such as vegetables are highly intensive forms of agriculture that are not going to spread to the Midwest simply because we say to a farmer you can have flexibility and retain your corn base.

The reason we put that into the bill is because the basic asset of agriculture is the land. And there is no queston about the fact that the value of the land is enhanced by having a crop base on that land. We simply cannot, as we begin this process of moving toward flexibility, take away or devalue the basic asset of agriculture.

However, we remove almost all of the advantages that the farmer has with respect to planting those acres to a nonprogram crop. The advantages that he would have, of course, are the payments that he would not receive under the flexibility plan that is in the 1990 farm bill.

So the purpose of this bill is not to lock farmers into doing certain things. But now, as we begin to unlock, we are once again locking up by virtue of this amendment. We are saying to the farmers: You have flexibility, but not very much flexibility. Yes, you can plant your regular crop or you can respond to the market, but not in all crops. Not in most crops, as a matter of fact. Of all the varieties of crops that you might plant, most of them have been removed.

It is for that reason I object to this amendment. We are trying to unlock agriculture from restraints. This amendment would lock more restraints back into agriculture, even as we try to move away from that.

I understand the opposition to this amendment. You are providing something of a safety net by allowing the base to remain. But the important thing is we are providing no payments. We do not want to undermine the basic asset of agriculture. But we do, indeed, want flexibility to occur in a fair way. That is why we have removed the payments.

I hope my friends and colleagues will watch this vote because some of those people who voted on the last amendment and voted for a lower sugar support and called it a consumer vote, will not reverse the field. They will vote with my friend from the State of Maine, though I do not believe there will be a rollcall vote on it. There will not be a rollcall, Mr. President, because of the lack of support for my position. That lack of support comes because, as is so often the case in agriculture, there is a shift of positions. Yes, we want to vote for the consumer on sugar, but we do not want to vote for the consumer when it comes to adding flexibility to what farmers are able to do. That is the basic argument.

There is a great deal of schizophrenia in farm programs. We are making an effort in this bill to remove that. We are making an effort to provide more market orientation in this bill. Yet, with this amendment we are removing some of the advantages we are seeking in this new 1990 farm bill.

I thank the Senator from Maine for allowing me to speak at this time and for his courtesy. I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDENT pro tempore. The Senator from Maine has 19 minutes and 12 seconds.

Mr. COHEN. Mr. President, I yield myself 3 minutes.

The PRESIDENT pro tempore. The Senator from Maine is recognized for 3 minutes.

Mr. COHEN. I ask unanimous consent Senator GRAHAM of Florida be added as a cosponsor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. COHEN. Mr. President, contrary to what the Senator from Minnesota has just argued, this is not a question of flexibility; it is a question of fairness. By the way, this particular amendment is supported by both the minority and majority members of the committee. It is also supported by the Western Growers Association, the American Farm Bureau Federation, the Florida Fruit and Vegetable Association, the United Fruit and Vegetable Association, the National Potato Council, and the administration.

This is not an anticonsumer vote. It is a pro-consumer vote. Let me briefly explain what is involved here when I say it is an act of fundamental fairness to all farmers.

This amendment addresses two provisions in the farm bill: zero certification and flexibility. Under the zero certification provision, a program crop farmer could plant nonprogram crops on his acreage base without losing any of that base, if he certifies that no program crop was planted.

Under flexibility, a farmer could set aside 25 percent of his acreage and grow a nonprogram crop; for example, potatoes or broccoli or some other fruit or vegetable without losing any of his acreage base.

The fairness that is involved here is the situation where those who are covered with Federal supports are in direct competition with those who are not. Senator BOSCHWITZ has argued it is only flexible. The fact of the matter is, this is absurd. Every farmer has a total freedom to plant anything he or she wants. They can plant fruit, vegetables, anything. We have over 1,000 potato farmers in Maine, and I do not recall a single farmer ever going down to a Government office to get a writ of production to grow potatoes. You can grow anything you want in this country, and you do not need the Government's permission.

Farming is like a high wire act. You have to fight against the elements; you have to fight against the insects; you have to fight against domestic competition; you have to fight against foreign competition. It is easy to fall off that high wire.

What Senator BOSCHWITZ wants is to protect a certain class of farmers walking on that high wire by providing a safety net below. If they go into, let us say, the potato market for a year with 25 percent of their acreage, and if they do not make it and they fall, they simply fall back onto their original protected acreage base.

So they can fall and be secure and know they can go back to their wheat or corn or whatever else they were growing that was protected. But the Maine potato farmers or Idaho potato farmers or those in California, if they fall, there is no safety net. They simply have to take the whims of the marketplace.

The PRESIDENT pro tempore. The time allotted to the Senator has expired.

Mr. COHEN. I yield myself 1 additional minute.

The second argument is one of market stability, Mr. President. I am all in favor of market stability, and I am particularly aware of its importance in the potato industry. It is a very supply-sensitive industry.

In a recent study by the U.S. Department of Agriculture, they found for every 1-percent increase in supply of potatoes, there is a corresponding 4-percent decrease in price. So in my situation, the potato farmer can have a good year. They are having a good year this year; they are breaking even. The crops may look appealing to Senator BOSCHWITZ' farmers, and they may decide to go into potatoes this year. If they go into potatoes, they increase supply, the market price goes down, and then we have tremendous failures up in my area of the country, or in Idaho or elsewhere.

So market stability is critically important. What we are arguing for and what is supported by the overwhelming majority of the people involved in this issue is not only fairness to all farmers, treating them equally, but also market stability so we do not have one group of farmers saying we tried our act and we failed; we walked the high wire and fell off, and now we are going to go back to the safety net so we can have our programs protected to the full extent.

I urge the adoption of my amendment, Mr. President.

Mr. SIMPSON. Will the Senator yield for a comment?

Mr. COHEN. I yield 1 minute to the Senator.

Mr. SIMPSON. I thank the Senator for yielding.

Mr. President, I want to compliment the Senator from Maine. He is absolutely right, in my opinion, in the comments he has made.

Mr. President, it is no secret in this body this Senator grew up in the produce business. In fact, I spent this past weekend at the orchards in Idaho. The amendment of the Senator from Maine is very fair. It tries to recognize, and we do all recognize, that there are nonprogram crops and they are a very important part of the U.S. economy, such as most of the fruits and vegetables that people consume. It would disrupt the market to engage the farm programs with those nonprogram crops. We have edible dry beans in Idaho, peas and lentils, and many other crops.

I compliment the Senator for the work he has obviously done on this amendment. He is a real asset to the Senate. I thank him very much for the work he did and for the privilege of being a cosponsor of the amendment.

Mr. COHEN. I thank the Senator.

I yield 2 minutes to Senator CONRAD.

The PRESIDENT pro tempore. The Senator yields 2 minutes to whom?

Mr. COHEN. The Senator from North Dakota.

The PRESIDENT pro tempore. The Senator from North Dakota is recognized for 2 minutes.

Mr. CONRAD. Mr. President, under current law, on 25 percent of a farmer's base, he can grow anything and protect that program base. Under our amendment, he can grow anything, but he cannot protect his base if he grows fruit, vegetables, potatoes, or dry edible beans.

The issue is simply this: Program crop producers with a protected base will shift to nonprogram crops during periods of high prices. For example, a corn grower in North Dakota with a program base can increase potato plantings when potato prices are high and fall back on his program crop base when potato prices fall. This is clearly unfair to producers who rely solely on potatoes or other nonprogram crops for their livelihood.

Simply stated, Mr. President, those who oppose this amendment are not arguing for flexibility; they are arguing for instability.

I thank the Senator from Maine and yield the floor.

Mr. COHEN. Mr. President, how much time remains?

The PRESIDENT pro tempore. Senator COHEN has 12 minutes and Senator LUGAR has 10 minutes. Who yields time?

Mr. LUGAR. Mr. President, I yield myself as much time as I may require.

The PRESIDENT pro tempore. The Senator from Indiana yields himself as much time as he consumes.

Mr. LUGAR. Mr. President, this amendment points up the problems of farm programs generally and the inflexibility that is inherently a part of programs as they are now written. I shall not strenuously oppose the amendment of the distinguished Senator from Maine because largely the green book of the U.S. Department of Agriculture and much of the argumentation we have heard before the committee is supportive generally of the Senator's amendment.

Clearly, those producers of small vegetable and fruit crops are fearful that in the event that the large acreage that are not planted in the so-called program crops of corn, wheat, cotton, and rice, are shifted, if even a small percentage of those acres were shifted to the nonprogram crops, it is going to have enormous disruption. I understand that. This is the reason why the Senator's amendment will be adopted and deserves to be a part of the bill.

I take this occasion, however, to point out that there will come a time, I suspect, when many farmers will not be involved in the programs. They will find it advantageous economically not to restrict their planting in order to qualify for the program crops. They will make choices as the market dictates. Certainly, theoretically, most economists would suggest that a farmer ought to have the full gamut of options. If on a particular occasion, if the climate and the weather and the geography is good to plant potatoes, that farmer ought to plant potatoes, as opposed to corn or wheat or rice or what have you. Many of these choices are dictated by geography, and clearly some choices of plantings are entirely inappropriate.

But we have managed to fashion in U.S. agriculture such a rigid system that farmers now really, on many occasions, cannot make choices dictated by supply and demand, by the market in this country or the market abroad. For a corn farmer in Indiana to deviate from planting corn is to risk the loss of the crop history which he must have to undergird the program payments. Therefore, the farmer plants corn.

In my own situation in Indiana, the logical choice in some years would be plant more soybeans, but as soybeans do not have a program, therefore, are not supported in the same way corn is, farmers are inclined to plant corn. It is clearly the safer option. The arithmetic has to be extraordinary to change that.

In this particular amendment, the thought was that farmers could move off and plant potatoes and not lose their history. They would not get money from planting the potatoes in the deficiency payment situation, as they would with corn. Clearly, these would have to be an extraordinary year in which the arithmetic in favor of potatoes was better than the arithmetic in favor of soybeans. This is an unlikely occurrence. Therefore, the Senator has pointed up a potential dilemma for the small nonprogram crops. In actuality, it is probably not a very large one in most sections of the country most years.

As I mentioned to the Chair, in due course, I suspect, good agricultural policy will lead to more general flexibility in which the farmers will be able to use their very best acres to plant those crops in this country that are the most efficient, the most low cost, therefore, the most competitive in our world situation.

The farm bill now in front of us makes some modest steps in favor of flexibility. We may have amendments offered which attempt to augment that flexibility in due course. But this is, in my judgment, not the place in which that argument will rise or fall. I commend the Senator for pointing up something that is of great concern to many of the nonprogram crop people in the country.

I see no Senators on our side of the aisle in opposition to the amendment. I will withhold yielding back all time until I make certain of that, but I am prepared to do that at the point the distinguished Senator from Maine is prepared to end this debate. I thank the Chair.

Mr. COHEN. I thank the Senator.

Mr. President, I yield the Senator from California 3 minutes.

The PRESIDENT pro tempore. The Senator from California [Mr. WILSON] is recognized for 3 minutes.

Mr. WILSON. Thank you. Mr. President.

Mr. President, I rise in support of the amendment offered by the Senator from Maine, and I particularly like the analogy he has made. We on the floor often make reference to leveling the playing field. The particular metaphor he has chosen illustrates that program crop producers who are seeking so-called flexibility do have a safety net that is not available to nonprogram crop producers. This safety net comes in the form of base acreage protection, price supports and income supports.

What we would see, I think, if it were not for the Cohen amendment, is that even though payments would not be made on the acreage shifted to nonprogram commodity production, the program crop producer would have the opportunity of resuming production of a program crop with full program benefits in subsequent years. This ability of a program crop producer to move 25 percent of his production into nonprogram crops could cause disequilibrium in the fruit and vegetable market.

Additionally, there is the concern of those who are engaged in the production of fruits and vegetables that increased imports of these commodities into the United States could exacerbate an oversupply problem created, in part, by the production of fruits and vegetables on program crop acres.

The Senator from Indiana has just made that point, and it is all too clear to anyone who has been involved in even the casual observation of agriculture. So what we would have without the Cohen amendment is, in effect, Government encouragement of intrusion into what is a very fragile marketplace.

A disruption of the balance would not be good for the consumer, Mr. President. Perhaps in the short run, some glut of the market would produce lower prices for the consumer, but obviously in any case where that drives people out, where it knocks people off the high wire that Senator COHEN has alluded to, the long-term net effect for the consumer is that with fewer producers, with uncertainty in the marketplace, there will be higher prices, and that is not good for the consumer nor for the farmer.

Mr. President, in addition to commending the Senator from Maine, I wish that the amendment permitted the inclusion of foraging crops. I understand the pressures that caused him to remove that provision from his amendment. It is present in the House language, and I think in conference that those who are urging its inclusion will prevail. They should. There is no reason that the producers of foraging crops should not have the same protection as other nonprogram crop producers.

But what we have here is a very wise amendment by the Senator from Maine. I join him in supporting it.

The PRESIDING OFFICER (Mr. LIEBERMAN). Who yields time? The Senator from Maine.

Mr. COHEN. Mr. President, I believe the majority leader should arrive on the floor momentarily and would like to address the Senate on this issue.

I thank the Senator from California for his comments. I must say that when he referred to net effect, I am not sure whether he was referring to the safety net that we were talking about earlier.

But let me come back to a particular point that I made earlier. We are not at all saying that farmers should not have flexibility. In fact, we agree that they should have total flexibility. If they want to plant 25 percent of nonprogram crop, they should do so. Plant 50 percent, plant 75 percent, plant 100 percent, but do not ask farmers in one area of the country or in several areas of the country who do not receive the sort of protection the Federal Government provides to stand idly by while they have to withstand all the competitive forces. Do not ask Maine farmers to watch while their competitors whom they are subsidizing through their tax dollars come in and seek a share of the market and, if they fail, go back to their full acreage protection. This is something that is fundamental to the farm program.

The Senate Agriculture Committee report accompanying S. 2830 itself acknowledges that protecting the based of subsidized farmers who choose to grow potatoes would unfairly give one class of growers an insurance policy that would be denied to nonprogram farmers.

All we are saying by this amendment is that if you want to get into the market, if you want flexibility, you cannot expect a guarantee. We are saying that you cannot go out into the volatility of the marketplace and then come back into the safety of the Federal Government's security program. We do not have a security blanket for Maine potato farmers or the other fruit or vegetable producers. I do not think that we should provide one for a special class of fruit or vegetable farmers.

Mr. CONRAD. Will the Senator yield for a moment at that point?

Mr. COHEN. Could I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 5 minutes and 46 seconds.

Mr. COHEN. How many minutes?

The PRESIDING OFFICER. Five minutes.

Mr. COHEN. I yield to the Senator from North Dakota.

Mr. CONRAD. I just want to drive home the point that the Senator from Maine is making. Really, absent this amendment, we will create two classes of producers: Those who have complete flexibility with a protected program base, and those who have complete flexibility with no protected program base. Obviously, that creates an unfairness. I commend the Senator from maine for making, I think, a cogent argument on that point.

Mr. COHEN. I thank the Senator for his comments.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maine has exactly 5 minutes remaining.

Mr. COHEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COHEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. COHEN. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Maine has 4 minutes remaining.

Mr. COHEN. I yield 4 minutes to the Senator from Maine, the majority leader.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader, Mr. MITCHELL of Maine.

Mr. MITCHELL. Mr. President, I want to express my support for the amendment offered by Senator COHEN, myself, and other Senators. I commend Senator COHEN for his effort on this matter.

This amendment provides a measure of basic fairness for Maine's potato farmers. It is needed since S. 2830, as reported by the Agriculture Committee, would allow program crop producers to grow nonprogram crops such as potatoes without penalty toward determining their eligibility for current or future Federal farm program subsidies.

The committee bill allows farmers to shift up to 25 percent of their wheat and feed grain base acreage into any program crop, any oilseed, and any

nonprogram, nonoilseed crop without suffering a loss in crop acreage base.

In addition, S. 2830 allows producers to shift 100 percent of their acreage out of the program crop into any other crop without losing base.

Maine potato farmers have told me they fear that if such a program did not exclude potatoes from the crops, that could be grown, many program crop farmers would plant potatoes on the shifted acres, continue to receive farm program benefits and, in effect, subsidize their potato acres.

The combination of these two provisions could potentially lead to greatly increased potato acreage. Program crop farmers who take advantage of the bill's provisions would do so knowing that if potato prices, for whatever reason, declined, they could simply return to producing a program crop the following year with no penalty.

But potato farmers in Maine, if potato prices for any reason declined or plummeted, would have nothing to fall back on and would have to try to make up their losses the following year with no assistance from Federal farm programs. There is no fairness to that proposition.

Our amendment would preclude the planting of fruits and vegetables, including potatoes and edible beans, not designated as an agricultural or experimental crop by the Secretary of Agriculture on these acres.

It levels the playing field so Maine's potato farmers will not have to compete against farmers whose planting decisions are based in part on the availability of farm program benefits not otherwise available for potato growers.

Just last week, the Department of Agriculture issued its first estimate of fall potato acreage. The department estimates that the fall potato States planted 1.17 million acres. That acreage is up almost 6 percent from the previous year.

That is not surprising, given that potato prices for the past few years have been pretty good. If prices remain high again this year and the committee report language is not modified as proposed in our amendment, the department will likely estimate acreages much higher next year.

The prospects for this increased production to have a negative impact on potatoes would be great. The program crop farmers would not have to worry; they would go back to the program crop in 1991 or maybe move on to another nonprogram crop that had a couple of good price years.

If program crop farmers want to plant potatoes, they should take the same risk as potato farmers. Anything else is not the ideal called a free market about which the Secretary of Agriculture speaks so often.

Mr. President, I support the amendment. I urge its adoption by the Senate. I thank my colleague for his efforts and for yielding this time.

Mr. LEVIN. Mr. President, I am joining with several of my colleagues in offering an amendment to protect certain nonprogram crop producers from potential economic damage due to the unrestrained flexibility provisions in S. 2830. As the bill now stands, program crop producers could grow any crop on up to 25 percent of their permitted acreage without losing their historical crop acreage base.

Though the bill does not allow deficiency payments for flexed acres, my concern is that traditional program crop producers might turn to growing fruits, vegetables, potatoes, or dry edible beans. If this happens, traditional nonprogram crop producers could find their income reduced as a result of increasing supplies on the market that would lower prices of these commodities. The prices of these crops are supply-sensitive and might drop below a level at which a traditional nonprogram crop producer, who does not have the benefit of returning to a program crop payment system, could afford to maintain his farm.

This amendment does not prohibit growers from getting into the fruits, vegetables, potatoes, or dry edible beans business. They already have that right, and the right to grow as much as the market will bear. However, I see no reason why we should allow flexibility to change the playing field and provide further options and benefits to program crop producers that are not given to nonprogram crop producers. Producers of these commodities in Michigan can compete with any country and any other producer in the world, but let us not change the rules on them and force them to compete against their neighbors, if their neighbors are getting a better deal from the Government for producing the same crops. The amendment simply seeks to level the playing field.

One of the strengths of Michigan's agriculture is its diversity. This amendment will help ensure that this diversity is maintained and enhanced. I urge my colleagues to vote for this amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Maine has 24 seconds remaining.

Mr. COHEN. Mr. President, I yield back all remaining time.

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes 8 seconds remaining.

Mr. LUGAR. Mr. President, I yield back all time on our side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to amendment No. 2335 offered by the Senator from Maine.

The amendment (No. 2335) was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order the Senator from Minnesota was to be recognized for the purpose of offering an amendment.

Mr. LUGAR. Mr. President, the Senator from Minnesota has been notified and is on the way to the floor. For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota [Mr. BOSCHWITZ] is now to be recognized for the purpose of offering his amendment. Debate will proceed for 2 hours divided in the normal fashion.

Mr. LEAHY. Mr. President, I ask unanimous consent that the debate be shortened to 1 hour and 35 minutes divided equally in the usual fashion.

The PRESIDING OFFICER. Is there objection?

Mr. BOSCHWITZ. Why do we not make it 1½ hours?

Mr. LEAHY. Make it 1½ hours, divided in the normal fashion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The time will be controlled by the Senator from Minnesota and the manager of the bill.

Mr. LEAHY. Yes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for the purpose of offering an amendment.

AMENDMENT NO. 2336

(Purpose: To modify the loan and purchase authority for wheat and feed grains)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] proposes an amendment numbered 2336.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 67, line 17, strike "nor below $2.44 per bushel".

On page 68, lines 11 and 12, strike "nor below $2.44 per bushel".

Mr. BOSCHWITZ. Mr. President, this is an amendment about which I have spoken on the floor a couple of times during the course of the farm bill consideration and it is for that reason that I am pleased to reduce the amount of time that is allotted to the actual consideration of the amendment.

I apologize to the distinguished chairman of the committee and the ranking minority member for my delay in getting here to the floor.

This amendment would continue forward the 1985 farm bill with respect to loan rates. It would keep loan rates competitive.

I spoke on the floor yesterday about the 1985 farm bill and about what farmers would say about this farm bill if asked. I have asked hundreds of them, perhaps thousands of them, throughout my State. I have seen polls, too, where hundreds and thousands more have been asked the same question and they respond with surprising unanimity with very large margins of majority "Why don't you just continue the 1985 farm bill? The 1985 farm bill has served us well."

While I agree that the farm bill itself must be supplemented by a good rainfall, it must be supplemented by a dollar that is not too expensive, it must be supplemented by reasonable prosperity around the world so that buyers can buy, nevertheless, the essence of the 1985 farm bill that has made it such a valuable tool in changing the direction of agriculture has been competitive loan rates.

In the 1990 farm bill, we continue the loan rate formula but we establish floors. This amendment removes those floors.

The loan rate has been established under the 1985 bill and once again under the 1990 bill at 75 to 85 percent of the average market price in the 5 preceding years, taking out the high year and the low year and averaging the other three. The Secretary can choose 75 or 85 or somewhere in between. The Secretary has always chosen the lower figure, 75 percent of the average market price. It has caused loan rates to go down.

With the use of the so-called Finley provision, loan rates have been made even more competitive. The result has been that we have exported far more than we did in earlier years.

Senator BRADLEY and I asked the GAO to report on the 1985 farm bill. We asked them to report what it did with respect to carryover stocks, what it did with respect to exports, and what it did with respect to farm income. In each case, the GAO reported that the 1985 farm bill had achieved the goals that it set out to achieve and singled out the idea that more competitive loan rates had made it possible for us to recapture world markets.

As you see in the chart behind me, Mr. President, exports rose very rapidly from the early 1970's when they were at $6 or $7 billion and went up all the way to $43 billion and then fell precipitiously back to about $26 billion and now have once again climbed to $40 billion.

If there is a positive note in our balance of trade, it is agriculture, because in this red area, as shown on this chart, the positive trade balance which once again has opened up to nearly $19 billion. We export $19 billion more of agricultural products that we import.

Exports are the very essence, the very base of profitability in rural America, not only for the farmer who has had 3 very good years, but also for the infrastructure of rural America. As I have earlier pointed out on this floor, Mr. President, our constituency goes beyond the farmer. Our constituency goes to the infrastructure of agriculture where more people work, where more families are supported than on the farm itself. Our constituency is broader than just the farm. Our constituency is rural America.

The way that the Congress has always helped rural America is by priming the pump, and the pump is our farms. The pump is primed by making it possible for the farmer to move and sell his goods. Those who are involved in the sale, storage, movement, insurance, and all the other elements of the production of the goods, whether it is either chemicals, or seeds, or oil and gas, and all the other elements that go into the business of farming is as important as the farms themselves. More people work in the infrastructure than do on the farm.

Those who say that loan rates should be high so that we are unable to command a substantial export share, would condemn rural America to inactivity. So it is the purpose of this amendment to continue loan rates in their competitive march. That does not necessarily mean downward because in the case of wheat I think that loan rates will not go down.

But this bill would establish for wheat a base of $2.44 a bushel under which the loan could not go. It is not likely that the loan will go under that rate because of the market price of the 5 preceding years. But, nevertheless, if markets dictate that it should go lower, then it should go lower. And indeed the farmer will be protected because we are not changing the target price in this amendment.

The same goes for corn, which is an extraordinary crop. Let me refer to another chart, Mr. President. As you see in corn, which is an 8 billion bushel crop, 30 percent is exported. That is about 2½ billion bushels. And while 64 percent of wheat is exported, all of the wheat production is not as much as the 30 percent that is exported in corn. The entire wheat crop is only somewhat over 2 billion bushels and the export of corn is 2½ billion bushels.

All of that activity is extraordinarily important to rural America, and all of that activity will be more likely to continue if loan rates are made competitive on world markets and if loan rates can continue to reflect the marketplace. That is the essence of this amendment; that loan rates be able to continue their march in response to markets, that loan rates not be artificially give a floor, that loan rates be able to reflect the marketplace and the international needs of our friends and customers abroad.

So that is the purpose of this amendment, to remove the floor, to allow the marketplace to work. This is a market-oriented amendment. I trust that my colleagues will see it for what it is intended, and indeed it is intended to really gear up rural America and make it a viable, aggressive, productive, and profitable area of our country which it so badly needs to be.

Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER (Mr. KERRY). Who yields time? If no one yields time, time will be charged to both sides, equally divided.

Mr. LEAHY. Mr. President, I yield myself such time as I may need.

Mr. President, first I should note that once I have spoken, I hope that if there are others who wish to speak they might do so. I will then request whether there is the possibility of yielding back the remainder of the time. I mention that so Senators will be alerted that we could vote on this amendment before the time is used up.

Mr. President, as I have said many, times here on the floor on other amendments, we worked very hard in committee to get this final bill out; months and months of meetings, many weekends, and evenings. Several times the staff worked around the clock. We traveled to a dozen or more States, traveled thousands of miles, held hundreds of hours of hearings, and received thousands of pages of testimony.

What we came out with was a basic compromise. This is not the bill that I would have written had I been the only person to vote on it. I am sure it is not the bill the Senator from Minnesota would have written were he the only one to vote on it. But we cannot have 100 bills here on the floor. We can have only one. And this one balanced as many interests as we could, and so many of the things that are in this bill are a result of that kind of balance. That is the reality.

Now we can unravel that whole balance and we will be here until mid-Oc-

tober, perhaps, having votes, trying to put back together what the committee has spent months to craft. I am not sure the Senate is well served by that, and I know the American people are not well served by that. It makes far more sense to try to get this bill through the Senate and then when we go to conference, following the budget summit, we will know whether we are going to have to make major changes.

A number of people wanted to raise loan rates, not lower then. The House, incidentally, has already taken action to raise loan rates. We reached a compromise to freeze loan rates. We make the Secretary think a little bit about whether or not he should make the Finley reduction. We actually give him a fair amount of flexibility.

I think it is a fair compromise. I must say that the amendment before us unravels that compromise and in unraveling that it starts an avalanche throughout the whole bill that will unravel many, many other compromises. I can tell you if we take this amendment, I can see others coming in here with amendments to raise loan rates or to change a number of other things.

So, I will oppose the amendment. I urge Members to support what the committee has done. Otherwise, I think we open the door to a flood of amendments and a complete rewrite of the bill. I must say, Mr. President, having worked on this bill since the beginning of this year, going through all those meetings to try to craft this farm bill, if we have to take it apart and put this Rubik's cube back together again, we will be here well into next month on this issue alone and we will still have it to do all over again after the budget summit.

I yield to the Senator from Indiana such time as he may need.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I come to join the chairman in a common plea. With regard to the amendment before us, I believe the amendment, in terms of the economics that the Senator from Minnesota described, is a sound amendment. Clearly the loan rate program of the Federal Government with regard to agriculture ought to be related to markets. Floors are related to markets. The 5-year average ought to be able to go down as well as up. It seems to me the economics of what he says are unexceptionable.

The dilemma, it seems to me, of the amendment coming at this point is that the whole loan rate structure of agriculture has been discussed at very great length in the Senate Agriculture Committee. The chairman does not overstate the situation by describing days and weeks and, as a matter of fact, on the loan rate structure itself, as I recall, the better part of a month was consumed as Senators on both sides of the aisle tried to come to a compromise, which is a part of the legislation in front of us now.

Mr. President, let me for the sake of the record state that because we will probably be making this argument subsequently on other amendments that come from other directions, the amendment of the distinguished Senator from Minnesota is one I find agreeable. I think it is sound economics, and therefore I am reluctant to oppose it. I suspect on occasion amendments may come in that I do not think are very sound, and I would be much less reluctant to oppose.

But the chairman is correct. We have wrestled with at least three cardinal issues in the bill: The loan rate structure, the target price structure, and the set-aside acreage proposition. Throughout all of the negotiations within the committee, I took a position that we ought not increase target prices. We ought not increase loan rates. For the sake of a competitive America, we ought not increase the set-aside of economically efficient acres that are competitive with the rest of the world.

I felt very strongly about all three of those points, which all members of the committee will certainly attest to. I felt if we went in the wrong direction of higher target prices, higher loan rates, and more set-asides, that I would oppose the bill. I would suggest we not have a 5-year bill. We would be better off with a 1-year bill continuing current policy rather than making a mistake for 5 years into the future.

My judgment on this was not arbitrary. Clearly, I foresee the continuation of income rising in agriculture America in the next 5 years; it ought to be the same as for the last 5, if we follow the basic principles of the 1985 farm bill. And essentially we are doing that in this legislation.

But it is also true, Mr. President, we are not considering the agriculture bill in a vacuum. We are considering it at a time that the President of the United States has met, today, with leaders in this body—Senator MITCHELL and Senator DOLE and distinguished Members of the House—at a summit on the economy to talk about very grave cuts in domestic and military programs, to talk about the potential increase of taxes.

To be considering on this floor higher target prices, higher loan rates, more of the trends at least that were fashionable in some farm bills of the past all in the name of helping agriculture and helping the country, it seems to me would be a very bad mistake historically, as well as in the timeframe in which we work.

I appreciate the fact the committee has reported a bill in which target prices are frozen for 5 years, they were not increased; a bill in which the loan rate structure at the top was not increased; and in which set-asides if anything have been decreased; and in which there is a certain degree of flexibility, although not nearly so much as I hope we can finally achieve by the time we have completed work with the House in conference or completed work on the floor.

That is a very substantial achievement, Mr. President.

The Senator from Minnesota comes with the proposition clearly we would be more competitive in this world if we followed the market as opposed to the structures that we have created in the loan rate situation.

As I said at the outset, I do not disagree with the theoretical economics of this. I observe that members of our committee did find the need for a floor below which loan rates would not fall was very important in terms of their support of this legislation. They finally accepted my proposition that loan rates should not go up. But a majority of Senators also accepted the thought that loan rates should not fall beneath the floor of the current year.

We had a further argument, Mr. President, about the so-called Finley loan rate proposition in which the Secretary of Agriculture may reduce loan rates below this floor by 20 percent and, on that proposition, a whole structure of a compromise was built that may be debated further during the course of this. But I shall support the compromise that was reached, difficult as that structure may be for all of us to understand, and certainly there are opponents to it simply on the theoretical economic side as well as the practical side.

But we reached a compromise, Mr. President, finally, on the loan rate business. It appears to me the amendment of the Senator would undermine that compromise. I would just signal that in the same way I will speak against the amendment of my friend from Minnesota in which I basically find a great deal of merit, I would speak equally strongly against those who want to raise target prices, if they should come along, or those who want to unravel the loan rate structure in another way, or those who want to set aside large amounts of land in America, hoping somehow prices will rise if supplies are curtailed. I think all of these measures would be sorely wrong at this point.

So, reluctantly, Mr. President, I must oppose the amendment of the Senator from Minnesota, and I do so in solidarity with the chairman of our committee, Senator LEAHY. We have worked together to try to fashion a bipartisan farm bill. We appreciate the support that our efforts have been given by Members on both sides of the aisle.

This, in a way, is the first significant test of a delicate compromise on the loan rate, target price, set-aside situa-

tion. Therefore, I am certain it will be met at least with vigor by both the chairman and by myself, and that is my testimony presently.

I yield.

The PRESIDING OFFICER. Who yields time? The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I would like to return to the amendment. I say to my friend, the chairman of the committee, we should certainly be ready to vote on this within moments and conclude this amendment before lunch.

Mr. President, there are a couple of things I have not said about the amendment that I wanted to mention as well. First, it saves $581 million, a most significant point. It may well be we are going to have to come to this, as the distinguished chairman said; we are going to have to come to this as a result of the budget reconciliation process at some later date. Perhaps in the conference when we get together with the House. But it saves a very significant amount of money.

Second, the administration supports this amendment and supports the move toward a more market-oriented farm bill.

I agree with my friend from Indiana, and also with the distinguished chairman, the senior Senator from Vermont, when they say the committee worked hard in order to bring the bill forward that is now before the Senate.

The committee worked day and night. The staff worked more nights than did the Senators, but we, indeed, put in some very long hours, had internal conferences, and this bill, like every other bill that comes before the Senate, is a compromise. I recognize that. The distinguished chairman also knows that not only is the Senator's right but a Senator's duty to come to the floor and seek to improve a bill as he sees it. That is, indeed, what I am seeking to do.

I understand that some feel they must abide by the compromise and seek to do good work later on in conference or be compelled to do it later on due to the stringencies of the budget.

But it is important, also, Mr. President, that this amendment be brought to the floor. Most of our colleagues are not terribly well-informed about the very arcane nature of agricultural programs. It has a vocabulary all of its own. It has concepts that befuddle the reasonable mind very often. It has programs that are extraordinarily complex, as are most programs of Government.

One of the ways of clarifying them and making them less complex and one of the ways of achieving that is through the efforts of greater market orientation.

Also, if we are to move to a freer and fairer world trade, a greater market orientation is demanded in the farm bill of 1990. I heard my friend, the Senator from New Jersey, speak this morning about the Europeans, as I have spoken about the European Community and its Common Agricultural Policy.

This chart shows the changes that have occurred in the European Community. In the middle seventies, it was the largest importer of grain. In 1977-78, it was an importer of almost 20 million metric tons of grain, which would be approximately 700 million bushels. Now it is a net exporter of more than 700 million bushels of grain. It subsidizes those exports to the tune of many, many billions of dollars.

If we are going to return to a greater fairness in world trade, we need a greater market orientation in the 1990 farm bill. Agriculture in world trade is not like industrial goods. Industrial goods flow quite freely in international trade. Agriculture is protected in every conceivable way. It is subsidized in ways that boggle the mind, whether it is through direct subsidies, whether it is through subsidies of transportation, whether it is through some type of sanitary subsidy or restraint. The number of ways of affecting agricultural trade are endless.

The way that we are going to stop the European Community in the long run from upsetting world markets is by having a more market-oriented approach in the United States. By having a more market-oriented approach in the United States, we raise the cost of the European Community's subsidies. They are now at approximately $55 billion a year, not counting the extra costs that are imposed upon the consumers. We have put great pressure upon the Europeans. We need to continue to put great pressure on the Europeans if we are to open up world trade.

Opening up world trade is beneficial not only to American farmers, but to farmers of the Third and Fourth World countries. Where does this 20 million tons of grain go? It goes to the Third and Fourth World countries, to the Egypts, to the Nigerias, to the countries of the world where farmers are very fragile; where farmers do not have any government support; where, interestingly enough, even though farmers are the majority of the population, it is the people in the cities where revolutions are made; where the people in the cities are subsidized with low costs of bread and low costs of farm products.

Those farmers who are just hanging on in the Third and Fourth World countries suddenly find their markets invaded by subsidized commodities either from the United States and, to a much greater degree, from Europe. So we drive down agricultural prices in those countries with our subsidies and bring ruination to farmers in the Third and Fourth World who really are hanging on by their fingernails.

That is part of the overriding purpose of my approach to the 1990 farm bill: to make it more market-oriented, to put greater pressure on the Europeans, to continue the launch away from this vast array of complicated subsidies that are part of world agriculture of the developed world, but not of the undeveloped world or the underdeveloped portions of the world. That is really the case for market orientation in agriculture.

So this amendment would continue the 1985 farm bill. It would continue the 1985 farm bill in a way that will, indeed, not only benefit American agriculture and benefit agricultural trade, but will meet the great approval of the American farmers.

As I said in my earlier remarks, if you ask farmers what they want in the 1990 farm bill, they say, why not just continue the 1985 farm bill, because it has been successful. It has not been the only element in agriculture that has brought success in the agricultural sphere, but it has been an important element in agriculture in bringing about the success of the most recent years.

This amendment would continue the most basic element of the 1985 farm bill, market orientation in loan rates, a competitive orientation in loan rates. That is why I am offering it today, even though I recognize that this bill, as it comes to the floor, is a compromise that reflects a great deal of hard work by the chairman of the committee, whom I much admire and who, I think, has done a terrific job in bringing the bill in this form to the floor.

I say the same for my friend, the senior Senator from Indiana, as well. They have worked hard. There is no question about that. But compromises are a way of bringing legislation to the floor. Because they have worked hard, because it is a compromise, as is every bill that comes to this floor, does not mean that out of hand we must accept that bill and vote against every amendment.

Mr. President, I urge the adoption of this amendment and I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do all Senators yield back their time?

Mr. BOSCHWITZ. I am prepared to yield back my time.

Mr. LEAHY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to amendment No. 2336 of the Senator from Minnesota. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN] and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

The result was announced—yeas 32, nays 65, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—32

Armstrong	Gorton	Murkowski
Bond	Gramm	Nickles
Boschwitz	Hatch	Roth
Bradley	Heinz	Rudman
Chafee	Helms	Simpson
Cohen	Humphrey	Stevens
D'Amato	Kasten	Symms
Danforth	Lautenberg	Wallop
Dole	Mack	Warner
Domenici	McCain	Wilson
Durenberger	McClure	

NAYS—65

Adams	Ford	Lugar
Akaka	Fowler	McConnell
Baucus	Glenn	Metzenbaum
Bentsen	Gore	Mikulski
Biden	Graham	Mitchell
Bingaman	Grassley	Moynihan
Boren	Harkin	Nunn
Breaux	Hatfield	Packwood
Bryan	Heflin	Pell
Bumpers	Hollings	Pryor
Burdick	Inouye	Reid
Burns	Jeffords	Riegle
Byrd	Johnston	Robb
Coats	Kassebaum	Rockefeller
Cochran	Kennedy	Sanford
Conrad	Kerrey	Sarbanes
Cranston	Kerry	Sasser
Daschle	Kohl	Shelby
DeConcini	Leahy	Simon
Dixon	Levin	Thurmond
Dodd	Lieberman	Wirth
Exon	Lott	

NOT VOTING—3

Garn	Pressler	Specter

So the amendment (No. 2336) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I will momentarily make a unanimous-consent request for the Senate to proceed to consideration of the resolution concerning the ethics investigation of Senator DURENBERGER. I have over the past several days discussed the scheduling of the matter with the distinguished Republican leader, with the chairman of the Ethics Committee and the vice chairman of the Ethics Committee, Senators HEFLIN and RUDMAN, as well as with Senator DURENBERGER himself. The committee report and several of the volumes of the hearings were filed in the Senate and available for all Senators as of 3:20 p.m. on yesterday afternoon. Although the 48-hour rule is not in effect in this instance, were it to be in effect, the Senate would then, absent unanimous consent to the contrary, be in a position to take the matter up at 3:20 p.m. on tomorrow, Wednesday, July 25.

I encourage all Senators to review the report and so much of the hearings as they deem appropriate and I believe that in light of the committee's resolution and the interest of the Senate in a prompt and fair disposition of this matter that we should proceed to consideration of the resolution on tomorrow.

As I indicated, I have made my decision following consultation with Senator DOLE, Senator HEFLIN, Senator RUDMAN, and Senator DURENBERGER. I ask and encourage each Member of the Senate to be present during consideration of the resolution. This is a very important matter for Senator DURENBERGER himself, for the Ethics Committee, for the ethics process, and for the Senate as an institution. In order to discharge his or her duties in a fair and responsible way, I think it important and appropriate that each Senator be present to hear the presentation by the chairman and vice chairman of the Ethics Committee and, of equal if not greater importance, to hear directly and in person from Senator DURENBERGER himself, should he choose to address the Senate during the consideration of the resolution.

Accordingly, Mr. President, I now ask unanimous consent that at 3:30 p.m. on Wednesday, July 25, the pending business be temporarily laid aside and the Senate proceed to the consideration of Calendar No. 705, Senate Resolution 311, a resolution concerning the Select Committee on Ethics investigation of Senator DAVID F. DURENBERGER.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, and I will not object, I want to underscore what the majority leader has stated and indicate that we have cleared this request with the Senator from Minnesota [Mr. DURENBERGER]. It is a very important matter. I thank the majority leader for his expeditious procedure to get it to us at the earliest possible time, give us time to take a look at the reports. It is a very important matter. I have no objection to the request.

Is there objection? Hearing none, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that there now be a period for morning business and that Senator JEFFORDS be recognized to address the Senate; that following the completion of his remarks, Senator AKAKA be recognized to address the Senate; and that upon the completion of Senator AKAKA's remarks the Senate stand in recess as under the previous order to accommodate the party conferences until the hour of 2:15 p.m.

The PRESIDING OFFICER (Mr. LEAHY). Is there objection? Hearing none, it is so ordered.

The Senator from Vermont [Mr. JEFFORDS] is recognized.

A REVIEW OF FEDERAL DAIRY POLICY

Mr. JEFFORDS. Mr. President, I am asking for this time to discuss the farm bill and in particular the dairy provisions of the farm bill. I think the most remarkable thing with respect to the farm bill this time is the fact that the dairy title is not the center of attention. When I was in the House for some 14 years, the dairy program in the farm bills during that period of time was always the number one controversial area. Everyone, including the media focused on the problems of the dairy program.

The debate on the 1990 farm bill offers us a good opportunity to review the effectiveness of Federal farm programs. Therefore, I would like to take this opportunity to briefly discuss the effects of our Federal Dairy Program on farmer income, milk prices and supplies and on the ongoing problem of surpluses.

As most of my colleagues know, during my tenure in Congress I have been deeply involved and concerned with the shaping of dairy policy. Not only does it represent a major economic contributor in my State of Vermont, it is also one of the largest and most productive sectors of our agricultural economy, with annual cash receipts totaling $18 billion.

When I first entered Congress in 1975, the dairy industry was beset with low farm prices and incomes and high costs for feed and other production inputs. In an effort to stabilize prices, and to avoid the roller coaster effect of low prices and high levels of surpluses followed by tight supplies and higher prices, Congress instituted a system of providing semiannual adjustments to the support prices as part of the 1977 farm bill.

Although this worked reasonably well in stabilizing farm prices and farm incomes, it led to increased levels of milk production over the next 2 or 3 years.

By 1981, dairy cow numbers had substantially increased, causing higher production levels and a buildup of dairy surplus stocks. In an effort to

deal with this problem, the 1981 farm bill instituted a set of triggers relating the minimum support level to the size of the CCC purchases. This was a major departure from traditional price support policy under which price changes were tied directly to parity. In addition it used an assessment to cut cost, but at the same time gave hope for a big price bonus.

Although I was not a member of the 1981 farm bill conference committee that instituted these changes in calculating the support price, there was a fundamental problem in establishing a program that only called for price cuts based upon levels of CCC purchases. It did not deal with the basic problem that was facing the dairy industry—cow numbers—too many cows.

Following this change in the 1981 farm bill, further legislation was enacted in 1982 which froze support price for 2 years, and provided for assessments of producers totaling $1 per hundredweight to help offset rising Government costs for CCC purchases. However, history has clearly shown that milk production levels do not respond well or quickly to price cuts, and during the period of 1981-83, cow numbers actually increased from 11.1 to 11.5 million head, although surplusses and program costs went down. But the program was successful; its period of operation was too short to have any lasting effect. The short period had to be agreed to to get any supply management program.

By 1983, dairy surplus purchases increased from about $247 million in fiscal year 1979, to a high of $2.7 billion. In response to these increased costs, Congress initiated the Milk Diversion Program, which paid farmers to reduce milk production for a 15-month period. An assessment on producers was utilized to help offset the cost of the program. This largely remedial measure did result in a reduction in cow numbers and milk production levels, however, the effect was only temporary. It did show that the combination of supply management and price cuts could be successful.

It was not until the 1985 farm bill that Congress established a program which effectively dealt with the problem. The program included two important features that would not only significantly reduce milk production levels, but substantially reduce Government costs and at the same time improve farm incomes as well.

The 1985 farm bill authorized the Dairy Termination Program which allowed dairy farmers to sell their entire herds and to keep their dairy facilities out of use for a period of 5 years. At the same time, Congress authorized price re-reductions in the support program to also help lower incentives for milk production.

In order to help pay for the Dairy Termination Program, Congress authorized assessments on producers as well. This combination of price cuts, coupled with major reductions in cow numbers, was one of the most effective farm programs ever enacted.

The theory behind the whole herd buyout was to "cull cows not farmers." It provided a smooth transition for those who wanted to retire or change their farming operations while at the same time avoiding the more volatile and savage approach of pure price cuts.

First of all, let us take a look at what happened. In July 1989, the U.S. General Accounting Office issued a report on the Dairy Termination Program which examined its overall impact and cost-effectiveness. Among the key findings of the GAO report were the following:

The DTP reduced milk production by 39.4 billion pounds during the period of 1986-90. It had its greatest impact in 1987, when it reduced production by 11 billion pounds, a decrease of more than 8 percent of our national production.

The DTP reduced Federal purchases of dairy surpluses by 38.1 billion pounds during the same period.

The program accepted bids from 14,000 producers, resulting in a reduction of 1.62 million head of dairy cattle.

Most significantly, the DTP resulted in a net savings to the government of $2.4 billion.

Assessments to dairy farmers of $667 million helped to pay 38 percent of the cost of the entire program.

GAO determined from this information that the DTP was a cost-effective program.

Let us examine this in graphic form. These are not my charts. They are not some we are using to give the best light to the program. This is a GAO chart. This indicates and demonstrates forcefully what the impact is. The top bars are what would have happened if we had not had the Dairy Termination Program. What did happen is shown by these shaded bars on the chart. It is much, much smaller, as you can see. So the surpluses we would have had without the Dairy Termination Program would have been huge, and we would be swimming in butter, cheese, and milk. However, it worked so well that we got production way down. As a result, it stayed down, in combination with price cuts which went along with it. We had brought the program under control.

Equally as important as the reduction in cow numbers, lowered milk production, and decreased government costs was the increase in farm income of $6.6 billion made possible by enhancing the price received for milk.

Therefore, a supply management program such as the DTP would be far more effective than straight price cuts in addressing overproduction problems in the future. However, I would recommend the following modifications be considered for any future buyout programs,

First, future buyouts should be structured to remove herds only in those areas that are overproducing.

Second, consideration should be given to a buyout under which the USDA would set a bid price to prevent the unfairness created by the past program, where accepted bids ranged from $3.50 per hundredweight to $22.50 per hundredweight.

Third, a heifer buyout should be studied as an option for achieving small reductions of up to 1 billion pounds of production.

Fourth, exports of dairy cattle under the Export Enhancement Program, which was established in the 1985 farm bill, should be encouraged in conjunction with any future buyout program. Every effort should be made to advise dairy cattle exporters and cooperators in advance of a buyout so that the export potential can be maximized.

Fifth, beef producers, feed lot operators, and the futures markets should be made aware of provisions in the program that protect the beef industry from buyout beef entering the market.

Sixth, any future buyouts should be phased in over a period of time to protect beef producers.

IMPACT OF DTP ON THE BEEF INDUSTRY

I would like to expand on my previous points five and six regarding the impacts of the DTP on the beef industry. Much has been said about the effects of the DTP on the cattle industry. The 1985 farm bill included strong measures to protect beef producers from downward pressure on beef prices due to the DTP. In fact upward pressures were created. USDA was required to purchase and remove from the market excess beef resulting from the DTP. The program was to be phased in slowly over a period of 18 months. Unfortunately, information about this phase-in did not reach beef producers, feed lot owners, or the futures markets.

The Beef Purchase Program removed 400 million pounds of red meat from the market, which represented all cows removed from production under the DTP. An additional benefit to beef producers resulted from this program since about 65,860 head of cattle were exported, not slaughtered, under the DTP. Due to these exports, USDA bought roughly 16 million pounds of red meat above what was attributable to the DTP. Further, the purchasers included cull cows that would have been on the market even if the DTP had not taken place.

Despite these facts, and despite the steps Congress took to protect the beef industry, beef prices dropped for

a short period in April 1986. Beef producers maintained that the DTP was solely responsible for this price decline and sought compensation from Congress for their losses during this period.

Again, let me show my colleagues—this is not my chart—this is a chart designed by the Department of Agriculture, which indicates what happened to beef prices during this period of time. If my colleagues will take a close look at it, let me point out some things.

First of all, beef was in difficult time. This point right here, this is decade-low beef prices, September 1985. This was 6 months before the Dairy Termination Program. It was at a figure of $49.10 on average for all beef. The utility cows were the only cattle prices affected. You get hamburger meat from the slaughter of dairy cows. The price was lower than that, and it goes up and down with other beef prices.

What happened? During this period of time of the Dairy Termination Program, carefully note, the overall impact during that period of time was a significant, not substantial, rise in beef prices. In fact, in March 1989, the decade-high beef prices occurred.

My colleagues will also notice in this period of time, during the Dairy Termination Program, there is a little falloff here. But also notice during a similar period, during other years, there is that kind of a spring falloff. However, there is a little blip in here. This is a 2-week period which occurred in April 1980.

In addition, a study by the General Accounting Office released in November 1987 concluded that low consumption and weaker than anticipated beef markets combined with unwarranted concerns about the DTP caused an overreaction in the futures markets that drove the beef prices down. It also concluded that better communication between USDA and the Commodity Futures Trading Commission could have helped reduce market disruption. Another study by the Congressional Research Service (86-160 ENR) came to many of the same conclusions. Some Members of Congress also observed that the beef industry should have better informed the markets about their provisions to protect their beef industry, particularly since industry representatives helped draft these portions of the legislation.

It should also be noted that beef prices were lower in 1985, before the DTP, than at any time during or after the DTP. The present outlook for the beef industry remains very favorable and prices have never been higher. The DTP deserves some of the credit for the improved prices for beef. Some 1.6 million dairy cattle that would have otherwise been competing in beef markets during the life of the 1985 farm bill were removed.

In addition to these benefits a beef promotion program was also initiated the year of the DTP's commencement to help increase sales of red meat.

Despite all of these safeguards, the beef industry has steadfastly maintained that the DTP was largely responsible for the downturn in beef prices following the announcement of the program on March 28, 1986. However, the evidence does not substantiate that claim. Dairy beef competes most directly with utility grade beef. During the period of following the announcement of the DTP on March 28, the price for utility cows dropped from $37.50 per hundredweight on March 27, to a low of $32.25 per hundredweight on April 9. However, by April 17, the price for utility cows was back up to $37.25, and to the March 27 level of $37.50 by April 24. Given the number of utility cows slaughtered during that short time period, and fully charging all reductions in prices to the DTP, the actual cash loss is approximately $15.4 million, as opposed to the $5 billion loss claimed by the beef industry.

It appears that these larger losses were incurred by futures traders who believed the beef market would be depressed. When that did not happen some of these futures traders were caught short. These losses were on the commodities markets caused by misinformation or lack of information not the true program design. It is important that the true story of what actually happened as the result of the dairy herd buyout be discussed fully and that the facts be presented for everyone to judge. To prevent consideration of a most successful program because of a failure of USDA to provide sufficient information to beef producers and the futures markets is not a good reason to not utilize this program again. It foregoes an opportunity to save billions of dollars in the future.

FUTURE DAIRY PROGRAMS

I would now like to turn my attention to the future. Our experience in past policies and programs should enable us to identify what will work and what will not work. We know, for example that price cuts by themselves are not effective in reducing milk production unless they are used in combination with other approaches such as the Dairy Termination Program. In addition there are a number of other important considerations regarding the 1990 farm bill. They include: Changing incentives to discourage greater production of butterfat; encouraging greater protein production in milk in recognition of the tremendous consumer response to cheese and other protein based milk products; ensuring that the dairy program operates at a budget level of at least $725 million, and that funds not used in CCC purchases be made available for the School Lunch Program, TEFAP and other nutrition programs; and ensuring that prices for butter do not drop so rapidly as to cause increases in other dairy products such as nonfat powder which could result in substitution by casein and other lower quality protein products.

We also have on the horizon BST, hovine somatotropin. If that is approved, and it is on the verge of being approved, it could result in increased dairy production of 15 to 20 to 30 percent per cow per year. If that occurred and should be generally used we are going to have a huge surge in supply. What can we do about it? We are going to be very limited without the ability to have something like the Dairy Termination Program.

Second, we have other innovations—the ability to separate male and female sperms, so instead of getting 50 percent bulls and 50 percent heifers you can get all heifere, which again could create an upsurge, reduce prices perhaps, reduce costs to consumers, but create a real surplus problem.

Another matter that is of concern to me is that we have to be careful that we do not let the program be totally driven by deficit considerations. We must work on that aspect as well.

Overall, the dairy industry is in pretty good shape. My main concern is that on the supply management side we are going to be so limited in the ability to be able to stop surges in supply that we run into problems in the future. Right now things look great. The price is up. We do not have a surplus except in butter. Things are working well.

So I just want to let the body know that I intend to offer some amendment. Obviously, it is very controversial when you get to the Dairy Termination Program, but I think it is important we get the facts out because the facts are on the side of the dairy farmers and we should not be precluded from being able to handle, as we have successfully in the last 5 years, problems of the future.

Two tier pricing is another thing that is not precluded by the bill. We ought to talk a little bit about that. And also some other aspects. But primarily right now the dairy industry is in good shape. It has done an excellent job in handling its own problems, and all we ask is that we not be precluded from using succeessful programs of the past.

Mr. President, I thank the chair for the time to be able to bring these matters to the attention of the body, and I look forward to further action on the floor. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii [Mr. AKAKA], is recognized.

(By unanimous consent, the remarks of Mr. AKAKA appear in the debate on amendment No. 2314.)

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 1:25 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I ask unanimous consent that I be allowed to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. I thank the Chair.

CAMBODIA

Mr. KERREY. Mr. President, I rise today to discuss a number of things in relation to Cambodia once more. There are a number of things coming together that at least are of interest to me, and I in particular direct my comments to my colleagues who are concerned about the issue, as well as to the administration that just made a significant change of policy toward the Cambodians.

First of all, today there is a delegation of six that arrived from the United States in Phnom Penh to have discussions with the Cambodian Government about American remains of those missing in action. This will provoke most certainly an emotional response in people like myself and others who will get a bit upset and wonder why this was not done earlier. We are not altogether pleased about withholding of this kind of information.

In addition, there was an article in the New York Times this morning that was written by Steven Erlanger, who described the ASEAN nations' irritation. The foreign ministers were upset with the change in position of the United States. They believe in fact what it would do is encourage the Khmer Rouge militarily that the United States was meaning to vacate the seat at the United Nations and that they were of the opinion that what this would do would be precisely the opposite of what the administration hoped would occur.

Third, Secretary of State Baker will be in Indonesia on Friday as a follow-up to this meeting of the foreign ministers to discuss the Cambodian policy, among other things. I urge the administration to stay the course in particular on their policy to vacate at the United Nations and to try, as a consequence of that vacation, to isolate the Khmer Rouge diplomatic community.

I urge the administration to go further, in fact, and be even more bold than they have and to say directly to the Chinese that we want you to discontinue your supplying the Khmer Rouge. We are going, in fact, the next step. As a part of our policy, we should be saying to the Communists: We are going to lift the Trading with the Enemy Act restrictions. We are going to exchange some representation between ourselves and the Government of Cambodia without recognizing in fact the Government of Cambodia. Our object in fact is to have an independent nation that is independent of Vietnam and all its neighbors, and free and independent.

If we make that move, it will enable us to feel comfortable when we see the pictures that were in the New York Times on Sunday. I urge my colleagues to look at those pictures. You wonder as to whether or not we can go to another permanent five meeting and wonder whether or not we ought to figure this thing out.

The fact of the matter is children are dying on the border of Cambodia and Thailand. Mines have been placed by the Chinese, by the Hun Sen government, and God knows who else, has placed mines upon this border. It is a human tragedy going on day in and day out. And it is possible for the United States of America to contribute to the end of that tragedy if we rise, as I hear in the words of Secretary Baker, that he is about ready to do, and not be concerned about those of us who are going to be angry at the Cambodian Government withholding these remains, not be concerned about the ASEAN nations not particularly liking this particular change in policy. We need to advance further.

I urge the administration to consider exchanging some diplomatic representations so we can know what is going on there; to go further than that and lift the Trading with the Enemy Act restrictions so we begin to influence the policy in that particular region of the world and continue, I think, the course that the administration at least appears to be heading on today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask unanimous consent I be permitted to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMBODIA

Mr. KERRY. Mr. President, first of all, I want to join my colleague, the Senator from Nebraska, in his comments. He has helped significantly to draw attention to the issue of Cambodia and the remaining issues to resolve in Vietnam over the course of these recent months.

I also want to underscore the importance of this moment for the administration. I wish the administration had announced the other day that they were planning to talk to Hun Sen. My hope is that, having been so willing to talk with the Chinese 1 month after Tiananmen Square and with countless others in the world with whom we disagree, they would avail themselves of this opportunity.

ROSE FITZGERALD KENNEDY

Mr. KERRY. Mr. President, on Sunday, July 22, a very special American—and proudly, a very special daughter of Massachusetts—celebrated her 100th birthday.

Rose Fitzgerald Kennedy, as we all know, is mother of a beloved President of the United States, two inspirational U.S. Senators, 9 remarkable children, 29 grandchildren, and 22 great grandchildren.

Her 100 years have been nothing less than extraordinary—moments of triumph and tragedy, learning and teaching, giving and receiving—an unfaltering commitment to family—to children—to standards and values—and through it all a faith in God which has held her steady in times of darkness and grateful in times of blessing—of which there were many.

Her 100 years seem to have always been public because she was born into a life of public service and public concern. And what a service and expression of concern it has been.

Her father, the famous John Francis "Honey Fitz" Fitzgerald, was Mayor of Boston, and one of Massachusetts' leading politicians. When she was a young girl, Rose Kennedy participated enthusiastically in her father's career and simultaneously managed to carve out her own niche as the Belle of Boston, a young woman full of energy and purpose.

While her father's achievements at that time made her life comfortable, her roots always kept her close to her family's humble beginnings and she never stopped working for working people. The dignity of the individual was at the core of her upbringing and so it was to be with each of her own children. As the daughter of the Mayor she started early in life to work to "improve the lot of others"—a phrase we have come to know well—and to guarantee that her children would learn and live that credo as well.

It is one thing for any of us to merely contemplate the loss of one of our own children. It is surely hard to imagine the pain and struggle for survival after such a loss. Rose Kennedy guided and inspired her family, her friends and her followers through such a loss—not once, but four times—Kathleen killed in an airplane accident; Joseph heroically fighting for country; Jack and Bobby to the bullets of crazed assassins—all representing

more talent lost and pain inflicted than we would have thought anyone could endure.

Rose Kennedy set an example to the Nation about sacrifice and hope and faith. But more than the losses she helped us endure there were the gifts she helped us enjoy. In President and Senators, in all her family she has inspired a credo which reflected her respect for life and her compassion for people less fortunate.

To be sure there have been in these 100 years the recognizable public accomplishments: the creation after World War II of a foundation which to this day is dedicated to improving the lives of children with particular focus on the needs of the mentally retarded. Her commitment of an enormous amount of personal energy to the work of the Foundation, becoming a leading spokeswoman for child health care and for the mentally handicapped; the fact that she raised 3 sons who became Senators—all of whom contested for the Presidency and one who won it; the fact that her children and family have affected so many lives in so many ways. These are extraordinary achievements by themselves.

But perhaps the greatest measure of her 100 years is the vision and sense of family she has shared with everyone. With her special passion and commitment for her family so publicly played out she has helped pass on one of the greatest of our traditions which is at the center of American life.

As Rose Kennedy approached her 90th birthday, she revealed the lesson which she most hoped to impart to her family, "I hope that when they contemplate the past, they will understand that they also inherited a duty to that nation which sheltered and nourished their ancestors. For I believe as I was taught, that when great blessings are received, large obligations are owed." Rose Kennedy has been a blessing to the Nation and we do indeed have an obligation to her and great gratitude for what she has accomplished. I know my colleagues join in wishing this past week, an extremely happy birthday on her 100th birthday to Rose Fitzgerald Kennedy.

Mr. LEAHY. What is the parliamentary situation?

The PRESIDING OFFICER. Right now, under the previous agreement, the Senator from Rhode Island is to be recognized for an amendment, with 90 minutes equally divided.

Mr. LEAHY. I ask unanimous consent that I be allowed to proceed as in morning business for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMBODIA

Mr. LEAHY. Mr. President, the distinguished Senator from Nebraska [Mr. KERREY], had some very cogent comments on Cambodia earlier. I recommend that all Senators listen carefully to what he had to say. I certainly intend to give strong consideration to the comments of Senator KERREY and the views of Senator MITCHELL on Thursday when the foreign aid bill comes before the Appropriations Subcommittee on Foreign Operations. I do not know exactly what position I will take at that time. But I find the argument which Senator KERREY, of Nebraska, and Senator MITCHELL made to be very, very compelling, indeed.

FOOD, AGRICULTURE, CONSERVATION AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

AMENDMENT NO 2337

(Purpose: To modify the honey price support subtitle)

Mr. CHAFEE. Mr. President, on behalf of myself and the Senator from Massachusetts, Mr. KERRY, and Senator PELL, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. KERRY, Mr. PELL, Mr. LAUTENBERG, and Mr. BRADLEY, proposes an amendment numbered 2337.

Mr. CHAFEE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 350, strike line 1 and all that follows through page 352, line 6, and insert the following new subtitle:

Subtitle C—Honey

SEC. 1041. HONEY PRICE SUPPORT.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 1017 of this Act) is further amended—

(1) in section 201 (7 U.S.C. 1446), by striking subsection (b); and

(2) by adding at the end the following new section:

"SEC. 208. HONEY PRICE SUPPORT.

"(a) 1991 THROUGH 1994 CROPS.—For each of the 1991 through 1994 crops of honey, the price of honey shall be supported through loans, purchases, or other operations at such level as is determined to be appropriate by the Secretary.

"(b) 1995 AND SUBSEQUENT CROPS.—Beginning with the 1995 crop of honey, the price of honey shall not be supported through loans, purchases, or any other operations.".

SEC. 1042. RESEARCH ON HONEYBEE DISEASES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) diseases affecting the entire honeybee population impact on the ability of honeybees to carry out crop pollination and honey production, and therefore impact negatively on beekeepers, producers and consumers; and

(2) certain diseases (such as those caused by tracheal mite, varroa mite, and the Africanized honeybee) pose a threat to the continued well-being of the general honeybee population, and thus merit further study.

(b) RESEARCH.—Notwithstanding any other provision of law, the Secretary of Agriculture shall give priority attention to the funding of research regarding the diseases referred to in subsection (a) that are affecting the honeybee population.

Mr. CHAFEE. Mr. President, today I am offering the Senate an unusual opportunity to restate its views on an expensive program which is in our current farm program; namely, the U.S. Honey Price Support Program. The Senate voted to end this in 1985, but that amendment, which was adopted by the Senate, was dropped in conference. There were some slight changes made in the program, but basically the program is back with us again.

Mr. President, what my amendment does is to phaseout over 4 years the Federal Honey Price Support Program. This is a good amendment, and I urge its adoption.

Mr. President, why do we have a honey program? Let me go back just a minute if I might. The honey program grew out of the difficulties, if you can believe it, of World War II. All this took place nearly 50 years ago.

During the war, sugar was rationed and honey became a highly sought after sugar substitute. Furthermore, the beeswax produced by honey bees was important to use to waterproof ammunition and military equipment. So honey was, therefore, in high demand in the early 1940's, during the war. And honey bee colonies and domestic honey production grew by leaps and bounds. In fact, honey was characterized, if you can believe it, as war essential.

However, that is no longer true for a variety of reasons. Since then, substitutes have been developed for beeswax that are more economical and much easier to produce. So the beeswax as war essential argument is gone.

America returned to peacetime in 1945 and 1946, and honey prices dropped dramatically. So what should happen but the honey-producing industry turned to Congress for help. The result was the establishment of a Honey Price Support Program in the Agricultural Act of 1949.

The overall purpose of the act was to provide economic stability in several agricultural crops. It is important to remember what the purpose of the Honey Price Support Program was. It was to ensure an adequate supply of honey bees for the purpose of pollinating many fruits, seed, nut, and vegetable crops. That was the rationale.

How did the original program work? Support for honey was accomplished through the nonrecourse loans to the honey producers. Through the U.S. Department of Agriculture, Agricul-

ture Stabilization and Conservation Service, the ASCS, loans were provided at any one of 2,800 ASCS offices on the basis of the honey that was produced domestically.

This is the way the program worked. Participants were allowed to borrow an amount at the specified loan rate up to 90 percent of the honey pledged as collateral. The Secretary of Agriculture was directed to set the loan rate at between 60 and 90 percent of parity. Parity, as my colleagues know, is a measure of the purchasing power of commodities today compared to the purchasing power in the early 1900's. The loan rates differed slightly depending upon the quality of the honey but the average had to equal the specified support price.

All that is a mass of words, of complexity. This the way it worked. Honey was put up as collateral to the Commodity Credit Corporation. There it was put into storage. The honey producer then waited to see when the market would be good for selling the honey. If the market never looked good enough to enable the borrower to repay the loan, the borrower simply forfeited the honey to the CCC [Commodity Credit Corporation], and the loan was considered repaid. This is the way the system worked. They put up the honey as collateral for a loan. They could take it out again if the price of honey rose. But the price was set so high by the Commodity Credit Corporation that there was no point in redeeming it.

In other words, as we can see in this chart, this shows by millions of pounds how the Commodity Credit Corporation was storing up this honey, which was turned in to it.

We had 6 million pounds in 1980. Then it jumped to 35 million pounds. Then it jumped in 1982 to 74 million pounds. This is really a pretty good deal for the honey producers. Then in 1983 it went up to 106 million pounds; in 1984, 105 million pounds—over 100 million pounds. This stuff was pouring out of the CCC storage area.

We see in 1985 forfeitures then began to drop, and I will explain how that worked. Do not think this was salvation. Yes, it dropped but the cost to the Government, on the other hand, in dollar output, increased.

I will review this briefly. At the start of the 1980's, as I said, support prices rose above both the domestic and the world honey prices and honey began to be forfeited to the Commodity Credit Corporation for the first time in a decade. It started with a very modest amount, 6 million pounds. The next year it went up sixfold, to 35 million. Then it doubled to 74 million. All this occurred in the early 1980's.

By 1984, as I pointed out on the chart here, the annual CCC stock of honey had reached an alarming 105.8 million pounds, a phenomenal increase since 1980. This represented 98 percent of all honey under loan.

People would take it, get a loan, get a nice, handsome loan, see the honey price was not anywhere near that and leave it.

Mr. LEAHY. Mr. President? Will the Senator yield for an unanimous-consent request?

Mr. CHAFEE. Oh, yes.

Mr. LEAHY. Mr. President, I ask unanimous consent the time in opposition to the amendment be controlled by the Senator from South Dakota [Mr. DASCHLE].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I wonder if the Chair would be good enough to let me know when I have used 20 minutes of my time.

The dollar amount is in this chart here, which is the second chart. We see how the total outlays in dollars, net Government expenditures, began to go up. In 1980 it was a little less than $9 million, then up it went to $48 million in 1983—$90 million in 1984.

This is an ironic twist, when we get into the Government dealing in these agricultural products. There is an ironic twist here. So much honey was being forfeited to the CCC, as I pointed out here, this is practically all the honey being produced in the United States by any substantial producers. It was all going to the Government.

So what happened? Imports started flowing into the country. There was a dramatic increase. In 1980 when they first started selling to the Community Credit Corporation, the price was right. So what happened? In come the imports to take the place of all the honey that was going into storage. We can see it reached its peak in 1985 when some changes were made in the program, which I will briefly discuss.

This predicament called for corrective action. That was the year that then-Senator QUAYLE had his amendment which would abandon price supports over a 3-year period. But that was not adopted. It was adopted here, but it was jettisoned in conference by our conferees.

So then the Government, through its own people, said we will try to fix this. What they did was to lower the support of prices by 5 percent a year for the 1986 to 1990 crop. So far so good. But the law that they put through at that time also authorized the Secretary to issue honey marketing loans.

We are going to get bogged down with these agricultural terms. This is a Byzantine area. But all I know is it ends up costing the taxpayers of the United States a ton of money.

The new marketing loan system, which is in effect today, means that the producers can give up their honey as collateral at a certain set loan rate. They turn it in to the Government at a fixed price—let us say 56 cents a pound—and then they can wait and see. This is a heads we win, tails the Government loses, proposal. Heads the producers win, tails the Government loses.

They turn in their honey to the Government at a collateral price at 56 cents a pound, let us say. They wait and see what they can get on the market. Meanwhile it is costing the Government 14 cents a pound just to store and handle the recording—14 cents a pound, to put this into storage.

The producer then waits to see whether to buy back their honey at a lower rate. They do not have to buy it back at 56 cents a pound. They could buy it back at a lower rate and resell it on the market, or forfeit, just leave it there and call it even. Let me illustrate.

You are a honey producer. You store your crop with the CCC, the Commodity Credit Corporation. You receive a loan rate of 56 cents a pound. You then wait to see what the market will be like that year. By the way, it is expensive for you to store the honey, so you have the Government store it.

Well, let us say it is a good year. You cannot get 56 cents a pound from your honey, but it is close.

So you buy back our honey, that is pay off your loan to the CCC, but you do not buy it back at 56 cents a pound; you buy it back at that year's set repayment level, say, 36 cents a pound. And you pay a minimal interest charge. So you sell it for 56 cents or get a loan for 56 cents from the Government; then the price is lower, so you get it back and pay them 36 cents. That is considered a payoff of the loan, and if you can sell it for 38 cents for each year, you keep the money.

How is that for a wonderful arrangement?

With the adoption of this system, the forfeitures to the CCC ended. That is what we see here. In 1985, we see the forfeitures going down. They reached 105 million pounds in 1984 and then they gradually dropped. In 1988, they were down to 13 million pounds. My colleagues might say, "boy, this system is really working." The only trouble is, look over here at what it is costing the Federal Government. This is the net cost. In 1988, even though the Commodity Credit Corporation only has 13 million pounds, the problem has not been solved because the cost to the Government is up to $100 million that particular year.

It is true that imports have slowed dramatically. I show that in my other chart and people say, that is pretty good. And that is nice. But meanwhile, look at the cost. So while we try to fix one thing, we are causing a problem in another area.

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Before 1985, our costs lay tribute to the fact we had to buy millions of pounds of honey. Today our costs lie in the fact we take a loss, about 20 cents a pound, when we redeem the loans with the honey program participants. Let us run over the figures. What is this costing? I am not going to suggest to anybody here that if we end price supports for honey, the Federal deficit is going to be solved. Of course not. But what I do say to my colleagues is a little bit here, a little bit here, and we can reduce Federal expenditures.

In 1988, the Federal Government spent $100 million on this program, as I show. In 1989, they spent $42 million. The costs this year are not going to be $42 million; according to CBO, they are going to bounce up to $68 million. Over the past 5 years, the program has cost $385 million in total.

I know that the distinguished Presiding Officer is interested in education. That was long his hallmark while he was Governor of the great State of North Carolina. He might be interested to know that what we have spent on price supports for honey over the past 5 years would have permitted in each of those years 27,000 children to be enrolled in Head Start. To me that is a pretty good investment. I would rather have 27,000 children in each of the past 5 years enrolled in Head Start than I would be helping a very few honey producers make a lot of money from the Federal Government.

Let us go in to see who we are helping under this program. Nothing particular else touches the hearts of Senators more than helping a family farmer. Some might say, "Well, it may be expensive, but, by golly, we are doing something for the poor family farmer in America. Is that so? Let us look.

The GAO did a report on this whole subject of price supports for honey in 1985, which has subsequently been updated. What did they show? The figures are the same today. They showed that there are 212,000 beekeepers in the United States of America. Those beekeepers fell into three categories: The hobbyists, that is one who owns 1 to 25 colonies of bees. There are 200,000 of those. So that leaves 12,000 who are not hobbyists. Then you have your part-time beekeeper who has 25, perhaps up to 299 colonies. There are 10,000 of these part timers. So there are 200,000 of the hobbyists, and 10,000 of the part timers, so that is 210,000 out of the 212,000. Finally, there are the commercial beekeepers who own 300 or more colonies and they number about 2,000 individuals or farms.

So out of the grand total of 212,000, 99 percent of them do not participate in this program. One percent of all American beekeepers are in the program. So we are not spending $42 million or $100 million to take care of 212,000 beekeepers. We are spending that amount on 2,100 beekeepers. I might note that of that group, 1 percent, in other words, 1 percent of 1 percent, or one-tenth of 1 percent of all the beekeepers in the United States are getting the lion's share of the Federal moneys.

Now we are right down to where the rubber hits the road. This program is helping about 2 dozen beekeepers in the United States of America, one-tenth of 1 percent of all beekeepers. In 1984, five producers—five producers, and I hope those who oppose this amendment are listening—five producers, each received Federal loans ranging from $612,000 to $912,000. In 1987, during our consideration of the emergency supplemental bill, it was pointed out on this floor that 20 beekeepers would be getting $6 million in benefits. That is no family farmer. That is no poor fellow we are trying to help keep body and soul together down at the old 40-acre homestead.

We actually enacted, but unfortunately it was later repealed in the reconciliation bill, that no farmer would get more than $250,000. We put that into law. But that was deleted in the 1987 Reconciliation Act by some sleight of hand which most who were involved with this were not aware of.

There are lobbying groups involved with this subject. There are two of them, and perhaps some our colleagues have been visited by them: The American Honey Producers Association or the American Beekeeping Federation. My colleagues might think, these are representing all the beekeepers in the United States of America. The American Honey Producers Association has a budget of $100,000 and a membership of how many? There are 210,000 beekeepers. How many belong to the American Honey Producers Association out of the 210,000 beekeepers, I ask? The answer is 600. Not 6,000, and not 60,000. Six hundred.

Now let us look at the other organization. I have just referred to the American Honey Producers Association. Now look at the American Beekeeping Federation.

The PRESIDING OFFICER. The Senator is advised that 20 minutes has expired.

Mr. CHAFEE. I appreciate the Chair so informing me. If I can have another notice at the end of 20 minutes, I will appreciate it.

The American beekeepers have a membership of 150,000. How many are members in the American Beekeeping Federation, 1,800. Not 18,000. Out of 212,000 beekeepers in the United States of America, the two groups have a total membership of 2,400.

What is the interest of these groups? Representing the interest of beekeepers before legislative bodies. In 1988, there was a Congressional Quarterly article about these two groups entitled "Spirited Lobbying." These spirited lobbyists certainly get all over this Hill.

I would like to get back to a point that is clearly going to be raised here, and that is, pollination. The opponents to this bill are going to say if this legislation passes, there will not be any more bee colonies in the United States and we will not be able to pollinate through bees those fruits and seeds and vegetables where pollination through bees is important.

The answer to that is nonsense. It just is not so. In 1985, the GAO released a comprehensive report. As I say, here it is. Here is the report of the GAO that studied this whole subject in detail, and nothing substantial has changed since then. This is what the GAO said: "Since the program was started in 1950, the bee population has shifted to States where honey is produced, yet where there is less need for pollination."

The GAO then went on to say beekeepers are migrating to Midwestern States to take advantage of abundant floral sources from which they can produce honey.

They are not migrating to where the pollination of crops is required. Many of the States that lost honeybees are actually States that need pollination services. So what have they done? They rent bees for pollination. There is an industry set up to take care of pollination. These producers are strictly involved with producing honey and taking advantage of a very sweet Federal program.

Almost 90 percent of U.S. honey production is placed under loan with the Government. Think of that, 90 percent of the production in the United States is going into these programs where they can get loans, get it stored, get it back if they want it, leave it there. Either way they are winners.

So, Mr. Pesident, we have disposed of the various arguments. We have disposed of the pollination argument. We have disposed of the fact that there will not be any bees because the honey producers will go broke because of this program. They will not go broke. They can compete in the world. And they ought to. There is no need for the U.S. taxpayers to be putting up $100 million to support this program.

In conclusion, Mr. President, I would like to read from an update of the GAO report which comments on this very legislation, the 1990 farm bill. This is what the GAO says on the update to their 1985 report:

> The honey price support program should be phased out by accelerating reductions in the price support program and legislatively mandating a termination date.

Just what my legislation does.

Background: The U.S. honey program is designed to stabilize prices and maintain sufficient bee populations for pollinating food and fiber crops. Since 1952, the U.S. Department of Agriculture has used nonrecourse loans to support honey prices at between 60 and 75 percent of parity. The program supports relatively few producers. Presently 2,000 commercial beekeepers, those who own 300 or more colonies, produce 60 percent of the annual average of 200 million pounds of honey.

Analysis. The honey program is no longer needed to ensure crop pollination because producers of crops requiring pollination have ready access to bees through rental or ownership.

In addition, since the program began, beekeepers have generally emphasized honey production over crop pollination. The principal purpose of the honey program now is to support beekeepers' income, according to the U.S. Department of Agriculture. Program costs remain high because high support prices induced increased production. After initially declining through 1987, Government costs increased to about $100 million in 1988, largely because of the largest honey crop in 5 years. Honey production will probably remain at a relatively high level because the price support program still provides a very strong incentive.

Suggestions for congressional consideration from the GAO: Nothing has changed since our earlier report of 1985 to cause us to reconsider our recommendation. The program still serves little public purpose but to raise the income of relatively few producers at a high cost to the public. Legislatively mandating a termination date for the honey program would save as much as $40 million to $100 million annually depending on the size of the honey crop.

Mr. President, I think the argument is pretty clear. This is a program that is strictly tailored to a very few wealthy individuals who are getting very substantial payments, close to $1 million apiece under this program.

I think, as it was said by the initial men who landed on the Moon: "One small step forward for mankind." That is what this amendment is—a small but important step forward. A savings of $100 million could do a lot for this Nation and certainly it would set the tone as we proceed into the budget discussions subsequently in the latter part of this summer and the early fall.

I thank the Chair. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, I yield myself such time as I might consume.

Mr. President, the distinguished Senator from Rhode Island, as he always does, has laid out his case extremely well. I find myself in strong disagreement with much of his characterization, and I hope over the course of the next few minutes I can clarify and provide a more accurate characterization of the program.

Let me emphasize one thing before I make a number of significant clarifications with regard to the program. That is, we are talking about a loan program pure and simple. For anyone who wants to understand the scope of this program, the effect of this program, the consequences of the program, that is the essence of what they ought to understand. This is a loan program. Loans are paid back. In one form or another, they are paid back.

I might also emphasize that the loan cap for honey is no different than any other program. It is exactly the same. Whether it is wheat or corn, any one of the programs that we have for which a loan program exists, the cap is the same. So we are not making any special exemption for honey producers.

The third point I would make: First, it is loan. Second, there is a cap—is that the cap is simply not working. When I say "not working," let me clarify that. Because the cap is working so well in many respects and because the costs of production are going up so dramatically, we are losing honey producers. Our honey production is going down. If the program were so lucrative, we would see a boom in honey production. We would see an explosion. We would see all kinds of honey production out there as a result of the profitability, the opportunity that this program provides.

The fact is that with the cap and with the dramatic increase in production costs and with the reduction, I might say, of 22 percent since 1985 in the loan amount, honey producers, frankly, are going broke. Honey producers today virtually are being driven out of existence. Those points need to be made before we say anything else.

If it is such a good program, why are there not more commercial honey producers? If it is such a good program, how is it that the loan cap is the same as any other program and the loan itself has gone down by 22 percent since 1985. If it is such a good program, then why is it we are seeing a real decline in both production and numbers across the country?

The beekeeping industry's significance to the rest of agriculture is often overlooked, and frankly, Mr. President, even maligned. Beekeeping, pure and simple, is vital to American agriculture. The U.S. Government has supported the price of honey since 1950, some 40 years, by providing a market price stability to honey producers to encourage them to maintain sufficient honeybee populations to pollinate important agricultural crops. That is the thing of which I do not think people are completely aware. There are two purposes for the honey program. First, obviously, is to provide support for a valuable commodity, a commodity that has an important role, and in some cases provides a source of nutrition. Far more than was the case 40 years ago, honey is a commodity that is even in greater demand.

But the other point is the role that our honeybees play in pollination. More than 140 cultivated crops either require or benefit from bee pollination, including millions of acres of fruits, vegetables, oilseeds, and legume seed crops.

Pollination provided by honeybees has increased in importance to farmers in recent years as urbanization and other pressures in the environment have reduced the availability of other natural pollinators.

The United States is a net importer of honey. While we can import honey, the fact is we cannot import pollination. A vast majority of pollination is provided free to the public through the random movement of bees. It is not unreasonable that the public pay for this pollination through a loan program to keep this pollination service available.

A study last year by Cornell University placed the value added to pollinated crops by the U.S. honeybee at $9.7 billion. This chart depicts it. The Cornell University study showed that the total effect of the honey program is $9.7 billion. USDA figures, which are the basis for this chart, say $9.3 billion.

The cost of the program is estimated by USDA at about $60 million. At last year's cost of $47.1 million, the ratio of value added to cost last year was 237 to 1. The ratio of the value of the program to the cost of the program is 237 to 1. I daresay I do not know of a program that exists within the whole farm bill where we can cite a statistic like that, a comparison like that; value to cost, 237 to 1.

Bee culture is practiced throughout the United States in areas with widely different types of plants and florae. Some beekeepers move their colonies sometimes 30 times or more a year, from several miles of several thousand miles, to provide pollination services or increase honey production.

Consumers benefit indirectly from the honey program because of its influence in maintaining sufficient honeybee colonies, so that many important food and fiber crops are pollinated.

An estimated 15 percent of the plant derived portion of the human diet comes from plants dependent upon or benefited by insect pollination. Much of the beef and dairy products consumed in the United States are produced from insect pollinated legumes. About one-third of the human diet is derived directly or indirectly from insect pollinated plants.

The value of the honeybees as pollinators far exceeds the value of honey and beeswax produced. That is an important point.

The distinguished Senator from Rhode Island did a very good job of laying out his statistical point of view, and the annual progression in the cost of the honey program. But that tells

part of the story. This is the rest of the story: A $9.3 or $9.7 billion value to the country that frankly could not exist, were it not for the program as we have it today.

Honeybees provide benefits for not only the crops that I have mentioned, but also for home gardens, orchards, and other natural ecosystems.

If the price support program is withdrawn or reduced, the supply of honeybee colonies will be jeopardized and much of the U.S. agriculture that depends upon pollination clearly will be hurt.

Honey production provides the incentives for beekeepers to maintain strong colonies of bees during the many months of the year that bees are not involved in commercial pollination.

The Honey Price Support Program has enabled beekeepers to continue operations and provide vital pollinating services while also assuring consumers of a stable supply of nutritious honey at reasonably prices. Any decline in the number of honeybee colonies that may result from changes in the honey program will directly affect the number of honeybees available for pollination.

Of most concern will be pollination of those agricultural crops that require large concentrations of bees for a commercial crop. It is unlikely that the areas where these crops are grown contain a sufficient number of wild bees or other pollinating insects or honeybees managed by local beekeepers to provide adequate pollination without the assistance of some commercial beekeepers.

While some farmers maintain a small number of honeybee colonies to pollinate their crops, it is frankly unlikely that large producers of field crops would have the expertise, the labor, the capital, the investment, or the bee pasture needed to permanently maintain large numbers of honeybee colonies.

Some who criticize the program point to a General Accounting Office report that concluded that the program is not needed to ensure crop pollination. However, there were serious flaws in the arguments for discontinuing the loan program. GAO looked only at the benefits of honeybees for pollinating crops for producers that provide cash rent and overlooked the benefits to wildlife, home gardeners, the environment, and other agricultural producers who do not pay rent for pollination.

The committee farm bill freezes the honey loan rate at the current level. That is an important point to make as well. I said a few minutes ago that the program, which was changed in 1985 under the farm bill that was authorized that year, cut farm program benefits for honey by 22 percent. So we are already at three-fourths of what we were at in 1985, not even taking into account the cost of production. If you add the cost of production into that, an additional 20 percent perhaps, now you have a 50-percent reduction in the availability of program benefits to beekeepers from where they were in 1985.

In 1989, the total cost of the program was $41.7 million. As I said, this represents a 50-percent reduction in the cost in 5 years. Loans to the appliable price-support rate are made available to honey producers and honey producers and honey-marketing cooperatives.

Let me emphasize this, Mr. President. A lot of the benefits derived through this program go to cooperatives, not to individual payments, individual producers. Those cooperatives take whatever benefit they are given, emphasizing again there is a loan at a cap of $250,000; take whatever loan benefits they get and distribute them among their cooperative members.

So with loans, producers can store their honey and wait for a more advantageous market price. When loan recipients choose to sell their honey in the marketplace, the loan principal is repaid with interest. That needs to be emphasized. This is not a freebie. This is not a loan given and paid back at no interest to the Federal Government. The interest is paid like any other loan. Interest is paid by the producer.

An option contained in the 1985 farm bill allows beekeepers at the discretion of the Secretary to repay their loans at a rate that is lower than the announced loan rates. The marketing loan is very similar in that respect to cotton and rice. When a lower loan repayment option is in effect, however, the interest is not charged and the price support loans and the $250,000 limit is in effect for loan forfeitures.

In 1985, the farm bill included a compromise that dropped the parity formula for setting the support level and replaced it with a progressively lower support level. These provisions were put in place to make domestic honey more competitive in export markets, reduce forfeiture and lower Government costs. That is exactly what happened. Government expenditures have gone down by 50 percent; forfeitures have gone down; the cost of the program and the support to producers has gone down.

In fact, since 1988, honey stocks have fallen to 20.8 million pounds, 9 percent of the 1987 crop. The Commodity Credit Corporation announced plans to terminate honey donations to the domestic program in March of 1988. Honey from the inventory continued to be supplied to the School Lunch Program and stocks rose slightly again. But since February of last year, stocks have again been decreasing.

Mr. President, despite the importance of bee colonies—and I again emphasize the tremendous advantage that pollinators provide to so many other crops—the number frankly has been declining at disastrous rates. Since the peak in 1947, 5.9 million, the number has dropped so the most recent estimate of 3.2 million colonies, based upon beekeepers with at least 5 or more colonies. The decline in colonies is connected to the decline in the price for honey—pure and simple.

Since 1981, the average price of honey has declined from a record 63.2 cents per pound to about 50 cents per pound, largely due to the declining support price. The loan rate for honey has been reduced by 18 percent just in the last couple of years.

Meanwhile, the cost of honey production has been rising. Honey producers are also facing increasing competition from imports of honey through countries such as China, and they are faced with a number of new threats. Two mites currently are devastating the industry, and no viable control measures are available at this time. The Africanized or so-called killer bees are expected to arrive in southern Texas soon. As the industry deals with the economic impact of these threats now is a poor time to make other changes that will weaken the industry.

The cost to beekeepers to maintain nonaggressive colonies through the breeding programs will be substantial. If there is not a viable honey industry, there will not be enough beekeepers available to provide the first line of defense to control the invasion of Africanized bees. As a result, the cost of containing the invasion by Federal, State, and local authorities, without beekeepers, will far exceed the cost of the loan program itself.

Keep in mind, we are talking about less than $40 million. Last year it was $41.7 million. Contrary to arguments that honey producers are well off, testimony from a Michigan State University entomologist before the Agriculture Committee showed that most commercial beekeepers are currently operating at a loss. I really think that is important for everyone to understand. Because of the arrangement placed upon the beekeeping industry, currently, the vast majority of beekeepers are operating at a loss.

The commercial beekeepers are, frankly, in the worst financial condition they have been in for many years. The average yield per colony does not allow a return on investment, or in some cases even a reasonable salary. Beekeeping supplies and equipment costs are rising at, or higher than, the inflation rate.

Even with the program, commercial beekeepers are losing $4 on every colony they operate. The program represents a mere 20 percent of their income today. Without that, beekeep-

ers would be losing even more money. A number of commercial beekeepers have gone out of business in the past year. I guarantee, if we continue to reduce the support price and limit participation in the program, many more commercial beekeepers face a similar fate.

You have heard, or will hear, that the program benefits only a few beekeepers. The distinguished Senator from Rhode Island made that point again this afternoon. But the beekeepers who participate in the program are precisely the ones who are commercial operators. Everyone with an apple tree in his backyard is not operating a fruit orchard. Likewise, everyone with a bee colony is not a commercial beekeeper. The 6,200 commercial beekeepers who participate in the honey board programs account for 99 percent of the honey produced in the United States.

You also have heard that honey producers are receiving large payments. But I emphasize, as I have throughout my entire presentation, that to reach the $250,000 cap, which, first of all, is in line with every other commodity, but in order to do that with beekeepers, a beekeeper must have at least 16,000 colonies producing more than 1.6 million pounds of honey, and employ 16 to 20 full-time workers. For those who are listening, I think it is important that we reemphasize that. A beekeeper, in order to reach that $250,000 cap, oftentimes reached by one farmer who is a corn producer, one farmer who may be a wheat producer, one farmer who may be a soybean producer, a similar situation regarding beekeeping would require that someone have at least 16 to 20 full-time workers. Try to pay 16 or 20 full-time workers with a $250,000 loan cap. See how many you can hire for that at minimum wage. That 16 or 20 full-time workers are going to have to maintain 1.6 million pounds of honey in order to be eligible for that $250,000 cap.

It makes that cap look mighty small when you think about it. The average commercial operation is, frankly, much smaller. The average commercial operation has 2,400 colonies, not 16,000. The most an operation of that size may receive from the program is half of the maximum loan benefit amount. Keep in mind that beekeeping is extremely labor intensive. As I indicated, 16 or 20 employees are needed to manage an operation that would entitle a producer to $250,000. The average commercial operation with 2,400 colonies is supporting a family and at least three full-time employees and their families. So you have four families operating with the average 2,400 Colony Program in the country today. I realize that $125,000 may sound like a lot of money for one person, but when it is spread out over the cost of operation, providing for four families and all of the costs that we have already discussed, it is not enough to cover the expenses. As the University of Michigan expert told the committee, honey producers today are going broke.

So it is clear, Mr. President, that commercial beekeeping is vital to American agriculture. Its benefits far outweigh the cost of the program. The honey industry has seen its prices drop, while its costs are rising. It is struggling against imports and new threats. It is not the picture people want to paint of it. Commercial beekeepers are not getting rich off the program; they are going broke. They are losing money. The average beekeeper receives from the program far below the maximum payment. Commercial beekeepers support not only themselves, but other families, through the jobs that they provide.

Mr. President, I do not think, in all the years we have examined this program, the case for a value-to-cost ratio could be made for any other commodity program.

I end as I started. We are talking about $9.3 billion in value, about $41 million in cost. Given the impact, given the tremendous problems that our industry is having in honey today, I think the committee bill addresses the Honey Program as it should. It is fair. It freezes support prices for 5 years and ensures for the next couple of years that beekeepers are going to have the same opportunities to maintain some viability that other commodities have as well. With that, I retain the remainder of my time.

I ask, how much time do I have?

The PRESIDING OFFICER. The Senator as 23 minutes, 48 seconds.

Mr. DASCHLE. I retain the remainder of my time.

Mr. CHAFEE. Mr. President, as always, the distinguished Senator from South Dakota does a good job with a bad case. I pay tribute to him for that, because he is persuasive while working with very, very limited facts on his side.

First, I want to stress that I appreciate why he is here, because the two Dakotas are the bulk of the producers of honey. Indeed, Senator PRESSLER, who unfortunately could not be here today, spoke vigorously against this amendment when it was presented by then-Senator QUAYLE in 1985, and if he were here today, Senator PRESSLER likewise would oppose this amendment. Being from South Dakota, naturally, he fights against this, because it presents difficulties to a small group of farmers that they have in their State.

I want to say this, Mr. President, that we have to get back to why this program was set up. I will just read from the RECORD at the time that it was originated. This was in 1949. They are talking about pollination:

> It appears obvious to the committee that if these vitally important insects are to be maintained in sufficient numbers to pollinate our crops, the beekeeping industry must have immediate assistance.

They were not interested in producing honey. They were interested in the pollination challenges that the country faced.

Mr. President, since then, there has grown up a whole industry of traveling beekeepers, those who move their hives around and pollinate where required. So this is not a question of eliminating pollination prospects for the country, if we end the Honey Support Program. That really has nothing to do with it. That is the first point. Indeed, if you read the GAO reports, the GAO reports stress that there are active beekeepers who will take care of the pollination problems in the country. So we should set that aside. I know it is a nice, heart-rending argument, but the fact is that it is not accurate.

The second point that the distinguished Senator from South Dakota makes is that we have to be able to fight against the killer bees and the mites. Well, Mr. President, he is just giving the back of his hand to 212,000 beekeepers in the United States. I do not know why he just brushes them aside. He says these are small potatoes; most of these people are small honey people; they do not count. They do not count when it comes to going to get the big dollars. It is true, they are not in the program. As I mentioned before, out of 212,000 beekeepers in the country, only 2,100 are involved with getting some money from the Federal Government.

By the way, Mr. President, it is all right to talk about $40 million, but the truth of the matter is that over the past 5 years, this program has been much closer to the $100 million a year than to $40 million per year in cost.

The point I want to make is that if we say that, OK, those hobbyists are out, and there are 200,000, then you have the part-time beekeepers, just as there are plenty of part-time wheat growers in the United States of America.

So there are plenty of part-time beekeepers and these people are not just fiddling around on the fringes with a couple of hives set up out there. They have between 25 and 299 bee colonies. So they are people to be reckoned with. They are people who are deeply into the bee business. Maybe they are working at another job, but they have plenty of farmers who do that in America, as the distinguished Senator from South Dakota could relate himself.

So when we talk about the onslaught of the killer bees, and if this program goes down the tubes we are not going to have anybody to resist them because it might affect 2,100

beekeepers out of 212,000. It just does not hold up.

Mr. President, I believe that the point we have started with here, that pollination is taken care of, that we can take care of resisting the mites, and, indeed, I point out that in our very legislation the provision that I have submitted here says:

Sense of Congress. It is the sense of Congress that diseases affecting the entire honey bee population impact on the ability of bees to carry out crop pollination and honey production.

Certain diseases such as those caused by the two mites the Senator mentioned, and the Africanized honey bee pose a threat to the continuing well-being of the general honey bee population and thus merit further study.

So this urges that type of study take place, and the proper place to do that is the U.S. Department of Agriculture.

Mr. President, I believe we have made a strong case here. I said right from the beginning this is not going to solve the budgetary problems of the United States of America. Our problems are far deeper than $100 million. But it is $100 million that can go to better purposes than to take care of a very, very few people who are getting a lot out of the program.

Perhaps the distinguished Presiding Officer was not here when I talked of the U.S. Department of Agriculture studies in 1984, and there is nothing that has changed substantially since this. Particularly, as you note in the GAO report, they said five producers each receive Federal loans ranging from $612,000 to $912,000, nearly $1 million.

Two of our colleagues pointed this out when we were discussing an emergency supplemental in 1987, that 20 beekeepers would be getting $60,000 in benefits under the honey program.

So I hope my colleagues who have been listening to this will bear in mind that this is a chance to really save some money for the U.S. Government.

I point out that there are a lot of desires of different Senators for use of Federal moneys. Of course, one of the uses would be to reduce the deficit. I refer once again to the amount of money that could be used for a particular purpose that appeals, I know, to the hearts of the Presiding Officer and also of the distinguished Senator from South Dakota.

In 5 fiscal years the program has spent $385 million. That is about $70 million a year. In those 5 fiscal years, we could have used that money to put 27,000 additional children into the Head Start Program.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, the distinguished Senator makes a good case with regard to the relevancy of cost, $41 million. I would like to see Head Start fully funded, and that is an issue and argument we will have to make another time.

Forty-one million dollars does not buy gas for the B–2 bomber. We are talking about an amount of money here that is negligible in the overall cost of things, even as we consider the limited cost of the farm program this year. Whether it is $10.5 billion or $9 billion, whatever amount we ultimately come up with, it may be less than $9 billion. Out of that $9 billion or $8½ billion for farm programs we are talking about $41 million last year for the honey program.

Just so everyone understands, the number of colonies that the average honey producer has is around 2,400, as I said a few minutes ago. They yield about 90 pounds per colony. According to the Michigan State University report from last year those 2,400 colonies producing that kind of yield had a net business loss of $9,356.41.

Why do we have 212,000 beekeepers and only 2,000 belong to the program? They cannot afford it, that is why. In many cases they do not want to put up with the paperwork, they do not want to have to go through all the problems associated with being a part of the honey program. So it should not come as any surprise that we only have 2,000 out of 212,000. Maybe we ought to have more but a lot of these honey producers, frankly, cannot afford it, not when they are losing $9,356 on an average honey operation.

The other issue I bring up, and the distinguished Senator from Rhode Island mentioned it a couple times, we have a lot of very small honey producers. That is because really you have two segments within the industry. You have the full-time operators, the people whose heart and soul are in this and they hire a couple people to help them. The average, of course, as I indicated earlier, is three families working with them in order to make it. It is a very labor-intensive operation, if you are going to do it full time. That is one set of honey producers.

They are the ones who really produce the total value we are talking about here. We have a lot of hobby honey producers, who have one or two colonies out there. They may live on the farm or in town, they have a few colonies for hobby farms and nothing else out there, trying to produce a little bit of honey.

So you have to take that into account when you consider these numbers. And certainly people who studied the honey industry and looked at the trends in this country recognize that fact.

I know the distinguished Senator from North Dakota wants to speak and I yield whatever time he may consume at this time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I first thank my distinguished colleague from South Dakota for doing a superb job of defending the honey program here on the floor of the U.S. Senate.

I say to our colleague from Rhode Island that he has argued, as always, with feeling. He has argued fervently here. I must say to him when he argues that he is going to save the taxpayers of this country money by eliminating this program, he is dead wrong. In fact if he were successful here this afternoon he would cost the taxpayers of this country substantially.

Mr. President, I had the opportunity to chair a hearing before the Senate Agriculture Committee on the question of the honey program.

For 3 or 4 hours we heard at great length testimony, not just from honey producers, but more importantly from those who benefit from the pollination services of the honey industry.

Mr. President, the chart that was shown by the Senator from South Dakota says it all. USDA has estimated the benefit to the U.S. economy at $9.3 billion a year as a result of the pollination services of the honeybee. That is the value to this economy.

Mr. President, if we did not have a honey program, we would have to go invent one. We would have to go invent one in order to have the pollination that is necessary for this Nation's fruit, vegetables, and flowers.

I have said on this floor before, agriculture is an American success story. Why is it that when we go to the supermarket we are able to have an incredible choice of fruits and vegetables before us no matter where you are in the United States? And why is it that if you go anywhere in Eastern Europe, or you go to the Soviet Union, you see people standing around a block waiting to buy a fresh piece of fruit, waiting to find vegetables for sale?

Well, Mr. President, the reason is simply this: we have a system of agriculture that produces the result. One of those small but important parts of the system is what those honeybees do that are in hives all across America, because those little bees pollinate the crops that lead to the enormous productivity of the American fruit, vegetable, and flower industry. That is the reality.

Now some may say, well, if we did not have these honeybees in the protected hives, the wild bees would do the job. Mr. President, I thought that myself until I had the advantage of sitting through a hearing and finding out what is happening in America. The wild bee population in this country is being decimated, absolutely wiped out by the varroa mite. The varroa mite could eliminate wild bee populations in this country in the next

3 years. The fact is we have a major threat on our hands in America and most of us do not even know about it. And, of course, why would we? Why would anyone know that we have a pest and a parasite that is attacking the bee population all across this country that could decimate the wild bee population in 3 years. But it is happening.

Mr. President, if we do not have a bee population to go out and pollinate that fruit crop, that vegetable crop, those flowers, we are going to have to reconstruct a bee population nationwide at enormous costs.

Mr. President, I think it might be instructive just to relate a study that was done—I think the Senator from South Dakota referred to it—by Dr. Roger Hoopingarner of the Department of Entomology at Michigan State University. He indicated just how fragile this whole situation is. Let me just quote from it. He says:

If we continue the trend of reducing support prices, I feel that many commercial beekeepers will go out of business. This will be a severe economic blow to Michigan's agriculture. Most of our fruit and vegetable crops need honey bee pollination for profitable production. This pollination service is provided by commercial beekeepers, as these are the beekeepers that can move colonies on-time, and in the numbers for good pollination.

Beekeepers could raise their pollination fees to offset the loss of income from honey. However, past practices have shown that this demand is very elastic and increased prices have reduced the number of colonies rented, or the fruit growers have sought out cut-rate prices. In two or three years varroa mites will eliminate all feral colonies, and then the fruit and vegetable growers will also face severe losses from poor pollination. By that time replacing a viable beekeeping industry will be very difficult because of the high start-up costs.

Mr. President, I ask unanimous consent to have printed in the RECORD the estimates that the doctor made of annual operating costs and revenue, and typical bee keeping operations that shows a net business loss of $9,000 a year under the current program for a typical beekeeper, a loss of $9,000 a year and the conclusion of the learned professor that commercial beekeepers in the United States are in serious financial difficulty. Most of them appear to be existing on preestablished equity.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ECONOMIC STATUS OF THE U.S. BEEKEEPING INDUSTRY

(By Roger Hoopingarner)

OVERVIEW

The commercial beekeepers, of the United States, are in serious financial difficulty. Most of them appear to be existing on preestablished equity. The average yields per colony do not allow a return on investment, or in some cases even a reasonable salary. Beekeeping supplies and equipment costs are rising at, or higher than, the inflation rate.

Historically, honey sales have supported the industry. Pollination fees can provide some additional income. However, past performance indicates that demand for honey bee colonies for pollination is elastic, i.e., increased pollination fees have reduced the demand for colonies.

The vast majority of pollination is provided free to the public because of the random movement of bees from an apiary. It seems reasonable, to me, that the public pay for this pollination through the price-support subsidy program.

BEEKEEPING COST SURVEY

In 1986 and 1988 I sent a management-cost questionnaire to commercial beekeepers. They were located fairly evenly across the country. However, 10 to 12 states represent the majority of those surveyed primarily because of the availability of mailing lists. The respondents included in the survey account for greater than 7 percent of the total honey production of the country. Thus, I feel that the data presented from the survey represents an accurate estimate of the costs and status of the beekeeping industry. The summary chart from this survey is included as Appendix A.

YEARLY COST ANALYSIS

I have incorporated the data from the survey into a spreadsheet analysis program of a beekeeping operation. The basis of the inventory for the operation is colonies housed in used equipment. It is impossible for a beekeeper to make interest payments if new equipment were used. The dollar difference between new and used equipment to operate a colony is over $100/colony. This loss in equity between the cost of new and used equipment has been paid for by previous beekeepers that have gone out of the business.

The yearly summary of business expenses for the "average" beekeeper is given in Table 1. The table uses values derived from the survey. Averages may not be the best criteria for this analysis, however it does give a equitable basis for comparisons.

Table 2 gives the income statement for this average beekeeper. If we use a median honey yield of 83 pounds instead of the average of 90 pounds, this operation would lose more money. We used the 1990 projected average honey support price of 53 cents/pound. To compound the problem, most of the expenses on table 1 are the expenses of 1988 (the period covered by the survey). If we had current figures, or inceased the values by 8 or 10 percent (two-years inflation), then the average beekeeper would not break even unless the per colony yield increases at least 8 percent. An increase of that amount, in per colony yields, would be just the opposite of the long time honey yields. They have been generally declining for many years. A fact that points out quite clearly that Federal support of prices has not caused an over production of honey.

I have given the owner-operator a yearly salary of $20,000—a sum that is very modest. Under the average expenses of Table 1 a beekeeper can not make a return on his investment. In fact is losing money. If we delete all interest payments the operation is able to return to the black. That makes it clear that beekeepers are existing on equity established during a previous period.

If we continue the trend of reducing support prices, I feel that many commercial beekeepers will go out of business. This will be a severe economic blow to Michigan's agriculture. Most of our fruit and vegetable crops need honey bee pollination for profitable production. This pollination service is provided by commercial beekeepers, as these are the beekeepers that can move colonies on-time, and in the numbers for good pollination. The sideline and hobby beekeepers can not leave their other jobs in order to move their colonies to orchards and fields.

Beekeepers could raise their pollination fees to offset the loss of income from honey. However, past practices have shown that this demand is very elastic and increased prices have reduced the number of colonies rented, or the fruit growers have sought out cut-rate prices. In two or three years varroa mites will eliminate all feral colonies, and then the fruit and vegetable growers will also face severe losses from poor pollination. By that time replacing a viable beekeeping industry will be very difficult because of the high start-up costs.

TABLE 1.—*Average yearly costs of a beekeeping operation*

Apiary Rental	$2,130.00
Antibiotics, Miticides	10,378.50
Honey Strg. (Pails, Brls)	2,930.40
Apiary Registration	355.00
Queens (33 percent of 6.50)	5,232.50
Pkg. Bees (4 percent per year)	2,783.88
Sugar for Syrup	9,230.76
Comb Found. Replacement	3,750.91
Hive Body Replacement	300.37
Electricity	1,098.99
Phone	610.50
Water	146.52
Heat (Gas or Oil)	610.50
Paint	61.05
Travel II at 52 mi. at 0.245	9,949.94
Interest at 11 percent	32,310.18
Depreciation (20 and 5 yr)	19,930.95
Misc. Expenses	374.90
Beekpg. Assoc., Etc.	198.85
Apairy Maintenance	488.40
Honey Promotion [HRPCIO]	1,927.47
Salary (Owner)	20,000.00
Labor, Bee Management	23,199.00
Labor, Extracting	3,516.48
F.I.C.A	5,158.95
Beekeeping Ins. ($500 ded.)	1,854.62
Bldg. and Vehicle Ins.	2,625.00
Health Insurance	5,160.00
Workers Comp. Ins.	1,203.40
Property Tax	2,500.00
License Fees	25.00
Bottling Labor at .047/lb	1,270.55
Sales Cost; Adv., Travel	1,621.98
Jars, Labels, Misc.	6,758.25
Interest Btlng. Equipt.	401.65
Deprec. Btlng. Equipt.	334.71
Total	180,430.15

TABLE 2.—*Income: Honey, wax and pollination*

Honey Yield/Colony	90
Total Honey (Lbs.)	219,780
Percent Honey Bottled (Retail)	12.3
Support Price	0.53
Wholesale at Support	$101,288
Ave. Retail (Cs. or Btl)	$1.35
Retail Sales	$36,494
Wax Price	0.85
Wax at 1.7 lbs./col.	$3,528.69
Pollination Fee/Colony	$23.00
Colonies for Pollination	1,294
Income from Pollination	$29,762
Income (Wholesale)	$104,817

Income from Retail	$36,494
Total Gross Income	$171,073
Net Income:	
Number of Colonies	2,442
Honey Yield/Colony (lbs.)	90
Net Business Loss	−$9,356.41
Percent Loss on Invest	−3.19

Mr. CONRAD. Mr. President, let me just sum up by saying if we fail to protect this program on the floor of the U.S. Senate today, we will have thrown away one of the finest investments we make as a public body. Less than $60 million a year has been put into this program and we get a return, according to USDA—this is not the estimate of the beekeepers, this is not the estimate of anybody but the U.S. Department of Agriculture, who says we benefit to the tune of $9.3 billion a year. That is a rate of return, Mr. President, if I am not mistaken, that is dramatically in excess of anything we see anywhere else in our society.

Mr. President, after hearing the testimony of those who provided testimony before the Committee on Agriculture, I am convinced that we could make a very serious mistake if we decided to do in this Nation's honey program, not because of its effect on the honey producers, although obviously they would be decimated, but far more importantly because of what we would do to fruit, vegetable, and flower industries of America, industries that have been so successful and such a key part of our national economy.

With that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, the distinguished Senator was talking about how the loss in the program is going down and indeed how the supports are going down. I would point out that the Senate legislation before us provides that we not go down on the price supports of honey. In other words, currently the loan rate is at 56.86 cents per pound. Under the provision that we have before us, it would stay at that, rather than going down where it is set to go down, and indeed as it is in the House legislation, go down to 53.8 cents. In other words, the program was to drop 3 cents a pound. And so we are not in a situation where: "Don't worry folks, gradually this program is being eliminated. It is going to cost less." It cost less, as you see in some of these charts. Here, as I point out, in 1988 it was $100 million and in 1989 it was $42 million.

That is not quite accurate. Now what they are proposing to do in the bill before us is to reverse that course, to say no, we are not going to keep sliding down these price supports; we are going to stay at the 1989 figure. That is the first point.

The second point is that where, as we look at this chart and see $100 million in 1988 was the cost of the program and $40 million in 1989, that does not mean that the cost of the program is going down. Indeed, it is predicted by the very organization, the CBO, that makes predictions for us, Congress—they predict that next year it will not be $40 million. In 1990 it will, this current fiscal year, be $68 million. As I pointed out over the 5-year period it has cost $350 million, which is about averaging $70 million a year.

So, do not think this program is costing less. It is not. Indeed the way they have set it up it will not go down.

The distinguished Senator from North Dakota has somehow tied in the whole survival of agriculture in the Nation to this price support program. There is a man who will step right up and make a bold claim. And there is probably something to that. I forgot how, but somehow for a measly investment of $100 million we are saving $19 billion.

First of all, as the Senator knows, a great deal of pollination in this country does not take place by bees. It takes place by wind, by insects.

Second, I would harken to the GAO report. This is what they said. This is not some scientist who was brought in from the University of Michigan knowing in advance just how he is going to testify. For every scientist from the University of Michigan I suspect we could haul one in from the University of Arizona or Berkeley or someplace who would say exactly the opposite thing. We have all had these experts, you get five and I will get five, weigh them, and they will go anywhere you want.

Mr. CONRAD. Will the Senator yield?

Mr. CHAFEE. On the Senator's time.

Mr. DASCHLE. I will be happy to yield time to the Senator from North Dakota.

Mr. CONRAD. I would like to point out to my dear friend from Rhode Island the expert we cited for the $9.3 billion of benefits from pollination is not any scientist from any university. It is the U.S. Department of Agriculture.

I point out to my friend it is the administration of our friend from Rhode Island that currently controls the U.S. Department of Agriculture. They are the ones who have told us the benefit, yearly, to American agriculture is $9.3 billion from the pollination services of the bees.

Mr. CHAFEE. Mr. President, I would appreciate it if I am notified when I have 4 minutes to go. How much time do I have left, Mr. President?

The PRESIDING OFFICER. The Senator has 5 minutes and 8 seconds.

Mr. CHAFEE. When I have 3 minutes left I will appreciate it if I am notified.

Mr. President, that may well be. But there is no suggestion on this floor that by ending the price support program there is not going to be any pollination. Indeed, if I might I will quote from the GAO. They are not tilted either way. They are not trying to save the program or get rid of it. They were told to investigate it and they said Congress should eliminate the mandatory program because the program is no longer needed to ensure crop pollination because producers of crops that require honey bee pollination are already renting or own their own honey bees. They view the cost as another cost of production, similar to fertilizer, fuel, and labor.

So, Mr. President, it is a great rationale on which to hang their hats, those who support this program. And I do not blame them. The only trouble is, "it ain't so." It sounds good, but it is just not accurate. And they can repeat it and repeat it. Indeed, we have all become more familiar with pollination over the past few hours. But the fact of the matter is there is going to be crop pollination, there are going to be plenty of bees available for that. And this honey price support program has nothing to do with that.

I reserve the remainder of my time.

Mr. DASCHLE. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 9 minutes and 45 seconds.

Mr. DASCHLE. Mr. President, it is so. The fact is we can take the statistics and figures offered by the distinguished Senator from Rhode Island and come to whatever conclusion we want. But whatever argument he may use, the facts clearly speak for themselves. This is a loan program which is no different in many respects, especially as related to the cap, than we have in any other farm program, whether it is corn, whether it is wheat, whether is is cotton or rice. We have a loan program that limits payments to farmers of $250,000. It also is a program that benefits the country in far greater proportion to its cost. We are talking about 237 to 1, Mr. President. I daresay there is not another program in the country that provides these benefits for that cost.

The cost on an annual basis to the taxpayers in this country comes out to about $5.80 a person. For $5.80 per person we have a $9.3 billion pollination value; we have a program providing one of the most valuable and nutritious sweeteners we have in the country; we have a program that provides an industry with a much needed safety net, much like we have for virtually every other program; and we have a program, frankly, that is not working to the extent we would like only in that it is not keeping up with the cost of inflation.

The distinguished Senator said we are reversing policy here in the 1990 farm bill. The fact is we are not reversing anything. We have taken a hit by about 50 percent since 1985. If we take the 22-percent cut in the amount of benefits that a farmer is entitled to, add to that inflation over the last 5 years of about 25 percent, we have a 50-percent reduction in the availability of payments in terms of their cost of living over the last 5 years.

We have said enough is enough. After we cut 50 percent of it out, how much deeper can we go? We already have a study that says the average honey producer is losing $10,000 a year. What we said is we have cut it far enough; we are going to freeze it now. By freezing it we are not saying, as we do with defense spending and some other programs around here, a freeze is a cost-of-living allowance increase. We are freezing at what the 1990 rate is.

From here on out, every honey producer is going to have to absorb the cost of production. We may see a 20- or 30-percent increase in their cost of production over the next 5 years and, guess what, the honey producer is going to have to eat every bit of it. Every amount of that cost of production increase over the next 5 years they are going to have to take on themselves.

What other program, what other benefit we provide in the Federal Government, is going to ensure that for the next 5 years they are not going to get one cost of living dollar in increase? So that is a cut. It could be a 25- or 30-percent cut in the next 5 years. That is what we are talking about. Add that cut to the $9,000 these guys are losing right now and what does that do to prospects for honey production and pollination and the kinds of benefits we have talked about here for the last hour and a half?

So I hope, Mr. President, people will see fit to leave well enough alone; to understand that this program, for what it costs, is a tremendous value. Five bucks a person per year to see that honey production, pollination production, and the opportunities to provide a nutritious food on the markets in plentiful supply is done with the success that we have had for the last 50 years.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Does the Senator wish to yield back the remainder of his time?

Mr. DASCHLE. I will be prepared to yield back the remainder of my time if the distinguished Senator from Rhode Island is prepared to do so as well.

Mr. CHAFEE. Mr. President, I have how much time left?

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. CHAFEE. Mr. President, I want to make a couple of concluding remarks, if I might. It seems to me this is a very important vote. This vote is not something that is going to wrench the hearts and the political position of every Senator in this body. There are a few Senators from States where the honey bees and the honey producers are very important. We recognize that. Indeed, as I mentioned, Senator PRESSLER feels strongly about that. Senator PRESSLER is unable to be here today, unfortunately.

But the real question, it seems to me, when we are struggling with these tremendous deficits that the Nation faces is can we end a program that the objective observers that we hire to go out and look and come back with reports, namely, the GAO, have said should be ended.

Mr. President, I am not asking a sudden termination, a drop of the guillotine. I am saying that this program should be phased out over 4 years. Not 3 years, like the Quayle amendment we voted on in 1985, but a 4-year period. Can we really hike up our britches and get something done to benefit the Nation?

It is a program that costs in the area of from $40 million to $100 million a year, depending upon how much honey is produced, a program that is not needed for pollination of crops. That has been clearly stated many, many times in the reports that we have read. It is a program that benefits one-tenth of 1 percent of the honey producers of America. One-tenth of 1 percent, 2,100 people, are the ones who benefit from this program. Out of 212,000 honey producers in America, 2,100 are the ones who are getting this $40 to $100 million a year.

I just hope, Mr. President, that we will support this amendment, and I ask my colleagues to do so. It is a small step forward.

Thank you, Mr. President. I reserve the remainder of my time.

The PRESIDING OFFICER. Does the Senator reserve his time?

Mr. CHAFEE. I am not sure I have much.

The PRESIDING OFFICER. The Senator has over a minute.

Mr. DASCHLE. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. DASCHLE. Mr. President, I will not use it all, and I intend to yield a couple minutes to the distinguished Senator from Florida.

Let me say, the distinguished Senator from Rhode Island has made reference on more than one occasion to the fact it is understandable that a Senator from South Dakota would be supporting the program because of the producers in my State. I must say obviously that is a motivation. I hope he would not ascribe purely parochial or political interests to my motivation in defending the program.

I do not know how many confectioners, how many sugar users, how many candy bar companies there may be in Rhode Island. I do not care. This is not a point, and I am not going to ascribe motivation to the distinguished Senator from Rhode Island. The fact is this program can be debated and can be substantiated and supported on the basis of its value to agriculture, specifically, and to the country as a whole. For $41 million, we are getting a good deal. For $41 million, we are providing a program that provides some stability, some opportunity for economic viability, and clearly a program that far outweighs its costs when one calculates the value.

I yield 2 minutes to the distinguished Senator from Florida.

Mr. GRAHAM. Mr. President, I thank the Senator.

I appreciate the opportunity to make a few remarks on behalf of an industry that is very important to my State. Florida is one of the leading States in the Nation in terms of the production of honey. We have some 8,000 beekeepers in our State, 500 of whom depend on honey as their total source of livelihood.

Mr. President, I believe what we have here is an industry in transition. It is a small industry. It is an industry which in the past has been subject to tremendous fluctuations in price as a function of the instability of both the market and the unpredictability of levels of production.

What we are trying to do through this program is to create a stable economic environment leading toward this industry's greater orientation toward the market as opposed to subsidy as the basis of its economic well-being.

I am pleased that there has now been established in my State and in others special boards to promote the use and sale of honey. The same kinds of aggressive efforts at market development and promotion, which have been so effective in other crops, are now being applied to the production of honey.

I believe those efforts, given time, will bring stability to this industry, which is our objective.

I also believe, Mr. President, that some of the secondary contributions of this should not be understated. While in a State such as ours, honey production represents $12 to $15 million of annual income, our State department of agriculture has estimated that this industry contributes $2 billion to our total agriculture through the pollination of other crops.

It is not by accident that some of the major honeybee producing areas in our State are adjacent, integral to our citrus producing areas. There is a very

symbiotic relationship between these two industries. So it is improper, in my judgment, to characterize this as being a small, maybe even suggesting small to the point of irrelevant, industry, when it is striving to become stronger, more significant on its own, and is making significant contributions to other areas of agriculture.

I urge the defeat of this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DASCHLE. Mr. President, I yield 1 minute to the Senator from North Dakota.

Mr. CONRAD. Mr. President, the able Senator from Rhode Island has repeatedly said the honey program benefits 2,000 honey producers out of some 200,000 honey producers in the country. I will just make the point to my colleague and the other colleagues who are in the Chamber: The honey program benefits 250 million Americans.

Again, I want to repeat, the U.S. Department of Agriculture says the pollination benefit from these bees is $9.3 billion a year. If we did not have this program, we would have to invent it.

Mr. HEINZ. Mr. President, I rise in support of the amendment of the Senator from Rhode Island [Mr. CHAFEE]. This amendment would eliminate one of the sweetest deals for one of the smallest group of Americans engaged in agricultural activity: The Nation's 2,100 commercial beekeepers.

Established in 1949, the honey program mainly provides beekeepers with low interest operating loans whose collateral is the honey expected to be produced. The value of the collateral is set by law. The Government, in effect, loans money out to beekeepers and says that if the beekeeper can't sell the honey produced we will forgive the loan and take the honey.

The program was designed to increase the number of bee colonies in order to stimulate pollination of crops. A secondary purpose was to insure a sufficient supply of domestically produced honey. It has failed on both counts. The number of bee colonies has declined steadily—down some 24 percent between 1949 and 1985. In addition, the high price support led to an increase in imports of honey from abroad while domestic honey production stagnated.

During the 1985 farm bill, I supported an amendment by our Vice President, then-Senator DAN QUAYLE, to eliminate what he called the millionaire bees club. The amendment won overwhelming support on the Senate floor but the House maintained the program and the Senate conferees accepted the House provision in conference. Despite the clear sentiment of the Senate to end this sweetheart deal, the committee bill before us continues the honey price support at nearly 57 cents a pound for the next 5 years. Enough is enough.

The trends so abundantly clear in 1985 have persisted since passage of the 1985 farm bill. The number of colonies has declined another 25 percent. The level of import penetration from low cost honey producers remains high and honey has steadily lost out to other sweetners in the marketplace. Mr. President, this program does not advance its stated objectives.

What the program does achieve is to transfer a lot of taxpayers' money to a handful of beekeepers.

Over the last 5 years, our honey support program has cost the Federal Government an average of $77 million a year. That's more than $37,000 a year for each of the 2,100 commercial beekeepers in the program. For some of those beekeepers, the benefit has been even more substantial. The Congressional Research Service estimates that almost 10 percent of the total Federal benefits from this program went to 1 percent of the participating beekeepers.

What do we do with the honey we buy, Mr. President? Why do we give it away to foreign countries as part of our food assistance programs. There is no market for honey at 57 cents a pound in this country or any other.

There is absolutely no justification for this program. It has been the subject of two critical studies by the General Accounting Office.

It is time to end the hive talk and bee good to the taxpayer. I urge my colleagues to support the Chafee amendment.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of this amendment to phase out the Honey Price Support Program.

The Honey Program, Mr. President, serves the special interests of 2,100 beekeepers, about 1 percent of all beekeepers, who received $385 million from the Government in the past 5 fiscal years.

The taxpayers, Mr. President, are getting stung.

Mr. President, by almost any objective standard, the Honey Program should be phased out. It serves virtually no public purpose and costs taxpayers significant sums. That's not just my view, it's also the view of the General Accounting Office, which has urged that it be completely phased out.

When the Honey Program was established in 1949, Mr. President, it was justified as necessary to ensure an adequate supply of honey bees for crop pollination. That may or may not have been a credible argument in 1949 but, from all indications, it isn't now.

The GAO specifically found that the program is unnecessary to ensure pollination. According to GAO, producers of seed and fruit crops to which bee pollination is important either keep their own bees or pay others to do so. There thus is not real need for the Honey Program. And at a time of huge Federal deficits, this kind of waste is just intolerable.

In conclusion, Mr. President, the Honey Program is a prime example of wasteful Federal spending that benefits a fortunate few at the expense of everyone else. It should be abolished.

I urge my colleagues to support this amendment.

Mr. KERRY. Mr. President, I am pleased to be Senator CHAFEE's principal cosponsor on this amendment to phase out the Honey Subsidy Program. In this time of budget deficits, it is clear that program cuts are needed. This program is one that supports relatively few producers and, according to the Government Accounting Office [GAO], should be phased out. GAO reports that the program, originally created to stablize prices and to ensure sufficient bee populations to pollinate crops, is no longer needed.

Of about 200,000 beekeepers nationwide, only 2,100 participate in this program. Over the past 5 years, these 2,100 beekeepers received $385,000,000. That translates to about $185,000 each. Furthermore, Mr. President, 10 percent of this money goes to only 1 percent; that means that last year, about 22 beekeepers each received $200,000.

We cannot ask the American taxpayers to pay for a program that is no longer necessasry and that benefits so few. I very strongly urge my colleagues to support this amendment.

Mr. CHAFEE. Mr. President, I am ready to vote, if others want to yield back their time.

Mr. DASCHLE. Mr. President, I am prepared to yield back my time.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DASCHLE. Mr. President, I make a motion to table the amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. There being no further debate, the question is on agreeing to the motion of the Senator from South Dakota. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN] is necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—46

Adams	Domenici	Lieberman
Akaka	Durenberger	Lott
Baucus	Exon	Mack
Bond	Ford	McClure
Boren	Fowler	Mikulski
Boschwitz	Gore	Pryor
Breaux	Graham	Riegle
Bumpers	Grassley	Rockefeller
Burdick	Harkin	Sanford
Burns	Heflin	Sasser
Byrd	Hollings	Shelby
Cochran	Inouye	Simpson
Conrad	Johnston	Symms
Cranston	Kerrey	Wallop
Daschle	Kohl	
DeConcini	Leahy	

NAYS—52

Armstrong	Hatfield	Nickles
Bentsen	Heinz	Nunn
Biden	Helms	Packwood
Bingaman	Humphrey	Pell
Bradley	Jeffords	Reid
Bryan	Kassebaum	Robb
Chafee	Kasten	Roth
Coats	Kennedy	Rudman
Cohen	Kerry	Sarbanes
D'Amato	Lautenberg	Simon
Danforth	Levin	Specter
Dixon	Lugar	Stevens
Dodd	McCain	Thurmond
Dole	McConnell	Warner
Glenn	Metzenbaum	Wilson
Gorton	Mitchell	Wirth
Gramm	Moynihan	
Hatch	Murkowski	

NOT VOTING—2

Garn	Pressler

So the motion to lay on the table the amendment (No. 2337) was rejected.

Mr. CHAFEE. I move to reconsider the vote.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. CHAFEE] is recognized.

Mr. CHAFEE. I wonder, since we had a vote on the tabling motion, could we vitiate the yeas and nays on the adoption of the amendment and do that by a voice vote?

Mr. DASCHLE. I have no objection to doing that.

Mr. LEAHY. Mr. President, I ask unanimous consent that the yeas and nays be vitiated.

Mr. CHAFEE. Going back a minute, did we have a motion to reconsider and was that adopted?

The PRESIDING OFFICER. The motion to reconsider was laid on the table.

Mr. LEAHY. I ask unanimous consent that the yeas and nays be vitiated on the pending amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (No. 2337) was agreed to.

Mr. LEAHY. Mr. President, I wonder if we can have order.

The PRESIDING OFFICER. The Senator from Vermont is correct. Can we have order in the Chamber.

Mr. LUGAR. I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, if we can have order. We are moving along, and I advise my colleagues that a number of amendments that we once thought might come up are not going to, and that is welcome news. That is at least a day's worth of amendments that are gone. I urge my colleagues that have amendments that will not require rollcall votes to bring them up and seek short time agreements.

In the meantime, some who have amendments that they feel may be noncontroversial, see Senator LUGAR, or myself, or both of us, and we will see if it is possible to clear some of those for action. If we do have a number cleared, we can probably take them up very quickly, after the next vote or during the next break in proceedings. Now would be the time to do it.

I, again, urge Senators to come forward with their amendments. We have not wasted time in quorum calls today. If we can keep moving at this pace, there is the possibility of completing the bill this evening. I think that may be wishful thinking, but if we go very late tonight, we certainly will be within shooting distance of completion.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

CARGO PREFERENCE

Mr. GRASSLEY. Mr. President, yesterday I spoke to a provision of the bill that is not talked about much here, but that is the cargo preference provsions of the bill. I spoke yesterday about cargo preference in the maritime industry, as well as the GATT negotiations going on.

I want to continue to address this issue, because I think I need to bring to my colleagues' attention some undue pressure being used, and I think I have advice for my colleagues on what they can do to stand by that pressure.

I want to spend a moment to address an issue relating to a letter that I received, which I am sure my Senate colleagues received as well, from the District 2 Marine Engineers Beneficial Association—Associated Maritime Officers, which is part of the AFL-CIO. The letter makes reference to a so-called cargo preference compromise included in the 1985 farm bill. I spoke to that compromise yesterday.

It also contained a threat to Senators that read, "If agribusinesses continue to attack our industry, we, along with the labor movement, will do our best to eliminate their subsidies altogether." I read that to mean, if CHUCK GRASSLEY or any of the rest of us attack cargo preference, then the labor movement will help eliminate farm programs. That is a threat. If I want to see that the farmers of Iowa are protected adequately, I better not say anything about cargo preference.

I first want to discuss how I believe Members of Congress should handle such threats from labor union leaders. I think no better example to be offered than to share with my colleagues what Democrat Congressman DAVID OBEY of Wisconsin had to say when the maritime leaders tried to coerce House Members to support cargo preference. You can find the full text of Congressman OBEY's comments on page H7273 of the October 19, 1989, CONGRESSIONAL RECORD.

But the following is a portion of what Congressman OBEY told the pro-cargo preference union leader:

> But when an official such as yourself tries to persuade me on this or any other issues, based on threats or intimidation, I can have only one response: Go to hell in a handbasket and take your single-issue approach to politics with you. If I have to choose between the interests of my constituents and your endorsement, I will stick with my constituents and you can stick your roll-call and your endorsement in your nearest ear.

I say bravo, Congressman OBEY.

Mr. President, I cannot help but wonder, as I see more and more of our farm State Senators and Congressmen getting nervous from these threats and intimidations from union bosses. I have to encourage them to have the courage to stand up and defend the interests and well-being of their farm constituents, and I think that means opposing cargo preference for all the reasons I gave yesterday and just to repeat a couple of those: They relate to the fact that the maritime union, the maritime industry as well, does not want maritime restrictions negotiated at GATT. I argue that we ought to be negotiating those for the benefit of the American economy, the same way that we would be negotiating agricultural subsidies at the same time which are being negotiated over there.

We have had people in this body and in the other body argue in defense of cargo preference stating that because the number of farmers are dwindling we dare not anger the maritime union supporters in Congress.

So I have to ask my question of colleagues: Since when should we legislate based upon fear, instead of upon merit?

This dwindling numbers argument is meaningless as far as I am concerned. In other words, arguing that the number of farms are going down and

so we have to have the help of a broad base of interest in this country if we are going to protect the interest of the farmers because cargo preference protects the high price jobs of a few thousand seafarers. In sharp contrast, there are over 2.1 million farms in America, most of which benefit either directly or indirectly from farm programs.

Furthermore, there are 11.3 million Americans who either live on farms, work on farms, or get income from farms. In fact, there are as many family and hired workers on farms as the combined payrolls of transportation, the automobile industry, and the steel industry. Moreover, agriculture is America's largest employer with 20 million people working in one agriculture sector or another—from growing food to selling it at the grocery store and other retail outlets.

I would dare say that out of 435 congressional districts there are at least 40 which would fall into the same category of having some farmers in their district.

So if indeed our farm programs will be jeopardized by a debate that scrutinizes cargo preference, and hopefully modifies it, then it will be because Senators and Congressmen are paying more attention to the threats and demands of the maritime industry than they are to the needs of their constituents.

Can we honestly believe that simply because Congress wants to take a close look at the value of cargo preference—and that is what I based my argument on yesterday—that the labor bosses will force Senators and Congressmen to ignore their own agricultural constituents? I do not believe so.

Remember what I just said, there are 11.3 million Americans who live on, work on, or derive income from farms. Remember that there are more family and hired workers on farms than all the workers in transportation, auto industry, and the steel industry combined.

Yet labor leaders and the maritime industry use threats and intimidation thinking that they can force Congress to vote against the interests of 11.3 million people, simply because some of us have grave concerns about the value of cargo preference, a back-door, hidden subsidy that lines the pockets of a few thousand seafarers.

If you remember yesterday I put a challenge to my colleagues. The challenge was that if you honestly feel that cargo preference is a very valuable subsidy, because none of us can claim to be subsidy free—I do not stand here and claim to be subsidy free—this whole bill we are working on is an example of subsidies for one segment of the economy, but my challenge to you at that time was to consider in terms of the value, let us account for, let us appropriate for, because getting the cost of it is not the easiest thing to do. I think as we go on in this debate I will show how difficult that is as time goes on. Mr. President, I have faith in my Senate and House colleagues to be able to proceed with a debate over cargo preference without cowering to these threats.

I am confident that we can discuss cargo preference openly and that is the way I approached this issue this year, and I have to say that it was not the way that I approached it last year when we had a vote on it because, quite frankly, there was an awful lot of learning about cargo preference in the process of opening up the debate to where we bring it up for discussion in what I hope is an intellectual exchange of ideas and discussions, and maybe no agreement, but we need to order this debate in order to establish Government policy that is based upon merit and one that we can account for and know exactly what it costs, because when you vote for subsidies in these farms programs you know exactly what they cost.

If my colleagues find themselves waivering under some sort of pressure, then I ask you to simply look at Congressmen OBEY's courageous remarks for inspiration.

I yield the floor.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Idaho.

AMENDMENT NO. 2338

(Purpose: To allow cargo preference requirements to be lifted if determined to prevent the completion of an agricultural sale from the United States.)

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 2338.

At the end of title XI, insert the following new section:

SEC. . PREVENTION OF LOST SALES.

If the Secretary certifies that, upon good evidence, a sale of domestic agricultural commodities pursuant to an export activity subject to the requirements of section 901(b)(1) of the Merchant Marine Act of 1936 (46 U.S.C. 1101 et seq.) may fail to be made because of the requirements of that Act, the Secretary may waive those requirements with respect to that sale effective 10 days immediately following the date of certification.

Mr. SYMMS. Mr. President, I just announced to the managers of the bill that I appreciate the fact that the managers of the bill are working on a couple of my noncontroversial amendments. This amendment may or may not require a rollcall vote. I will be willing to enter into a very brief time agreement. But in the interim I will just address what this amendment is about and why I am offering it.

I believe that it was appropriate to offer it now after the fine remarks of the distinguished senior Senator from Iowa [Mr. GRASSLEY] insofar as his discussion about cargo preference and how it impacts us.

Mr. President, those of us in the Pacific Northwest who are primarily exporters of soft white wheat feel that we got the short end of the stick on the by-sea program in the past couple years and most went out to the gulf and New Orleans, but we also had problems with cargo preference that made us less competitive and lost some sales to the Pacific rim that we believe we should have had with soft white wheat that we lost to Australia, Canada, and others.

So this amendment simply brings some intellectual honesty to the debate over applying cargo preference requirements to agricultural sales.

National public opinion polls shows the public faith in the Congress is not very high. Part of the reason for that is that the American people do not see their Congress maintaining any intellectual integrity on a variety of issues. We complain about the deficit, but nothing seems to happen. We criticize foreign investors and then tie down our own investment community. We lament the influx of imported goods, and then strangle our own domestic industries with costly regulation. We castigate our own lack of competitiveness overseas, and then, in the midst of our efforts to sell a few bushels of grain we prohibit the use of the lowest cost freight.

Now, once again, we are on the verge of sucking and blowing with the same breath, and that is hard to do. It does not work. We cannot have it both ways. We are trying to enact a farm bill that portends to assist American farmers to become more internationally competitive. But we burden our export assistance with costly cargo preference requirements.

In a recent letter to one of our colleagues in the other body, Secretary of Agriculture Yeutter said this of cargo preference requirements:

When contemplating expanding cargo preference requirements, it is important to realize that these increased shipping costs are not simply passed on to a captive foreign buyer * * * [It also] results in a reduction in U.S. farm income, a rise in the cost of our support programs and larger budget outlays. This is in direct conflict with the overall U.S. objectives of increased agricultural exports, lower budget deficits, and providing food assistance to poor nations.

Expansion of cargo preference clearly may erode the level of U.S. agricultural exports, at the expense of American farmers and taxpayers, while not addressing the problems facing the U.S. merchant marine.

Mr. President, that is the comment of Clayton Yeutter, Secretary of Agriculture. I think that is very succinct, to the point, accurate. Cargo preference, if we are going to hold steadfast-

ly rigid to it, is not consistent with U.S. agriculture policy to help the farmer, to help poorer nations that need the food, and to help our competitiveness, to help our exports and overall raise net farm incomes, and therefore raise revenues to the Federal Treasury and lower the Federal budget deficit.

Mr. President, it is time to prove the public opinion polls wrong—to take command of an issue and address it forthright and head on—with no equivocation or play. If we want to export U.S. farm products, let us export U.S. farm products. That is why I offer this amendment.

I am offering the amendment for one simple reason. That is to allow the Secretary of Agriculture to waive cargo preference requirements in instances where the United States would otherwise lose the agriculture sale because of those requirements. So it gives some flexibility to the Secretary. It would not be in effect at all times. We would still have the general cargo preference in effect most of the time, as long as we can get the sales. But if cargo preference is going to cost us a sale, the Secretary would be able to waive the requirements within 10 days so that we would not lose that sale.

Mr. President, this will help get us out of the habit that we have been in on confusing our constituents, confusing our policies, confusing our trading partners with what our policy is, by undercutting the attempt to achieve one goal in a mad rush to achieve others. We have lost foreign trade opportunities. It benefits no one in the United States, especially not our ports, not our maritime industry. My amendment would simply keep us from shooting ourselves in the foot, so to speak, as we try to expand our foreign agriculture markets overseas.

Mr. President, I yield the floor.

Ms. MILULSKI. Mr. President, I rise in opposition to the amendment of the Senator from Idaho, but I wish for my remarks to be generally focused on the issue of cargo preference as a whole.

Mr. President, I am a Senator not only from Maryland, but I hope I am a Senator for Maryland. Many of my Marylanders earn a very honest living every day by getting up and going to work on Maryland farms, growing everything from corn and tomatoes to poultry and other important products.

But, Mr. President, I got my start in politics by representing the blue-collar workers in Baltimore, the shipyard workers and the dock workers, the people who get up and put on their socks every day and get out there and go to work. And I regret that the tone set by the senior Senator from Idaho in his remarks is really pitting one American worker against the other.

Mr. President, I happen to believe that when America provides any subsidy at all, it should be sure that all Americans have the opportunity to work and benefit from those Government investments. I really do not like the tone that is so harsh and so scathing and so critical when it comes to talking about America's merchant marine. I would never want to hear any disparaging remark made about an American farmer, particularly the small farmer who tills the soil so that people in our cities and throughout the world can eat.

So I hope, when we discuss this issue, we do not talk about it in a way, or conceptualize in a way, that pits one American worker against another.

Mr. SYMMS. Will the Senator yield?

Ms. MIKULSKI. No, I will not yield.

Let me talk about who these people are. They are people who build the ships, and they are people who sail the ships. Let me tell you at another time in American history how they were called tools of the labor bosses, or referred to as some kind of goon squad on the docks, which I resent deeply. Roosevelt called them the heroes in dungarees.

Mr. President, why did he call them the heroes in dungarees? Because during World War II, it was the gallant men in our merchant marines that kept our boys overseas fed, clothed, and with enough bullets and tanks to save Western civilization.

That is who those heroes in dungarees were. They sailed out on the North Atlantic or they sailed across the Pacific to back our Marines and to back our guys in the Army with some modest convoy protection. And many of them lie in the deep today, but they served their country. Nobody called them tools of the union bosses then, when they were trying to back our boys there.

And then once again they stepped forward and helped make sure we provided the cargo necessary to our people in Korea when we were fighting to save the 39th parallel. When our own generals did not have our act together, the American merchant marine stepped up once again to back the American military.

Then we were in that hell hole called Vietnam, and once again American merchant seamen put on their dungarees and where out backing our boys at the Mekong Delta and many of the other awful sites there in Vietnam. Now the war is over, so we think. Now we do not think we need them. We do not need those shipbuilders anymore.

We once had thriving shipyards in Baltimore. During World War II, we turned out one Liberty ship a week—one Liberty ship a week. And now we scrimp and scrap to try to get a little rinkydink repair work in the Bethlehem steel yard. I have to fight like the dickens to keep the Coast Guard yard open, and so on, and so here we have it.

Now we know that in the future if there is any type of military conflict, it will not be a big one. It will be like Panama; it will be regional conflict. And we know with our rapid deployment force, they cannot go another 30 days unless they are backed up by convoys. And guess who we are going to want to man those convoys? The heroes in dungarees; the heroes in dungarees that have been ridiculed and excoriated, and so on here. Let me tell you, I am for those heroes in dungarees in peacetime, as I am in wartime.

And now I want to say a word about labor. It is real fashionable now to bash labor. You know when we talk about the shipyard workers in Poland—and you all know my unabashed support for the shipyard workers in the docks—why is it OK to extol the free labor movement in a Gdansk shipyard, but ridicule it in Baltimore, MD?

Why is it some guy named Kowalewski in Gdansk, it is OK to organize him with another guy named Walesa, but it is not OK for a Kowalewski in Baltimore to organize and get a cargo preference bill. I do not get it, Mr. President, I do not get it.

I will tell you what I do get. I get jobs. If we want a free market, then let us eliminate all the subsidies, let us eliminate all the subsidies in agriculture, all the maritime. Let us go free market. But do not say it is OK to subsidize one group of Americans so they can have jobs and a living wage and a future for their children, and not talk about subsidizing the very industry we need for a sealift capacity.

When all is said and done, I want our American farms to prosper, and I want us to be able to export American food. They do not like us very much around the world these days, but they like us a lot better when we sail into some foreign port where there has been a famine or a plague, and we come in with American food, flying under an American flag. And when we can do that, we can all hold our heads up high and the taxpayers will think they have gotten a dollar's worth of services for a dollar's worth of taxes.

So, Mr. President, let me just say, regardless of how this debate goes, I hope we will conduct ourselves in a civilized manner, and at the very least, remember those heroes in dungarees, the men I respect.

Mr. President, I yield back the floor.

Mr. SYMMS. Mr. President, I just want to comment on one thing. No. 1, in no way would it be the intention of the Senator from Idaho to be critical or to disparage the brave men and women who participated in the U.S. American merchant marine.

No. 2, I say to the Senator from Maryland, as long as we have sales going, this amendment will have no

impact. But if we are going to lose the sales and the waiving of cargo preference can save the sales, the Secretary would have that flexibility to waive cargo preferences in order to get a sale.

That would mean, then, that all the shipyard dockworkers, loaders, longshoremen in the Port of Baltimore or the Port of New Orleans, or from wherever the wheat was going out or the rice or whatever the product was, that they would at least have the jobs. If they are loading the foreign vessel, they would at least have the work to load the foreign vessel, and the farmers would have that opportunity.

All I am trying to say is, in this Senate, all too often one week we talk about our lack of competitiveness and then the next week we refuse to let ourselves be competitive. That is all I am asking for. I think the issue is very clear.

I do not know how many speakers there are who wish to speak on it, but at the appropriate time, unless they are going to accept the amendment, and I take it they are not, I would be willing to vote right away.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, at the end of World War II, the merchant fleet of the United States ruled the seven seas. Over 70 percent of the ships that were afloat at that moment carried the American flag. We were the rulers of the world. If you wanted to carry cargo from any point in the United States to any other point on this Earth, the chances are you would have had to call upon a United States ship to carry your cargo. Those were heady days, Mr. President. We had just witnessed a great victory in both oceans and now we are prepared not only to rule this land but to send forth the message of democracy throughout the world.

Today, less than 5 percent of the cargo that leaves the United States in foreign trade, or comes into the United States, is carried by an American ship—less than 5 percent. Of the countries on this planet, we rank No. 14. Keep in mind, in 1945 the Soviet Union had no fleet whatsoever; they were all at the bottom of the sea. The British had no fleet; they were all at the bottom of the sea. The Japanese, absolutely no fleet.

The Chinese, none. We had the fleet. But we decided, in our moment of magnanimity, to give assistance to all. For example, we said, in the interests of a free economy, we will open up to bid the carriage of mail. No other country opens up its carriage of mail to bidding. Can you imagine the Soviet Union permitting some other country to carry its mail? Or the British permitting something other than the British fleet to carry their mail? We are the exception.

Who do you think carries our mail and has been carrying our mail for the last 12 years across the Atlantic? The Polish Steamship Co., because they underbid our companies. They were able to do so because the Polish Steamship Co. is owned by the Polish Government. As you know, at that time they did not have to worry about labor unions.

Mr. President, after many, many years, at the initiative of the U.S. Senate, we passed the minimal cargo preference law which says that any commodity paid for by the U.S. Government and taxpayers of the United States will be carried on American ships, but not 100 percent of it, just 50 percent. Fifty percent of our foreign aid that goes to Africa, Asia, South America is carried upon American ships—50 percent; the remaining 50 percent on foreign bottoms.

So we come across the strange sight where grain grown on American soil, paid for by American taxpayers, is carried on a Communist ship and shipped to Africa. So the stevedore unloading this grain looks up at the ship and says, "Thank you, Communists."

This amendment may sound fine, but it will only weaken the cargo preference law. I hope the Senate will study this very carefully. We have not had a hearing on this. It comes within the jurisdiction of the Merchant Marine Committee, but I am certain we have never had a hearing on that. Let us not weaken the fleet any further. Let us try to restore the grandeur of our fleet.

Now, if I may put on another cap, as chairman of the Defense Appropriations Committee, we do not have sea lift capacity to carry our troops overseas, if such becomes necessary, because we do not have the bottoms. If we pass this amendment, this will be the beginning of the final demise of the merchant fleet. Let us not do it, Mr. President. I think we have gone as low as we can afford to go.

I would like to see the day when American goods are carried on American ships. It need not be 100 percent, but at least 10 percent. Today it is less than 5 percent. Let us turn it around. Let us not go further backward.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I do not intend to address the broader question of the merchant marine but rather the narrow issue that the Symms amendment brings before us. The issue is simply if there are agricultural sales to be made—in this case not humanitarian shipments, but commercial sales of American produce—and those sales cannot be made because American merchant ships are not available for the shipping of that produce and therefore we lose the sale to another country, the amendment calls for the Secretary of Agriculture to have the ability to waive the cargo preference situation and allow the ship of another country to carry off our exports in order that we make the sale.

In my judgment, Mr. President, it is a commonsense amendment, at least if we were to put on our other hats as people interested in the balance of trade of the United States, as indeed we are. We have argued, as a matter of fact, how important it is that America's exports increase, all exports of all sorts. We know, obviously, that agricultural exports bear a very large burden right now in terms of improving American exporting ability, in terms of improving our balance of payments with other countries. But it is a fact, Mr. President, that the failure of American ships to be available, the lateness factor, has been a very sizable problem for our commercial sales. It has even been a very sizable problem in the cargo preference clause with regard to the humanitarian food shipments that may be discussed in a later amendment.

For example, in the years 1988-89, U.S.-flagged liners lifted 22.5 percent of title II tonnage, the humanitarian aid tonnage, late under USDA's standards of lateness. Those standards were at least 30 days after the time the shipment was ready to be shipped. U.S.-flagged liners lifted 42 percent of U.S. title II tonnage late under the private voluntary organization standard of lateness.

The fact is, Mr. President, there were certainly not enough American merchant ships available at the time. It is not an argument against building more, against strengthening the industry, against strengthening the number of longshoremen available.

The fact simply remains that these vessels are not available. American sales are being lost. The intent, as I read the Senator's amendment, is that we cannot afford to lose agricultural sales; that in the event there are not American cargo ships available at the time, the Secretary ought to have the ability to waive the cargo preference and to get on with the shipping so that we make the sale.

I hope the majority of Members will agree with that logic, with the common sense at least, and would likewise trust that the Secretary will exercise good judgment in this respect. That is why the amendment is centered upon him in determining what is best in the national interest and to act accordingly.

For these reasons, Mr. President, I suggest that this is a logical amendment, an amendment that will boost our exports, that will reduce our trade disadvantages and our balance of trade situation, vis-a-vis the world, and that the amendment should be adopted. I yield the floor.

The PRESIDING OFFICER (Mr. KOHL). The Senator from Idaho.

Mr. SYMMS. Mr. President, I thank the distinguished Senator from Indiana, the ranking Republican on the committee, for his remarks. I quite agree with him, and I appreciate his insight into what this Senator is trying to accomplish with this amendment.

This in no way is going to hurt anybody unless we lose a sale. And then it will simply mean that there will be a little bit of flexibility to maybe help make us a little more competitive.

We have had the problem in the Pacific Northwest where in some cases American bottoms were not available. We could not get the ships; therefore, we lost the sales. In some cases, because of the price, we lost the sales. It just adds one little, teeny, narrow, as the Senator from Indiana said, smidgeon of flexibility which might help wheat producers or rice producers or other producers of exportable agricultural products to be just a little more competitive.

We are not talking about the competing, necessarily, of American longshoremen versus New Orleans, or Maryland versus Seattle or Portland. We are talking about the United States competing against Canada, competing against Australia, Argentina, Brazil, other wheat-producing countries, Western Europe.

I hope the Senate will accept the amendment. I am prepared to go to a vote on the amendment. I assume the committee is not prepared to accept it. If they are prepared to accept it, I will not ask for a record vote. Otherwise, I am prepared to ask for the yeas and nays.

What is the intention of the leadership?

Mr. PRYOR. Mr. President, I was just going to ask a couple questions about this, if I might, of the distinguished Senator from Idaho.

Mr. SYMMS. Certainly. I yield the floor.

Mr. PRYOR. Mr. President, I would like to ask my very good friend, the Senator from Idaho, about cargo preference. I must say I am temporarily managing the bill for Senator LEAHY. He will be back momentarily. I am trying to educate myself. It seems like every few years we have a little squabble here on the floor about cargo preference and it is not my bag. Let me, if I might, ask this question or two.

It is my understanding, and please correct me if I am wrong, that cargo preference only applies in an instance of Public Law 480, a Food for Peace Program transaction. Am I correct in this?

Mr. SYMMS. For the most part, I think that is correct, but I might ask the Senator from Indiana, who has far more expertise in this than I have.

Mr. PRYOR. If I might also ask another question; it is my understanding that under the GSM Program, also under the EEP Program, that cargo preference is not applicable in these cases; am I correct?

Mr. SYMMS. I am not sure I know the answer to that.

Mr. PRYOR. Mr. President, what I am trying to ascertain is, do we have any example of a loss of an agricultural sale in the Food for Peace Program? If there is, I would like to know about it. I do not know that there ever has been a loss of a sale because of the unavailability of American ships.

Mr. INOUYE. Will the Senator yield?

Mr. PRYOR. I will be glad to yield.

Mr. SYMMS. I say to my colleague we lost sales from the Pacific Northwest because of the cargo preference and the shortage of ships. Those sales may have been gained by the Port of New Orleans, the Senator would have to admit, which does not quite address the other part of my amendment, which addresses the competitive side and the flexibility of the Secretary.

Mr. PRYOR. Mr. President, I think some true authority is about to rise and answer some of these questions. At this point, I will yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Mr. President, let me suggest—and I will yield to others who have additional opinions on this—essentially the sales we are talking about are all Public Law 480 sales. But there are title I sales that are subsidized sales, and title II, the donated sales.

In some of the argumentation I gave, I referred to title II. These are the cases where the PVO, the private volunteer organizations, felt that lateness was present 44 percent of the time, whereas USDA said 22 percent of the time, nonavailability. Subsidized sales are different categories all together, but all does come under the Public Law 480 situation.

Mr. INOUYE. Will the Senator yield?

Mr. PRYOR. Mr. President, I do not think that I retain the floor. I think the Senator from Idaho retains the floor.

Mr. SYMMS. I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I believe the Senator from Indiana is correct. These are Public Law 480 type sales. But the word "sales" may be the wrong word to use because the foreign country is not buying that aid, they are receiving that aid as gain from the United States. We taxpayers are buying the grain from the farmer, and it is being shipped—50 percent of that is being shipped on American bottoms.

So the United States is buying from America. We have never lost the sales.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana.

Mr. BREAUX. Mr. President, perhaps Members are watching on their TV monitors. The amendment of the Senator from Idaho really goes to the heart of the Cargo Preference Program for agricultural exports that the United States makes. It is important to bear in mind that this is not a unique program to the United States. There is something like 55 countries around the world that are engaged in agricultural exports, and of those 55, 52 of them have cargo preference programs for either all of their cargo that they export, or certainly a large percentage of their cargo.

I think it is important, as we talk about cargo preference, to understand how much we are talking about.

I happen to serve as chairman of our Merchant Marine Subcommittee. In that capacity, I did not even realize how little we were talking about. This chart shows how little of agricultural exports that this country makes actually is covered by the cargo preference law. This chart clearly shows that of all of the food that is being exported in America, only this little small sliver, about 3.2 percent, goes out under any kind of a cargo preference. All of the rest represents agricultural products that are exported every year from the United States that goes on any ship that the shipper wants to send it on.

In addition to that, none of the commercial transactions has to go out under any kind of a cargo preference. They can ship it in a rusty bucket. That is the cheapest they can possibly find and cross their fingers and hope it gets there some kind of way.

The point is that of all the products we ship, only 3.2 percent, as an average, have to go out under any kind of a cargo preference, and none of the commercial exports that we send out is covered by the cargo preference law. Commercial transactions are free to ship it anyway they want.

My point is that, No. 1, we are not talking about a lot of the cargo. No. 2, almost all of the countries that export agricultural products in the world have a cargo preference program. They have it for the same reason we have it, Mr. President: In order to encourage a healthy merchant marine that a country may need in times of a national emergency. This little 3 percent, I daresay, does not adversely affect agricultural exports in this country at all.

The third point I would like to make is that when the consideration of the farm bill in 1985 was underway some compromises were reached with members of the Agriculture Committee as well as those who are interested in ag-

riculture. I represent the State of Louisiana, a very large agricultural State. The largest industry in Louisiana is, indeed, agriculture. We also have ports, and they are very important to our economy as well.

But the point I would make at this point is that when we decided in 1985 that we were going to have extra export programs to encourage additional agricultural exports, a compromise was reached. The compromise was very simple—that none of these blended credit programs where we use a combination of money and assistance to allow other countries to buy agricultural products from the United States would be eligible or required to be shipped under cargo preference.

The other half of that compromise, Mr. President, was that we were going to increase the amount of cargo preference on our food aid commodities that were being sent to 75 percent from the current level at that time of 50 percent, but that additional 25 percent was not going to even come out of the budget of the Department of Agriculture. It was going to come out of the budget of the Department of Transportation.

Therefore, an effective, solid, and I think fair compromise was reached which is being attacked today. I would note that the attack is not coming from the members of the Agriculture Committee who participated in that compromise. I think they are, indeed, living up to the letter and the spirit of the compromise that was reached back in 1985, that I think is working, indeed, very well.

It is interesting that some people who attack cargo preference, our colleagues and our friends from the agriculture community, sometimes say, well, we should not be subsidizing transportation.

I can argue that we are giving help and assistance to the farmers of America. Some would even argue that that is subsidizing agriculture in America. I do not think it is bad. I think it is good. I think the farm programs work. They produce a healthy farmer, a healthy agriculture economy, but we cannot argue that it does not come without some Government assistance and Government participation to ensure a healthy farm economy. This little 3 percent sliver of all of the farm products that are exported from the United States is also a Government-aided program to help another segment of our society, and that is the transportation segment of our society.

Another point, Mr. President, I think bears consideration. I somehow feel that something is wrong if we have a load of soybeans being shipped, say, to the Soviet Union and it comes in in a Soviet ship. I think it somehow loses its identity. Somehow when they unload a Soviet vessel, people from their country feel it is their grain and their materials that are being off loaded. I think it says something about the success of this country economically and commercially and says something about our farm economy when an American ship carrying an American flag with an American crew pulls up in that Soviet port and off loads American grain. It makes a statement about the success of this country, and I think it is one that we should continue to make.

That little 3 percent of the total amount helps us make that statement, and it helps us maintain a strong U.S. merchant marine. And it, indeed, helps us maintain a strong agricultural community in this Nation. This program is vital to the survival of the maritime industry. To say we are going to help the agriculture community in this country but while we do that we are going to kick the maritime community in the teeth I think is not good public policy for this country.

It is working. It is a compromise and we should not be trying to fix something that simply is not broke. It is a program of which I think we can all be proud of, I hope my colleagues will reject any effort to weaken or destroy the cargo preference for agricultural products.

I yield the floor.

Mr. COCHRAN. Mr. President, I rise to compliment the distinguished Senator from Louisiana for his statement explaining the compromise that was reached as a part of the 1985 farm bill between maritime interests and agriculture interests.

The compromise put at rest some of the controversy that had swirled around the application of the Cargo Preference Act to certain agriculture shipments.

As Senators will remember, at that time there was litigation being undertaken to try to define through court decisions, the extent to which the Cargo Preference Act applied to certain blended credit or concessionary sales shipments of the United States. It was clear that the law applied to certain Public Law 480-type shipments, but the new export enhancement programs were sort of up in the air as to whether or not they would be shipped under the Cargo Preference Act. Maritime industries were claiming they were covered and the Department of Agriculture and the Maritime Administration had to allocate a certain percentage of those shipments to U.S.-flag vessels. The agriculture interests and the Department of Agriculture specifically argued that cargo preference did not apply, and so there was this disagreement, and very bitter controversy which was being litigated. A district court judge ruled that in certain cases the maritime industry was correct.

One result of this ruling was that the Department of Agriculture began backing away from using the tool of export enhancement because of the threat of litigation or other controversy about whether or not the shipments would be by U.S.-flag vessels.

This is one illustration why the Congress in 1985 tried to put this issue to rest and agree in the Senate, as we did by a vote of 70 to 30, on a compromise arrangement which phased in a higher percentage of shipments under cargo preference for Public Law 480 programs, defined other programs that would not be covered by cargo preference, and then give effect to that compromise in the 1985 farm bill by statutory law so there would be an end to the litigation, and an end to the bitter controversy over this issue.

I am afraid, if the Senate adopts this amendment, we will begin unraveling that agreement and that compromise and the statutory solution to the problems which have been swirling around the Cargo Preference Act since 1954. It has been an issue of some very sharp disagreement and bitter controversy, but I think everybody would agree that during the past 4 years under the compromise there has been less difficulty and less uncertainty in the departments that have jurisdiction over these laws than ever before.

So why go in and start tampering with this section of the bill and try to improve upon an agreement that really is working very well for American agriculture and the U.S. maritime industries and our customers all over the world. We have seen in the last year, Mr. President, U.S. agriculture exports rise to a value of $40 billion. This is good for our economy, good for our farmers, and good for our shippers and U.S. maritime interests.

We are on the right track in dealing with some of these problems. I know there is still a lingering concern among some Senators that this agreement could be improved. It might be improved in some way. But I would hate to see us just impulsively adopt an amendment that might sound good.

I suggest the Senate would be wise to reject the amendment.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Mr. President, for the benefit of my colleagues, and not just addressing the Symms amendment, I want to quote from an OMB staff review, May 1982, entitled "U.S. Maritime Programs and Policy." The title, cover page, refers to the "Office of Management and Budget, Special Studies Division, Economics and Government."

I am quoting from the executive summary. I am just going to speak to the major conclusions:

The objectives established in the Merchant Marine Act of 1970 of maintaining or increasing the market share for U.S.-flag liner, non-liner and tanker operations have not been achieved. The U.S.-flag share of the non-liner vessel markets continued to decrease through the 1970's. While the U.S. share of liner shipping as a percentage of total liner tons increased over the 70's, the U.S. share of the total value of liner cargo decreased from 28 to 27 percent. Also, during this period the U.S. share of the world liner container fleet tonnage dropped from 45 to 20 percent.

The second major conclusions:

The objective of stimulating efficiency in the U.S. merchant marine industries has not been achieved. U.S. crew sizes aboard subsidized vessels continue to exceed the crews used by major foreign maritime industries on comparable vessels.

In addition, even after establishing a wage index system in the 1970 Act to bring down crew costs relative to other U.S. workers, U.S. crew wage costs continue to be the highest in the world, often twice as high as the foreign competition. U.S. shipbuilding costs continue to be among the highest in the world, with a cost differential between U.S. and foreign costs exceeding 50 percent for many commercial vessels.

The third conclusion:

Economic justifications for Federal assistance to the merchant marine industries are weak. Balance of payments, employment and public revenue benefits derived from the subsidy programs are all negligible when viewed in the context of the national economy and contributions to the national economy of non-subsidized industries. While the industry and MARAD have attempted to quantify economic benefits, fundamental flaws of past analyses have not been addressed. Recent analyses fail to distinguish the proportion of the direct and indirect economic benefits that are attributable to the subsidies. In addition, they do not take into account the opportunity costs or potential benefits foregone as a result of resources being utilized in the shipping and shipbuilding industries. When all factors are considered, little evidence is available on economic grounds which would justify the provisions of public support to the shipping and shipbuilding industries.

The fourth conclusion:

National security arguments provide little justification for provision of public assistance to the merchant marine industries.

This will probably address maybe some of the points that Senators INOUYE and MIKULSKI make.

Navy ship construction, private ship overhaul and repair work are sufficient to maintain the shipbuilding and repair mobilization base determined to be required in case of a national emergency. For the U.S. shipping industry it is somewhat more difficult to translate the National Security findings of this report into specific recommendations regarding public assistance. Most of the major arguments advanced in support of assisting the U.S. merchant marine for national security reasons are seriously flawed. In a short term war (less than 30 days), the U.S.-flag merchant marine fleet as currently configure is not likely to have an impact on the outcome because vessels do not have the speed nor are they the type of vessels likely to be required. In a longer term conflict, the presence of a U.S.-flag fleet does provide a margin of safety not exactly duplicated in non-U.S. sources of sealift. However, there is no basis for believing that non-U.S. flag sealift resources would not be available for U.S. use in times of war or peace. Much of the world's free world tonnage is controlled by U.S. allies. The seriousness of the risks the merchant marine may assist the nation to avoid are impossible to measure with accuracy. While there is little evidence that these risks are very great, ultimately, a willingness to assume any national security risk is a question of political judgment.

This is the last conclusion reached in this report.

There is a need for change in the current structure of Federal assistance to the U.S. maritime industry. It is the recommendation of this study that the Department of Transportation review and redefine national goals and objectives for the U.S. maritime industry. If a direct subsidy program is advisable, approaches to improve the efficacy of the current program must be examined.

As I stated twice before in the last 4 or 5 days, Mr. President, I am saying to my colleagues that there may be a subsidy legitimate for the maritime industry. It is very hard to account for that subsidy. It is very difficult to get figures for the total. You might get figures for parts of it. But for the total cost, it is very difficult to get it.

None of us are innocent of voting for subsidies in this body because this whole agriculture bill is filled with those types of subsidies. All I am saying to those people who support subsidies for the maritime industry is that we ought to get those costs up front so that they can be accounted for.

I am also suggesting that based on some testimony before the House of Representatives by Vice Adm. Kent Carroll, the value of the subsidy for our maritime programs for national security is questioned.

That is not CHUCK GRASSLEY saying this. This is Vice Adm. Kent Carroll.

There may again be a legitimacy for our maritime industry for national defense purposes. But we have been emphasizing that for several decades. We have been losing our capability. There is a suggestion of about only 200 ships out of 568 that are capable of any value for defense purposes.

So I think we need to take that into consideration. You will find that some of the vessels that are used to ship the grain that is involved—that is the question behind the amendment by Senator SYMMS because his amendment deals specifically with the shipment of grain—are not at all satisfactory for the shipment of military equipment.

So we ought to think in terms of, yes, maybe there is a justified reason for maintaining the subsidy. The costs ought to be open, budgeted up front; it ought to be considered by this body on the same basis that we consider costs for agriculture programs. Second, if national security is one of the goals of the subsidy, then we have not been spending that money very well.

I just bring this to my colleagues' attention with the hope of getting them to consider, as I am forced to consider often, certain agriculture programs, the value of them, and whether or not they need to be adjusted; fine tuned.

We are doing that in this agriculture bill that is before us right now. I think that sometime down the road, and it can be now, but sometime we ought to consider those reviews on the same basis. We cannot accept the position taken by the Senator from Mississippi [Mr. COCHRAN] that a compromise would work out in 1985, and do not question that compromise at any time in the future.

The whole 1985 farm bill was a compromise. But we go through the reauthorization of a farm bill now, and in the future we will, and the annual appropriations are reviewed every year. That whole 1985 farm bill was a compromise, but it does not keep us from reviewing it and fine tuning it. That is what we are about.

I yield the floor.

Mr. BREAUX. Will the Senator yield for a question?

Mr. GRASSLEY. I am willing to yield. I hope I can answer your question.

Mr. BREAUX. The Senator quoted a number of facts and statistics from a study. No. 1, can the Senator tell the Senate how old the study is, and what happened since the date of the study regarding the cost differential?

Mr. GRASSLEY. I did not try to hide the date of the study. I pointed out that it was in a May 1982 U.S. Maritime Programs and Policy. It is an OMB staff review, Office of Management and Budget, Special Studies Division, Economics and Government. That is from the cover page.

Mr. BREAUX. If the Senator will address the second part of the question. Since it is an 8-year-old study, can the Senator tell the Senate what happened with those costs that he has cited over the last 8 years, because our indication indicated by the chart here is that the differential in shipping on a U.S. vessel as opposed to a foreign vessel continued dramatically to come down and become closer to commercial costs; is that correct?

Mr. GRASSLEY. That is true. We are still losing market share. Our percentage of world business for the maritime industry is going down. So there are still problems, even with that decreasing cost, I say to the Senator from Louisiana. There are still problems, and we have to do something to be more competitive.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. I rise in opposition to the amendment——

Mr. LEAHY. Will the Senator yield a moment?

Mr. SARBANES. Yes.

Mr. LEAHY. For the purposes of scheduling, I think most people have spoken. It is coming close to time for a vote. Obviously, we do not want to cut off anybody. I wonder if the Senator might give us an idea about how long he is going to be.

Mr. SARBANES. A couple of minutes. Is the Senator going to move to table?

Mr. LEAHY. I understand there is going to be a tabling motion. I did not want to cut the Senator off, but he will be 3 minutes?

Mr. SARBANES. I will be very brief. I am anxious to help the chairman and ranking member move the business of the committee along, and I am rising to defend what the committee has done and to oppose this effort to change its handiwork.

Mr. President, the distinguished Senator from Iowa said there may be legitimacy. Let me say that in my view there is legitimacy. We have had an arrangement here; let us be frank about it. But this bill is $18 billion in farm payments. We are trying to get just a crumb off of that table in order to help sustain the American merchant marine.

The way we are proposing to do it is the way other countries all around the world do it to our disadvantage. They have very complicated arrangements for carriage in their own bottoms. That is how a lot of them have been able to sustain their merchant marines, and they maintain it not only for national security purposes, but economic security purposes as well.

We face a difficult problem with an erosion in the strength of our merchant marine. Right after World War II, it was tops in the world. Now we know the figures of what happened to it. One way of sustaining it is to assure it a certain amount of carriage with respect to cargo. That is what this arrangement has done over the years.

To come here now and to seek to drop it and to alter it in such a way as to have a negative impact on our ability to help them keep in operation, an important sector of our economy, seems to me to be a very counterproductive thing to do.

I need not recount the history of the importance of the merchant marine in security terms, but one of the arguments that has not been adequately developed, which I think we will increasingly focus on in the years to come, is its importance in economic security terms, not only in defense security terms, but also in economic security terms. And it is very clear that a number of other major powers in the world recognize this importance and make efforts to sustain their merchant marine, including using in one form or another a cargo preference approach, the requirement that a certain amount of the tonnage moving in and out of that country be carried in the flagships of that country.

That is all this arrangement requires, that a certain percentage of the goods to be shipped be carried in American flagships. It is one clear way of sustaining an American shipping industry. I submit to any Member of the Senate that if one seriously contemplates or entertains the total loss of such a shipping industry and then thinks of what the impact of that will be on the operations of the American economy, and on the American position internationally, both in defense security and economic security terms, it is a development that no one in this body would wish to see happen.

This arrangement has prevailed for a number of years. I think it is justified clearly on its merits. I have difficulty understanding how those who are in this very legislation receiving—because it is judged to be to our national interests. I am not quarreling with the underlying premise of the bill as it provides support for the agricultural sector, but why we now have this effort to deny some modicum of support to the shipping sector is beyond me.

I very much hope this amendment will be defeated.

Mr. BREAUX. Mr. President, the Senator from Maryland has made a number of very wise observations about the program.

I will conclude my comments by saying that it is important for all of our Members to understand the cargo preference we are talking about, that none of it applies to any commercial exports of agricultural products. We are only talking about using our ships for exporting agricultural products that go out under our export assistance programs. It is not affecting, in any way, commercial sales. They can go out on any ship they want.

If using a Government program, and to purchase U.S. agricultural products, at least 3.2 percent should be required to go out on American vessels.

I have discussed this with the distinguished senior Senator from Mississippi, and I do not know if there are any other speakers. I am prepared to move to table the amendment of the Senator from Idaho unless someone seeks recognition.

Mr. HOLLINGS. Mr. President, I rise in opposition to the amendment being offered today that would decrease the percentage of food aid cargo that is subject to the cargo preference requirements—that is cargo that must be carried on U.S.-flag vessels. I support maintaining the current U.S. cargo preference requirements as those requirements were agreed to by agriculture and maritime interests in the cargo preference compromise of 1985.

The 1985 compromise provided that the amount of food aid cargo that would be subject to cargo preference would be increased from 50 to 75 percent. In exchange for increasing the amount of cargo subject to cargo preference, which benefited the maritime interests, certain export programs of the Department of Agriculture and the Commodity Credit Corporation were excluded from the requirements. The result of excluding those programs from cargo preference was that hundreds of millions of dollars of cargo was exempted from any cargo preference requirements.

The cargo preference compromise has worked well for both agricultural and maritime interests. The groups that supported the compromise in 1985 continue to support the compromise today. I fully support both the agricultural and maritime interests and their agreement on the issue of cargo preference. I fail to see what purpose would be served by unravelling that compromise at this time.

I believe we should set this issue aside and get on with the business of the farm bill which is of great importance to my State. Cargo preference has not been changed by the farm bill that is before us. I see no reason to insert into this debate on the farm bill an issue as contentious as that of cargo preference, especially when there is a compromise in place that all parties still ascribe to.

Mr. President, I, therefore, oppose any change in the current cargo preference requirements and urge that we return to those issues germane to the farm bill.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yielded a moment to the distinguished Senator from Mississippi. But first I want to make a couple of points.

First of all, this has been a spirited discussion on cargo preference. There are, at least to my knowledge, two amendments that will arise later in the course of the farm bill debate that go back to the cargo preference situation.

I would alert Senators, however they feel on the issue, that the committee debated, and the Senate ultimately will debate a Great Lakes preference amendment in due course, and/or an amendment that would reduce from 75 percent to 50 percent the percentage of humanitarian aid shipments coming under the cargo preference requirements.

So those two are still coming down the pike.

Second, the Senator from Louisiana is correct that we are now talking about straight commercial sales. But under title I the subsidized sales do in fact involve profit to some Americans and companies. Granted there is a sub-

sidy and it is not a straight sale. But, as the Senator from Hawaii observed, sales need to be defined more correctly; title I is not a 100-percent commercial sale, but it is a subsidized sale in which there is some benefit.

Having said that, my impression is that the distinguished Senator from Mississippi is prepared to make a motion, and I will yield the floor.

The PRESIDING OFFICER. Has the Senator from Louisiana made a motion?

Mr. BREAUX. There is a motion to table before the Senate, and I reassert it.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. COCHRAN. Mr. President, my understanding is the Senator from Idaho wanted to have the yeas and nays, so I ask for the yeas and nays in his behalf.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana to lay on the table the amendment of the Senator from Idaho.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], would vote "yea."

Mr. SIMPSON. I announce that the Senator from New York [Mr. D'AMATO] and the Senator from Utah [Mr. GARN] are necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 34, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—62

Adams	Gore	Moynihan
Akaka	Gorton	Murkowski
Bentsen	Graham	Nunn
Biden	Hatfield	Packwood
Bingaman	Heflin	Pell
Bradley	Heinz	Pryor
Breaux	Hollings	Reid
Bryan	Inouye	Riegle
Bumpers	Jeffords	Robb
Burdick	Johnston	Rockefeller
Byrd	Kerry	Sanford
Cochran	Kohl	Sarbanes
Cohen	Lautenberg	Sasser
Cranston	Leahy	Shelby
Daschle	Levin	Simon
DeConcini	Lieberman	Specter
Dixon	Lott	Stevens
Dodd	Mack	Warner
Ford	Metzenbaum	Wilson
Fowler	Mikulski	Wirth
Glenn	Mitchell	

NAYS—34

Armstrong	Durenberger	McCain
Baucus	Exon	McClure
Bond	Gramm	McConnell
Boren	Grassley	Nickles
Boschwitz	Harkin	Roth
Burns	Hatch	Rudman
Chafee	Helms	Simpson
Coats	Humphrey	Symms
Conrad	Kassebaum	Thurmond
Danforth	Kasten	Wallop
Dole	Kerrey	
Domenici	Lugar	

NOT VOTING—4

D'Amato	Kennedy
Garn	Pressler

So, the motion to lay on the table the amendment (No. 2338) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The motion to reconsider has been made.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. There will be order in the Senate. The chair recognizes the Senator from Illinois.

Mr. DIXON. Mr. President, I want to say on behalf of many Senators from the Midwest, representing the so-called Great Lakes States area, that the record will show that we voted to table the amendment offered by my friend from Idaho. We have done that, Mr. President, in the distinct understanding that negotiations and discussions continue between our Senators and others, who are discussing at this point in time an accommodation by which there will still be shipping for the Great Lakes as part of the agreement that is ultimately entered into on this farm bill. That is our understanding, Mr. President.

While an accommodation has not yet been reached may I say the distinguished senior Senator from Hawaii, who I see is on the floor, some years ago when this last debate was carried on for some days, was very accommodating. Some of us from the Midwest continue to be in the position of expressing, from time to time, our deep appreciation to the senior Senator from Hawaii for the accommodation some years ago.

We want some kind of accommodation to continue. That is in discussion now, Mr. President. But I know I speak for the occupant of the chair, my friend from Ohio, my colleague from Illinois, my friend from Michigan, and others I visited with about this issue. We have supported this motion to table because of our belief that an accommodation for the Great Lakes will take place. Were it not for that, Mr. President, I want it clearly understood I would not support the cargo preference laws if they continue to work against the interests of the Great Lakes, against the interests of Midwest agriculture, and against the interests of our States.

The PRESIDING OFFICER. The chair recognizes the Senator from Ohio.

Mr. GLENN. Mr. President, I seek recognition just to associate myself with the remarks of the distinguished Senator from Illinois. He stated our situation correctly. We hope we can work out an accommodation on this. The staffs are meeting. We are going to meet this evening on this. We hope we can have some agreement later tonight, at the very latest early tomorrow morning. This is very important to our part of the country. I just wanted to associate myself with the remarks of my distinguished colleague, Senator DIXON.

The PRESIDING OFFICER (Mr. WIRTH). Who seeks recognition? The Senator from Idaho.

Mr. SYMMS. If the majority leader seeks recognition, I will yield the floor to him.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I will momentarily propound a unanimous-consent request in an effort to schedule amendments for the next 3 hours, to permit those Senators who wish to attend other events—and I have had several requests in that regard—to do so, which would result in a 3-hour window, with votes occurring shortly after 9 p.m. It will involve one amendment by the distinguished Senator from South Dakota [Mr. DASCHLE] with an hour and a half time agreement; followed by an amendment by the Senator from Montana [Mr. BAUCUS], also with an hour and a half time agreement.

As soon as I get the information regarding those amendments I will propound that request. It will be momentarily. If accepted, the effect will be that there will be a window of about 3 hours with votes occurring shortly after 9 p.m. Senators should be aware we will continue late in the evening as previously announced and there will be further amendments thereafter. I want to commend the managers for the progress being made and the cooperation of Senators. Good progress has been made and I think we will, hopefully, be able to finish this bill in the near future.

Mr. LUGAR. Will the leader yield for a question?

Mr. MITCHELL. Yes, sir.

Mr. LUGAR. Will the leader include in his order——

Mr. DIXON. May we have order, Mr. President. We cannot hear.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order. Senators wishing to converse will please retire to the Cloakroom.

Mr. LUGAR. Mr. President, I wanted to request of the leader information as to whether his order might include two amendments by the distin-

guished Senator from South Dakota, first an amendment I understand which will be of a fairly short duration, and then a second amendment that would have an hour-and-a-half time agreement. Finally does the order include a third piece of business, the amendment by the Senator from Montana which would be a 2-hour amendment. Is that correct?

Mr. MITCHELL. I have been advised that the Senator form Montana has agreed to an hour and a half. He did not tell me that himself.

Mr. LEAHY. I advise the distinguished majority leader, Mr. President, if he will yield on that point, I discussed this with the distinguished Senator from Montana. He assured me an hour and a half will be agreeable to him.

Mr. DIXON. Will the manager yield? Or the majority leader yield? I just wanted to say to the majority leader, while my friend, the distinguished senior Senator from Iowa, is on the floor, that I am cosponsoring with him, along with my distinguished colleague from Illinois, a flexibility amendment. I do not know if the managers have talked with him, but speaking for this Senator, I am prepared to go at any time and with a reasonably short span of time. I cannot speak for my friend from Iowa, but I should think in not more than an hour, we ought to be able to dispose of that. I wonder what his view is of that. Maybe we can do it tonight.

Mr. GRASSLEY. I would like to talk to the Senator privately about it.

Mr. DASCHLE. Will the majority leader yield?

Mr. LEAHY. If the majority leader will yield to me a moment, while the Senator from Iowa and the Senator from Illinois are discussing this privately, I wonder if they might also consider a half-hour time agreement evenly divided.

Mr. DASCHLE. I do not know if the Senator is referring to my amendment. I ask the majorty leader as he propounds the unanimous-consent request. I do not expect an amendment to be offered as an amendment to my amendment, but I would prefer that no amendments be offered and that that be part of the unanimous-consent request.

Mr. MITCHELL. It is my intention to include that.

Mr. LUGAR. May I ask a question of the leader? With regard to the second amendment by Senator DASCHLE dealing with target prices and limits for corn and wheat, clearly I would like to reserve the right to offer a second-degree amendment with regard to the other two program crops. So I would appreciate there not being a unanimous-consent request that precluded that situation.

Mr. MITCHELL. Obviously, any Senator can object to an agreement. I gather what I have now been told is that if I include a prohibition on second-degree amendments, the Senator from Indiana will object, and if I do not include such an agreement, the Senator from South Dakota will object. It seems to me, Mr. President, a futile gesture for me to propose the agreement until the Senators have an opportunity to talk.

Mr. LEAHY. Mr. President, can we have order? I am standing 2 feet from the leader and I cannot hear him.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MITCHELL. In light of this, Mr. President, might I suggest that the Senator from South Dakota and the managers discuss the matter. As soon as they reach a resolution of that, I will propound the request. I think that probably best serves the interest of the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I regret to inform Senators that we have been unable to reach an agreement on the scheduling of amendments for the next few hours that would have permitted a window of time within which Senators could have been assured that no votes would occur.

Accordingly, I think so as not to delay consideration any further, it is best that we proceed with consideration of further amendments.

It is my understanding that Senator DASCHLE is prepared to offer an amendment regarding payment limit with respect to which there is no controversy, and it will be accepted. That will take just a few moments.

Then Senator DASCHLE will be willing to offer an amendment on target prices for wheat and feed grains with respect to which there is controversy and no agreement is possible. So we will just start on that amendment and we will have to proceed.

Senator BAUCUS had been prepared to offer his amendment. I am going to ask consent simply when he offers his amendment there be 90 minutes equally divided in the usual form, with no second-degree amendments in order thereto. That does not lock in a time. It simply says when he does bring it up, it will be under a time agreement, which I understand is acceptable to all concerned.

Mr LUGAR. That arrangement is correct.

Mr. MITCHELL. Accordingly, Mr. President, I ask unanimous consent that when Senator BAUCUS offers his amendment on target prices, there be 90 minutes equally divided in the usual form with no amendments in order thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MITCHELL. That is the extent of the agreement which we have been able to obtain, and I think in order not to further delay the Senate, it is best that we simply proceed now to consideration of the amendments by Senator DASCHLE, and as the debate progresses we will attempt to keep Senators informed on the schedule for the remainder of the evening.

I thank my colleagues for their time and consideration.

I yield the floor.

AMENDMENT NO. 2339

(Purpose: To Strengthen the Payment Limitation Provisions)

Mr. DASCHLE. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 2339.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 328, between lines 12 and 13, insert the following new subsections:

(d) IRREVOCABLE TRUSTS.—Section 1001(5)(B)(ii) of such Act (7 U.S.C. 1308(5)(B)(ii)) is amended by adding at the end the following new subparagraph:

"(III) Notwithstanding any other provision of law, to be considered a separate person under this section, an irrevocable trust (other than a trust established prior to January 1, 1987) must not allow for modification or termination of the trust by the grantor, allow for the grantor to have any future, contingent, or remainder interest in the corpus of the trust, or provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years from the date the trust is established except in cases where the transfer is contingent on the remainder beneficiary achieving majority or is contingent on the death of the grantor or income beneficiary.".

(e) MINIMAL BENEFICIAL INTERESTS.—Section 1001A(a)(2) of such Act (7 U.S.C. 1308-1(a)(2)) is amended by striking "10 percent" and inserting "5 percent".

(f) INFORMATION.—The Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. INFORMATION.

"(a) EXCESS PAYMENTS TO INDIVIDUALS.—

"(1) DEVELOPMENT OF DATA.—The Secretary of Agriculture shall develop a database pertaining to individuals receiving direct payments in excess of the statutory limitation of $50,000 prescribed in section 1001(1).

"(2) PUBLICATION OF REPORT.—Not later than 180 days after the date of enactment of this section, and annually thereafter, the Secretary shall publish a report based on the information collected under paragraph (1) that includes—

"(A) the percentage of individuals eligible for direct deficiency payments receiving payment in excess of $50,000;

"(B) the percentage of direct deficiency payments in excess of $50,000 made to individuals attributed by principal crop;

"(C) the amount of direct deficiency payments by commodity that would have been made in the absence of any payment limitations;

"(D) the names of individuals receiving direct deficiency payments in excess of $50,000, and the total amount of payments received in the applicable year by each such individual;

"(E) a description of the bases on which individuals are eligible to receive the excess payments;

"(F) the percentage of eligible individuals who decline to participate in commodity programs because of the limitation on direct payments; and

"(G) other pertinent information, including any recommendations for changes in law or regulation to provide for equitable administration of payment limitations, as determined by the Secretary.

"(b) VIOLATIONS.—

"(1) IN GENERAL.—The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate providing information on the extent to which there are violations of the payment limitations and restrictions contained in sections 1001 through 1001C.

"(2) CONTENTS.—The report shall contain—

"(A) the names of individuals found to be in violation of such sections:

"(B) the amount of payments received in violation of such sections by the individuals; and

"(C) any recommendations for changes in law or regulation to prevent the violations.".

(g) EDUCATION PROGRAM.—Such Act is amended by inserting after section 1001D (as added by subsection (f) of this section) the following new section:

"SEC. 1001E. EDUCATION PROGRAM.

(a) IN GENERAL.—The Secretary shall carry out a payment provisions education program for appropriate personnel of the Department of Agriculture and members and other personnel of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), for the purpose of fostering more effective and uniform application of the payment limitations and restrictions established under sections 1001 through 1001C.

"(b) TRAINING.—The education program shall provide training to the personnel in the fair, accurate, and uniform application to individual farming operations of the provisions of law and regulation relating to the payment provisions of sections 1001 through 1001C.

"(c) ADMINISTRATION.—The State office of the Agricultural Stabilization and Conservation Service shall make the initial determination concerning the application of payment limitations and restrictions established under sections 1001 through 1001C to farm operations consisting of more than 5 persons, subject to review by the Secretary.

"(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program provided under this section through the Commodity Credit Corporation.".

Mr. DASCHLE. Mr. President, we have already had considerable debate on the notion that excessive payments go to so-called fat cat farmers. The Senate correctly rejected the approach proffered by Senator REID to address this issue. Simply shutting out from the farm programs farmers and ranchers with gross revenues in excess of some arbitrary amount does not address the issue appropriately. I am pleased that the Senate has decided to reject such an approach.

However, many Members legitimately continue to raise the issue of whether unwarranted excessive payments are going to wealthy individuals. I believe that the answer is somewhat unclear. What I do know, however, is that the mechanisms we have currently in place in the form of payment limitations are a more appropriate way to control any problems that still exist. Any efforts to further control payments should be based on tightening up the current framework of payment limitations, rather than implementing new and illogical means tests.

During 1987, the Congress responded to the many accounts of flagrant abuses of the payment limitations that were in place at the time. We have all read stories about Mississippi Christmas trees, through which large, wealthy farmers did successfully evade the current rules. As part of the 1987 budget reconciliation legislation, we implemented widespread reform of the payment limitation statutes that should have addressed these loopholes. That legislation had a 2-year phase in becoming fully effective with the 1989 crop.

Since the legislation is so new it is hard to be certain how effective it has been in eliminating abuses. However, in the conversations I have had with the personnel of the Department of Agriculture, I have been persuaded that these reforms have indeed been very effective. In fact, it is interesting to note that the fat cat abuse stories that have appeared in the press recently as we have been working on this new farm bill, have relied on data from the period before the current rules were in place.

Before you begin to assume that this statement is a defense of the status quo, let me assure you that it is quite the opposite. The amendment I am offering today will further tighten up the rules we put in place in 1987.

In researching this issue, two things became very clear: First, USDA is only now beginning to have at its disposal sufficiently detailed data to adequately assess the effectiveness of their regulations and procedures; and second, while the 1987 legislation made great improvements to the enforcement of payment limitations, there remain some minor loopholes, that while probably not leading to significant abuse, should be closed off.

This amendment statutorily eliminates the loopholes that allows individuals to use irrevocable trusts as a short-term reorganization tool to create additional entities that are eligible to receive payments. Under the amendment, any irrevocable trust that is established and qualifies as an entity for payments, would have to be established for a minimum of 20 years. By placing such a long life span on the trust, individuals will be dissuaded from using trusts to create entities simply for the purpose of getting additional Government payments. This is a procedure that USDA has begun to implement and should be codified in law.

The second loophole that this amendment closes relates to the beneficial interests a person may hold in entities which receive payments. Under the 1987 reforms, a person was restricted to receiving payments from a maximum of three entities. However, largely to relieve the potential administrative burden on the Department of Agriculture in enforcing these provisions and to avoid excesssive reporting requirements for individuals that may hold minor interests in corporations and the like holding farming interests, an exception was made that allowed USDA to ignore beneficial interests in an entity that were smaller than 10 percent.

An individual would have to be very energetic to use this exemption to get payments from more than three entities. However, it is entirely possible and likely that some individuals would specifically create entities in which they had a 9.9 percent interest. Therefore this interest would not count toward their eligibility and would entitle them to a maximum of 9.9 percent of $50,000, or $4,950 for each entity so created. This annual amount is probably larger than the legal costs involved in reorganizing one's legal status, so it is probably not too cynical to assume that the exemption could be abused.

This exemption was established as part of the 1987 reforms to be effective by the 1989 crop year. So it is likely that any reorganizations to take advantage of the exemption will have occurred by now. My amendment is designed to catch any individuals that might have intentionally used this exemption to circumvent the intention of the law. The amendment simply reduces the exemption of minimal beneficial interests from 10 to 5 percent. Thus, USDA will be able to catch any individuals that have created a bunch of entities in which they have 9.9 percent interests. By reducing the exemption to 5 percent, payment limit evad-

ers will be caught and the administrative and personal burdens created by eliminating the exemption altogether will be avoided.

As anyone who has studied this issue will know, these provisions are extremely complex and tracking and enforcing them is even more complex. The remaining provisions of this amendment are designed to improve USDA's ability to enforce these important laws and provide for themselves and the public at large a better understanding of the effectiveness and impact of these laws.

The amendment directs USDA to further improve the database they are developing to track payments to individuals and provide more complete reporting on implementation of the law. USDA is instructed to annually publish information relating to the percentage of individuals eligible for payments receiving payments in excess of $50,000; the percent of payments in excess of $50,000 attributable to each commodity; the amount of payments by commodity that would have been made in the absence of any payment limitations; and the names of individuals legally receiving payments in excess of $50,000, together with the amount of payments they received in that year, and a description of the bases upon which they are eligible to receive excess payments.

USDA is also directed to report to Congress on actual violations of the law that they uncover and make any recommendations on possible changes to the law or regulations to eliminate further violations. Finally, the amendment establishes an ongoing training program for USDA and county and State committee personnel to ensure that they have adequate background and expertise in implementing these complex laws.

Mr. President, many of my collegues have asked me in recent days what can be done to stop huge payments going to wealthy individuals. Often they have quoted examples of abuse that occurred prior to enactment of the 1987 legislation. So hopefully, the level of abuse that they are concerned about has already been greatly reduced. The Department of Agriculture certainly believes this to be the case. However, we can always try harder, and that is what this amendment is about. So I would urge all of my colleagues to support this effort to further reform the payment limitation statutes. It is this kind of legislation that will ensure the continued integrity of our farm programs.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, this amendment has been cleared on this side. We have no objection to it.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LUGAR. Mr. President, we commend the distinguished Senator from South Dakota for this amendment. It clearly is an important reform.

So much of the debate on farm legislation has centered upon the evasiveness of the $50,000 limitation, the so-called Christmas tree structures, ways in which people have not honored clearly the spirit of the law in an attempt to contrive a new letter of the law. We believe that the reforms that the Senator has offered are important, and on our side we support the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DASCHLE. Mr. President, we can move to a vote briefly. Let me just thank both of my colleagues again for their cooperation and continued effort to improve the bill.

This is not an hour that we normally find many people on the floor. Under normal conditions, I would have asked for a rollcall vote because, I think, as the distinguished Senator from Indiana has indicated, so much of the debate in the committee and off the floor and in various places in Washington has been focused on this very issue. Are we providing too many benefits to large farmers? I must say if ever we have been able to tighten this legislation, we have certainly been able to do it in the last couple of years.

This amendment will strengthen that. This amendment provides an opportunity to tie down those payment limits even more, and provide us an opportunity to do something that is done in Federal contracts already; that is, publish the information concerning the amount of money provided to large recipients of Federal funds.

So this amendment clearly will allow a lot of people who may have some misgivings about whether indeed we are reforming the farm bill this year adequate confidence that indeed we are.

So I will not ask for a rollcall vote. And will just emphasize the importance of this amendment, and my sincere hope that, as we go through conference, we will be able to retain this language; and make sure that for the foreseeable future we do what we all say we intend to do; and, that is, improve this legislation from an administrative point of view.

With that, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 2339) was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LEAHY. Mr. President, parliamentary inquiry. What is the regular order?

The PRESIDING OFFICER. There is currently no amendment pending.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. LEAHY. If the Senator will withhold for just a moment, the Senator from Vermont does not intend to ask for the regular order, but I wonder if we could let the Chair rule first, to advise the Senate first what the regular order is. I hope those who are watching the monitors might listen to what he says.

The PRESIDING OFFICER. The Chair would note that were someone to call for the regular order, the regular order would be the Conrad amendment, which has been set aside.

Mr. LEAHY. Absent the Conrad amendment, what would be the regular order?

The PRESIDING OFFICER. Consideration of any amendment which may be offered by any Member of the Senate.

Mr. LEAHY. If there is no amendment pending, what would be the regular order?

The PRESIDING OFFICER. Were no amendments to be offered, then anybody might move to third reading of the bill.

Mr. LEAHY. Mr. President, the Senator from South Dakota was gracious enough to let me go through the series of parliamentary inquiries. I yield.

AMENDMENT NO. 2340

(Purpose: To require the Secretary of Agriculture to conduct a loan rate study)

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 2340.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 349, line 25, insert the following new section:

SEC. . LOAN RATE STUDY.

(a) IN GENERAL.—In the case of the annual programs established for each of the 1992 through 1995 crops of wheat, feed grains, upland cotton, and rice under section 107A, 105A, 103A, and 101A of the Agricultural Act of 1949 (as amended by section 301, 401, 501, and 601 of this Act), respectively, the

Secretary of Agriculture shall study the impact of—

(1) increasing the minimum loan and purchase level established the crop to—

(A) the corresponding established price level for the crop; or

(B) the projected average cost of production level for the crop; and

(2) eliminating deficiency payments for the crop.

(b) FACTORS.—In conducting the study, the Secretary shall analyze the impact of the actions described in subsection (a) on—

(1) the export market share for each commodity;

(2) Commodity Credit Corporation outlays for each commodity; and

(3) net farm income for each commodity.

(c) REPORT.—Not later than October 1, 1991, the Secretary shall submit a report that describes the results of the study conducted under this section to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Mr. DASCHLE. Mr. President, I send an amendment in the second degree to the desk.

The PRESIDING OFFICER. Is the Senator from South Dakota asking to modify his amendment?

Mr. DASCHLE. The Senator from South Dakota offers an amendment in the second degree to the first amendment sent to the desk.

The PRESIDING OFFICER. The Senator has not lost his right to modify his initial amendment but cannot amend his own amendment.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 2341 TO AMENDMENT NO. 2340

Mr. LUGAR. Mr. President, I send an amendment to the desk in the second degree.

Mr. DASCHLE. Mr. President, a parliamentary inquiry. The Senator from South Dakota has sent an original amendment to the desk, and sent an amendment in the second degree to the desk which was not read.

It is my understanding that the amendment in the second degree has been received, and I intended to ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. The second-degree amendment is not in order at this time.

Mr. DASCHLE. Mr. President, I ask for the yeas and nays on the amendment in the first degree, which has already been read.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. LUGAR. Mr. President, point of parliamentary inquiry. Was the Senator from Indiana in order in offering a second-degree amendment at this time, and would it be in order for the clerk to read the amendment?

The PRESIDING OFFICER. Yes, the Senator is in order to offer a second-degree amendment at this time.

Mr. LUGAR. Will the clerk please report the amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 2341 to amendment No. 2340.

The PRESIDING OFFICER. The amendment which the Senator from Indiana has sent up is inappropriately drafted and is a second-degree amendment. It is not in order in this form.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DASCHLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRYAN). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. Amendment No. 2340, the amendment offered by Senator DASCHLE.

Mr. LEAHY. Mr. President, a further inquiry. No yeas and nays have been ordered on this or any other amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Mr. President, I ask that we adopt the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, a point of clarification. The amendment that we are proceeding to vote on is a study amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct. The amendment calls for a report not later than October 1, 1991.

Mr. LUGAR. I thank the Chair.

On our side, we accept the amendment and are prepared to vote.

Mr. DASCHLE. Mr. President, let me thank my colleagues again for accepting this amendment. It provides much needed information about the relationship between marketing loans and target prices. It is something we talked a good deal about in markup. I think it will go a long way in helping us make decisions down the road. I appreciate their support. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2340) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2342

(Purpose: To target deficiency payments and acreage limitation requirements for wheat and feed grains)

Mr. DASCHLE. Mr. President, I now have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 2342.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 74, strike lines 19 through 22 and insert the following:

"(C) ESTABLISHED PRICE.—The established price for wheat for each of the 1991 through 1995 crops of wheat shall not be less than—

"(i) in the case of the first 12,500 bushels of wheat produced on a farm, $4.10 per bushel; and

"(ii) in the case of any additional bushels of wheat produced on the farm, $3.40 per bushel.

On page 88, line 14, insert "the portion of" after "to".

On page 88, line 15, before the period, insert the following: "in excess of the number of acres that would yield 4,000 bushels of wheat (using the farm program payment yield for the crop for the farm)".

Beginning on page 122, strike line 18 and all that follows through page 123, line 9, and insert the following:

"(C) ESTABLISHED PRICES.—

"(i) CORN.—The established price for corn for each of the 1991 through 1995 crops of corn shall not be less than—

"(I) in the case of the first 18,000 bushels of corn produced on a farm, $2.82 per bushel; and

"(II) in the case of any additional bushels of corn produced on the farm, $2.33 per bushel.

"(ii) OATS.—The established price for oats shall not be less than—

"(I) in the case of the first 10,000 bushels of oats produced on a farm, $1.59 per bushel for the 1991 crop, $1.69 per bushel for the 1992 crop, $1.79 per bushel for the 1993 crop, and $1.90 per bushel for each of the 1994 and 1995 crops; and

"(II) in the case of any additional bushels of oats produced on the farm, $1.32 per bushel for the 1991 crop, $1.40 per bushel for the 1992 crop, $1.49 per bushel for the 1993 crop, and $1.58 per bushel for each of the 1994 and 1995 crops.

"(iii) GRAIN SORGHUMS.—The established price for grain sorghums for each of the

1991 through 1995 crops of corn shall not be less than—

"(I) in the case of the first 12,000 bushels produced on a farm, $2.68 per bushel; and

"(II) in the case of any additional bushels of grain sorghums produced on the farm, $2.22 per bushel.

"(iv) BARLEY.—The established price for barley for each of the 1991 through 1995 crops of barley shall not be less than—

"(I) in the case of the first 10,000 bushels produced on a farm, $2.42 per bushel; and

"(II) in the case of any additional bushels of barley produced on the farm, $2.01 per bushel.

On page 123, line 10, strike "(iv)" and insert "(v)".

On page 136, line 23, strike "12.5" and insert "15".

On page 137, line 6, strike "12.5" and insert "15".

On page 137, line 17, insert "the portion of" after "to".

On page 137, line 19, before the period insert the following: "in excess of the number of acres that would yield 10,000 bushels of corn, 6,500 bushels of grain sorghums, 5,000 bushels of barley, and 5,500 bushels of oats, respectively (using the farm program payment yield for the respective crop for the farm)".

Mr. LEAHY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I ask unanimous-consent that on this amendment there be 2 hours of debate, evenly divided in the usual fashion, and that no second-degree amendment be in order.

The PRESIDING OFFICER. You have heard the unanimous-consent request propounded by the floor manager. Is there discussion or debate? The Chair hearing none, the unanimous-consent request is agreed to.

Mr. LEAHY. Mr. President, I ask unanimous consent that the time for the proponents of the amendment be under the control of the Senator from South Dakota and the time in opposition be under the control of the Senator from Indiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I yield myself such time as I may require.

Mr. President, as we have taken up the 1990 farm bill on the floor, I have already talked about my reasons for voting against the bill that was adopted in committee. While there are many positive features of this legislation, I have found it impossible to give it my full support because the bill does not provide adequate income protection for our Nation's producers of our most important staple commodities: wheat and feed grains.

As we brought the farm bill to the floor, I committed to try and improve the bill, and that is why I rise today to offer an amendment that will better target the provisions of the wheat and feed grains programs to family-sized farmers. In the Senate Agriculture Committee, I and many of my colleagues fought to increase target prices for the major program commodities. We were unsuccessful primarily because we were told that, in these times of overall budget deficits, there was no room to increase needed support to farmers.

Personally, I feel that, at a time when we are facing a $60 billion cost this year alone for bailing out the S&L's and when agriculture spending as a percent of the total budget is less than three-quarters of a percent, we still should be able to do more for the Nation's farmers. However, I recognize that these sentiments are not universally shared by my Senate colleagues. Therefore I am prepared to take a different approach, and that is what this amendment is about.

If we have only a fixed amount of funds available to spend on the wheat and feed grains provisions of the farm bill, then we should do our best to see that the benefits are targeted to the producers that are most in need of assistance. This amendment takes the current program and redistributes the benefits of the program to our small- and medium-sized family farmers without increasing Government expenditures.

Despite all the rhetoric about supposedly record levels of farm income, I know that our Nation's family farmers, including those in my own State of South Dakota, are still facing tough times. The steady decline in target prices and loan rates resulting from the 1985 farm bill, coupled with the inflationary pressures on producer's costs has had a devastating impact, particularly on family sized operations.

Since 1985, the target price for wheat has declined by almost 9 percent and the loan rate has plummeted by 26 percent. For the feed grains, target prices have been slashed by over 9 percent and loan rates have declined 23 percent. At the same time, prices farmers have received for their crops have declined, although this has been somewhat masked by the effects of 2 years of prolonged drought. Using USDA's estimate of market prices for 1992, when the temporary rise created by the droughts is expected to have vanished, corn prices will have dropped by 8 percent and wheat prices will have dropped by 6 percent in nominal terms. That does not take into account the effects of inflation.

So at the same time that producers are receiving less for their efforts in the market, we have also been taking away the supports they depend on. Many of our largest producers have been able to bear this assault on their livelihood, but for the smaller operations the situation has been disastrous. From 1985 to 1989, in just 4 short years, average farm size in this country has increased by 3.5 percent. Prior to the 1985 bill, it took not 4, but 8 years to see that large an increase in farm size. The 1985 act has led to smaller producers being gobbled up by larger operators at an alarming rate.

Is this the direction we want our farm policy to continue? I certainly do not think so. Sure, because of economies of scale and improved technologies there will always be some tendency for farms to get larger. The structure of agriculture must be allowed to evolve, but, at the same time, I see no reason to actively accelerate the concentration of land in the hands of a few through our policy actions.

Time and again when I travel through this country's small towns and rural areas, I am reminded of the important contributions our farmers and ranchers make toward their local economies. And it is not just the dollars they plow back into these small towns that count, but more importantly their physical presence and that of their children. As more and more farmers are pushed off the land, it becomes increasingly difficult for local communities to maintain schools and hospitals and other essential services.

Every farmer pushed off the land and into the city means fewer children in the next generation to keep the numbers high enough in the community to keep the school open. It is not unusual in my State of South Dakota for children to have to travel 40 miles in the morning to go to school and then travel the same 40 miles again to come home at night. At what point does this become an unreasonable price to pay for a family wanting to live in rural America? I suggest that we are at that point right now today. One important way to reverse this horrible trend is to keep our family farmers on their land, and the way to do that is to ensure that the benefits of our farm programs are targeted more effectively to these producers.

As I have talked to farmers across this country, I have heard many diverse views on the need for the farm programs. A reasonable number of producers say the Government is already more involved in agriculture than it ought to be. The interesting thing to note is that the producers that tell me this are more often than not the large scale operators who are bumping up against the payment limits and will not get any additional benefits if we were to raise price supports. These producers are already able to make it at the current levels of support.

However, these same operators will also tell me that I should fight to keep a program in place that will allow their smaller neighbors to stay in business and enable them to send their kids to the local school for the benefit

of the entire local community. If we are to do that, we should take these large operators at their word and redistribute the benefits of the program. Let us reduce their level of benefits, since they can survive without them, to help the smaller producers who are less able to cope with even increasing input costs and do not have the same economies of scale. We have an obligation to get the maximum amount of benefits possible from the farm programs to these producers.

We have already debated one amendment to this farm bill that claimed to target the benefits of the farm programs to the neediest producers. However, I, along with a majority of my colleagues, rejected the amendment because it did not legitimately address the targeting question. Cutting producers with gross revenues larger than some arbitary amount out of all programs benefits is no answer to the need to better target our assistance to producers.

Simply removing the largest producers from eligibility does nothing to improve the situation of those that remain eligible for benefits, quite aside from the point that a gross revenue test is an inappropriate way to determine eligibility for the program. A moderate-sized cattle producer with some crop land could be excluded from receiving benefits while a much larger grain farmer in less need of support, but with lower gross revenue, would continue to be eligible for program benefits. As I have mentioned, this approach has already been rejected by the Senate, so I urge all of my colleagues who supported the amendment of the Senator from Nevada because of its attempts to better target benefits to support this amendment that will actually get the job done and do it in a more equitable way.

While I would be happy to propose increases in target prices and loan rates to help support our family farmers, as I indicated at the beginning of my remarks, I am also mindful of the sentiment of the Senate that the farm bill we pass must live within our current budget baseline. I have therefore crafted this amendment so that it will have no net impact on that baseline. In fact, the Congressional Budget Office has indicated that this amendment is budget neutral relative to the farm bill baseline.

I would now like to take a moment to explain how the amendment works. Benefits are targeted to producers in two ways: First, the amendment creates a two-tier target price structure whereby the first portion of a producer's production of wheat and feed grains measured in bushels receives a higher target price than production in excess of the established bushel limit; and second, the amendment gives smaller producers the benefit of a targeted reduction in set-aside requirements by exempting their initial production from the set-aside. A bushel quantity is established for each crop that will be exempt from the ARP provisions of the program. This bushel quantity is then converted into a set number of acres for each producer based on the individual producer's program yield. This acreage is then held harmless from the acreage reduction requirement.

The first tier target prices established in this legislation are set 2.5 percent above the level currently in the bill. This percentage is approximately equal to the costs producers are expected to face in just the next year: Inflation at approximately 4.5 percent, less 2 percent in productivity gains equal 2.5 percent real increase in costs. We can expect similar increases in each year thereafter. But, bowing to the so-called budget constraints we face in order to maintain budget neutrality, this amendment modestly gives producers this increase only once, and then holds these target prices over the life of the bill.

It is important to emphasize that. This amendment modestly gives producers this increase only once, and then holds these target prices over the life of the bill.

This chart, Mr. President, outlines the amendment perhaps better than my explanation does rhetorically. We have a target price in the current provision of law which is $4. My amendment would increase the target price to $4.10 on the first 12,500 bushels.

The CBO projected market price is $3.02. My amendment does not change that. The deficiency payment rate would be 98 cents under the current position, but would be $1.08 under my amendment on the first 12,500 bushels and 38 cents on additional reduction. The acreage reduction percentage would be 5 percent under the current bill, 7 percent under my amendment, which holds harmless that first 100 acres of production.

The program base for a small producer in this example would be 300 acres; program yield estimated at 30 bushels to the acre. Under the current provision, a small producer would be alllowed $8,379 in program payments. Under my amendment, that payment, given the same number of acres, the same estimate of yield, would be $9,428. That is an increase of $1,049, or 13 percent from the current provision, a one-time 13-percent increase in target price support for farmers who are small producers.

I might emphasize, this is for all farmers—small producers and large producers alike. They are all going to benefit from this program. The large 800-acre producers, however, who would have received $22,344 under the current program, after they reach the threshold established in this amendment, would receive $16,985, a decrease of about 24 percent, or $5,386.

This amendment, as I indicated, is budget neutral for this reason. We are shifting part of the money from the large producers and the excess amounts, that are really adding to the cost of the farm program, would be shifted to the smaller producers on a one-time basis, providing a 13-percent increase in deficency payments.

The second component of this amendment, as I indicated, targets the impact of the acreage reduction program that may be in effect for wheat and feed grain crops, as I indicated in the chart. A bushel quantity is established for each crop that will be exempt from the ARP provisions of the program. The amendment establishes these quantities at 4,000 bushels for wheat, 10,000 bushels for corn, 6,500 bushels for sorghum, 5,000 bushels for barley, and 5,500 bushels for oats. This bushel quantity is then converted into a set number of acres for each producer based on each individual producer's program yield. This acreage is held harmless from the acreage reduction requirement. The bushel levels have been established bearing in mind the national average program yield for each of these crops, so that approximately the first 100 acres of a producer's base would be exempt from the set-aside requirements.

For example, if a 10 percent set-aside for wheat is in effect, a producer with a 200-acre wheat base would be required to set aside 10 acres, as opposed to 20 acres under current law, and a producer with a base of 400 acres would be required to set aside 30 acres, as opposed to 40 acres under current law. This provision will, therefore, further help to target the impacts of the wheat and feed grains program to family-size farmers. To maintain a nationwide reduction in production consistent with the ARP's that they are currently projecting before this amendment, USDA would simply be required to fractionally increase the uniform percentage reduction applied to each farm.

Thus, for example, to get the same supply control effect as a 5 percent ARP under the current law, the ARP on acreage subject to the reduction, following adoption of this amendment, might have to be increased, as I indicated on the chart, to 7 percent, according to CBO's analysis. However, the net effect of the amount of land taken out of production would be identical under both schemes. Let me reiterate that this provision in no way tries to increase the overall level of supply control in the operation of the wheat and feed grains programs. It simply redistributes the impact on individual producers of current supply control efforts. Under the amendment,

the impact of the set-aside would be felt progressively according to farm size.

To see the impact this amendment would have, I would like to run through some examples of how it would affect a representative farming operation in crop year 1991.

Turning to wheat first, the acreage reduction requirement is projected to be 5 percent, and CBO estimates a season average price of $3.02 per bushel. Thus, under the current bill, a producer with a 300-acre base and a program yield of 30 bushels per acre would have 8,550 bushels of wheat eligible for a deficiency payment of 98 cents per bushel—the difference between the $4 target price and the $3.02 market price—for a total deficiency payment of $8,379. A large operator with 800 acres of wheat base and the same program yield of 30 bushels per acre would have 22,800 bushels of program production and would receive a $22,344 deficiency payment.

Mr. President, I have outlined this example on the chart. Clearly, anyone who may have a question on the way it is calculated can clearly see the dramatic increase in opportunity this represents for small family farmers.

All of the small producer's production would be eligible for payment at a rate of $1.08 per bushel based on the new target price of $4.10, giving a payment of $9,428, a 13-percent increase over the provisions currently in the bill.

Secretary Yeutter, in his 13-page letter to the Senate outlining the administration's position on the Senate farm bill, said the administration wanted to work with the Senate to meet our budget targets and indicated that there was room for better targeting of program benefits. I hope the administration will be able to endorse this proposal, as I feel it addresses most of the concerns that they have raised about better targeting benefits.

One concern that is frequently raised about creating a two-tier target price mechanism is the incentives it creates for producers to reorganize their operations to maximize the number of bushels eligible for higher levels of support. This has probably been true of some of the schemes that have been discussed in the past where the disparity between the first and second tier prices has been very large, or where there is no target price protection at all in the second tier. However, as I have previously said, this is a modest amendment, and the examples I showed, illustrate the difference between the prices of the two tiers is relatively small. For example, in corn, the different tiers are set at $2.82 and $2.33 and in barley the two tiers receive prices of $2.42 and $2.01. Therefore, the incentive to reorganize has been minimized. In fact, the second tier price levels established in this proposal have been set deliberately low to accommodate a certain amount of slippage through possible reorganization and still maintain budget neutrality.

We have all heard all sorts of rhetoric from both sides of the aisle on the need to better target program benefits away from the largest producers and toward family-size operations. This amendment, together with my earlier amendment on payment limitations, will help us effectively achieve these laudable goals. Senators who think big, so-called fat cat, farmers receive too many benefits under farm programs should support this amendment. Senators who think program benefits should be better targeted to family-size farmers should support this amendment. Senators who think farmers deserve a modest cost-of-living adjustment, as recipients of other Government programs receive, even if it is for only 1 year, should support this amendment.

Finally, Senators who think that any targeting of benefits should be done so as not to increase the overall cost of the bill should support this amendment. In fact, Mr. President, I can see no legitimate reasons not to support this amendment, and I urge its adoption.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? If no one yields time, time will run equally.

Mr. DASCHLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I ask unanimous consent that time be allotted to both sides as the quorum call is called.

The PRESIDING OFFICER. Is there objection to the request? Hearing none, the request is agreed to.

Mr. DASCHLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask that I may be allowed to proceed for not to exceed 3 minutes as if in morning business for the purpose of introducing legislation.

The PRESIDING OFFICER. Is there objection to the request of the Senator? The Chair hears none, and it is so ordered.

The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair.

(The remarks of Mr. EXON pertaining to the introduction of S. 2894 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. EXON. I yield the remaining time, if I might, to my colleague from Nebraska [Mr. KERREY].

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. KERREY. Mr. President, I ask unanimous consent that I be allowed to speak a full 5 minutes as if in morning business.

The PRESIDING OFFICER. Without objection the Senator's request is agreed to and, without objection, the time of the Senator as requested will not be charged to either side on the pending amendment.

Mr. KERREY. I thank the Chair.

(The remarks of Mr. KERREY pertaining to the introduction of S. 2894 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

Mr. LEAHY. Mr. President, will the Senator withhold?

Mr. EXON. I withhold the request.

Mr. LEAHY. The time will run equally as I understand on both sides. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I just spoke to the Senator from South Dakota. I would like to speak not for a specific amount of time but to ask unanimous consent that the time I use be equally charged to both sides off the time that is coming out now. And I also express to the Senator from South Dakota, and I will express it to any other Member, that it is not my intention to dominate the floor, and that any time anybody else seeks recognition I will give up the floor.

So I ask unanimous consent.

The PRESIDING OFFICER. The Chair hears no objection, and without objection, it is agreed to.

The Senator may proceed.

Mr. GRASSLEY. Mr. President, I will offer an amendment sometime either later this evening or tomorrow, and that is on the general subject of farm program flexibility. I want to take some time to address some of the issues connected with flexibility as long as there is some time here that is not being used.

One of the first points that I would like to make is that there has been so much good said about the 1985 farm bill. And we are basically continuing in the 1990 farm bill the general premises of the 1985 farm bill, with some fine tuning. People raise the question, if the farm program of the last 5 years is working very well, and we are going to continue to use it for the next 5 years, why do we talk so much about flexibility? The question is raised if it is not broke, why bother to fix it?

It is true that farmers are doing better under the 1985 farm bill. Exports are up 50 percent since 1985-86. Crop surpluses have been worked down. Farm income is up. Farm debts are down.

But regardless of the positive results of the 1985 farm bill, flexibility will be a benefit if these conditions continue. It will be even more important if conditions worsen. No one really knows how agriculture markets will fair in the future, whether surpluses will return, or markets will remain tight as they currently are. Greater flexibility is the best strategy for dealing with this unpredictability, and this variability. Flexibility will allow farmers to respond more quickly and accurately to markets as they unfold.

There surely are many farmers who do not want or need greater production flexibility. There is nothing in our plan that is going to make anybody be more flexible if they do not want to be. But on the other hand, with flexibility, there is the opportunity for those farmers who want to reach out and take advantage of it to do so. These farmers may already be producing as profitably as possible. I am talking about those farmers who maybe do not need or do not want more flexibility, or their production choices may be limited by geography or climate, so they cannot make use of it even if we pass it.

But even so, Mr. President, there are many other farmers who would profit from flexibility. The reasons for pursuing flexibility are for these farmers and the adjustments that they would make if they had an opportunity to make these adjustments.

Under the flexibility proposal that I am suggesting, many farmers will grow more crops with a higher market price and less of a crop if there is a lower market price. Some may plant on land that would otherwise be idle.

The result of these actions is, first of all, greater production value for the producer; second, more economic activity for the rural communities that he lives in; and third, greater economic activity for the Nation. Finally, anybody who calls himself an environmentalist ought to appreciate the fact that there is going to be wiser use of chemical inputs with flexibility. Flexibility does encourage more crop rotation, hence less use of pesticides, insecticides, and commercial fertilizers.

Another point that tends to be brought up is that an individual farmer, having more choices seems like a deal you cannot miss. But when all farmers make the switch to a more profitable crop, everybody winds up losing. That is the argument.

Well, I think we can shatter that myth as well. There is, of course, no guarantee that greater flexibility will raise every farmer's profits. However, the current rigid programs virtually guarantee that no farmer will have the opportunity to pursue market-driven profits. Under flexibility, farmers can keep doing what they have been doing, or they can try something different, if it looks more profitable, based upon expected returns from the market.

Farmers will not continue their new planting activities, unless by continuing those new activities, the profit opportunity remains. This will happen even after the market reflects that other farmers may do the same thing. If farmers do try something different, many will be able to ensure profitability through forward contracting, through hedging in the future markets, or purchasing option contracts.

Suppose many farmers do expand production of a program crop and its price falls more than they may have expected that it would. These farmers may still be better off. They will continue to have income and price supports through the target prices and the loan rates that are in the bill. We do not affect them whatsoever.

But these farmers, by taking advantage of flexibility, even if there is a reduced price and they got the income protection, they are going to have more crop to market. The case for higher farm income is even clearer over the long term, if there is more flexibility. If U.S. farmers do not have the flexibility to capitalize on profitable sales, then foreign producers surely will.

For example, South American soybean producers took advantage of our rigid programs during the 1980's. The U.S. share of world trade in soybeans and other products dropped from 65 percent of the world market the United States had in the 1970's to only 35 percent this year. The more flexible we are, the more foreign production increasing will be deterred and the higher will be our share of world trade. Income over the long term is going to depend on who is using their resources to produce most effectively for the world market and who is not.

So because we do not have flexibility, Mr. President, I think you need to remember that foreign farmers benefit when American farmers lack the opportunity to respond to the marketplace. Of course, that even compounds the situation. The burning of the Amazon for land to be cleared for farming in South America is encouraged when our farmers do not respond to the marketplace; our soybean production goes down, because farmers are not planting soybeans because the farm program does not encourage that flexibility. And then those soybean acres go to South America—they benefit.

Mr. President, right now many people are concerned about the importation of oats into this country, and rightly so. We might as well be raising those oats here. Flexibility would allow that. Even more important, related to a larger money crop, there is soy oil being imported into the United States now from Brazil. We could just as well be raising those soybeans on American soil, and we could be exporting more than we are doing now. We would not have to be importing anything. Just consider the economic advantage that Brazilians have over the American producer, because they are able to import that soy oil into the United States even when there is a 22-percent import duty on it.

Well, another concern that we hear is that flexibility needs to be limited, because agriculture is inherently unstable. If flexibility is not limited, farmers will jump from crop to crop and destabilize markets.

Well, at the outset, the clearest answer to that is that we have to make choices as public officials, whether or not we think the marketplace works better or central planning works better. We ought to learn a lesson from the Eastern European countries, where they are abandoning their centrally planned economies in favor of the free market. We ought not to take the position in this body, or anyplace in the United States, that when you give farmers or any other business people the opportunity to respond to the marketplace, that somehow something bad is going to come out of it, and we are going to have destabilization as a result of it.

The Government destabilizes more than the free marketplace does. Concern that flexibility is destabilizing is then, unfounded. The inherent variability in agriculture markets stem from such things as changes in the weather and foreign demand, more so

than from planting mistakes made by the farmer.

I am willing to accept the fact that maybe sometime in responding to the market, some farmers, or a lot of farmers, might misjudge the markets and may be planting more of one crop than they should. But without a doubt, weather and foreign demand are more destabilizing than any mistakes that the farmer makes.

Decisions by Government create more instability than markets do, if those markets are left to work. In fact, during 1974 to 1981, a period when there were no crop specific acreage reduction programs, wheat and corn acreage was more stable than during the 1982 to 1989 period, when there was an ARP program. This was a period of, as we know, heavy Government involvement in agriculture and continuous acreage control. During 1974 to 1981, we did not have very much Government regulation on what farmers could or could not plant.

There is no evidence that Government can do better than farmers in determining what and how much is to be produced. The fundamental flexibility issue is, then, who should make the decision on what to plant? This is a very broad-based policy decision that we ought to be making right here. Is the farmer in a better position to do that, or the central planners at the U.S. Department of Agriculture? I think that we need to understand that the U.S. Department of Agriculture can administer any program we give them. The most rigid inflexible program that we pass in this Congress, they can administer. But, also, if we pass a program of more flexibility, that can also work very well.

The point is that, when left to respond to market prices and prospects, farmers will tend to stabilize markets, producing more when markets are tight, and less when something is in surplus. If it appears that farmers are about to make a wholesale excessive shift to one crop, cash and future markets would reflect the impending change, and that crop's price then would, of course, fall. Farmers would react to this by revising their production plans with greater flexibility.

That is what my amendment is all about—the Government's statutory announcement date for acreage reduction programs, which currently locks in acreage choices long before planting time. Farmers will be able to alter their plans even after the Government makes this change in its planned announcement. If weather and foreign demand change after planting and large surpluses result, my flexibility amendment allows the Secretary to revert to current programs and separate the crops from the NCA and impose crop specific acreage reductions and/or paid diversion programs.

I do not expect that scenario to happen because I believe that flexibility will work and in most instances there is not going to be any necessity for the Secretary to revert to current programs.

Another objection that is often raised to greater flexibility is that no flexibility proposal should let farmers receive deficiency payment from one crop when planting another crop. There is a suggestion made that farmers should have to earn a crop's payment by planting that crop. It has been that way for years where there has been a very close tie-in between the acres planted and the deficiency payment that the farmers received as a result of the target price support. But before that, that is before 1977, we only have to look back 13 years and beyond that there is a long history of producers being able to grow alternative crops on one's crop base acreage and still receive payments for that crop. For example, wheat, feed grains, and soybeans were interchangeable in the early 1970's and payments were determined by allotment, not by plantings.

The idea of making payments acre for acre, on what is grown, started with the Food and Agriculture Act of 1977. Since then, this idea of forcing farmers to grow to receive payments has been found to be a principal cause of the excessive use of production inputs, overproduction and uncontrollable program crops.

So if you look at the problems in agriculture today, they come from rigidity in the farm program. We did not have those problems when you look back to when there was a great deal of flexibility in what the farmer could plant. We are asking for a return to that period of time when a farmer could make more decisions based on the market, not based upon what politicians and bureaucrats here in Washington, DC, said.

The essential feature of the current system is that the producer makes a decision of what to produce by pitting the target price of one crop to the target prices of other crops or to the market price of nonprogram crops. The decision then is determined by Government-set target prices and not by the market price.

It would be far better to ensure payments to a producer based on cropping history and let the producer determine the planted acreage based on market prices in the individual producer's farming situation.

On another point, some people would raise the question that flexibility is decoupling and it is the first step towards turning farm programs into welfare programs. It is nothing but an excuse for cutting costs. My amendment does not cut any income support for any farmer and no farmer is forced to use flexibility, and if a farmer does not want to use flexibility he still gets the target price support. In fact under my flexibility, there are still deficiency payments being made.

So, it is not going to move us toward a welfare program. It is going to put more responsibility on the back on the individual farmer who takes advantage of it. It is going to rely more on his management decisions, and that is moving away from welfare programs.

Flexibility means more market orientiation in planting decisions whereas decoupling, for those Senators who are concerned about decoupling being the first step of flexibility, means payments that are unaffected by market prices or planting decisions. So flexibility has nothing to do with decoupling.

Under decoupling a producer would receive a fixed payment irrespective of what is produced. Under the USDA's suggestion that they made in a green book earlier, the producer would make production choices that would result in reduced government outlays. To a considerable extent, that is the philosophy behind Senator DIXON's and my amendment as well.

Flexibility could be catastrophic to some regions. I think our colleagues are going to want to impress upon us tomorrow that somehow some regions of the country would be benefited.

Mr. President, let me inquire, because I said I would give up the floor any time. I am willing to do that because I took it under an agreement with the Senator from South Dakota that I would speak and it would be charged to both sides equally. I yield the floor.

Mr. LEAHY. Mr. President, I do not want to cut off the Senator from Iowa, but I was going to upon his completion if he is completed. I see he is.

Mr. President, I ask unanimous consent that the distinguished senior Senator from Rhode Island [Mr. PELL] be recognized as though in morning business with the time consumed by the Senator from Rhode Island being charged equally to the proponents and opponents of the Daschle amendment.

The PRESIDING OFFICER (Mr. GORE). Without objection, it is so ordered.

The senior Senator from Rhode Island is recognized.

THE LEGACY OF INACTION

Mr. PELL. Mr. President, I rise in regard to a very serious situation now confronting the Stafford Student Loan Program. For the better part of a week, we have known that the Higher Education Assistance Foundation [HEAF] is in precarious financial shape.

This is serious news, indeed. HEAF is the largest guarantor in the Stafford Student Loan Program, guaran-

teeing about 15 percent of all loans that are made. It is the major multi-State guarantor, as well as the State guaranty agency in Kansas, West Virginia, Minnesota, Wyoming, Maine, and the District of Columbia.

It is no secret that HEAF has made some bad business decisions. It amassed a loan portfolio that was too heavily made up of loans to proprietary school students. And, it failed to take early corrective action when defaults at some schools in that sector of postsecondary education soared.

Over the past 3 years, HEAF has attempted to bring its loan portfolio into better balance and to trim its default rate. However, it acted too late. As a result, we are faced with a crisis of confidence that could affect the viability of the entire Stafford Student Loan Program.

The Department of Education has undertaken a central role in the situation. Since the news of the situation broke, it has sought to calm troubled waters with assurances that HEAF's problems will not affect the ability of students to obtain loans, of lenders to make those loans, or of guarantors to insure those loans. I congratulate the Secretary for those assurances.

Despite these assurances, the public has been subject for the better part of a week to rumors concerning the HEAF situation and a major crisis in the loan program. Those rumors have, without question, shaken the confidence of the public, financial institutions, and the Congress.

Unfortunately, the Department must bear some responsibility for heightening tensions. For beyond the Secretary's General assurances, the Department has yet to offer a program to solve the problems so dramatically reflected in HEAF's precarious financial condition. What we need now is more than assurances. We need a concrete proposal from the Department and we need it soon to quell concerns about the viability and health of the Stafford Student Loan Program.

The crisis accompanying the news of HEAF's financial difficulties once again raises the question of how the Stafford Student Loan Program has been administered. It is the question of whether or not there has been diligence in seeking strong, stern measures to control defaults and to stop those who would abuse the program.

It is important from the outset that one understand just how negligent the previous administration was in administering the Stafford Student Loan Program. It talked a good game, but its actions did not match its words. The former Secretary would decry, time and time again, the actions of students, schools, lenders, and guarantors. At the same time, however, oversight of the program languished. Program reviews and audits of schools, lenders, and guarantors dropped by more than one-half, from 1,977 in 1981 to 890 in 1986.

In other words, at the very time that we needed more and better enforcement of the law, we were getting precisely the opposite. The situation is not unlike law enforcement. You cannot expect to control crime when you cut the number of cops on the beat.

The Department also failed to exercise its powers over accreditation, eligibility, and certification to crack down on loan defaults. A school cannot participate in Federal student aid programs unless it is certified by the Department of Education, a process that involves the school being accredited by an accrediting organization recognized by the Secretary. Unfortunately, the Department has been lax in seeking to use those powers to rid the student aid programs of bad schools.

We are all too well aware of the very serious problem of increased defaults in the Stafford Student Loan Program. Defaults now cost the Federal Government almost $2 billion a year, a cost that is simply intolerable and one that threatens the viability of all Federal student aid programs.

We know that part of the increase in defaults is due to increased borrowing by those least able to repay, namely poor students who, faced with inadequate grant assistance, have had to borrow to pay for a postsecondary education. The story repeats itself again and again. A young man or woman from a poor family amasses a considerable debt in pursuing a higher education only to find that they cannot repay that debt, and they default.

But that is only part of the story. While there are community colleges and traditional 4-year institutions that have high default rates, the problem of defaults is most acute within the proprietary school sector. The vast majority of those schools are solid ones with owners who care deeply for the education and employment of their students. But there are a few schools, and a few lenders for that matter, whose practices have been reprehensive. They have shown a callous disregard for the hopes and dreams of poor students. They have used and abused those students. They have also used and abused their public trust. By abusing the Stafford Student Loan Program, they have sought to defraud and cheat the Federal Government. I have only contempt for such schools and their owners. They should not only be put out of business, but caught and prosecuted to the fullest extent of the law.

I am not saying that the Department of Education would necessarily have caught all who abused the loan program, but I am saying that diligent enforcement actions by the Department would undoubtedly have uncovered the problems earlier and enabled us to take immediate action. Their recent default regulations show promise of turning the situation around, but the legacy of inaction and neglect cannot be turned around in a few months.

Mr. President, the Senate's record in this area is superb. On four separate occasions over the past 3 years we have approved strong default legislation. Had we had our way, we would be facing a problem that would pale in comparison to the situation before us today.

Further, where the Pell grant in 1980 covered 41 percent of the cost of a college education, today it covers only 26 percent. Had Pell grants kept pace with the cost of living and the increased costs of a college education, it would not have been necessary for many students and families to go deeply into debt to pay education expenses.

Mr. President, it is without doubt that the problem with which we are confronted is very serious. But it is also a problem that goes well beyond the immediacy of the moment. The absence of solid program operation and oversight by an administration dedicated to drastic cutbacks and restructuring of student aid programs is a major reason that the current crisis is so severe.

Mr. President, the Senate takes a back seat to no one in its efforts to crack down in student loan defaults. With a unity of purpose and concern that transcends party lines and partisan differences, the Senate has again and again moved to confront the problem of loan defaults head on with stern, tough legislation. That is our ongoing responsibility, and I intend as chairman of the Education Subcommittee to stay the course that we have set.

In summary, I believe there are five areas where action is required. They include:

First, an immediate Education Department policy decision with respect to the HEAF situation so that order and confidence can be restored to the loan program;

Second, strong, effective enforcement of laws and regulations already on the books to rid the loan program of the abusers;

Third, adequate grant assistance, including increased appropriations for the Pell grant, to lessen the reliance upon borrowing to finance a college education;

Fourth, House passage of S. 568, the Senate-approved default legislation; and

Fifth, House agreement to the Senate-authored default provisions in S. 695, the President's education initiative.

In June 1987 I was joined by Senators Stafford, KENNEDY, HATCH, Matsu-

naga, DODD, SIMON, Stennis, FORD, BENTSEN, and HARKIN in introducing legislation that enabled a guaranty agency to withdraw its guarantee from any school that had a default rate in excess of 25 percent. That legislation passed the Senate as part of the omnibus trade bill. It was, as I said when I introduced the bill, "a particularly important way in which guaranty agencies can effectively and swiftly take action on schools that have alarmingly high default rates." It is a provision that would have been very helpful to the situation at hand, but it is also one on which we could not get agreement in conference with the House.

In December 1987 the Education Subcommittee held two hearings that focused specifically on the default problem. Those hearings resulted in legislation, S. 2647, that was introduced in March, 1988 by myself and Senators Stafford, KENNEDY, SIMON, HATCH, DODD, Weicker, MIKULSKI, Matsunaga, and METZENBAUM. It was unanimously reported out of the Committee on Labor and Human Resources in August and overwhelmingly approved by the full Senate in September.

That legislation required all schools, lenders, and guaranty agencies to implement a stringent default management plan if their default rate was more than 25 percent. Their participation in the loan program was at stake if they failed to do so.

The legislation also required the publishing of default rates for all schools, lenders, and guarantors. In addition, it included provisions for better collection procedures, improved reporting of defaulters to credit bureaus, and the withholding of academic transcripts for defaulters.

When House action on this legislation was not forthcoming, we reintroduced it again as S. 568 in March 1989, and passed it under unanimous consent. That legislation is still pending in the House.

When the new administration implemented its loan default regulations in 1989, it drew extensively upon the Senate-approved legislation. It is without question, however, that it would be far better if tough measures against defaulters were contained in law and not just in regulations.

When we considered the President's education initiative earlier this year, we included several provisions that would amplify and strengthen the regulations already issued by the Department. The House has now passed its version of S. 695 and returned it to the Senate with the request for a conference. I remain very hopeful that when the conference meets, differences can be worked out so that the legislation, including the Senate's default provisions, can go to the President for his signature yet this session.

Finally, I would be remiss if I did not point out that there is a very real correlation between loan defaults and the inadequacy of our Federal grant programs. The past decade was marked by a dramatic and unfortunate rise in borrowing. We began the last decade with the typical student aid package composed three-fourths of grants and only one-fourth loans. Today, it is precisely the opposite.

STUDENT LOAN PROGRAM—NEXT FOR BAILOUT?

Mr. SIMON. Mr. President, this morning USA Today carried a story with the headline "Student Loan Program—Next for Bailout," which unfortunately implies that the Federal student loan programs are next in line behind the savings and loan industry for a Federal bailout. There is reason to be concerned about the nearly $2 billion annually that we are spending on student loan defaults and the now tenuous financial situation of the largest guarantor in the Stafford Student Loan Program—the Higher Education Assistance Foundation. However, this kind of attention grabbing headline hurts, rather than helps, efforts to stem the drain on the Federal treasury due to student loan defaults.

One important point I would like to make, Mr. President, is that Congress and the Senate, in particular, have acted and continue to act in a responsible manner to bring student loan default costs under control. This is a complex and difficult problem that did not occur overnight and will not be solved overnight. But, in the past 5 years, Congress has taken significant and meaningful steps to prevent and control student loan defaults. Among these are passage of the 1986 higher education amendments which included 26 separate provisions aimed at reducing student loan defaults. These included provisions requiring multiple disbursements of loan proceeds; requirements for borrower education on their responsibilities regarding the loan; prohibitions on abusive lender practices; requirements for credit bureaus to be notified when a loan is in default; and prohibitions against defaulters from receiving any form of Federal student aid.

In 1987, I introduced S. 1931, the Student Loan Default Prevention and Debt Collection Act of 1987, to bring the default problem under control. This bill would impose critical new responsibilities on institutions, guarantors, and the Department of Education to reduce default rates. S. 1931 would require the Department of Education to present default rate statistics on an annual basis and to implement the national student loan data system. My bill also included requirements to ensure that students know they are receiving a loan and to improve exit counseling. Moreover, it would require the Department of Education to engage in more aggressive monitoring of eligible institutions.

Significant provisions from my bill were included in S. 2647, the Stafford Student Loan Default Prevention and Management Act, which the Senate passed in 1988. In addition, S. 2647 required schools, guarantee agencies, and lenders to implement a default management plan if their default rate exceeded 25 percent. The House of Representatives did not take up this measure, however, and a nearly identical bill, S. 568, was passed by the Senate in 1989.

When action on this measure languished, the Senate then added several provisions of S. 568 to the President's education proposals, S. 695, the Excellence in Education Act, and passed this bill on February 7, 1990. Among the 17 significant provisions in S. 695 designed to deal with the issue of defaults are provisions to: Prohibit granting student aid eligibility to any school that has had its accreditation terminated in the past 2 years; require that colleges be notified of former students who are delinquent who on their student loans; require the collection of additional borrower information on student loan applications; and clarify reporting requirements to credit bureaus for delinquent loans.

Moreover, in November 1989, Congress enacted into law new, tough provisions in the Omnibus Budget Reconciliation Act that severely restricted the ability of high default schools to participate in the Supplemental Loan Program. As a result, over 600 schools with default rates over 30 percent have been terminated from that program.

Mr. President, it is obvious that the Senate has moved aggressively to deal with these issues in a creative and comprehensive fashion. We are moving to use all the legislative tools available to us to address the student loan default problem. Senator PELL, Senator HARKIN, and others have shown tremendous leadership on these issues.

Next year, we will undertake a historic and comprehensive review of all of the student aid programs under the Higher Education Act. I am optimistic that we will move on a problem that compounds the student loan default problem and that is the insufficient funding of the Pell Grant Program. Sadly, the Pell Grant Program is no longer the cornerstone of our Federal student assistance portfolio. Now, Federal student aid policies force even the neediest students to borrow to finance their education. Offering low-income students the opportunity to acquire $10,000 or more in debt over 4 or 5 years is no real offer at all. Clearly, this is a situation that needs correc-

tion. In doing so, we can address multiple goals of reducing student loan defaults and improving access to higher education.

Much more can be done, Mr. President, both the prevent student loan defaults and to improve collection of current, outstanding loans. But, the suggestion that we have a problem on our hands that rivals the magnitude of the S&L scandal is an alarming headline grabber—aimed for shock value, not substance.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2342

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield myself as much time as I may require.

Mr. President, I want to make three tiers of arguments against this suggestion for two-tier target prices. The first set of arguments really pertain to the parliamentary situation that observers of this debate might have questioned or at least might have been curious about earlier this evening.

The distinguished Senator from South Dakota forwarded an amendment to the desk and followed that with another amendment and then an additional second-degree amendment. I perceive that his intent was to freeze out a second-degree amendment, on my part. And indeed in earlier colloquy with the distinguished Senator from South Dakota, I had indicated that we could not come to an agreement not to offer a second-degree amendment because farm program equity depended upon the amendment that I wished to offer; namely, that the two other program crops not in the Senator's amendment, cotton and rice, ought to be included in this equation.

There are four principal program crops, Mr. President. Wheat and corn are two of them, and they are the subject of this amendment. Curiously rice and cotton are exempted.

I would suggest one reason they were exempted from this consideration, Mr. President, was that a number of Senators coming predominantly from Southern States on our Agriculture Committee, and perhaps off the committee too, had very strong objection to the application by the Senator from South Dakota of his principles to the farm operations in their States.

The Senator from South Dakota, I believe, has a dilemma with regard to Southern Democrats, quite apart from Southern Republicans, and chose of course to exempt that problem from his amendment. I understand that, and I suspect the Senator in good grace did understand in early colloquy off the floor that I had a problem, too, mine centered upon making certain that we had equity.

In the course of these amendments, the distinguished Senator from South Dakota offered what turned out to be a study amendment as the amendment in the first degree. And, therefore, it turned out, for the benefit of those who were following the bidding at that point, that his attempt to amend that in the second degree failed because it did not correctly amend the study amendment. That was the same reason that my second-degree amendment needed to be rewritten—to be applicable. In the course of rewriting it, I was unable to regain the floor.

So, Mr. President, to make things very simple, I simply indicated to the distinguished Senator from South Dakota, the author of the amendment, that we would debate the issue on the basis of an increase in target prices. That is the basic issue. There are other issues, and they are interesting issues, but they have been selected carefully. And I want to unselect this process and get us back to the basic point, by dispatching all the parliamentary procedures. We are back to that point, and we are discussing an increase in target prices.

I must say, Mr. President, this incident is the first time in which our side of the aisle, our staff, really had no knowledge of the amendments that were to be offered. There has been, up to this point, a very good sharing of that information; a very good bipartisan movement of the farm bill. And this may have been simply an inadvertent exception to the rule but, Mr. President, when you are in a condition in which somebody suggests a first-degree amendment and then applies a second-degree amendment, and then tries to freeze out what everybody knows was coming, then I have my doubts about the condition. This is why I have described it in this detail.

I take it for granted, therefore, Mr. President, that it should comes as no surprise that I have a considerable degree of opposition to this whole proposal and the way that it has been approached this evening. I have indicated to the distinguished chairman of the committee, in addition to the Senator from South Dakota, that it appears that we are really into the heart of the matter as to whether this is the particular farm bill that may be passed this year. It is an argument we have had in the committee for quite a long while.

The position that I took in the committe and that ultimately a majority of the committee supported was there should be no increase in target prices. Now, that was not just an arbitrary finding, Mr. President. It is a situation as fundamental as the one our country faces at this particular moment.

Let me just move to a second phase of arguments, Mr. President, and these get away from the parlimentary conditions and our treatment of each other in this particular amendment to a basic fact of life in our country. The head of OMB, Mr. Richard Darman, wrote to members of the committee that our bill was as much as $25 billion over budget in a 5-year period of time.

I was startled by such an assertion. I appreciated that there clearly was a scoring by OMB and by the U.S. Department of Agriculture that might have put us $3.5 billion, maybe $5 billion over. The distinguished chairman of the committee, as one of the first actions in this debate, offered an amendment on behalf of the two of us to rectify the budget problem forthwith.

In the conference that I had with Mr. Darman, and the Secretary of Agriculture, later in the day, Mr. Darman stated, "You have met that problem. Your bill is at least at the budget level your own Senate Budget Committee suggested."

I said, "Well, apparently we have cured the problem."

He said, "No, you have not cured the problem. The problem is in the summit. The problem is in the sequester. If the summit does not finish by October 1st, or in whatever action is taken down the trail in a session to deal with the budget after the elections, a very painful sequester is likely."

The problem Mr. Darman saw was what he described as a $15 to $20 billion problem. In essence, in one way or another, at the time of the summit and its recommendations or in the sequester or in whatever arrangement finally Senators arrive at, reductions in agriculture of between $3 to $15 billion for the 5-year period of time; and perhaps more would be required.

So, Mr. President, we are talking about a very serious effort here to bring in a bill which at the very least meets the budget requirements that our own Budget Committee has suggested. But it should be known to Senators, and soon will be known to Senators, that a very differece set of propositions are going to occur. I think that was obvious at the time we were having the markup in the Agriculture Committee. This is why I suggested as a matter of common sense that when we came to the blank space in the bill establishing how much or how little should target prices be raised, we insert a zero. I said let us freeze these levels for 5 years so at a minimum we do not exacerbate the problem.

Mr. President, I appreciate that there may be persons, I hope they are not in this body, but there may be persons around the country who would say, why not raise target prices almost any amount you want to? Why not

have a joy ride at this point and say to the farmers of the country we are really doing a job for you? Why $4 wheat? Why not $6 wheat? We could pass that this evening. If the distinguished Senator really wants to raise target prices, why should we on our side of the aisle not say we will match you by a dollar upward, upward, and upward? Because it is not going to happen. It is going to crash in a heap.

I wish we did not have to have this debate again. We had it for 5 weeks in front of doors, behind closed doors, finally out in the open.

Certainly Senators are free if they want to, to try once again to raise target prices in a world in which the United States of America apparently has a deficit of at least $100 billion that has to be reduced this year. Even the modest $50 to $60 billion package proposed by some is difficult to come by, and in the face of this, Senators are still out here on the floor attempting to raise target prices.

Mr. President, I understand this is not the last amendment tonight that will attempt to do that, so what I say now is equally applicable to the Baucus amendment. That amendment goes on to raise target prices by the full cost of living, as I understand it, or some such formula, annually. It makes farmers whole. It literally is a COLA.

Mr. President, let me say that is money with a capital M. In fairness to the Daschle amendment, it is a fairly modest increase and there is, in further fairness, a difference of opinion. CBO says the Daschle amendment scores out at zero in terms of cost. The USDA says it is a $1.9 billion cost increase.

Mr. President, as I shall illustrate in a moment, USDA probably substantially understates the impact of this amendment upon the real world of farmers in Indiana or South Dakota as I know them and as I know how these programs are applied.

We are at a point, Mr. President, in which, if this amendment is adopted, or if the Baucus amendment is adopted, in my judgment present very critical blows to this particular bill. I do not want to be obscure, Mr. President. There really are no hidden amendments on our side at this point. Let me say, in the presence of everybody who happens to be witnessing this debate: If we are not able to come together in a bipartisan way, this bill will be revisited in a number of interesting ways. The distinguished chairman of this committee, to his credit, even prior to this speech, not as a result of it but prior to this speech, has said he will stand with me to defeat this amendment because he and I have worked together to try to bring about a bipartisan bill, and we think we have a good one.

There are alternatives to this bill, Mr. President. One alternative, and it is in the form of an amendment, printed, and prepared to be offered by a Senator on our side, is simply to substitute the 1985 farm bill for all that we have done. That solves the budgetary problem. And, furthermore, the 1985 farm bill had a decrease of target prices, year by year. It had some other clauses that in fact move more toward the market. That is an alternative. It might be one that our party would take seriously. It might be one we should try to implement.

Obviously, a second course of action is to go for a 1-year extension of that bill, if not for a 5-year extension, so that Senators can ponder the predicament and we can move our way through the rocks and shoals of the current budget situation.

I suspect, with either of these courses of action, there will be opposition, and the working through of those courses of action may take time. Mr. President, we are prepared to spend that time. It may be we shall not have a farm bill prior to this recess. Maybe we can see how the summit comes out first rather than the other way around. Maybe we will not match up in conference with the House, which I understand is due to conclude its work on Thursday.

My preference, obviously, Mr. President—and I shall not be obscure about that—is to proceed to a conclusion with this bill and to do so, hopefully, if not tonight, tomorrow; to get to conference; to retain some remarkable language with regard to conservation, the environment, and forestry, and international programs, and a whole lot of other things that are very important that are part of this legislation.

I would have thought, Mr. President, by this point, and given at least a clear path for this bill, Senators would have come to a conclusion that the feeling on our side that there should be no increase in target prices and no increase in loan rates and no further set-asides was one that could be shared. But, Mr. President, we are finally to have the last testing of that resolve, which is the Senator's right. There is no particular reason why the Senator, who opposed the whole idea of freezing these basic concepts, should be reconciled with it and should not have one last opportunity to address the situation.

Mr. President, let me approach a third set of arguments that pertain specifically to the Senator's amendment because there are some facets of this amendment that may have escaped the attention of many Members. The amendment excepts about 100 acres of farm base from set-asides to begin with, which is an interesting idea already. There are large numbers of small family farms—or farms that are not even family farms, that are hobby farms—that do not participate in farm programs.

Under this amendment, many are likely to decide that they want to do so. It is an attractive proposition. The target price is higher than it has ever been before. If a farmer does not have very many acres and can get an exemption from a set-aside for all of them, apparently up to 100, why not have a go at it? The normal wheat and corn farmer has a set-aside; that means a certain number of acres may not be planted. But the Senator's amendment takes care of that.

There is no reason why there cannot be a whole lot of sign-ups, people coming back into these programs and participating in the higher target price. As a matter of fact, Mr. President, this is the reason the bill increases in terms of its costs. By saying that you can only have the target price that has now escalated 2.5 percent on so many bushels of corn or so many bushels of sorghum or barley or oats or wheat, you invite people to rearrange their farming situations so that, in fact, all of their bushels qualify for payments.

I suspect there are some wheat farms, probably fewer corn farms, around the country that would find it difficult to rearrange in this way.

My suggestion, however, is that our calculations, are that the farm bill currently before us now, absent the Daschle amendment, puts the farmer who has 444 acres of wheat or more in better condition. In other words, if you have 444 acres of wheat, you will be better under the bill before this amendment. Likewise, if you have more than 191 acres of corn, you will be better off with the bill without the Daschle amendment.

Stated another way: Those who benefit under this amendment have less than 191 acres of corn, and less than 444 acres of wheat. Those are interesting cutoffs, but it seems to me important that people who are listening to this debate might calculate their self-interest and what is occurring to them in this proposition. Clearly, if you are not in the program currently and you have a hobby farm, if you sign up and the take the exemption not to have a set-aside, you are better off than you have ever been before. If this is really a hobby farm amendment, it hits it head on. It does a whale of a job for people who are not really family farmers at all. Ostensibly they are being assisted by this particular amendment.

Mr. President, I appreciate the sentiment that brought the amendment and in all fairness to the Senator, the problem of how to help the family farm has been before the committee this time and in the 1985 bill, the 1981 bill, 1977 bill, each of the previous bills addressed by this body.

I suggest that it probably will come to the attention of most Americans that farm prices and farm income have been increasing while target prices have been decreasing. This idea that somehow farm income in the aggregate or in the net is assisted by increasing target prices has proved erroneous.

That may be a revelation to many Americans who do not follow these programs closely, but I think not to most farmers. This is one reason why many surveys in my State indicate that from 35 to 40 percent of all farmers wish the Government would get out of all programs. And over another 30 percent are pleased with the 1985 bill and would be prepared to see it continued. Less than 20 percent indicate they want more money.

The Senator from South Dakota appeals to the 20, but not to the 75-plus. I suggest there are good reasons for that. Only 36 percent of Americans receive any payments under these programs; 64 percent of farming Americans receive no payments under these programs. So only a fairly large minority were even involved in the first place.

Mr. President, they have been involved in a way that has been very expensive to them, as well as to the Treasury of the country. Until we started lowering target prices and lowering loan rates, allowing the Secretary of Agriculture to make prices competitive, our exports had fallen off a very great deal. They have now been increasing very substantially. These have been the proven benefits of the 1985 farm bill, a bill which decreased target prices, which decreased loan rates. Now the Senator would reverse that process, even in the face of the budget situation that I have described.

Mr. President, I find the logic of the situation that brought forth this amendment incomprehensible, except with the thought that there are still persons in our society who believe that raising the target price, raising the Government price somehow brings more income.

I am saying, Mr. President, the evidence simply does not support that assertion. Superficially, a listener to this debate tonight might believe the Senator from South Dakota by offering $4.10 for a bushel of wheat as opposed to $4 is helping him out. Let me just assert that the evidence is that the farmer will not be helped. As a matter of fact, he will be injured by the process and for sure will be injured if you have very many acres of wheat. That is a fact given the formula that has been proposed here tonight.

So for all of these reasons, Mr. President, I hope that Senators will consider this amendment very, very carefully. It appears to me that this is a critical juncture in the farm bill debate. I have underlined it as clearly and as candidly as I know how. There is no subtlety in this argument whatsoever.

I shall make the same arguments on the next amendment, telegraphing ahead that we have identically the same predicament. Further, the next amendment was also offered in committee. We have been down that trail before. The Senator who offered it has a right for another day in court. He is about to have it.

But I made the point then, Mr. President, that in the parliamentary situation we had in the committee, the Republican votes were always fewer than the Democratic votes. The Republican votes on the floor are fewer than the Democratic votes. If it is the will of the majority to have higher target prices, higher loan rates, higher everything, in due course, those amendments can be carried.

I also point out, Mr. President, that the consequences of that action might result in no legislation. It might lead to a degree of satisfaction for a moment, an illusion that somehow income has been produced when, in fact, great difficulty had been produced.

I say, again, Mr. President, I look forward to working with the distinguished chairman for a strong bipartisan farm bill that we can carry into conference. I look forward to working with him, to doing the very best we can under the circumstances with the summiteers and with all those who would rearrange our predicament, either in the summit or under Gramm-Rudman-Hollings. We have some tough work ahead of us.

This country has a management of Republicans in the administration and Democratic leadership in the Congress. We perceive that; we accept those are the facts. That means that there must be very substantial bipartisan understanding. I will just say, Mr. President, the understanding on the part of the administration, leaving aside my own preferences, is that this farm bill needs to come in, at minimum, where the Senate Budget Committee said. To proceed in the way the amendment does tonight would do violence to that idea. It is an unacceptable proposition, even if there are votes in a partisan way to adopt it.

So I ask that that not occur. I thank the indulgence of the Chair in hearing out these complex arguments.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask to speak on the time of the opponents of the amendment.

Mr. President, I will speak briefly. There has been a great deal of discussion of the bipartisan coalition that has put together this bill, and I am proud of that coalition. I would note on behalf of the distinguished Senator, my close friend from South Dakota, Senator DASCHLE, that he has not by proposing this amendment violated his position in forming such a coalition. The distinguished Senator from South Dakota was 1 of 5 Senators who voted against the bill as it came out of the committee. He was consistent throughout the debate, making clear the night of the vote on the bill his feelings on what should have been done differently. The amendment that he has offered is consistent with everything he said throughout the debate, throughout private discussions, and at the time of the vote.

Having said that, Mr. President, I have said before that if I wrote this farm bill and could simply pass it through the Senate and the House, I would write a different farm bill. Some sections of the bill would remain the same, but there would be a number of other areas that would be different. The same could be said of the distinguished Senator from Indiana, the distinguished Senator from South Dakota, the distinguished Presiding Officer, or any of the other Members of this body.

The fact is, however, Mr. President, we have only one bill before us. We have worked closely with Senators to craft this bill. The Senator from Indiana has been consistent, honest, forthright, and direct in what he wanted in the bill. There has never been a time that he has in any way withheld from me his ideas on what he wanted to do. There has never been a time when he has been anything but completely honest with me.

By the same token, Mr. President, I have done the same with him. Each of us has had to give up some of the positions we wanted to hold in this bill. We have attempted to do what we see as our responsibility to this great body, and that is to bring a highly complex and extremely expansive piece of legislation to the floor of the Senate. Although this bill is complex and expansive, this country and those who produce the food and fiber of this country would be much worse off without this important piece of legislation. I believe this is the most progressive farm bill I have seen in the 16 years I have been in the Senate. I have seen four farm bills during that time. This is certainly the most environmentally progressive farm bill. It is the most forward-looking farm bill in trying to determine alternative forms of agriculture and methods of growing food and planning for the next century. This bill looks directly at the problems that have developed in our Food For Peace Program, Public Law 480, and seeks to correct these problems. Again, I think this is one of the most progressive, forward-looking pieces of legislation since this great program

was founded a quarter of a century or more ago.

I could go through a whole list of other things, Mr. President, but I believe it would be a true shame and a great loss to this country if this progressive piece of farm legislation does not go through this body and does not go through conference, emerging in much the shape it is in now.

I rarely ever find myself in disagreement on rural or farm issues with the Senator from South Dakota, and perhaps at another time much of what he said could appeal to me—but not in this bill. We have, in effect, crated a Rubik's Cube where budget restraints and the sense of responsibility are interrelated with each commodity. This amendment would begin to change the face of that Rubik's Cube and would disrupt the delicate coalition we have put together.

I have heard rumors that there might be amendments to change the bill, including changes in target prices, loan rates, and cuts across the board. I hope that Senators who voted for this bill in committee would not consider such amendments as long as we who support the bill are able to maintain the votes on this floor.

So, Mr. President, I am prepared to stay here as many days and as many hours as are necessary. Perhaps it is my Vermont upbringing, but I seem to have been blessed with an extraordinarily strong constitution. I can stay as long as is necessary.

I do not think we are here for an endurance record. We are here to put together responsible legislation for this Nation. This legislation impacts our Nation's security and how we produce our food. It addresses what I believe is the greatest moral issue in this country—how to feed the millions of hungry Americans.

I believe that if the coalition we have put together starts to come apart, this bill will go on this week, and the next week. I say this based on the precedent set for the past four farm bills. We would then spend a couple weeks more on this bill, and maybe it would be set aside sometime in mid-August as we moved to the defense bill and the debt limit bill. Maybe we would come back to this bill trying to complete it before the Labor Day weekend.

I would be happy to do that. I might suggest, Mr. President, that having gone up and down that hill and having pushed this bill like Sisyphus pushing the rock up the hill, we are eventually going to end up at just about the point were we are now.

I can play the string out either way, Mr. President. I hope, however, that the Senate would realize the enormous amount of work that has gone in this bill, and would realize there was a lot more we might have done had we not had budget restraints. We have a good, solid bill, a bill that is within the means of the United States but also reflects the needs of those who produce the food and fiber of this country. I hope it will be supported.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. I inquire as to the amount of time that remains on both sides.

The PRESIDING OFFICER. The Senator from South Dakota has 21 minutes remaining; the Senator from Indiana has 6½ minutes remaining.

Mr. DASCHLE. Mr. President, I yield myself such time as I may consume not to exceed 15 minutes.

Mr. President, I understand the chairman's frustration, and I, like him, would like to see this legislation and the debate ultimately come to a close. But I must say also this is our last opportunity, maybe in 5 years, to redirect whatever commitment there is at the Federal level to ensure that farmers have some opportunity to maintain economic viability.

The fact is, I am thinking this may be the last opportunity. I cannot foresee a circumstance in the next couple of days, next year, the year after, when I will have the opportunity I have tonight to make as good a statement as I can about the direction we are taking in farm policy as we pass this legislation. So I understand his frustration, but I ask him and others to bear with us as we do the best we can to make the most of what we have.

Let me respond briefly to a couple of points made by the distinguished Senator from Indiana, one going back to the very first comment he made about lack of information. If he did not have the proper information, I apologize. It was not my intent to keep it.

We have been working almost up until the last minute. We have been pressed for the last several days to come forth with amendments. Unlike other Senators, in certain cases we have not felt totally prepared, but to accommodate the chairman and others, we have gone forth and offered our amendments. It is not my intention to prevent the Senator from Indiana from having the appropriate information to make his case.

Second, with regard to equity, the Senator indicated earlier that cotton and rice are to be treated the same as all other crops. The fact is they are not being treated the same. The fact is we have a marketing loan program for cotton and rice right at this moment. It has worked pretty well for the last 5 years. Some of us in wheat and feed grains would love very much to have a marketing loan program for wheat and feed grains. We are told we cannot afford it. We are told there are a lot of reasons why a marketing loan program will not work for wheat and feed grains. I disagree with that.

I indicated in the committee, as we offered our amendments, that you can make a solid case for a marketing loan program under these circumstances for wheat and feed grains. But we are told all crops are different.

Now we come to the floor. We are told there has to be equity, some kind of parity between wheat and feed grains and cotton and rice. If there has to be parity, maybe we ought to revisit the marketing loan concept for all crops. We are not going to do that tonight.

I guess the third point is one that is most important to me. We have been told time and again if only the budget would allow, how we could ensure that smaller farmers are going to be treated in a way that will ensure their long-term economic viability. It is the budget that is constraining us. It is the budget that is forcing us to make some of the decisions.

To a certain extent. I acknowledge budget constraints. They are there. They are real. We are dealing with a lot less money tonight than 5 years ago. We recognize that. We probably will deal with less in 1995 than we are dealing with in 1990. But if that is the case, it makes my amendment all the more important. As we divide up what shrinking pie there is, does it not make sense to do in agriculture what we do with just about every other program, including our tax structure: that is, make it more progressive? Do we not want to ensure that those benefits that are available help those who are in the position to use those benefits the most efficiently, the most productively, and make them the most economically viable? There is no doubt in my mind.

I will acknowledge the fact the bigger you are, the more you can benefit from volume efficiency. We recognize that to an extent. You can produce the millionth bushel at a cost less than you can maybe the hundred thousandth bushel. I doubt very much that anybody would dispute that.

So clearly there is a built-in advantage to size already. But why, if all we have is a shrinking budget pie tonight, help the big get even bigger? Why would we continue to ensure that these big producers around the country are going to benefit even more than the small producers? Why would we reverse that in farm policy when we do not do it in just about every other Federal program? That is what I am trying to do, simply acknowledge the fact that there is a need for progressivity.

There is a need to recognize that the benefits targeted are going to help small producers a whole lot more than they are going to help the big producers who have other ways in which to ensure their economic viability in the future.

I must remind my colleagues one more time tonight; it may be the last time I bring this up but it is worth repeating because it is so relevant to what I am doing tonight.

The Congressional Budget Office has indicated that if we do nothing, if we do what is suggested by the bill before us, the fact is we can expect 500,000 fewer family farms in 1995. We can expect that to happen.

Which do you think they are going to be? Are they going to be the 100,000-bushel farms? Are they going to be the 10,000-, the 15,000-, the 20,000-bushel farms? Or is there a good chance they are going to be the 200- or 300-acre farms? Who in here thinks it is going to be the large farms that are going to have difficulty surviving in the future?

We all know what is going to happen. Those 500,000 family farms are going to be the small ones. They are going to be the ones that keep these small towns operating. They are going to be the family farms that we have all said we support in creating farm policy.

The Senator from Indiana also indicated that this is going to mean some dramatic changes and shifts in planning patterns. I think he is right. I think there will be some shifts. But the Congressional Budget Office in their report to us said we have taken that into account as we created our budget neutrality tonight with this amendment.

We recognize there will be shifts. Those shifts are represented in the program as outlined in the chart I have discussed.

So the working information that we have, the information upon which we base our decisions budgetarily here in the Senate is from the Congressional Budget Office. The CBO has indicated that this amendment is budget neutral. I think we need to go by that. We have not other reason to dispute their figures.

We are told tonight that this is a deal buster. There have been all kinds of threats of going back to the 1985 farm bill, having a 1-year extension, maybe even taking this bill into August or September.

I suppose that the definition of a deal buster is a moving target, frankly. I did not hear anybody talk about a deal buster this afternoon when there was an amendment to strike the honey program from the farm program—strike it out entirely over a 4-year period of time. No one raised "deal buster" then. But the fact is tonight we do not have a honey program in this farm program after 4 years. It is going to be gone. Nobody raised a deal buster concern then, but the honey program was part of the deal.

I do not know what the agreement included and, frankly, I was skeptical at the time about whether we had any kind of a deal concerning all of the components of the bill. But certainly there was not a deal when it came to some of the issues that already have come up before the Senate.

We are told the distinguished Senator from Indiana indicated that farm income has increased. That has been documented.

However, I can recall so vividly a chart used by the distinguished Senator from North Dakota time and again depicting what farm income has done over the last five decades. That chart very clearly indicates that for the period of the eighties farm income is the lowest that it has ever been on record; farm income in the eighties is the worse it has ever been.

The distinguished Senator from Indiana has also indicated that raising target prices somehow is the only means we have by which we can raise income. I do not acknowledge that. I know income ought to be generated in the marketplace. I am hopeful that through some of the things we have done in the last couple of days we will generate more income in the marketplace. The fact is if we are going to create any kind of a, say, safety net for those farmers who need it the most, having an opportunity to target those benefits, the first 12,000 bushels of wheat, gives us the only opportunity to prevent many of these farmers from falling right through that safety net in the next 5 years.

We already know they are going to have to absorb a 20-percent reduction in the amount of money they are going to receive through the farm program. A 20-percent hit over the next 5 years. That is already a given. The question is how much more will they absorb if inflation through their costs of production goes up even more than 4 percent annually? The question is how much more will they absorb if inflation through their costs of production goes up even more than 4 percent annually? We could see a 30- to 40-percent increase in their cost of production, and how many family farmers are we going to have then?

Mr. President, I know that this is our last gasp, this is our last opportunity to do something to ensure that given the budgetary constraints, given the philosophical differences that exist between many on the side of the aisle, many on this side of the aisle, with regard to the value of the farm program and what it can means. Given all of that, I realize that we are running an uphill battle here.

We recognize that given the uphill battle we have against both managers of the bill that our chances of passing an amendment like this may be slim. But it is disconcerting to be from a State like mine, to travel through the countryside and know that some of the farms that are just hanging on right now will not be there next year.

They will not be there by the time we write another farm bill. And the small small towns that are relying upon those family farms will not be there either.

I guarantee you there are going to be Senators who will come in here and say we have to provide some assistance to these rural communities, a huge new rural development program, to make sure these small towns remain viable. Well, this is the best rural development program farm States could have. If those farmers do well, those small towns are going to do well. If they do well, we do not have to worry so much about economic development in the future.

So I hope that people will recognize the importance of this amendment to small family farms. I hope they recognize that we are going to be able to agree to this amendment without spending one additional dollar. I hope they are going to remember that if we fail in this, there really is no other opportunity to help, that our opportunity now will be lost. As we revisit this issue 5 years from now, I guarantee you we are going to be talking about a lot fewer farms than we are tonight.

I retain the remainder of my time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7½ minutes.

Mr. DASCHLE. I yield 5 minutes to the Senator from North Dakota.

Mr. CONRAD. I thank the Senator from South Dakota.

I rise tonight because I have heard again on the floor this evening things that deeply disturb me. I have heard from the other side that we cannot raise target prices, we cannot raise loan rates. Over and over a line is drawn in the sand saying you cross over that line and we are done; we take up our marbles and go home.

Mr. President, I thought this business of legislating was built on compromise, but over and over, as we have gone through the writing of a farm bill, we have been presented with ultimatums. I submit that it would be possible for others to issue ultimatums as well, for others to say, for example, if we do not raise target prices, if we do not raise loan rates, there will be no farm bill. But that has not been the process that some of us have engaged in.

Instead, we have sought to reach accommodation, to write a farm bill that was responsible to taxpayers, as well as meeting the needs of farm producers.

Mr. President, I think for those who are watching and listening to this debate tonight, they ought to know that the fact is, this bill lowers target

prices; it lowers target prices, because it freezes them for wheat at $4 a bushel for the next 5 years.

Mr. President, I wish that I could freeze the expenses that farmers face when they go to the store to buy the things that they need. There is not a person that would not understand that if their wages are frozen for the next 5 years, they are, in effect, taking a cut.

Perhaps we need to remind people of what has happened over the last 5 years. Five years ago target prices in this country were not $4 a bushel; they were $4.38 cents a bushel 5 years ago. We have taken a 10-percent cut, plus the effect of inflation over the last 5 years, another 20 percent. So farmers who grow wheat in this country have taken a cut of 30 to 35 percent over the last 5 years. Now they are being told, well, guess what, gang, get ready to take another 20 percent.

Mr. President, if we were above the cost of production in terms of the target price, maybe you could understand that logic. For the last 2 years we have been below the cost of production in terms of the prices our farmers get. I do not know of another industry that could long survive when they are receiving below the cost of what is required to produce the product that they put on the market.

Make no mistake, the result of this will be fewer farmers. The result of this will be further decline in the rural economy. The result of this will be more of Main Street in rural America boarded up. The result of this will be more people leaving rural States. The result of this will be more economic hardship and real pain, because what it comes down to tonight, Mr. President, is that we are talking about people, people on the land, struggling to make a living, who are hurting. In my State it is estimated that 30 percent of the farmers are on the brink of bankruptcy. Tonight we are asked to make choices. Are we going to help those people stay on the land, or are we going to push them off? Those are the choices that are left to us tonight.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. How much time do I have?

The PRESIDING OFFICER. The Senator has 6½ minutes remaining.

Mr. LUGAR. Mr. President, we are not talking about people on this side of the aisle. I hope we are all talking about people on both sides of the aisle. Agriculture is a serious business. The bill that has been brought by the committee as a whole to the floor seeks to enhance the incomes of people, seeks to keep people on the farms. To assert anything different is to take, I suppose, a position that one can absolutely predict the future.

I simply say, my assertion is that the farm bill of 1985 produced more income during the last 2 years than ever before, and that is documented.

Mr. President, the idea of 500,000 people leaving farms is based in large part, I suspect, on problems with statistically determining who is a farmer to begin with—under the CBO definition, a farmer is anybody in America selling 1,000 dollars' worth of farm produce each year. There are effectively 300,000 farmers with incomes of $100,000 or more and another 400,000 between $40,000 and $100,000 totalling about 700,000 farmers involved in commercially viable agriculture.

Mr. President, essentially we are trying to keep everybody who wants to farm viable, but I think we must do that by enhancing our markets. We do that by increasing exports. We do that by helping out in research, as to how inputs might be less expensive and the bottom line heftier.

Mr. President, to give the idea this is the last chance for farming America for 5 years seems to me as a bold assertion, unsupported by any real evidence. I believe that a bipartisan majority of our committee found a very good road for agriculture for the next 5 years and fashioned a very good bill.

Our predicament at this point is simply, as the Senator from South Dakota says, to get through this last gasp of persons who have a different idea. I do not think the evidence supports that their ideas would lead to greater prosperity for more farmers, small or large.

Let me just say that each one of us has had to compromise a good bit, and the distinguished chairman of the committee alluded to this fact earlier on. I have worked with him in trying to fashion those compromises.

Let me be very explicit. Today I stood on the floor and suggested to Senators that although I felt the distinguished Senator from Minnesota [Mr. BOSCHWITZ] made an excellent argument with regard to loan rates, he suggested that what goes up must come down and that, an average of 5 years ought to prevail. That is essentially the loan rate provisions of the farm bill of 1985.

The fact is that in our committee we agreed to have a floor for those loan rates, the floor being current levels. In the same way we are freezing target prices, at current levels. I thought the distinguished Senator from Minnesota made a lot of sense. But I sensed, as did the distinguished chairman of the committee, since we had talked a lot about loan rates, that we had talked a lot about target prices, that we were getting pretty close to the quick. Thus, I voted "no" on that amendment, as did a dozen Senators on our side of the aisle, and it was fairly, decisively defeated.

Mr. President, I am hopeful that we are going to hold together on this vote and on any other attempt to change the loan rate or target price picture, whether it be favorable to my side of the aisle or the other side of the aisle. We all can think of ways in which our economic theory might work and we can all think of ways to unravel a bill that seems to me to be very close to a very successful completion, and one in which we can take considerable pride. It is a pro-agricultural America bill. It will enhance income in our country.

Let me just simply add, realistically—I have also added in my arguments earlier on—the fact is we are not dealing in a vacuum. If we were simply left tonight with this bill and we completed action, the results for farmers in America would be trumpeted. However, realistically, we know that this is not the end of the trail; that elsewhere in this city, members of the summit meet. If they are not successful, Gramm-Rudman-Hollings comes in October 1. It is seeking to raise target prices in the midst of what clearly is going to be budget reduction, in which agriculture will share not an inordinate amount. And I will stand with the distinguished chairman to make certain, along with other members of the committee, that no more than our fair share is suffered in that process. But it is going to happen.

Mr. President, in the face of that, to assert that somehow or other by raising target prices tonight we are saving agricultural America, or a certain number of farmers, and so forth, is to fly in the face of the total reality we see all about us.

Mr. President, I am hopeful the amendment will be defeated, as well as any other attempts to change the target prices upward. And I would suggest that we are very close to a successful completion that I hope will not be disrupted.

I understand the distinguished Senator from Mississippi would like to be heard on the bill. I yield to him 2 minutes.

The PRESIDING OFFICER (Mr. EXON). The Senator has 31 seconds remaining.

The Senator from Mississippi is recognized for that period of time.

Mr. COCHRAN. Mr. President, let me add a word. The fact is that the committee has worked very, very hard to craft this legislation, and anyone of us on the committee could come in with an amendment at this point on the floor and make a persuasive argument that the bill could be improved.

After months and months of very, very hard work, I hope that the Senate will give the committee the benefit of the doubt and vote for the committee's position on this bill, and reject the amendment that is being offered.

The PRESIDING OFFICER. All time assigned to the Senator from Indiana has expired. The Senator from South Dakota has 2 minutes and 28 seconds.

Mr. DASCHLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired or has been yielded back.

The question is on agreeing to the amendment of the Senator from South Dakota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from New York [Mr. D'AMATO] and the Senator from Utah [Mr. GARN] are necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

The PRESIDING OFFICER. The Chair will remind the Senate we are 5 minutes over the required voting time. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 24, nays 72, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—24

Akaka	Glenn	Metzenbaum
Biden	Harkin	Mitchell
Bingaman	Hollings	Pell
Bryan	Kerry	Reid
Burdick	Kohl	Riegle
Conrad	Lautenberg	Rockefeller
Daschle	Levin	Simon
Fowler	Lieberman	Wirth

NAYS—72

Adams	Exon	McClure
Armstrong	Ford	McConnell
Baucus	Gore	Mikulski
Bentsen	Gorton	Moynihan
Bond	Graham	Murkowski
Boren	Gramm	Nickles
Boschwitz	Grassley	Nunn
Bradley	Hatch	Packwood
Breaux	Hatfield	Pryor
Bumpers	Heflin	Robb
Burns	Heinz	Roth
Byrd	Helms	Rudman
Chafee	Humphrey	Sanford
Coats	Inouye	Sarbanes
Cochran	Jeffords	Sasser
Cohen	Johnston	Shelby
Cranston	Kassebaum	Simpson
Danforth	Kasten	Specter
DeConcini	Kerrey	Stevens
Dixon	Leahy	Symms
Dodd	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	McCain	Wilson

NOT VOTING—4

D'Amato	Kennedy
Garn	Pressler

So the amendment (No. 2342) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. DASCHLE). The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator GRASSLEY be recognized to offer an amendment on flexibility, and that there be a time limitation for debate of 1 hour, equally divided in the usual form, and that no second-degree amendments be in order thereto.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. MITCHELL. Mr. President, accordingly, Senator GRASSLEY will now offer his amendment on flexibility. There will be 1 hour of debate, equally divided. Upon the use or yielding back of time there will be a vote on the Grassley amendment this evening.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2343

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislation clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] for himself, Mr. SIMON, Mr. BOSCHWITZ, Mr. DIXON, and Mr. KASTEN proposes an amendment numbered 2343.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 89, beginning with line 18, strike out everything down through line 3 on page 91 and insert the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half of the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 91, beginning with line 17, strike out everything down through line 9 on page 92 and insert the following:

"'(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 92, line 21, strike out "options" and insert "option".

On page 92, beginning with line 22, strike out everything down through line 3 on page 93.

On page 93, line 4, strike out "(C)" and insert "(B)".

On page 94, beginning with line 10, strike out everything down through line 13 on page 95.

On page 95, line 14, strike out "(E)" and insert "(C)".

[FEED GRAIN PROGRAM]

On page 138, beginning with line 23, strike out everything down through line 8 on page 140 and insert the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half of the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 140, beginning with line 22, strike out everything down through line 14 on page 141 and insert the following:

"'(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 142, line 2, strike out "options" and insert "option".

On page 142, strike out lines 3 through 9.

On page 142, line 10, strike out "(C)" and insert "(B)".

On page 143, beginning with line 15, strike out everything down through line 19 on page 144.

On page 144, line 20, strike out "(E)" and insert "(C)".

On page 145, line 1, strike out "(F)" and insert "(D)".

[COTTON PROGRAM[

On page 194, beginning with line 5, strike out everything down through line 14 on page 195 and insert the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 196, strike out lines 4 through 21 and insert the following:

"'(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 197, line 8, strike out "options" and insert "option".

On page 197, strike out lines 9 through 15.

On page 197, line 16, strike out "(C)" and insert "(B)".

On page 198, beginning with line 21, strike out everything down through line 25 on page 199.

[RICE PROGRAM]

On page 237, beginning with line 14, strike out everything down through line 24 on page 238 and inserts the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 239, beginning with line 14, strike out everything down through line 6 on page 240 and insert the following:

"(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops."

On page 240, line 19, strike out "options" and insert "option".

On page 240, beginning with line 21, strike out everything down through line 2 on page 241.

On page 241, line 3, strike out "(C)" and insert "(B)".

On page 242, beginning with line 5, strike out everything down through line 8 on page 243.

On page 243, line 9, strike out "(E)" and insert "(C)".

[GENERAL PLANTING FLEXIBILITY]

On page 318, beginning with line 21, strike out everything down through line 22 on page 320 and insert the following:

"'SEC. 505. PLANTING FLEXIBILITY.

"'(a) FLEXIBLE CROP ACREAGE.—

"'(1) FLEXIBILITY AUTHORITY.—Notwithstanding any other provision of this Act, the Secretary shall permit producers on a farm to plant for harvest up to 25 percent of (A) the crop acreage base established on the farm for each program crop, and (B) the historical oilseed planting on the farm to—

"'(i) any program crop;

"'(ii) any oilseed; or

"'(iii) any conserving use crop, or any other crop, considered appropriate by the Secretary.

Acreage planted to such approved crops shall be referred to as 'flexible crop acreage'.

"'(2) DEFICIENCY PAYMENT BENEFITS.—For the purposes of determining deficiency payments under this Act, flexible crop acreage under paragraph (1) shall be considered to be planted to the program crop for which such approved crop is substituted.

"'(3) BASE PROTECTION.—For the purposes of determining the normal crop acreage and crop acreage bases, any flexible crop acreage under paragraph (1) shall be considered to be planted to the program crop or oilseed for which such approved crop is substituted. The Secretary shall ensure that the crop acreage bases and the normal crop acreage established for the farm are not increased due to such plantings.

"'(b) SPECIAL NONRECOURSE LOANS FOR SOYBEANS AND OTHER OILSEEDS.—Notwithstanding any other provision of this Act, the Secretary shall support the price of the quantity of soybeans and other oilseeds produced on flexible crop acreage as provided in this section.

"'(1) LOAN LEVELS AND RELATED PROVISIONS FOR SOYBEANS.—Notwithstanding any other provision of law, the provisions of law in effect under this Act for the establishment of the level of loans and purchases for the 1990 crop of soybeans shall be applicable to the establishment of the level of loans and purchases for the quantity of soybeans produced on flexible crop acreage during the 1991 through 1995 crop years.

"'(2) LOAN LEVELS FOR OTHER OILSEEDS.—Notwithstanding any other provision of this Act, the level of loans and purchases for the quantity of sunflower seed, canola, rapeseed, safflower, or flaxseed produced on flexible crop acreage during the 1991 through 1995 crop years shall be such level as the Secretary determines is fair and reasonable in relation to the loan level established for soybeans under this subsection.

"'(c) LIMITATION ON BENEFITS.—Except as provided in subsection (a)(2), the Secretary shall not make program benefits, other than price support loans authorized under this Act for program crops and under this section for soybeans and other oilseeds, available to producers with respect to a program crop or oilseed planted on flexible crop acreage under subsection (a).'"

On page 89, strike out lines 12 through 17 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest and any flexible crop acreage that is considered planted to wheat under section 505, within the permitted wheat acreage for the farm as established under this paragraph.'"

On page 138, strike out lines 17 through 22 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest and any flexible crop acreage that is considered planted to feed grains under section 505, within the permitted feed grain acreage for the farm as established under this paragraph.'"

On page 193, beginning with line 23, strike out everything down through line 4 on page 194 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest and any flexible crop acreage that is considered planted to upland cotton under section 505, within the permitted upland cotton acreage for the farm as established under this paragraph.'"

On page 237, strike out lines 8 through 13 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to rice for harvest and any flexible crop acreage that is considered planted to rice under section 505, within the permitted rice acreage for the farm as established under this paragraph.'"

Mr. GRASSLEY. Mr. President, I yield 3 minutes to the Senator from Illinois [Mr. SIMON] because he asked to speak first.

Mr. President, could we have order, please?

The PRESIDING OFFICER. The Senate will be in order. The Senator deserves to be heard on his amendment. Senators will cease audible conversation.

Mr. SIMON. Mr. President, I say to my colleagues in the Senate, I rise as a cosponsor of the Grassley amendment, and let me say to my colleagues this is an amendment that ought to carry overwhelmingly. I understand the Sen-

ator from Minnesota offered a somewhat similar amendment in the committee.

This amendment, No. 1, saves money. It ought to appeal to all of us. No. 2, it gives farmers flexibility so that they can plant a little more soybeans, oats, whatever it is they want to plant. Third, it helps our balance-of-trade problem. We are not producing enough soybeans. We are, believe it or not, importing oats in a major way, a nation that used to export oats. It has all three of those things.

Then what is wrong with this legislation? There is fear, frankly and candidly, on the part of our friends who grow wheat that it is going to suppress the price of wheat. But let me say to my colleagues, as someone who lives at Route 1, Makanda, IL, and I say that to my wheat-growing colleagues from States like North Dakota and other States, farmers in Illinois are not going to shift from corn to wheat. They are going to shift to soybeans; they are going to shift to oats; they are going to shift to a product that, frankly, gives them more income than wheat.

I think this is a superb amendment. I would like to claim credit for it. Our colleague from Iowa is the sponsor of it, but I am pleased to be a cosponsor. I hope we can get the votes to adopt it. I think it makes eminent good sense.

I yield back my time to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to add Senator BOSCHWITZ as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I hope Senator LEAHY is around. I want to refer to a statement Senator LEAHY made. So under the rules of the Senate, I would like to make him aware.

I want to make a statement by repeating some words that Senator LEAHY made in the CONGRESSIONAL RECORD on November 19, 1989. This is just part of the statement: "I have said repeatedly that planting flexibility is a litmus test the 1990 farm bill must pass."

These are Senator LEAHY's words: "I have said repeatedly that planting flexibility is a litmus test that the 1990 farm bill must pass. I do not know of a single member of the committee that would oppose more planting choices for farmers. Greater flexibility is needed. Our producers are hamstrung and reacting to market signals by the current program. It is impossible for a farmer to practice good rotation practices when he or she"——

Mr. LEAHY. Mr. President, may we have order please? The Senator is quoting a speech of mine I assume I gave but do not recall. I might recognize it more if I could hear it. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GRASSLEY. "It is impossible for a farmer to practice good rotation practices when he or she is forced by a program to plant corn year after year, in and year out. The lack of planting flexibility in the current program"—that would be the 1985 farm bill—"has caused American agriculture to lose market share for oilseeds and oats and increase the level of chemicals in our soil and ground water."

There is not a thing about the statement that I just quoted that I find any fault with. But it lays out very well the purpose of our amendment because what we heard from the farmers over the last year-and-a-half is that there is a review of the 1985 farm bill, and as we were making preparation for a 1990 farm bill, the No. 1 thing we heard from the farmers of America was that the 1985 farm bill needs more flexibility.

Senator LEAHY was responding to that in the introduction of a bill that he and Senator LUGAR were putting in in November of 1989. I thank him for making those statements.

The bill that we have before us is better than the bill of 1985. But it basically guarantees base protection. It was really instituted in the 1988 drought legislation. It guarantees the continuation of that, but it does not guarantee flexibility, and the amendment that we have before us now, is true flexibility giving the farmers of America the opportunity to respond to marketplaces, to say no to central planning from the U.S. Department of Agriculture, the same as the Eastern European countries have said no to central planning, and to say yes to farmers' ability to respond to the marketplace that is retarded now because the present program dictates to a great degree what farmers may plant.

This bill saves $1.1 billion, and it is environmentally sound because it encourages crop rotations; it encourages smaller quantities of pesticides to be used and less commercial fertilizer to be used. These are the natural results of crop rotation.

If my colleagues are against this amendment, they are for high input sustainable agriculture. If they are against this amendment, they cannot really say that they want to clean up the environment. And if they are against this amendment, they must want to promote the sales of more pesticides, more insecticides, and more commercial fertilizers. Flexibility is the No. 1 issue in the farm bill. It has been that way the last 2 years, and it is still that way as we go to final passage of this legislation.

The fundamental question then is whether or not we have respect for farmers to make the judgment.

Foreign farmers benefit from a farm bill in America that does not give farmers the opportunity to respond to market forces.

Let me assure you as the Amazon forest burns and as more land in Brazil is put into soybean production, it is a direct result of few acres of soybeans planted in the United States. Three million acres less of soybean land in the United States—land in the United States that was once planted to soybeans, but is not being planted to soybeans because of the lack of flexibility in the 1985 farm bill. If you approve of the burning of forests in the Amazon, if you approve of the Brazilian farmers planting more soybeans because we are not able to supply the world market, then do not cry to me about imports coming into this country. Soy oil from Brazil is coming into this country right now. Do not cry to me when oats are coming into this country; when we give the individual farmers of America an opportunity to respond to the free market forces, we will be planting more of those crops in America. Instead of importing them, we would be exporting them.

Mr. SYMMS. Is the Senator prepared to answer a question?

Mr. GRASSLEY. Yes.

Mr. SYMMS. I appreciate what the Senator is saying. It sounds like a very interesting amendment that I may wish to support, but I do have one question. What happens to the livestock producer? Can you be paid to set land aside and then put it into forage and allow livestock to graze on it and then still get a stipend?

Mr. GRASSLEY. Yes. We call that in our amendment conserving acres, and that could be alfalfa, other crops as well, and so consequently you would be able to do that.

Mr. SYMMS. You would be able to grow alfalfa hay and have it baled, and so forth.

Mr. GRASSLEY. Yes.

Mr. SYMMS. And have it paid for.

Mr. GRASSLEY. Yes.

Mr. SYMMS. That causes some consternation in some parts of my State where there are single crop producers and it happens to be alfalfa hay for dairies.

Mr. GRASSLEY. It should not cause any consternation because when you do not have flexibility you have problems such as what has happened in the soybean market—the United States had 65 percent of the world trade of soybeans, and that was during the 1970's—during the 1980's our share has gone down to 50 percent. It has been picked up by other countries, primarily Brazil. It seems to me, if you are going to be concerned about the income of the farmer over the long haul, it depends upon the ability to respond to world markets and the farmer. A farmer who is in a position to respond to world markets is going to be the person that is in the right

place at the right time to capitalize on the increase in market activity.

Mr. SYMMS. I hear what the Senator is saying. What is the answer to the nonprogram crop farmer who grows one crop, and it is alfalfa hay, and they do not participate in Government programs and then you are paying somebody else to grow alfalfa? Is there any plan in this long range how you offset that?

Mr. GRASSLEY. Look at what happened when we discourage conservation farming. We have had cattle numbers go down as a result of it. It has not been good for the cattle industry any more than it has been good agriculture.

Mr. SYMMS. I thank the Senator.

Mr. GRASSLEY. Flexibility is going to save money, but that is not our motivation is farm programs with flexilbity to offer the same level of income support as the inflexible farm programs do. Gramm-Rudman may reduce target prices. We do not know that to be a fact but some people think it will when we get the budget done. There is nothing in flexibility that is going to reduce farmers' income.

Some people are concerned that this might have an adverse impact upon some regions of the country. Their argument being that farmers from one region of the country might be hurt because they have limited cropping opportunities. My answer to my colleagues from those sections of the country, is if in fact that is true, give your farmers an opportunity to make the choice. Do not substitute your judgment for that of your farmers.

With target prices and crop bases protected as it is in our amendment, you might be pleasantly surprised that individual farmers will try if allowed to do their own thing. You could have in your section of the country a cultural bias to certain crops.

I have been talking to Senator GORTON about wheat in Washington. He said there is no alternative. Maybe it is the case with cotton in Mississippi. We have put ourselves into an awful pickle with the rigid farm programs that come out of Congress and out of the USDA so that farmers plant according to that program. So over a period of years you can build up a feeling that you can plant only one or a few crops in a particular region.

Only 5 or 10 years ago the average farmer in my State had alfalfa, oats, soybeans, permanent pasture and corn, and then the heavy emphasis upon the corn base led to the plowing up a lot of land that never should have been plowed up. A lot of soil eroded that could have been saved if there had been less emphasis on base building.

Mr. KERREY. Will the Senator yield?

Mr. GRASSLEY. Yes, I yield.

Mr. KERREY. I hear the Senator talking about this rigid system that we have. Is the Senator from Iowa familiar with the origin of this rigid crop specific basing system that most of us would like to change?

Mr. GRASSLEY. Yes. It was in the 1977 farm bill.

Mr. KERREY. No, that is not correct.

Mr. GRASSLEY. Let me suggest to the Senator before 1977, the distribution of income support was based not on acres. You could have interchanging of the planting of soybeans, oats, corn, and other crops and still get your support. It was in 1977 that Congress tied in target prices and the payment with acreages.

Mr. KERREY. That is correct.

Mr. GRASSLEY. As opposed to allotment.

Mr. KERREY. The Senator from Iowa is correct, but I urge the Senator from Iowa and other colleagues who are interested in this history to look at the crop specific basing issue because that is when the rigidity came into the system. It came in as a consequence of an amendment offered on April 29 of 1981. It was not until the 1981 farm bill reinforced by the 1985 farm bill that we had rigidity in the system. If you voted for the bill in 1981 and the bill in 1985, you supported rigidity in crop specific basing.

Mr. GRASSLEY. Mr. President, I reclaim my time.

Critics of the Grassley-Dixon amendment have charged that our amendment decouples farm program payments from production.

To reach this conclusion requires a somewhat distorted view of decoupling. Decoupling has been around for a long time as a farm policy option.

Decoupling farm program payments means giving farmers a specified payment regardless of the market price for the commodity.

The Grassley-Dixon amendment ties payments on flex acres to current program deficiencies. This ensures that payments to farmers are based upon market prices, not the historical level of payments a farmer has received.

If market prices for program crops rise, the payments received on flexed acres will decrease. This type of market link should preclude the conclusion that payments have been decoupled from the market.

One of the biggest fears about decoupling was that if you had static farm payments, farm spending was more likely to get the budget ax.

Under the Grassley-Dixon amendment, a farmer's payment is not unrelated to the market, but is tied to the target price. Any cuts in the support the farmer receives from the Government, would be moderated by the size of the cut in target prices. And that is something I don't want to see happen any more than some of my colleagues on the Agriculture Committee.

There is one other reason the Grassley-Dixon amendment is not decoupling. By granting commodity loans to the flex crops on program acres, we are maintaining the tie between the price support mechanism and the commodity planted.

There is a change from the flexibility option considered in the Senate Agriculture Committee markup and helps maintain the link between program payments and planted acres.

The Grassley-Dixon amendment would mean savings in deficiency payments. Each farmer would have remained eligible for deficiency payments on the same number of acres, but with fewer acres of corn, corn prices would rise, decreasing the margin between the market and target prices.

This plan would have meant farmers got a greater percentage of their income from the market as opposed to the government. To me, Mr. President, that is not decoupling—that is flexibility.

I want to talk about the savings associated with our flexibility amendment.

The USDA has projected that the Grassley-Dixon flexibility amendment will save $1.1 billion over and above the savings already scored in the Senate bill for flexibility.

And unlike many amendments which are aimed at additional savings, we aren't stealing this money from the farmer's pocket.

One of the main points of discussion I heard while sitting in on the Agriculture Committee's markups was the interest of committee members to ensure that a majority of a farmer's income came from the marketplace.

By providing deficiency payments to farmers on the portion of their base which can be planted to other crops, farmers will be able to weigh the market price for the program commodity against the market price for the desired crop. If the market does not provide a greater return, the farmer will not switch production. Thus, we will ensure that farm income will be maintained, even though Government payments will be reduced.

So now that we know this amendment will not have a negative effect upon farm income, lets discuss where the savings will come from.

Under the Grassley-Dixon amendment, the number of acres in the program that are eligible for deficiencies will remain constant.

Where the savings come into effect, however, is that we will see additional oilseed and other crops produced that will decrease the supply of program crops.

From there, it becomes a question of simple economics.

As the supply goes down, the increased market price will decrease the size of the deficiency.

The result will be savings in program crop expenditures.

Mr. President, I ask unanimous consent that this letter from USDA be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, DC, July 24, 1990.

Hon. CHARLES E. GRASSLEY,
U.S. Senate,
Washington, DC.

DEAR CHUCK: In contrast to the Senate and House base protection proposals, your amendment would allow planting decisions on a substantial amount of acreage to be based solely on expected market returns and crop rotation needs. Although we still prefer a wider degree of flexibility, we support your approach. We think that in the aggregate the effects of your amendment on crop production and prices would be similar to our Green Book proposal or the program proposed last year by Senators Leahy and Lugar.

Compared to the Senate Committee proposal for base protection, Commodity Credit Corporation (CCC) outlays would be less under your amendment. We estimate that these savings would total $1.1 billion for fiscal years 1991-95. However, this estimate is conditioned upon the Department having discretionary authority to set payment acre trade-offs as specified under your Flexi-ARP Program. It is important that the discretionary authority your amendment provides on Flexi-ARP tradeoffs be preserved.

Compared to the estimates in the recently completed Mid-session Review baseline, your amendment would likely result in more production of soybeans and less production of feed grains. Production of cotton and wheat could be slightly higher as well. The biggest change would be in soybean production. This would allow the United States to regain some of the export market share in soybeans and soybean products that was lost in the 1980's.

Except for soybeans, the changes in world trade and U.S. exports would be minimal compared to the Mid-session Review. However, it is essential to remember that evaluating any flexibility proposal with respect to a baseline (where a given future path of prices is specified) causes many to overlook the key beneficial effects of flexibility. The true benefits of flexibility come from the quick adjustments that farmers can make to produce more of crops that are in tight supply and less of crops in excess supply. Individual farmers will benefit by producing crops with higher market returns, and the Nation will benefit from having adequate supplies of individual crop commodities for export and domestic use.

The cost savings to farmers and the environmental benefits of your flexibility amendment would result mostly from the increased rotation of corn and soybeans. Take for example a corn-soybean grower who substitutes soybeans for corn. For each acre switched from corn to soybeans, a Corn Belt farmer would save around $50 in fertilizer and chemical expenses while a Southeast farmer would save around $45. Another example is the rice grower in the Delta who could save about $45 in fertilizer and chemical expenses for each acre of rice switched to wheat and nearly $65 for each acre switched to soybeans. And, there are certainly many other substitution possibilities at the farm level that would reduce input costs for the farmers and prove beneficial to the Nation's soil conservation and water quality efforts. Whether these adjustments are made also depends on how farmers view market returns from these crops, and this is something that will vary from year to year.

As you know, it is hard to come up with a quantitative estimate of environmental benefits that result from flexibility, but we know that benefits would be forthcoming. This would happen because, if for no other reason, many farmers will find their bottom line improved when they are able to adopt the cost-cutting and environmentally sound rotations that current law discourages them from undertaking. Even continuous crop soybean producers could use flexibility to help with such problems as nematode infestation being allowed to plant program crops.

We were greatly disappointed with both the Senate and House proposals for base protection. Your amendment is a vast improvement for farmers, and it has our support. If we can be of further assistance, please let us know.

Sincerely,

CLAYTON YEUTTER,
Secretary.

Mr. GRASSLEY. I have already spoken on the basics of our crop flexibility plan.

But I am as concerned, if not more so, about the agronomics of flexibility. I have here a letter from the Environmental Protection Agency in support of this amendment.

The EPA says, in their letter dated yesterday, "Current rules governing the commodity programs create barriers to the adoption of environmentally sound agricultural practices. The environmental consequences of monocultural production include increased soil erosion and agricultural chemical use."

As most of you know, I am a farmer by profession. I was taught the principles of farming at a very young age. One of these principles was sound crop rotation.

On my farm we have always attempted to properly rotate our crops. But Government programs have locked me, as well as other producers, into planting crops on the basis of our given crop bases. This further limits traditional crop rotations.

Crop rotations are a very important part of basic farming practices. They limit the need for pesticides and fertilizer. I feel strongly that we must encourage farmers to combine responsible stewardship of natural resources with farm profitability.

EPA reiterates the importance of crop rotations. "* * * rotating corn with soybeans virtually eliminates the need for corn rootworm insecticides, while simultaneously reducing fertilizer requirements."

In their letter, EPA also addresses the advantages of paid flexibility. They feel that the current Senate language, although providing base protection, does not encourage farmers to break out of the monoculture base planting that the program normally requires. Our plan will provide farmerse with the economic incentive to build a program of sound crop rotation.

EPA and USDA both feel that the Agriculture Committee's proposal will allow producers to rotate crops, but will not provide them with the economic incentive to do so. Our amendment will encourage farmers to take advantage of crop rotations to lower input costs.

In many ways the agronomic benefits of this program outweigh the budget savings, and underscore the benefits of marketplace dollars in farmers' pockets. Again, I urge my colleagues in the Senate to support this amendment.

Mr. President, I ask unanimous consent that letters from EPA and eight commodity organizations be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, July 23, 1990.

Hon. CHARLES GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: In response to your letter of July 20, 1990, I would like to express my views on the environmental benefits of the "Flexibility Amendment" you have offered to the Food, Agriculture, Conservation, and Trade Act of 1990. Current rules governing the commodity programs create barriers to the adoption of environmentally sound agricultural practices. Base acreage requirements encourage producers to grow the same crops year after year. The environmental consequences of monocultural production include increased soil erosion and agricultural chemical use. Allowing producers to respond to market signals on a percentage of their base acres will result in a greater use of crop rotations which is turn will lead to environmental benefits.

The environmental benefits associated with crop rotations are numerous. Crop rotation, as opposed to monocultural production, reduces the need for pesticides and fertilizers. For example, rotating corn with soybeans virtually eliminates the need for corn rootworm insecticides, while simultaneously reducing fertilizer requirements. The reductions in pesticide and fertilizer use reduce the potential for conamination of surface water and ground water from these chemicals. Ecological risks and food safety risks may also be reduced. Crop rotation also has the effect of reducing soil erosion and increasing soil tilth. Reducing soil erosion is crucial in many areas for controlling sediment and phosphorus loadings to streams and rivers.

The Administration endorsed complete (or 100%) planting flexibility in the Green Book earlier this year. Under the Administration proposal, deficiency payments would be made to producers on the "flex" acres. Secretary Yeutter and I have also written to Senators Leahy and Lugar encouraging them to adopt this position in the commodity provisions of the farm bill. Unfortunately, the bill now before the Senate (S. 2830) includes a much less aggressive flexibility

option. The current Senate version would allow for flexibility on only 25% of program base acres. Deficiency payments would not be made on the "flex" acres. The Committee proposal will allow producers to rotate part of their base with a crop other than their "base" crop. However, because deficiency payments will not be made on these acres, producers may still face a significant economic barrier to utilizing this option. Thus the environmental benefits of the Senate's current flexibility proposal will be seriously limited.

Under your proposal, deficiency payments will be made on the "flex" acres. This will remove an economic barrier to participation in the flexibility option. Although your amendment does not completely embrace the Administration position, it clearly has greater environmental advantages than the current flexibility proposal in the Senate bill (S. 2830). I look forward to working with you on this and other issues of importance to agriculture and the environment.

Sincerely yours,

WILLIAM K. REILLY.

July 16, 1990.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: As Presidents of the largest state of corn and soybean associations, as well as, the largest corn/soybean production state, we have an intense interest in what happens in farm policy.

As Congress prepares for its final discussion of the 1990 Food Security Act we feel it is extremely important that Iowa's corn and soybean producers are provided with the ability to maximize their income potential from the marketplace by being allowed to have the freedom of flexibility in their crop plantings. For this reason, we encourage and support your efforts to achieve meaningful flexibility in the 1990 Food Security Act.

Meaningful flexibility means allowing farmers to make planting decisions based on market needs instead of government program signals on all, or at least a significant percentage, of their acreage without being penalized in the form of lower government support or program security.

If only "one-way" flexibility is granted, Iowa producers will be at a distinct disadvantage in their ability to capitalize on new market opportunities. There are numerous opportunities for Iowa producers to expand opportunities in corn and soybeans. One of these is the increased demand for corn-derived ethanol, which has resulted from the proposed Clean Air Legislation.

Another opportunity to expand is Iowa's soybean producers' interest in responding to the 3% to 5% world market growth in soybeans each year. If the market signals the need for more of a particular commodity, farm program policy should not limit the profit opportunities for a producer to shift acres to the crop which offers better economic returns.

Farm programs that do not provide this kind of ability to repond to market signals and profit opportunities do not serve the needs of the U.S. farmer, but instead serves the wants of our competitors to take markets from U.S. agriculture. This is particularly offensive to our corn and soybean farmers who spend millions of producer checkoff dollars each year to develop markets that we can not or may not be able to fill due to contradictory farm program signals.

If we do not accomplish this policy objective, the costs will be enormous in terms of lost farm income, jobs, trade and stress to related livestock and other industries. This is not to mention environmental, conservation and agronomic problems that already exist and will become worse due to the lack of meaningful flexibility in U.S. agriculture.

Senator, we thank you for your efforts and we stand ready to work with you to accomplish this important policy objective.

Sincerely,

LISLE COOK,
President, Iowa Corn Growers Association.
ROY BARDOLE,
President, Iowa Soybean Association.

IOWA CATTLEMEN'S ASSOCIATION,
Ames, IA, July 20, 1990.

Hon. CHARLES E. GRASSLEY,
Hart Senate Office Building, Washington, DC.

DEAR SENTOR GRASSLEY: The Iowa Cattlemen's Association supports the Grassley Flexibility Amendment and commend you for offering it on the floor of the Senate.

For several years the Iowa Cattlemen's Association, with support of other Midwest cattlemen's associations, have advocated this type of additional provision to the Farm Bill. It just makes common sense to encourage proper seeding and management of conservation crops on ARP acres. In addition, it would be revenue generating and encourage farmer-cattlemen in the Midwest to evaluate their needs in a businesslike manner. The environmental community should be pleased and supportive of such an amendment also.

We will be contacting other Midwest cattlemen's associations encouraging them to support you also.

Keep up the good work.

Sincerely,

MARSHALL KING,
President.

ILLINOIS CORN GROWERS ASSOCIATION,
Bloomington, IL, July 20, 1990.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: The membership of the Illinois Corn Growers Association strongly supports the Grassley-Dixon flexibility amendment to the farm bill.

Flexibility to the Illinois corn producer means we can be more productive and efficient farmers. In turn, our corn will be more competitive in the world market and in the U.S. for current and future products.

Thank you for your leadership on the farm bill.

Sincerely,

DARYL REID,
President.

MISSOURI CORN GROWERS ASSOCIATION,
Jefferson City, MO, July 20, 1990.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: The Missouri Corn Growers Association (MCGA) is in complete support of the proposed flexibility amendment that we understand you and Senator Dixon will be offering next week. We certainly appreciate your interest and concern. If we can be of assistance in helping to support the amendment in any way, please let us know.

Again, thanks for your support.

Sincerely,

PHIL AYLWARD,
President.

OHIO CORN GROWERS ASSOCIATION,
Marion, OH, July 20, 1990.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: The Ohio Corn Growers Association strongly supports your flexibility amendment for the 1990 Farm Bill.

We believe it is very important to let farmers make their own planting decisions based on good conservation practices which includes crop rotations, chemical and fertilizer applications and market signals.

The 1990 Farm Bill is a very important piece of legislation for not only argiculture, but for the entire population of the U.S. We truly appreciate your leadership in getting farm legislation passed that will keep the agricultural industry strong as we face the challenges of the 90's.

Thanking you for your dedicated support.

Sincerely yours,

JAMES C. MITCHELL,
President.
MICHAEL L. WAGNER,
Executive Director.

VIRGINIA CORN GROWERS ASSOCIATION,
Richmond, VA, July 23, 1990.

Mr. KEITH HEARD,
National Corn Growers Association, Washington, DC.

DEAR KEITH: The Virginia Corn Growers Association has a very wide variety of growing conditions, length of growing seasons and climatic forces that impact farming in Virginia. Our State is somewhat unusual due to the variety of land types too, since we have coastal lands, plains and mountains. Therefore, it is very important to our membership to have all the flexibility possible in making planting decisions on crop rotation.

We urge other members of the United States Senate to support the Grassley-Dixon amendment.

Sincerely,

LEWIS ASHTON III,
President.

MEMORANDUM—SUPPORTING THE PRODUCTION AND MARKETING OF KENTUCKY CORN

To: Senator Charles Grassley, U.S. Senate, Washington, DC.
From: Kentucky Corn Growers Association, Richard Jones, President.
Date: July 20, 1990.
Re: Grassley-Dixon Flexibility Amendment.

The Kentucky Corn Growers Association strongly supports the Grassley and Dixon flexibility Amendment. This Amendment will allow farmers to make planting decisions based on marketing signals and good crop rotation practices rather than according to the dictates of the farm program.

KANSAS CORN GROWERS ASSOCIATION,
July 23, 1990.

Hon. CHARLES E. GRASSLEY,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRASSLEY: The Kansas Corn Growers Association would like to go on record of support for your "flexibility" amendment. The ability of our states corn growers to make planting decisions on market factors is extremely important. Crop rotation is a significant management tool in our state as well. We applaud your efforts on our behalf in these areas.

Your work on this issue is to the benefit of corn growers across this country as well

as those here in Kansas. On behalf of those I represent, thank you.

Sincerely,

JERE WHITE,
Executive Director.

NATIONAL CORN GROWERS ASSOCIATION,
Washington, DC, July 23, 1990.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: One of the key issues throughout the development of the 1990 farm bill has been crop planting flexibility—removing government farm program barriers that keep farmers from following market signals in making their cropping choices.

The Senate Agriculture Committee touched on the question of flexibility in the farm bill it reported by allowing farmers to plant on their program crop acreage oilseeds or other program crops. But the committee failed to fully answer the question since it did not allow program crops such as corn to be grown on oilseed acreage. This one-way base shift does not deserve to be called flexibility.

As the farm bill is debated on the floor this week, Senators Chuck Grassley and Alan Dixon will attempt to correct this situation. Their amendment will allow full two-way flexibility on 25 percent of a farmer's current program crop bases and land historically planted to soybeans and other oilseeds. To help remove the influence of government programs in planting decisions, the Grassley-Dixon amendment would continue to make deficiency payments on program crop acreage switched to other crops.

The amendment is much like the Freedom Flexibility proposal of the National Corn Growers Association. Although Freedom Flexibility has drawn fire from some in agriculture who claim it removes the linkage between production and payments, it is important to note that the deficiency payments under the Grassley-Dixon amendment would continue to be directly based on actual market prices and past production history. We believe these payments on flexed acreage would be quite effective in encouraging planting of soybeans on program crop base acres while at the same time giving farmers the opportunity to plant corn on soybean land.

Our analysis shows total aggregate acreage shifts under a Grassley-Dixon-type system would be minimal and would not severely affect any single crop. However, the genuine flexibility it provides will give individual producers maximum latitude in selecting the cropping mix that is right for their operations in economic, soil conservation and other environmental terms, regardless of their base situation. It will also allow for the production of more corn if necessary in the future. This is a significant concern of our organization since new oxygenated fuel provisions in a compromise set of Clean Air Amendments could substantially increase demand for ethanol, which is made from corn, before the end of the 1990 farm bill.

Finally, USDA estimates the amendment could save in excess of $1 billion over and above the savings projected to be yielded by the one-way acreage shift provisions in the committee bill. Congress can ill afford to ignore such impressive savings at a time when farm program spending is in jeopardy.

The Agriculture Committee, led by Chairman Leahy and Senator Lugar, is to be commended for its diligent work on the farm bill within this difficult budgetary environment. NCGA is generally supportive of the bill, such as the marketing loan provisions, but we do urge you to support the important Grassley-Dixon amendment on flexibility.

Sincerely,

ALAN KEMPER,
President.

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from Iowa has the floor.

Mr. GRASSLEY. How much time do I have?

The PRESIDING OFFICER. The Senator from Iowa has 13 minutes.

Mr. GRASSLEY. I better reserve my time for Senator Dixon.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, how much time does the Senator from Vermont have under his control?

The PRESIDING OFFICER. The Senator from Vermont has 29 minutes and 36 seconds remaining.

Mr. LEAHY. Mr. President, I would say for my colleagues that we debated an amendment very similar to this one in the committee. As I recall, and the Senator from Nebraska may recall, we rejected it on a 5-to-13 vote.

So I would be very much against this amendment. In fact, I think we had a letter from the distinguished Senator from Iowa which was put in the RECORD on this issue, if I am correct.

We decided to reject the same provision on a strong, bipartisan vote. I believe nearly half of the Republicans on the committee voted in opposition to the provision. I also opposed it.

Mr. President, having said that, do the flexibility provisions go as far as some would like in the bill? Of course not. Other Members of course would say they go much further than they want them to go. The fact is it was one more instance where we had to take the concerns expressed by the Members of various parts of the country to reach a compromise between those concerned with hurting some nonprogram crops and those who wanted no limits on producers' options.

I intend to support the compromise package as reported by the committee. I urge other Senators to do so. It is supported by a majority of the Republicans and Democrats on the committee.

If you are trying to make up your mind how to vote, I suggest this. First, the amendment is a budget buster. CBO estimates that it would cost $530 million, half a billion dollars, and we are fighting like made to save $5 million, $10 million, $20 million here and there in this bill.

It takes some complicated programs that are like a tinker toy set to begin with and it makes them even more complex. They are not going to be able to administer this program. I defy especially this Agriculture Department to administer it.

Look at some of the things that could happen. You could see reduced oil seed planting, and double payments on acreage. I think that undercuts the effectiveness of the acreage limitation programs. There are a whole lot of other reasons, Mr. President, but for those I will oppose it.

Mr. President, on the Grassley amendment, I have a letter from the National Association of Wheat Growers in which they say "Dear Mr. Chairman: On behalf of the members of the National Association of Wheat Growers, I would like to register our concerns about an amendment to be offered by Senators GRASSLEY and DIXON to the 1990 farm bill." Then it goes on to say why they oppose it.

I also have a letter from the National Cotton Council of America who say, "We want to express our strong opposition to the Grassley-Dixon decoupling amendment." It also goes on at some length why they are opposed to it.

In addition, I also have a letter from the U.S. Rice Producers legislative group on the Grassley-Dixon amendment which says, "The U.S. Rice Producers Legislative Group is opposed to this amendment. We hope that the * * * amendment will be defeated."

Mr. President, I ask unanimous consent that these three letters be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION
OF WHEAT GROWERS,
Washington, DC, July 24, 1990.

Hon. PATRICK LEAHY,
Chairman, Senate Committee on Agriculture, Nutrition and Forestry, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the members of the National Association of Wheat Growers (NAWG) I would like to register our concerns about an amendment to be offered by Senators Grassley and Dixon to the 1990 Farm Bill.

The members of NAWG have been supportive of S. 2830 as reported by the Committee. We believe the extensive efforts of the committee members to balance the very divergent needs and concerns of a wide variety of agricultural commodities and geographic regions should not be undone. As you know, wheat producers approached the base flexibility debate in a very cautious manner, largely because many wheat farmers do not have economically or agronomically viable alternative crops to raise. In fact, our resolutions endorsed 15 percent base shifting as a reasonable approach to responding to flexibility needs.

Wheat producers have been steadfastly opposed to any effort to sever the linkage between a deficiency payment and the production of the given commodity—commonly referred to as decoupling. As you know, the Committee considered at length the question of making deficiency payments on "flexed" acres and defeated the proposal. We would hope that the full Senate would recognize the Committee's prior consideration of this matter and defeat the Grass-

ley-Dixon proposal to provide decoupled deficiency payments on flexibility acres.

Thank you for your leadership throughout the farm bill process. We look forward to continuing to work with you on this and other issues of importance to the American wheat producer.

Sincerely,

DEL WIEDEMAN,
President.

NATIONAL COTTON COUNCIL OF AMERICA,
Washington, DC, July 24, 1990.

Hon. PATRICK LEAHY,
Chairman, Agriculture, Nutrition, and Forestry Committee, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the National Cotton Council of America, this is to convey our support for the flexibility provisions approved by the Committee and included in S. 2830. We also want to express our strong opposition to the Grassley-Dixon decoupling amendment.

We believe the Committee's flexibility provisions more than adequately address the criticism that the 1985 legislation was inflexible. By eliminating modified—cross compliance, producers will be able to plant program crops in response to market signals without losing benefits on their primary crop. The TOP program allows producers the option to develop cropping patterns suited to each individual operation based on economic and environmental factors. Finally, the ability of "flex" 25 percent of each crop acreage base in response to factors such as market income and rotation will activate a program similar to the provisions of the 1985 farm bill which were never implemented by the Secretary of Agriculture.

While proponents of the Grassley-Dixon decoupling amendment stress simplicity, the amendment would be complex and confusing to producers and a nightmare to administer. For example, while the Committee's flexibility provisions build on familiar concepts, the decoupling—flexibility proposals could result in soybeans produced *on the same farm being eligible for two separate loans programs.* Further, the provisions would radically distort traditional programs by providing deficiency payments unrelated to actual production but based on frozen payment yields and historical crop acreage basis. Also, producers could react directly opposite to the projections used to establish acreage-reduction levels because of the artificial incentives associated with decoupling. The artificial incentive of decoupling could have the effect of destroying strong markets while providing payments for an unrelated crop. It is important to note that the Committee's provisions link carryover levels to ARP levels, however, with decoupling the tendency would be to establish ARP's on a budget basis more than a supply basis.

The Grassley-Dixon decoupling proposal would create confusion, be literally impossible to administer and would ultimately totally disrupt the operation of a successful farm program. Finally, consider the first newspaper article featuring a photograph of soybeans and an accompanying article explaning to an urban population that this crop receives a cotton target payment.

We urge the Senate to reject the Grassley-Dixon decoupling amendment and confirm the balanced provisions included in the Committee's proposal.

Sincerely,

TOMMY R. FUNK,
President.

U.S. RICE PRODUCERS LEGISLATIVE GROUP,
Stuttgart, AR, July 24, 1990.

Hon. PATRICK LEAHY,
Chairman, Agriculture, Nutrition and Forestry Committee, U.S. Senate Washington, DC.

DEAR MR. CHAIRMAN: We understand that Senators Grassley and Dixon are sponsoring an amendment that ostensibly would provide additional flexibility for the production of crops.

The U.S. Rice Producers Legislative Group is opposed to this amendment. The amendment essentially provides for decoupling and adds many administrative difficulties to an already complex program. We believe that sufficient flexibility is provided in the committee bill and endorse its provisions as the most effective way of accomplishing that objective.

We hope that the Grassley/Dixon amendment will be defeated.

Sincerely,

STEWART E. JESSUP,
Chairman.

Mr. LEAHY. Mr. President, I reserve the remainder of my time.

Several Senators addressed the Chair.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, at this point I would like to put another letter into the RECORD. I hear my good friend, the chairman of the committee, putting in letters from various sources. So I will put one in from the Minnesota Corn Growers Association that indeed supports the amendment that is now before us. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINNESOTA CORN GROWERS ASSOCIATION,
Kasson, MN, July 23, 1990.

Re Flexibility Amendment, 1990 Farm Bill.
To: The Honorable Senator Grassley and the Honorable Senator Dixon.

The Minnesota Corn Growers Association supports your flexibility amendment to the 1990 Farm Bill. Farmers need to make planting decisions on market signals and crop rotation practices rather than the farm program. Flexibility could also be good for the environment as it would lessen the need for certain crop protection agents used in monoculture systems.

I have personally experienced the restraints placed on us by the farm programs. The last eight years I have planted my maximum allowed base acres of wheat and corn only because of program payments. This has necessitated the use of corn insecticide because of planting corn on corn. This practice of monoculture lowers yields as well as subjects the environment to unnecessary crop protection agents because rotation is not possible on all my acres.

I personally and as representative of the Minnesota Corn Growers, support your flexibility amendment.

Sincerely,

BRUCE WELLER,
President.

Mr. BOSCHWITZ. Mr. President, there is a history of making payments regardless of what is planted. In fact, 1978 was the first year that deficiency payments were made according to current plantings. I see my friend from Nebraska is gone, but I would be happy to debate this with him about when this whole business began. But from 1965 to 1973 farmers could freely substitute wheat and feed grains on wheat and feed grain bases or allotments and still receive direct payments on the basis of historical plantings.

In 1972-73, soybeans could be planted or wheat or feed grain bases with the original payments and from 1974-77 a farmer had to plant at least 90 percent of the allotment to become eligible for full target price protection. So this has happened before.

It really is time that farmers are given the flexibility to do it once again.

I say that the only real farmer that we have here in the Senate is the sponsor of this amendment, Senator GRASSLEY, who is a corn and soybean farmer—also has hogs. I think he is the only Member of the Senate who goes home on the weekends. He tells me he works the fields, slops the hogs, and has a sense of what this amendment will mean.

While the distinguished chairman says that there is going to be a cost to this amendment, the USDA says that this amendment will save $3.5 billion compared to current law and save $1.1 billion compared to the bill that we have before us. If the Department of Agriculture cannot administer this law, it seems strange that they should be in support of this amendment.

Flexibility really is the basis of what farmers would like in the 1990 farm bill. As I have said at other points in this debate, farmers have told me, if you do nothing else, extend the 1985 farm bill. When they talk about what they would like beyond that, they have talked about flexibility. There have been a number of polls taken of farmers that have shown figures in the 80 percentiles, and indeed above 80 percent of the farmers who have been questioned have been in favor of the idea of flexibility.

Some say, and I know that my friends in wheat producing States say that more wheat is going to be grown in the corn and soybean areas, that they do not have the flexibility in some of the northern tier States, and that there will be more wheat on the market. The result is that prices will go down.

In my State, and I would say same for Iowa, for my friend, Senator GRASSLEY, very frankly, you cannot get a high enough wheat yield unless you put in enormous amounts of input. You cannot get high enough

yield in order to switch the corn land, soybean land, which is far more valuable than wheat land, to switch it into those other crops. It would be highly unlikely and improbable. When flexibility existed during the periods that I spoke of, it did not occur at that time either.

One of the most important points that was made by my friend from Iowa was that environmentally, this is the soundest amendment that we are dealing with in this farm bill. In the event that we do this and allow flexibility, that will have great conservation value for the land of the United States. It will reduce the incentives to use inputs. It will reduce the incentive to use chemicals. Flexibility is something that agriculture badly needs in this country.

The PRESIDING OFFICER. The Senator has used the time.

Mr. BOSCHWITZ. I ask my friend from Iowa if I could have another minute.

Mr. GRASSLEY. I yield 1 more minute.

The PRESIDING OFFICER. The Senator yields 1 more minute.

Mr. BOSCHWITZ. Flexibility is what the farmers of the United States have said through polls, and in the case of Minnesota farmers, hundreds have said to me that flexibility is a desirable tool.

As a matter of fact, the ideas of flexibility started in 1988, started with respect to oats, and I am so pleased that my friend from Iowa and the two Senators from Illinois support this amendment. I see my friend from Illinois is here on the floor.

As Senator SIMON said, it is unlikely that soybean land will be switched into wheat.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. I yield 3 minutes to Senator DOLE.

Mr. DOLE. Mr. President, throughout this year's ongoing deliberation of the 1990 farm bill, several relatively new issues have received much of our attention. The Senate Agriculture Committee has spent many hours debating and listening to testimony on such issues as conservation and environment, loan rates, and target prices. But perhaps one of the most important issues to farmers, and certainly the most overdue, has been the issue of planting flexibility.

Crop rotation has long been recognized as a prudent agronomic practice which builds soil nutrients and reduces the need for fertilizer and pesticide application. Aside from environmental benefits and the accompanying reduced chemical inputs cost, planting flexibility allows a producer to plant alternative crops according to market signals rather than an arbitrary target price.

Under current commodity programs, farmers are unable to take advantage of crop rotations because they lose historical base acreage by shifting to alternative crops. This results in continuous cropping of the same crop year after year. Farmers realize the environmental impact of continuous cropping, and want the planting freedom which flexibility provides.

Producers also do not like having their hands tied by Government programs dictating what they can and cannot plant. Planting flexibility, in effect, emphasizes managerial capability and a return to independent decisionmaking. The flexibility proposals advanced so far have ranged from the normal crop acreage concept of 100 percent flexibility to very limited base substitution. The Senate committee package which we are now considering allows 25 percent flexibility on program crop acreage, with loan eligibility but no deficiency payments.

While the 25-percent flexibility represents what many feel is a workable compromise, producer participation is questionable. By choosing to take advantage of rotating on flexible acreage, the producer must forgo his deficiency payment eligibility. Without that payment, the producer must find some other economic incentive for which to rotate. The market return of the alternative crop must make up for the loss of that guaranteed payment. Those who know farming also know that such margins are not lasting and rarely exist for agricultural commodities.

Farmers need meaningful flexibility. The committee bill has given farmers something by taking something away. Farmers want the opportunity to utilize crop rotations, but not if the economics preclude their use. A flexibility program which does not allow payments on alternative crops may not be a workable solution unless the environmental benefits are great enough to offset the loss of the deficiency payment. And that is becoming increasingly unlikely since most erodible and environmentally sensitive lands are now enrolled in the conservation reserve program or devoted to conserving uses.

The Grassley amendment is a step in the right direction. It allows a producer to make planting decisions based on market prices and environmental benefits while protecting his historical base and payments. It is a workable program which farmers will use to establish alternative crops, and benefits the environment and farm income as well.

I yield back any time.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 4 minutes 55 seconds.

Mr. GRASSLEY. I yield to the Senator from Illinois whatever time he needs.

Mr. DIXON. I thank my friend from Iowa.

Mr. President, in town hall meetings, as well as in conversations with farmers and environmental groups across my State, the most common complaint I hear against the 1985 farm bill is that it is too restrictive. Farmers are denied the ability to respond to market signals, or rotate crops, without abandoning the farm programs and future program benefits.

The lack of planting flexibility in the 1985 law was a major reason our share of the soybean export market fell, even though market returns for soybeans were better than corn. In 1970, the United States had 80 percent of the soybean export market, and today we have only 37 percent.

Illinois farmers tell me that they need the flexibility to plant for the market. In addition, they want the freedom to rotate crops in order to enhance their soil productivity, and to control insect pests without excessive use of chemical pesticides.

The amendment that Senator GRASSLEY and I are offering tonight will permit farmers to make these important planting decisions. Although the committee bill provides for some flexibility, we believe that it is important to offer producers more meaningful options. The committee bill offers base protection but fails to provide essential income protection to our producers. Telling farmers they can plant other crops, but to do so that must sacrifice their payments is not really much flexibility at all.

Our flexibility proposal would maximize the benefits to farmers by offering them continued eligibility for deficiency payments, as well as an opportunity to make a decent profit in the marketplace. Farmers will be able to compare the market price of the program crop to the market price of the substitute crop, and base their planting decisions on economic returns.

Our amendment would also permit farmers to plant the program crop on a portion of historic oilseed acres without giving up the program benefits on the base acres. We believe that this option will encourage producers to stay in the program when market signals are calling for more of the program crop.

At the same time, the amendment, Mr. President, limits flexibility to 25 percent of the program based on historic oilseed acres. This cap will prevent producers from responding in concert to strong market signals and overproducing in a given market.

The USDA strongly supports this amendment. According to the Secretary of Agriculture, my friend Clayton Yeutter:

The true benefits of flexibility come from the quick adjustments that farmers can make to produce more of the crops that are in tight supply and less of crops in excess supply. Individual farmers will benefit by producing crops with higher market returns, and the Nation will benefit from having adequate supplies of individual crop commodities for export and domestic use.

Mr. President, in conclusion, the Illinois farmers, the Illinois corn producers, the Illinois Farm Bureau, and others generally support this amendment, and I want to conclude by telling my colleagues three things: If you want to cast one good vote tonight, listen to this. You vote for this bill, and you vote for the farmer. You vote for this bill, and you vote for the environmentalists, because the environmentalists are for this bill, as well as the farmer.

Mr. President, this is the most wonderful part of all. Your vote for this bill, and over the life of this piece of legislation, will save the taxpayers of America $1.5 billion. So when you come over in a moment to vote, remember: One, you serve the farmers of America; two, you vote for the environmentalists of America; and three, you save the taxpayers of America $1.5 billion.

Mr. President, this is the best deal the Senate is going to get all year, and I suggest that we support the Grassley-Dixon-Simon amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont has 24 minutes.

Mr. LEAHY. The Senator from Nebraska seeks time.

Mr. KERREY. Yes; if I could get 4, 5 minutes.

Mr. LEAHY. I yield 5 minutes to the Senator from Nebraska.

Mr. KERREY. Mr. President, with respect to what my friend from Illinois said, this is bad, this is a bad deal for most of the farmers; it may be a good deal for some. It is only good for the budget because, conveniently, USDA tried to get this in through a committee and concluded magically that this is going to save money. CBO says it is not going to save some money.

It is not a good deal in general for the environment, for the reasons my distinguished colleague from Idaho cited earlier. Those who were already planting those crops are going to get penalized in this proposition.

Let me make a couple of comments on the proposal. First, I disagree with the historical representation of my colleague from Iowa that the problem began in 1977. I am sure that the record will show that the crop-specific basic system was objected to in the hearings that I held, and lots of people have held, began in 1981.

And the flexibility that is being asked for by farmers is only one thing that my farmers are asking me for. It is important that our colleagues listen to this. They are not just asking for flexibility. If I were to summarize simply what farmers are saying, they would say, if you could get the loan rates up a little or at least cut off the decline being proposed in the current system, just raise targets a little bit, not a lot, a little bit, get flexibility in the system, we would like it.

We attempted, as a matter of fact, in the first proposal to do all three of those things. We were told by USDA it was too expensive, 1 percent of total budget was too much for production agriculture. So we tried to adjust it in all 3 years and reached the compromise that we achieved. And as to flexibility, we attempted to provide 100-percent flexibility by having a market loan for soybeans at 6¼ under the circumstances that USDA objected to any increase in the marketing loan bringing soybeans in because they did not like that, they scored that as costing too much money, and they said they would not accept it. When they find something they like, which is essentially a decoupling program that they like, then they find out magically it is going to save money.

This amendment is bad for most producers in America. It may be good for some corn growers. It is not good for most producers. This will not encourage good environmental usage in the main and most assuredly is not likely to be something that will save money.

I believe the committee compromise does not provide the flexibility we would like. The USDA and Secretary Yeutter accepted 6¼ marketing loan. We could come out with full flexibility and do precisely what my friends from Illinois and Iowa are trying to accomplish with this amendment. With the restrictions that USDA placed on us, we were severely limited.

I urge my colleagues to vote against this amendment for all of these reasons. It is not good for the farmer, it is not good for the taxpayer, and will not be good for the environment.

Mr. COCHRAN. Will the Senator yield me time?

Mr. LEAHY. How much time do I have?

The PRESIDING OFFICER. Twenty-one minutes.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I listened to the debate and I recall the discussion we had on this issue in the Agriculture Committee.

One thing I hope Senators will notice is that the bill that is before the Senate provides a flexibility opportunity for farmers, and it ensures that their rights to participate in future program benefits will be protected. I heard the Senator from Illinois stress that as a reason for voting for this amendment.

What this amendment would really bring to the corn farmers of America is an opportunity not just to protect future program benefits, but to continue to receive current deficiency payments, even though they were not planting corn in that crop year. Think about that. If you had a corn base of 100 acres, for example, and you decided to plant 25 percent of it to soybeans, in this crop year, under this amendment you could still get a corn deficiency payment from the Government; money paid to you for growing corn which you never planted.

This amendment is an incentive, in effect, to plant something other than the program crop for which you have a base. It is a boon to those who have a corn base, an opportunity to divert some of that to another crop. Simply put, corn farmers could get the market price for a soybean crop, for example, up to 25 percent of their base acreage and still get a deficiency payment for growing corn when they did not even plant corn on 25 percent of their acreage.

Think about the effect this amendment would have if you were a farmer in my State of Mississippi and you had no corn base, but were dependent upon soybean production as your sole means of livelihood. Mississippi soybean farmers do not have the option of getting a deficiency payment on part of their crop. You have to grow soybeans, and if Midwestern farmers are induced to grow more soybeans, they will increase the supply. This will have a tendency to depress market prices, and those who are not as well off in terms of corn base will end up losing money and be driven out of the soybean business.

This is the fear we have in my part of the country, Mr. President, and why we urge the Senate to look very carefully at this amendment. It is not an increase in flexibility for farmers, but an opportunity for corn farmers to receive a deficiency payment on their corn base, while planting up to 25 percent in soybeans. This would be very detrimental to soybean farmers.

This is something I hope the Senate will look very carefully at before we agree on it.

I urge this amendment be rejected, Mr. President.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, how much time does the Senator from North Dakota want?

Mr. CONRAD. Three minutes.

Mr. LEAHY. I yield 3 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the chairman.

Let me just say, Mr. President, this amendment reminds me of the book catch-22. Some of you who read that

book no doubt recall that when Yossarian learned that you could grow a crop and get paid for not growing it, he kind of liked that idea, and he said, "You know, I got some hogs I would like to raise. But if I had to actually raise the hogs, then it would not be so attractive, but if I could fail to raise hogs and get paid for it I would like to do that. In fact, I've got a lot of hogs I would like not to raise in order to get paid." And you know, if you take this to its ultimate conclusion, it really becomes an absurdity. You get paid for not doing something. The more you do not do, the more you get paid.

Mr. President, this amendment is just fundamentally flawed because what could occur here is that we would be allowing people to go out, plant whatever they want, keep the deficiency payment for corn even though they were not growing corn, go out and plant other commodities and create an unfairness for those commodities.

Let me give an example. My State is primarily a wheat-producing State. There are other parts of this country that have gone from producing wheat to producing corn because that was a better return. But now with frozen target prices, if this amendment were passed, we could see areas that have been corn country, previously wheat country, go back to producing wheat because it is much less costly to produce wheat, thereby increasing the supply of wheat and dropping the price.

Mr. President, this most assuredly is an amendment that has many unintended consequences. I urge my colleagues to oppose it and maintain the compromise that has been fashioned in the Senate Agriculture Committee.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I know the Senator from Alabama wishes some time. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes and 20 seconds.

Mr. LEAHY. I yield 5 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, I oppose this amendment. In our committee's deliberations we were very concerned about administrative difficulties inherent in any flexibility proposal. The authors of this amendment seem unconcerned that their scheme cannot be administered. The amendment provides that a soybean farmer could have two different loan programs applicable to one crop of soybeans. This could not be administered unless we dyed soybeans different colors. Soybeans dyed blue might get the higher loan rate. Soybeans dyed red might get the low loan rate. An understanding of how these programs are administered would convince anyone that this dual loan rate will not work.

I worked in the committee, and I have looked at various commodities that we have. I do not have the exact figures, but I am close to being accurate, certainly in the ballpark, when I say that of the total amount of farm subsidies that are paid by the Government, almost one-half go to corn farmers. You look at the other commodities, they are very small percentages as compared to the corn farmers. This program would increase and probably mean that close to 55 or 60 percent of all of the subsidies for the farm program would go to corn farmers.

We have worked over a long period of time to work out a balanced program in agriculture, a balanced program dealing with corn and other feed grains which keep it at a level where the corn farmer is assured through target prices that he can make a living. But the program has also been designed where the users of feed grains, primarily corn, will not be disastrously affected.

If the corn farmers' prices rise tremendously, it means that the chicken farmers, the cattle raisers, the dairy herds, the catfish, the hogs, others have to pay higher feed grain costs and therefore it cuts back on their profit.

If you can achieve a balance where the users of feed grain do not have to pay a tremendous price for their feed grain and can make a profit and, at the same time, achieve a balance where the corn growers and other feed grain growers can make a profit, you have a balanced program that protects both the raisers of feed grain and corn and the users of feed grain and corn. This amendment takes that out of balance.

Now there is another problem in this, particularly from my State and the Southern States. In dealing with flexibility, it means that you are going to have a greater supply of soybeans. We need a somewhat greater supply. But you also have to look at such matters as, what are the yields?

In the South and in my State, the average yields of soybeans per acre are about 25 bushels. In certain areas in the North, the yields can go to 50, can go to 45, and in many places and instances will double the yields that exist. Therefore, as the yields go up, greater quantities of soybeans produced and sold, it means the price comes down.

There is a certain level that the cost of production is uniform. Whether it be in the West or the North or the South, they will not vary much. But when the price of soybeans goes down to a level below $6, it will mean in many places that the cost of production is not reached.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HEFLIN. So I say there are a lot of problems dealing with this. I think this is an ill-advised amendment and I recommend to the Members of the Senate that you vote against it.

Mr. LEAHY. Mr. President, there are so many things wrong with this amendment. I heard the distinguished Senator from North Dakota speak of the imaginary hog argument; the distinguished Senator from Alabama has spoken of the soybeans dyed red and blue. There is a memo from one of my staff that said it is just like Howard Hughes' *Spruce Goose.* It looks good on paper, but it belongs in the hangar. And that is about what we have here.

Mr. President, I know the distinguished Senator from Iowa [Mr. GRASSLEY] is out of time, but I have been advised that one of his supporters needs 30 seconds to put a statement in the RECORD. I yield on the time I have reserved, 30 seconds to the distinguished Senator from Wisconsin [Mr. KASTEN].

Mr. KASTEN. I thank the chairman.

Mr. President, as an original cosponsor, I rise in strong support of the amendment by the senior Senator from Iowa [Mr. GRASSLEY].

This farm bill offers a golden opportunity for the Senate to craft a Federal agricultural policy that is responsive to national needs. By granting farmers more planting flexibility, we will make a big step in this direction.

I have long supported crop flexibility. It makes sense—both economically and environmentally—to allow farmers to flex out of part of their program base in order to grow a crop that is high in demand in the marketplace.

In my discussions with farmers throughout Wisconsin, particularly corn and soybean growers, meaningful crop flexibility has consistently been their No. 1 concern. This amendment is supported by the Wisconsin Corn Growers and Soybean Growers Association.

Under present farm programs, farmers are boxed in by unreasonable constraints. The evidence of the past decade bears this out. The United States market share of soybeans has been consistently worn away by South American competition.

The oat bran craze at the end of the eighties is another example. Consumer demand for oat products soared. But, because farmers were locked into their program crops and faced losing their program base acreage or deficiency payments if they were to grow anything else, America wouund up doubling its imports of oats between 1987 and 1989. This misguided policy must change.

Furthermore, crop flexibility will encourage soil conservation on our Nation's farms. Flexibility will result in crop rotation which is recognized as one of the most successful means of soil conservation.

By retaining farmers' deficiency payments and maintaining their base history, this amendment will offer real incentive for crop flexibility—much more than what is in the bill. By allowing farmers to make market-based planting decisions on 25 percent of both their program based acres and historical oilseed acres we will finally achieve meaningful flexibility. This will be good for the farmer, for the consumer and for the future generations of farmers and consumers who will need nutrient-rich soil on which to grow.

Mr. President, this amendment makes good sense. It has the support of the USDA, the EPA and commodity groups like corn and soybeans. Furthermore, the USDA estimates that this bill would reduce overall farm program costs by $1.5 billion.

I urge the acceptance of this amendment.

Mr. LEAHY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes and 30 seconds remaining.

Mr. LEAHY. Mr. President, I yield such time to the Senator from Iowa [Mr. HARKIN] as he may need.

Mr. HARKIN. Mr. President, I appreciate the distinguished Senator yielding.

Mr. President, I have listened to the debate and, of course, I studied the amendment by my friend from Iowa. I must admit that I have some mixed views about this amendment. On the one hand, I want to increase planting flexibility as far as possible for our farmers. I think we should and I think that is a proper way to go.

Earlier this year, I introduced a bill, along with Senator CONRAD, Senator DASCHLE, Senator KERREY, and Senator EXON that would have provided maximum flexibility and would have gotten us back to a normal crop acreage type of system that basically was in the 1977 farm bill that we heard discussed. If we could have gotten the marketing loan for soybeans up to the $6.00 to $6.25 range, I think that would have been the preferable way to go because it would have provided maximum flexibility for our farmers. But we got shot down by the budget considerations and by the Department of Agriculture on that. So we came up with the flexibility program that we have in the bill right now.

As I said, I do have some mixed thoughts about the amendment offered by my colleague from Iowa. But the serious questions I have about it really revolve around this: No. 1, if we provide this 25-percent flexibility for oilseeds planting and still pay the deficiency payment on program crop base acres that have not been planted to soybeans, I am concerned that farmers will then plant so many soybeans because of this proposal that it will put downward pressure on soybean prices, as my colleague from Alabama said, and thus increase the cost of the oilseeds marketing loan program in the bill, and thus cost us more money.

I think that may be what CBO was getting at when it said this amendment possibly cost us a half billion dollars.

The second problem I have with this amendment has to do with soil erosion. In many States in our part of the country, if farmers are going to take 25 percent of their corn base and plant some other crop on it say, soybeans, they are going to take their worst ground. They are going to take their least productive ground, because they are going to save their most productive ground for corn, that is, take their least productive ground and put it in soybeans and that is going to cause a lot more soil erosion. The payment scheme in this amendment would encourage that.

So I suspect a lot of farmers would be plowing up and planting soybeans on land that should not be planted to soybeans.

Now the third problem I have with the amendment has to do with penalizing those farmers who have practiced good conservation over the years. Let us say I am a farmer and I have had a good crop rotation program. I have planted a good share of my land, let us say, in alfalfa. But my neighbor down the road tore up the whole farm and planted corn on it year after year and has a big corn base.

This amendment would say to my neighbor down the road: "You caused all this erosion, but now if you take some of your land, up to 25 percent of your corn base, and put it in alfalfa, not only will you get the money from the alfalfa, but you are also going to get a deficiency payment for the corn you did not grow."

And the farmer down the road who has been practicing good conservation says, "What about me? I have been practicing good conservation and now I am getting penalized." I think that would cause a lot of hard feelings in the countryside among farmers who have been practicing good conservation.

I also am concerned about another provision of the amendment. Not much has been said about it, but the amendment, as I understand it, would allow planting 25 percent of the farm's historical oilseed acreage, let us say, to corn. If that happens, again, I am concerned about the stocks levels of corn and what that may mean in the future, if farmers may plant over their corn base by switching away from soybean planting this could occur perhaps in the South or other parts of the country where they may want to plant some corn but have little or no corn base, or even in the Corn Belt.

Those are the problems I have with the amendment. My biggest problem is basically the one concerning conservation: that the farmer who practiced good conservation gets nothing. The farmer who tore up the whole farm—just planted corn year after year—gets a benefit from this amendment. And, second, I am concerned the amendment gives farmers too much encouragement to take corn ground and plant it to soybeans; they will be inclined to shift the worst ground and that will be the most erosion prone ground.

Those are the basic problems I have with the amendment. Again, I know what my colleague is driving at: More flexibility. I wish we could get the normal crop acreage program back into effect, and that would be the best of all possible worlds, but obviously the budget and the Department of Agriculture would not let us do that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont has 2 minutes and 6 seconds.

Mr. LEAHY. Does anybody else wish to speak to this amendment?

I yield back the remainder of my time.

I understand all time has been exhausted on the other side.

The PRESIDING OFFICER. The Senator from Vermont is correct.

Mr. LEAHY. I yield the remainder of my time.

Mr. President, I move to table the amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. There being no further debate, the question is on agreeing to the motion of the Senator from Vermont. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Maryland [Ms. MIKULSKI], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN] is necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

The results was announced, yeas 66, nays 30, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—66

Adams	Exon	Lott
Akaka	Ford	Mack
Baucus	Fowler	McClure
Bentsen	Glenn	Metzenbaum
Biden	Gore	Mitchell
Bingaman	Gorton	Moynihan
Boren	Graham	Nunn
Bradley	Gramm	Packwood
Breaux	Harkin	Pell
Bryan	Hatfield	Pryor
Bumpers	Heflin	Reid
Burdick	Heinz	Riegle
Burns	Helms	Robb
Byrd	Hollings	Rockefeller
Cochran	Inouye	Roth
Cohen	Johnston	Sanford
Conrad	Kerrey	Sarbanes
Cranston	Kerry	Shelby
Daschle	Lautenberg	Symms
DeConcini	Leahy	Warner
Dodd	Levin	Wilson
Domenici	Lieberman	Wirth

NAYS—30

Armstrong	Grassley	Murkowski
Bond	Hatch	Nickles
Boschwitz	Humphrey	Rudman
Chafee	Jeffords	Sasser
Coats	Kassebaum	Simon
D'Amato	Kasten	Simpson
Danforth	Kohl	Specter
Dixon	Lugar	Stevens
Dole	McCain	Thurmond
Durenberger	McConnell	Wallop

NOT VOTING—4

Garn	Mikulski
Kennedy	Pressler

So the motion to lay on the table the amendment (No. 2343) was agreed to.

Mr. MITCHELL. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, for the information of Senators, I am about to propound a unanimous-consent agreement that if accepted would permit us to conclude now for the evening and resume in the morning with two amendments scheduled, debate of 1 hour and 15 minutes equally divided on each, and then two votes at noon. So the Senate would begin at 9:30 on the amendments, with two amendments to be taken in order, but the votes to be stacked to occur at noon. The first would be an amendment by Senator BAUCUS on cost of production and then the amendment by the Senator from Delaware, Senator ROTH, on peanuts.

Accordingly, Mr. President, I ask unanimous consent that when the Senate returns to consideration of the farm bill tomorrow morning at 9:30, Senator BAUCUS be recognized to offer an amendment regarding cost of production; that there be 1 hour and 15 minutes of debate on that amendment equally divided in the usual form and that no second-degree amendments be in order; that following the debate on the Baucus amendment, Senator ROTH be recognized to offer his amendment on the peanut program, that there be 1 hour and 15 minutes of debate on that amendment equally divided in the usual form, and that no second-degree amendments be in order; that upon the completion of debate on the Roth amendment, without any intervening action or debate, the Senate proceed to vote on or in relation to the Baucus amendment; that immediately following the vote on the Baucus amendment, the Senate proceed without any intervening action or debate to vote on or in relation to the Roth amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HEFLIN. Reserving the right to object, I was not told we were going to bring up the peanut matter. I do not think the timeframe on that is long enough. We will need at least an hour on our side in regards to the peanut matter.

Mr. MITCHELL. Since the Senator was prepared to debate tonight, would the Senator from Delaware be prepared to offer the amendment and at least begin the debate tonight and then conclude it tomorrow morning?

Mr. HEFLIN. I need an hour on my side. I do not know about the others. Maybe they want a shorter time.

Mr. MITCHELL. What I am suggesting is that if we can agree on 2 hours of debate equally divided, 45 minutes of which, equally divided, would occur tonight and then 1 hour and 15 minutes of which would occur equally divided tomorrow morning as previously scheduled. That way Senators will get their full 2 hours in if they choose to do so.

Mr. HEFLIN. The problem is there is nobody to hear what you say.

Mr. LEAHY. Mr. President, the chairman will be here listening intently. I will take notes.

Mr. HEFLIN. That is the problem.

Mr. MITCHELL. Mr. President, I amend my request to ask that time on the Roth amendment be 2 hours equally divided, all other provisions of the unanimous-consent agreement to be the same as previously stated.

The PRESIDING OFICER. Is there objection to the revised unanimous-consent request? The Chair hears none and it is so ordered.

Mr. MITCHELL. Thank you, Mr. President. There will be no further rollcall votes this evening.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 2344

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Washington.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 2344.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amend line 19 of page 924 of S. 2830 by striking "or pistachios" and inserting "pistachios, or apples".

Mr. GORTON. Mr. President, this amendment simply allows an addition of four other commodities in the bill, an apple import marketing order to be entered as and when there is a domestic marketing order which is not imminent in that connection and subject to the amendment already adopted, proposed by the Senator from Indiana [Mr. LUGAR] that will require U.S. Trade Representative approval of any import marketing order in order that they be consistent with GATT; approved on both sides.

The PRESIDING OFFICER. Is there debate on the amendment?

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BREAUX). The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that we lay aside the amendment by the Senator from Washington State, with the understanding that it will not in any way prejudice his ability to bring the amendment back up.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2345

(Purpose: To establish a task force on farm safety, to provide grants for research on issues concerning farm safety, and for other purposes)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota, [Mr. DURENBERGER], for himself and Mr. GRASSLEY, proposes an amendment numbered 2345.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted".)

Mr. DURENBERGER. Mr. President, last November the world-class

marathon runner Dick Beardsley was transferring corn to a crib on his Minnesota dairy farm when his coveralls became caught in a tractor. By the time his wife found him, Dick's leg was wrapped around the tractor's power shaft. Luckily, his leg was not broken or mangled, but his knee was severely damaged. Because of this accident, Dick Beardsley, the man who came in second in the Boston Marathon in 1982, will never run the way he had before.

This incident is not unique. It happens every day on farms throughout America. There are about 50 agricultural deaths per 100,000 compared to an annual death rate for all industries of 11 deaths. In 1986, there were 1,900 agricultural deaths, 300 of them children and most of them were machine-related. In addition, there are approximately 170,000 disabling farm injuries each year causing pain and suffering, costing millions of dollars in health costs, disrupting lives and families. This all makes agriculture the most dangerous occupation in America.

Mr. President, the amendment I am offering is similar to the Farm Injury Prevention and Treatment Act of 1990 that Senator BOSCHWITZ and I introduced earlier this month. It addresses the farm safety in four ways: Government resources will be better focused, farm machinery will be made safer, farm injuries will receive better treatment, and rehabilitation, and accident prevention information will be better disbursed.

Since I introduced the original bill it has been made better by the constructive additions offered by Senators GRASSLEY, COCHRAN, and HARKIN. I appreciate their assistance.

My amendment is simple. It will streamline the Nation's farm safety research and education efforts by creating a 17-member intergovernmental, interdisciplinary task force of experts. The task force, based in the Department of Agriculture, will advise the Secretaries of Agriculture and Health and Human Services on how best to address the vexing problem of farm safety. And, Mr. President, there is a farm safety problem.

The task force will also conduct a national study of the problem. Senator GRASSLEY was very helpful in drafting this portion of the amendment. By doing a national study the task force will identify the extent and nature of the problem. Once this is better known the Federal Government and other concerned organizations can better focus their resources.

In addition, the amendment will direct additional resources to the treatment, care, and rehabilitation of farmers injured in farming accidents. Senator HARKIN has assumed an important leadership role in this area, providing useful building blocks for the amendment.

Yet, Mr. President, as we all know preventing accidents from occurring is our most important weapon against farm injuries. This calls for better education. My amendment will also focus the Government's attention and resources in this area. Senator COCHRAN provided essential input into the education portion.

An integral part of solving the problem is making farm machinery safer. No matter how safe they are, I believe more can be done. Toward this end, the amendment requires the task force to study the tractor rollover problem—the No. 1 killer—and develop recommendations on how best to address the problem. It does not mandate rollover protection systems, although I believe their use is very important.

To push farm machinery safety even further, my amendment will create farm machinery engineering research grants. These grants will provide seed money for engineering research that will hopefully make machines safe under all use conditions.

To conclude, Mr. President, my amendment will streamline and focus this Government's resources and attention on a problem that deserves it. Farm accidents have taken and disrupted too many lives. It is about time the Federal Government recognized this problem and took steps to solve it. My amendment does this, and does it in a way that is nonintrusive to the farmer and will get the job done.

The PRESIDING OFFICER. Is there further debate?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am a cosponsor of Senator DURENBERGER's amendment. I thank him very much for including several amendments that I was concerned about in this provision.

Mr. President, agriculture, with 50 agricultural deaths per year per 100,000 total deaths, is one of the more hazardous occupations. Perhaps it is the most hazardous. It is particularly distressing that many of the agricultural deaths and injuries each year involve children. Therefore, it is certainly time we focused more closely on farm safety as a public policy problem.

There has been considerable interest in the problem of farm safety in my own State of Iowa. In fact, a group of occupational health and safety experts at the University of Iowa has worked hard to help get farm safety on the national agenda. I think they have been successful in doing that as we see from the inclusion in the farm bill of provisions which try to address farm safety questions.

I want to comment briefly on several provisions that Senator DURENBERGER has included in his amendment at my request.

The first provision would modify section 1495, the farm safety education section introduced earlier this year as separate legislation by Senator COCHRAN with my support.

Section 1495 authorizes a program of general health promotion activities and a program of farm safety education. For the Farm Safety Education Program, the Secretary is authorized to make grants for programs of farm safety education. The purpose of this program is to reduce the incidence of injury and death by providing information and training about agricultural workplace hazards.

The changes in this program that I have offered, first, would require the Secretary to establish a priority listing of farm injury and disease-related hazards, and to award grants based on those priorities. In other words, the Secretary would have the responsibility of awarding grants so as to have an impact on the most important farm injuries and disease-related hazards.

Second, this amendment would require the Secretary to establish specific accident and illness reduction objections so the success of the program can be evaluated.

And third, the provision requires the education programs established pursuant to grants awarded by the Secretary to focus on prioritized health and accident hazards that affect persons in rural areas.

Mr. President, I think that these changes in the farm safety and health education parts of the bill are simple and straight-forward. They try to make sure that the Department focuses its activities on the most important agricultural injuries and diseases.

The other provisions I suggested would make modifications to the legislation Senator DURENBERGER introduced July 17, and which he is offering as an amendment to the farm bill today.

Specifically, they would do several things. First, they would provide a grant authority to the Secretary of Agriculture to enable the Secretary to make grants to public and private institutions to gather and provide regional information relevant to the national study of agricultural safety issues which will be undertaken by the task force established by the bill.

One of the things we do not want to lose sight of is that there may be considerable regional variation in the incidence of particular workplace hazards. This grant authority will ensure that the Secretary gets appropriate information on farm safety from different regions of the country.

Second, they would require that the Secretary of Agriculture make sure that the Agriculture Extension Service is informed of deficiencies in farm safety programs operating around the country which are discovered by the

research and analysis undertaken by the task force. It will also require the Secretary to coordinate and disseminate farm safety information through the Agricultural Extension Service.

Finally, they would require the Secretary of Agriculture to request the Commerce Department to include questions relating to agricultural accidents and farm safety in the 1992 census of agriculture.

Mr. President, I am pleased to support Senator DURENBERGER's amendment, and pleased that I could suggest several ways it could be improved.

Mr. LEAHY. Mr. President, farm health and safety is an area in which Senator HARKIN has been a leader, not only as a member of the Senate Committee on Agriculture, but also as chairman of the Senate Appropriations Labor-HHS-Education Subcommittee. Last year, in the fiscal year 1990 Labor-HHS-Education appropriation bill, Senator HARKIN started a farm health and safety initiative. This initiative provided funding to the Centers for Disease Control for surveillance to identify health and injuries problems faced by farm families, research to develop ways and means to lessen the hazards of farming, and funding to provide for the dissemination of information through the Department of Agriculture's extension service. I know the distinguished Senator from Iowa, and farm health and safety is a matter near and dear to his heart, I appreciate his efforts to address this problem throughout our negotiations.

Mr. LUGAR. Mr. President, on our side, we commend the distinguished Senators from Minnesota and Iowa for a very constructive amendment. We ask for its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I support the amendment also of the distinguished Senator from Minnesota.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there be no further debate, the question is on agreeing to the amendment of the Senator from Minnesota.

The amendment (No. 2345) was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2346

(Purpose: To require the conduct of a study concerning the handling of biological pesticides)

Mr. LEAHY. Mr. President, I send an amendment to the desk on the part of Senator LEVIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. LEVIN, proposes an amendment numbered 2346.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 981, between lines 11 and 12, add the following new subtitle:

Subtitle D—Miscellaneous Provisions

SEC. 1771. BIOLOGICAL PESTICIDE HANDLING STUDY.

(a) STUDY.—Not later than September 30, 1992, the National Academy of Sciences shall conduct a study of the biological control programs and registration procedures utilized by the Food and Drug Administration, the Animal and Plant Health Inspection Service, and the Environmental Protection Agency.

(b) DEVELOPMENT OF PROCEDURES.—Not later than 1 year after the completion of the study under subsection (a), the agencies and offices described in such subsection shall develop and implement a common process for reviewing and approving biological control applications that are submitted to such agencies and offices that shall be based on the study conducted under such subsection and the recommendation of the National Academy of Sciences, and other public comment.

Mr. LEVIN. Mr. President, I am offering an amendment which I understand has been cleared on both sides. The amendment requires the National Academy of Sciences [NAS] to conduct a study of the biological pest control programs and registration procedures used by the Food and Drug Administration [FDA], the Animal and Plant Health Inspection Service [APHIS], and the Environmental Protection Agency [EPA]. Based on this study, the three agencies are required to develop and implement a common process for reviewing and approving biological control applications.

In plain language, biological pest control means good bugs that eat bad bugs. Using this method will help farmers reduce chemical pesticide use and should help reduce overall costs of production.

Unfortunately, using this efficient method of pest control has proven difficult in the past because of overlapping agency jurisdictions and regulations. The most famous case occurred at a grain elevator in Texas not long ago. A good bug seller sought and received permission from the U.S. Department of Agriculture to sell his bugs to a grain elevator operator to clean out the bad bugs in his stored grain. Things went along fine, until the FDA came in after the good bugs were introduced and seized three hundred bushels remaining in the storage area, claiming that its jurisdiction over the use of food additives required it to approve the use of these good bugs. This action caused the Texas Department of Agriculture to get involved and eventually, with the addition of the EPA's input, the situation came to a grinding halt, with the grain going nowhere. Finally, after almost a year of deliberation the FDA declared that the grain could be sold, despite the presence of good bugs.

Now, the three agencies appear to be slowly coming together to resolve their differences, but I think it is important that an independent body such as the National Academy of Sciences review the progress and the programs. NAS' independence will provide for a more objective basis, away from the agencies' jurisdictions, from which to develop a common program that will ensure a safe, sound, and scientifically accurate process and make it easier for good bug sellers to get swift and full consideration for selling their pest control products.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LUGAR. Mr. President, we support the Levin amendment on our side.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2346) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SYMMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2347

(Purpose: To facilitate the use of pesticides that are registered for agricultural minor uses and to establish the Inter-Regional Research Project Number 4 (IR-4 Program)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. GRAHAM, Mr. ADAMS, Mr. INOUYE, Mr. MACK, and Mr. HOLLINGS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. GRAHAM (for himself, Mr. ADAMS,

Mr. INOUYE, Mr. MACK, and Mr. HOLLINGS), proposes an amendment numbered 2347.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 981, between lines 11 and 12, insert the following new subtitle:

Subtitle D—Minor Use Pesticides

CHAPTER 1—REGISTRATION OF PESTICIDES FOR AGRICULTURAL MINOR USES

SEC. 1771. DATA IN SUPPORT OF REGISTRATION.

Section 3(c)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(2)(A)) is amended by inserting after the third sentence the following new sentence: "The Administrator shall not require a person to submit, in relation to a registration or reregistration of a pesticide for minor agricultural use under this Act, any field residue data from a goegraphic area where the pesticide will not be registered for such use.".

SEC. 1772. REDUCTION OR WAIVER OF FEES FOR PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.

Section 4(i)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(i)(5)) is amended by adding at the end thereof the following:

"In the case of a pesticide that is registered for a minor agricultural use, the Administrator may reduce or waive the payment of the fee imposed under this section if the Administrator determines that the fee would significantly reduce the availability of the pesticide for the use.".

SEC. 1773. VOLUNTARY CANCELLATION.

Section 6(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(f)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) VOLUNTARY CANCELLATION.—

"(A) A registrant may, at any time, request that a pesticide registration of the registrant be canceled or amended to terminate one or more pesticide uses.

"(B) Before acting on the request, the Administrator shall publish in the Federal Register a notice of the receipt of the request and provide for a 30-day period in which the public may comment.

"(C) In the case of a pesticide that is registered for a minor agricultural use, if the Administrator determines that the cancellation or termination of uses would adversely affect the availability of the pesticide for use, the Administrator—

"(i) shall publish in the Federal Register a notice of the receipt of the request and make reasonable efforts to inform persons who so use the pesticide of the request; and

"(ii) may not approve or reject the request until the termination of the 90-day period beginning on the date of publication of the notice in the Federal Register, and

"(iii) may waive the 90-day period upon the request of the registrant or if the Administrator determines that the continued use of the pesticide would pose an unreasonable adverse effect on the environment.

"(D) Subject to paragraph (3)(B), after complying with this paragraph, the Administrator may approve or deny the request,"; and

(2) by adding at the end the following new paragraph:

"(3) TRANSFER OF REGISTRATION OF PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.—In the case of a pesticide that is registered for a minor agricultural use:

"(A) During the 90-day period referred to in paragraph (1)(C)(ii), the registrant of the pesticide may notify the Administrator of an agreement between the registrant and a person or persons (including persons who so use the pesticide) to transfer the registration of the pesticide, in lieu of canceling or amending the registration to terminate the use.

"(B) An application for transfer of registration, in conformance with any regulations the Administrator may adopt with respect to the transfer of the pesticide registrations, must be submitted to the Administrator within 30 days of the date of notification provided pursuant to subparagraph (A). If such an application is submitted, the Administrator shall approve the transfer and shall not approve the request for voluntary cancellation or amendment to terminate use unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse affect on the environment.

"(C) If the Administrator approves the transfer and the registrant transfers the registration of the pesticide, the Administrator shall not cancel or amend the registration to delete the use, or rescind the transfer of the registration, during the 180-day period beginning on the date of the approval of the transfer, unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse effect on the environment.

"(D) The new registrant of the pesticide shall assume the outstanding data and other requirements for the pesticide that are pending at the time of the transfer.".

SEC. 1774. PEST CONTROL.

Section 28 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w-3) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The Administrator,"; and

(2) by adding at the end thereof the following new subsections:

"(b) MINOR USE PESTS.—

"(1) IN GENERAL.—The Administrator, in cooperation with the Secretary of Agriculture, shall identify—

"(A) pests affecting minor-use crops that must be brought under control; and

"(B) chemical control measures available to control the pests described in subparagraph (A) and biological and other alternative control measures available to control the pests.

"(2) REPORT.—The Secretary of Agriculture shall, not later than 180 days after the date of enactment of this section and annually thereafter, prepare a report and send the report to the Administrator. The report shall—

"(A) describe in detail the pests and measures of pest control described in subparagraphs (A) and (B) of paragraph (1);

"(B) identify areas of pest control at risk of losing effectiveness due to—

"(i) an insufficient number of registered pesticides; or

"(ii) resistance by a pest to pest control measures; and

"(C) describe in detail research efforts, including agricultural extension programs, to develop effective pest control to address the areas of pest control described in subparagraph (B).

"(D) identify those crops likely to be affected by the lack of access to pesticides for minor agricultural use and identity through research, * * * pest control measures.

"(c) INTEGRATED PEST MANAGEMENT.—The Administrator, in cooperation with the Secretary of Agriculture, shall develop approaches to the control of pests based on integrated pest management that respond to the needs of producers who use pesticides for minor agricultural uses.".

SEC. 1775. CONFORMING AMENDMENTS TO TABLE OF CONTENTS.

The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended—

(1) by striking out the item relating to section 6(f)(1) and inserting in lieu thereof the following new item:

"(1) Voluntary cancellation.";

(2) by adding at the end of the item relating to section 6(f) the following new item:

"(3) Transfer of registration of pesticides registered for minor agricultural uses.";

and

(3) by striking the items relating to section 28 and inserting the following new items:

"Sec. 28. Pest Control.

"(a) In general.

"(b) Minor use pesticides.

"(1) In general.

"(2) Report.

"(c) Integrated pest management.".

CHAPTER 2—INTER-REGIONAL RESEARCH PROJECT NUMBER 4 (IR-4 PROGRAM)

SEC. 1776. FINDINGS.

Congress finds that—

(1) the Inter-Regional Research Project Number 4 (IR-4 program) is a national research program intended to facilitate the registration of pesticides for minor agricultural uses where use volume does not justify commercial development;

(2) the main beneficiaries of the IR-4 project are growers who use the pesticides to produce crops that are eaten daily (such as vegetables, fruits, and nuts) and other plants (such as vegetables, fruits, and nuts) and other plants (such as ornamental plants, floral crops, trees, and turf grass), and consumers who benefit from a plentiful, safe, and inexpensive domestic food supply;

(3) as the result of insufficient funding, the IR-4 program has a backlog of 1,200 requests for new uses;

(4) section 4 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 236a-1) requires the reregistration of over 4,000 currently labled uses;

(5) about 1,000 priority minor use needs will not be supported for reregistration by industry; and

(6) given this level of responsibility, the IR-4 program will be unable to fulfill its important mission without additional funding resources.

SEC. 1777. INTER-REGIONAL RESEARCH PROJECT NUMBER 4 (IR-4 PROGRAM).

Section 2 of the Act entitled "An Act to facilitate the work of the Department of Agriculture, and for other purposes", approved August 4, 1965 (7 U.S.C. 450i), is amended—

(1) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively;

(2) by inserting after subsection (d) the following new subsection:

"(e)(1) The Secretary of Agriculture shall establish an Inter-Regional Research Project Number 4 hereinafter referred to in this section as the 'IR-4 Program') to assist

in the collection of residue and efficacy data in support of—

"(A) the registration or reregistration of minor use pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.); and

"(B) tolerances for residues of minor use chemicals in or on raw agricultural commodities under sections 408 and 409 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 846a).

"(2) The Secretary shall carry out the IR-4 program in cooperation with the Administrator of the Environmental Protection Agency, State agricultural experiment stations, colleges and universities, extension services, private industry, and other interested parties.

"(3) In carrying out the IR-4 program, the Secretary shall give priority to registrations, reregistrations, and tolerances for pesticide uses related to the production of agricultural crops for food use.

"(4) As part of carrying out the IR-4 program, the Secretary shall—

"(A) participate in research activities aimed at reducing residues of pesticides registered for minor agricultural use;

"(B) develop analytical techniques applicable to residues of pesticides registered for minor agricultural use, including automation techniques and validation of analytical methods; and

"(C) coordinate with other programs within the Department of Agriculture and the Environmental Protection Agency designed to develop and promote biological and other alternative control measures.

"(5) The Secretary shall prepare and submit, to appropriate Committees of Congress, a report on an annual basis that contains—

"(A) a listing of all registrations, reregistrations, and tolerances for which data has been collected in the preceding year;

"(B) a listing of all registration, reregistrations, and tolerances for which data collection is scheduled to occur in the following year, with an explanation of the priority system used to develop this list;

"(C) a listing of all activities the IR-4 program has carried out pursuant to paragraph (4).

"(6) The Secretary shall submit to Congress within one year a report detailing the feasibility of requiring recoupment of the costs of developing residue data for registrations, reregistrations or tolerances under this program. This recoupment shall only apply to those registrants which make a profit on said registration, reregistration or tolerance subsequent to residue data development under this program. This report shall include:

(a) an analysis of possible benefits to the IR-4 program of such a recoupment;

(b) an analysis of the impact of such a payment on the availability of registrants to pursue registrations or reregistrations of minor use pesticides; and

(c) recommendations for implementation of such a recoupment policy.

"(7) There are authorized to be appropriated $25,000,000 for fiscal year 1991, and such sums are as necessary for subsequent fiscal years to carry out this section."

"(3) By inserting in subsection (g) following "subsection (b)" the phrase "and subsection (e)."."

The PRESIDING OFFICER. Is there debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 2347) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments?

AMENDMENT NO. 2348

(Purpose: To authorize the Secretary of Agriculture to address the control of grasshoppers and other pests on existing conservation reserve program land.)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. SYMMS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. SYMMS, proposes an amendment numbered 2348.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 545, after line 23, insert the following new subsection:

"(c) EFFECTIVE CONTROL ON EXISTING CONTRACTS.—(1) Not later than 180 days after enactment of the Food, Agriculture, Conservation, and Trade Act of 1990, the Secretary of Agriculture shall identify the land already enrolled in the environmental conservation acreage reserve program under chapter 2 of subtitle D which is most likely to incur a crop pest infestation that adversely impacts surrounding commercial farm land.

(2) Notwithstanding the requirements of substitle D, immediately after complying with paragraph (1) the Secretary of Agriculture may—

(A) offer to the owners or operators who hold contracts for land identified under paragraph (1) the following terms for renegotiation of those contracts:

(i) continuation of the contract unaltered except that the responsibility for controlling crop pests on contracted lands as necessary to prevent adverse economic damage to surrounding farm land shall be assumed by the contract holder, or

(ii) termination of the contract with no further annual rental payment, and with a penalty not to exceed one hundred percent of the cost-sharing payment made pursuant to subsection 1234(a), as determined by the Secretary of Agriculture; or

(B) establish any other procedures to control such pest infestations on such lands.

Upon establishing such terms of procedures, the Secretary may specify a period of time, not to exceed three months, in which an owner or operator must notify the Secretary of which terms or procedures will be accepted.

(3) An owner or operator offered renegotiation terms pursuant to paragraph (2) who notifies the Secretary of Agriculture of acceptance of the terms of subparagraph (2)(A)(i), shall receive an increased annual rental payment as determined by the Secretary to be fair and equitable.

(4) At the Secretary's discretion, the control of insect pests on acreage identified in paragraph (1) to avoid adversely impacting surrounding commercial farmland may be considered a conservation measure or practice for the purposes of subsection 1234(b).

Mr. SYMMS. Mr. President, my amendment addresses a critical problem we are facing right now in the State of Idaho—the uncontrolled infestation of crickets and grasshoppers generated off farmland that has been enrolled in the Federal Conservation Reserve Program.

I do not know how many of my colleagues have seen the damage that a grasshopper infestation can do, but it can be devastating. The hoppers can get so thick that they devour entire farm fields, literally covering the roads and ditches, to the point of becoming a traffic hazard. Several years ago Senator MCCLURE and I worked to obtain in the law a provision to require the Federal Government to control these pests as they arise on Federal forest and BLM lands. But now a new problem has come up—the farmland that the Federal Government leases as part of its conservation reserve has been prime breeding ground and forage for these pests. And the Federal lease agreement makes no provision for who or how to control them.

Fortunately, the Senate Agriculture Committee has incorporated in its reported bill language which requires any new "conservation reserve" lease agreement to specify that the farmer who owns the ground must control the pests arising on it. For the future, therefore, farmers can build the price of pest control into the annual rental payment in their bid for participation in the program. But that still does not address the millions of acres already leased for CRP.

The amendment I am offering allows the Secretary of Agriculture to go back and renegotiate those leases in areas where pest problems are likely. As soon as the Secretary determines where those areas are, he may offer CRP—enrolled farmers a choice: They can either begin to assume responsibility for controlling the grasshoppers and other pests on their CRP land, they can accept a penalty and terminate their contracts, or the Secretary may design some other control option. If they choose to stay in the program, they may be given a higher rental payment to reflect the added pest control costs.

This procedure assigns the task of controlling pests to the right entity, the farmer who owns the land. But it is also fair, giving farmers who originally bid assuming they wouldn't have to pay for pest controls a chance to either leave the progam, to receive a higher payment to reflect added costs, or to accept other options provided by the Secretary.

Also, so as to further increase the arsenal of the Secretary against economic infestations coming off CRP lands, my amendment includes discretionary authority for the Secretary to include pest control among those other activities that are cost-shared on Federal land. This authority may be more cost effective and practical, especially in some cases where a widespread rangeland pest control program is already being conducted by the Federal Government.

I hope my colleagues will see this proposal as the sensible and necessary provision that it is, and I encourage its swift adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LUGAR. Mr. President I support the Symms amendment on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment (No. 2348) was agreed to

Mr. LUGAR. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2349

(Purpose: To instruct the Secretary of Agriculture to seek to avoid favoring one class of wheat over another in the course of implementing export enhancement programs)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. SYMMS and Mr. MCCLURE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. SYMMS (for himself, and Mr. MCCLURE), proposes an amendment numbered 2349.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 466, line 16, insert the following: "(10) AVOIDANCE OF PREFERENTIAL APPLICATION. When using the authorities of this section to promote the export of wheat, the Secretary shall make reasonable efforts to avoid giving a preference to one class of wheat disproportionately more than another.".

Mr. SYMMS. Mr. President, the Export Enhancement Program established in the 1985 farm bill has been and continues to be a vital tool for regaining America's agricultural export markets lost because of the subsidized and unfair trading practices of some of our international competitors.

In recent years, however, a number of wheat exporters in the Pacific Northwest have raised the concern that the benefits of the Export Enhancement Program may be going disproportionately to some wheat varieties, and not to others. They point for example to the proportionately larger carryover of soft white wheat that has not been receiving the benefit of many EEP contract sales.

Now, to a certain extent, what wheat variety is sold under EEP depends on what the purchasing nations are requesting. Nevertheless, the Secretary of Agriculture has many authorities at his disposal to promote certain varieties, and these authorities may be employed to make the distribution of EEP benefits more equitable.

While my amendment recognizes that sales will ultimately be dictated by demand, it encourages the Secretary to do what he can to avoid disproportionately applying EEP benefits to one wheat variety over another.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, we commend the Senator for this amendment and support it on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment (No. 2349) was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2350

(Purpose: To provide a preference to land in States that have adopted quantitative agricultural pollution reduction goals for inclusion in the conservation reserve)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. SARBANES and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. SARBANES, proposes an amendment numbered 2350.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 516, line 21, strike out "and".

On page 516, line 23, strike out both periods and the end quotation marks and insert in lieu thereof "; and".

On page 516, after line 23, insert the following new subparagraph:

"(G) take into consideration the existence of watersheds experiencing actual and significant adverse water quality or habitat effects related to agricultural production activities, including such environmentally sensitive areas as the basins of the Chesapeake Bay and the Great Lakes, particularly where there are active State programs working to protect such watersheds. In utilizing the authority granted under this subparagraph, the Secretary shall attempt to maximize water quality and habitat benefits in such watersheds by promoting a significant level of enrollment of lands containing watersheds in the program under this chapter by whatever means the Secretary determines appropriate and consistent with the purposes of this chapter.".

Mr. SARBANES. Mr. President, today I rise to offer an amendment to the conservation title of the 1990 farm bill. The amendment encourages the Secretary of Agriculture, in implementing the Conservation Reserve Program [CRP], to take into consideration the need to protect sensitive watersheds like the Chesapeake Bay and the Great Lakes, particularly where there are active State programs working to protect such watersheds. This amendment is needed to encourage increased participation of the Chesapeake Bay area States of Maryland, Pennsylvania, and Virginia, among others, in the farm bill's conservation programs, and ensure that the CRP's enrollment is more evenly distributed. The amendment would also have the added benefit of encouraging other States and regions to adopt quantitative agricultural pollution reduction goals and helping to meet natural water quality improvement goals.

Nationwide, the CRP has contributed significantly to ongoing soil conservation efforts. Unfortunately, in the Chesapeake Bay area States, the program has fallen far short of its potential. Nationwide participation rates for the CRP approach 33 percent on average. In other words, about one in three American farmers enroll in the CRP. In the Bay States, however, on average, fewer than 1 in 10 eligible farmers has enrolled land in CRP. Pennsylvania, Virginia, and Maryland rank among the 15 States with the highest concentration of highly erodible land [HEL]. Yet, Maryland farmers have enrolled only 5.5 percent of eligible acreage; Pennsylvania has 6.4 percent participation; and Virginia has 11 percent of eligible land enrolled. As of the ninth signup period, only 225,000 acres have been enrolled in CRP out of a total amount of land eligible in our region of more than 3.3 million acres.

According to the committee report accompanying the farm bill, "Most of the land enrolled in the program is located in the wind-erosion prone areas of the Great Plains, partly as a result of the relatively high conservation reserve rental rates paid in this region." Already some 34 million acres of the 40 to 45 million authorized by Congress have been enrolled in the program. Unless further steps are taken soon to encourage Bay State farmers to participate, the program will be fully subscribed. By encouraging the Secretary to give preference to land within States which have adopted quantitative agricultural pollution reduction goals, we can help ensure that

CRP enrollment is more equitable among the States.

The committee report accompanying the farm bill points out that "While the overall successes of the conservation reserve program are substantial, fewer gains have been made in the other objectives of the program as established in the 1985 Food and Security Act than were possible, particularly in the area of water quality."

The fact is, the greatest water quality benefits from the CRP can be achieved in regions like the Chesapeake Bay. EPA has determined that the 11 million acres of agricultural land within the Chesapeake Bay watershed account for nearly one-third of the phosphorus and about three-fifths of the nitrogen entering the bay each year. Excessive quantities of these nutrients pollute the water and are a key cause of the bay's decline. CRP is one of the best available programs to reduce the flow of these pollutants to the bay. Indeed, Maryland, Pennsylvania, Virginia, the District of Columbia and the Federal Government through the EPA, have agreed to reduce these pollutants by 40 percent by the year 2000, and the States are relying heavily on the CRP to reach this ambitious water quality goal.

CRP's water quality potential is heightened because the lands eligible for enrollment cause a disproportionate impact on the bay. Areawide, the 1.5 million acres of highly erodible lands currently in production account for less than 15 percent of the total farmland, but are responsible for about 75 percent of all cropland erosion. In addition, farmland runoff from farms directly adjoining streams, rivers, or the bay is much more likely to actually end up in the water as pollution.

Unfortunately, because of the low participation rates, the Bay States are losing out in water quality benefits. Lost water quality benefits amount to approximately, 4 million pounds of nitrogen and 0.6 million pounds of phosphorus each year. My amendment would help meet the objective of improving water quality and go a long way toward cleaning up the bay.

Mr. LEAHY. Mr. President, this is a good amendment, and I support it.

Mr. LUGAR. Mr. President, we are pleased to support the amendment on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment (No. 2350) was agreed to.

Mr. LUGAR. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2351

(Purpose: To improve the economic, community, and educational well-being of rural America, and for other purposes)

Mr. LEAHY. Mr. President, I send to the desk an amendment on behalf of Mr. HEFLIN, Mr. MCCONNELL, Mr. BAUCUS, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BINGAMAN, Mr. PRESSLER, Mr. MITCHELL, Mr. SANFORD, Mr. HARKIN, and Mr. SHELBY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont, Mr. LEAHY, for himself, Mr. HEFLIN, Mr. MCCONNELL, Mr. BAUCUS, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BINGAMAN, Mr. PRESSLER, Mr. MITCHELL, Mr. LEAHY, Mr. SANFORD, Mr. HARKIN, and Mr. SHELBY, proposes an amendment numbered 2351.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HEFLIN. Mr. President, last August the Senate passed an important rural development bill, S. 1036, the Rural Partnerships Act of 1989. On March 22 of this year, the House passed a companion bill, H.R. 3581.

Because of the press of other business, including the farm bill that is before us today, it has been impossible for the House and Senate to conference on these separate rural development measures.

Mr. President, rural economic development is too important to postpone. The amendment I am offering today would add the provisions of the rural development bill which are under the jurisdiction of the Agriculture Committee, as a title of the 1990 farm bill.

Many of our rural communities have suffered serious economic turmoil during the past decade. Particularly hard hit have been the farm economy, natural resources and energy-related industries, and low-skill manufacturing.

There is no one answer that every community can use to achieve economic vitality. However, there are common threads. First of all, the leadership for rural development must be taken by local community organizations—rural electric cooperatives, counties, econimic development districts, and other local entities. These organizations must provide the leadership, expertise, and commitment. Without these elements of local leadership and commitment, development efforts are not likely to be successful.

The Federal role is important but relatively minor. It is to provide technical expertise and assistance and modest amounts of capital to encourage and leverage private capital.

This is the exact approach we have taken in S. 1036. It is a sound approach. It is an approach that will help our rural communities. It merits inclusion in the bill that is before us today.

Mr. ROCKEFELLER. Mr. President, I rise to express my support for this amendment, offered by the senior Senator from Alabama, which would attach the provisions of the Rural Partnership Act to the pending farm legislation. As a cosponsor of the amendment, I am proud to join in this effort to try to pass the Rural Partnership Act into law. The same provisions were approved by the Senate as a separate bill in August of last year. In essence, today we are trying with this amendment to get the bill moving again and headed for enactment.

West Virginia and rural America are waiting—and unfortunately, they have been waiting for a long time for the resources and assistance that this legislation proposes. When the Senate passed the Rural Partnership Act last year, we affirmed our commitment to channeling needed help to rural areas for economic development, job creation, and growth. But this measure has been stalled, and some important new programs sidelined.

Mr. President, the Rural Partnership Act, contained in this amendment, is a response to the needs of rural Americans. A quarter of the people in our Nation live in the rural regions of our country, and they deserve far more attention and assistance than they have been getting. The Senate's Rural Partnership Act recognizes those challenges and offers new ideas and fresh approaches to address the problems of rural communities.

I would like to call special attention to a small, but meaningful initiative included in the provisions of this amendment: the "Rural Business Incubator Loan Fund." The incubator fund, which is designated to be placed within the Rural Electrification Administration, is designed to promote economic development through the creation and expansion of business incubators.

I strongly support the idea of the Rural Incubator Loan Fund, and hope that we will see rural communities and States take full advantage of it. When the Rural Partnership Act was before the Senate last year, I offered an amendment which was unanimously accepted that modified the underlying provision so that my own State, West Virginia, and several others would have full access to the fund.

My amendment would simply expand the eligibility for the Rural Business Incubator Loan Fund to enable the few States which do not have a network of electric cooperatives

to participate. West Virginia and other States with just one electric cooperative, or those States that do not have any cooperatives, would have effectively been shut out of this particular program if the bill were to remain in its current form. My amendment changes that by naming "nonprofit entities" as a category of qualified applicants in those States that do not have two or more electric cooperatives. These nonprofit entities must meet all the same requirements established in the bill to compete for grant or loan money from the incubator fund.

Therefore, my amendment ensures that every State has a chance to participate in this new, innovative program. I am pleased that with this amendment all States—including West Virginia—will be able to participate in this small but important program.

Business incubators are in exciting new tool for economic development in rural America. An incubator is a facility designed to help get new businesses started on the right foot. In an incubator, new startup businesses share the facility and many overhead costs. By sharing costs for a few years, first-time entrepreneurs have a better chance to become established in their community. Once a business is established, it moves out of the incubator on its own creating an opportunity for another entrepreneur.

Several years ago, I sponsored a conference to make business and government officials in my State more aware of the business incubator approach and how to set one up. I have since been enormously proud to watch the concept spread. There are now several business incubators open and running in West Virginia, and other was in various planning stages. Incubators stimulate new business and new hope; they are a worthwhile investment to spur growth and jobs in rural areas throughout the country.

Economic development is expensive, and often a struggle. But it is essential for our country as a whole to invest in rural economic development and improve the basic infrastructure in our small communities; building road, opening rural health clinics, and establishing sewage treatment facilities. These projects are vital to improving the quality of life, and critical to jobs and economic development in rural America.

Jobs do not come to areas without water and sewage treatment. Companies do not locate on back roads. Families do not move to communities if they lack good schools or nearby health care facilities. Without new investments in basic infrastructrue, rural America will continue to be left out of economic prosperity. We cannot allow the people who live in West Virginia and other rural areas to be left behind our urban centers.

The rural Partnership Act is an innovative package with key provisions to increase funding for sewage treatment and direct that funding to small, needy areas. It also includes provisions to strengthen our telecommunication network in rural America with special programs targeted toward schools, hospitals, and rural businesses.

This amendment is an important step toward helping West Virginia and other rural areas. We should attach it to this farm bill and take this important step forward in improving and expanding assistance to families and communities throughout rural America.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, this amendment is essentially a restructuring of S. 1036, the rural development bill. We believe that very constructive action has occurred in reshaping some of the portions of that bill, and therefore we are pleased to support the amendment.

The PRESIDING OFFICER. Is there further debate? The question is on agreeing to the amendment of the Senator from Alabama.

The amended (No. 2351) was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there other amendments?

AMENDMENT NO. 2352

Mr. LEAHY. Mr. President, I send to the desk an amendment on behalf of the senior Senator from Texas [Mr. BENTSEN] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BENTSEN, proposes an amendment numbered 2352.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In S. 2830, in the appropriate place insert the following:

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by adding at the end thereof the following new subsection:

"(k) For purposes of determining the eligibility of land to be placed in the conservation reserve established under this chapter, land shall be considered planted to an agricultural commodity during a crop year if an action of the Secretary prevented land from being planted to the commodity during the crop year.".

Mr. LEAHY. Mr. President, this amendment would allow land to be considered planted for the purpose of eligibility in the Conservation Reserve.

It was passed by the Senate in 1987. I think it made sense in 1987, and I think it makes sense now. I have discussed it with the Senator from Texas and have no objection to the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, we agree with the distinguished chairman that this was a part of the Farm Credit Act of 1987, a commendable amendment then, and now we look forward to supporting it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 2352) was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSUMER PRODUCTS SAFE TESTING ACT

Mr. KOHL. Mr. President, I commend my distinguished colleague from Nevada, Mr. REID, for his leadership in bringing the Consumer Products Safe Testing Act to the Senate floor.

I strongly support the intent of this legislation. Its objective is to reduce the number of animals needlessly sacrificed in products testing laboratories each year. This is clearly an area where our country must make progress. The horrors of the lethal-dose 50 test, which would be restricted by this legislation, are infamous. By nearly all accounts, the use of the so-called Classic LD50 is of limited scientific value. The Food and Drug Administration does not require this test. The National Toxicology Program does not use this test. And a number of European countries, as well as Japan, have strictly limited the use of the LD50. Nonetheless, these nations continue to produce safe, high-quality consumer products and pharmaceuticals. I believe that we must at least consider the possibility of enacting legislation to bring our Nation's products testing standards to the same ethical and scientific plane.

I would like to emphasize, however, that I do not believe that we are in a technological position to eliminate the use of animals in either product testing or biomedical research. I remain unconvinced that we have the ability to unilaterally substitute current animal research models with alternative techniques, such as computer or cell and tissue culture models. Based on testimony from both the scientific and consumer products communities, I believe that there are instances in which LD50 continues to be necessary. The legislation before us attempts to balance the concerns of those who

have long opposed the unnecessary use of the LD50 test with those who seek to use the test to assure the highest standards of product safety. While the proposal before us is not perfect, this is an issue that we do need to resolve and I support the effort of my good friend from Nevada.

HUMANE TREATMENT FOR ANIMALS—REID AMENDMENT NO. 2331

Mr. MACK. Mr. President, I would like to take a moment to address an issue which we voted on last night which I know is very important to many of my constituents in Florida. That issue is animal welfare and the vote I cast on the Senator from Nevada, Mr. REID's, amendment last night. I am in full agreement with my colleague from Nevada that we should work to end all cruelty to animals. This includes discontinuing the use of tests that are needlessly inhumane and which serve no valuable purpose. However, this was not the case with the amendment by the Senator from Nevada. While I too support humane treatment of animals, I have also been very involved and care deeply about the fight to end cancer. The American Heart Association testified against Senator REID's amendment before the Senate Commerce Committee as the amendment would prohibit the use of important medical testing. Additionally, Secretary Sullivan states in a letter sent to me yesterday that adoption of this amendment could curtail important cancer research. For this reason alone, I voted against the amendment. However, I want to reiterate that I support Senator REID's amendment in concept, and I hope very much that modifications can be made to the provision so that I can lend my full support to this important matter in the future. Thank you, Mr. President.

COHEN AMENDMENT ON FLEXIBILITY ACREAGE

Mr. GRAHAM. Mr. President, I rise to speak in support of the Cohen amendment to exclude nonprogram crops from the flexibility program contained in the Senate farm bill.

I would like to make several points:

First, the original intent of the flexibility concept excluded nonprogram crops. In fact, the House of Representatives, farm bill contains a flexibility program which is limited to program crops.

Second, unlike program crops, fruit and vegetable farmers do not grow for a guaranteed market. When their markets are destabilized—which is a real possibility under the existing language—they have no Government programs to fall back on.

Third, finally, Florida, as the leading domestic producer of many fruits and vegetables, is just now beginning to recover from the effects of a devastating freeze this past winter. We cannot now deal another blow to an industry extremely sensitive to market pressures.

For these reasons, I cannot support the concept of flexibility unless fruits and vegetables and other nonprogram crops are exempted and commend the Senator from Maine for offering this very sensible solution.

THE FLORIDA SUGAR INDUSTRY'S COMMITMENT TO GREATLY REDUCE THEIR POLLUTING RUNOFF INTO THE EVERGLADES ECOSYSTEM

Mr. GRAHAM. Mr. President, will the chairman engage in a colloquy with the Senator from Florida regarding the Florida sugar industry's commitment to help improve the health of the Everglades ecosystem?

Mr. LEAHY. Certainly.

Mr. GRAHAM. I know that given his knowledge about the Everglades, he shares my concern that we must restore and preserve this unique ecological system. The Everglades are under attack on a variety of fronts. The single biggest threat to its health, however, involves water. The Everglades are being starved of water, and what little water the area does get is heavily polluted, primarily with phosphorus. Thus, assuring an adequate supply of high quality water is vital to ensuring the survival of this national treasure, would the Senator from Vermont not agree?

Mr. LEAHY. Absolutely.

Mr. GRAHAM. Scientists who have studied the problem estimate that over 200 tons of phosphorus are running off from the Everglades agricultural area south of Lake Okeechobee into adjacent State water conservation areas, a national wildlife refuge, a national preserve, and ultimately into Everglades National Park where it is causing tremendous damage to native flora and fauna. The primary source of this pollution is the sugar cane fields that dominate the agricultural area. Thus, would the Senator also agree that the Florida sugar industry must assume a major portion of the responsibility to improve both the quantity and quality of the water they discharge?

Mr. LEAHY. I agree completely with the Senator. The industry must participate fully in a comprehensive program to undo the damage they have done.

Mr. GRAHAM. The Senator will be interested, then, in the results of the discussions I have had with the Florida sugar industry to redress this problem. The sugar growers acknowledge that a prompt reduction of at least 75 percent, or 150 tons of phosphorus, is needed. Their leaders have personally committed to me that they will implement mechanisms on their own land to achieve up to half of this reduction. I understand that they have also committed to providing a substantial portion of the funds to purchase buffering lands to filter out the balance of the pollutants needed to meet this 150-ton goal.

Mr. LEAHY. I want to compliment the Senator from Florida on his efforts to get the industry to stop being part of the problem and becoming a part of the solution. May I ask a question about this remedial plan?

Mr. GRAHAM. Surely.

Mr. LEAHY. How much does the Senator think the total effort will cost?

Mr. GRAHAM. While estimates vary, I understand a comprehensive program will cost upwards of $80 million, plus a much smaller amount each year for operations and maintenance. The Florida sugar industry is reviewing a proposal whereby they would fund half of the cost. Given the size of this undertaking reducing the sugar industry's loan rate will not make the Florida growers any more willing or able to fulfill these responsibilities.

Mr. LEAHY. I understand that reducing onsite runoff of phosphorus and setting aside lands to act as "kidneys" to absorb nutrients are pollution control techniques that are still evolving. What will happen if, after the sugar growers implement their plan, they do not achieve the 150-ton goal?

Mr. GRAHAM. I have full confidence that industry would implement additional measures to fulfill their commitment. A prime option for them would be to acquire additional lands for the buffering system. They will not, however, withhold water to let the pollutants settle out or inject it as a way to increase the quality.

Mr. LEAHY. I understand that the Florida sugar growers have yet to actually put this commitment in writing. What can we in Congress do to ensure that they will follow through with their promises to the Senator from Florida?

Mr. GRAHAM. I recently met with the leaders of the Everglades coalition to discuss our options. The Everglades coalition is an umbrella organization of environmental groups, public interest groups, and citizens established with my support when I was governor to serve as the watchdogs and advocates for the whole Everglades system. I considered several proposals. One of the most effective would be to tie Florida sugar's continued participation in the Federal allotment and loan programs to their compliance with State water quality standards.

Mr. LEAHY. That would be a very effective tool to ensure the farmers' adherence to environmental standards.

Mr. GRAHAM. I agree. However, before Congress considers such a legislative proposal, I believe it is only fair to give the Florida sugar growers an opportunity to fulfull their commitment. Thus, I would like to see if the outlines of a comprehensive water improvement management plan cannot be hammered out among all of the in-

terested parties in the next few months.

Mr. LEAHY. I think that would be fair. Will the Senator from Florida keep me apprised of the progress of these efforts?

Mr. GRAHAM. I would be happy to, and I thank the Senator for continued interest and desire to help us preserve this vital natural area of my State.

Mr. McCONNELL. Mr. President, during the past decade our Nation has enjoyed tremendous economic growth and prosperity. Inflation has been tamed, unemployment has decreased to its lowest levels in many years and our economy has enjoyed a sustained expansion that is unparalleled.

These national trends give us cause to rejoice. They demonstrate and confirm that the management of our national economy is sound and that we are on the right course. Unfortunately, the economic prosperity of the past decade has not been enjoyed in all areas of our country. The most striking example is our rural areas.

Far too many rural communities have faced wrenching economic problems at the same time our national economy has experienced unprecedented growth and prosperity. For the most part, the rural communities experiencing these problems are those which lack diversity in their economies. Particularly vulnerable are those rural areas that rely on agriculture, mining, or energy-related industries and low skill manufacturing for most of their income.

Mr. President, I am proud to represent the State of Kentucky, but I want to share some statistics with my colleagues which trouble me deeply: 34 of Kentucky's 120 counties are classified as persistently poor, meaning the median per capita incomes in these counties have been in the bottom fifth of a ranking for all U.S. counties since 1950. Based on Department of Commerce data, U.S. per capita personal income in 1988 was $16,490. The average per capita income for rural Kentuckians was $10,794—$10,794 is more than one-third below the average for the United States.

Above all else, rural development is an economic issue. For several years the combination of slower economic growth and a net loss of population has pushed rural Kentucky and rural America into a gradually worsening economic situation.

As these people leave rural America, and they continue to leave at a rate of nearly 400,000 people per year, the economic base of our small towns and communities erodes. It is imperative that the momentum shift to a growing economic base for rural America and I believe this legislation provides that kind of boost.

The need for economic diversity that can occur with rural development efforts is clear. This is a major lesson of the past decade. Diversity is essential if a community is to moderate the ups-and-downs of a dominant industry.

There has been no lack of interest in developing new policy, but there has been a lack of focus and coordination of effort. If a rural development initiative is to be effective the Federal, State, and local governments must be involved and working together to the mutual benefit of those in need. There are many organizations that have a sincere interest in rural areas and most should be encouraged and allowed to participate in any rural policy that is created.

Mr. President, these issues were considered last year when we developed S. 1036, the Rural Partnerships Act of 1989, which passed the Senate on August 2 of last year.

The provisions developed and supported in S. 1036 are based on encouraging local entities—rural electric cooperatives, counties, chambers of commerce, economic development districts, and others—to provide leadership in assisting their local communities to build a diversified economic base, and to improve the quality of life and economic opportunities for rural Americans. If a rural development initiative is to be effective everyone must be involved and working together for the mutual benefit of those in need.

The characteristics of rural America are changing rapidly. The long-help philosophies of how to best deal with the problems that exist in the rural communities may not still be true and now is the time for some very significant and meaningful changes in the policies and tools at all levels of government.

The amendment would include, as part of the 1990 farm bill, the provisions of S. 1036 under the jurisdiction of the Agriculture Committee. This bill is a product of continued efforts and constructive thinking by all members of the Agriculture Committee. In my judgment, it would aid the rural economy tremendously and I believe it belongs in the 1990 farm bill.

Mr. President, the citizens of rural Kentucky deserve the same opportunities for prosperity and the same quality of life as citizens of the largest cities of our Nation. The inclusion of the rural development amendment in the farm bill will be a major step in ensuring that our rural citizens share in the economic growth of our country.

LOAN RATE FOR SUGAR

Mr. KERREY. Mr. President, just so no one is under the illusion that a unilateral cut in the U.S. loan rate for sugar will translate into lower prices for the kid who buys a Snickers bar or higher wages for the guy who's wielding a machete in any sugar cane field around the globe, I ask unanimous consent to have printed in the RECORD at the end of my statement an article from yesterday's Philadelphia Inquirer entitled "Bitter Lives in Philippine Sugar Fields."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. The heading on the second page of this article perhaps best describes the situation facing field workers on the sugar cane plantations in most countries of the world: "Philippine Sugar Fields: Low Wages and Bitterness Amidst the Plenty."

The article tells how more than half of Philippine sugar workers earn less than the minimum wage of $3.25 per day, even as the owners of these massive plantations continue to accumulate larger profits with which to maintain their private security forces and comfortable lifestyle. As the article notes, "strong sugar profits have fueled an investment boom that never seems to trickle down to most sugar workers."

The article concludes by quoting one worker who says he "would love nothing more than a piece of land he could call his own," so that he could plant rice, which is what his family eats three times a day, or perhaps sugar, since the mill is still there.

[From the Philadelphia Inquirer, July 23, 1990]

BITTER LIVES IN PHILIPPINE SUGAR FIELDS

(By Vernon Loeb)

BACOLOD, PHILIPPINES.—Out in the sugar fields, Ricardo Bantad and his fellow laborers are members of the National Federation of Sugar Workers.

By lunch time, they will have earned about 66 cents each. They are demanding that the planter pay them the minimum wage of 73.50 pesos—that's $3.25 a day.

Back in Bacolod city, dozens of well-dressed businessmen and their wives crowd around blackjack tables at the Casino Filipino, where dealers lay down cards and cashiers scoop up crisp, new 500-peso notes.

A three-star hotel has just gone up a block away in an entertainment district full of outdoor cafes and restaurants with names such as Et Cetera. There is a Shakey's pizza parlor and a cinema featuring a Tom Hanks movie.

Such is the schizophrenic quality of life these days in "Sugarlandia," where strong sugar profits have fueled an investment boom that never seems to trickle down to most sugar workers—more than half of whom still work for less than the meager minimum wage.

The island of Negros in the central Philippines is a classic illustration of the country's ills—a landed elite lording over multitudes of landless peasants, an overdependence on sugar, an entrenched communist insurgency and a long history of human rights abuses.

And the place hasn't changed much since Corazon C. Aquino became president four years ago, despite having what is generally considered to be one of the most progressive provincial administrations in the Philippines.

"This is an island where there is tremendous social injustice," said one Western diplomat. "It is an island racked by injustice."

A breeze rustles the tops of tall sugar cane stalks, making a whoosh that sounds like waves lapping the shore. *Carabaos*, or water

buffalo, cool off in the Matabang River, submerged except for their horns, eyes and noses.

Ricardo Bantad's bamboo hut is perched on a nearby bluff. It looks out over a small valley of terraced rice paddies that Bantad and his neighbors have planted between the cane fields to supplement their income.

"We eat rice three time a day, with vegetables—we call it *gabi*," Bantad says. "It grows wild by the side of the river, with big leaves. We used to have a lot of chickens, but now, no more. One of my children got sick and I had to sell them to get medicines. We eat no meat, but sometimes, once a week—on payday—we eat dried fish—we call it *oga*."

Bantad, 39, a tanned, wiry man, is acting president of the National Federation of Sugar Workers at Hacienda Alasigan in Silay city, about 45 minutes from Bacolod. Bantad says the hacienda is owned by a man named Jesse Granada, who leases the land to someone else. Bantad's father worked for Granada's father.

Bantad works in the fields with his wife and three of his seven children, ages 19, 17 and 14. The 13-year-old, Elsie, looks after Raymond, the newborn, when they are at work. They often hear Raymond crying for his mother's breast as they walk home through the fields at lunch time.

Together, the five can earn the equivalent of about $22 a week, on which the nine of them survive.

Is it a fair wage?

"I cannot say for certain," says Armando Aurilio, on of Bantad's neighbors and the union's secretary, "because we do not see the owner—we are only dealing with his accountant."

Another demand of the union members is to meet with the man for whom they work, face to face.

Even if all the sugar planters started paying the minimum wage, according to Rafael L. Coscolluela, vice governor of Negros Occidental province, it would only alleviate the most dire instances of poverty.

Alleviating injustice, Coscolluela said, would require aggressive implementation of Aquino's land-reform law, which requires that all large parcels of land be redistributed to those who actually work the land.

But the Aquino administration's performance so far has been dismal, Coscolluela said. The government hasn't even acquired 70,000 acres—about 10 percent of the arable land—that sugar planters have offered to sell, he said. The rest would have to acquired against the will of the owners, at best a problematic proposition.

Most planters have private security forces, and many are also protected by the Philippine military, which in the past has interfered with civilian land-reform officials at the planters' behest.

Government troops and private paramilitary forces have also made life difficult for the sugar workers' union. More than 60 of its organizers and officials have been killed since its founding in the early 1970s, according to union leaders.

"A . . . bullet costs 18 pesos," said Serge Cherniguin, the union's vice president. "That could provide a family of six with one meal. You know, the sugar planters, they feed their dogs better than their sugar workers. And yet they feel as though they have already given their workers the moon."

It is little wonder that Negros is a hotbed of the communist New People's Army (NPA), which made headlines recently by kidnapping an American Peace Corps volunteer and a Japanese aid worker.

The NPA had been relatively quiet here before the kidnappings. Since then, it has been on a rampage, killing at least 20 police and civilians in ambushes. Thirty NPA members recently killed a prominent sugar planter and his bodyguard north of Bacolod.

"There is an enormous amount of violence on this island," the Western diplomat said, noting that seven Philippine military battalions and artillery and helicopter gunships are deployed here.

There are conflicting theories for the sudden surge of NPA activity.

Retired Archbishop Antonio Y. Fortich said the recent string of encounters "is a sign of disgust and unrest on the part of the people."

"Unemployment, the minimimum-wage law and land reform have not been touched," Archbishop Fortich said. "These are all tall orders."

Coscolluela and Western diplomats see it much differently, describing the recent attacks as a sign of NPA concern that its support is being eroded by local government successes in the countryside.

"On the other hand," Coscolluela added, "we can't say the NPA doesn't have breeding grounds for recruitment, because many of the ills still exist. We need to continue to bring ourselves to the people, because that is what the NPA is doing as well. We're fighting for their hearts and minds."

Ricardo Bantad and the other union leaders squat on their haunches in the morning sun outside Bantad's bamboo hut, talking about the prospects of genuine land reform in Negros.

Like most rural Filipinos, Bantad speaks cautiously to strangers.

But not Danilo Adrias, 39, the union's vice president.

"The NPA is working for the interests of the poor people," he blurts out. "If the NPA comes and tries to organize the people in the right way, we will work with them. If they organize the people in the wrong way, we will not.

"We are poor," he goes on. "Most of the profit goes to the owners, not the workers. But we are controlled. We cannot do anything."

Adrias would love nothing more than a piece of land he could call his own.

"I would plant rice, and maybe sugar, since the milling company would still be there," he says.

"If there is land to the people, there will be no more insurgency," Adrias says. "Even the NPA will agree to cultivate the land. And if there is no land to the people, everything will stay the same.

Mr. LEAHY. Mr. President, I think we have done about enough of the farm bill for one day. In fact, I am pleased with what we have done. We have had a very, very good day. I thank all Senators for their help, and I commend not only the endurance but the expertise of Senator LUGAR. I hope that what we have done today sets the stage for being able to bring this bill to finality, perhaps on the next legislative day.

Again, I encourage Senators to enter into time agreements, and if they are willing to cut back on those time agreements as they go along that will help.

MORNING BUSINESS

Mr. LEAHY. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 3:14 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 577. Joint resolution designating the month of November 1990 as "National American Indian Heritage Month".

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES PLACED ON THE CALENDAR

The Committee on Commerce, Science, and Transportation was discharged from the further consideration of the following bill; which was placed on the calendar:

S. 15. A bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2628. A bill to amend the Public Health Service Act to reauthorize certain National Institute of Mental Health grants and to improve provisions concerning the State comprehensive mental health services plan, and for other purposes (Rept. No. 101-389).

S. 2629. A bill to amend the Public Health Service Act to extend the immunization program for vaccine-preventable diseases, and for other purposes (Rept. No. 101-390).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BENTSEN, from the Committee on Finance:

Stanford G. Ross, of the District of Columbia, to be a Member of the Boards of Trustees of the Federal Hospital Insurance Trust Fund; the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund; and the Federal Supplementary Medical Insurance Trust Fund for a term of four years; and

David M. Walker, of Virginia, to be a Member of the Boards of Trustees of the Federal Hospital Insurance Trust Fund; the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund; and the Federal Sup-

plementary Medical Insurance Trust Fund for a term of four years.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CRANSTON:

S. 2890. A bill for the relief of Abby Cooke; to the Committee on the Judiciary.

By Mr. WIRTH:

S. 2891. A bill to authorize and direct an exchange of lands in Colorado; to the Committee on Energy and Natural Resources.

By Mr. WIRTH (for himself and Mr. HEINZ):

S. 2892. A bill to amend the Solid Waste Disposal Act to provide management standards and recycling requirements for spent lead-acid batteries; to the Committee on Environment and Public Works.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 2893. A bill to facilitate and assist in the economic adjustment and industrial diversification of workers, communities, and businesses adversely affected by the termination or reduction of defense contracts or the realignment or closure of defense facilities; to the Committee on Finance.

By Mr. EXON (for himself and Mr. KERREY):

S. 2894. A bill to authorize appropriations for the West North Central highway system serving the West North Central region and for other purposes; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 2895. A bill to provide for the renegotiation of certain leases of the Seneca Nation, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. CRANSTON:

S. 2896. A bill to reorganize the agencies of the United States involved in migration affairs into a new Agency for Migration Affairs; to the Committee on Governmental Affairs.

By Mr. LEVIN (for himself and Mr. KOHL, Mr. HARKIN, Mr. GRASSLEY, Mr. SIMON, and Mr. KASTEN):

S. 2897. A bill to esablish a small business technology transfer demonstration program with the Community College Association for Technology Transfer (or for other purposes); to the Committee on Small Business.

By Mr. JOHNSTON (for himself, Mr. COCHRAN, Mr. PRYOR, Mr. GRAMM, Mr. BREAUX, Mr. BENTSEN, Mr. BUMPERS, Mr. DANFORTH, Mr. BOND, Mr. LOTT, Mr. CRANSTON, and Mr. WILSON):

S.J. Res. 353. Joint Resolution to designate September of 1991 as "National Rice Month"; to the Committee on the Judiciary.

By Mr. GLENN (for himself, Mr. PRYOR, Mr. HEINZ, Mr. BRADLEY, Mr. WARNER, Mr. D'AMATO, Mr. BURDICK, Mr. JOHNSTON, Mr. SHELBY, Mr. REID, Mr. GRASSLEY, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. WILSON, Mr. BENTSEN, Mr. DODD, and Mr. CRANSTON):

S.J. Res. 354. Joint resolution designating November 18-24, 1990, and November 17-23, 1991, as "National Family Caregivers Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 2890. A bill for the relief of Abby Cooke; to the Committee on the Judiciary.

RELIEF OF ABBY COOKE

Mr. CRANSTON. Mr. President, I am today introducing a private relief bill on behalf on Mrs. Abby Cooke, a citizen of Taiwan. Mrs. Cooke is the widow of Timothy A. Cooke, a Vietnam veteran and Peace Corps volunteer, and the mother of a 5-year-old daughter, Kathryn Sun Cooke, who is a U.S. citizen.

Mrs. Cooke became a widow in August 1985, when her husband died of lung cancer at the age of 39 in San Gabriel, CA. They had been married for only 1 year when Mr. Cooke was diagnosed with the fatal disease, and they decided to relocate to California for Mr. Cooke to seek treatment and to be closer to his family.

Mr. and Mrs. Cooke met in Taipei, Taiwan, where Mr. Cooke was teaching English and studying Chinese. They were married in Taiwan on April 22, 1984, and again in San Gabriel, CA, on August 27, 1985, 2 days prior to Mr. Cooke's death. Mr. Cooke also signed his wife's permanent residency petition, but it was not filed prior to his death. Like many other couples, the Cookes had assumed that a marriage ceremony in the United States and the signed petition were sufficient to assure Mrs. Cooke of U.S. permanent residency. Mrs. Cooke soon learned the unfortunate fact that these actions had been invalidated by her husband's death.

Mrs. Cooke and her daughter have been residing in Alhambra, CA, with Mr. Cooke's parents since their arrival in the United States. Mr. and Mrs. Cooke had always intended to return to the United States and raise their daughter here. In fact, they had planned to return to California in June 1985, as soon as Mrs. Cooke completed her degree in journalism in Taiwan. As the spouse of a U.S. citizen, Mrs. Cooke would have had little difficulty obtaining permanent residency in the United States if her husband had survived. Now, her only alternative to private legislation is to wait until her daughter reaches the age of majority so she can petition on her mother's behalf.

I believe that this is a clear and compelling case for which private legislation is both appropriate and necessary. Mrs. Cooke has no viable alternative, and she has arrived at this situation through no fault of her own. I am hopeful that my colleagues will join me in supporting this bill.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 2893. A bill to facilitate and assist in the economic adjustment and industrial diversification of workers, communities, and businesses adversely affected by the termination or reduction of defense contracts or the realignment or closure of defense facilities; to the Committee on Finance.

DEFENSE REALIGNMENT AND WORKER ASSISTANCE ACT

Mr. LIEBERMAN. Mr. President, I rise today to introduce the Defense Realignment and Worker Assistance Act of 1990, a bill designed to assist in the economic adjustment of workers, communities and businesses adversely effected by the reduction of U.S. defense spending.

Throughout our history the level of U.S. defense spending has fluctuated greatly in response to a variety of threats to our national security. In 1944, during the peak of World War II, defense spending represented approximately 39.2 percent of our total GNP; in 1953, during the Korean war, defense spending represented approximately 14.4 percent of total GNP; and in 1968, during the Vietnam war, defense spending rose to 9.6 percent of GNP.

More recently, between the years 1979 and 1986, the United States waged what we may be able to describe as the final battle of the cold war. U.S. defense spending rose from 4.8 to 6.5 percent of GNP—the largest peace time build up in our history. In fact, Mr. President, in 1989 the Federal Government spent approximately $300 billion for defense, and if we adjust this figure for inflation it represents roughly the same amount as at the 1953 Korean war peak and the 1968 Vietnam war peak.

Unlike most other conflicts, however, the cold war was not fought on the battlefields, on the oceans, or in the skies. This was a war of wills and minds. Our strategy rested on the premise that the United States must have a technological edge in order to offset either the numerical advantage or unpredictable nature of our adversaries. As such, an important part of the war was fought in factories and laboratories throughout the country, and the soldiers included not only the armed services, but some of America's finest engineers, and scientists, and skilled workers.

Now, in significant part due to their efforts, democratization and economic reform are emerging in both Eastern Europe and the Soviet Union, and the United States may be on the verge of declaring victory in this first cold war.

If so, the United States no longer needs to place the "containment of communism" as our top spending priority. We will have the opportunity to reevaluate our national defense needs and reorder our national spending priorities. I believe, as others have indicated, that we may be able to reduce the defense budget by as much as 25 percent over the next 5 years. If this is accomplished we will surely have the opportunity to address many domestic issues that have for too long been ignored.

These opportunities will be both refreshing and exciting, but, it is important to remember that the actions we take to reduce the level of defense spending will have broad and direct ramifications for the workers, communities, and businesses who, for reasons of national security, have become economically dependent on defense programs.

The legislation I am introducing attempts to minimize this impact by creating a bridge, if you will, to provide for an orderly transition, and a unified governmental response to reduce levels of defense spending.

Mr. President, this legislation is important for many reasons. First, I believe the Federal Government has a compelling obligation to mitigate the economic distress caused directly by its actions. I believe America's defense workers are, in a way, veterans of the cold war and thus deserve our assistance during this time of transition. Why should those who worked so hard to guarantee our security during times of conflict now be forced to pay the price for peace?

Second, we have already made an enormous investment, both directly and indirectly, in our defense infrastructure. In the past we have evaluated levels of defense spending on either national security or budgetary grounds. It is clear, however, that since defense industries now represent a major part of the our remaining industrial, technological, and manufacturing base, it will be essential to make these decisions on economic grounds as well. Thus, in order to protect this investment and our economic future, we will need to appraise our manufacturing and industrial base and then assess how best to effectuate a successful transition. If possible, cutbacks in this area should be undertaken so as to not adversely affect, and whenever possible to enhance, our industrial and technological capabilities. If we disregard this step, an important part of our economic future will surely be at risk.

And finally, as our inability to compete in the international marketplace becomes more and more apparent, it is in our best interest to retain and reuse one of the finest trained and highly skilled work forces in the world—our defense workers—highly qualified and motivated—a pearl of the American work force. They can and should play an important role in the peaceful economic wars that lay ahead.

Just as it was in our national interest to spend billions and billions of dollars on defense over the last decade, I believe it is now very much in our national interest to provide for an orderly transition and enact diversification legislation concurrent with reductions in defense spending.

Mr. President, I know of the need to assist in the transition of defense workers and industries from firsthand experience. Throughout the cold war, as it was in the Revolutionary War and in other conflicts involving our Nation, Connecticut has been an arsenal of democracy. My State receives approximately $5.8 billion in direct defense expenditures and another $4.2 billion in indirect defense expenditures. On a per capita basis, that amounts to approximately $3,100 per resident which results in approximately 5.5 percent of Connecticut's work force employed in defense or defense-related jobs.

Thousands of my constituents have been working in round-the-clock shifts to produce submarines, tanks, helicopters, and military aircraft engines—all the best in the world.

Mr. President, we will face a number of issues as we debate the fiscal year 1991 budget—a crippling budget deficit, a chronic trade deficit, the savings and loan bailout, and an array of domestic issues demanding our time and attention. This, in combination with the global crumbling of communism, suggests that our defense budget must be reduced. What I am saying with this legislation is that we can do this one of two ways—either we can cut programs, troops and contracts without regard for the consequences of our actions, or for a relatively low cost, we can protect our investment in both our work force and our factories and provide for an orderly, less painful, transition to the more peaceful environment that lies ahead.

Mr. President, the legislation I am introducing today:

Calls for a study so we can better understand the extent to which and how diversification of defense industries to nondefense production can be accomplished;

Creates a Presidential Council on Economic Diversification to coordinate the efforts of Federal agencies and programs for the purpose of assisting communities, workers, and businesses in economic diversification;

Establishes a Defense Industrial Diversification Account for businesses wishing to diversify from relying primarily on defense contracts to becoming more integrated into the civilian sector. This account would function much like an I.R.A;

Establishes within the Small Business Administration a permanent Office of Small Business Diversification, and creates a small business diversification guaranteed loan or grant program;

Requires employee notification be given for qualified employees 90 days prior to any layoff, provides severance pay for 1 year equal to 65 percent of average State manufacturing salary for durable goods, and provides basic health benefits for one year;

Amends title III of the Job Training Partnership Act to increase the Federal set-aside for displaced workers and modifies the formula used to disburse funds to States;

Allows qualified defense workers who have been laid off to withdraw funds from their individual retirement account to pay the principal or interest on a mortgage of his or her primary residence or for the rental costs of his or her primary residence;

Identifies communities that will be substantially and seriously affected by defense layoffs and allows impacted communities to be eligible for title IX community planning grants under the Economic Development Administration;

Establishes an Office of Commercial and Defense Product Integration in the Department of Defense to implement policies and procedures designed to achieve a better integration of commercial production processes and defense procurement practices and which will promote diversification by defense firms, as well as reduce the cost of defense products;

Establishes a Commission on Military Budget Reform to study the desirability and feasibility of Congress instituting a 3-year budget cycle for defense contracting. This multiyear approach can have the effect of reducing unit costs, increasing efficiency, and protecting jobs.

I believe this legislation provides a formula to address the defense diversification issue in an orderly, coherent, and comprehensive manner, so that the American economy can be helped, not hurt by the process.

Mr. President, I ask unanimous consent that a section-by-section summary of the bill and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Defense Realignment and Worker Assistance Act of 1990".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) as a result of recent reductions in international tension, and developments in

both Eastern Europe and the Soviet Union, the United States is likely to reevaluate its national defense needs, national spending priorities are likely to be reordered, and defense budgets are likely to decline, which will reduce or eliminate some defense or defense related programs;

(2) reductions in defense expenditures will likely result in the termination or reduction of defense contracts, or the closure or realignment of defense facilities, thus adversely affecting many defense workers, local economies, and small businesses;

(3) between 1979 and 1986, national defense spending rose from 4.8 percent to 6.5 percent of the Gross National Product, which, adjusted for inflation, was roughly the same as at the 1953 Korean War peak and the 1968 Vietnam War peak;

(4) since 1986, defense spending growth has slowed and the defense share of the Gross National Product fell to 5.9 percent in 1989, and it is likely that the defense share of the budget will continue to fall throughout the 1990's;

(5) as a result of the Department of Defense requiring unique specifications for nearly all procured parts and equipment, many defense contractors and subcontractors are forced to specialize in defense work, although many of their products could have applications in the civilian sector;

(6) these unique specifications often force the Department of Defense to pay five to ten times more for parts and equipment;

(7) it would be both fiscally prudent and beneficial for the diversification effort for the Department of Defense to, when appropriate, adopt policies to promote greater integration between the commercial and defense sectors;

(8) one reason for the prohibitively high unit cost of military parts and equipment is the current annual budget process which makes it difficult for firms to plan over the long term;

(9) high unit costs not only reduce efficiency, but also reduce the amount of parts and equipment the military can purchase;

(10) some form of multi-year budgeting can have the effect of reducing unit costs, increasing efficiency, and protecting jobs;

(11) defense industries represent an important segment of the industrial and technology base of the United States and cutbacks in this area should be undertaken so as to not adversely affect, and whenever possible to enhance, this industrial and technology base;

(12) the existence of a large defense facility or defense related industry often requires a network of smaller defense and defense related industry facilities in the same geographical area thus magnifying the instability created in the region's economy and workforce by any reduction in defense spending;

(13) the Federal Government has a compelling obligation to mitigate economic distress for defense workers, local economies, and small businesses who, for reasons of national security, have become economically dependent on defense programs;

(14) predictions about defense reduction suggest these reductions will occur at a relatively quick pace over the next several years, thus it would be prudent to promptly begin the planning process for the economic diversification and conversion of local economies and small businesses;

(15) in 1978, President Jimmy Carter signed Executive Order 12049 which created the Economic Adjustment Committee to provide coordinated Federal economic adjustment assistance necessitated by changes in Department of Defense activities; and

(16) a number of Federal agencies and programs presently engage in economic assistance activities in response to defense or defense related expenditure shifts, including community assistance and worker retraining.

(b) PURPOSE.—It is the purpose of this Act—

(1) to facilitate and assist in the economic adjustment and industrial diversification of workers, communities, and businesses adversely affected by the termination or reduction of defense contracts or the realignment or closure of defense facilities;

(2) to provide for a unified and comprehensive governmental response to reduced levels of defense spending; and

(3) and to minimize job and economic loss due to reduced levels of defense spending by providing adjustment assistance to workers, communities, and small businesses largely dependent on defense spending.

SEC. 3. DEFINITIONS.

(a) DEFENSE AGENCY.—The term "defense agency" means the Department of Defense, the nuclear weapons division of the Department of Energy, the National Aeronautics and Space Administration, the Coast Guard, and any other agency of the Government to the extent such agency conducts military or other defense related operations.

(b) DEFENSE CONTRACT.—The term "defense contract" means any contract or subcontract entered into between a person or nonprofit organization, including subcontractors, components manufacturers, suppliers and service contractors, and a defense agency to provide material or defense related operations.

(c) DEFENSE CONTRACTOR.—The term "defense contractor" means any facility engaged in the furnishing of defense material pursuant to the terms of a defense contract.

(d) DEFENSE FACILITY.—The term "defense facility" means any private plant or other establishment, or part thereof, used under a defense contract or engaged in the production, repair, modification, storage, or handling of defense material, or any Government-owned or Government-leased facility, including bases, forts, shipyards, and depots.

(e) QUALIFIED DEFENSE FACILITY.—The term "qualified defense facility" means any defense facility at least 60 percent of the gross revenues of which are attributable to defense contracts.

(f) SUBSTANTIALLY AND SERIOUSLY AFFECTED COMMUNITY.—The term "substantially and seriously affected community" means any community—

(A) which has, within its administrative and political jurisdiction, 1 or more defense facilities; and

(B) in which the curtailment, completion, elimination, or realignment of a defense contract or program or the realignment or closure of any defense facility results in a workforce reduction, over a 12-month period, of 250 or more employees (including parttime employees) who in the aggregate work at least 10,000 hours per week, exclusive of hours of overtime.

(g) QUALIFIED SMALL MANUFACTURING FIRM.—The term "qualified small manufacturing firm" means any facility which—

(1) employs less than 500 employees;

(2) is independently owned and operated;

(3) is not dominant in its field of operation;

(4) has gross revenues consisting of at least 50 percent value-added manufacturing activity;

(5) has gross revenues consisting of at least 60 percent defense contracts; and

(6) can demonstrate that such facility has either recently experienced or will experience the cancellation of a defense contract causing the significant reduction in the volume of defense work in relation to the total defense work in such facility.

TITLE I—INDUSTRIAL DIVERSIFICATION STUDY

SEC. 101. STUDY AND REPORT REQUIRED.

(a) STUDY.—The Secretary of Commerce, in consultation with the Administrator of the Small Business Administration, the Secretary of Defense, and the Director of the Defense Advanced Research Projects Agency (DARPA) shall study the extent to which diversification of defense industries to non-defense production can be effectuated.

(b) CONTENTS OF STUDY.—The study shall include—

(1) an inventory of the number and type of manufacturing firms in the United States that individually receive annual defense contracts totaling over $2,000,000;

(2) an historical analysis of the percentage of the Nation's Gross National Product directly related to defense spending and the role of such defense spending in the economy;

(3) a geographic inventory of the regions of the United States most dependent on defense spending, including an analysis of the effect that potential cuts in defense spending will have on the economies of these regions;

(4) an analysis of the potential effect that defense cutbacks will have on both the Nation's technological base and industrial base, including—

(A) the amount of the defense budget allocated for basic and applied research and development purposes and the effect of defense reductions on such research and development, including the effect on civilian and strategic defense basic and applied research and development; and

(B) an inventory of the extent of and nature of the civilian-use advanced technologies that have developed as a result of defense-sponsored research in the last 10 years and the effects of potential defense cutbacks on the future of such civilian technologies; and

(5) an evaluation and recommendations, on a defense industry sector-by-sector basis, on how diversification to non-defense production can be carried out, including a review of which sectors can undertake such diversification, which sectors should be particularly encouraged to undertake diversification for reasons of protecting the Nation's technological and industrial base and meeting civilian research and development needs, and recommendations for the government's role in assisting such diversification.

(c) REPORT.—The Secretary of Commerce shall report the results of the study required under subsection (a) to the President Pro Tempore of the Senate and the Speaker of the House of Representatives not later than the date which is 12 months after the date of the enactment of this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated such sums as may be necessary to carry out the study and report required under this section.

TITLE II—PRESIDENTIAL COUNCIL ON ECONOMIC DIVERSIFICATION AND ADJUSTMENT

SEC. 201. ESTABLISHMENT.

(a) IN GENERAL.—There is hereby established in the Executive Office of the President the Council on Economic Diversification and Adjustment (hereafter in this Act referred to as the "Council") which shall be composed of—

(1) the Secretary of Labor;

(2) the Secretary of Commerce;

(3) the Secretary of Defense;

(4) the Secretary of Housing and Urban Development;

(5) the Secretary of Transportation;

(6) the Secretary of Energy;

(7) the Director of the Office of Management and Budget;

(8) the Administrator of the Small Business Administration;

(9) the Chairman of the Council of Economic Advisers;

(10) 4 representatives of the business-management community to be appointed by the President, 2 of whom shall be appointed from defense related businesses and 2 from non-defense related businesses; and

(11) 4 representatives of labor union organizations to be appointed by the President.

(b) CO-CHAIRPERSONS.—The Secretaries of Commerce and Labor shall co-chair the Council, shall preside over meetings of the Council, and shall designate a member of the Council to preside in the absence of the co-Chairpersons.

(c) VACANCIES.—Vacancies in the membership of the Council described in paragraphs (10) and (11) of subsection (a) shall be filled in the same manner as original appointments are made. Vacancies in the membership of the Council shall not affect the authority of the remaining members to execute the functions of the Council.

(d) COMPENSATION.—Members of the Council described in paragraphs (10) and (11) of subsection (a) shall be reimbursed for travel and per diem in lieu of subsistence expenses during the performance of duties of the Council in accordance with subchapter I of chapter 57 of title 5, United States Code.

SEC. 202. OFFICE OF ECONOMIC DIVERSIFICATION AND ADJUSTMENT.

(a) ESTABLISHMENT.—(1) There is hereby established an Office of Economic Diversification and Adjustment (hereafter in this title referred to as the "Office") within the Executive Office of the President to provide necessary staff support for the Council.

(2) The Office shall be headed by a Director who shall be appointed by the President and be compensated at the rate provided for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(3) The Director may appoint and fix the compensation of such personnel as the Director deems advisable. The Director may procure temporary and intermittent services to the same extent authorized by section 3109 of title 5, United States Code.

(4) The Director may secure directly from any executive department, agency or other instrumentality of the Government, information, suggestions, estimates, and statistics to carry out this Act, and each such entity shall furnish information directly to the Office upon request made by the Director.

SEC. 203. DUTIES.

(a) IN GENERAL.—The Council shall—

(1) carry out the programs provided for in this Act;

(2) identify defense related impact problems of States, metropolitan areas, or communities that require assistance;

(3) disseminate information furnished by the Secretary of Defense under subsection (b) to the appropriate Federal, State, and local agencies or authorities as soon as the proposed or pending change described in such notice is known;

(4) notify areas that are eligible for community or worker economic adjustment assistance;

(5) prepare development strategies and action plans to coordinate Federal, State, and local economic adjustment efforts;

(6) encourage the preparation of concrete plans for civilian related, private enterprise, and public projects which address vital areas of national concern such as transportation, housing, education, environment, and health care;

(7) develop means to strengthen and make uniform the methods for conducting and reporting the economic impact analyses of community requirements for Federal economic adjustment resources before contract cancellation or termination, or defense facility closing;

(8) develop and coordinate information on federally funded projects, agency programs, and funding possibilities, including loans and loan guarantees, pertaining to economic diversification and adjustment;

(9) establish priorities for the distribution of funds available for economic diversification and adjustment based on an assessment of the needs of substantially and seriously affected communities and workers;

(10) establish and maintain a clearinghouse to facilitate the exchange of information among Federal, State, and local officials involved in the resolution of business, worker, and community adjustment problems, including the results of studies, technical information, and sources of public and private financing;

(11) prepare and distribute an economic diversification and adjustment handbook which shall include—

(A) a detailed directory and discussion of currently available Federal programs that promote economic development and help to minimize the dislocation of workers, communities, and industries;

(B) an explanation of the basic issues involved in the diversification process for workers, communities, and businesses;

(C) an outline of the basic requirements for a program of professional retraining of technical personnel in order to effectively reorient such personnel to the prevailing conditions of research, product design, and production operations within non-defense related facilities;

(D) an outline of the basic requirements for the length and nature of occupational retraining for production workers and junior level administrative employees;

(E) illustrative case studies of successful conversion to efficient non-defense related production, or references thereto; and

(F) directories, by geographic region and area of specialization, of organizations and individual consultants in fields such as marketing, facilities design, organization, production engineering, and engineering economy whose major professional experience has been in non-defense related activity.

(b) INFORMATION ON CHANGES IN DEFENSE SPENDING.—(1) The Secretary of Defense shall notify the Council 1 year in advance of a pending or proposed change in defense spending that would affect employment in the defense industry, including—

(A) reduction, technical changes, or elimination of a program by Congress, the Secretary of Defense, the Office of Management and Budget, or the President;

(B) termination or slowdown of a research and development or procurement contract; and

(C) closure of a defense facility.

(2) The Secretary of Defense shall furnish the Council with projected future defense spending levels and contract progress reports.

SEC. 204. THE PRESIDENT'S ANNUAL ECONOMIC DIVERSIFICATION AND ADJUSTMENT REPORT.

The Council shall submit an annual report to Congress on economic diversification and adjustment that shall include the following:

(1) A detailed discussion of currently available Federal programs, including appropriation and staff levels, that promote economic development and help to minimize the dislocation of workers, communities, and industries.

(2) An explanation of the basic issues involved in the retraining, reorientation, and reorganization of personnel.

(3) A detailed discussion of available programs within the Export-Import Bank of the United States and the Department of Commerce concerning the international marketplace, export opportunities, and financing packages.

(4) A description of assistance packages, initiated by the Council, to communities which have suffered economic disruptions and worker dislocation caused by defense cutbacks.

SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE III—DEFENSE INDUSTRIAL DIVERSIFICATION ACCOUNTS

SEC. 301. DEFENSE INDUSTRIAL DIVERSIFICATION ACCOUNTS.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7523. DEFENSE INDUSTRIAL DIVERSIFICATION ACCOUNTS.

"(a) AGREEMENT RULES.—Any eligible corporation (as defined in subsection (j)(1)) may enter into an agreement with the Secretary under, and as provided in, this section to establish a defense industrial diversification account (hereafter in this section referred to as the 'account'). Any agreement entered into under this section shall be for the purpose of providing qualified plant and equipment in the United States or the retraining of employees, for the purpose of converting qualified defense facilities from predominately relying on defense contracts to non-defense lines of business, and shall provide for the deposit in the account of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f). The deposits in the account, and all withdrawals from the account, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary may by regulations prescribe or as set forth in such agreement.

"(b) CEILING ON DEPOSITS.—

"(1) LIMIT DURING FIRST 5 YEARS.—The amount deposited under subsection (a) in the account for any of the first 5 taxable years following the taxable year in which an

agreement was entered into shall not exceed the sum of—

"(A) the amount allowable as a deduction under section 167 for such year with respect to eligible plant and equipment which is related to the eligible corporation's defense production;

"(B) the net proceeds from—

"(i) the sale or other disposition of any such eligible plant and equipment, or

"(ii) insurance or indemnity attributable to any such eligible plant and equipment, and

"(C) the receipts from the investment or reinvestment of amounts held in such account.

"(2) LIMIT AFTER 5 YEARS.—The amount deposited under subsection (a) in the account for any taxable year after such 5th taxable year shall not exceed the amount specified in paragraph (1)(C).

"(c) REQUIREMENTS AS TO INVESTMENTS.—

"(1) IN GENERAL.—Amounts in any account established under this section shall be kept in the depository or depositories specified in the agreement and shall be subject to such trustee and other fiduciary requirements as may be specified by the Secretary.

"(2) LIMITATION OF ACCOUNT INVESTMENTS.—Amounts in an account may be invested only in interest-bearing securities approved by the Secretary; except that, if the Secretary consents thereto, an agreed percentage (not in excess of 60 percent) of the assets of the account may be invested in the stock of domestic corporations. Such stock must be currently fully listed and registered on an exchange registered with the Securities and Exchange Commission or a national securities exchange and must be stock which would be acquired by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and the preservation of capital. If at any time the fair market value of the stock in the account is more than the agreed percentage of the assets in the account, any subsequent investment of withdrawal from the account, shall be made in such a way as to tend to restore the account to a situation in which the fair market value of the stock does not exceed such agreed percentage.

"(3) INVESTMENT IN CERTAIN PREFERRED STOCK PERMITTED.—For purposes of this subsection, if the common stock of a corporation meets the requirements of this subsection and if the preferred stock of such corporation would meet such requirements but for the fact that it cannot be listed and registered as required because it is nonvoting stock, such preferred stock shall be treated as meeting the requirements of this subsection.

"(d) NONTAXABILITY OF DEPOSITS.—

"(1) IN GENERAL.—For purposes of this title—

"(A) gain from a transaction referred to in subsection (b)(1)(B) shall not be taken into account if an amount equal to the net proceeds from such transaction is deposited in the account,

"(B) the earnings (including gains and losses) from the investment and reinvestment of amounts held in the account shall not be taken into account,

"(C) the earnings and profits of any corporation (within the meaning of section 316) shall be determined without regard to this section and section 7518, and

"(D) in applying the tax imposed by section 531 (relating to the accumulated earnings tax), amounts while held in the account shall not be taken into account.

"(2) ONLY QUALIFIED DEPOSITS ELIGIBLE FOR TREATMENT.—Paragraph (1) shall apply with respect to any amount only if such amount is deposited in the account pursuant to the agreement and not later than the time provided in regulations.

"(e) ESTABLISHMENT OF SUBACCOUNTS.—

"(1) IN GENERAL.—Within the account established pursuant to this section 3 subaccounts shall be maintained—

"(A) the capital subaccount,

"(B) the capital gain subaccount, and

"(C) the ordinary income subaccount.

"(2) CAPITAL SUBACCOUNT.—The capital subaccount shall consist of—

"(A) amounts referred to in subsection (b)(1)(A),

"(B) amounts referred to in subsection (b)(1)(B) other than that portion thereof which represents gain not taken into account by reason of subsection (d)(1)(A),

"(C) the percentage applicable under section 243(a)(1) of any dividend received by the account with respect to which the person maintaining the account would (but for subsection (d)(1)(B)) be allowed a deduction under section 243, and

"(D) interest income exempt from taxation under section 103.

"(3) CAPITAL GAIN SUBACCOUNT.—The capital gain subaccount shall consist of—

"(A) amounts representing capital gains on assets held for more than 1 year and referred to in subsection (b)(1)(B) or (b)(1)(C), reduced by

"(B) amounts representing capital losses on assets held in the account for more than 1 year.

"(4) ORDINARY INCOME SUBACCOUNT.—The ordinary income subaccount shall consist of—

"(A)(i) amounts representing capital gains on assets held for 1 year or less and referred to in subsection (b)(1)(B) or (b)(1)(C), reduced by

"(ii) amounts representing capital losses on assets held in the account for 1 year or less,

"(B) interest (not including any tax-exempt interest referred to in paragraph (2)(D)) and other ordinary income (not including any dividend referred to in subparagraph (D) of this paragraph) received on assets held in the account,

"(C) ordinary income from a transaction described in subsection (b)(1)(B), and

"(D) the portion of any dividend referred to in paragraph (2)(C) not taken into account under such paragraph.

"(5) CAPITAL LOSSES ONLY ALLOWED TO OFFSET CERTAIN GAINS.—Except on termination of an account, capital losses referred to in paragraph (3)(B) or in paragraph (4)(A)(ii) shall be allowed only as an offset to gains referred to in paragraph (3)(A) or (4)(A)(i), respectively.

"(f) PURPOSES OF QUALIFIED WITHDRAWALS.—

"(1) IN GENERAL.—A qualified withdrawal from the account is one made in accordance with the terms of the agreement but only if it is for—

"(A) the acquisition, construction, or reconstruction of qualified plant and equipment,

"(B) the payment of the principal on indebtedness incurred in connection with the acquisition, construction, or reconstruction of qualified plant and equipment, or

"(C) the retraining or continued education of employees.

"(2) PENALTY FOR FAILING TO FULFILL ANY SUBSTANTIAL OBLIGATION.—Under joint regulations, if the Secretary determines that any substantial obligation under any agreement is not being fulfilled, the Secretary may, after notice and opportunity for hearing to the person maintaining the account, treat the entire account or any portion thereof as an amount withdrawn from the account in a nonqualified withdrawal.

"(g) TAX TREATMENT OF QUALIFIED WITHDRAWALS.—

"(1) IN GENERAL.—Any qualified withdrawal from an account shall be treated—

"(A) first as made out of the capital subaccount,

"(B) second as made out of the capital gain subaccount, and

"(C) third as made out of the ordinary income subaccount.

"(2) ADJUSTMENT TO BASIS WHERE WITHDRAWAL FROM ORDINARY INCOME SUBACCOUNT.—If any portion of a qualified withdrawal for plant and equipment is made out of the ordinary income subaccount, the basis of such plant and equipment shall be reduced by an amount equal to such portion.

"(3) ADJUSTMENT TO BASIS WHERE WITHDRAWAL FROM CAPITAL GAIN SUBACCOUNT.—If any portion of a qualified withdrawal for plant and equipment is made out of the capital gain subaccount, the basis of such plant and equipment shall be reduced by an amount equal to such portion.

"(4) ADJUSTMENT TO BASIS WHERE WITHDRAWAL PAYS PRINCIPAL ON DEBT.—If any portion of a qualified withdrawal to pay the principal on any indebtedness is made out of the ordinary income subaccount or the capital gain subaccount, then an amount equal to the aggregate reduction which would be required by paragraphs (2) and (3) if such withdrawal were a qualified withdrawal for a purpose described in such paragraphs shall be applied, in the order provided in joint regulations, to reduce the basis of plant and equipment owned by the person maintaining the account. Any amount of a withdrawal remaining after the application of the preceding sentence shall be treated as a nonqualified withdrawal.

"(5) ORDINARY INCOME RECAPTURE OF BASIS REDUCTION.—If any property the basis of which was reduced under paragraph (2), (3), or (4) is disposed of, any gain realized on such disposition, to the extent it does not exceed the aggregate reduction in the basis of such property under such paragraphs, shall be treated as an amount referred to in subsection (h)(3)(A) which was withdrawn on the date of such disposition. Subject to such conditions and requirements as may be provided in joint regulations, the preceding sentence shall not apply to a disposition where there is a redeposit in an amount determined under joint regulations which will, insofar as practicable, restore the account to the position such account was in before the withdrawal.

"(h) TAX TREATMENT OF NONQUALIFIED WITHDRAWALS.—

"(1) IN GENERAL.—Except as provided in subsection (i), any withdrawal from an account which is not a qualified withdrawal shall be treated as a nonqualified withdrawal.

"(2) ORDERING RULE.—Any nonqualified withdrawal from an account shall be treated—

"(A) first as made out of the ordinary income subaccount,

"(B) second as made out of the capital gain subaccount, and

"(C) third as made out of the capital subaccount.

For purposes of this section, items withdrawn from any subaccount shall be treated as withdrawn on a first-in-first-out basis;

except that (i) any nonqualified withdrawal for research, development, and design expenses incident to new and advanced plant and equipment, and (ii) any amount treated as a nonqualified withdrawal under the second sentence of subsection (g)(4), shall be treated as withdrawn on a last-in-first-out basis.

"(3) OPERATING RULES.—For purposes of this title—

"(A) any amount referred to in paragraph (2)(A) shall be included in income for the taxable year in which the withdrawal is made as an item of ordinary income,

"(B) any amount referred to in paragraph (2)(B) shall be included in income for the taxable year in which the withdrawal is made as an item of gain realized during such year from the disposition of an asset held for more than 1 year, and

"(C) for the period on or before the last date prescribed for payment of tax for the taxable year in which such withdrawal is made—

"(i) no interest shall be payable under section 6601 and no addition to the tax shall be payable under section 6651,

"(ii) interest on the amount of the additional tax attributable to any item referred to in subparagraph (A) or (B) shall be paid at the applicable rate (as defined in paragraph (4)) from the last date prescribed for payment of the tax for the taxable year for which such item was deposited in the account, and

"(iii) no interest shall be payable on amounts referred to in clauses (i) and (ii) of paragraph (2).

"(4) APPLICABLE RATE.—For purposes of paragraph (3)(C)(ii), the applicable rate of interest for any nonqualified withdrawal shall be the rate established in section 6621(a)(2).

"(5) AMOUNT NOT WITHDRAWN FROM ACCOUNT AFTER 12 YEARS FROM DATE OF AGREEMENT TAXED AS NONQUALIFIED WITHDRAWAL.—

"(A) IN GENERAL.—The applicable percentage of any amount which remains in an account at the close of the 10th, 11th, or 12th taxable year following the taxable year in which an agreement was entered into shall be treated as a nonqualified withdrawal in accordance with the following table:

"If the amount remains in the account at the close of the:	The applicable percentage is:
10th taxable year ...	20 percent
11th taxable year ...	60 percent
12th taxable year ...	100 percent

"(B) EARNINGS TREATED AS DEPOSITS.—The earnings of any account for any taxable year (other than net gains) shall be treated for purposes of this paragraph as an amount remaining in the account for such taxable year.

"(C) AMOUNTS COMMITTED TREATED AS WITHDRAWN.—For purposes of subparagraph (A), an amount shall not be treated as remaining in an account at the close of any taxable year to the extent there is a binding contract at the close of such year for a qualified withdrawal of such amount with respect to an identified item for which such withdrawal may be made.

"(D) AUTHORITY TO TREAT EXCESS FUNDS AS WITHDRAWN.—If the Secretary determines that the balance in any account exceeds the amount which is appropriate to meet the account's program objectives, the amount of such excess shall be treated as a nonqualified withdrawal under subparagraph (A) unless the person maintaining the account develops appropriate program objectives within 3 years to dissipate such excess.

"(6) NONQUALIFIED WITHDRAWALS TAXED AT HIGHEST MARGINAL RATE.—

"(A) IN GENERAL.—In the case of any taxable year for which there is a nonqualified withdrawal (including any amount so treated under paragraph (5)), the tax imposed by chapter 1 shall be determined—

"(i) by excluding such withdrawal from gross income, and

"(ii) by increasing the tax imposed by chapter 1 by the product of the amount of such withdrawal and the highest rate of tax specified in section 11.

With respect to the portion of any nonqualified withdrawal made out of the capital gain subaccount during a taxable year to which section 1201(a) applies, the rate of tax taken into account under the preceding sentence shall not exceed 34 percent.

"(B) TAX BENEFIT RULE.—If any portion of a nonqualified withdrawal is properly attributable to deposits (other than earnings on deposits) made by the taxpayer in any taxable year which did not reduce the taxpayer's liability for tax under chapter 1 for any taxable year preceding the taxable year in which such withdrawal occurs—

"(i) such portion shall not be taken into account under subparagraph (A), and

"(ii) an amount equal to such portion shall be treated as allowed as a deduction under section 172 for the taxable year in which such withdrawal occurs.

"(C) COORDINATION WITH DEDUCTION FOR NET OPERATING LOSSES.—Any nonqualified withdrawal excluded from gross income under subparagraph (A) shall be excluded in determining taxable income under section 172(b)(2).

"(i) CERTAIN CORPORATE REORGANIZATIONS.—Under joint regulations, transfer of an account from one person to another person in a transaction to which section 381 applies may be treated as if such transaction did not constitute a nonqualified withdrawal.

"(j) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE CORPORATION.—The term 'eligible corporation' means any qualified defense facility as defined in section 3(5) of the Defense Realignment and Worker Assistance Act of 1990.

"(2) ELIGIBLE PLANT AND EQUIPMENT.—The term 'eligible plant and equipment' means any plant and equipment used for the production of parts, goods, or materials referred to in paragraph (1).

"(3) QUALIFIED PLANT AND EQUIPMENT.—The term 'qualified plant and equipment' means new or modernized plant and equipment which will be used for the production of parts, goods, or materials referred to in paragraph (1).

"(4) RETRAINING.—The term 'retraining' means any employer-sponsored activity designed to prepare or further prepare individuals for firm-related employment.

"(5) JOINT REGULATIONS.—The term 'joint regulations' means the regulations prescribed under subsection (k).

"(k) RECORDS; REPORTS; CHANGES IN REGULATIONS.—Each person maintaining an account under this section shall keep such records and shall make such reports as the Secretary or the Secretary of Defense shall require. The Secretary and the Secretary of Defense shall jointly prescribe all rules and regulations, not inconsistent with the foregoing provisions of this section, as may be necessary or appropriate to the determination of tax liability under this section. If, after an agreement has been entered into under this section, a change is made either in the joint regulations or in the regulations prescribed by the Secretary under this section which could have a substantial effect on the rights or obligations of any person maintaining an account under this section, such person may terminate such agreement.

"(l) DEPARTMENTAL REPORTS AND CERTIFICATION.—

"(1) IN GENERAL.—For each calendar year, the Secretary shall provide the Secretary of Defense, within 120 days after the close of such calendar year, a written report with respect to the accounts established under this section.

"(2) CONTENT OF REPORTS.—Each report shall set forth the name and taxpayer identification number of each person—

"(A) establishing an account during such calendar year;

"(B) maintaining an account as of the last day of such calendar year;

"(C) terminating an account during such calendar year;

"(D) making any withdrawal from or deposit into (and the amounts thereof) an account during such calendar year; or

"(E) with respect to which a determination has been made during such calendar year that such person has failed to fulfill a substantial obligation under any account agreement to which such person is a party."

(b) MINIMUM TAX TREATMENT.—Section 56(c) of the Internal Revenue Code of 1986 (relating to adjustments applicable to corporations) is amended by adding at the end thereof the following new paragraph:

"(4) DEFENSE INDUSTRIAL DIVERSIFICATION ACCOUNTS.—In the case of a defense industrial diversification account established under section 7523—

"(A) subparagraphs (A) and (B) of section 7523(d)(1) shall not apply, and

"(B) no reduction in basis shall be made under subsection (g) with respect to the withdrawal from the account of any amount to which subparagraph (A) applies."

(c) CLERICAL AMENDMENT.—The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new item:

"Sec. 7523. Defense industrial diversification accounts."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE IV—SMALL BUSINESS DIVERSIFICATION

SEC. 401. SMALL BUSINESS ADMINISTRATION COMMITTEE ON DEFENSE AND ECONOMIC DIVERSIFICATION.

(a) ESTABLISHMENT.—There is established in the Small Business Administration a Committee on Defense and Economic Diversification (hereafter in this title referred to as the "Committee") which shall be composed of—

(1) the Chief Counsel for Advocacy;

(2) the Associate Deputy Administrator for Finance, Investment, and Procurement;

(3) the Associate Deputy Administrator for Management and Administration;

(4) the Associate Deputy Administrator for Special Programs;

(5) the Director of the Office of Economic Diversification and Adjustment (established under section 202 of this Act);

(6) 2 representatives of the small business-management community to be appointed by the Administrator of the Small Business Ad-

ministration, 1 of whom shall be appointed from a defense related small business and 1 from a nondefense related small business; and

(7) 2 representatives of labor union organizations to be appointed by the Administrator of the Small Business Administration.

(b) CHAIRPERSON.—The Associate Deputy Administrator for Finance, Investment, and Procurement shall chair the Committee, shall preside over meetings, and shall designate a member of the Committee to preside in the absence of the Chairperson.

(c) VACANCIES.—Vacancies in the membership of the Committee described in paragraphs (6) and (7) of subsection (a) shall be filled in the same manner as original appointments are made. Vacancies in the membership of the Committee shall not affect the authority of the remaining members to execute the functions of the Committee.

(d) COMPENSATION.—Members of the Committee described in paragraphs (6) and (7) of subsection (a) shall be reimbursed for travel and per diem in lieu of subsistence expenses during the performance of duties of the Committee in accordance with subchapter I of chapter 57 of title 5, United States Code.

SEC. 402. ESTABLISHMENT OF SMALL BUSINESS ADMINISTRATION OFFICE OF ECONOMIC DIVERSIFICATION.

(a) IN GENERAL.—There is established in the Small Business Administration an Office of Economic Diversification (hereafter in this title referred to as the "Office") to provide staff support for the Committee.

(b) DIRECTOR.—The Office shall be headed by a Director who shall be a civilian appointed by the Administrator of the Small Business Administration and shall report directly to the Associate Deputy Administrator for Finance, Investment, and Procurement. The Director shall be compensated at the rate provided for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) COMPENSATION.—The Administrator of the Small Business Administration may appoint and fix the compensation of such personnel for the Office as the Administrator deems necessary and appropriate.

SEC. 403. DUTIES.

(a) IN GENERAL.—The Committee shall—

(1) carry out the programs provided for in title V of this Act;

(2) identify defense related problems of small businesses that require assistance;

(3) disseminate information furnished by the President's Office of Economic Diversification and Adjustment, the Secretary of Defense, and any other Federal agency or official that may be useful to small business concerns;

(4) prepare a plan for coordinating the efforts of the Small Business Administration and the Administration's programs for assisting firms adversely affected by defense cutbacks;

(5) collect and disseminate information on—

(A) the issues involved with small business diversification;

(B) successful diversification cases of small business firms;

(C) retraining programs available to small business firms;

(D) available venture and seed capital programs;

(E) available management assistance programs; and

(F) available loan and loan guarantee programs;

(6) work with representatives from the President's Office of Economic Diversification and Adjustment to assist small businesses in finding alternative procurement opportunities with Federal agencies; and

(7) coordinate all efforts with the President's Office of Economic Diversification and Adjustment.

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE V—SMALL BUSINESS ASSISTANCE

SEC. 501. SMALL BUSINESS DIVERSIFICATION LOAN PROGRAM.

(a) IN GENERAL.—The Administrator of the Small Business Administration (hereafter in this title referred to as the "Administrator") is empowered to make either loans or grants, either directly or in cooperation with banks or other financial institutions through agreements to participate on an immediate or deferred (guaranteed) basis, to a qualified small manufacturing firm to assist such firm to diversify from defense related to nondefense related business.

(b) LOAN AND GRANT LIMITS AND MATCHING CONTRIBUTIONS.—Pursuant to subsection (a), the Administrator is authorized to make loans or grants in an amount not exceeding the lesser of—

(1) $40,000 for each qualified small manufacturing firm, or

(2) an amount equal to the sum of—

(A) the amount of private capital which such firm has committed for the purposes described in subsection (e), plus

(B) the amount of private capital which such firm can demonstrate it has spent for the purposes described in subsection (e) during the 6-month period preceding its application for a loan or grant under subsection (a).

(c) PARTICIPATION.—In agreements to participate in loans on a deferred (guaranteed) basis, such participation by the Administrator shall be not less than 100 percent of the amount provided for in subsection (b).

(d) LIMITATIONS.—(1) No qualified small manufacturing firm shall be deemed eligible for any loan or grant pursuant to this title unless such firm demonstrates to the satisfaction of the Administrator that not later than 2 years after such firm receives such loan or grant, at least 60 percent of such firm's gross revenues will be derived from nondefense related business.

(2) No financial assistance shall be extended pursuant to this title if the applicant can obtain credit or financial assistance elsewhere, including other programs of the Federal Government, and including loan and loan guarantee programs of the Small Business Administration.

(3) No qualified small manufacturing firm shall be eligible for any loan or grant pursuant to this title unless the Administrator determines that the recipient will use such loan or grant for the purposes described in subsection (e).

(e) PURPOSES AND USES OF LOAN AND GRANT FUNDS.—

(1) PURPOSES FOR WHICH LOANS AND GRANTS USED.—Loans and grants made pursuant to this title shall be used—

(A) to assist qualified small manufacturing firms to diversify from defense related to nondefense related business, and

(B) to put such firms in a position where such firms can qualify for either private or commercial financing, or for financing under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) for nondefense related business.

(2) SPECIFIC USES.—Loans or grants made pursuant to this title may be used to—

(A) conduct market research and analysis,

(B) develop an alternative use or business plan,

(C) conduct basic or applied research and development for nondefense lines of business,

(D) strategic planning, and

(E) prototype development.

SEC. 502. REGULATIONS.

The Administrator shall promulgate regulations to carry out the purposes of this title.

SEC. 503. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

TITLE VI—ECONOMIC ADJUSTMENT ASSISTANCE FOR EMPLOYEES

SEC. 601. NOTIFICATION.

(a) IN GENERAL.—An employer or defense agency shall not order a closing or the significant workforce reduction in a defense facility, which is prompted by the cancellation of a defense contract, or the significant reduction in the volume of defense work in relation to total defense work in such facility, until the end of a 90-day period after the employer or defense agency serves written notice of such an order—

(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

(2) to the State dislocated worker unit (designated or created under title III of the Job Training Partnership Act [29 U.S.C.A. 1651 et seq.]) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

(b) SIGNIFICANT WORKFORCE REDUCTION.—For the purposes of subsection (a) the term "significant workforce reduction" means any reduction in workforce which results in an employment loss (as defined in section 2(a)(6) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101(a)(6)) at the single site of employment during any 30-day period for—

(1) at least 50 employees (excluding any part-time employees), if such employees constitute at least 33 percent of the workforce (excluding any part-time employees), or

(2) at least 300 employees (excluding any part-time employees).

(c) REGULATIONS.—The Secretary of Labor, after consultation with the Council on Economic Diversification, shall promulgate regulations to implement and ensure enforcement of this section.

(d) ENFORCEMENT.—Nothing in this section shall prevent the imposition of sanctions under the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101 et seq.).

SEC. 602. CERTIFICATION.

(a) IN GENERAL.—All worker displacements, as defined in subsection (b), affecting workers employed by a defense contractor or civilian workers employed by the Armed Services, shall be reported by the management of the defense facility to the Office of Economic Diversification and Adjustment and the State employment security agency acting as agent of the Secretary of Labor for the administration of the program under this title.

(b) WORKER DISPLACEMENT.—The displacement of any worker who demonstrates that—

(1) he or she has permanently lost his or her employment due to—

(A) the cancellation of a defense contract affecting the defense facility at which he or she is employed,

(B) the significant reduction in the volume of defense work in relation to total defense work in such facility, or

(C) the significant workforce reduction or closure of a defense facility, and

(2) such employment loss has occurred within the period beginning 6 months before and ending 1 year after causal action, described in subparagraph (A), (B), or (C) of paragraph (1)

shall, for purposes of subsection (a), be deemed to be a displacement attributable to that action.

(c) The Office of Economic Diversification and Adjustment in cooperation with the Department of Labor shall certify eligibility, for the benefits available under this title, of workers suffering displacement as defined in subsection (b) based on regulations established by the Council on Economic Diversification and Adjustment, after consultation with the Secretary of Labor.

SEC. 603. BENEFITS.

(a) IN GENERAL.—Any worker certified pursuant to section 602 of this Act as eligible for adjustment benefits by reason of such worker's displacement from a defense facility shall be entitled, for the 12-month period following displacement, commencing from the date of such displacement, to the following benefits:

(1) SEVERANCE PAY.—Compensation, on a weekly basis, sufficient, when added to any benefits which such worker receives or is entitled to receive for such weekly period under any Federal or State unemployment compensation program or any plan of such worker's employer providing for such benefits by reason of such worker displacement, and any earnings during such weekly period from other employment, to maintain an income at a level equal to 65 percent of the average annual manufacturing salary for durable goods (based on a 40-hour workweek), in the State where the affected facility is located as determined by the State Department of Labor, for the calendar year ending before that worker's displacement.

(2) HEALTH BENEFITS.—The Council on Economic Diversification and Adjustment shall promulgate regulations to provide minimum health insurance benefits for any worker and the immediate family members of the worker (if not otherwise covered by an insurance policy) for a period of time not to exceed 1 year when combined with any policy provided by an employer following a workers' displacement. For the purpose of this paragraph, these benefits may be provided pursuant to Federal regulation by any Federal or State agency or through direct payment to the displaced worker in connection with paragraph (1) of this subsection.

(b) MINIMUM HEALTH INSURANCE.—For the purposes of paragraph (2) of subsection (a), the term "minimum health insurance" means a benefit package which includes coverage for—

(1) 100 percent of inpatient and outpatient hospital costs;

(2) 75 percent of the usual and customary rate (hereinafter referred to as "UCR") for inpatient and outpatient physician surgical services;

(3) 75 percent of the inpatient and outpatient physician medical costs;

(4) 75 percent of the inpatient and outpatient maternity costs;

(5) 100 percent of the costs of outpatient accidental injury care rendered within 72 hours of injury;

(6) 60 percent of the UCR for inpatient or outpatient mental condition or substance abuse treatment for up to 28 days inpatient stay and 25 outpatient visits per year; and

(7) 100 percent of the UCR for well child care for children up to age 6.

The package shall include an annual deductible of $250.00 per person or $500.00 per family from the costs of the minimum health insurance coverage described in this subsection (other than the coverage described in paragraph (7)).

SEC. 604 RETRAINING.

(a) REALLOTMENT.—(1) Section 302 of the Job Training Partnership Act (29 U.S.C. 1652) is amended—

(1) in subsection (a)(1), by striking "80 percent" and inserting "75 percent";

(2) in subsection (a)(2), by striking "20 percent" and inserting "25 percent",

(3) in subsection (b)(2)(A), by striking "25 percent" and inserting "23.3 percent" and by striking "75 percent" and inserting "70 percent", and

(4) in subsection (b)(2)(B), by striking "25 percent" and inserting "30 percent" and by striking "section 462(e)" and inserting "subsections (e) and (g) of section 462".

(b) DATA ON DISPLACED DEFENSE WORKERS.—Section 462 of the Job Training Partnership Act (29 U.S.C. 1752) is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall develop, in coordination with the Council on Economic Diversification and Adjustment, statistical data relating to permanent dislocation of defense workers due to reductions in defense expenditures, termination or reduction of defense contracts (as defined in section 3(b) of the Defense Realignment and Worker Assistance Act of 1990), or the closure or realignment of defense facilities (as defined in section 3(d) of such Act). Among the data to be included are—

"(A) the number of defense facilities affected;

"(B) the number of defense workers displaced;

"(C) the location of affected defense facilities; and

"(D) the types of defense facilities involved.

"(2) The Secretary shall publish a report based upon such data as soon as practicable after the end of each calendar year. Such report shall include a comparison of data contained therein with contemporary data used by the Bureau of Labor Statistics in determining the annual employment and unemployment rates of the United States and an analysis of whether defense workers are being adequately counted in such employment statistics. Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacement of defense workers, not only on the individual worker, but on the surrounding community.".

SEC. 605. STATE AGREEMENTS.

(a) IN GENERAL.—The Council on Economic Diversification and Adjustment shall, on behalf of the United States, enter into an agreement with a State, or with any agency administering the unemployment compensation law of any State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1986, which—

(1) as agent of the Council, shall upon certification and other determinations required in section 602 of this Act, make such payments and provide such benefits as are authorized by section 603 of this Act, on the basis provided for in this Act, and shall otherwise cooperate with the Council and other State agencies in carrying out the provisions of this Act; and

(2) shall be reimbursed for all benefits paid pursuant to such agreement and all administrative and operational costs incurred in carrying out such agreement.

(b) AGREEMENT PAYMENTS.—(1) There shall be paid to each State or State agency which has an agreement under this section, either in advance or by way of reimbursement, as may be determined by the Council, such sum as the Council estimates the agency will be entitled to receive under such agreement for each calendar month, reduced or increased, as the case may be, by the amount by which the Council finds that its estimates for any prior calendar month were greater or less than amounts which should have been paid to the agency. Such estimates may be made upon the basis of statistical sampling, or other method as agreed upon by the Council and the State or State agency.

(2) The Council shall from time to time certify to the Secretary of the Treasury for payment to each State or State agency which has an agreement under this section sums payable to such State or State agency under paragraph (1) of this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State or State agency, in accordance with such certification, from the Defense Economic Adjustment Fund.

(3) All money paid a State or State agency under any such agreement shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in such agreement, to the Defense Economic Adjustment Fund.

(c) BENEFITS ABSENT ON AGREEMENT.—In any case involving a worker entitled to benefits under section 603 of this Act who is in a State with respect to which there is no agreement pursuant to this section, the Secretary of Labor shall, under regulations prescribed by the Secretary, administer such benefits on behalf of such worker. The Secretary of Labor, in administering such benefits, shall, from time to time, certify to the Secretary of the Treasury for payment to such worker the amounts of such benefits to such worker and the Secretary of the Treasury shall make payments to such worker, in accordance with such certification, from the Defense Economic Adjustment Fund.

SEC. 606. LIMITATION ON BENEFITS.

In no case shall any displaced worker be eligible for benefits under section 603(a) of this Act unless such worker agrees—

(1) to maintain, on a current basis, during the period of such worker's displacement, an active registration with the Secretary of Labor or an appropriate State employment agency, as the case may be, and

(2) to accept any employment described in section 608(1) of this Act.

No such benefits shall be paid under this Act to any worker who fails to maintain such registration or to accept such employment.

SEC. 607. TREATMENT OF UNEMPLOYMENT COMPENSATION.

In no case shall any adjustment benefits paid pursuant to this Act be taken into consideration in determining eligibility for, or the amount of, unemployment compensation under any Federal or State unemployment compensation law.

SEC. 608. TERMINATION OF BENEFITS.

Adjustment benefits paid pursuant to this title shall terminate at the earlier of—

(1) the date on which a worker eligible for benefits obtains employment providing compensation equal to 65 percent of the average annual manufacturing salary for durable goods (based on a forty-hour workweek), in the State where the affected facility is located as determined by the State Department of Labor, for the calendar year ending before that worker's displacement, or

(2) 1 year after displacement.

SEC. 609. REGULATIONS.

The Council on Economic Diversification and Adjustment, after consultation with the Secretary of Labor, shall promulgate regulations to carry out the provisions of this title.

SEC. 610. DEFENSE ECONOMIC ADJUSTMENT FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the Defense Economic Adjustment Fund.

(b) AUTHORIZATION OF APPROPRIATIONS TO THE FUND.—The Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall determine for each fiscal year the projected savings in that fiscal year in defense spending that will result from the curtailment or termination of defense contracts and the closing and realignment of defense facilities. There is authorized to be appropriated to the Fund for each of the 7 fiscal years beginning after the date of the enactment of this Act an amount equal to—

(1) 10 percent of such projected savings for the previous fiscal year, plus

(2) such additional amounts as may be necessary to carry out the purposes of section 101 of this Act and to enable the Secretary of the Treasury to make the payments described under sections 603 and 605 of this Act.

(c) AUTHORIZATION OF APPROPRIATIONS FROM THE FUND.—Amounts in the Fund shall be available, as provided in appropriation Acts, to carry out the purposes of section 101 of this Act and to make the payments described under sections 603 and 605 of this Act.

SEC. 611. INDIVIDUAL RETIREMENT ACCOUNT WITHDRAWAL.

(a) EXEMPTION FROM PROHIBITED TRANSACTION RULES.—Section 4975 of the Internal Revenue Code of 1986 (relating to tax on prohibited transactions) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) SPECIAL RULE FOR QUALIFIED DEFENSE WORKERS.—

"(1) IN GENERAL.—The prohibition provided in subsection (c) shall not apply to any qualified defense worker for a 1 year period from such worker's date of layoff if such worker uses the funds for—

"(A) the payment of the principal or interest on a mortgage of such worker's primary residence; or

"(B) for the rental expenses on his or her primary residence.

"(2) QUALIFIED DEFENSE WORKER DEFINED.—For the purposes of this subsection, the term 'qualified defense worker' means any worker who demonstrates that—

"(A) he or she has permanently lost his or her employment due to—

"(i) the cancellation of a defense contract affecting the defense facility at which he or she is employed,

"(ii) the significant reduction in the volume of defense work in relation to total defense work in such facility, or

"(iii) the significant workforce reduction or closure of such facility, and

"(B) such employment loss has occurred within the period beginning 6 months before and ending 1 year after the causal action, as described in clauses (i), (ii), or (iii) of subparagraph (A).

"(3) DEFINITIONS.—For purposes of this subsection, the terms 'defense contract', 'defense facility', and 'significant workforce reduction' shall have the meanings given such terms by sections 3(b), 3(d), and 601(b) of the Defense Realignment and Worker Assistance Act of 1990, respectively.".

TITLE VII—COMMUNITY ECONOMIC ADJUSTMENT PLANNING

SEC. 701. NOTIFICATION.

(a) IN GENERAL.—Upon release of the President's budget or any announcement of the realignment or closure of any qualified defense facility, the Secretary of Defense, acting through the Council on Economic Diversification and Adjustment, shall promptly notify any State or local government which may be affected by—

(1) the realignment or closure of any qualified defense facility; or

(2) the slowdown, termination, or cancellation of any defense contract,

which is proposed in, or would likely result from any proposal contained in, such budget or in such announcement.

(b) NOTIFICATION OF COMMUNITIES AFFECTED BY DEFENSE REALIGNMENT BEFORE DATE OF ENACTMENT.—In addition to the requirement of subsection (a), the Secretary of Defense shall provide notice pursuant to such subsection to any community likely to be affected by any action described in paragraph (1) or (2) of such subsection which was proposed in any budget of the President which was released or announced before the date of the enactment of this Act.

SEC. 702. ELIGIBILITY OF COMMUNITIES FOR ECONOMIC ADJUSTMENT PLANNING ASSISTANCE.

(a) IN GENERAL.—Any community which—

(1) is likely to be a substantially and seriously affected community upon the implementation of realignment or closure of any qualified defense facility, or the slowdown, termination, or cancellation of any defense contract (including any action for which notice was provided pursuant to section 701(b) of this Act); and

(2) complies with the requirements of subsection (b),

shall be eligible for economic adjustment planning assistance under section 703 of this Act.

(b) ANALYSES AND FORECASTS.—(1) Any community which seeks to become eligible for economic adjustment planning assistance shall prepare—

(A) an analysis and forecast of the effect any action described in paragraph (1) or (2) of section 701(a) of this Act will have on the local economy and workforce; and

(B) a proposal for an economic adjustment plan that addresses the community economic adjustments appropriate to reduce the adverse effect of any such action.

(2) Analyses, forecasts, and proposals for economic adjustment plans prepared pursuant to paragraph (1) shall be submitted to the Council for review and comment before the end of the 4-month period beginning on the date the Secretary of Defense provides notice under subsection (a) or (b) of section 701 of this Act.

(3) Any analysis and forecast prepared pursuant to paragraph (1)(A) shall include a specific estimate of the increase in unemployment projected as a result of any action described in paragraph (1) or (2) of section 701(a) of this Act for the most appropriate geographic or governmental entity for which reliable statistics are compiled.

(4) The economic assumptions, methodology, and analyses used to produce any estimate referred to in paragraph (3) shall be made part of any planning documentation submitted to the Council pursuant to paragraph (2).

(c) DETERMINATION OF ELIGIBLE COMMUNITIES; ANNUAL LISTS.—(1) The Council shall—

(A) review the material submitted under subsection (b)(2) by any community and determine whether such community meets the requirement of subsection (a) for eligibility for economic adjustment planning assistance; and

(B) publish a list annually of communities eligible for economic adjustment planning assistance under this title at the time the list is prepared.

(2) If the Council—

(A) determines under paragraph (1)(A) that any community is not eligible for economic adjustment planning assistance under this title; or

(B) fails to include any community in the annual list published under paragraph (1)(B),

the community may petition the Council for review of such determination or inclusion in such list, as the case may be.

(3) The Council shall promptly review any petition filed under paragraph (2).

SEC. 703. COMMUNITY ECONOMIC ADJUSTMENT PLANNING ASSISTANCE.

(a) IN GENERAL.—Any community which has been determined by the Council under section 702(c) to be eligible for economic adjustment planning assistance shall be eligible for assistance under section 2391(b) of title 10, United States Code.

(b) CONFORMING AMENDMENT.—Section 2391(b)(6) of title 10, United States Code, is amended by striking "$2,000,000" and inserting "$20,000,000".

SEC. 704. COMMUNITY ECONOMIC ADJUSTMENT ASSISTANCE.

Any substantially and seriously affected community shall be eligible for economic adjustment assistance authorized under title IX of the Public Works and Economic Development Act of 1965.

TITLE VIII—COMMERCIAL AND DEFENSE PRODUCTION INTEGRATION

SEC. 801. INTEGRATION OF COMMERCIAL PRODUCTION PROCESSES AND DEFENSE PROCUREMENT PRACTICES

(a) OFFICE OF COMMERCIAL AND DEFENSE PRODUCTION INTEGRATION.—Title 10 of the United States Code is amended—

(1) by redesignating chapter 149 as chapter 150, and

(2) by adding after chapter 148 the following new chapter 149:

"CHAPTER 149—INTEGRATION OF COMMERCIAL AND DEFENSE PRODUCTION

"Sec.

"2509. Office of Commercial and Defense Production Integration.

"§2509. Office of Commercial and Defense Production Integration

"(a) ESTABLISHMENT.—There is established within the Department of Defense an office to be known as the Office of Commercial and Defense Production Integration. The office shall be under the Under Secretary of Defense for Acquisition.

"(b) PURPOSES; DUTIES.—(1) The Office of Commercial and Defense Production Integration shall develop and implement policies, practices, and procedures designed to achieve an effective integration of commercial production processes and defense procurement practices. A procurement practice or procedure shall be considered to achieve effectively the integration of a commercial production process and a defense procurement practice if the practice or procedure—

"(A) increases the use of commercial products in defense procurement;

"(B) increases commercial-style competition in defense procurement practices;

"(C) lowers defense acquisition costs by streamlining the defense product acquisition process; or

"(D) encourages integrated processes for manufacturing civilian and defense products; or

"(E) encourages research and development of products having civilian and military applications.

"(2) The policies, practices, and procedures referred to in paragraph (1) shall require, to the maximum extent practicable—

"(A) the elimination of unique military specifications in the procurement of defense products;

"(B) the adoption of military product specifications that are compatible with existing or evolving commercial product specifications;

"(C) the adaptation of military products and systems to permit the effective utilization of existing or evolving commercial products;

"(D) the identification of commercial suppliers that have exhibited historically high standards of product quality and reliability in commercial or defense production;

"(E) maximum participation by such qualified suppliers in the defense procurement process; and

"(F) increased emphasis on supply quality.

"(c) NONDEVELOPMENTAL ITEMS.—The Office of Commercial and Defense Production Integration shall assist the Under Secretary of Defense for Acquisition in carrying out the duties of the Under Secretary under section 2325 of this title, relating to the procurement of nondevelopmental items.".

(b) CONFORMING AMENDMENTS.—(1) Section 2325(a) of title 10, United States Code, is amended—

(A) by striking "and" at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (3), the following new paragraph:

"(4) such requirements achieve effective integration of commercial production processes and military procurement practices.".

(2) The items relating to chapter 149 in the table of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of title 10, United States Code, are each amended to read as follows:

"149. Integration of Commercial and Defense Production ..... 2509".

SEC. 802. REGULATIONS

Not later than six months after the date of enactment of this Act, the Secretary of Defense shall prescribe such regulations as may be necessary to carry out the amendments made by section 801 of this Act.

SEC. 803. DEMONSTRATION PROJECTS

(a) DEMONSTRATION PROJECTS.—(1) The Secretary of Defense, acting through the Office of Commercial and Defense Production Integration, shall conduct not less than three projects designed to demonstrate the feasibility of achieving effective integration of commercial production processes and military procurement practices.

(2) The projects referred to in paragraph (1) shall commence not later than six months after the date of enactment of this Act and continue thereafter for not longer than one year.

(b) PROJECT PROPOSALS.—Not less than 30 days before the commencement of each project referred to in subsection (a), the Secretary shall notify Congress of the proposed demonstration project. The Secretary shall include in the notice—

(1) a description of the scope and structure of the project; and

(2) an evaluation of the means by which the project will achieve effective integration of commercial production processes and military procurement practices.

(c) PROJECT REPORTS.—Not later than 60 days after the termination of each project referred to in subsection (a), the Secretary shall submit a report to Congress evaluating the extent to which the project achieved effective integration of commercial production processes and military procurement practices, together with such recommendations for additional legislation as the Secretary determines necessary to carry out more effectively the purposes described in section 801 of this Act.

TITLE IX—COMMISSION ON MILITARY BUDGET REFORM

SEC. 901. ESTABLISHMENT OF COMMISSION

(a) IN GENERAL.—There is established a commission to be known as the Commission on Military Budget Reform (referred to in this Act as the "Commission").

(b) MEMBERS.—The Commission shall consist of 12 members, appointed as follows:

(1) Four to be appointed by the Secretary of Defense.

(2) Four to be appointed by the President pro tempore of the Senate.

(3) Four to be appointed by the Speaker of the House of Representatives.

(c) TERMS AND VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy occurring in the membership of the Commission shall not affect the powers of the Commission and shall be filled in the same manner in which the original appointment was made.

(d) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall elect a Chairman and Vice Chairman from among its members.

(e) MEETINGS.—The Commission shall convene its first meeting within 30 days after the first date on which all members of the Commission have been appointed. Thereafter, the Commission shall meet at the discretion of its Chairman or at the call of a majority of its members.

(f) QUORUM.—Seven members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) COMPENSATION AND TRAVEL EXPENSES.—A member of the Commission may not be paid compensation for service performed as a member of the Commission. However, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

SEC. 902. DUTIES

(a) STUDY.—The Commission shall conduct a study to determine the desirability and feasibility of Congress instituting a three year budget cycle program for the Department of Defense under which—

(1) the President would submit to Congress a proposed budget for the Department of Defense for three separate consecutive fiscal years;

(2) the Congress would enact separate legislation authorizing funds for the Department of Defense for three consecutive fiscal years and appropriating funds for that purpose for two consecutive fiscal years;

(3) in each fiscal year after enactment of the initial three year budget, the President would submit to Congress a proposed budget for the Department of Defense for the fiscal year following the last fiscal year of the previous budget for the Department of Defense; and

(4) in each fiscal year after the enactment of the initial legislation authorizing funds for three consecutive fiscal years and appropriating funds for two consecutive fiscal years, Congress would enact legislation authorizing funds for the fiscal year following the last fiscal year for which funds were authorized in the previous budget referred to in paragraph (3) and would enact legislation appropriating funds for the fiscal year following the last fiscal year for which funds were appropriated in the previous budget referred to in that paragraph.

(b) SPECIFIC MATTERS TO BE CONSIDERED.—In carrying out the study referred to in subsection (a), the Commission shall specifically consider the following:

(1) the advantages and disadvantages of such a program;

(2) the amount of savings that will likely result from such a program;

(3) the effects that such a program would likely have—

(A) on the activities and programs of the Department of Defense;

(B) on both short-range and long-range planning for national security; and

(C) on foreign military sales;

(6) the favorable and adverse effects that multiyear defense budget programs have had on the defense budget processes in foreign nations that have adopted such programs; and

(7) alternative means of carrying out a multiyear defense budget program.

(c) REPORT.—The Commission shall submit to the Secretary of Defense and Congress a report on the results of the study carried out under this Act, together with such comments and recommendations as the Commission considers appropriate, not later than 12 months after the date of the first meeting of the Commission under section 901(e) of this Act.

SEC. 903. POWERS OF COMMISSION

(a) MEETINGS AND HEARINGS.—For purposes of carrying out this Act, the Commission or, on the authorization of the Commission, any subcommittee or member thereof, may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as is appropriate.

(b) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure di-

rectly from any department or agency of the United States such information as the Commission may require to carry out its duties under this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

SEC. 904. ADMINISTRATIVE PROVISIONS

(a) STAFF.—(1) The Commission may appoint and fix the compensation of such personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the compensation of any employee of the Commission may not exceed a rate equivalent to the rate payable under GS-18 of the General Schedule under section 5332 of such title.

(2) Upon request of the Commission, the head of any Federal agency is authorized to detail to the Commission, on a reimbursable basis, any of the personnel of such agency to assist the Commission in carrying out its duties under this Act and such detail shall be without interruption or loss of civil service status or privilege.

(b) USE OF EXPERTS AND CONSULTANTS.—The Commission may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-16 of the General Schedule under section 5332 of such title.

SEC. 905. TERMINATION OF COMMISSION

The Commission shall expire 30 days after the date on which the report of the Commission is submitted to the Secretary of Defense and Congress.

SEC. 906. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

SUMMARY OF THE DEFENSE REALIGNMENT AND WORKER ASSISTANCE ACT OF 1990

An act to assist in the economic adjustment and industrial diversification of workers, businesses and communities adversely affected by the termination or reduction of defense or defense related contracts or the closure of military installations.

TITLE I—INDUSTRIAL DIVERSIFICATION STUDY

Requires the Department of Commerce, in consultation with the Department of Defense, the Small Business Administration, and the Defense Advanced Research Projects Agency (DARPA) to perform a study on the extent to which and how diversification of defense industries to non-defense production can be accomplished.

TITLE II—PRESIDENTIAL COUNCIL ON ECONOMIC DIVERSIFICATION

Establishes a Council on Economic Diversification in the Office of the President to coordinate the efforts of Federal agencies and programs for the purpose of assisting communities, workers, and businesses in adjusting to cutbacks in defense programs.

Membership includes: the secretaries of Labor, Commerce, Defense, Housing and Urban Development, Transportation, Energy, the Director of the Office of Management and Budget, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, four representatives of the business-management community to be appointed by the President, two of whom shall be appointed from defense-related businesses and two from non-defense-related businesses; and four representatives of labor union organizations to be appointed by the President. The council is co-chaired by the secretaries of Commerce and Labor.

TITLE III—DEFENSE INDUSTRIAL DIVERSIFICATION ACCOUNT

Establishes a Defense Industrial Diversification Account for defense businesses wishing to become more integrated into the civilian sector. It would function much like an I.R.A.

This title would allow a firm which is at least 60% reliant on defense contracts to deposit a portion of its profits into the account, tax free, for the purposes of investing in new nondefense plant and equipment or for the retraining or continued education of its workforce.

Deposits would be limited to the amount of a firm's defense-related depreciable assets. These investments could be made for a period of five years. The withdrawals could occur for 10 years. If the money were withdrawn for purposes other than those specifically stated, then the money would be fully taxed and a 10% penalty would be added.

TITLE IV / TITLE V—SMALL BUSINESS DIVERSIFICATION

Establishes within the Small Business Administration a permanent Office of Small Business Diversification. The purpose of this office is to identify the problems associated with defense cutbacks, for small defense-dependant businesses. The office would also serve to coordinate the efforts of the Small Business Administration and its programs for assisting firms adversely affected by defense cutbacks.

Creates a small business diversification guaranteed loan or grant program. Loans, guaranteed loans, or grants are capped at $40,000 for qualified small firms and require a 1:1 match from the firm.

Specific uses for the loan, guaranteed loan, or grant may include but shall not be limited to conducting market research or analysis for non-defense products, development of an alternative use or non-defense business plan, basic or applied research and development for non-defense lines of business, strategic planning, or non-defense prototype development.

Program is designed to promote diversification of small defense manufacturers and to qualify firms, if needed, for other S.B.A. loan guarantee programs or commercial lending sources.

TITLE VI—ECONOMIC ADJUSTMENT ASSISTANCE FOR EMPLOYEES

Employee notification is required for qualified employees 90 days prior to layoff.

Employees who can demonstrate that job displacement was the result of the loss or major reduction of a defense contract or the closing or re-alignment of a military installation are entitled to the following benefits:

(1) Severance pay for one year equal to 65% of average state manufacturing salary for durable goods. (Combines unemployment compensation + corporate severance pay + govt contribution)

(2) Health Benefits for one year providing a basic health insurance package.

Amends Title III of the Job Training Partnership Act (Displaced Worker Title). It increases Federal set-aside for displaced workers and modifies the formula used to disburse funds to States to factor in defense-related lay-offs.

Also allows qualified defense workers who have been laid-off to withdraw funds from their Individual Retirement Account to pay the principal or interest on a mortgage of his or her primary residence or for the rental costs of his or her primary residence. This should help enable them to keep their homes.

TITLE VII—COMMUNITY ECONOMIC ADJUSTMENT PLANNING

Identifies communities that will be substantially and seriously affected by defense lay-offs. (loss of more than 250 employees)

Increases the total funding available for community planning grants presently authorized by the Office of Economic Adjustment from $2,000,000 to $20,000,000.

Allows substantially and seriously impacted communities to be eligible for Title IX Community Planning Grants under the Economic Development Administration.

TITLE VIII—COMMERCIAL AND DEFENSE PRODUCT INTEGRATION

Establishes an Office of Commercial and Defense Product Integration in the Department of Defense to implement policies and procedures designed to achieve a better integration of commercial production processes and defense procurement practices. These two sectors have been largely segregated due to the Defense Department practices that require special specifications for nearly all items. As a result, even though some products and processes could be used by both defense and non-defense sectors, they often are not. The defense sector isn't able to take advantage of the lower costs and greater efficiency of joint production to stretch defense dollars further, and defense firms too often are not able to develop civilian product lines.

TITLE IX—COMMISSION ON MILITARY BUDGET REFORM

One reason for the prohibitively high unit cost of military parts and equipment is the annual budget process which makes it difficult for firms to plan over the long term. High unit costs reduce both efficiency and the amount of equipment the military can purchase. This title establishes a Commission on Military Budget Reform to study the desirability and feasibility of Congress instituting a three year budget cycle for defense contracting. The commission will determine whether the multi-year approach can have the effect of reducing unit costs, increasing efficiency, and protecting jobs.

FUNDING

Establishes a fund in the Treasury of the United States. The Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, will determine each fiscal year the projected savings in that fiscal year in defense spending that will result from the curtailment or termination of defense contracts and the closing or realignment of military installations. There is authorized to be appropriated to the Fund for the next fiscal year an amount equal to 10 percent of such projected savings for the previous fiscal year. Amounts in the fund are used to make payments pursuant to Title I and VI.●

● Mr. DODD. Mr. President, I rise today to join my colleague from Connecticut, Senator LIEBERMAN, in introducing a bill to help defense industries diversify and to provide assistance to

workers and communities heavily affected by cuts in our defense budget.

The dislocation we face in moving to the next stage of our defense posture is in some ways as profound as the wholesale revisions taking place in Eastern Europe and the Soviet Union. The changes for the United States and Eastern Europe are both promising and present great potential for economic growth and world peace. However, logic dictates that we ensure that changes in our defense posture do not result in unemployment lines and a weakened economy here at home.

While the changes are exciting and encouraging and hold hope for a more peaceful world, any reduction in our defense capability must be undertaken prudently. We must consider the potential impact cuts will have on the economies of our States and the Nation. A reduction in our defense spending will have costs. The anticipated costs are why I join Senator LIEBERMAN today in introducing the Defense Realignment and Worker Assistance Act of 1990. A reduction in defense spending will result in lost jobs and failing businesses. Communities will feel the economic impact. Small and large businesses alike will be forced to scale back or shut down.

The causes of the dislocations we expect to occur lie in the development of world politics. They are not the fault of any of our workers or managers. They are not from bad business decisions, low productivity or inadequate workmanship. Businesses and workers will be adversely affected by defense cuts when the apparent ending of the cold war is due in large part to their work. Is it fair that they suffer for their contribution to our national security? Of course not. The least we can do is to help them adjust to more peaceful times. An investment on the part of the Federal Government, the employer for many thousands of civilian defense workers, in diversification efforts will have long term benefits for our national and economic security.

The theme of diversification is not new. Some of us have been discussing its merits since the late 1970's. Today, however, the possibility of a "peace dividend" has made the benefits of diversification even greater for States and industries heavily dependent on Federal defense dollars. While it is out of the realm of Federal responsibility to force companies to diversify, we can provide breaks to companies who choose to do so.

The Defense Realignment and Worker Assistance Act of 1990 is a comprehensive initiative aimed at easing the transition for business, communities and workers to an economy less dependent on federal defense dollars.

The measure would offer assistance to defense workers adversely affected by the termination or reduction of defense or defense-related contracts or the closure of military installations by extending severance pay, health and child care services and providing for retraining programs. For businesses choosing to diversify or convert, this act would provide for a tax break for larger industries and guaranteed loans or grants for small businesses. Communities would benefit from an increase in funding for community planning grants for the purposes of economic adjustment. Moreover, the bill mandates a study of the feasibility of the diversification of defense industries. The measure establishes a Presidential council to coordinate diversification efforts. The last two titles provide for: First, an effort by the Department of Defense to encourage defense industries to adopt commercial production processes; and second, a commission on military budget reform that would study the feasibility of extending the budget cycle to 3 years for defense contracting. This final proposal would help defense industries plan in advance for reduced Federal dollars.

These proposals will enable us to take a progressive, foresighted approach to reduced Federal defense spending. We need to confront these challenges head on and convert them to opportunities in the 21st century.

I comment my colleague, Senator LIEBERMAN, for designing a balanced diversification measure that benefits businesses, workers and communities alike—all veterans of the cold war. In closing, I urge my colleagues to join me in cosponsoring this measure.●

By Mr. EXON (for himself and Mr. KERREY):

S. 2894. A bill to authorize appropriations for the West North Central highway system serving the West North Central region, and for other purposes; to the Committee on Environment and Public Works.

AUTHORIZATION OF FUNDS FOR WEST NORTH CENTRAL HIGHWAY SYSTEM

Mr. EXON. Mr. President, today with my colleague Senator KERREY I am introducing major legislation to authorize funds for badly needed infrastructure improvements for highways and bridges in the Midwest region of our Nation.

The bill authorizes a one-time amount; for fiscal year 1992 from the highway trust fund of $660 million for the seven States in the U.S. Census Bureau's West North Central region, commonly known as the Midwest. These States are Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

HIGHWAY TRUST FUNDS

The Gramm-Rudman law has prevented Nebraska and several other States from receiving the highway funds that they are rightfully due. Gramm-Rudman has held hostage more than $660 million in highway trust funds that by law can only be used to repair roads and bridges. The Gramm-Rudman law, with its accounting gimmicks froze the trust funds and created more than a $7 billion surplus which has been used to hide the true size of the budget deficit while our bridges and roads deteriorate. My bill will release the funds to repair roads and bridges, the only purpose for which the funds were collected.

The amount of funds for this bill is determined based on the historical share of highway funds received by these Midwestern States applied against the estimated uncommitted balance in the highway trust fund at the end of the current highway authorization bill. That balance has been estimated at $7 billion according to testimony before the Senate Transportation Appropriations Subcommittee.

The Midwest has received 9.4 percent of the trust fund since the fund's origin in 1956, so the same protion of the trust fund balance is set aside by this bill for Midwestern highways and bridges. That same method is also used for determining the share for each individual State. For example, the State of Nebraska's share would be about $61 million.

The funds authorized by this bill are intended as an additional amount on a one-time basis to catch up on the backlog of Midwestern highway and bridge needs. The States would have flexibility to determine their own highway-related priorities for use of the funds, depending on the particular needs in each State.

However, in order to encourage regional cooperation among the Midwestern States on their highway and bridge plans, the bill calls for the States to cooperatively prepare their plans for use of the funds to encourage emphasis on the overall economic development of the Midwest region as a whole. The regular Federal-aid highway programs would continue to apply and not be affected by this one-time shot of funds.

In other words, this bill simply proposes to give back to these States their share of the highway trust fund balance that has been held hostage due to Gramm-Rudman law budget politics, so the money can be used for highways and bridges, as Congress originally intended. Of course, I also support freeing the hostage highway trust fund money for the entire Nation. Unfortunately, efforts toward that end have been frustrated.

Therefore, perhaps what cannot be accomplished on a large scale can be accomplished one piece at a time.

I note that my colleagues Senator BYRD and Senator ROCKEFELLER have proposed similar legislation to jump start the Appalachian region's highway program and free up hostage

highway funds. I applaud my colleagues for their work in this area and view the legislation being introduced today as complementary.

Our Nation's deteriorating infrastructure in all regions badly needs this investment, which is the exact purpose for which Federal gasoline and other highway taxes are levied in the first place.

In the Midwest, while needs for new construction still exist, the far greater problem is repair and maintenance of existing highways and bridges.

For example, Nebraska was the first State in the Nation to complete its portion of the Interstate Highway System during the time I served as Governor. While Nebraska has been at times ahead of other States in the progress of construction efforts, the flip side of that coin is that the pavement and bridges have had longer exposure to wear and tear.

A particular problem in the Midwest is deficient bridges. According to the Federal Highway Administration, Midwestern States as a group rank very high in the percentage of deficient bridges. For example, according to FHWA statistics, 56 percent of Nebraska's bridges are either structurally or functionally deficient, which ranks Nebraska 8th highest in the Nation in percent of deficient bridges.

Mr. President, I look forward to working with my colleagues to address these urgent highway and bridge needs and free the hostage trust funds.

I ask unanimous consent that a copy of the bill, a chart on bridge needs, and a chart on funds received by Midwestern States be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That (a) notwithstanding any other provision of law, the Secretary of Transportation is authorized to assist in the construction, resurfacing, restoring, rehabilitating, and reconstructing of the highway and bridge system and local access roads and bridges serving the States of the West North Central region.

(b)(1) There are authorized to be appropriated to the Secretary of Transportation to carry out this section out of the Highway Account of the Highway Trust Fund (established by section 9503(a) of the Internal Revenue Code of 1986) $660,000,000 for fiscal year 1992.

(2) Funds appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(c) Obligation limitations for Federal-aid highway and highway safety construction programs shall not apply to obligations made under this section, except where the provision of law establishing the limitation specifically amends or limits the applicability of this paragraph.

(d) Federal assistance to any construction project under this section shall not exceed 80 percent of the costs of such project.

(e)(1) The Secretary of Transportation shall apportion funds made available under this section to each State of the West North Central region on the basis of a percentage equal to the percentage that that State's estimated project costs bear to the total estimated project costs for all States of the West North Central region.

(2) The States of the West North Central region shall cooperatively develop and jointly submit to the Secretary of Transportation a list of the estimated project costs, calculated as of September 30, 1990.

(3) In determining the list of estimated project costs, each State shall be allocated a share of such costs to be funded by Federal assistance authorized by this section based on its historical ratio of Federal-aid apportionments from the Highway Account of the Highway Trust Fund.

(f) For purposes of this section—

(1) the term "West North Central region" shall mean the States of Nebraska, Iowa, Minnesota, South Dakota, North Dakota, Missouri, and Kansas; and

(2) the term "estimated project costs" means the costs of highway projects for which Federal assistance is authorized by this section.

SEC. 2. Projects eligible for assistance under section 1 shall also be eligible for funds available under laws applicable to the construction and maintenance of Federal-aid highways and bridges and be subject to the same terms and conditions required by such laws.

NUMBER AND PERCENT OF DEFICIENT BRIDGES,[1] STATES OF WEST NORTH CENTRAL REGION

State	Total bridges	Total deficient	Percent deficient	State rank
Iowa	25,865	12,376	48	15th
Kansas	25,648	12,733	50	12th
Minnesota	12,994	3,698	28	35th
Missouri	23,682	15,065	64	2d
Nebraska	15,843	8,794	56	8th
North Dakota	5,283	3,041	58	7th
South Dakota	6,822	3,190	47	16th

[1] Source: Federal Highway Administration.

HISTORICAL SHARE AND BILL'S SHARE OF HIGHWAY FUNDS

State	Highway funds apportioned since 7-1-56 (Percent) [1]	Approximate bill share
Iowa	$3,250,257,000 (1.470)	$102,960,000
Kansas	2,908,793,000 (1.315)	92,400,000
Minnesota	4,805,515,000 (2.173)	152,460,000
Missouri	4,980,685,000 (2.252)	158,400,000
Nebraska	1,922,763,000 (0.869)	60,720,000
North Dakota	1,420,593,000 (0.642)	44,880,000
South Dakota	1,541,132,000 (0.697)	48,840,000

[1] Source: Federal Highway Administration (historical data).

Mr. KERREY. I rise as an original cosponsor of the legislation of the senior Senator from Nebraska. This actually is connected to an effort that the distinguished Presiding officer has been trying to call to the attention of this Nation, that we are building up a large reserve in the Highway Trust Fund, using it to pay the current bills and simply are not investing in our future.

I must say, as a person who has taken advantage of the interstate highway system, that makes me feel as if I am not treating my children as well as I ought to. I have made a lot of money because my parents invested in the interstate highway system.

I made a trip to Western Europe in December, and I must tell my colleagues and others if you go to the Federal Republic of Germany, and if you go to Western Europe today, you will see that they have made investments in their infrastructure.

The reason the Federal Republic of Germany is as strong as it is today in their economy is they have made those investments.

I must in addition to strongly supporting and applauding the senior Senator from Nebraska, Senator EXON's proposal, which I proudly join as a cosponsor, call my colleagues attention to the fact that in fact the United States of America is underinvesting in its infrastructure. Secretary of Transportation Skinner had a good plan until he ran into Dick Darman on the way to presenting the plan to the President: toned the thing down to the point where we are not going to be prepared in the 21st century. We are not going to be prepared economically to do the things all of us want to be able to do.

This bill addresses some urgent needs in the Midwest. What I hope it does as well is call attention to the urgent need in the rest of the Nation as the Presiding Officer has done with his efforts to get highway trust funds released to the States so they can be spent and invested in our highways. Not for us, I might point out, but for our children—the same as our parents invested in us. It is an economic investment that will give its return tomorrow, not an expenditure that is made to satisfy some urgent need today.

So I again thank the senior Senator from Nebraska for identifying this. He was a Governor for 8 years and understands how important these investments are. I hope my colleagues will join not only in this effort but in the effort of the distinguished Presiding Officer as well.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 2895. A bill to provide for the renegotiation of certain leases of the Seneca Nation, and for other purposes; to the Select Committee on Indian Affairs.

SENECA NATION SETTLEMENT ACT

Mr. MOYNIHAN. Mr. President, I am most pleased to join with my colleague Senator D'AMATO in introducing a bill to provide compensation to the Seneca Nation of Indians for inequities resulting from past lease agreements with the city of Salamanca, NY. Ninety percent of Salamanca is built on land leased from the Seneca Nation.

The involvement of the Federal Government in these lease arrange-

ments spans more than a century. In 1875, Congress approved leases from the Senecas of Cattaraugus County, NY, to several railroads. The renewal of these leases was again approved by Congress in 1890 for a term of 99 years. The terms, however, did not include any provision for rent increases. Consequently, the Seneca Nation still receives 1890's rents. Some of the lessees, now many of the homeowners and businesses in the city of Salamanca, paid as little as $1 per year. These leases, some 3,000, are to expire on February 19, 1991.

We took advantage. We did not provide fair value for these leases. We now ought to meet our responsibilities to the Senecas. The agreement reached among Salamanca, New York State, Congressman HOUGHTON, and the Senecas calls for a $60 million payment; $35 million from the Federal Government and $25 million from New York State.

Mr. President, this is much needed compensation for a greatly deserving people. I do hope we can give expedited consideration to this bill. I ask unanimous consent that the bill be printed in the RECORD.

These being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Seneca Nation Settlement Act of 1990".

SEC. 2. FINDINGS AND PURPOSES.

(a) CITY OF SALAMANCA AND CONGRESSIONAL VILLAGES.—The Congress finds and declares that:

(1) Disputes concerning leases of tribal lands within the city of Salamanca and the congressional villages, New York, have strained relations between the Indian and non-Indian communities and have resulted in adverse economic impacts affecting both communities.

(2) Some of the significant historical events which have led to the present situation include—

(A) beginning in the mid-nineteenth century, several railroads obtained grants or leases of rights of way through the Allegany Reservation without Federal authorization or approval and on terms which did not adequately protect the interests of the Seneca Nation;

(B) after construction of these railroads, Allegany Reservation lands were leased to railroad employees, persons associated with the railroads, residents of the city and farmers without Federal authorization or approval and on terms which did not adequately protect the interests of the Seneca Nation;

(C) none of these leases had Federal authorization or approval and, after the courts ruled these leases invalid, Congress enacted the Act of February 19, 1875 (18 Stat. 330), confirming existing leases of Allegany Reservation lands, authorizing further leasing by the Seneca Nation, and making the confirmed leases renewable for a twelve year period;

(D) the Act of September 30, 1890 (26 Stat. 558), amended the 1875 Act by substituting a renewal term of "not exceeding ninety-nine years" for the original renewal term of twelve years;

(E) in 1952 the Seneca Nation filed a claim with the Indian Claims Commission against the United States for use of improper lease fees, and in 1977 a settlement was reached regarding such claim, providing for the payment of $600,000 to the Seneca Nation covering the period beginning in 1870 to the end of 1946.

(3) An analysis of historic land values indicates that the payments made under the original lease agreement and under the settlement described in paragraph (2)(E) were well below the actual lease value of the property.

(4) The approaching expiration of the Salamanca and congressional village leases on February 19, 1991, has created significant uncertainty and concern on the part of the city of Salamanca and Salamanca residents, and among the residents of the congressional villages, many of whose families have resided on leased lands for generations.

(5) The future economic success of the Seneca Nation, city, and congressional villages is tied to the securing of a future lease agreement.

(6) The Federal and State governments have agreed that there is a moral responsibility on the part of both governments to help secure a fair and equitable settlement for past inequities.

(b) PURPOSE.—It is the purpose of this Act—

(1) to effectuate and support the Agreement between the city, Seneca Nation, and congressional villages;

(2) to assist in resolving the past inequities involving the 1890 leases and to secure fair and equitable compensation for the Seneca Nation based on the impact of these leases on the economy and culture of the Seneca Nation;

(3) to provide a productive environment between the Seneca Nation and lessees for negotiating the leases provided for under the Agreement;

(4) to provide stability and security to the city and the congressional villages, their residents, and businesses;

(5) to promote the economic growth of the city and the congressional villages;

(6) to promote economic self-sufficiency for the Seneca Nation and its members;

(7) to promote cooperative economic and community development efforts on the part of the Seneca Nation and the city; and

(8) to avoid the potential legal liability on the part of the United States that could be a direct consequence of not reaching a settlement.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(1) the term "1890 lease" means a lease made by the Seneca Nation which is subject to—

(A) the Act entitled "An Act to authorize the Seneca Nation of New York Indians to lease lands within the Cattaraugus and Allegany reservations, and to confirm existing leases" approved February 19, 1875 (chap. 90, 18 Stat. 330); and

(B) the Act entitled "An Act to authorize the Seneca Nation of New York Indians to lease lands within the Cattaraugus and Allegany Reservations, and to confirm existing leases" approved September 30, 1890 (chap. 1132, 26 Stat. 558);

(2) the term "Agreement" means the document executed by the Seneca Nation and the city entitled "Agreement between the Seneca Nation of Indians and the City of Salamanca", including the appendix to the Agreement;

(3) the term "city" means the city of Salamanca, New York;

(4) the term "lessee" means the holder of an 1890 lease which either expires in 1991 or is one of the leases listed in document 1 of the Technical Documents, including any lessee who holds an 1890 lease by reason of assignment, inheritance, or other manner as provided by the Act referred to in paragraph (1)(A);

(5) the term "memorandum of understanding" means an agreement between the State and the United States pertaining to the payment of the funds to be provided pursuant to this Act, which memorandum of understanding reflects an agreement between the Seneca Nation and the State concerning a mechanism and schedule of payments for the funds described in section 6(c);

(6) the term "Secretary" means the Secretary of the Interior;

(7) the term "Seneca Nation" means the Seneca Nation of Indians of the Allegany, Cattaraugus, and Oil Spring Reservations;

(8) the term "State" means the State of New York;

(9) the term "Technical Documents" means the documents which comprise the appendix to the Agreement; and

(10) the term "congressional villages" means the villages of Carrollton, Great Valley, and Vandalia in the State of New York.

SEC. 4. NEW LEASES AND EXTINGUISHMENT OF CLAIMS.

(a) NEW LEASES.—If the Seneca Nation offers new leases in accordance with the Agreement, this Act shall apply with respect to the Seneca Nation. The Seneca Nation shall supply copies of such leases to the Secretary and shall certify in writing that it has supplied the Secretary with copies of written offers to all lessees entitled to an offer.

(b) EXTINGUISHMENT OF CLAIMS.—The Seneca Nation shall execute appropriate documents relinquishing all claims against the United States, the State, the city, the congressional villages, and all prior lessees for payment of annual rents prior to February 20, 1991, with respect to all prior and existing leases.

(c) EFFECTIVE DATE OF LEASES.—The offers, and any acceptances thereto, referred to in subsection (a) and the relinquishment of claims referred to in subsection (b) shall not be binding on the Seneca Nation until after the later of the dates on which (1) Congress, and (2) the legislature of the States, appropriates the amount of funds set forth in section 6 or the Seneca Nation and the State agrees upon a schedule and mechanism for payments for funds pursuant to section 6(c). Such agreement shall render the offers, acceptances, and the relinquishment effective so long as the payments are made as agreed upon by the Seneca Nation and the State.

SEC. 5. RESPONSIBILITIES AND RESTRICTIONS.

(a) SENECA NATION.—The Congress finds that the Seneca Nation is solely responsible for negotiation of the leases under the Agreement in its own interest and approval of any such lease by the United States is not required.

(b) LESSEES.—The Congress finds that—

(1) the lessees of leases with the Seneca Nation are responsible for representing

their own interest in lease negotiations with the Seneca Nation; and

(2) nothing in this Act shall be construed to prevent the lessees from collectively negotiating with the Seneca Nation regarding such leases, whether through informal groups or as delegations formally sanctioned by either the States or local governments.

(c) UNITED STATES.—(1) The United States shall not serve in a capacity to approve leases of the Seneca Nation; and

(2) Federal funds may not be obligated or expended, directly or indirectly, for annual payments under any such lease, except for funds that may be available under a conventional, nation-wide program.

(d) STATE.—(1) The State shall not serve in a capacity to approve leases of the Seneca Nation.

(2) State funds may not be obligated or expended, directly or indirectly, for annual payments under any such lease.

SEC. 6. SETTLEMENT FUNDS.

(a) IN GENERAL.—In recognition of the findings and purposes specified in section 2, the settlement funds provided pursuant to this Act shall be provided by the United States and the State. The Secretary may not obligate or expend funds provided under subsection (b) until the Secretary determines that there is an agreement upon and signed memorandum of understanding.

(b) FUNDS PROVIDED BY UNITED STATES.—

(1) CASH PAYMENT.—The Secretary shall pay to the Seneca Nation the amount of $30,000,000, which is the Federal share of the cash payment of the settlement.

(2) ECONOMIC DEVELOPMENT.—(A) In addition to the amount provided under paragraph (1), the Secretary shall pay to the Seneca Nation the amount of $5,000,000 to be used for the economic and community development of the Seneca Nation, including the city of Salamanca, which is an integral part of the Seneca Nation's Allegany Reservation. Such amount shall be deposited by the Secretary, administered, and disbursed in accordance with subparagraph (B).

(B)(i) The sum of $2,000,000 shall be deposited in a separate interest bearing account of the Seneca Nation. The account shall be administered, and the principal and interest thereon disbursed, by the Seneca Nation in accordance with a plan approved by the Council of the Seneca Nation to promote the economic and community development of the Seneca Nation. Until the principal is expended pursuant to such plan, the income accruing from such sum shall be disbursed to the treasurer of the Seneca Nation on a quarterly basis to fund tribal government operations and to provide for the general welfare of the Seneca Nation and its members. The Seneca Nation may in its discretion add the accrued income to the principal.

(ii) The sum of $3,000,000 shall be deposited in an escrow account which shall be owned by the Seneca Nation. The escrow agent shall be selected by agreement of the Seneca Nation and the city. The escrow account shall remain in existence for a period of ten years from the date on which the principal is deposited or until all payments provied for under section V.D. of the Agreement have been made. The escrow account shall be held and disbursed for economic and community development as set forth in section V.D. of the Agreement. Upon the expiration of the ten-year period, the $3,000,000 principal shall be disbursed in accordance with an plan approved by the Council of the Seneca Nation to promote the economic and community development of the Seneca Nation.

(c) FUND TO BE PROVIDED BY THE STATE.—The State, in accordance with its laws and regulations, shall provbide the sum of $16,000,000 in cash payments and $9,000,000 for economic or community development subject to the provisions of the memorandum of understanding.

(d) TIME OF PAYMENTS.—The payments by this section on the part of the United States shall be made within 30 days of the Secretary's determination that the Seneca National has complied with section 4. If the Secretary determines that the Seneca Nation has not complied with section 4, he shall advise the Seneca Nation in writing of all steps it must take to comply.

(e) LIMITATION.—The only amounts available to carry out this Act shall be those amounts specifically appropriated by the Congress on the legislature of the State to carry out this Act.

SEC. 7. CONDITIONS PRECEDENT TO PAYMENT OF UNITED STATES AND STATE FUNDS.

Amounts may not be expended from—

(1) the $30,000,000 and the $5,000,000 provided by the United States under section 6(b), and

(2) the $16,000,000 and $9,000,000 provided by the State under section 6(c),

until after the authorized officials of the Seneca Nation execute new leases with all lessees who accept the Seneca Nation's offer of a net lease, as filed with the Secretary under section 4(a), and execute appropriate documents relinquishing all claims for payment of annual rents prior to February 20, 1991, with respect to such leases.

SEC. 8. MISCELLANEOUS PROVISIONS.

(a) LIENS AND FORFEITURES, ETC.—Subject to subsection (b), the provisions of section 7 of the Indian Tribal Judgment Funds Use and Distribution Act (25 U.S.C. 1407) shall apply to any payment of funds authorized to be appropriated under this Act and made to individual members of the Seneca Nation. None of the payments, funds, or distributions authorized, established, or directed by this Act, and none of the income derived therefrom, which may be received under this Act by the Seneca Nation or individual members of the Seneca Nation, shall be subject to levy, execution, forfeiture, garnishment, lien, encumbrance, seizure, or State or local taxation.

(b) ELIGIBILITY FOR GOVERNMENT PROGRAMS.—None of the payments, funds or distributions authorized, established, or directed by this Act, and none of the income derived therefrom, shall affect the eligibility of the Seneca Nation or its members for, or be used as a basis for denying or reducing funds under, any Federal program.

(c) LAND ACQUISITION.—Any land acquired by the Seneca Nation with funds appropriated pursuant to this Act shall be held in restricted fee status by the Seneca Nation, and shall be subject to section 2116 of the Revised Statutes (25 U.S.C. 177). As designated by the Secretary, based on the proximity of the land acquired to the Seneca Nation's reservations, land acquired may become a part of and expand the boundaries of the Allegany Reservation, the Cattaraugus Reservation, or the Oil Spring Reservation in accordance with the procedures established by the Secretary for this purpose.

SEC. 9. LIMITATION OF ACTION.

Notwithstanding any other provision of law, any action to contest the constitutionality or validity under law of this Act shall be barred unless the action is filed on or before the date which is 180 days after the date of enactment of this Act. Exclusive jurisdiction over any such action is hereby vested in the United States District Court for the Western District of New York.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out this Act.

Mr. D'AMATO. Mr. President, I join with Senator MOYNIHAN in introducing legislation which will help to resolve a longstanding lease issue between the Seneca Nation and the city of Salamanca in New York State. Our legislation is called the Seneca Nation of New York Settlement Act. Our colleague, Representative HOUGHTON, is introducing identical legislation in the House today.

Roughly 90 percent of the city of Salamanca lies inside of the Allegany Reservation, home to the Seneca Indians. Back in 1892, the people of Salamanca entered into a 99-year lease with the Senecas. The terms of the lease required annual payments of $17,000 to the Senecas. The lease is set to expire in February 1991.

For nearly a decade, the Senecas and the city of Salamanca have been negotiating the terms for a new lease. The disagreements that have characterized the negotiations over the past 10 years created an air of uncertainty about the city's future that has discouraged investment and depressed real estate prices. Earlier this month, the parties finally reached agreement on the terms of the new lease. Our legislation embodies this agreement.

The agreement consists of two parts:

First, future lease agreements: These agreements must be resolved by the city of Salamanca and the Seneca Nation. The Federal and State governments will not directly or indirectly subsidize any future lease agreements.

Second, $60 million for past lease payment inequities: $25 million from New York State and $35 million from the Federal Government.

Three million from the Federal portion of the $60 million settlement will be set aside in an interest-bearing account—with the principal to be untouched and the interest targeted at economic development in the Salamanca area. Specifically: First, one-third of the interest is to be used by the Joint Venture Commission for Economic Development. This organization has equal representation from the city and the nation; and second, two-third's of the interest is to be used by the city of Salamanca for economic development—whether it be capital improvements or money used to attract new businesses.

This legislation is important to the Seneca people as well as the city of Salamanca. I urge my colleagues to join with myself and Senator MOYNIHAN in expeditiously moving this bill through the Senate.

By Mr. CRANSTON:

S. 2896. A bill to reorganize the agencies of the United States involved in migration affairs into a new Agency for Migration Affairs; to the Committee on Governmental Affairs.

MIGRATION AFFAIRS REORGANIZATION ACT

Mr. CRANSTON. Mr. President, today a very important report was presented to Congress by the Commission for the Study of International Migration and Cooperative Economic Development. As some of my colleagues may recall, Congress established this bipartisan commission under the auspices of the Immigration Reform and Control Act of 1986 [IRCA] to investigate the "push factors" that cause persons to flee their own countries and illegally immigrate into the United States. The report, entitled "Unauthorized Migration: An Economic Development Response," is the culmination of a 3-year study of these push factors.

Mr. President, the Commission's conclusions make excellent sense. Stemming illegal immigration to this country will never be a reality if we rely solely on border controls and the continued enforcement of the Failed Employer Sanctions Program. Rather, an effective solution will require a combination of strategies, both at home and abroad.

One Commission idea in particular merits the serious consideration of the Congress—the establishment of an independent agency with jurisdiction over immigration and refugee matters. I am today introducing legislation to establish an Agency for Migration Affairs, which would consolidate most of the immigration and refugee functions that are currently being handled or mishandled by a myriad of Federal Bureaus. At present, there are at least five agencies that have jurisdiction over some area of migration policy. These agencies and their various bureaus are often not working in coordination with each other; in fact, they sometimes duplicate each others functions.

Mr. President, I represent a State with the single largest immigrant and refugee populations in the Nation. California is home to over 6 million legal immigrants, an estimated 500,000 refugees, and, though it is difficult to calculate, 500,000 undocumented aliens. I have endured with my constituents the frustrations of dealing with a patchwork of ineffective Federal bureaucracies in resolving extremely complex problems—some of which are life threatening. I have also witnessed the inexplicable separation of our domestic and foreign policies with respect to migration consequences. In my view this is shortsighted and contrary to common sense.

The legislation I introduce today would elevate immigration and refugee policy to a national priority by reorganizing the currently fragmented government structure into one cohesive entity. An independent Agency for Migration Affairs would infuse this area of policymaking with the direction and leadership that are lacking at present. My bill would also promote the coordination of U.S. domestic and foreign policy agendas—A major concern for the Commission. It is time the administration and Congress consider the potential migration consequences of major decisions in the areas of trade, development, and foreign relations when formulating those policies.

Mr. President, once again I applaud the Commission for its excellent report and look forward to working with my colleagues in the Senate in implementing this and other recommendations made by the Commission.

By Mr. LEVIN (for himself, Mr. KOHL, Mr. HARKIN, Mr. GRASSLEY, Mr. SIMON, and Mr. KASTEN);

S. 2897. A bill to establish a small business technology transfer demonstration program with the Community College Association for Technology Transfer (or for other purposes); to the Committee on Small Business.

DEMONSTRATION PROGRAM TO PROMOTE TECHNOLOGY TRANSFER

● Mr. LEVIN. Mr. President, I am introducing legislation today with several of my colleagues that will establish a regional demonstration program to promote technology transfer and the modernization of small business manufacturing. This legislation is a small step in a direction that this country needs to take. We need to develop a better relationship between the Federal Government and small businesses that are trying to upgrade their capability to use new and high technology manufacturing.

In a hearing that I held last year, as chairman of the Senate Small Business Subcommittee on Innovation, Technology and Productivity, witnesses testified that this Nation's small businesses are suffering. Small businesses are the primary source of innovation and growth in our economy. Yet, a number of factors are quenching their fire to expand. Number one among their concerns in adopting or developing new technologies that will help them perform and compete better, is having a trained work force capable of using these new applications.

Without the ability of small businesses to assimilate and implement innovative technologies, America risks dropping behind in the technology-driven race to the 21st century. Since small businesses created 60 percent of all new jobs between 1976 and 1986, competitive small businesses are critical to our future economic well being.

Education and training are integral to helping small businesses acquire and use technology, but they are expensive in both time and money. One national survey indicated that more than half of all businesses were having difficulty finding technically skilled personnel. An appropriate role for Government is to supply programs that can make education and training readily available to small businesses and their employees.

Right now, there are more than 30 Federal programs which seek to stimulate the transfer, the adoption, or improve the efficiency of technology through direct technical assistance, grants, or other mechanisms. But of these and the other 170 organizations providing some kind of direct assistance to small- and medium-sized businesses, there is no Federal program dealing specifically with the modernization of small and medium-sized manufacturers, and only 13 such State programs.

Small businesses, especially manufacturers, need technical assistance and resources to maintain a competitive edge in today's global economy. The small business work force needs training and education in the uses of high technology at the local level.

The Community College Association for Technology Transfer [CCATT] is a consortium of 16 Midwestern community and technical colleges that exists primarily to assist small- and medium-sized businesses in adopting new technologies. This is a role unlike any I have ecountered and fits the need that I mentioned earlier. CCATT, therefore, would conduct the demonstration program, through the Small Business Administration, because of its uniqueness and its mission.

The bill requires SBA to establish a 2-year demonstration program using CCATT to provide small businesses in the region around each college with education, training, the technical assistance with respect to technology transfer and manufacturing applications. SBA would be authorized to spend $20 million on the program, to be distributed among the members on a merit basis. Grand Rapids Junior College and Jackson Community College in Michigan are members of CCATT and would be part of the demonstration program. At the end of the 2 years, SBA and Congress will assess the program's success and consider extending it. It may be that this program could lead to a whole network of technology extension service centers across the country, if it is a success.

We as a nation face a tremendous challenge. The only way to do that is to continue to modernize our work force and our small businesses. Constantly evolving technology is a fact of today's and tomorrow's economy.

Mr. President, I ask unanimous consent that a copy of the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) The Small Business Administration has a mission to promote the transfer of technology to small businesses.

(2) Small businesses, which supply at least two-thirds of the parts used by major manufacturing companies in the United States, play a crucial role in the national economy.

(3) Encouragement and maintenance of technologically advanced small manufacturers is essential to the Nation's economic well-being and security, and to giving the Nation a strong competitive position in the world.

(4) The efficient and effective use of advanced manufacturing technology by small businesses can increase productivity by as much as 60 percent.

(5) In order to successfully introduce and utilize advanced technology in the workplace, small businesses require available and affordable education, training, and technical assistance for their workers and managers.

(6) Community and technical colleges can provide the critical education, training, and technical assistance in technology transfer for commercialization and application needed by small businesses to be more porductive and to compete more effectively.

(7) The Federal Government can stimulate and assist in the development of small business technology modernization efforts by supporting innovative coalitions of community and technical colleges which extend across State boundaries and involve a regional network in partnership with business and industry.

(8) The Community College Association for Technology Transfer (hereafter in this Act referred to as "CCATT"), is a coalition currently composed of 16 community and technical colleges.

(9) CCATT is committed to revitalizing the regional economy and has proposed a unique cooperation demonstration program involving industry, business, and government in a regional approach to technology transfer and application for small businesses.

SEC. 2. SMALL BUSINESS TECHNOLOGY TRANSFER DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—There is established a Small Business Technology Transfer Demonstration Program (hereafter in this Act referred to as "Program") to be administered by the Administrator of the Small Business Administration (hereafter in this Act referred to as "Administrator"). To carry out the purpose of such Program, the Administrator is requested to enter into a contract with CCATT (or, if such organization is not available, another organization with appropriate qualifications).

(b) PURPOSE OF PROGRAM.—The purpose of the Program is to provide small businesses with education, training, and technical assistance with respect to technology transfer and application through CCATT (or other appropriate organization).

(c) ACTIVITIES.—The CCATT (or other appropriate organization) shall develop a regional demonstration program. Each participating community college will provide small businesses in its area with training and assistance with respect to—

(1) technological innovations,

(2) statistical process control,

(3) computer-assisted design,

(4) computer-assisted manufacturing and computer-integrated manufacturing,

(5) implementation and deployment of telecommunications and other interactive systems, and

(6) other new equipment and advanced manufacturing processes.

SEC. 3. USE OF SMALL BUSINESS DEVELOPMENT CENTERS AND OTHER RESOURCES.

The Administrator shall use to the maximum extent feasible the Small Business Development Centers and other available resources to facilitate CCATT (or other appropriate organization) in carrying out the purposes of this Act.

SEC. 4. GUIDELINES.

The Administrator shall, after consultation with CCATT (or other appropriate organization), develop guidelines for allocation of funds to members of CCATT (or other appropriate organization). Allocation of funds shall be based on a merit review process, including consideration of a demonstrated commitment and ability to conduct the types of activities described in section 2(c).

SEC. 5. REPORT TO CONGRESS.

Not later than June 30, 1993, the Administrator shall report to the Committees on Small Business of the Senate and the House of Representatives on the results of the demonstration Program and shall make recommendations regarding extension and expansion of this Program to other regions in the country.

SEC. 6. AUTHORIZATION.

There are authorized to be appropriated to the Small Business Administration $20,000,000 for fiscal years 1991 and 1992 to carry out the demonstration Program established by this Act.●

● Mr. KOHL. Mr. President, I rise today to join my distinguished colleague from Michigan [Mr. LEVIN] in the introduction of a bill to establish a demonstration program for technology transfer using the Community College Association for Technology Transfer [CCATT]. The proposal is an important step for a coalition of 2-year colleges in the Midwest, which is working to revitalize the economy of the Midwestern States. Through this unique cooperative effort among business, industry, and Government, we are hopeful that we can modernize our suffering manufacturing base.

One goal of the consortium is to provide technical assistance to small- and medium-sized firms. In the early 1980's, U.S. industry took a nosedive. Since then, large firms have had the resources to retool in order to become more competitive, but small firms have needed help in modernizing. Many small firms lack the resources needed for undertaking a major revamping on an individual basis. Oftentimes, in order to modernize, whole manufacturing systems are needed—which are often too expensive and too risky for small firms to attempt. For example, employing laser applications or using robotics requires an investment in resources many small firms are unable to make. Small- and medium-sized firms face the tremendous risk of losing everything if an attempt to stay at the cutting edge, and thus be competitive, fails. For an industry to modernize, it may need to employ whole new systems, rather than simply replacing outmoded equipment with new equipment.

Technical colleges have always had a special relationship with industry and oftentimes advisory councils representing industry have assisted technical colleges. If small- and medium-sized industries continue to experience the decline observed in the early 1980's, the Nation's technical colleges will also suffer as they lose the advice and assistance local industry has often provided. Therefore, community colleges are working to find ways to help U.S. industry remain competitive.

For example, community colleges across the country are developing expertise in specific technological programs for specific industry needs. The Community College Association for Technology Transfer offers a way to link the resources from these technical colleges in the Midwest in order to best meet the needs of a particular industry, regardless of its geographic location.

Four colleges from Wisconsin are part of this consortium: Gateway Technical College in Kenosha, Milwaukee Area Technical College in Milwaukee, Northcentral Technical Collete in Wausau, and Western Wisconsin Technical College in La Crosse.

There are a number of areas in which these technical colleges are planning to expand their offerings to small business and industry. For example, the Gateway Technical College plans to increase its contributions to technology transfer through a modern metallurgical and materials science laboratory. This laboratory would provide access to equipment and materials necessary for small companies which would not otherwise have access to these resources.

The Northwest Technical College, nationally recognized for its laser technology program, plans to set up an automated testing facility to assist companies to set up, debug, and test new equipment, while providing the technological assistance the college has to offer.

The Western Wisconsin Technical College will be setting up an interactive telecommunications network. This network will facilitate the exchange of information and ideas among the business community throughout the Midwest. The following would be included: Information of a technical nature, assisting companies in modernization efforts; referrals to appropriate technical support; and information regarding international marketing.

The Milwaukee Area Technical College [MATC] will be developing a shared manufacturing center. This will allow small- and medium-sized businesses to have access to modern, automated manufacturing along with equipment training. In addition, training and staff at MATC would be available to assist these companies.

If American industry is to again be a leader in worker productivity, with efficiently produced goods of the highest quality, our Nation's resources must be fully and efficiently utilized. The technical colleges in the Community College Association for Technology Transfer are already contributing to that effort.●

By Mr. JOHNSTON (for himself, Mr. COCHRAN, Mr. BREAUX, Mr. BENTSEN, Mr. BUMPERS, Mr. DANFORTH, Mr. BOND, Mr. LOTT, Mr. CRANSTON, and Mr. WILSON):

S.J. Res. 353. Joint resolution to designate September of 1991 as "National Rice Month"; to the Committee on the Judiciary.

NATIONAL RICE MONTH

● Mr. JOHNSTON. Mr. President, on behalf of myself and Senator COCHRAN, I am pleased to introduce today legislation to designate September 1991 as "National Rice Month." While we in Louisiana have long understood the importance of this vital cereal grain, it is my hope that this designation will prove helpful in assuring the preservation and continued prosperity of our domestic rice industry and an increased knowledge and understanding of the importance of rice to the entire United States.

Here in the United States, rice is the fifth most valuable food crop, worth over $2 billion each year, and is critical to the economies of Southern, Midwestern, and Western States. While this represents a very large quantity of domestically produced rice, particular attention is paid to both quality and efficiency. In cooperation with the U.S. Department of Agriculture, each of the rice-growing States has a major rice research center to facilitate the development of high-yielding varieties which have the characteristics required by rice processors and consumers. I have had the opportunity to visit our rice research station back home in Crowley, LA, and I was amazed at their work. In fact, thanks to the efforts of the many scientists and farmers who continually strive to improve the quantity and quality of rice produced here in the United States, American rice has become the standard of quality worldwide.

Mr. President, rice is not only important to our great Nation but is in fact one of the world's most important foods, with an estimated 3.3 billion people consuming rice every day as a principle source of energy. Fortunately, U.S. rice producers have been able to capitalize on the enormous world rice trade, which totals an estimated $3.5 billion, by annually exporting tons of rice worth over $1 billion to the countries of Europe, the Middle East, and the Far East as well. Naturally, this favorable balance of trade has had a tremendous impact on the American economy by increasing the total volume of rice produced, milled, and packaged, and thereby creating many jobs and other economic opportunities in industries both directly and indirectly related to our domestic rice industry. In fact, USDA studies show that for each $1 in U.S. exports, an additional $1.65 in associated economic activity is created here in the United States.

Although rice has been cultivated in the United States since the 1600's, American consumption of rice has historically lagged well behind that of the rest of the world. However, this trend has begun to change, and as we develop healthier eating habits, many of us are finally discovering the secrets known for centuries by others around the globe—rice is economical, convenient, packed with important complex carbohydrates, and is virtually fat and cholesterol free. Accordingly, domestic rice consumption has soared and now accounts for over 50 percent of total U.S. production.

This is certainly an encouraging start, but I believe an even greater public awareness will not only benefit American rice farmers but consumers as well. This resolution will help in achieving this goal. I therefore respectfully request that my colleagues here in the Senate join me in recognizing the importance of this wholesome, nutritious food by designating September 1991 as "Naitonal Rice Month."●

By Mr. GLENN (for himself, Mr. PRYOR, Mr. HEINZ, Mr. BRADLEY, Mr. WARNER, Mr. D'AMATO, Mr. BURDICK, Mr. JOHNSTON, Mr. SHELBY, Mr. REID, Mr. GRASSLEY, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. WILSON, Mr. BENTSEN, Mr. DODD, and Mr. CRANSTON):

S.J. Res. 354. Joint resolution designating November 18-24, 1990, and November 17-23, 1991, as "National Family Caregivers Week"; to the Committee on the Judiciary.

NATIONAL FAMILY CAREGIVERS WEEK

● Mr. GLENN. Mr. President, today, along with Senators PRYOR, HEINZ, BRADLEY, WARNER, D'AMATO, BURDICK, JOHNSTON, SHELBY, REID, GRASSLEY, PRESSLER, KASSEBAUM, WILSON, BENTSEN, DODD, and CRANSTON, I am introducing Senate Joint Resolution 354 designating the week of Thanksgiving as "National Family Caregivers Week." Congresswoman OLYMPIA SNOWE has introduced an identical resolution, House Joint Resolution 525, in the House of Representatives. Since this measure has been enacted for 4 consecutive years, it is being introduced as a 2-year resolution.

Between 80 and 90 percent of the care received by older Americans come from family members, most often wives, daughters, and daughters-in-law. These caregivers face a variety of difficulties, including caring for one's children and parents simultaneously, or providing care 7 days a week while holding a full-time job. An increasing number of caregivers are found among the elderly themselves, as individuals take on the responsibility of caring for their spouses. The services performed by family caregivers, which include home maintenance, shopping, and personal care, usually prevent or at least delay the receiver's need for institutional care.

The physical, emotional, and financial stress experienced by caregivers is often extreme. The effects of that stress may be manifested in worker absenteeism and a decline in productivity. Many individuals, unable to meet the conflicting demand placed upon them, make the decision to give up their jobs altogether.

As the population continues to age, more and more family members will become caregivers for the elderly. We must work to find methods of alleviating the stress which these caregivers bear. Programs such as adult day care, transportation for the elderly, respite care, and support groups are essential and should be expanded to aid caregivers in providing the best quality of life for both themselves and their family members.

"National Family Caregivers Week" demonstrates our support and recognition of the vital role played by caregivers in the lives of our Nation's elderly. It also provides an opportunity to focus on ways of assisting caregivers in performing this role at less personal cost to themselves. I urge my colleagues in the Senate to join me in supporting this joint resolution to recognize these worthy individuals.

Mr. President, I ask that the text of the Resolution be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 354

Whereas the number of Americans who are age 65 or older is growing;

Whereas there has been an unprecedented increase in the number of persons who are age 85 or older;

Whereas the incidence of frailty and disability increases among persons of advanced age;

Whereas approximately 5.2 million older persons have disabilities that leave them in need of help with their daily tasks, including food preparation, dressing, and bathing;

Whereas families provide older persons help with such tasks, in addition to provid-

ing between 80 and 90 percent of the medical care, household maintenance, transportation, and shopping needed by older persons;

Whereas families who give care to older persons face many additional expenses, including the costs of home modifications, equipment rental, and additional heating;

Whereas 80 percent of disabled elderly persons receive care from their family members, most of whom are their wives, daughters, and daughters-in-law, who often must sacrifice employment opportunities to provide such care;

Whereas the role of the aged spouse as a principal caregiver has generally been understated;

Whereas family caregivers are often physically and emotionally exhausted from the amount of time and stress involved in caregiving activities;

Whereas family caregivers need information about available community resources;

Whereas family caregivers need respite from the strains of their caregiving roles;

Whereas the contributions of family caregivers help maintain strong family ties and assure support among generations; and

Whereas there is a need for greater public awareness of and support for the care that family caregivers are providing: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress asembled, That November 18-24, 1990, and November 17-23, 1991, are each designated "National Family Caregivers Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such weeks with appropriate programs, ceremonies, and activities.●

● Mr. D'AMATO. Mr. President, I rise today in support of important legislation that would designate November 18-24, 1990, and November 17-23, 1991, as National Family Caregivers Week. I commend my distinguished colleague from Ohio, Senator GLENN, for his sponsorship of this worthy legislation.

For the last 4 years, Congress has voted to designate Thanksgiving week as "National Family Caregivers Week." Once again, we have the opportunity to show our appreciation to those who dedicate their time as well as their physical and emotional energy to caring for elderly, disabled relatives in their homes.

It cannot be too strongly emphasized how many sacrifices caregivers make in order to take care of family members who are often unable to show their appreciation. The emotional toll of witnessing a once alert and vibrant relative's mental health deteriorate due to Alzheimer's disease and the physical toll of caring for a disabled family member day and night are enormous. In addition, caregivers often suffer economic hardship when they have to reduce the number of hours they work in order to spend time with relatives, yet also face medical expenses associated with caring for relatives at home.

Currently, families provide older persons with between 80 and 90 percent of the care that they require. These caregivers should receive the recognition they deserve. It is appropriate that during a week when we give thanks for the most important things in our lives, we should show our national appreciation for those who dedicate their lives to helping those less fortunate. I strongly urge immediate passage of this resolution.●

ADDITIONAL COSPONSORS

S. 1224

At the request of Mr. BRYAN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1224, a bill to amend the Motor Vehicle Information and Cost Savings Act to require new standards for corporate average fuel economy, and for other purposes.

S. 1384

At the request of Mr. DASCHLE, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 1384, a bill to amend title XVIII of the Social Security Act to provide direct reimbursement under part B of Medicare for nurse practitioner or clinical nurse specialist services that are provided in rural areas.

S. 1651

At the request of Mr. MCCAIN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1651, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United States Organization.

S. 1660

At the request of Mr. BRYAN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1660, a bill relating to telephone operator consumer services, and for other purposes.

S. 1671

At the request of Mr. COATS, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1671, a bill to amend title X of the Public Health Service Act to authorize a program of grants to States for family planning programs, and for other purposes.

S. 1766

At the request of Mr. DANFORTH, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1766, a bill to amend titles XVIII and XIX of the Social Security Act to require providers of services under such titles to enter into agreements assuring that individuals receiving services from such providers will be provided an opportunity to participate in and direct health care decisions affecting such individuals.

S. 1834

At the request of Mr. LIEBERMAN, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Arkansas [Mr. BUMPERS], the Senator from Massachusetts [Mr. KERRY], the Senator from Alabama [Mr. SHELBY], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 1834, a bill to recognize and grant a Federal charter to the organization known as the Supreme Court Historical Society.

S. 1946

At the request of Mr. CRANSTON, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1946, a bill to amend various provisions of law to ensure that services related to abortion are made available in the same manner as are all other pregnancy-related services under federally funded programs.

S. 1974

At the request of Mr. INOUYE, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1974, a bill to require new televisions to have built in decoder circuitry.

S. 2044

At the request of Mr. BIDEN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2044, a bill to require tuna products to be labeled respecting the method used to catch the tuna, and for other purposes.

S. 2051

At the request of Mr. HEFLIN, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 2051, a bill to amend the Social Security Act to provide for more flexible billing arrangements in situations where physicians in the solo practice of medicine or in another group practice have arrangements with colleagues to "cover" their practice on an occasional basis.

S. 2100

At the request of Mr. CRANSTON, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2100, a bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to amend title 38, United States Code, to improve veterans' compensation, health-care, insurance, and housing programs, and to provide for transitional group residences for veterans recovering from substance-abuse disabilities; and for other purposes.

S. 2186

At the request of Mr. MCCONNELL, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2186, a bill to repeal the provisions of the Revenue Reconciliation Act of 1989 which require the withholding of income tax from wages paid for agricultural labor.

S. 2222

At the request of Mr. BRADLEY, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 2222, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of payments under life insurance contracts for terminally ill individuals.

S. 2319

At the request of Mr. GARN, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 2319, a bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to protect the deposit insurance funds, to limit the depository institutions, credit unions, and other mortgage lenders acquiring real property through foreclosure or similar means, or in a fiduciary capacity, and for other purposes.

S. 2413

At the request of Mr. KERRY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2413, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoner or taken captive by a hostile foreign government or its agents or a hostile force before April 15, 1962, and for other purposes.

S. 2479

At the request of Mr. LEVIN, the names of the Senator from Illinois [Mr. SIMON], the Senator from Rhode Island [Mr. PELL], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Colorado [Mr. WIRTH], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Vermont [Mr. LEAHY], the Senator from Massachusetts [Mr. KERRY], the Senator from Iowa [Mr. HARKIN], the Senator from Kentucky [Mr. FORD], the Senator from Wisconsin [Mr. KOHL], the Senator from Illinois [Mr. DIXON], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 2479, a bill to reduce funding for the MX Rail-Garrison Missile System.

S. 2489

At the request of Mr. LEAHY, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 2489, a bill to improve the nutritional health of needy Americans, to provide emergency food assistance, to authorize several vital nutrition programs, and for other purposes.

S. 2551

At the request of Mr. SYMMS, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 2551, a bill to clarify the application of the Internal Revenue Code of 1986 with respect to personal use of airplanes.

S. 2602

At the request of Mr. METZENBAUM, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2602, a bill to amend the Public Health Service Act to provide assistance for biomedical and health services research, treatment programs and for other purposes relating to Alzheimer's disease and related disorders.

S. 2640

At the request of Mr. DASCHLE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2640, a bill to amend title XVIII of the Social Security Act to prevent fraud and abuse and encourage competition in the sale of medicare supplemental insurance.

S. 2653

At the request of Mr. BURNS, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 2653, a bill to permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer.

S. 2677

At the request of Mr. LAUTENBERG, the names of the Senator from Oregon [Mr. HATFIELD], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 2677, a bill to extend for 2 years the operation of sections 599D and 599E of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990.

S. 2689

At the request of Mr. HEINZ, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 2689, a bill to amend title XVIII of the Social Security Act to provide for medicare coverage of the costs of home hemodialysis staff assistance, and for other purposes.

S. 2709

At the request of Mr. BOSCHWITZ, the names of the Senator from Oklahoma [Mr. BOREN], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 2709, a bill to amend the Internal Revenue Code of 1986 to provide that certain expenses of travel, meals, and lodging of members of the National Guard or reserve units of the Armed Forces will be allowable as deductions in computing adjusted gross income.

S. 2737

At the request of Mr. ARMSTRONG, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from North Carolina [Mr. HELMS], the Senator from Louisiana [Mr. BREAUX], the Senator from North Dakota [Mr. BURDICK], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Georgia [Mr. NUNN], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 2737, a bill to require the Secretary of the Treasury to mint a silver dollar coin in commemoration of the 38th anniversary of the ending of the Korean War and in honor of those who served.

S. 2789

At the request of Mr. GORE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2789, a bill to authorize appropriations for the Earthquake Hazards Reduction Act of 1977, and for other purposes.

S. 2793

At the request of Mr. AKAKA, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2793, a bill to amend the United States Institute of Peace Act to honor the memory of the late Spark M. Matsunaga, United States Senator from the State of Hawaii, and for other purposes.

S. 2797

At the request of Mr. HATCH, the names of the Senator from Colorado [Mr. WIRTH], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 2797, a bill to repeal provisions of law regardig employer sanctions and unfair immigration-related employment practices, to strengthen enforcement of laws regarding illegal entry into the United States, and for other purposes.

S. 2801

At the request of Mr. DOLE, the names of the Senator from Nebraska [Mr. EXON], and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 2801, a bill to direct the Secretary of Health and Human Services to phase in the update to the area wage index used to determine the amount of payment made to a hospital under Part A of the Medicare program for the operating costs of inpatient hospital services for inpatient discharges occurring during fiscal year 1991, and for other purposes.

S. 2813

At the request of Mr. GRAHAM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 2813, a bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1992 Olympic Games.

S. 2846

At the request of Mr. JOHNSTON, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 2846, a bill to authorize and direct the Secretary of the Interior to conduct a study of the feasibility of establishing a unit of the National Park System to interpret and commemorate the origins, development, and progression of jazz in the United States, and for other purposes.

SENATE JOINT RESOLUTION 287

At the request of Mr. PELL, the names of the Senator from North Carolina [Mr. SANFORD], the Senator from Wisconsin [Mr. KOHL], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of Senate Joint Resolution 287, a joint resolution requesting the President of the United States to negotiate agreements to achieve early prohibition of nuclear explosions.

SENATE JOINT RESOLUTION 292

At the request of Mr. PELL, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of Senate Joint Resolution 292, a joint resolution to designate the year 1991 as the "Year of the Lifetime Reader."

SENATE JOINT RESOLUTION 309

At the request of Mr. BIDEN, the names of the Senator from Nevada [Mr. REID], the Senator from New York [Mr. MOYNIHAN], the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. BAUCUS] the Senator from Oklahoma [Mr. BOREN], the Senator from Arkansas [Mr. BUMPERS], the Senator from Arizona [Mr. DECONCINI], the Senator from Florida [Mr. GRAHAM], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Alabama [Mr. SHELBY], the Senator from Nevada [Mr. BRYAN], the Senator from Illinois [Mr. DIXON], the Senator from Texas [Mr. BENTSEN], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HEFLIN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Ohio [Mr. GLENN], the Senator from Nebraska [Mr. KERREY], the Senator from Virginia [Mr. ROBB], the Senator from Rhode Island [Mr. PELL], the Senator from Illinois [Mr. SIMON], the Senator from Washington [Mr. ADAMS], the Senator from Hawaii [Mr. AKAKA], the Senator from Hawaii [Mr. INOUYE], the Senator from Indiana [Mr. COATS], the Senator from New Mexico [Mr. DOMENICI], the Senator from Wyoming [Mr. SIMPSON], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Utah [Mr. GARN], the Senator from Utah [Mr. HATCH], the Senator from Wisconsin [Mr. KASTEN], the Senator from Idaho [Mr. MCCLURE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Alaska [Mr. STEVENS], the Senator from New York [Mr. D'AMATO], the Senator from Vermont [Mr. JEFFORDS], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. MACK], the Senator from Oregon [Mr. HATFIELD], the Senator from Mississippi [Mr. COCHRAN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Virginia [Mr. WARNER], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Joint Resolution 309, a joint resolution designating the month of October 1990 as "Crime Prevention Month."

SENATE JOINT RESOLUTION 327

At the request of Mr. MURKOWSKI, the names of the Senator from Missouri [Mr. BOND], the Senator from North Dakota [Mr. CONRAD], the Senator from New Mexico [Mr. DOMENICI], the Senator from Indiana [Mr. COATS], the Senator from Illinois [Mr. DIXON], the Senator from Florida [Mr. GRAHAM], the Senator from Utah [Mr. GARN], the Senator from Georgia [Mr. NUNN], the Senator from Alabama [Mr. SHELBY], the Senator from Hawaii [Mr. AKAKA], the Senator from Massachusetts [Mr. KERRY], the Senator from Arizona [Mr. MCCAIN], the Senator from Idaho [Mr. MCCLURE], the Senator from Michigan [Mr. RIEGLE], the Senator from Maryland [Mr. SARBANES], the Senator from Delaware [Mr. ROTH], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Virginia [Mr. ROBB], the Senator from Vermont [Mr. LEAHY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 327, a joint resolution designating September 21, 1990, as "National POW/MIA Recognition Day," and recognizing the National League of Families POW/MIA flag.

SENATE JOINT RESOLUTION 329

At the request of Mr. KASTEN, the names of the Senator from Virginia [Mr. WARNER] and the Senator from California [Mr. WILSON] were added as cosponsors of Senate Joint Resolution 329, a joint resolution to designate the week of June 17, 1990 through June 23, 1990 as "National Week to Commemorate the Victims of the Famine in Ukraine, 1932-1933," and to commemorate the Ukrainian famine of 1932-1933 and the policies of Russification to suppress Ukrainian identity.

SENATE CONCURRENT RESOLUTION 141

At the request of Mr. KENNEDY, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Concurrent Resolution 141, a concurrent resolution expressing the sense of the Congress regarding the deterioriating human rights situation in Kenya.

SENATE RESOLUTION 231

At the request of Mr. BRADLEY, the names of the Senator from Oregon [Mr. PACKWOOD] and the Senator from Virginia [Mr. WARNER], were added as cosponsors of Senate Resolution 231, a resolution urging the submission of the Convention on the Rights of the Child to the Senate for its advice and consent to ratification.

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

COHEN (AND OTHERS) AMENDMENT NO. 2335

Mr. COHEN (for himself, Mr. LEVIN, Mr. CONRAD, Mr. MITCHELL, Mr. BURDICK, Mr. CRANSTON, Mr. SYMMS, Mr. RIEGLE, Mr. MACK, and Mr. GRAHAM) proposed an amendment to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers of an abundance of food and fiber at affordable prices, and for other purposes, as follows:

On page 316, line 23, after the word "crop", insert the following: "(or any fruit or vegetable crop (including potatoes and edible beans) not designated as an industrial or experimental crop by the Secretary)";

On page 319, line 7, after the word "oilseed" add the following: ", industrial crops and experimental crops (as designated by the Secretary)";

On page 319, line 8, replace the period at the end of the line with a comma and add the following: "except any fruit or vegetable crop (including potatoes and edible beans) not designated as an industrial or experimental crop by the Secretary.".

BOSCHWITZ AMENDMENT NO. 2336

Mr. BOSCHWITZ proposed an amendment to the bill S. 2830, supra, as follows:

On page 67, line 17, strike "nor below $2.44 per bushel".

On page 68, lines 11 and 12, strike "nor below $2.44 per bushel".

On page 115, line 6, strike "nor below $1.96 per bushel".

On page 115, line 25, strike "nor below $1.96 per bushel".

CHAFEE (AND OTHERS) AMENDMENT NO. 2337

Mr. CHAFEE (for himself, Mr. KERRY, Mr. PELL, and Mr. LAUTENBERG) proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 350, strike line 1 and all that follows through page 352, line 6, and insert the following new subtitle:

Subtitle C—Honey

SEC. 1041. HONEY PRICE SUPPORT.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 1017 of this Act) is further amended—

(1) in section 201 (7 U.S.C. 1446), by striking subsection (b); and

(2) by adding at the end the following new section:

"SEC. 208. HONEY PRICE SUPPORT.

"(a) 1991 THROUGH 1994 CROPS.—For each of the 1991 through 1994 crops of honey, the price of honey shall be supported

through loans, purchases, or other operations at such level as is determined to be appropriate by the Secretary.

"(b) 1995 AND SUBSEQUENT CROPS.—Beginning with the 1995 crop of honey, the price of honey shall not be supported through loans, purchases, or any other operations.".

SEC. 1042. RESEARCH OF HONEYBEE DISEASES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) diseases affecting the entire honeybee population impact on the ability of honeybees to carry out crop pollination and honey production, and therefore impact negatively on beekeepers, producers and consumers; and

(2) certain diseases (such as those caused by tracheal mite, varroa mite, and the Africanized honeybee) pose a threat to the continued well-being of the general honeybee population, and thus merit further study.

(b) RESEARCH.—Notwithstanding any other provision of law, The Secretary of Agriculture shall give priority attention to the funding of research regarding the diseases referred to in subsection (a) that are affecting the honeybee population.

SYMMS AMENDMENT NO. 2338

Mr. SYMMS proposed an amendment to the bill S. 2830, supra, as follows:

At the end of Title XI, insert the following new section:

SEC. . PREVENTION OF LOST SALES.—If the Secretary certifies that, upon good evidence, a sale of domestic agricultural commodities pursuant to an export activity subject to the requirements of section 901(b)(1) of the Merchant Marine Act of 1936 (46 U.S.C. 1101 et seq.) may fail to be made because of the requirements of that Act, the Secretary may waive those requirements with respect to that sale effective 10 days immediately following the date of certification.

DASCHLE AMENDMENT NO. 2339

Mr. DASCHLE proposed an amendment to the bill S. 2830, supra, as follows:

On page 328, between lines 12 and 13, insert the following new subsections:

(d) IRREVOCABLE TRUSTS.—Section 1001(5)(B)(ii) of such Act (7 U.S.C. 1308(5)(B)(ii)) is amended by adding at the end the following new subparagraph:

"(III) Notwithstanding any other provision of law, to be considered a separate person under this section, an irrevocable trust (other than a trust established prior to January 1, 1987) must not allow for modification or termination of the trust by the grantor, allow for the grantor to have any future, contingent, or remainder interest in the corpus of the trust, or provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years from the date the trust is established except in cases where the transfer is contingent on the remainder beneficiary achieving majority or is contingent on the death of the grantor or income beneficiary.".

(e) MINIMAL BENEFICIAL INTERESTS.—Section 1001A(a)(2) of such Act (7 U.S.C. 1308-1(a)(2)) is amended by striking "10 percent" and inserting "5 percent".

(f) INFORMATION.—The Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. INFORMATION.

"(a) EXCESS PAYMENTS TO INDIVIDUALS.—

"(1) DEVELOPMENT OF DATA.—The Secretary of Agriculture shall develop a database pertaining to individuals receiving direct payments in excess of the statutory limitation of $50,000 prescribed in section 1001(1).

"(2) PUBLICATION OF REPORT.—Not later than 180 days after the date of enactment of this section, and annually thereafter, the Secretary shall publish a report based on the information collected under paragraph (1) that includes—

"(A) the percentage of individuals eligible for direct deficiency payments receiving payment in excess of $50,000;

"(B) the percentage of direct deficiency payments in excess of $50,000 made to individuals attributed by principal crop;

"(C) the amount of direct deficiency payments by commodity that would have been made in the absence of any payment limitations;

"(D) the names of individuals receiving direct deficiency payments in excess of $50,000, and the total amount of payments received in the applicable year by each such individual;

"(E) a description of the bases on which individuals are eligible to receive the excess payments;

"(F) the percentage of eligible individuals who decline to participate in commodity programs because of the limitation on direct payments; and

"(G) other pertinent information, including any recommendations for changes in law or regulation to provide for equitable administration of payment limitations, as determined by the Secretary.

"(b) VIOLATIONS.—

"(1) IN GENERAL.—The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate providing information on the extent to which there are violations of the payment limitations and restrictions contained in sections 1001 through 1001C.

"(2) CONTENTS.—The report shall contain—

"(A) the names of individuals found to be in violation of such sections:

"(B) the amount of payments received in violation of such sections by the individuals; and

"(C) any recommendations for changes in law or regulation to prevent the violations.".

(g) EDUCATION PROGRAM.—Such Act is amended by inserting after section 1001D (as added by subsection (f) of this section) the following new section:

"SEC. 1001E. EDUCATION PROGRAM.

(a) IN GENERAL.—The Secretary shall carry out a payment provisions education program for appropriate personnel of the Department of Agriculture and members and other personnel of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), for the purpose of fostering more effective and uniform application of the payment limitations and restrictions established under sections 1001 through 1001C.

"(b) TRAINING.—The education program shall provide training to the personnel in the fair, accurate, and uniform application to individual farming operations of the provisions of law and regulation relating to the payment provisions of sections 1001 through 1001C.

"(c) ADMINISTRATION.—The State office of the Agricultural Stabilization and Conservation Service shall make the initial determination concerning the application of payment limitations and restrictions established under sections 1001 through 1001C to farm operations consisting of more than 5 persons, subject to review by the Secretary.

"(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program provided under this section through the Commodity Credit Corporation.".

DASCHLE AMENDMENT NO. 2340

Mr. DASCHLE proposed an amendment to the bill S. 2830, supra, as follows:

On page 349, line 25, insert the following new section:

SEC. . LOAN RATE STUDY.

(a) IN GENERAL.—In the case of the annual programs established for each of the 1992 through 1995 crops of wheat, feed grains, upland cotton, and rice under section 107A, 105A, 103A, and 101A of the Agricultural Act of 1949 (as amended by section 301, 401, 501, and 601 of this Act), respectively, the Secretary of Agriculture shall study the impact of—

(1) increasing the minimum loan and purchase level established the crop to—

(A) the corresponding established price level for the crop; or

(B) the projected average cost of production level for the crop; and

(2) eliminating deficiency payments for the crop.

(b) FACTORS.—In conducting the study, the Secretary shall analyze the impact of the actions described in subsection (a) on—

(1) the export market share for each commodity;

(2) Commodity Credit Corporation outlays for each commodity; and

(3) net farm income for each commodity.

(c) REPORT.—Not later than October 1, 1991, the Secretary shall submit a report that describes the results of the study conducted under this section to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

LUGAR AMENDMENT NO. 2341

Mr. LUGAR proposed an amendment to amendment No. 2340 proposed by Mr. DASCHLE to the bill S. 2830, supra; as follows:

Insert at the appropriate place:

(a) On page 178, strike lines 23 and 24, and on page 179, strike lines 1 and 2 and insert:

"(C) ESTABLISHED PRICE.—For each of the 1991-1995 crops of cotton, the established price available to producers shall be established as follows:

"(i) for 1-80,000 pounds of production, not less than $0.747 per pound, and

"(ii) for greater than 80,000 pounds of production, not less than $0.60 per pound.

(b) On page 192, line 23, insert "the portion of" after "to".

(c) On page 192, line 25, before the period, insert the following: "in excess of the number of acres that would yield 80,000 pounds of cotton (using the farm program payment yield for the crop for the farm)".

(d) On page 224, strike lines 1-4 and insert:

(e) On page 236, line 10, insert "the portion of" after "to".

(f) On page 236, line 11, before the period, insert the following: "in excess of the number of acres that would yield 5500 hundredweight of rice (using the farm program payment yield for the crop for the farm)".

"(C) ESTABLISHED PRICE.—For each of the 1991-1995 crops of rice, the established price available to producers shall be established as follows:

"(i) For 1-5500 hundredweight of production, not less than $10.98 per hundredweight, and

"(ii) For greater than 5500 hundredweight of production, not less than $9.10 per hundredweight."

DASCHLE AMENDMENT NO. 2342

Mr. DASCHLE proposed an amendment to the bill S. 2830, supra; as follows:

On page 74, strike lines 19 through 22 and insert the following:

"(C) ESTABLISHED PRICE.—The established price for wheat for each of the 1991 through 1995 crops of wheat shall not be less than—

"(i) in the case of the first 12,500 bushels of wheat produced on a farm, $4.10 per bushel; and

"(ii) in the case of any additional bushels of wheat produced on the frarm, $3.40 per bushel.

On page 88, line 14, insert "the portion of" after "to".

On page 88, line 15, before the period, insert the following: "in excess of the number of acres that would yield 4,000 bushels of wheat (using the farm program payment yield for the crop for the farm)".

Beginning on page 122, strike line 18 and all that follows through page 123, line 9, and insert the following:

"(C) ESTABLISHED PRICES.—

"(i) CORN.—The established price for corn for each of the 1991 through 1995 crops of corn shall not be less than—

"(I) in the case of the first 18,000 bushels of corn produced on a farm, $2.82 per bushel; and

"(II) in the case of any additional bushels of corn produced on the farm, $2.33 per bushel.

"(ii) OATS.—The established price for oats shall not be less than—

"(I) in the case of the first 10,000 bushels of oats produced on a farm, $1.59 per bushel for the 1991 crop, $1.69 per bushel for the 1992 crop, $1.79 per bushel for the 1993 crop, and $1.90 per bushel for each of the 1994 and 1995 crops; and

"(II) in the case of any additional bushels of oats produced on the farm, $1.32 per bushel for the 1991 crop, $1.40 per bushel for the 1992 crop, $1.49 per bushel for the 1993 crop, and $1.58 per bushel for each of the 1994 and 1995 crops.

"(iii) GRAIN SORGHUMS.—The established price for grain sorghums for each of the 1991 through 1995 crops of corn shall not be less than—

"(I) in the case of the first 12,000 bushels produced on a farm, $2.68 per bushel; and

"(II) in the case of any additional bushels of grain sorghums produced on the farm, $2.22 per bushel.

"(iv) BARLEY.—The established price for barley for each of the 1991 through 1995 crops of barley shall not be less than—

"(I) in the case of the first 10,000 bushels produced on a farm, $2.42 per bushel; and

"(II) in the case of any additional bushels of barley produced on the farm, $2.01 per bushel.

On page 123, line 10, strike "(iv)" and insert "(v)".

On page 136, line 23, strike "12.5" and insert "15".

On page 137, line 6, strike "12.5" and insert "15".

On page 137, line 17, insert "the portion of" after "to".

On page 137, line 19, before the period insert the following: "in excess of the number of acres that would yield 10,000 bushels of corn, 6,500 bushels of grain sorghums, 5,000 bushels of barley, and 5,500 bushels of oats, respectively (using the farm program payment yield for the respective crop for the farm)".

GRASSLEY AMENDMENT NO. 2343

Mr. GRASSLEY proposed an amendment to the bill S. 2830, supra; as follows:

On page 89, beginning with line 18, strike out everything down through line 3 on page 91 and insert the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half of the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 91, beginning with line 17, strike out everything down through line 9 on page 92 and insert the following:

"'(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 92, line 21, strike out "options" and insert "option".

On page 92, beginning with line 22, strike out everything down through line 3 on page 93.

On page 93, line 4, strike out "(C)" and insert "(B)".

On page 94, beginning with line 10, strike out everything down through line 13 on page 95.

On page 95, line 14, strike out "(E)" and insert "(C)".

[FEED GRAIN PROGRAM]

On page 138, beginning with line 23, strike out everything down through line 8 on page 140 and insert the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half of the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 140, beginning with line 22, strike out everything down through line 14 on page 141 and insert the following:

"'(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 142, line 2, strike out "options" and insert "option".

On page 142, strike out lines 3 through 9.

On page 142, line 10, strike out "(C)" and insert "(B)".

On page 143, beginning with line 15, strike out everything down through line 19 on page 144.

On page 144, line 20, strike out "(E)" and insert "(C)".

On page 145, line 1, strike out "(F)" and insert "(D)".

[COTTON PROGRAM]

On page 194, beginning with line 5, strike out everything down through line 14 on page 195 and insert the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 196, strike out lines 4 through 21 and insert the following:

"'(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 197, line 8, strike out "options" and insert "option".

On page 197, strike out lines 9 through 15.

On page 197, line 16, strike out "(C)" and insert "(B)".

On page 198, beginning with line 21, strike out everything down through line 25 on page 199.

[RICE PROGRAM]

On page 237, beginning with line 14, strike out everything down through line 24 on page 238 and inserts the following:

"'(F) PLANTING PROGRAM CROPS, OILSEEDS, OR OTHER CROPS ON REDUCED ACREAGE.—

"'(i) IN GENERAL.—Subject to clause (ii), the producers on a farm may plant a program crop, an oilseed, a conserving use crop, or any other crop considered appropriate by the Secretary, on not more than one-half the reduced acreage on the farm.

"'(ii) LIMITATION.—If the producers on a farm elect to plant a program crop or other approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops.'"

On page 239, beginning with line 14, strike out everything down through line 6 on page 240 and inserts the following:

"(ii) LIMITATION.—If the producers on a farm elect to plant or harvest an approved crop on reduced acreage under this subparagraph, the amount of the individual program acreage on which a producer would otherwise be eligible to receive deficiency payments shall be reduced by such amount as the Secretary determines appropriate. If the producers on the farm are participating in a program established for more than one program crop, the Secretary may prorate the reduction in individual program acreage based on the acreage planted or considered planted on the farm to all such program crops."

On page 240, line 19, strike out "options" and insert "option".

On page 240, beginning with line 21, strike out everything down through line 2 on page 241.

On page 241, line 3, strike out "(C)" and insert "(B)".

On page 242, beginning with line 5, strike out everything down through line 8 on page 243.

On page 243, line 9, strike out "(E)" and insert "(C)".

[GENERAL PLANTING FLEXIBILITY]

On page 318, beginning with line 21, strike out everything down through line 22 on page 320 and insert the following:

"'SEC. 505. PLANTING FLEXIBILITY.

"'(a) FLEXIBLE CROP ACREAGE.—

"'(1) FLEXIBILITY AUTHORITY.—Notwithstanding any other provision of this Act, the Secretary shall permit producers on a farm to plant for harvest up to 25 percent of (A) the crop acreage base established on the farm for each program crop, and (B) the historical oilseed planting on the farm to—

"'(i) any program crop;

"'(ii) any oilseed; or

"'(iii) any conserving use crop, or any other crop, considered appropriate by the Secretary.

Acreage planted to such approved crops shall be referred to as 'flexible crop acreage'.

"'(2) DEFICIENCY PAYMENT BENEFITS.—For the purposes of determining deficiency payments under this Act, flexible crop acreage under paragraph (1) shall be considered to be planted to the program crop for which such approved crop is substituted.

"'(3) BASE PROTECTION.—For the purposes of determining the normal crop acreage and crop acreage bases, any flexible crop acreage under paragraph (1) shall be considered to be planted to the program crop or oilseed for which such approved crop is substituted. The Secretary shall ensure that the crop acreage bases and the normal crop acreage established for the farm are not increased due to such plantings.

"'(b) SPECIAL NONRECOURSE LOANS FOR SOYBEANS AND OTHER OILSEEDS.—Notwithstanding any other provision of this Act, the Secretary shall support the price of the quantity of soybeans and other oilseeds produced on flexible crop acreage as provided in this section.

"'(1) LOAN LEVELS AND RELATED PROVISIONS FOR SOYBEANS.—Notwithstanding any other provision of law, the provisions of law in effect under this Act for the establishment of the level of loans and purchases for the 1990 crop of soybeans shall be applicable to the establishment of the level of loans and purchases for the quantity of soybeans produced on flexible crop acreage during the 1991 through 1995 crop years.

"'(2) LOAN LEVELS FOR OTHER OILSEEDS.—Notwithstanding any other provision of this Act, the level of loans and purchases for the quantity of sunflower seed, canola, rapeseed, safflower, or flaxseed produced on flexible crop acreage during the 1991 through 1995 crop years shall be such level as the Secretary determines is fair and reasonable in relation to the loan level established for soybeans under this subsection.

"'(c) LIMITATION ON BENEFITS.—Except as provided in subsection (a)(2), the Secretary shall not make program benefits, other than price support loans authorized under this Act for program crops and under this section for soybeans and other oilseeds, available to producers with respect to a program crop or oilseed planted on flexible crop acreage under subsection (a).'"

On page 89, strike out lines 12 through 17 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest and any flexible crop acreage that is considered planted to wheat under section 505, within the permitted wheat acreage for the farm as established under this paragraph.'"

On page 138, strike out lines 17 through 22 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest and any flexible crop acreage that is considered planted to feed grains under section 505, within the permitted feed grain acreage for the farm as established under this paragraph.'"

On page 193, beginning with line 23, strike out everything down through line 4 on page 194 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest and any flexible crop acreage that is considered planted to upland cotton under section 505, within the permitted upland cotton acreage for the farm as established under this paragraph.'"

On page 237, strike out lines 8 through 13 and insert the following:

"'(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to rice for harvest and any flexible crop acreage that is considered planted to rice under section 505, within the permitted rice acreage for the farm as established under this paragraph.'"

GORTON AMENDMENT NO. 2344

Mr. GORTON proposed an amendment to the bill S. 2830, supra; as follows:

Amend line 19 of page 924 of S. 2830 by striking "or pistachios" and inserting "pistachios, or apples".

DURENBERGER AMENDMENT NO. 2345

Mr. DURENBERGER proposed an amendment to the bill S. 2830, supra; as follows:

At the appropriate place, insert the following new subtitle:

Subtitle _____—Farm Safety

SEC. _____01. SHORT TITLE.

This subtitle may be cited as the "Farm Injury Prevention and Treatment Act of 1990".

SEC. _____02. FINDINGS.

Congress finds that—

(1) data developed by the National Safety Council indicate that farming is one of the most dangerous occupations in the United States;

(2) farmers face unique severe injuries that threaten both the lives and livelihoods of farmers;

(3) the public needs to fully understand the causes of, extent of, or solutions to, problems of injury to farmers;

(4) it serves the national interest to increase medical treatment and rehabilitation services for farm injuries;

(5) it serves the national interest to increase public knowledge about farm safety issues and the impact of farm safety on rural health; and

(6) it serves the national interest to improve coordination among the many government agencies with jurisdiction over farm safety issues.

SEC. _____03. DEFINITIONS.

As used in this subtitle:

(1) FARMER.—The term "farmer" includes a farmer, rancher, family member of a farmer or rancher who is involved in the op-

eration of the farm or ranch, child of a farmer or rancher, and seasonal employee of a farmer or rancher.

(2) FARM ACCIDENT.—The term "farm accident" means an unplanned incident that—

(A) may result in a farm injury; and

(B) is determined by the Task Force to be a farm accident.

(3) FARM ILLNESS.—The term "farm illness" means a chronic condition causing impaired function that—

(A) results from a farm injury; and

(B) is determined by the Task Force to be a farm accident.

(4) FARM INJURY.—The term "farm injury" means a traumatic or toxic exposure injury to a farm worker that is determined by the Task Force to be a farm injury, including—

(A) an injury that results from improper design or construction of a building, machine, or equipment; and

(B) an intentional injury, including an injury that results from assaultive or abusive action, or suicide.

(5) LAND GRANT UNIVERSITY.—The term "land grant university" means a land grant university established under the Act of July 2, 1862 (known as the "First Morrill Act"; 12 Stat. 503, chapter 130; 7 U.S.C. 301 et seq.) or under the Act of August 30, 1890 (known as the "Second Morrill Act"; 26 Stat. 419; 7 U.S.C. 321 et seq.).

(6) TASK FORCE.—The term "Task Force" means the Farm Safety Task Force, established in section _____04(a).

(7) TOXIC EXPOSURE INJURY.—The term "toxic exposure injury" means an injury that results from inhalation or contact with chemical, organic, or infectious substances or with electrical or thermal sources.

(8) TRAUMATIC INJURY.—The term "traumatic injury" means an injury that results from acute or repetitive subacute stresses to the human body.

SEC. _____04. TASK FORCE.

(a) ESTABLISHMENT.—There is established in the Department of Agriculture a Farm Safety Task Force, to serve as an advisory panel of experts to the Secretary of Agriculture and HHS.

(b) MEMBERSHIP.—The Task Force shall be composed of 17 members, including—

(1) the Secretary of Agriculture;

(2) the Secretary of Health and Human Services; and

(3) 15 other members appointed by the Secretary of Agriculture, in consultation with the Secretary of Health and Human Services, including—

(A) 3 individuals from other Federal, State, and local government agencies that conduct programs related to agriculture, occupational safety, or health, such as the Department of Labor, or other agencies determined to be appropriate by the Secretary of Agriculture and the Secretary of Health and Human Services;

(B) 3 individuals from among individuals nominated by national agricultural organizations;

(C) 3 individuals who shall represent the interests of—

(i) the farm machinery industry; and

(ii) other industries affected by issues of farm safety that have an interest in, and a potential to contribute to, the formulation of national policy related to farm safety, as determined by the Secretary of Agriculture and the Secretary of Health and Human Services;

(D) 3 individuals with medical experience related to treatment of farm injuries; and

(E) 3 private citizens.

(c) CO-CHAIRPERSONS.—The Secretary of Agriculture and the Secretary of Health and Human Services shall serve as the Co-chairpersons of the Task Force.

(d) TERM OF OFFICE.—The Secretary of Agriculture shall appoint members of the Task Force under subsection (b)(3) for terms of 3 years, except that the Secretary of Agriculture shall appoint one-third of the original members for a term of 1 year, and one-third for a term of 2 years.

(e) VACANCIES.—The Secretary of Agriculture shall fill any vacancy in the membership of the Task Force in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Task Force.

(f) QUORUM.—A quorum shall consist of 9 members of the Task Force, except that 7 members may conduct a hearing.

(g) MEETINGS.—The Task Force shall meet at the call of the Co-chairpersons or a majority of the members of the Task Force.

(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—

(1) COMPENSATION.—Each member of the Task Force who is not an employee of the Federal Government shall receive compensation at a rate not to exceed the daily equivalent of the rate specified for GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Task Force.

(2) TRAVEL EXPENSES.—Each member of the Task Force shall receive travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(i) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Task Force.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to pay the administrative expenses of the Task Force $250,000 for each of fiscal years 1991 through 1995.

SEC. _____05. STAFF AND CONSULTANTS.

(a) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Secretary of Agriculture and the Secretary of Health and Human Services may appoint and determine the compensation of such staff as the Task Force determines to be necessary to carry out the duties of the Task Force.

(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of the rate specified for GS-18 of the General Schedule under section 5332 of title 5, United States Code for each day the staff member is engaged in the performance of duties for the Task Force. The Secretary of Agriculture and the Secretary of Health and Human Services may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(b) EXPERTS AND CONSULTANTS.—

(1) SERVICES AND COMPENSATION.—The Secretary of Agriculture and the Secretary of Health and Human Services may obtain and compensate such temporary and intermittent services of experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Task Force determines to be necessary to carry out the duties of the Task Force.

(2) LIMITATION.—The rate of compensation for each expert or consultant shall not exceed the daily equivalent of the rate specified for GS-18 of the General Schedule under section 5332 of title 5, United States Code for each day the expert or consultant is engaged in the actual performance of duties for the Task Force.

(3) INTENT OF CONGRESS.—It is the intent of Congress that the Secretary of Agriculture and the Secretary of Health and Human Services shall obtain the services of experts and consultants from State agencies, land grant universities, and other organizations that gather farm accident and injury information in accordance with this subsection whenever appropriate in order to use existing expertise and information concerning farm accidents and injuries.

(c) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Task Force, the Secretary of Agriculture and the Secretary of Health and Human Services shall detail, without reimbursement, any of the personnel of the Department of Agriculture or the Department of Health and Human Services to the Task Force as the Task Force determines to be necessary to carry out the duties of the Task Force. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(d) TECHNICAL ASSISTANCE.—On the request of the Task Force, the Secretary of Agriculture and the Secretary of Health and Human Services shall provide, without reimbursement, such technical assistance and administrative support services to the Task Force as the Task Force determines to be necessary to carry out the duties of the Task Force.

(e) OBTAINING INFORMATION.—The Secretary of Agriculture and the Secretary of Health and Human Services may secure directly from any Federal agency information necessary to enable the Task Force to carry out the duties of the Task Force, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Secretary of Agriculture and the Secretary of Health and Human Services, the head of the agency shall furnish the information to the Task Force.

SEC. _____06. ORGANIZATION.

(a) MEMORANDUM OF AGREEMENT.—Not later than 4 months after the date of enactment of this subtitle, the Secretary of Agriculture and the Secretary of Health and Human Services shall develop and enter into a Memorandum of Agreement that shall, at a minimum—

(1) identify the resources and programs of the Department of Agriculture, the Department of Health and Human Services, and other Federal, State, and local programs, that relate to farm safety issues;

(2) coordinate the resources and programs, including education and information dissemination, of the Department of Agriculture and the Department of Health and Human Services existing on the date of enactment of this subtitle with the research and grant programs established by sections _____08 through _____14;

(3) develop and establish appropriate minimum standards for the responsibilities of the Department of Agriculture and the Department of Health and Human Services to

the Task Force, including provision of staff to the Task Force to develop recommendations on research and grant proposals, and perform the administrative work of the Task Force;

(4) develop a budget for the activities of the Task Force;

(5) provide that, in the event of a disagreement between the Task Force and the Secretary of Agriculture with respect to any research program established by section _____08 or _____09 the decision of the Secretary of Agriculture shall be final; and

(6) provide for an annual review of the memorandum of agreement by the Secretary of Agriculture and the Secretary of Health and Human Services.

(b) CONSULTATION.—The Secretary of Agriculture and the Secretary of Health and Human Services shall, in developing the Memorandum of Agreement under subsection (a), consult with and solicit the comments of the heads of other Federal, State, and local programs that relate to farm safety issues.

(c) PUBLICATION.—The Memorandum of Agreement established in accordance with subsection (a) shall be submitted to Congress and published in the Federal Register not later than 6 months after the date of enactment of this subtitle.

(d) COORDINATION.—The Task Force shall coordinate and serve as a clearinghouse for Federal farm safety outreach and education programs.

(e) PRIORITY.—The Task Force shall make recommendations * * * the scope and priority of each of the research and grant programs established by sections _____08 through _____14.

SEC. _____07. CENSUS OF AGRICULTURE.

The Secretary of Commerce shall include questions relating to agricultural accidents and farm safety in the 1992 Census of Agriculture.

SEC. _____08. FARM ACCIDENT PREVENTION STUDY.

(a) STUDY.—

(1) SUBJECT.—The Task Force shall—

(A) conduct a nationwide study of the frequency and the types of farm accidents that involve farmers;

(B) gather and provide relevant regional information on farm accidents; and

(C) perform tasks determined by the Secretary of Agriculture to be needed to acquire and analyze the information required to be collected under subparagraphs (A) and (B).

(2) ANALYSIS.—In conducting the study described in paragraph (1), the Task Force shall—

(A) analyze farm accidents involving—

(i) farm equipment and machinery;

(ii) agricultural chemicals;

(iii) livestock;

(iv) farm buildings; and

(v) children;

(B) differentiate between farm accidents that are related to agricultural employment and farm accidents that are not related to agricultural employment; and

(C) use recognized scientific and analytical methods.

(b) GRANTS.—To assist in the conduct of the study under subsection (a), the Task Force shall make special grants under section 2(c)(1) of the Act of August 4, 1965 (7 U.S.C. 4501) to public and private institutions to gather and provide relevant regional information, and to perform such other tasks determined needed by the Secretary relating to the items specified in paragraph (a).

(c) STUDY RESULTS.—

(1) DEFICENCIES IN EXISTING PROGRAMS.—The Secretary of Agriculture shall use the information gathered under subsection (a) to inform the Agricultural Extension Service of the adequacies or deficiencies of existing farm safety programs operating within various regions of the country.

(2) DISSEMINATION.—The Secretary of Agriculture, acting through the Agricultural Extension Service, and in cooperation with agricultural organizations, State departments of agriculture, machinery manufacturers, and land grant universities, shall coordinate and disseminate information relating to farm safety programs that are targeted at farmers, ranchers, and their employees.

(3) ADMINISTRATIVE RECOMMENDATIONS.—The Task Force shall review the information gathered in accordance with subsection (a) and submit to appropriate Federal agencies the findings and conclusions of the Task Force about the adequacy or deficiency of existing farm safety programs operating within various regions of the country, including recommendations for administrative reform.

(4) REPORT TO CONGRESS.—Not later than January 1, 1993, the Task Force shall submit a report to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate describing the findings and conclusions of the study required by subsection (a), including recommendations for legislative reform.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 1991 through 1995.

SEC. _____09. TRACTOR ROLL-OVER STUDY AND REQUIREMENTS.

(a) STUDY.—

(1) SUBJECT.—The Task Force shall conduct a study of protective roll-over devices for tractors. In particular, the Task Force shall examine—

(A) the safety benefits of various protective devices;

(B) the costs associated with various protective devices;

(C) appropriate minimum guidelines for protective devices;

(D) practical and feasible means of encouraging farmers and farm machinery manufacturers to install protective devices on farm machinery; and

(E) practical and feasible means of discouraging users of farm machinery from inhibiting or overriding safety devices.

(2) REPORT.—Not later than 12 months after the date of enactment of this subtitle, the Task Force shall submit to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary of Agriculture a written report of its findings and conclusions from the study conducted under paragraph (1), including recommendations for administrative and legislative reform.

(b) REQUIREMENTS.—If Congress has not passed legislation concerning tractor roll-over protective devices 6 months after the date the Task Force has submitted the report described in subsection (a)(2), the Secretary of Agriculture shall issue regulations to implement the recommendations of the Task Force contained within the report specified in subsection (a)(2).

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) STUDY.—There are authorized to be appropriated for purposes of carrying out subsection (a) $1,000,000 for fiscal year 1991.

(2) REQUIREMENTS.—There are authorized to be appropriated for purposes of carrying out subsection (b) $500,000 for each of the fiscal years 1992 through 1995.

SEC. _____10. FARM MACHINERY ENGINEERING RESEARCH GRANTS.

(a) ESTABLISHMENT.—The Task Force shall establish a Farm Safety Fund and is authorized, in accordance with appropriation Acts, to award grants from the Fund to eligible entities to pay for the Federal share of conducting research on farm machinery safety engineering.

(b) USE OF GRANTS.—Entities shall use grants provided under this section to—

(1) conduct research on engineering designs and protective devices to improve the safety of farm machinery;

(2) implement the designs and install the devices on farm machinery; and

(3) test the designs and devices.

(c) AWARD OF GRANTS.—

(1) PEER REVIEW.—The Task Force shall obtain peer review of research proposals, and shall seek the widest participation of qualified scientists in the Federal Government, State governments, colleges and universities, and the private sector to perform the review. The results of the review shall be presented to the Task Force.

(2) PRIORITY.—The Task Force shall award grants under this section in accordance with the priority established by the Task Force in accordance with section _____06(e), and shall give priority to applicants that—

(A) receive non-Federal funding;

(B) are land grant universities;

(C) propose research designs that demonstrate a high likelihood of adaptability to existing and future farm machinery; or

(D) propose research designs that address user or behavioral actions that inhibit current safety devices.

(3) AWARDS.—The Task Force shall award grant funds from the Farm Safety Fund on a majority vote of the Task Force. Either the Secretary of Agriculture or the Secretary of Health and Human Services may veto a disbursement.

(4) LIMITATION ON AMOUNT.—In awarding a grant to an entity under subsection (a), the Task Force may—

(A) make individual grants of up to $250,000; and

(B) make total awards of up to $500,000 within any 3-year period.

(d) APPLICATION.—To be eligible for a grant under subsection (a), an entity shall submit an application to the Task Force at such time, in such manner, and containing such agreements, assurances, and information, as the Task Force determines to be necessary to carry out this section. At a minimum, the application shall contain—

(1) a research proposal;

(2) an assurance that the entity will submit periodic reports to the Task Force containing a description of the progress made and findings obtained by the study; and

(3) an assurance that the entity will obtain at least 50 percent of the costs of conducting research from non-Federal funds.

(e) ELIGIBILITY.—The Task Force shall establish eligibility criteria for an entity, including a land grant university, to receive grants under subsection (a).

(f) FEDERAL SHARE.—The Federal share of grants provided under this section shall be not more than 50 percent.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Farm Safety Fund for purposes of carrying out this section $5,500,000 for each of the fiscal years 1991 through 1995.

SEC. ____11. GRANTS TO IMPROVE THE RECOGNITION, CARE, AND REHABILITATION OF FARM INJURIES.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services, acting through the Centers for Disease Control and in consultation with the Task Force, shall make grants, on a competitive basis, to States and other entities to carry out activities to improve the identification, treatment, and rehabilitation of farm injuries and farm illnesses.

(b) USE OF GRANTS.—An entity shall use grants awarded under subsection (a) to—

(1) develop guidelines, standards, and protocols governing the identification, treatment, and rehabilitation of farm injuries and farm illnesses; and

(2) develop training materials and conduct training for paramedical, medical, nursing, and allied therapy personnel in the subject matter of the guidelines, standards, and protocols.

(c) AWARD OF GRANTS.—The Secretary of Health and Human Services shall award grants under this section in accordance with the priority established by the Task Force in accordance with section ____06(e). The Secretary of Agriculture may veto a disbursement.

(d) APPLICATION.—To be eligible for a grant under subsection (a), an entity shall submit an application to the Secretary of Health and Human Services at such time, in such manner, and containing such agreements, assurances, and information as the Secretary of Health and Human Services determines to be necessary to carry out this section. At a minimum, the application shall contain assurances that the entity will submit periodic reports to the Secretary of Health and Human Services and to the Task Force containing—

(1) guidelines, standards, and protocols developed in accordance with subsection (b)(1); and

(2) a description of the training conducted in accordance with subsection (b)(2).

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for each of the fiscal years 1991 through 1995.

SEC. ____12. GRANTS TO STUDY INJURY MECHANISMS AND REHABILITATION PROCESSES.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health and in consultation with the Task Force, shall award grants to, and enter into cooperative agreements with, public and private nonprofit entities to support a full range of research and development projects concerning farm injury mechanisms, and healing and rehabilitation processes for farm injuries.

(b) USE OF GRANTS.—An entity shall use grants awarded under subsection (a) to establish research and development projects involving—

(1) basic and clinical research, including longitudinal and consortium-type multidisciplinary and clinical trials, on the causes of farm injuries;

(2) biomedical and behavorial studies on the causes of farm injuries;

(3) projects that take a multidisciplinary approach to preventing a specific farm injury; or

(4) demonstrations of advanced methods of diagnosing, preventing, treating, and managing farm injuries.

(c) AWARD OF GRANTS.—

(1) PEER REVIEW.—The Director of the National Institutes of Health shall obtain peer review of research proposals, and shall seek the widest participation of qualified scientists in the Federal Government, State governments, colleges and universities, and the private sector to perform the review. The results of the review shall be presented to the Director of the National Institutes of Health.

(2) PRIORITY.—The Director of the National Institutes of Health shall award grants under this section in accordance with the priority established by the Task Force in accordance with section ____06(e).

(d) APPLICATION.—To be eligible to receive a grant or enter into a cooperative agreement under this section, an entity shall submit an application to the Director of the National Institutes of Health at such time, in such manner, and containing such agreements, assurances, and information as the Director and the Task Force determine to be necessary to carry out this section. At a minimum, the application shall contain—

(1) a research proposal; and

(2) an assurance that the entity will submit periodic reports to the Director and the Task Force containing a description of the progress made and the findings obtained by the research or development project.

(e) CONSULTATION AND COORDINATION.—In carrying out the provisions of this section, the Director of the National Institutes of Health shall consult with the Director of the National Institute on Neurological and Communicative Disorders and Stroke, the Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases, the Secretary of Agriculture, and the Directors of other relevant Institutes and Public Health Service Agencies.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 1991 through 1995.

SEC. ____13. GRANTS TO INCREASE THE AVAILABILITY AND QUALIFICATIONS OF CLINICAL STAFF AND RESEARCHERS IN FARM OCCUPATIONAL HEALTH.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services, in consultation with the Task Force, shall award grants to and enter into cooperative agreements with public and private nonprofit entities to increase the availability and qualifications of clinical staff and researchers in farm occupational health.

(b) USE OF GRANTS.—An entity shall use grants awarded under subsection (a) to establish programs to—

(1) attract new practitioners to careers in aspects of occupational medicine that include farm injury prevention, treatment, and rehabilitation; and

(2) attract new or young researchers to careers in fields involving clinical applications and research on the biomedical, behavorial, and rehabilitative aspects of farm injuries.

(c) AWARD OF GRANTS.—The Secretary of Health and Human Services shall award grants under this section in accordance with the priority established by the Task Force in accordance with section ____06(e).

(d) APPLICATION.—To be eligible to receive a grant or enter into a cooperative agreement under this section, an entity shall submit an application to the Secretary of Health and Human Services at such time, in such manner, and containing such agreements, assurances, and information as the Secretary of Health and Human Services and the Task Force determine to be necessary to carry out this section. At a minimum, the application shall contain assurances that the State will submit periodic reports to the Secretary of Health and Human Services and to the Task Force containing a description of the programs established in accordance with subsection (b).

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 1991 through 1995.

SEC. ____14. FARM SAFETY EDUCATION.

(a) ESTABLISHMENT.—The Secretary of Agriculture, in consultation with the Task Force, shall make grants to States and other entities for the establishment of farm safety education programs concerning safety in the workplace.

(b) USE OF GRANTS.—Entities shall use grants awarded under subsection (a) to provide to farmers—

(1) information and training concerning—

(A) reduction of occupational injury and death rates;

(B) reduction and prevention of exposure to farm chemicals;

(C) reduction of agricultural respiratory diseases and dermititis;

(D) reduction and prevention of noise induced hearing loss;

(E) occupational rehabilitation of farmers with physical disabilities;

(F) farm accident rescue procedures for emergency medical technicians and nonprofessionals; and

(2) appropriate rural health and safety information resources from the Rural Information Center, established at the National Agricultural Library.

(c) The Secretary, in consultation with the Task Force shall award grants under this subparagraph based on a prioritized listing of farm injury and disease-related hazards. The Secretary shall establish specific accident and illness reduction objectives and procedures to evaluate the improvement in farm safety and health achieved under this paragraph. The prioritized listing and objectives shall be reviewed periodically by the Secretary.

"PRIORITIZATION OF EFFORTS.—Educational programs conducted with grants awarded under this paragraph shall systematically focus on prioritized health and accident hazards that affect persons in rural areas.".

(d) COORDINATION OF PROGRAMS.—Education programs funded by grants awarded in under subsection (a) shall be coordinated with State offices of rural health or other entities determined by the Secretary of Agriculture and the Task Force to be appropriate.

(e) AWARD OF GRANTS.—The Secretary of Agriculture shall award grants under this section in accordance with the priority established by the Task Force in accordance with section ____06(e).

(f) APPLICATION.—To be eligible for a grant under subsection (a), an entity shall submit an application to the Secretary at such time, in such manner, and containing such agreements, assurances, and information as the Secretary and the Task Force determine to be necessary to carry out this section. At a minimum, the application shall contain an assurance by any State applicant that, if the State contains a land-grant university,

including Tuskegee University, the State and the land-grant university shall mutually determine the type of rural health and safety education program needed in the State.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1991, $10,000,000 for fiscal year 1992, $15,000,000 for fiscal year 1993, and $20,000,000 for fiscal year 1994 and each subsequent fiscal year. Amounts appropriated under this subsection shall remain available until expended.

SEC. ____15. TERMINATION AND REPEAL.

(a) TERMINATION.—Effective September 30, 1995, the Task Force shall be abolished, and all programs established by this subtitle shall terminate.

(b) REPEAL.—Effective September 30, 1995, this subtitle shall be repealed.

LEVIN AMENDMENT NO. 2346

Mr. LEAHY (for Mr. LEVIN) proposed an amendment to the bill S. 2830, supra, as follows:

On page 981, between lines 11 and 12, add the following subtitle:

Subtitle D—Miscellaneous Pr)visions

SEC. 1771. BIOLOGICAL PESTICIDE HANDLING STUDY.

(a) STUDY.—Not later than September 30, 1992, the National Academy of Sciences shall conduct a study of the biological control programs and registration procedures utilized by the Food and Drug Administration, the Animal and Plant Health Inspection Service, and the Environmental Protection Agency.

(b) DEVELOPMENT OF PROCEDURES.—Not later than 1 year after the completion of the study under subsection (a), the agencies and offices described in such subsection shall develop and implement a common process for reviewing and approving biological control applications that are submitted to such agencies and offices that shall be based on the study conducted under such subsection and the recommendation of the National Academy of Sciences, and other public comment.

GRAHAM (AND OTHERS) AMENDMENT NO. 2347

Mr. LEAHY (for Mr. GRAHAM, for himself, Mr. ADAMS, Mr. INOUYE, Mr. MACK, and Mr. HOLLINGS) proposed an amendment to the bill S. 2830, supra, as follows:

On page 981, between lines 11 and 12, insert the following new subtitle:

Subtitle D—Minor Use Pesticides

CHAPTER 1—REGISTRATION OF PESTICIDES FOR AGRICULTURAL MINOR USES

SEC. 1771. DATA IN SUPPORT OF REGISTRATION.

Section 3(c)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(2)(A)) is amended by inserting after the third sentence the following new sentence: "The Administrator shall not require a person to submit, in relation to a registration or reregistration of a pesticide for minor agricultural use under this Act, any field residue data from a goegraphic area where the pesticide will not be registered for such use.".

SEC. 1772. REDUCTION OR WAIVER OF FEES FOR PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.

Section 4(i)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(i)(5)) is amended by adding at the end thereof the following:

"In the case of a pesticide that is registered for a minor agricultural use, the Administrator may reduce or waive the payment of the fee imposed under this section if the Administrator determines that the fee would significantly reduce the availability of the pesticide for the use.".

SEC. 1773. VOLUNTARY CANCELLATION.

Section 6(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(f)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) VOLUNTARY CANCELLATION.—

"(A) A registrant may, at any time, request that a pesticide registration of the registrant be canceled or amended to terminate one or more pesticide uses.

"(B) Before acting on the request, the Administrator shall publish in the Federal Register a notice of the receipt of the request and provide for a 30-day period in which the public may comment.

"(C) In the case of a pesticide that is registered for a minor agricultural use, if the Administrator determines that the cancellation or termination of uses would adversely affect the availability of the pesticide for use, the Administrator—

"(i) shall publish in the Federal Register a notice of the receipt of the request and make reasonable efforts to inform persons who so use the pesticide of the request; and

"(ii) may not approve or reject the request until the termination of the 90-day period beginning on the date of publication of the notice in the Federal Register, and

"(iii) may waive the 90-day period upon the request of the registrant or if the Administrator determines that the continued use of the pesticide would pose an unreasonable adverse effect on the environment.

"(D) Subject to paragraph (3)(B), after complying with this paragraph, the Administrator may approve or deny the request,"; and

(2) by adding at the end the following new paragraph:

"(3) TRANSFER OF REGISTRATION OF PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.—In the case of a pesticide that is registered for a minor agricultural use:

"(A) During the 90-day period referred to in paragraph (1)(C)(ii), the registrant of the pesticide may notify the Administrator of an agreement between the registrant and a person or persons (including persons who so use the pesticide) to transfer the registration of the pesticide, in lieu of canceling or amending the registration to terminate the use.

"(B) An application for transfer of registration, in conformance with any regulations the Administrator may adopt with respect to the transfer of the pesticide registrations, must be submitted to the Administrator within 30 days of the date of notification provided pursuant to subparagraph (A). If such an application is submitted, the Administrator shall approve the transfer and shall not approve the request for voluntary cancellation or amendment to terminate use unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse affect on the environment.

"(C) If the Administrator approves the transfer and the registrant transfers the registration of the pesticide, the Administrator shall not cancel or amend the registration to delete the use, or rescind the transfer of the registration, during the 180-day period beginning on the date of the approval of the transfer, unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse effect on the environment.

"(D) The new registrant of the pesticide shall assume the outstanding data and other requirements for the pesticide that are pending at the time of the transfer.".

SEC. 1774. PEST CONTROL.

Section 28 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w-3) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The Administrator,"; and

(2) by adding at the end thereof the following new subsections:

"(b) MINOR USE PESTS.—

"(1) IN GENERAL.—The Administrator, in cooperation with the Secretary of Agriculture, shall identify—

"(A) pests affecting minor-use crops that must be brought under control; and

"(B) chemical control measures available to control the pests described in subparagraph (A) and biological and other alternative control measures available to control the pests.

"(2) REPORT.—The Secretary of Agriculture shall, not later than 180 days after the date of enactment of this section and annually thereafter, prepare a report and send the report to the Administrator. The report shall—

"(A) describe in detail the pests and measures of pest control described in subparagraphs (A) and (B) of paragraph (1);

"(B) identify areas of pest control at risk of losing effectiveness due to—

"(i) an insufficient number of registered pesticides; or

"(ii) resistance by a pest to pest control measures; and

"(C) describe in detail research efforts, including agricultural extension programs, to develop effective pest control to address the areas of pest control described in subparagraph (B).

"(D) identify those crops likely to be affected by the lack of access to pesticides for minor agricultural use and identity through research, * * * pest control measures.

"(c) INTEGRATED PEST MANAGEMENT.—The Administrator, in cooperation with the Secretary of Agriculture, shall develop approaches to the control of pests based on integrated pest management that respond to the needs of producers who use pesticides for minor agricultural uses.".

SEC. 1775. CONFORMING AMENDMENTS TO TABLE OF CONTENTS.

The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended—

(1) by striking out the item relating to section 6(f)(1) and inserting in lieu thereof the following new item:

"(1) Voluntary cancellation.";

(2) by adding at the end of the item relating to section 6(f) the following new item:

"(3) Transfer of registration of pesticides registered for minor agricultural uses.";

and

(3) by striking the items relating to section 28 and inserting the following new items:

"Sec. 28. Pest Control.

"(a) In general.

"(b) Minor use pesticides.
"(1) In general.
"(2) Report.
"(c) Integrated pest management.".

CHAPTER 2—INTER-REGIONAL RESEARCH PROJECT NUMBER 4 (IR–4 PROGRAM)

SEC. 1776. FINDINGS.

Congress finds that—

(1) the Inter-Regional Research Project Number 4 (IR–4 program) is a national research program intended to facilitate the registration of pesticides for minor agricultural uses where use volume does not justify commercial development;

(2) the main beneficiaries of the IR–4 project are growers who use the pesticides to produce crops that are eaten daily (such as vegetables, fruits, and nuts) and other plants (such as vegetables, fruits, and nuts) and other plants (such as ornamental plants, floral crops, trees, and turf grass), and consumers who benefit from a plentiful, safe, and inexpensive domestic food supply;

(3) as the result of insufficient funding, the IR–4 program has a backlog of 1,200 requests for new uses;

(4) section 4 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 236a–1) requires the reregistration of over 4,000 currently labled uses;

(5) about 1,000 priority minor use needs will not be supported for reregistration by industry; and

(6) given this level of responsibility, the IR–4 program will be unable to fulfill its important mission without additional funding resources.

SEC. 1777. INTER-REGIONAL RESEARCH PROJECT NUMBER 4 (IR–4 PROGRAM).

Section 2 of the Act entitled "An Act to facilitate the work of the Department of Agriculture, and for other purposes", approved August 4, 1965 (7 U.S.C. 450i), is amended—

(1) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively;

(2) by inserting after subsection (d) the following new subsection:

"(e)(1) The Secretary of Agriculture shall establish an Inter-Regional Research Project Number 4 hereinafter referred to in this section as the 'IR–4 Program') to assist in the collection of residue and efficacy data in support of—

"(A) the registration or reregistration of minor use pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.); and

"(B) tolerances for residues of minor use chemicals in or on raw agricultural commodities under sections 408 and 409 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 846a).

"(2) The Secretary shall carry out the IR–4 program in cooperation with the Administrator of the Environmental Protection Agency, State agricultural experiment stations, colleges and universities, extension services, private industry, and other interested parties.

"(3) In carrying out the IR–4 program, the Secretary shall give priority to registrations, reregistrations, and tolerances for pesticide uses related to the production of agricultural crops for food use.

"(4) As part of carrying out the IR–4 program, the Secretary shall—

"(A) participate in research activities aimed at reducing residues of pesticides registered for minor agricultural use;

"(B) develop analytical techniques applicable to residues of pesticides registered for minor agricultural use, including automation techniques and validation of analytical methods; and

"(C) coordinate with other programs within the Department of Agriculture and the Environmental Protection Agency designed to develop and promote biological and other alternative control measures.

"(5) The Secretary shall prepare and submit, to appropriate Committees of Congress, a report on an annual basis that contains—

"(A) a listing of all registrations, reregistrations, and tolerances for which data has been collected in the preceding year;

"(B) a listing of all registration, reregistrations, and tolerances for which data collection is scheduled to occur in the following year, with an explanation of the priority system used to develop this list;

"(C) a listing of all activities the IR–4 program has carried out pursuant to paragraph (4).

"(6) The Secretary shall submit to Congress within one year a report detailing the feasibility of requiring recoupment of the costs of developing residue data for registrations, reregistrations or tolerances under this program. This recoupment shall only apply to those registrants which make a profit on said registration, reregistration or tolerance subsequent to residue data development under this program. This report shall include:

(a) an analysis of possible benefits to the IR–4 program of such a recoupment;

(b) an analysis of the impact of such a payment on the availability of registrants to pursue registrations or reregistrations of minor use pesticides; and

(c) recommendations for implementation of such a recoupment policy.

"(7) There are authorized to be appropriated $25,000,000 for fiscal year 1991, and such sums are as necessary for subsequent fiscal years to carry out this section."

"(3) By inserting in subsection (g) following "subsection (b)" the phrase "and subsection (e).".

SYMMS AMENDMENT NO. 2348

Mr. LEAHY (for Mr. SYMMS) proposed an amendment to the bill S. 2830, supra, as follows:

On page 545, afte line 23, insert the following new subsection:

"(c) EFFECTIVE CONTROL ON EXISTING CONTRACTS.—(1) Not later than 180 days after enactment of the Food, Agriculture, Conservation, and Trade Act of 1990, the Secretary of Agriculture shall identify the land already enrolled in the enviromental conservation acreage reserve program under chapter 2 of subtitle D which is most likely to incur a crop pest infestation that adversely impacts surrounding commercial farm land.

(2) Notwithstanding the requirements of subtitle D, immediately after complying with paragraph (1) the Secretary of Agriculture may—

(A) offer to the owners or operators who hold contracts for land identified under paragraph (1) the following terms for renegotiation of those contracts:

(i) continuation of the contract unaltered except that the responsibility for controlling crop pests on contracted lands as necessary to prevent adverse economic damage to surrounding farm land shall be assumed by the contract holder, or

(ii) termination of the contract with no further annual rental payment, and with a penalty not to exceed one hundred percent of the cost-sharing payment made pursuant to subsection 1234(a), as determined by the Secretary of Agriculture; or

(B) establish any other procedures to control such pest infestations on such lands.

Upon establishing such terms or procedures, the Secretary may specify a period of time, not to exceed three months, in which an owner or operator must notify the Secretary of which terms or procedures will be accepted.

(3) An owner or operator offered renegotiation terms pursuant to paragraph (2) who notifies the Secretary of Agriculture of acceptance of the terms of subparagraph (2)(A)(i), shall receive an increased annual rental payment as determined by the Secretary to be fair and equitable.

(4) At the Secretary's descretion, the control of insect pests on acreage identified in paragraph (1) to avoid adversely impacting surrounding commercial farmland may be considered a conservation measure or practice for the purposes of subsection 1234(b).

SYMMS (AND McCLURE) AMENDMENT NO. 2349

Mr. LEAHY (for Mr. SYMMS, for himself and Mr. MCCLURE) proposed an amendment to the bill S. 2380, supra, as follows:

On page 466, line 16, insert the following:
"(10) AVOIDANCE OF PREFERENTIAL APPLICATION.—When using the authorities of this section to promote the export of wheat, the Secretary shall make reasonable efforts to avoid giving a preference to one class of wheat disproportionately more than another."

SARBANES AMENDMENT NO. 2350

Mr. LEAHY (for Mr. SARBANES) proposed an amendment to the bill S. 2380, supra, as follows:

On page 516, line 21, strike out "and".

On page 516, line 23, strike out both periods and the end quotation marks and insert in lieu thereof "; and".

On page 516, after line 23, insert the following new subparagraph:

"(G) take into consideration the existence of watersheds experiencing actual and significant adverse water quality of habitat effects related to agricultural production activities, including such environmentally sensitive areas as the basins of the Chesapeake Bay and the Great Lakes, particularly where there are active State programs working to protect such watersheds. In utilizing the authority granted under this subparagraph, the Secretary shall attempt to maximize water quality and habitat benefits in such watersheds by promoting a significant level of enrollment of lands containing watersheds in the program under this chapter by whatever means the Secretary determines appropriate and consistent with the purposes of this chapter.".

HEFLIN (AND OTHERS) AMENDMENT NO. 2351

Mr. LEAHY (for Mr. HEFLIN, for himself, Mr. MCCONNELL, Mr. BAUCUS, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BINGAMAN, Mr. PRESSLER, Mr. MITCHELL, Mr. LEAHY, Mr. SANFORD, Mr. HARKIN, and Mr. SHELBY) proposed an amendment to the bill S. 2830, supra, as follows:

Viz:

On page 1081, after line 10, add the following new title:

TITLE ____—RURAL DEVELOPMENT

SEC. ____01. SHORT TITLE.

This title may be cited as the "Rural Partnerships Act of 1990".

SEC. ____02. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the economic well-being of rural America is vital to overall national growth and prosperity;

(2) many rural areas suffer from a lack of industrial and business diversity;

(3) rural poverty and unemployment rates are significantly higher than metropolitan rates, and rural per capita income is substantially lower than metropolitan per capita income;

(4) the lack of access to advanced telecommunications in rural areas impedes economic growth; and

(5) a more robust rural economy will make the United States more competitive in world markets.

(b) PURPOSE.—It is the purpose of this title to promote a national rural development strategy, through procedures flexible enough to allow for regional and local differences, to promote the growth and economic diversification of rural America, to improve rural telecommunications, and to increase business, educational, and employment opportunities in rural America.

Subtitle A—Rural Business and Job Creation

CHAPTER 1—RURAL PARTNERSHIPS INVESTMENT BOARD

SEC. ____05. DEFINITIONS.

As used in this chapter:

(1) APPROVED LOCAL BUSINESS.—The term "approved local business" means a local business that is approved to receive assistance from the revolving fund of an eligible entity as provided under the provisions of this chapter.

(2) ELIGIBLE ENTITY.—The term "eligible entity" means—

(A)(i) a nonprofit private corporation or a public entity that is—

(I) the governing body of each public regional organization (such as the governing body of an economic development district) that is chartered or otherwise organized under State law for the purpose of promoting economic development;

(II) the agency of each State that is primarily responsible for rural economic development programs within the State;

(III) the governing body of a county or other political subdivision of a State;

(IV) the governing body of a town or township within a State; or

(V) an incorporated public organization or a nonprofit private community development corporation, or similar nonprofit private organization, that is chartered or otherwise organized under State law for the purpose of promoting economic development; or

(ii) an Indian tribe (as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), any Indian organization or entity chartered under the Act of June 18, 1934 (25 U.S.C. 1001 et seq.), commonly known as the "Indian Reorganization Act", or any tribal organization (as defined in the section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c)); and

(B) an entity described in subparagraph (A) that—

(i) possesses the powers reasonably necessary to perform the functions and activities described in this chapter;

(ii) has a professional staff and management ability (including adequate accounting, legal, and business servicing abilities or experience); and

(iii) meets any other requirements established by the Board to carry out this chapter.

(3) INVESTMENT BOARD.—The term "Investment Board" or "Board" means the Rural Partnerships Investment Board established in section ____06(a).

(4) LOCAL BUSINESS.—The term "local business" means—

(A) a business concern, located in a rural area, that—

(i) is incorporated or otherwise organized under State law so that financial records and accounts are maintained regarding the business concern separate and apart from records and accounts not related to that business concern; and

(ii) is independently or cooperatively (not including borrowers under the Rural Electrification Act of 1936) owned and operated as defined by the Board; or

(B) an individual who plans to organize and operate an entity of the type described in subparagraph (A); and

that meets any additional requirements that are established by the Board to carry out the intent of this Act.

(5) RURAL AREA.—The term "rural area" means all territory of a State that is not within the outer boundary of any city or town, having a population of 20,000 or more based on the latest decennial census of the United States, and any neighboring urbanized area as defined by the Board.

(6) RURAL FUND.—The term "Rural Fund" or "Fund" means the Rural Business Investment Fund established under section ____07(a).

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, unless otherwise specified in this Act.

(8) STATE.—The term "State" means each of the 50 States of the United States.

SEC. ____06. RURAL PARTNERSHIPS INVESTMENT BOARD.

(a) ESTABLISHMENT.—There is established a "Rural Partnerships Investment Board" to provide lines of credit to eligible entities to enable such entities to establish, maintain, or expand revolving funds that are used to make or guarantee loans, or to make capital investments in new or expanding local businesses in conjunction with loans or investments made by banks (as defined in section 2(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c))), insured savings and loan institutions (as defined in title IV of the National Housing Act, as amended (12 U.S.C. 1724 et seq.)), State owned banks whose deposits are backed by the full faith and credit of the State, or community development credit unions chartered by the National Credit Union Administration under the authority of the Federal Credit Union Act (12 U.S.C. 1751 et seq.).

(b) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The Board of Directors of the Investment Board shall consist of—

(A) the Administrator of the Rural Electrification Administration;

(B) the Administrator of the Farmers Home Administration;

(C) the Administrator of the Extension Service of the Department of Agriculture; and

(D) two members who shall be experienced in rural development and related matters to be appointed by the President with the advice and consent of the Senate, of which each member shall be from a separate political party.

(2) CHAIRPERSON.—The Chairperson of the Board shall be elected by the members of the Board from among the Board members who are Administrators under subparagraphs (A) through (C) of paragraph (1), and shall serve for a 2-year period. Such Chairperson may serve consecutive terms.

(3) VACANCIES.—Vacancies on the Board shall be filled in the same manner as the vacant position was previously filled.

(4) CHIEF EXECUTIVE OFFICER.—A chief executive officer shall be selected by the Board and shall serve at the pleasure of the Board.

(5) QUORUM.—A quorum shall consist of three members of the Board. All decisions made by the Board shall require an affirmative vote of a majority of the members.

(6) COMPENSATION.—Members of the Board—

(A) specified under subparagraphs (A), (B), and (C) of paragraph (1) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Investment Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter 1 of chapter 57 of title 5, United States Code, for officers and employees of the United States; and

(B) appointed under subparagraph (D) of paragraph (1) shall receive compensation for the time devoted to meetings and other activities at a daily rate not to exceed the daily rate of compensation prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Investment Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter 1 of chapter 57 of title 5, United States Code, for officers and employees of the United States.

(7) RULES AND RECORDS.—The Board shall adopt such rules and procedures as it may consider appropriate for the transaction of the business of the Investment Board, and shall keep permanent and accurate records and minutes of its acts and proceedings.

(c) POWERS OF THE INVESTMENT BOARD.—The Investment Board shall be a body corporate that shall have the power to—

(1) operate under the direction of its Board;

(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

(3) provide for one or more officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

(4) hire, promote, compensate, and discharge officers and employees of the Investment Board, without regard to title 5, United States Code, except that no such officer or employee shall receive an annual rate of basic pay in excess of the rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code;

(5) prescribe by its Board its bylaws, that shall be consistent with law, and that shall provide for the manner in which—

(A) its officers, employees, and agents are selected;

(B) its property is acquired, held, and transferred;

(C) its general operations are to be conducted; and

(D) the privileges granted by law are exercised and enjoyed;

(6) with the consent of any executive department or independent agency, use the information, services, staff, and facilities of such in carrying out this chapter;

(7) enter into contracts and make advance, progress, or other payments with respect to such contracts;

(8) sue and be sued in its corporate name, and complain and defend in courts of competent jurisdiction;

(9) acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to its operations;

(10) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this chapter;

(11) make such rules and regulations as the Board determines necessary and appropriate to carry out the authority vested in the Board under this Act;

(12) procure the temporary (not in excess of 2 years) or intermittent services of experts or consultants or organizations thereof, without regard to the civil service and classification laws and without regard to section 5 of title 41, at rates not to exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, including traveltime, and while such individual is away from the home or regular place of business of such individual, travel expenses as authorized under section 5703 of title 5, United States Code; and

(13) exercise other powers as set forth in this chapter, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this chapter.

SEC. ____07. ESTABLISHMENT OF INVESTMENT FUND.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the Treasury of the United States a fund for the use of the Board in carrying out the provisions of this chapter that shall be known as the "Rural Business Investment Fund".

(2) AVAILABILITY.—The Fund established under paragraph (1) shall be available to the Board to provide lines of credit for revolving funds to be operated by approved eligible entities to serve local businesses in rural areas.

(b) USE.—

(1) LINES OF CREDIT.—Amounts contained in the fund established under subsection (a) shall be used by the Board to provide lines of credit in amounts determined appropriate by the Board, but in no event shall any such line of credit exceed $750,000 annually (up to a total amount of $2,250,000) to an approved eligible entity. Each line of credit shall be made available over a period of time established by the Board for each such entity, but in no event shall any such period of time extend beyond the date on which the Investment Board is terminated under section ____08(n).

(2) EXCEPTION.—Notwithstanding paragraph (1), if the approved eligible entity is the agency of any State that is primarily responsible for the rural economic development programs within such State, the Board may provide a line of credit to such agency in an amount that shall not exceed $1,250,000 annually (up to a total amount of $3,750,000) in the manner described in paragraph (1).

(3) AMOUNTS DRAWN FROM LINE.—Amounts drawn from each line of credit by each approved eligible entity shall be used solely as provided under this chapter and shall be drawn only as needed to provide loans, investments, or to carry out a guarantee.

(c) APPLICATIONS OF ELIGIBLE ENTITIES FOR LINES OF CREDIT.—

(1) FEDERAL REGISTER NOTICES.—The Board shall publish notices of solicitations for applications for lines of credit in the Federal Register and such notices shall contain—

(A) the application procedures established by the Board;

(B) the application requirements of paragraph (3);

(C) the deadlines for submission of applications (which in no event shall be less than 150 days after the publication of the applicable notice);

(D) a copy of all available response forms;

(E) a summary of the functions of the Board regarding applications; and

(F) other information determined appropriate by the Board.

(2) SUBMISSION AND CONSIDERATION.—An eligible entity that desires to receive a line of credit under this chapter shall submit an application to the Board at such time, in such form, and containing such information and documentation, including a description of the areas to be served, as the Board shall prescribe under paragraph (1), and the Board shall consider each such application based on the requirements of this chapter.

(3) ELIGIBLE ENTITY.—

(A) MATCHING FUNDS OR LETTERS OF INTENT.—In order for an application to be considered for approval by the Board for a line of credit, each eligible entity that submits an application shall—

(i) certify in writing that it shall use such funds as part of a revolving fund to invest in, and make or guarantee loans to, local businesses in accordance with this chapter; and

(ii)(I) agree to provide matching funds (Federal funds shall not be used to satisfy such matching requirement) in amounts that are at least equal to the amount of the line of credit to be provided by the Board, that shall be in the form of—

(aa) cash or cash equivalents; or

(bb) letters of credit in favor of the eligible entity issued or submitted by banks, savings and loan associations, insurance companies, similar Federally regulated financial institutions, State owned banks, local or State government or private philanthropic foundations, as determined appropriate and acceptable by the Board; or

(II) demonstrate, through procedures determined appropriate and acceptable by the Board, that banks, savings and loan associations, or community development credit unions, as defined in section ____06(a), are prepared to participate with the eligible entity in a lending, guarantee, or investment program for the benefit of local businesses, and that the total financial commitment demonstrated by the letters of intent or other documents is at least equal to the value of the line of credit for which the eligible entity is applying.

(B) EXCEPTION FOR CERTAIN ELIGIBLE ENTITIES.—

(i) LOW PER CAPITA INCOME AREAS.—If the average per capita income level of the identified rural areas served by an eligible entity is less than 70 percent of the national average per capita income for the most recent year for which such information is available, each such eligible entity shall only be required to match 50 percent of the funds provided by the Board in the same manner as described in paragraph (3)(A)(ii) (I) or (II). A list of the average per capita income and population of each county in the United States that contains rural areas, and the national average per capita income for such year, shall be published in the Federal Register and otherwise made available by the Board to the public.

(ii) INDIAN TRIBAL COUNCIL PARTICIPATION.—

(I) IN GENERAL.—Community or tribal development corporations operated by Federally recognized tribal councils that desire to administer a local revolving fund may participate in the program established under this chapter if such corporations meet the rules and procedures established under this chapter, that are determined by the Board to be pertinent.

(II) ESTABLISHMENT OF SPECIAL RULES AND PROCEDURES.—

(aa) IN GENERAL.—Not later than 220 days after the date of enactment of this Act, the Board shall establish rules and procedures to enable such community or tribal development corporations serving rural areas located on Federally recognized reservations (including former reservations in Oklahoma) to participate in the program established under this chapter through the operation of revolving funds used for investing in, and making or guaranteeing loans to, new or expanding local businesses.

(bb) CONTENTS.—Rules and procedures established under item (aa) shall be established to ensure that development corporations that receive Federal lines of credit under this chapter serve needy reservation areas, including areas that have low per capita income, high unemployment, high poverty rates, depressed or lagging local economies, and other factors determined appropriate by the Board.

(III) MATCHING REQUIREMENTS.—The requirements of subsection (c)(3) and section ____08(d) concerning the provision of matching funds and the requirement of partnerships for loans, and any related matching requirements, shall not apply to the development corporations receiving assistance under this clause.

(4) REAPPLICATION FOR LINES OF CREDIT.—

(A) IN GENERAL.—An eligible entity that has received a line of credit under this section may reapply in subsequent years for additional lines of credit if the Board makes a determination that—

(i) the applicant has demonstrated that the funds previously allocated under such line of credit have been substantially obligated and that additional demand for lending, investment, or guaranteed funding exists in the service area of the applicant;

(ii) the applicant will meet the matching requirements under subsection (c)(3); and

(iii) the applicant has administered the revolving fund consistent with this chapter and has the capacity to administer additional funds in the same manner.

(B) PRIORITY.—Eligible entities qualified to receive an initial line of credit or that will serve a service area not served by another entity shall receive priority over any applicant seeking a second or subsequent line of credit.

(5) MONITORING COMPLIANCE.—The Board shall establish procedures to monitor the compliance of each eligible entity partici-

pating in the program authorized by this chapter with the requirements of this chapter.

(6) ELIGIBLE ENTITY REVOLVING FUND REQUIREMENT.—To be eligible to receive a line of credit from the Rural Fund, the applicant eligible entity shall—

(A) demonstrate its ability or potential capacity to make sound business, lending, and investment decisions and to provide business counseling and technical assistance;

(B) demonstrate its ability to operate consistent with the requirements of this chapter and to increase the availability of credit in rural areas to promote the creation or expansion of viable businesses in rural areas;

(C) identify the proposed service area and define a strategy for serving that area that should describe such characteristics as similar industrial, labor, or other markets, similar geographic or socioeconomic conditions, or other related considerations, and, to the extent that such area includes any towns or townships, such towns or townships shall be served in their entirety;

(D) provide an assurance that its service area will consist of—

(i) any or all rural areas within a county where the median household income of each such county is less than the Statewide nonmetropolitan median household income; or

(ii) identified rural areas within a county, in which the median household income of each such county is equal to or greater than the Statewide nonmetropolitan median household income, if the median household income of each rural city, town or township to be served, and each separate contiguous rural area to be served, is less than the Statewide nonmetropolitan median household income or identified rural areas within a State in which the average per capita income is less than 70 percent of the nationwide per capita income; or

(iii) any county where the net migration population loss is at least 5 percent or greater from April 1, 1980, to July 1, 1987, as reported by the Census Bureau of the Department of Commerce; and

(E) provide a notification that an application has been filed with the Board to each county or other local unit of government having jurisdiction over some or all of the proposed service area under procedures developed by the Board.

(7) FACTORS IN APPROVAL OF APPLICATIONS.—In determining which applications to approve, and the maximum amount of funds to be offered in each line of credit, the Board shall grant a preference to eligible entities—

(A) that have experience in serving local credit or equity needs and in making sound business and investment decisions, or that have the ability to serve such needs and make such decisions;

(B) whose boards of directors, or governing bodies if no such board exists, are composed of a cross-section of individuals (such as individuals with business, community development or regional development backgrounds, or individuals who are State, local or county government officials, or individuals involved in banking, financial, or other investment activities);

(C) that are likely to stimulate significant job creation or retention and new business creation or business expansion per dollar of funds provided under this section;

(D) that submit applications that demonstrate the ability and willingness to provide continuing technical and management assistance, training, financial and business guidance, and planning, to local businesses;

(E) that demonstrate that the activities of the eligible entity are consistent with State, county or local goals, whichever is applicable, regarding long-term economic growth and community development;

(F) that submit applications containing a comprehensive investment strategy, developed in consultation with the applicable State, regional council or government, and county or other general purpose unit of local government; and

(G) that propose to serve a service area—

(i) whose unemployment or poverty rates exceed the Statewide nonmetropolitan average;

(ii) with special needs arising from actual or threatened severe unemployment arising from economic dislocation; or

(iii) that includes any county in which the net migration population loss is at least 5 percent or greater from April 1, 1980, to July 1, 1987, as reported by the Census Bureau of the Department of Commerce.

(8) GEOGRAPHIC SPREAD.—

(A) IN GENERAL.—In awarding lines of credit under this section the Board shall attempt, as much as reasonably practicable and consistent with sound financial judgment, to assure that all rural regions of the United States benefit from such awards.

(B) MINIMUM AMOUNT OF FUNDS.—After considering the availability of qualified applications, and if consistent with good investment practices and the other requirements of this chapter, the Board shall approve the application of at least one eligible entity in each of at least 45 States. The Board shall, to the maximum extent practicable and appropriate, ensure that eligible entities that are approved by the Board in any given State receive at least $750,000 (per State) out of the funds provided under subsection (d). In addition, to the maximum extent practicable the Board shall approve the applications of at least two eligible entities in each State containing an approved eligible entity.

(C) MAXIMUM AMOUNT OF FUNDS.—The total amount of funds provided under this chapter to eligible entities in any State shall not exceed $10,000,000.

(D) SPECIAL PROGRAM.—

(i) IN GENERAL.—The Board shall issue regulations to establish a program that targets the benefits of the Federal lines of credit provided under this section to those rural areas and residents with special needs.

(ii) LIMITS.—If consistent with sound investment practices, not less than 5 percent, nor more than 15 percent, of the funds appropriated under subsection (d) shall be issued to eligible entities that will serve—

(I) local businesses located in very distressed rural areas, as defined by the Board, that may include areas with special needs arising from actual or threatened severe unemployment which results from economic dislocation; and

(II) local businesses that provide beneficial services to rural residents such as improved medical, hospital, or health care, licensed day care facilities or centers, improved services for the handicapped, the disabled, the elderly or other needy individuals, improved educational opportunities, improved public transportation services for needy individuals, or other related services as determined appropriate by the Board.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000,000 in fiscal year 1991, $86,000,000 in fiscal year 1992, $67,000,000 in fiscal year 1993, and $47,000,000 in fiscal year 1994 to be made available to the Rural Fund and the Board for the purpose of carrying out this chapter. Amounts appropriated under this subsection shall remain available until expended or until the Board is terminated.

(e) RELOCATION AND REFINANCING.—The Board shall establish rules and procedures to prohibit eligible entities from using the assistance received under this chapter for loans and investments, or for issuing guarantees, that would—

(1) facilitate the relocation of a local business from one community to another;

(2) refinance the existing debt of a local business, except that such refinancing may be undertaken with such assistance if it is undertaken in conjunction with a substantial expansion effort by the local business; or

(3) significantly reduce the viability of an existing business engaged in substantially the same business activities in the same community.

SEC. ____08. LOCAL REVOLVING FUNDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Each eligible entity approved by the Board to participate in the program established under this chapter shall establish a local revolving fund account in which to deposit—

(A)(i) amounts received from the Fund under this chapter;

(ii) any local matching funds described under section ____07(c)(3)(A); and

(iii) any profits or income, repayments of loans, proceeds from the sale of equity investments, or other gains or returns on investments or loans, derived from the activities of the revolving fund established under this subsection; less

(B) reasonable operating expenses or losses incurred in administering such fund.

(2) PLACE OF ESTABLISHMENT.—Each local revolving fund established under this subsection may be established in one or more member banks of the Federal Reserve System, any Federally insured State nonmember bank (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))), or any State owned bank whose deposits are backed by the full faith and credit of the State, and the funds, except as used as authorized in subsection (b), shall be held in cash and receive interest or be invested in direct obligations of the United States or in obligations guaranteed by the United States or an agency thereof.

(b) USE OF FUND.—Amounts in a local revolving fund may be used—

(1) to provide loans or equity capital, or loan guarantees, to approved local businesses as authorized in this chapter, under procedures established by the Board;

(2) to cover the costs of providing training, business or financial planning, or management or technical assistance to approved local businesses in amounts that do not exceed amounts or levels described in standards established by the Board;

(3) if financial investments are made in the eligible entity in accordance with section ____07(c)(3)(A)(ii)(I) (aa) or (bb), to provide for a return of capital to non-Federal investors in the revolving fund, except that if such revolving fund experiences capital or other losses the share of returned capital under this paragraph shall be proportionately, or otherwise appropriately reduced to reflect such losses, under procedures established by the Board; or

(4) to cover reasonable operating or capital expenses, losses, or for other charges as prescribed in rules or standards established by the Board.

(c) DECISIONS CONCERNING FUNDING.—Eligible entities that receive a line of credit under section _____07 shall make case-by-case determinations concerning applications submitted by each local business for loans, equity capital or loan guarantees, under general procedures and requirements established by the Board.

(d) REQUIREMENT OF PARTNERSHIPS FOR LOANS OR INVESTMENTS.—Funds in each local revolving fund shall be loaned, invested, or used to provide a guarantee, only if one or more banks, savings and loan institutions, or community development credit unions, under procedures established by the Board, match each investment or loan made by each such revolving fund to each such local business, on at least a dollar-for-dollar basis, or provide the funds for the loans that are guaranteed by such local revolving fund.

(e) INVESTMENT SIZE LIMITS.—

(1) IN GENERAL.—

(A) AMOUNT PER LOCAL BUSINESS.—The amount of Federal funds provided from any revolving fund for use in making loans or investments, or available regarding each guarantee, shall not exceed $250,000 in any given calendar year, to any single approved local business or to other local businesses that are financially connected or otherwise related to such local business as defined by the Board.

(B) OTHER SOURCES.—The provisions of this chapter shall not limit the total amount of loans, investments, or guarantees from sources other than eligible entities that each local business may receive.

(C) PROCEDURES.—In implementing this paragraph the Board shall develop procedures to establish, impute, or determine the amount of Federal funds that shall be considered available in the revolving funds created by approved eligible entities.

(2) INELIGIBILITY.—Any local business that employs 100 or more employees shall not be eligible to receive assistance from a local revolving fund that receives assistance under this chapter.

(f) SUBORDINATED INTEREST OF LOCAL REVOLVING FUND.—If a bank, savings and loan association, or a community development credit union has made an investment or loan in a local business in conjunction with an investment or loan made out of the revolving fund of an approved eligible entity, the amount invested or loaned by such revolving fund in such local business may be subordinated, to any degree, and in any manner.

(g) OTHER INVESTORS.—A bank, savings and loan association, community development credit union, similar Federally regulated financial institution, State owned bank, local or State government, private philanthropic foundation, or other entity that contributes capital to an eligible entity that receives Federal assistance under this chapter may establish contractual arrangements with such eligible entity concerning the return of such investments in the local revolving fund consistent with subsection (b)(3).

(h) ADDITIONAL CAPITAL.—The Board shall promulgate regulations that provide each participating eligible entity with a sufficient amount of time to obtain additional capital, lines of credit, or letters of intent, if any investor, pursuant to the contract with the eligible entity under subsection (g), withdraw some or all of its investment.

(i) CONTINUATION OF LINE OF CREDIT.—A line of credit provided to an approved eligible entity under section _____07 for use in a local revolving fund shall continue to be available to be drawn upon until the Investment Board is terminated or until the line of credit is canceled, revoked, or suspended by the Board or the Secretary as described in section _____09 or subsection (l).

(j) CONTINUATION OF BUSINESS PROMOTION ACTIVITIES.—The Federal assistance provided to each eligible entity under this chapter shall become the property of each such entity on the termination of the Investment Board if—

(1) the eligible entity that administers the local revolving fund has operated the fund in a manner that is consistent with this chapter as determined by the Board; and

(2) the eligible entity contracts with the Secretary to continue to provide lending, investment, and guarantee assistance consistent with this chapter.

(k) DEVELOPMENT OF MONITORING PROCEDURES.—On the date on which the Investment Board is terminated, the Secretary shall act in place of the Board and shall monitor the operations of eligible entities that receive Federal assistance under this chapter which continue to exist on the date the Board is terminated.

(l) REFUND OF FUNDS.—Notwithstanding subsection (j), and in addition to any actions taken under section _____09, if the Secretary finds that the purpose of any eligible entity is no longer to promote business development in a manner consistent with this chapter, the Secretary shall revoke the approval of the eligible entity, obtain a refund in an amount equal to the amount of funds drawn out of the Federal line of credit issued to the eligible entity together with an appropriate amount of interest on such amount, as determined by the Secretary, and succeed to, or acquire the rights, privileges, assets, investment and payments due from such eligible entity as described in section _____09(h).

(m) ANNUAL REPORTS TO THE BOARD.—

(1) IN GENERAL.—Each eligible entity that receives assistance under this chapter shall annually prepare and submit to the Board, at such time, and in such form as the Board may require, a report describing the financial condition of the eligible entity, and the investments, cash revenues, income from investments, loans made, equity positions taken, guarantees issued, losses sustained or taken, any training, business, or technical assistance, or financial planning provided, operating expenses, loss rates, and such other matters as the Board determines appropriate concerning the eligible entity.

(2) POST TERMINATION.—After the Board terminates under subsection (n), the reports required under paragraph (1) shall be submitted to the Secretary who shall stand in the same position as the Board.

(n) TERMINATION OF BOARD.—The Investment Board established by section _____06(a) shall terminate on the last day of the 5th calendar year following the date of enactment of this chapter and the Secretary shall act in place of such Board.

SEC. _____09. COMPLIANCE AND ENFORCEMENT.

(a) REVOCATION OR CANCELLATION OF LINE OF CREDIT AND REFUND.—

(1) GROUNDS FOR REVOCATION.—A line of credit shall be revoked or suspended by the Board, and a full or partial refund of the Federal investment, together with an appropriate amount of interest, shall be requested by the Board—

(A) for false statements knowingly made in any written statement required under this chapter, or under any regulation or Federal Register notice issued under this chapter;

(B) if any written statement required under this chapter, or under any regulation or Federal Register notice issued under this chapter, fails to state a material fact necessary in order to make the statement not misleading in the light of the circumstances under which the statement was made;

(C) for willful or repeated violation of, or willful or repeated failure to observe, any provision of this chapter;

(D) for willful or repeated violation of, or willful or repeated failure to observe, any rule or regulation authorized under this chapter; or

(E) for violation of, or failure to observe, any cease and desist order issued by the Board under this subsection.

(2) CANCELLATION OF LINE OF CREDIT.—Notwithstanding any actions taken under paragraph (1), the Board may cancel any prospective payments to be made from any approved line of credit under this chapter if the Board determines that the eligible entity participating in the program established under this chapter made investments or acted in a manner that was inconsistent with the provision of this chapter.

(3) CEASE AND DESIST ORDERS.—Where an eligible entity has not complied with any provision of this chapter, or of any regulation issued pursuant thereto, or is engaging or is about to engage in any acts or practices that constitute or will constitute a violation of such chapter or regulation, the Board may order such entity to cease and desist from such action or failure to act. The Board may further order such entity to take such action or to refrain from such action as the Board determines necessary to ensure compliance with this chapter and the regulations issued thereunder.

(4) ORDER TO SHOW CAUSE, CONTENTS, AND HEARING.—

(A) ORDER.—Prior to revoking or suspending a line of credit under paragraph (1) or (2), or issuing a cease and desist order under paragraph (3), the Board shall serve on the eligible entity an order to show cause why an order revoking or suspending the line of credit or a cease and desist order should not be issued.

(B) CONTENTS.—An order to show cause under subparagraph (A) shall contain a statement of the matters of fact and law asserted by the Board and the legal authority and jurisdiction under which a hearing is to be held, and shall state that a hearing will be held before the Board at a time and place stated in the order.

(C) HEARING.—If after a hearing under subparagraph (B), or a waiver thereof, the Board determines on the record that an order revoking or suspending the line of credit, or a cease and desist order should be issued, or an order requiring a refund of the Federal investment in addition to reasonable interest thereon should issue, the Board shall promptly issue such order, which shall include a statement of the findings of the Administration and the reasons for such findings and specify the effective date of the order, and shall cause the order to be served on the entity.

(5) SUBPOENA OF PERSONS, BOOKS, PAPERS, AND DOCUMENTS; FEES AND MILEAGE; ENFORCEMENT.—

(A) SUBPOENA.—The Board may require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to the hearing from any place in the United States.

(B) FEES AND MILEAGE.—Witnesses summoned before the Board shall be paid by the party at whose instance such witnesses

were called the same fees and mileage that are paid witnesses in the courts of the United States.

(C) ENFORCEMENT.—In the case of disobedience to a subpoena under this paragraph, the Board, or any party to a proceeding before the Board, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents.

(6) PETITION TO MODIFY OR SET ASIDE ORDER; FILING, TIME AND PLACE, ADMINISTRATION TO SUBMIT RECORD; ACTION OF COURT; REVIEW.—

(A) IN GENERAL.—An order issued by the Board under this subsection shall be final and conclusive unless not later than 30 days after the service thereof the eligible entity appeals to the United States court of appeals for the circuit in which such corporation has its principal place of business by filing with the clerk of such court a petition praying that the order of the Board be set aside or modified in the manner stated in the petition.

(B) FILING.—

(i) LEAVE OF COURT.—After the expiration of the 30-day period referred to in subparagraph (A), a petition may be filed only by leave of court on a showing of reasonable grounds for failure to file the petition prior to the expiration of such period.

(ii) CERTIFICATION.—The clerk of the court shall, on filing, cause a copy of the petition to be delivered to the Board and the Board shall certify and file in the court a transcript of the record on which the order was entered. If prior to the filing of such record the Board amends or sets aside its order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, after providing notice to the Board.

(C) STAY OR SUSPENSION OF ORDER.—The filing of a petition for review under this paragraph shall not of itself stay or suspend the operation of the order of the Board, but the court of appeals in its discretion may restrain or suspend, in whole or in part, the operation of the order pending the final hearing and determination of the petition.

(D) ACTION BY COURT.—The court may affirm, modify, or set aside the order of the Board.

(E) ADDITIONAL EVIDENCE.—

(i) DETERMINATION.—If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the Board to reopen the hearing for the taking of such evidence, in such manner and on such terms and conditions as the court may consider appropriate.

(ii) FINDINGS.—The Board may modify its findings as to the facts, or make new findings, by reason of the additional evidence taken under this subparagraph, and it shall file its modified or new findings and the amendments, if any, of its order, with the records of such additional evidence.

(F) CONSIDERATION OF OBJECTIONS.—No objection to an order of the Board shall be considered by the court unless the objection was argued before the Board or, if it was not so argued, unless there were reasonable grounds for failure to do so.

(G) REVIEW.—The judgment and decree of the court affirming, modifying, or setting aside any such order of the Board shall be subject only to review by the Supreme Court of the United States on certification or certiorari as provided in section 1254 of title 28.

(7) ENFORCEMENT OF ORDER.—If the entity against which or against whom an order is issued under this subsection fails to obey the order, the Board may apply to the United States Court of Appeals, within the circuit where the entity has its principal place of business, for the enforcement of the order, and shall file a transcript of the record on which the order complained of was entered. On the filing of the application the court shall cause notice thereof to be served on the entity. The evidence to be considered, the procedure to be followed, and the jurisdiction of the court shall be the same as is provided in paragraph (6) for applications to set aside or modify orders.

(b) INVESTIGATIONS AND EXAMINATIONS.—

(1) AUTHORITY.—

(A) IN GENERAL.—The Board may conduct such investigations as the Board considers necessary to determine whether an eligible entity has engaged in any acts or practices that constitute or will constitute a violation of any provision of this chapter, or of any regulation issued under this chapter, or of any order issued under this section.

(B) FILING OF STATEMENTS.—The Board shall permit any individual to file a statement with the Board that is in writing, under oath or otherwise as the Board shall determine, as to all the facts and circumstances concerning the matter to be investigated.

(C) SUBPOENA.—For the purpose of any investigation under this subsection, the Board may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(D) REFUSAL TO OBEY.—In case of contumacy by, or refusal to obey a subpoena issued to, any individual, including an entity or corporation, the Board may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such individual resides or carries on business activity, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents, and such court may issue an order requiring such individual to appear before the Board, to produce records, if so ordered, or to give testimony touching the matter under investigation.

(E) CONTEMPT.—A failure to obey an order of the court under this subsection shall be punishable by such court as a contempt thereof. All process in any such case may be served in the judicial district where such individual is an inhabitant or wherever such individual may be found.

(2) EXAMINATIONS AND REPORTS.—

(A) EXAMINATIONS.—An eligible entity under this chapter shall be subject to examinations made by the Board through examiners selected or approved by the Board, and the cost of such examinations, including the compensation of the examiners, may in the discretion of the Board be assessed against the entity examined and when so assessed shall be paid by such entity.

(B) REPORTS.—Such entities shall prepare and submit reports to the Board at such times and in such form as the Board may require.

(3) EXAMINATIONS.—Each eligible entity shall be examined and audited at least once every 2 years, under procedures established by the Board, to determine whether or not such entity has been operated in a manner consistent with this chapter and in an otherwise lawful manner, except that the Board may waive the examination requirement for up to 1 additional year if, in its discretion, the Board determines that such a delay would be appropriate based on the prior operating experience of the entity, the contents and results of the last examination and the management expertise of the entity.

(c) INJUNCTIONS OR OTHER ORDERS.—

(1) GROUNDS AND JURISDICTION OF COURT.—Whenever, in the judgment of the Board an eligible entity has engaged or is about to engage in any acts or practices that constitute or will constitute a violation of any provision of this chapter, or of any regulation under this chapter, or of any order issued under this section, the Board may apply to the proper district court of the United States or a United States court located in any jurisdiction subject to the laws of the United States, for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, rule, regulation, or order. Such court shall have jurisdiction over such actions and, on a showing by the Board that such entity has engaged in or is about to engage in such acts or practices, may issue a permanent or temporary injunction, restraining order, or other order without bond.

(2) EQUITY JURISDICTION OF CORPORATION AND ASSETS.—In any proceeding under this section the court as a court of equity may, to such extent as it considers necessary, declare that such court has exclusive jurisdiction over the entity and the assets thereof, wherever located. Such court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed.

(3) TRUSTEESHIP OR RECEIVERSHIP.—The Board shall have authority to act as trustee or receiver of an entity under this section. On request by the Board, the court may appoint the Board to act in such capacity unless the court determines such appointment to be inequitable or otherwise inappropriate because of the special circumstances involved.

(d) UNLAWFUL ACTS AND OMISSIONS BY OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS.—

(1) VIOLATION OF CHAPTER.—Wherever an eligible entity violates any provision of this chapter or regulation issued under such chapter by reason of the failure of such entity to comply with the terms thereof, or by reason of such entity engaging in any act or practice that constitutes or will constitute a violation thereof, such violation shall be considered to be a violation and an unlawful act on the part of any individual who, directly or indirectly, authorizes, orders, participates in, or causes, brings about, counsels, aids, or abets in the commission of any acts, practices, or transactions that constitute or will constitute, in whole or in part, such violation.

(2) BREACH OF FIDUCIARY DUTY.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of an eligible entity to engage in any act or practice, or to omit any act, in breach the fiduciary duty of such individual or such officer, director, employee, agent, or participant, if, as a result thereof, the entity has suffered or is in imminent danger of suffering financial loss or other damage.

(3) DISQUALIFICATION OF OFFICERS AND EMPLOYEES.—Except on the written consent of the Board, it shall be unlawful—

(A) for any individual to take office as an officer, director, or employee of an eligible entity, or to become an agent or participate in the conduct of the affairs or management of an eligible entity, if—

(i) such individual has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

(ii) such individual has been found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust; or

(B) for any individual to continue to serve in any of the above-described capacities, if—

(i) such individual is convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

(ii) such individual is found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

(e) PENALTIES AND FORFEITURES.—

(1) IN GENERAL.—Except as provided in paragraph (2), an eligible entity that violates any regulation or written directive issued by the Board requiring the filing of any regular or special report under this chapter, shall forfeit and pay to the United States a civil penalty of not more than $100 for each and every day of the continuance of the corporation's failure to file such report, unless the entity demonstrates that such failure is due to reasonable cause and not due to willful neglect. The civil penalties provided for in this subsection shall accrue to the United States and may be recovered in a civil action brought by the Board.

(2) EXEMPTION.—The Board may through rules and regulations, or on application of an interested party, at any time previous to a failure under paragraph (1), by order, after notice and opportunity for hearing, exempt in whole or in part, any entity from the provisions of paragraph (1), on such terms and conditions and for such period of time as the Board determines necessary and appropriate, if the Board finds that such action is not inconsistent with the public interest or the protection of the Board. The Board may for purposes of this subsection make any alternative requirements appropriate to the situation.

(f) JURISDICTION AND SERVICE OF PROCESS.—Any suit or action brought under this section by the Board to enforce any liability or duty created by, or to enjoin any violation of, this chapter, or any rule, regulation, or order promulgated thereunder, shall be brought in the district wherein the eligible entity maintains its principal office, and process in such cases may be served in any district in which the defendant maintains its principal office or transacts business, or wherever the defendant may be found.

(g) SUBSTITUTION OF SECRETARY.—On the termination of the Board, the Secretary shall stand in place of the Board and shall possess all the powers, privileges and rights regarding compliance and enforcement described in this section and in section ____08.

(h) REVOCATION, SUSPENSION, OR TERMINATION.—If the approval of any eligible entity to participate in this program is revoked, suspended, or terminated, or if the activities of the eligible entity otherwise end, the Board, or the Secretary, upon the termination of the Board, shall—

(1) possess all the rights and privileges of such eligible entity;

(2) succeed to the assets of such eligible entity to the extent necessary to obtain a refund of any amounts due to the Board, or the Secretary;

(3) be entitled to receive any payments due to such eligible entity from any local businesses on any outstanding loans; and

(4) take over any equity investment held by such eligible entity.

CHAPTER 2—RURAL CAPITAL ACCESS PROGRAM

SEC. ____10. PURPOSE.

It is the purpose of this chapter to create a Rural Capital Access Program within the Department of Agriculture to encourage lending institutions to provide loans to certain businesses in rural areas.

SEC. ____11. DEFINITIONS.

As used in this chapter:

(1) FUND.—The term "Fund" means the Rural Capital Access Fund established under section ____12(b).

(2) PROGRAM.—The term "Program" means the Rural Capital Access Program established under section ____12(a).

(3) RURAL AREA.—The term "rural area" means all territory of a State that is not within the outer boundary of any city or town, or neighboring urbanized area as defined by the Board, having a population of 20,000 or more based on the latest decennial census of the United States.

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(5) STATE.—The term "State" means each of the 50 States of the United States.

SEC. 112. RURAL CAPITAL ACCESS.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to be known as the "Rural Capital Access Program" through which the Secretary shall provide incentives to lending institutions to encourage such institutions to provide new loans to certain businesses in rural areas.

(b) ESTABLISHMENT OF FUND.—

(1) IN GENERAL.—The Secretary shall establish and maintain a fund to be known as the "Rural Capital Access Fund" that shall serve as a reserve account to protect lending institutions that participate in the Program from losses associated with certain loans.

(2) AMOUNTS IN FUND.—The Fund established under paragraph (1) shall contain amounts received under this subtitle from the Federal Government, participating lending institutions, and eligible borrowers. The amounts obligated to the Fund shall remain in the Fund until expended.

SEC. ____13. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—To carry out this chapter there are authorized to be appropriated $15,000,000 in fiscal year 1991, $20,000,000 in fiscal year 1992, $30,000,000 in fiscal year 1993, $40,000,000 in fiscal year 1994, and $60,000,000 in fiscal year 1995.

(b) AMOUNTS NOT TO REMAIN AVAILABLE.—The amounts appropriated during each fiscal year pursuant to paragraph (1), that are not obligated to the Fund during such fiscal year, shall not remain available for use under the Program after the fiscal year for which such sums are appropriated.

(c) ADMINISTRATIVE EXPENSES.—No funds appropriated under this chapter shall be used for the administrative expenses of State agencies or institutions participating in the Program.

SEC. ____14. ALLOCATION.

(a) IN GENERAL.—Of the amounts appropriated under section ____13, the Secretary shall allocate to each State at the beginning of each fiscal year an amount for use under the Program equal to an amount that bears the same ratio to the total amount of such appropriation as the number of individuals residing in rural areas in such State bears to the number of individuals residing in rural areas in all States.

(b) REALLOCATION.—Any portion of the allocation under subsection (a) for use within a State during a fiscal year that the Secretary determines is not obligated to the Fund by June 1 of such fiscal year shall be released by the Secretary for obligation under the Program in connection with loans made in any other State.

SEC. ____15. ADMINISTRATION OF THE PROGRAM.

(a) NOTIFICATION AND APPLICATION.—

(1) IN GENERAL.—A State that desires to participate in the Program shall notify the Secretary in writing of its intent to participate, and shall provide such information as the Secretary shall require, including a designation of the State agency or private institution that shall administer the Program within the State.

(2) PRIVATE INSTITUTION.—If a State fails to—

(A) submit a notification to the Secretary within 6 months after the date of enactment of this Act; or

(B) designate a State agency or private institution to administer the Program;

a private institution within such State may apply to the Secretary to participate in the Program on behalf of such State. Within a reasonable period of time following the receipt of such application, the Secretary shall approve such institution for participation in the Program unless good cause exists to reject such application. If more than one such application is received from institutions within the State, the Secretary shall select from among the applicants one institution to participate in the Program.

(3) DUTIES.—The participating State agency or private institution shall—

(A) promote the Program within the State;

(B) recruit lending institutions within the State to participate in the Program;

(C) enter into agreements with participating lending institutions that outline the rights and obligations of such institutions;

(D) encourage participating lending institutions to use the Program to expand the funding activity of such institutions in rural areas and avoid displacing commercial loans that could otherwise be made without the incentives provided under the Program; and

(E) maintain such books and records of its activities under the Program, as specified by the Secretary and grant the Secretary reasonable access to such books and records.

(b) ELIGIBLE LENDING INSTITUTIONS, BORROWERS, AND LOANS.—

(1) ELIGIBLE LENDING INSTITUTIONS.—To be eligible to participate in the Program, a lending institution must be legally able to make loans within rural areas in the State.

(2) ELIGIBLE BORROWERS.—An eligible borrower must be a corporation, partnership, joint venture, sole proprietorship, retail business, cooperative, individual, or any other entity, whether profit or nonprofit, that conducts or is planning to conduct business in a rural area of a State.

(3) ELIGIBLE LOAN.—To be eligible for protection under this chapter a loan made by an eligible lending institution shall—

(A) be made to an eligible borrower;

(B) be used by the borrower for economic activity that is located in a rural area;

(C) not be used for the construction or purchase of residential property;

(D) not be used to finance any real estate purchase primarily for investment purposes, without developing or improving such real estate, or without intending to use such real estate in connection with the business of the borrower;

(E) not be an existing loan of the lending institution (or an affiliate of such institution) that is not in the Program unless the institution increases the outstanding balance of such loan and places the refinanced loan into the Program only to the extent that the principal of such loan is increased;

(F) not be made to a director, officer, or principal shareholder of the lender or a member of the immediate family of a director, officer, or principal shareholder of the lender; and

(G) not exceed $3,000,000.

SEC. ____16. OPERATION OF THE PROGRAM.

(a) LOAN PROCESS.—A lending institution that enters into an agreement with the administering agency or institution may make loans to eligible borrowers and such loans shall be protected by the subaccounts contained in the Fund.

(b) CREATION OF SUBACCOUNTS.—

(1) IN GENERAL.—A subaccount shall be created in the Fund for each lending institution that enters into an agreement with the administering agency or institution that shall contain amounts derived from contributions made by the lending institution, the borrower, and the Federal Government.

(2) CONTRIBUTIONS.—

(A) MINIMUM.—The minimum contributions in connection with any eligible loan to the subaccount of a lending institution under this subsection shall be—

(i) an amount equal to not less than 1.5 percent of the amount of the loan to be paid by the borrower;

(ii) an amount equal to the amount contributed under clause (i) to be paid by the lending institution; and

(iii) an amount equal to the amounts paid under clauses (i) and (ii) to be paid by the Secretary.

(B) MAXIMUM.—The maximum contributions in connection with any eligible loan to the subaccount of a lending institution under this subsection shall be—

(i) an amount equal to not greater than 3.5 percent of the amount of the loan to be paid by the borrower;

(ii) an amount equal to the amount contributed under clause (i) to be paid by the lending institution; and

(iii) an amount equal to the amounts paid under clauses (i) and (ii) to be paid by the Secretary.

(C) DETERMINATION.—The amount of the contribution to be made by a borrower in connection with any eligible loan made under the Program shall be established through an agreement between the lender and the borrower.

(3) INTEREST.—The subaccount of each lending institution shall earn interest at a rate equal to the current average market yield on outstanding marketable obligations of the United States.

(4) WITHDRAWAL.—A lending institution shall only be permitted to withdraw funds from the subaccount of such institution to reimburse such institution for losses suffered on eligible loans made under the Program.

(c) PROCEDURE.—

(1) NOTIFICATION.—After entering into an agreement with the administering agency or institution to participate in the Program, a lending institution shall notify such agency or institution before concluding a loan agreement to provide an eligible loan to any eligible borrower to ensure that the Secretary has sufficient funds available for use in such State to pay the contribution required of the Secretary under subsection (b)(2).

(2) TIME FOR PAYMENTS OF CONTRIBUTIONS.—

(A) LENDING INSTITUTION AND BORROWER.—The lending institution shall pay the required contribution, and collect and pay the required contribution of the borrower, to the administering agency or institution not later than 10 working days after the applicable loan agreement is entered into.

(B) TRANSFER TO SECRETARY.—Not later than 5 working days after the receipt of funds under subparagraph (A), the administering agency or institution shall transfer such funds to the Secretary.

(C) SECRETARY.—As soon as practicable after the administering agency or institution transmits the contributions required under subsection (b)(2) to the Secretary, such contributions and the matching funds required to be provided by the Secretary, shall be deposited by the Secretary into the subaccount of the institution created within the Fund in accordance with subsection (b)(1).

(d) CLAIMS AGAINST THE FUND.—

(1) DETERMINATION OF CHARGEOFFS.—A lending institution shall determine when and how much to charge off on a loan eligible for protection under this chapter in a manner that is consistent with the normal methods used by such institution for making such determinations concerning its commercial business loans not covered under the Program.

(2) FILING OF CLAIMS.—A lending institution shall file a claim for assistance under this chapter with the administering agency or institution at the time that such lending institution charges off all or part of an eligible loan.

(3) AMOUNT OF CLAIM.—

(A) IN GENERAL.—A claim filed by a lending institution under this subsection may include the full amount of the principal of the loan that is charged off, any interest accrued on the loan, and any out-of-pocket expenses incurred by such institution in connection with the loan.

(B) LIMITATION.—If the amount of a loan that is protected under this Program is less than the total amount of the loan principal charged off by the lender, the amount of principal and accrued interest that may be included in a claim shall not exceed the principal amount of such loan that is protected under the Program in addition to any accrued interest attributable to such principal.

(4) REVIEW OF CLAIMS.—

(A) IN GENERAL.—A claim submitted under this section shall be promptly delivered by the administering agency or institution to the Secretary who shall, not later than 20 days after the receipt of such claim, review the claim and make a payment to the lending institution from the subaccount of such institution in the amount of the claim.

(B) LIMITATION.—Except as provided in section ____18(c), the amount of payment made to a lender on any claim under this Program shall not exceed the total amount that such lending institution has in its subaccount in the Fund.

(C) GROUNDS FOR DENIAL OF CLAIM.—The Secretary shall only deny a claim submitted under this subsection, or a portion thereof, if the Secretary determines that the lending institution that submitted the claim has knowingly—

(i) violated a provision of this chapter;

(ii) violated a provision of the agreement of the institution with the administering agency or institution;

(iii) allowed interest to accrue on the loan for an unreasonable period of time after the loan became delinquent without taking prudent action to collect the principal; or

(iv) submitted a false claim.

(e) REVIEW BY THE SECRETARY.—The Secretary may review the operations of any lending institution that participates in the Program under this chapter.

SEC. ____17. INACTIVE LENDING INSTITUTIONS.

If, for a period of at least 24 consecutive months, the amount in the subaccount of a lending institution exceeds the outstanding balance of all loans of such institution protected under this Program, the Secretary may withdraw any such excess amounts so that the amount of funds remaining in the subaccount are equal to 100 percent of the outstanding balance of such loans. Such excess shall be transferred to a general account within the Fund to be utilized by the Secretary for other contributions under section ____16(b)(2).

SEC. ____18. INITIAL PROGRAM INCENTIVES.

(a) PURPOSES.—To encourage lending institutions to participate in the Program and to make eligible loans during the early stages of the implementation of the Program, the Secretary shall provide two special incentives as provided in subsections (b) and (c).

(b) ADDITIONAL CONTRIBUTION.—The Secretary shall contribute an amount, under section ____16(b)(2), equal to 150 percent of the amount of the contributions made by the lending institution and the borrower, in connection with any loan protected under the Program, with respect to the first $2,000,000 of principal on loans made by such institution that are protected under the Program.

(c) PAYMENT OF CLAIMS WITH FUTURE CONTRIBUTIONS.—

(1) AVAILABILITY.—The provisions of this subsection shall only apply to the first $5,000,000 of principal on loans made by a lending institution that are protected under the Program.

(2) INCENTIVE.—If a claim is filed under section ____16(d) on a loan that meets the requirement of paragraph (1), and at the time that such claim is made there is not a sufficient amount of funds in the claiming lending institution's subaccount to pay the full amount of such claim, the lending institution may withdraw all of the funds in such subaccount and, to the extent such institution continues to make eligible loans under this chapter that result in additional contributions to such subaccount, such institution may withdraw such additional funds from the subaccount at the time such funds are deposited as may be necessary to exhaust the full amount of any such claim.

(3) LIMITATION.—The Secretary shall limit withdrawals from the subaccount of any lender under this subsection so that the amount withdrawn by the lending institution to reimburse such institution for a prior claim, shall not exceed 75 percent of the amount in such subaccount immediately prior to such subsequent withdrawal.

CHAPTER 3—RURAL ECONOMIC DEVELOPMENT ADMINISTERED BY THE SECRETARY AND THE RURAL ELECTRIFICATION ADMINISTRATION

SEC. ____20. ASSISTANT ADMINISTRATOR FOR ECONOMIC DEVELOPMENT.

The Rural Electrification Act of 1936 is amended by adding after section 11 (7 U.S.C. 911) the following new section:

"SEC. 11A. ASSISTANT ADMINISTRATOR FOR ECONOMIC DEVELOPMENT.

"(a) APPOINTMENT.—The Administrator shall appoint an Assistant Administrator for Economic Development (hereinafter referred to in this Act as the 'Assistant Administrator') to carry out the programs of the Rural Electrification Administration concerning the involvement of rural electric and telephone systems in community and economic development.

"(b) APPOINTMENT FACTORS.—In appointing an Assistant Administrator, the Administrator shall consider the degree to which candidates possess—

"(1) knowledge of and experience in community and economic development programs and strategies;

"(2) the ability to develop and manage the specific programs and responsibilities of this office, as described in this Act;

"(3) the ability to work effectively with officials of Federal, State, and local governments, private, and other officials of development programs, as well as with borrowers of the Rural Electrification Administration and their associations; and

"(4) other factors as determined by the Administrator to be important in the successful execution of the responsibilities of the office of Assistant Administrator.

"(c) RESPONSIBILITIES AND STANDING.—The Assistant Administrator shall be—

"(1) responsible, unless otherwise provided by law, for the administration of the programs of the Rural Electrification Administration not directly related to the providing of electric or telephone service; and

"(2) compensated at a salary level that is not less than that of the Assistant Administrator for Electric and the Assistant Administrator for Telephone of the Rural Electrification Administration.

"(d) FUNDING.—Not less than 10 percent nor more than 20 percent of the salaries and expenses provided to the Administration during any fiscal year shall be used by the Assistant Administrator in carrying out the responsibilities of the Assistant Administrator as described in subsection (c), and such amounts shall remain available until expended.

"(e) TECHNICAL ASSISTANCE UNIT.—The Administrator shall establish a technical assistance unit to provide advice and guidance to borrowers concerning community and economic development activities permitted under this Act. From the amounts made available to the Assistant Administrator under subsection (d), not less than 1 percent of the salaries and expenses of the Rural Electrification Administration shall be made available to such technical assistance unit established in this section.".

SEC. ____21. DEFERMENT OF PAYMENT ON ECONOMIC DEVELOPMENT LOANS.

Section 12 of the Rural Electrification Act of 1936 (7 U.S.C. 912) is amended—

(1) by inserting "(a)" before "The Administrator"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Administrator shall permit any borrower to defer the payment of principal and interest on any insured or direct loan made under this Act under circumstances described in this subsection, notwithstanding any limitation contained in section 12(a), except that such deferment shall not be permitted based on the determination by the Administrator of the financial hardship of the borrower.

"(2)(A) In the case of deferments made to enable the borrower to provide financing to local businesses, the deferment shall be repaid in equal installments, without the accrual of interest, over the 60-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred; and

"(B) In the case of deferments made to enable the borrower to provide community development assistance, technical assistance to businesses, or similar community, business, or economic development assistance, the deferment shall be repaid in equal installments, without the accrual of interest, over the 120-month period beginning on the date of the deferment, and the total of amount of such payments shall be equal to the amount of the payment deferred; and

"(3)(A) A borrower may defer its debt service payments only in an amount equal to an investment made by such borrower in community or economic development projects.

"(B) The amount of the deferment shall not exceed 50 percent of the cost of a community or economic development project financed under paragraph (2).

"(C) The total amount of deferments under this subsection during each of the fiscal years 1990 through 1993 shall not exceed 3 percent of the total payments received during such fiscal year from all borrowers on direct and insured loans made under this Act and shall not exceed 5 percent of such total payments in each subsequent fiscal year.

"(D) At the time of a deferment, the borrower shall make a cushion of credit payment in an amount equal to the amount of the payment deferred. Such payment shall not be reduced by the borrower below the level of the unpaid balance of the payment deferred. Subject to limitations established in annual appropriations Acts, such cushion of credit amounts and any other cushion of credit and advance payments of any borrower shall be included in the interest differential calculation provided by section 313 of this Act.

"(4) The Administrator shall undertake all reasonable efforts to permit the full amount of deferments authorized by this subsection during each fiscal year.".

SEC. ____22. WATER AND WASTE FACILITY FINANCING.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding after section 306, the following new section:

"SEC. 306A. ADDITIONAL WATER AND WASTE FACILITIES PROGRAM.

"(a) AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make loans to individuals or entities who are borrowers under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.), (hereinafter referred to in this section as the 'borrower') to enable such borrowers to provide water and waste facility services in areas served by such borrowers.

"(2) PROGRAMS.—The loan program established by the Secretary under this section shall be in addition to any programs administered under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) and section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926).

"(b) LIMITATION.—Loans made under subsection (a) shall not, unless otherwise specified by law, exceed an amount equal to 10 percent of the total amount of insured loans under the Rural Electrification Act of 1936 authorized during the fiscal year in which such loan is made for rural electrification and telephone purposes, or $40,000,000, whichever is less. Such limitations shall be in addition to the total amount of insured loans authorized for electrification and telephone purposes.

"(c) PRIORITY.—In reviewing applications for loans under this section the Secretary shall consider—

"(1) whether the loan is necessary to enable the communities to be served to comply with applicable Federal or State environmental laws;

"(2) whether the individuals residing in the area for which service is proposed, and any local government entities, are in favor of the borrower providing such services in the area;

"(3) the income, unemployment, and other characteristics of the area to be served;

"(4) the degree of deprivation faced by residents of the area to be served as a result of the lack of safe drinking water, adequate water supplies, sewage treatment and other waste disposal facilities;

"(5) the impact that the availability of safe water supplies, waste disposal and similar services would be likely to have on enhancing the prospects for economic growth within the area to be served;

"(6) the degree to which a loan that may be provided under this subsection is necessary to ensure that water and waste disposal services are available in the area to be served by such loan at costs that do not exceed those charged in other nearby areas;

"(7) the impact of the proposed loan on the retention of the property and service territory of the borrower, or in protecting the security given on outstanding loans provided to the borrower; and

"(8) whether the water and waste facility projects described in the application will duplicate any existing facilities, and whether the borrower will coordinate its water and waste facility operations with similar operations in the area, including efforts to achieve economies of scale through joint billing, collection, or other operations with nearby systems in order to reduce the costs, improve the operations, or otherwise assist such systems.

"(d) COORDINATION.—

"(1) OTHER PROGRAMS AND REQUIREMENTS.—

"(A) OTHER PROGRAMS.—The Secretary shall ensure that the program established under this section is coordinated with the programs authorized and established under section 306, and will attempt to coordinate the lending activities under this section with similar activities conducted by other entities.

"(B) REQUIREMENTS.—Loans made under this section shall be subject, in the same manner as loans made under section 306, to the provisions of section 306(a)(9) and 306(a)(10) (which require approvals by State water pollution control agencies), sections 306(a)(19) (A) and (B), (which include certain requirements in connection with the technical design and choice of materials for water and waste systems), and section 306(b) (which concerns the curtailment or limitation of service).

"(2) ASSIGNMENT OF DUTIES.—The Secretary shall determine whether the Rural Electrification Administration possesses greater expertise, as compared with the Farmers Home Administration, in the areas of utility accounting, utility management and financial analysis, advice and assistance, and other aspects of utility operations and engineering. If the Secretary determines that the Rural Electrification Administration possesses greater expertise in such areas, the Secretary shall require the Rural Electrification Administration to provide technical assistance, and assist in the processing of applications under this section.

"(3) PROHIBITION ON LIMITING ACCESS.—The Secretary shall establish rules and procedures that prohibit borrowers from conditioning or limiting access to, or the use of, any water and waste facility services that are financed under this section. Such rules and procedures shall be based on whether individuals or entities in the area for which such facility is proposed receive, or will accept, electric service from such borrower.

"(e) TERMS.—

"(1) IN GENERAL.—Loans made under this section shall be for the same repayment period as insured loans made by the Administrator of the Rural Electrification Administration to such borrowers under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) and interest rates on loans made under this section shall not exceed the 5 percent interest rate on such insured loans as described in section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935).

"(2) INTEREST RATE.—The Secretary shall determine the interest rate to be charged on loans made under this section on the basis of—

"(A) ensuring that the cost to consumers for water and waste disposal services financed with loans provided under this section does not, to the extent possible, exceed rates charged in areas that are near the area served by the borrower;

"(B) the income and other characteristics of the individuals to be served through the provision of such loans; and

"(C) encouraging borrowers to obtain private sector capital, as provided for in subsection (f), to supplement loans made under this section.

"(f) PRIVATE SECTOR CAPITAL.—The Secretary shall require borrowers under this section to obtain private sector capital to supplement assistance made available under this section if—

"(1) the Secretary determines that—

"(A) it is appropriate to require use of such private capital, taking into account subparagraphs (A) and (B) of subsection (e)(2); and

"(B) the borrower is able to obtain revenues from the facilities to be financed to recover its cost, including the cost of such private capital; and

"(2) the borrower is able to obtain such private sector capital.

In order to facilitate the obtaining of such private capital, the Secretary may, on a case-by-case basis, reduce the interest rate on loans provided under this section when such reduction is appropriate and will enable the borrower to obtain such private capital.

"(g) APPROPRIATIONS.—The Secretary is authorized to make loans to the extent amounts are appropriated as provided under this section, except that during any fiscal year the amount of such loans, unless otherwise provided by law, shall not exceed 10 percent of the amount authorized for all insured loans under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.), or $40,000,000, whichever amount is less. Funds appropriated under this section shall remain available until expended.

"(h) REPAYMENT.—Appropriations made for purposes of this section shall be placed in a separate account. Advances on loans made under this section shall be made from such account, and payments on such loans shall be returned to the account for use by the account in making advances on future loans.

"(i) FULL USE.—The Secretary shall undertake all reasonable efforts to make full use, during each fiscal year, of any funds held by the account established under subsection (h), subject to limitations that loans for the purpose of this section shall not exceed 10 percent of the amount of loans made under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) during any fiscal year, or $40,000,000, whichever amount is less, and subject to any other limitations that may be imposed by law, except that any repayments made during each fiscal year shall not be considered in computing such 10 percent or $40,000,000 limit.

"(j) REPLENISHMENT OF WATER AND WASTE FACILITY FUND.—

"(1) CALCULATION OF TOTAL AMOUNT OF LOANS.—At the end of each fiscal year the Secretary shall calculate—

"(A) the total amount of loans extended under this section during such fiscal year; and

"(B) the amount of water or waste facility loans extended to borrowers (as referred to in subsection (a)(1)) under section 306 of this Act.

"(2) TRANSFER OF AMOUNTS.—Notwithstanding the provisions of subsections (g) and (i), if any amounts appropriated under this section remain available at the end of any fiscal year, the Secretary shall transfer such available amounts to the fund used to make water or waste facility loans under section 306, to the extent of the amount of any loans made to borrowers under the Rural Electrification Act of 1936, under such section 306, and any such loan to such borrower made under section 306 shall be subject to the terms, conditions and other requirements of section 306A, and any such section 306 loan shall be repaid to the account established by subsection (h).".

SEC. ____23. RURAL ECONOMIC DEVELOPMENT.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—RURAL ECONOMIC DEVELOPMENT

"SEC. 501. ADDITIONAL POWERS AND DUTIES OF REA ADMINISTRATOR.

"The Administrator shall—

"(1) provide advice and guidance to electric borrowers under this Act concerning the effective and prudent use by such borrowers of the investment authority under section 312 to promote rural development;

"(2) provide technical advice, troubleshooting, and guidance concerning the operation of programs or systems that receive assistance under this Act;

"(3) establish and administer various pilot projects through electric and telephone borrowers that the Administrator determines are useful or necessary, and recommend specific rural development projects for rural areas;

"(4) act as an information clearinghouse and conduit to provide information to electric and telephone borrowers under this Act concerning useful and effective rural development efforts that such borrowers may wish to apply in their areas of operation and concerning State, regional, or local plans for long-term rural economic development;

"(5) provide information to electric and telephone borrowers under this Act concerning the eligibility of such borrowers to apply for financial assistance, loans, or grants from other Federal agencies and non-Federal sources to enable such borrowers to expand their rural development efforts;

"(6) promote local partnerships and other coordination between borrowers under this Act and community organizations, States, counties, or other entities, to improve rural development;

"(7) review the advice and recommendations of the Rural Educational Opportunities Board as established under section 601(f); and

"(8) administer a Rural Business Incubator Fund (as established under section 502) that shall provide technical assistance, advice, loans, or capital to business incubator programs or for the creation or operation of small business incubators in rural areas.

"SEC. 502. RURAL BUSINESS INCUBATOR FUND.

"(a) ESTABLISHMENT AND USE.—

"(1) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Rural Business Incubator Fund (hereinafter referred to in this title as the 'Incubator Fund') to be administered by the Administrator.

"(2) USE.—The Incubator Fund shall be used to make grants and reduced interest loans to electric and telephone borrowers under this Act or to other non-profit entities that meet the requirements of this section, to promote business incubator programs or for the creation or operation of business incubators in rural areas as defined in this Act, and the rate of such loans shall not exceed the 5 percent rate as provided in section 305.

"(3) BUSINESS INCUBATOR.—Any business incubator that receives assistance under this title shall be a facility in which small businesses can share premises, support staff, computers, software or hardware, telecommunications terminal equipment, machinery, janitorial services, utilities, or other overhead expenses, and where such businesses can receive technical assistance, financial advice, business planning services or other support. Business incubator programs that provide assistance of the type described in this paragraph shall be eligible for assistance under this title even when such programs do not involve the sharing of premises.

"(b) APPLICATION FOR ASSISTANCE.—

"(1) ELIGIBILITY TO SUBMIT.—Borrowers under this Act that operate existing business incubators or that desire to operate such incubators or business incubator programs, and that meet the requirements established by the Administrator for obtaining grants or reduced interest loans under this section, may submit applications at such time, in such form, and containing such information as the Administrator shall require, for such grants or loans. Nonprofit entities that are not borrowers under title III shall be considered eligible borrowers for the purpose of this section if such entities are located in a State in which one or fewer electric borrowers are headquartered in such State.

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"(2) REQUIREMENTS.—Applications submitted under paragraph (1) shall, at a minimum—

"(A) contain an assurance that any incubator established or operated pursuant to this section will be operated on a not-for-profit basis; and

"(B) contain an assurance that it will be the policy of such incubator to encourage and assist businesses in graduating from the incubator and becoming viable business entities in the community and to inform participating businesses of this policy;

"(3) REVIEW.—In reviewing applications for assistance, the Administrator shall consider—

"(A) how effectively the incubator project will assist in the formation, growth, or improved efficiency of small businesses that will help diversify and develop the local economy; and

"(B) the amount of local support likely to exist for the incubator and the businesses to be assisted by such incubator, taking into account local contributions of business, financial, technical, technological or managerial expertise, and contributions of equipment or materials, local financial assistance, and other factors as determined appropriate by the Administrator.

"(c) FUNDING OF LOCAL INCUBATORS.—

"(1) BY BORROWER ESTABLISHING INCUBATOR.—

"(A) IN GENERAL.—A borrower that establishes or assists a business incubator under this section shall purchase Capital Term Certificates issued by the Incubator Fund in amounts equal to 10 percent of the amount of the grant, or 5 percent of the amount of the reduced interest loan, provided by the Administrator under this section.

"(B) REDEMPTION OF CERTIFICATES.—Each calendar year for the 10-year period beginning on the date that a grant or reduced interest loan is provided under this section, the Administrator shall redeem an amount equal to 10 percent of the Capital Term Certificates purchased by the borrower under subparagraph (A), without any payment of interest.

"(2) BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall, subject to the limitations contained in annual appropriations Acts, provide funds for the capitalization of the Incubator Fund, and there are authorized to be appropriated amounts not to exceed $10,000,000 annually for such capitalization until the total of such capitalization shall equal $60,000,000. Such amounts shall remain available until expended by the Incubator Fund for the purposes of this section.

"(d) REPAYMENTS TO INCUBATION FUND.—All payments made on loans under this section, and all amounts provided under subsection (c), shall be placed in the Incubator Fund established by subsection (a) and shall be available to carry out the purposes of this section.

"(e) FULL USE.—The Administrator shall undertake all reasonable efforts to make full use, during each fiscal year, of any funds contained in the Incubator Fund established under subsection (a), consistent with the requirement that the Incubator Fund redeem Capital Term Certificates as provided by subsection (c). During each fiscal year, 10 percent of the amount contained in the Incubator Fund shall be made available to nonprofit entities, as provided under subsection (b), that are not borrowers under title III, except that if qualified applications from such entities are not received in an amount or at such times sufficient to utilize such 10 percent amount during each such fiscal year, the Administrator shall make the remainder of such amount available to other eligible borrowers during such fiscal year.".

SEC. ____24. PROMOTING RURAL DEVELOPMENT BY REA TELEPHONE BORROWERS.

To promote additional rural development by Rural Electrification Administration telephone borrowers, amounts invested by any such borrower for improved rural telecommunications facilities under programs established pursuant to section ____35, or other additional rural development efforts made under subtitle C, shall not be considered dividends or distributions of capital by the Rural Electrification Administration.

SEC. ____25. REVIEW OF PROGRAMS FOR BUSINESS INCUBATOR.

(a) POLICY OF THE UNITED STATES.—It is the policy of the United States that the Federal Government should encourage and support the development and operation of business incubator centers as a tool of economic and community development.

(b) ACTION BY SECRETARIES.—The Secretaries of Housing and Urban Development, Health and Human Services, Energy, Defense, Commerce, and Agriculture, and the Administrator of the Small Business Administration shall review existing regulations promulgated by their respective departments and agencies governing grants and loans for purposes of community development, business promotion, research and development, and export promotion and shall take such action as may be necessary to ensure that business incubator centers are eligible for such grants or loans.

(c) REPORT.—Not later than March 1, 1991, the head of each agency or department described in subsection (b) shall prepare and submit, to the appropriate Committees of the House of Representatives and to the Governmental Affairs Committee and other appropriate committees of the Senate, a report containing the findings of its review including—

(1) a description of existing Federal grant or loan programs the purpose of which is community development, business promotion, research and development, or export promotion for which business incubator centers are currently eligible;

(2) recommendations as to changes in existing law needed to make business incubator centers eligible for current Federal grant or loan programs for purposes of community development, business promotion, research and development, or export promotion; and

(3) recommendations for any additional legislation that may be required to foster and support business incubator centers.

(d) CONSULTATION.—In conducting the reviews under subsections (b) and (c), the heads of the agencies and departments shall regularly consult with representatives of incubator operators, officials of State and local government, and others involved in small business promotion and economic development.

(e) AVAILABILITY OF REPORTS.—The Administrator of the Small Business Administration shall ensure that any reports developed as the result of such reviews are made available to interested parties and to the general public.

Subtitle B—Enhancing Human Resources

SEC. ____31. PURPOSE.

It is the purpose of this subtitle to provide incentives for local telephone exchange carriers, and for rural community facilities or residents to improve the quality of phone service, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

SEC. ____32. GOALS.

It is a goal of the Federal government to make affordable advanced telecommunications available to rural residents, including services such as reliable facsimile document and data transmission, multifrequency tone signaling services, 911 emergency service with automatic number identification, interactive audio and visual transmissions, voicemail services designed to record, store, and retrieve voice messages, and other advanced telecommunications services.

SEC. ____33. DEFINITIONS.

As used in this subtitle:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Rural Electrification Administration.

(2) COMMUNICATION SATELLITE GROUND STATION COMPLEX.—The term "communication satellite ground station complex" includes transmitters, receivers, and communications antennas at the Earth station site together with the interconnecting terrestrial transmission facilities (cables, line or microwave facilities) and modulating and demodulating equipment necessary for processing traffic received from the terrestrial distribution system prior to transmission via satellite and the traffic received from the satellite prior to transfer to terrestrial distribution systems.

(3) COMPREHENSIVE RURAL TELECOMMUNICATIONS PLAN.—The term "comprehensive rural telecommunications plan" means a plan submitted by an applicant for a grant under this subtitle. Each such plan shall include—

(A) a detailed explanation of the proposed rural telecommunications system, how such system is to be funded, and a description of the intended uses for grants received from the Administrator under this subtitle;

(B) an explanation of the manner in which such plan complies with any requirements imposed by the Administrator under this subtitle or otherwise imposed under section ____34;

(C) a listing of the proposed purchases or leases of telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, interactive video equipment, computer hardware and software systems, and components that process data for transmission via telecommunications, computer network components, communication satellite ground station equipment, or any other elements of the telecommunications system designed to further the purposes of subtitle II, that the applicant intends to build or fund using the grant funds;

(D) an explanation of the special financial or other needs of the affected rural communities and of the applicants for such grant assistance;

(E) an analysis of the relative cost-benefit of proposals for leasing or purchasing of facilities, equipment, components, hardware and software, or other items; and

(F) a description of the consultations with the appropriate local telephone exchange carrier or carriers and the anticipated role of such carrier in the proposed telecommunications system.

(4) COMPUTER NETWORKS.—The term "computer networks" refers to computer hardware and software, terminals, signal conversion equipment including both modulators and demodulators, or related devices, used to communicate with other computers to

process and exchange data through a telecommunication network in which signals are generated, modified or prepared for transmission, or received, via telecommunications terminal equipment and telecommunications transmission facilities.

(5) DATA TERMINAL EQUIPMENT.—The term "data terminal equipment" refers to equipment that converts user information into data signals for transmission, or reconverts the received data signals into user information, and is normally found on the terminal of a circuit and on the premises of the end user.

(6) END USER.—The term "end user" means rural community facilities or persons associated with those facilities who participate in the programs established under this subtitle.

(7) FIBER-OPTIC CABLE.—The term "fiber-optic cable" means a bundle of optical transmission elements or waveguides usually consisting of a fiber core and fiber cladding that can guide a lightwave and that are incorporated into an assembly of materials that provide tensile strength and external protection.

(8) INTERACTIVE VIDEO EQUIPMENT.—The term "interactive video equipment" refers to equipment used to produce and prepare for transmission audio and visual signals from at least two distant locations such that individuals at such locations can verbally and visually communicate with each other, and such equipment includes monitors, other display devices, cameras or other recording devices, audio pickup devices, and other related equipment.

(9) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(10) TELECOMMUNICATIONS TRANSMISSION FACILITIES.—The term "telecommunications transmission facilities" refers to those facilities that transmit, receive, or carry data between the telecommunications terminal equipment at each end of a telecommunications circuit or path. Such facilities include microwave antenna, relay stations and towers, other telecommunications antenna, fiber-optic cables and repeaters, coaxial cables, communication satellite ground station complexes, copper cable electronic equipment associated with telecommunications transmissions, and similar items as defined by the Administrator.

(11) TELECOMMUNICATIONS TERMINAL EQUIPMENT.—The term "telecommunications terminal equipment" refers to the assembly of telecommunications equipment at the end of a circuit, normally located on the premises of the end user, that interfaces with telecommunications transmission facilities, and that is used to modify, convert, encode or otherwise prepare signals to be transmitted via such telecommunications facilities or that is used to modify, reconvert or carry signals received from such facilities, the purpose of which is to accomplish the mission for which the circuit was established.

SEC. ____34. PROVISIONS RELEVANT TO TELECOMMUNICATIONS PROGRAMS.

(a) ADMINISTRATION.—The Administrator shall be responsible for the administration of this subtitle.

(b) RULEMAKING.—Not later than 160 days after the date of enactment of this Act, the Administrator shall promulgate final regulations, under the notice and comment rulemaking requirements described in section 553 of title 5, United States Code, that establish the telecommunications programs authorized in this subtitle.

(c) PRIORITY.—The Administrator shall establish procedures to target the benefits of this subtitle to the rural areas and grant applicants that demonstrate the need for such assistance, taking into consideration the relative needs of all applicants, the needs of the affected rural communities, and the financial ability of the applicants to otherwise secure or create the telecommunications systems.

(d) WAIVERS.—If the Administrator determines that a compelling need is present, the Administrator may modify any of the definitions described in section ____33.

(e) EXPEDITING COORDINATED TELEPHONE LOANS.—The Administrator shall establish and implement procedures to assure that applications for loans and advances of funds submitted by local exchange carriers under this subtitle—

(1) to enable such exchange carriers to provide advanced telecommunications services in rural areas; and

(2) that contain elements of any telecommunications project approved by the Administrator under this subtitle that will be completed by such local telephone exchange carriers but that is not covered by the grants issued under this subtitle;

shall receive expedited consideration and determination.

(f) GRANT APPROVAL PROCESS.—

(1) MODIFICATIONS.—The Administrator shall have the authority to request modifications or changes in any proposal described in a grant application submitted under this subtitle.

(2) LEVELS OF FUNDING.—

(A) IN GENERAL.—The Administrator may offer to fund grant applications under this subtitle at any levels that the Administrator considers appropriate but not exceeding any percentage levels described in this subtitle.

(B) CONSIDERATIONS.—The Administrator shall provide grant funding in amounts based on—

(i) the worthiness of the application;

(ii) the financial needs of the applicant for the grant assistance;

(iii) the need of the affected rural communities for the proposed projects; and

(iv) other factors determined appropriate by the Administrator;

after taking into consideration the nationwide demands for grant assistance and the cost-benefit of any proposed purchases or leases of telecommunications transmission facilities, telecommunications terminal equipment, computer network components, and other equipment or facilities.

(g) JOINT USE OF TELECOMMUNICATIONS TRANSMISSIONS FACILITIES.—In issuing regulations implementing this subtitle, and in requesting changes in, or approving applications for grants, the Administrator shall give a priority to the extent reasonable and appropriate to provide funding for such facilities that can be jointly shared regarding projects established under this subtitle.

(h) EXPEDITED LOANS FOR TELEPHONE TRANSMISSION FACILITIES.—

(1) IN GENERAL.—Grants to cover the costs of installing telecommunication transmission facilities shall not be provided to approved end users if the local telephone exchange carrier providing telephone service, as defined in section 203(a) of the Rural Electrification Act of 1936 (7 U.S.C. 924), will install such facilities through the use of expedited telephone loans as described in subsection (e) under the conditions and deadlines described in this section or through other financing procedures.

(2) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—Applicants for grants for a rural telecommunications program established under this subtitle shall notify the appropriate local telephone exchange carrier regarding the application filed with the Administrator for assistance under this subtitle and shall attempt to work with such carrier in developing the rural telecommunications project.

(3) DEADLINE IMPOSED ON THE ADMINISTRATOR.—The Administrator shall, not later than 45 days after the receipt of the completed application, respond to such completed application for an expedited telephone loan. The Administrator shall notify the applicant in writing of its decision regarding each such expedited loan application.

SEC. ____35. RURAL COMMUNITY ACCESS TO ADVANCED TELECOMMUNICATIONS.

(a) PURPOSE.—

(1) IN GENERAL.—It is the purpose of the program established under this section to encourage and improve the use of telecommunications, computer networks, and related advanced technologies, by persons associated with end users, including students and teachers, medical professionals, small businesses, and other residents living in rural areas associated with rural community facilities in rural areas.

(2) GRANTS.—The program established under this section shall make grants available to end users to fund up to 100 percent of each comprehensive rural telecommunications plan as approved by the Administrator.

(b) GRANTS.—

(1) GENERAL AUTHORIZATION.—The Administrator is authorized to make grants to accomplish the purposes of the program established under this section in amounts that shall not exceed the levels set forth in paragraph (3).

(2) DISBURSEMENT.—In order to facilitate appropriate planning for, and continuity of the program established under this section, funds appropriated by Congress during a particular year may be committed by the Administrator for disbursement in a subsequent year or years, and funds appropriated and committed during a year may exceed the limitations described in paragraph (1). Funds appropriated pursuant to this section shall remain available until expended.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this subtitle, $25,000,000 in fiscal year 1991, $50,000,000 in each of the fiscal years 1992 and 1993, and $60,000,000 in each of the fiscal years 1994 and 1995. Amounts appropriated under this subsection shall remain available until expended.

(4) USE OF FUNDS.—Grants under this section shall be made available to end users to be used for facilities, equipment, activities, and other uses as described in the approved rural telecommunications plan to achieve the purpose of this section, including—

(A) the development and acquisition of instructional programming;

(B) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further the purposes of the programs authorized by this section;

(C) providing technical assistance and instruction for the development or use of such programming, equipment, or facilities; or

(D) other uses that are consistent with achieving the purposes of this section as approved by the Administrator.

(5) Under the conditions described in section ____34(i), expedited loans may also be provided, to carry out any medical link project, to local exchange carriers providing telephone service, as defined in section ____33(a) of the Rural Electrification Act of 1936 (7 U.S.C. 924(a)), to cover the costs of telecommunications transmission facilities.

(6) INFORMATIONAL EFFORTS.—The Administrator shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this section.

(7) LIMITS ON GRANTS.—Grants awarded under this section for an end user shall not be used for the salaries or expenses of an end user.

(c) REGULATIONS.—Not later than 160 days after the date of enactment of this Act, the Administrator shall, in addition to promulgating the regulations described in section ____34(b), establish a priority system for awarding grants to end users located in rural areas that are most in need of enhanced communications to carry out the purposes of this section.

Subtitle C—Focus on Rural America by the Department of Agriculture

SEC. ____41. EXTENSION SERVICE.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by adding at the end thereof the following new subsection:

"(g) RURAL ECONOMIC AND BUSINESS DEVELOPMENT.—

"(1) IN GENERAL.—The Secretary shall establish an Extension Service rural economic and business development program to enable States or counties to employ specialists as Cooperative Extension Service staff of the State or county to assist individuals in creating new businesses, including cooperatives, or to assist existing businesses, and to assist such businesses regarding advanced telecommunications, computer technologies, technical or management assistance, business and financial planning, and other related matters, and to assist community leaders in community economic analysis and strategic planning.

"(2) FUNCTION OF SPECIALISTS.—Specialists employed under paragraph (1) shall provide economic development information and assistance concerning new business creation, business planning and advice, advanced telecommunications, business management, computer operations, and other technical assistance to community leaders and private sector entrepreneurs and cooperatives operating in the State or county that employs such specialists.

"(3) PROCEDURES AND LIMITATIONS.—The Secretary shall establish policies, procedures and limitations that shall apply to States and counties that desire to participate in the program established under this subsection. States and counties shall determine the types of rural economic and business development specialists that are needed by such States and counties. In States with land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, such eligible institutions shall mutually determine the types of rural economic and business development specialists needed.

"(4) PAYMENT OF SALARY.—The Secretary shall make grants to States and counties that participate in the program established under this section in an amount equal to 60 percent of the total amount of the salary paid to any specialists employed under such program, and the State or county shall provide funds for the remaining 40 percent of such salary. Land-grant colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, shall be exempt from the 40 percent salary matching requirement.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 in fiscal year 1991, $10,000,000 in fiscal year 1992, $15,000,000 in fiscal year 1993, and $20,000,000 in fiscal year 1994 and each subsequent fiscal year, to carry out this section. Amounts appropriated under this section shall remain available until expended.

"(6) COORDINATION.—The Secretary shall ensure that the activities of the Extension Service rural economic and business development program established under section 502(g) of the Rural Development Act of 1972 (7 U.S.C. 2662(g)) are coordinated with the Small Business Administration to ensure that there is no duplication of activities in any local area, county or region.".

SEC. ____42. RURAL DEVELOPMENT ASSISTANCE INFORMATION AND AVAILABILITY.

The Rural Development Act of 1972 (7 U.S.C. 2651 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 509. NEED AND AVAILABILITY OF RURAL DEVELOPMENT ASSISTANCE.

"(a) ESTABLISHMENT OF PROGRAM.—Not later than 180 days after the date of enactment of this section, the Secretary shall establish a program to study economically distressed counties in a variety of States that have high concentrations of nonmetropolitan counties with low per capita income or nonmetropolitan counties experiencing high rates of outmigration.

"(b) EVALUATION.—When conducting a study of counties under subsection (a), the Secretary shall evaluate the need of such counties for rural development assistance, the nature of the assistance needed, and the availability of such assistance.

"(c) REPORT.—Not later than September 30, of each of the fiscal years 1991 through 1994, the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that contains the results of the studies and evaluations conducted under this section and on any action taken by the Secretary to improve economic conditions in rural counties.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

"SEC. 510. RURAL DEVELOPMENT ASSISTANCE INFORMATION.

"(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program, to be operated in conjunction with the National Rural Information Center Clearinghouse established within the National Agricultural Library, to provide information to local rural communities, nonmetropolitan counties, and rural areas concerning rural development matters and the availability of Federal rural development assistance.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

SEC. ____43. REPORT ON COORDINATION OF RURAL DEVELOPMENT ACTIVITIES.

Not later than September 1, 1991, the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that contains the recommendations of the Secretary concerning better coordination of the rural development activities of the Farmers Home Administration, the Forest Service, the Soil Conservation Service, the Agricultural Research Service, the Agricultural Stabilization and Conservation Service, the Agricultural Cooperative Service, the Rural Electrification Administration, the Extension Service, and the Office of Transportation.

SEC. ____44. REPORT ON DATA PROCESSING FEASIBILITY IN RURAL AREAS.

(a) STUDY.—Not later than 90 days after the date of enactment of this Act, the Secretary shall conduct a study that—

(1) assesses the data processing functions administered by the Secretary;

(2) analyzes whether or not the current data processing functions of the Department of Agriculture, and the future processing functions, may be conducted in rural areas at similar or reduced costs; and

(3) assesses any other information that the Secretary determines appropriate to analyze the potential for locating current and expanded data processing jobs in rural areas.

(b) REPORT.—Not later than 270 days after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that contains the results of the study conducted under subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $250,000.

Subtitle D—Rural Business and Emergency Assistance

SEC. ____45. LOCAL TECHNICAL ASSISTANCE GRANTS.

Section 306(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)) is amended to read as follows:

"(11)(A)(i) The Secretary may make grants, not to exceed $15,000,000 annually, to public bodies, private non profit community development corporations or entities, or such other agencies as the Secretary may select to enable such recipients—

"(I) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

"(II) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(III) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and enhancing the capacity of local individuals and entities to engage in sound economic activities; and

"(IV) to conduct regional, community, and local economic development planning and coordination, and leadership development.

"(ii) In awarding such grants, the Secretary shall consider, among other criteria to be established by the Secretary—

"(I) the extent to which the applicant provides development services in its rural service area; and

"(II) the capability of the applicant to carry out the purposes of this section.

"(iii) There are authorized to be appropriated to make grants under this subparagraph, $7,500,000 in each fiscal year.".

SEC. ____46. RURAL EMERGENCY ASSISTANCE LOANS.

Section 306(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)) (as amended by section ____45), is further amended by adding at the end thereof the following new subparagraph:

"(B)(i) The Secretary shall establish and implement a program to make loans for the benefit of any town or city that—

"(I) has a population of less than 20,000 individuals within its outer boundaries; and

"(II) is financially unable to obtain funds as quickly as needed to correct emergency conditions or situations needing urgent attention.

"(ii) The Secretary shall promulgate regulations—

"(I) targeting the program established under this subparagraph toward needy communities in rural areas;

"(II) setting forth a definition of 'emergency conditions or situations needing urgent attention'; and

"(III) requiring that the Secretary approve or reject applications within 30 days of their receipt.

"(iii) The Secretary shall limit the amount of loans provided to the same borrower under this subparagraph to $50,000, and the term of such loans shall not exceed 2 years.

"(iv) The Secretary may respond to the credit needs of rural towns or cities eligible to participate in the program authorized under this subparagraph by making loans that are eligible for refinancing after the expiration of the 2-year period described in clause (iii), and payments under such loans may be set at a level that is at a sufficiently low level during such 2-year period so that the financially troubled town or city can participate in the program established under this subparagraph. The Secretary shall assist such borrowers in obtaining financing through existing Farmers Home Administration programs so that such borrowers are able to pay the balance due on each loan at the end of such 2-year period.

"(v) There are authorized to be appropriated $2,500,000 for fiscal year 1991, and $5,000,000 for fiscal year 1992 and for each subsequent fiscal year, to carry out the emergency lending program authorized by the program established under this subparagraph.".

Subtitle E—National Rural Information Center Clearinghouse

SEC. ____51. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

(a) ESTABLISHMENT.—The Secretary shall establish, within the National Agricultural Library, in coordination with the Extension Service, a National Rural Information Center Clearinghouse (hereinafter referred to in this subtitle as the "Clearinghouse") to perform the functions specified in subsection (b).

(b) FUNCTIONS.—The Clearinghouse shall provide and distribute information and data to any industry, organization, or Federal, State, or local government entity, on request, about programs and services provided by Federal, State, and local agencies and private nonprofit organizations and institutions under which individuals residing in, or organizations and State and local government entities operating in, a rural area may be eligible for any kind of assistance, including job training, education, health care, and economic development assistance, and emotional and financial counseling.

(c) FEDERAL AGENCIES.—On request of the Secretary, the head of a Federal agency shall provide to the Clearinghouse such information as the Secretary may request to carry out the functions specified in subsection (b).

(d) STATE AND LOCAL AGENCIES AND NONPROFIT ORGANIZATIONS.—The Secretary shall request State and local governments and private nonprofit organizations and institutions to provide to the Clearinghouse such information as such agencies and organizations may have about any program or service of such agencies, organizations, and institutions under which individuals residing in a rural area may be eligible for any kind of assistance, including job training, educational, health care, and economic development assistance, and emotional and financial counseling.

(e) AUTHORIZATION.—There are authorized to be appropriated to carry out this section $500,000 for each of the fiscal years 1991 through 1995.

Subtitle F—Water and Sewer Assistance

SEC. ____56. WATER AND WASTE FACILITY GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking out "$154,900,000 in any fiscal year" and inserting in lieu thereof "$194,900,000 in each of fiscal years 1991 and 1992, and $204,900,000 in each of the succeeding fiscal years.".

SEC. ____57. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Subtitle A of the Consolidated Farm and Rural Development Act is amended by inserting after section 306A (as added by section ____22) the following new section:

"SEC. 306B. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

"(a) IN GENERAL.—The Secretary shall provide grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

"(1) after a significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities; or

"(2) when repairs, partial replacement, or significant maintenance efforts on established water systems would remedy an acute shortage of quality water or would remedy a significant decline in the quantity or quality of water that is available.

"(b) PRIORITY.—In carrying out subsection (a), the Secretary shall give priority to projects described in subsection (a)(1), and provide at least 70 percent of all such grants to such projects.

"(c) ELIGIBILITY.—To be eligible to obtain a grant under this section, an applicant shall—

"(1) be a public or private nonprofit entity; and

"(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred within 2 years of the date the application was filed for such grant.

"(d) USES.—

"(1) IN GENERAL.—Grants made under this section may be used for waterline extensions from existing systems, laying of new waterlines, repairs, significant maintenance, digging of new wells, equipment replacement, hookup and tap fees, and any other appropriate purpose associated with developing sources of, or treating, storing, or distributing water, and to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

"(2) JOINT PROPOSALS.—Nothing in this section shall preclude rural communities from submitting joint proposals for emergency water assistance, subject to the restrictions contained in subsection (e). Such restrictions should be considered in the aggregate, depending on the number of communities involved.

"(e) RESTRICTIONS.—No grant provided under this section shall be used to assist any rural area or community that—

"(1) includes any area in any city or town with a population in excess of 5,000 inhabitants according to the most recent decennial census of the United States; or

"(2) has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States.

Not less than 75 percent of the funds allocated under this section shall be allocated to rural communities with populations that do not exceed 3,000 inhabitants.

"(f) MAXIMUM GRANTS.—Grants made under this section may not exceed—

"(1) in the case of each grant made under subsection (a)(1), $500,000; and

"(2) in the case of each grant made under subsection (a)(2), $75,000.

"(g) FULL FUNDING.—Subject to subsection (e), grants under this section shall be made in an amount equal to 100 percent of the costs of the projects conducted under this section.

"(h) APPLICATION.—The Secretary shall develop a nationally competitive application process to award grants under this section. Such process shall include criteria for evaluating applications, including population, median household income, and the severity of the decline in quantity or quality of water. The Secretary shall make every effort to review and act on applications within 60 days of the date that such applications are submitted.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $25,000,000 for fiscal year 1991, and $10,000,000 for fiscal year 1992, such sums to remain authorized until fully appropriated.".

(b) IMPLEMENTATION.—

(1) REGULATIONS.—The Secretary shall publish—

(A) interim final regulations to carry out section 306B of the Consolidated Farm and Rural Development Act not later than 45 days after the date of enactment of this Act; and

(B) final regulations to carry out section 306B of such Act not later than 90 days after the date of enactment of this Act.

(2) FUNDS.—

(A) OBLIGATION.—The Secretary shall designate 70 percent of the funds made available for the first fiscal year for which appropriations are made under section 306B(h) of the Consolidated Farm and Rural Development Act not later than 5 months after the date such funds are appropriated.

(B) RELEASE.—The Secretary may release funds prior to the issuance of final regulations under paragraph (1)(B) for grants under section 306B(a)(1) of Consolidated Farm and Rural Development Act.

SEC. ____58. SEWER AND WATER LENDING BY BANKS FOR COOPERATIVES.

The banks of the Farm Credit System that are authorized to extend credit under title III of the Farm Credit Act of 1971 (12 U.S.C. 2121, et seq.) are authorized to make and participate in loans and commitments, and to extend other technical and financial assistance for the purpose of the installation, expansion, or improvement of waste disposal facilities or drinking water facilities or systems, to any entity that has received or is eligible to receive a loan made or insured by the Secretary of Agriculture under section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)).

SEC. ____59. RURAL WASTEWATER TREATMENT CIRCUIT RIDER GRANT PROGRAM.

(a) ESTABLISHMENT.—The Administrator of the Farmers Home Administration shall establish a national rural wastewater circuit rider grant program that shall be modeled after the existing National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Farmers Home Administration.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $4,000,000 each fiscal year to carry out the program established under subsection (a).

SEC. ____60. TECHNICAL ASSISTANCE FOR CERTAIN SOLID WASTE MANAGEMENT.

Section 310B(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)) is amended—

(1) by inserting "(1)" before "The Secretary"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary may make grants to non-profit organizations for the provision of regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities. Grants made under this paragraph for technical assistance shall be made for 100 percent of the cost of such assistance.".

Subtitle G—Miscellaneous

SEC. ____71. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

(a) BUREAU OF THE CENSUS.—The Director of the Bureau of the Census shall expand the data collection efforts of the Bureau to enable the Bureau to collect statistically significant data concerning the changing economic condition of rural counties and communities in the United States, including data on rural employment, poverty and income, and other information concerning the rural labor force.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each fiscal year to carry out subsection (a).

SEC. ____72. HISTORIC PRESERVATION REQUIREMENTS.

With respect to applications for assistance under this Act, the Secretary of the Interior, in consultation with the Under Secretary of Agriculture for Small Community and Rural Development and the National Trust for Historic Preservation in recognition of its charter duties, shall prescribe and implement regulations concerning projects funded under this title and their relationship with the provisions of Acts entitled—

(1) "An Act to establish a program for the preservation of additional historic properties throughout the Nation, and for other purposes", approved October 15, 1966 (16 U.S.C. 470 et seq.); and

(2) "An Act to provide for the preservation of historical and archaeological data (including relics and specimens) which might otherwise be lost as a result of the construction of a dam", approved June 27, 1960 (16 U.S.C. 469 et seq.).

SEC. ____73. LOAN RATES APPLICABLE TO HEALTH CARE AND RELATED FACILITIES.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended by adding at the end thereof the following new subparagraph:

"(C) Notwithstanding the provisions of subparagraph (A), the Secretary shall establish loan rates for health care and related facilities that shall be based solely on the income of the area to be served, and such rates shall be otherwise consistent with the provisions of such subparagraph.".

SEC. ____74. ASSISTANCE TO COMMUNITIES DEPENDENT ON NATURAL RESOURCES.

(a) ADDITIONAL FUNDS FOR THE REFORESTATION TRUST FUND.—Section 303(b)(2) of Public Law 96-451, relating to the Reforestation Trust Fund (16 U.S.C. 1606a(b)(2)) is amended by striking "$30,000,000" and inserting "$40,000,000 (of which, $10,000,000, shall be subject to subsection (e))".

(b) ADDITIONAL PURPOSES FOR WHICH FUND AVAILABLE.—Section 303(d) of such Act (16 U.S.C. 1606a(d)) is amended—

(1) in paragraph (1) by striking out "and" at the end thereof;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

"(2) economic diversification assistance to communities which are dependent to a significant degree upon Forest Service resource management decisions for their local economic activity; and".

(c) ASSISTANCE TO COMMUNITIES DEPENDENT ON NATURAL RESOURCES.—Section 303 of such Act (16 U.S.C. 1606a) is amended by adding at the end thereof the following new subsection:

"(e) In each fiscal year $10,000,000 of the amounts transferred to the Trust Fund by the Secretary under subsection (b)(2) shall be expended for purposes described in subsection (d)(2) and any such amount shall be available only as provided for in annual appropriations Acts.".

SEC. ____75. ASSISTING DISTRESSED RURAL HOSPITALS AND HEALTH CARE FACILITIES.

The Secretary shall establish and implement a program that is similar to the program established under section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001), except that the debt restructuring and loan servicing procedures shall apply to delinquent community facility program loans (rather than delinquent farmer program loans) made by the Farmers Home Administration to a hospital or health care facility under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 306(a)). Not later than 120 days after the date of enactment of this Act, the Secretary shall promulgate regulations, as modeled after those promulgated under such section 353, that implement the program established under this section.

SEC. ____76. RURAL DEVELOPMENT RESEARCH ASSISTANCE.

Section 502 of the Rural Development Act of 1973 (7 U.S.C. 2662) (as amended by section ____41) is further amended by adding at the end thereof the following new subsection:

"(h) RESEARCH GRANTS.—

"(1) IN GENERAL.—In addition to the programs already conducted under this section, the Secretary shall also establish and carry out a program to award competitive research grants to land-grant colleges and universities, research foundations, and centers established by land-grant universities, State agricultural experiment stations, nonprofit organizations specializing in applied research, and to all colleges and universities having demonstrable capability in rural development research, as determined by the Secretary, to carry out research to improve economic competitiveness and diversification, support strategic planning for economic investments, improve human resources, and improve the data base for rural development decisionmaking in rural areas.

"(2) RURAL TECHNOLOGY TRANSFER AND INNOVATION.—The Secretary shall establish and implement a program to award matching grants to promote technology transfer, innovation, and new product development. Grantees shall include institutions described in paragraph (1) and other nonprofit organizations that have demonstrable capability in technology transfer, applied research, innovation, and new product development that will lead to economic growth and job creation in rural areas. Applicants for grants under this paragraph shall demonstrate the ability to provide, at a minimum, a one-to-one financial match.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 in each fiscal year to carry out this subsection. Amounts appropriated under this subsection shall remain available until expended.".

SEC. ____77. BUSINESS AND INDUSTRIAL LOAN PROGRAM APPLICATIONS.

Section 333A(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(a)) is amended by adding at the end thereof the following new paragraph:

"(4) Notwithstanding paragraph (1), each application for a loan or loan guarantee under section 310B(a) that is to be disapproved by the Secretary solely because the Secretary lacks the necessary amount of funds to make such loan or guarantee shall not be disapproved but shall be placed in pending status. The Secretary shall retain such pending application and reconsider such application beginning on the date that sufficient funds become available. Not later than 60 days after funds become available regarding each pending application, the Secretary shall notify the applicant of the approval or disapproval of funding for the application.".

SEC. ____78. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

(a) IN GENERAL.—The Office of Technology Assessment shall include, in a study of the effects of information age technology on rural America, an analysis of the feasibility of ensuring that rural citizens in their homes and schools have the ability to acquire, by computer, information in a national library.

(b) CONTENTS.—In conducting the analysis under subsection (a), the Office of Technology Assessment shall—

(1) evaluate, in consultation with the Librarian of Congress, the costs and benefits of establishing a national library whose volumes, periodicals, instructional materials, sound and video resources, and other data are accessible by individuals through their personal computers;

(2) assess the technological, regulatory or other impediments to the establishment of the library and information retrieval system described in paragraph (1), and the length of time required to establish such a library and retrieval system;

(3) describe the potential for the library and information described in paragraph (1) to provide rural citizens the opportunity to study and explore foreign languages, geography, math, science, history or other interests, as well as to exchange scholarly information and ideas with other users, and otherwise to engage in interactive study; and

(4) recommend to the Congress the measures that should be taken to establish the library and retrieval system described in paragraph (1).

SEC. ____79. SENSE OF THE CONGRESS CONCERNING TOLL RATE AVERAGING.

(a) FINDINGS.—Congress finds that—

(1) new technologies make it possible for previously isolated rural areas to compete for regional, national, and international business opportunities;

(2) such new business opportunities are made possible by modern communications, telecommunication, and satellite, and radio networks;

(3) the use of uniform averaged rates for toll calls of equal distance, duration, and class of service prevents price discrimination for telephone service to rural areas;

(4) the policy of toll rate averaging has long been recognized by Congress, the Federal Communications Commission, and the telecommunications industry as beneficial to the public interest;

(5) deaveraging may result in extreme price disparities between rural and urban areas due to the high cost of serving sparsely populated areas;

(6) higher rural toll rates could result in rural subscribers leaving the switched network; and

(7) the important relationship between toll rate averaging and universal service needs to be clarified.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that toll rate averaging shall be defined as the cornerstone of universal service and that such policy, being in the public interest, shall be maintained.

SEC. ____80. NATIONAL ENDOWMENT FOR RURAL DEVELOPMENT.

(a) It is the sense of the Congress that a National Endowment for Rural Development should be established with the effective use of both public and private funds to maximize business development in rural communities in every feasible way.

(b)(1) The Executive Office of the President shall undertake a review of a National Endowment for Rural America, for the purposes of determining the desirability of such an Endowment for rural development.

(2) That review shall be completed by January 1, 1990 and shall make recommendations to the Congress on appropriate legislation to implement such an Endowment.

(3) Those recommendations should focus on, but not be limited to—

(A) the purposes and goals,

(B) the organizational structure with private and public participation,

(C) funding sources for the Endowment,

(D) eligible awardees of endowment.

SEC. ____81. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end thereof the following new paragraph:

"(4) The Secretary may make grants to Statewide private non-profit public television systems, whose coverage area is predominately rural, for the purpose of demonstrating the effectiveness of such systems in providing information on agriculture and other issues of importance to farmers and other rural residents. Funds available under this paragraph may be used for capital equipment expenditures, start-up and program costs, and other costs necessary to the operation of such demonstrations.".

SEC. ____82. ECONOMIC IMPACT STATEMENTS.

When promulgating regulations concerning rural development activities after the date of enactment of this Act, the Federal agency or department promulgating such regulations shall issue an economic impact assessment concerning the effect of such regulations on rural communities and businesses.

SEC. ____83. NATIONAL RURAL DEVELOPMENT AND FINANCE CORPORATIONS.

Section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note) is amended—

(1) by striking out "to September 30, 1988," wherever it appears therein and inserting in lieu thereof "to September 30, 1991,";

(2) in subsection (a)(4), by striking out "fiscal year ending September 30, 1987," and inserting in lieu thereof "fiscal years ending September 30, 1989, September 30, 1990, and September 30, 1991,";

(3) by adding at the end of subsection (a) the following new paragraphs:

"(6) Notwithstanding any other provision of law, lenders that have provided loans that are guaranteed under this subsection shall have limited reporting responsibilities, as determined by the Secretary, concerning such loans, and the National Rural Development and Finance Corporation shall be primarily responsible for the issuance of final reports concerning such loans.

"(7) Notwithstanding any other provision of law, loan guarantees provided under this subsection shall be for a period not to exceed 15 years."; and

(4) in subsection (b)(1)—

(A) by striking out "from funds transferred under paragraph (2)";

(B) by inserting the words "or expanding" after the word "establishing"; and

(C) by adding the following new sentence at the end thereof: "Such grants may also be made directly to affiliated statewide programs if the Corporation certifies to the Secretary that they are able to establish effective, ongoing State programs or rural development and revolving finance."; and

(5) by adding at the end thereof the following new subsection:

"(c) Nonprofit national rural development and finance corporations and affiliated Statewide programs that receive grants under subsections (a) or (b) may use not to exceed 10 percent of the amount of such grants over a 2-year period for program operation and administration costs.".

BENTSEN AMENDMENT NO. 2352

Mr. LEAHY (for Mr. BENTSEN) proposed an amendment to the bill S. 2380, supra, as follows:

In S. 2830, in the appropriate place insert the following:

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by adding at the end thereof the following new subsection:

"(k) For purposes of determining the eligibility of land to be placed in the conservation reserve established under this chapter, land shall be considered planted to an agricultural commodity during a crop year if an action of the Secretary prevented land from being planted to the commodity during the crop year.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 24, 1990, at 10 a.m. to hold a hearing on and to consider the nominations of Stanford G. Ross and David M. Walker to be members of the Boards of Trustees of the Federal Hospital Insurance Trust Fund; the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON LABOR

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, July 24, at 10 a.m., for a hearing on ERISA enforcement.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 24, at 10 a.m. to hold a closed session hearing on the threshold test ban and peaceful nuclear explosions treaties with the U.S.S.R., together with verification protocols for each treaty; Ex. N, 94-2 and Treaty Doc. 101-19.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. LEAHY. Mr. President. I ask unanimous consent that the Subcommittee on European Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 24, at 2 p.m. to hold a hearing on Soviet disunion.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and For-

estry be allowed to meet during the session of the Senate on July 24 at 10 a.m. to hold a hearing on S. 2426, the National Tree Trust Act of 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Tuesday, July 24, 1990, at 10 a.m. to conduct a hearing on the Capital Markets Competition, Stability, and Fairness Act of 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER AND POWER

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 10 a.m., Tuesday, July 24, 1990, for a hearing to receive testimony on S. 2807, the Grand Canyon Protection Act; and S. 1556, a bill to designate the Salt-Gila Aqueduct of the central Arizona project as the "Fannin-McFarland Aqueduct."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS SUBCOMMITTEE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Communications Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 24, 1990, at 10:30 a.m. on S. 2800, the Communications Competitiveness and Infrastructure Modernization Act of 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER AND POWER

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., Tuesday, July 24, 1990, for a hearing to receive testimony on H.R. 3694, a bill to authorize reimbursement by the Secretary of the Interior of certain expenditures at the Minidoka project, Idaho and Wyoming; S. 1118, a bill to provide for the transfer of the Platoro Reservoir to the Conejos Water Conservancy District; S. 1932, a bill to provide further relief to the Vermejo Conservancy District from its repayment obligation; S. 1590, a bill to transfer certain rights-of-way to the Elephant Butte Irrigation District of New Mexico, and for other purposes; and S. 2716, a bill to amend the Warren Act to expand the purposes for which excess storage or carrying capacity in reclamation projects may be used, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. LEAHY. Mr. President I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, July 24, 1990, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. LEAHY. Mr. President I ask unanimous consetn that the Subcommittee on Antitrust, Monopolies, and Business Rights, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on July 24, 1990, at 2 p.m., to hold a markup on the savings and loan investigation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 24, 1990, 10 a.m. to hold a hearing on the savings and loan fraud.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Tuseday, July 24, 1990, at 10 a.m. to conduct a hearing on the actuarial soundness of the FHA fund.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Government Affairs be authorized to meet on Tuesday, July 24, 9:30 a.m. for a hearing on the subject: oversight of "high Risk" asset forfeiture programs at the Justice Department and Customs Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ARMENIA

● Mr. LIEBERMAN. Mr. President, the collapse of communism in much of Eastern Europe and its decline in the Soviet Union has revealed astounding depths of poverty. The food, clothing, shelter, and medical care that we take for granted in the West are luxury items in these areas. In some cases, their main export is becoming their best educated people.

But as bad as conditions generally are in the former Soviet bloc, they are particularly dismal in Armenia. Five hundred thousand Armenians lost their homes in the earthquake on December 7, 1988. Many still live in tents. Conditions have become so serious that about 300 Armenians took refuge for more than 5 months earlier in the year in the Armenians Consulate in Moscow. They slept on the floor and suffered from dysentery; some went on a hunger strike for several weeks to protest these wretched conditions. Soviet authorities refused to find them homes for fear of attracting more impoverished refugees from Armenia.

Homelessness in Armenia is only part of the problem. The earthquake caused an enormous amount of psychological damage to the survivors, particularly children. The case of Meline, a 5 year old, is illustrative. She was from Spitak, the epicenter of the earthquake, and was found buried beneath the rubble in the arms of her dead mother. Although she was unharmed, she did not utter a single sound or even look at another human being for 5 months. It is doubtful that children like Meline will ever fully recover.

As if the earthquake was not enough, a second tragedy was visited upon the Armenians earlier this year by militant nationalists from Azerbaijan. Attacks against defenseless Armenians last January left more than 100 dead and 250 injured. As many as 300,000 Armenians fled the ensuing violence or were deported by Azeris. This, of course, added to the crisis in housing in Armenia caused by the earthquake.

If the Armenians of Azerbaijan have suffered from pogroms, the 170,000 Armenians of Nagorno-Karabagh are undergoing a war of attrition. This Armenians enclave, which was arbitrarily attached to Azerbaijan in 1921 by Stalin, has had its railroad lines cut periodically by Azeri guerrillas. So just as the Berlin Wall has come down, we see another wall slowly being constructed around Nagorno-Karabagh. Soviet authorities have not countered the blockade as vigorously as they should.

What can America do to help Armenia? First, we should impress upon Soviet officials that it is vital that the blockade of Nagorno-Karabagh be lifted indefinitively. We should urge that Nagorno-Karabagh should be eventually returned to the Armenian Republic. Until their eventual reunification, we should insist that the physical barriers be removed to enable Armenia and Karabagh to cooperate econonically and culturally.

Second, we should have better sources of information about Nagorno-Karabagh and the Armenian Republic. As of now, U.S. diplomats rarely visit there because of travel restrictions and the distances from Moscow and Leningard. We should establish a consulate in the Armenian capital of Yerevan, as Senator HARKIN has suggested, to monitor political and economic conditions. Projects such as the Armenian Relief Society and Johns Hopkins University's data base for earthquake survivors should be encouraged.

Third, the United States Government should complement the exceptional assistance that has been provided by American-American private individuals and organizations. While we have already provided assistance through the International Red Cross, I believe that we should consider direct aid to the Republic of Armenia in future appropriations bills. Food, medical supplies, and shelter are urgently needed.

Fourth, American businesses should consider investments in the Republic of Armenia. Economic reform has progressed more quickly in Armenia, where the dead-hand of the command economy was never as strong as in Russia. Unlike other Soviet republics which have tended to specialize in heavy industry, Armenia already has some highly developed sectors in electronics, computers, and medical equipment. The creation of additional investment in these areas is badly needed.

Finally, American doctors and psychologists should contact the Armenian-American organizations that have done such splendid work. Armenian-American doctors have offered their services free of charge in the United States and in Armenia. Armenian-American psychologists have helped to deal with post traumatic syndrome, which has ravaged the lives of survivors such as Meline. Hopefully, the example of Armenian-Americans will inspire other Americans to help Armenia.

Mr. President, the hopeful headlines coming out of Eastern Europe and the Soviet Union should not obscure the tragedies that have beset the Armenian people during the last several years. As welcome as glasnost has been, it has unleashed ethnic turmoil that has led to atrocities against Armenians. And, as welcome as the promise of perestroika has been, it has not yet been able to repair the ravages of the earthquake.

Armenia needs the world's help. It needs America's help in particular. Let us put Armenia high on our list of priorities. Let us never forget what is arguably the poorest region in Europe or the Soviet Union.●

DAY CARE FOR THE ELDERLY

● Mr. SIMON. Mr. President, we have an aging society. The average life expectency has increased from 47 years at the beginning of this century to approximately 75 years in 1990. And there is no evidence to suggest that this trend won't continue.

While this is a wonderful change and one that I hope continues, there is the underlying problem of ill health and, ultimately, dependency upon others for care. In spite of significant advances, science has not been able to keep step and ensure that our old years truly are our golden years. All too often, old age is accomplished by the onset of Alzheimer's and other disabling diseases. The question of who will provide for these parents, grandparents, elderly aunts and uncles, is answered, in most cases, by the traditional caregivers—women.

Last week, Newsweek's cover story highlighted this problem facing women. Despite changes in our society, women are still the primary caregivers. As the article emphasizes, men are increasingly sharing this responsibility, but three-fourths of the caregivers still are women. The implications of this are profound. All too often, women have to make enormous personal sacrifices. Aside from the heavy emotional burden accompanying such care, there are professional and financial ramifications. In many cases, the caregivers work full time and take care of their elderly relatives: both of which deserve full attention. Work productivity, careers, and personal lives suffer as these caregivers struggle under their burden. This cannot be allowed to continue—the costs to women and society are too great.

It is imperative that Congress move quickly to establish day care for the elderly. We must provide sufficient resources to enable these caregivers to remain productive, participating members of our society while guaranteeing a safe, secure environment for our loved ones. There is no question of the social benefits to be gained by this action.

I urge my colleagues to take a few minutes to read the Newsweek article and think about what has been written. I hope this article will help persuade others of the urgency of this situation, and ask for consent that it be printed in full in the RECORD.

The article follows:

[From Newsweek, July 16, 1990]

AGING: TRADING PLACES

Like many daughters of aging parents, Sandy Berman didn't recognize at first how far her mother and father had slipped. "You are so used to your parents being mentally competent that you don't realize what you're dealing with for a long time," says the Northridge, Calif., schoolteacher, 47. Her parents had been living with trash piling up in their home for almost a year when Berman finally convinced them to move closer. But the move only hastened their decline. Berman's father, 83, became forgetful and overdosed on his insulin. Her mother, 74, couldn't find her way from the bedroom to the bathroom. For months, Berman called every morning before going to work, and stopped by every afternoon. "I was going to make everything right, and better and perfect," she says. "But everything I did turned into mush."

While her mother was sweet and cooperative, Berman says, age turned her father mean. He called at all hours of the night and thought his daughter was stealing his money. He hired a detective and changed the locks on the door. Berman was haunted by anxiety attacks. Her job teaching third grade was her only refuge. "When the bell rang at the end of the day, my stomach started to clench," she says. She worried that she was neglecting her husband and son, and longed to be mothered herself again. She lost 30 pounds and had fantasies of running away: "San Fernando Valley schoolteacher disappears. No one knows why she didn't come home for dinner * * *"

In February 1989, Berman snapped. "I was nurturing at home, at school and at my parents', and getting nothing back," she says. She quit work and stopped seeing her parents for two months, all the while making decisions for them with the help of a geriatric counselor and a lawyer. Diagnosed with Alzheimer's disease and paranoia, her father went from one nursing facility to another, and died in May 1989. Berman found a board-and-care home for her mother and enrolled her in an adult day-care center to keep her mind stimulated. These days, Berman visits her twice a month, and calls once a week, though her mother doesn't seem to know if she has called or not. Berman has returned to work, but she still wonders—and always will—"Did I do the right thing?"

Anguish, frustration, devotion and love. A fierce tangle of emotions comes with parenting one's aged parents, and there isn't time to sort out the feelings, let alone make dinner, fold the laundry and get to work. More than 6 million elderly Americans need help with such basics as getting out of bed and going to the bathroom; millions more can't manage meals, money or transportation. Most are cared for by family members, at home, for free—and most families wouldn't have it any other way. There are myriad variations: "children" in their 60s looking after parents in their 80s; spouses spending their golden years tending ailing mates; empty-nesters who had paid the last tuition check only to have an aged relative move in. Increasingly, men are shouldering such responsibilities. Still, three fourths of those caring for the elderly are women, as it has always been. "Until the last couple of decades, women were home," explains Diane Piktialis of Work/Family Directions, a Boston consulting firm. "Caregiving was their job."

But today they have other jobs as well. More than half the women who care for elderly relatives also work outside the home; nearly 40 percent are still raising children of their own. In fact, just when many women on the "Mommy Track" thought they could get back to their careers, some are finding themselves on an even longer "Daughter Track," with their parents, or their husband's parents, growing frail. The average American woman will spend 17 years raising children and 18 years helping aged parents, according to a 1988 U.S. House of Repre-

sentatives report. As the population ages and chronic, disabling conditions become more common, many more families will care for aged relatives. And because they delayed childbirth, more couples will find themselves "sandwiched" between child care and elder care. The oldest baby boomers are now in their mid-40s; their parents are mostly in their late 60s and early 70s, when disabilities tend to begin. In the next few years, predicts Dana Friedman of the Families and Work Institute, there will be a "groundswell of baby boomers experiencing these problems."

The strains on women, long evident in their personal lives, are now showing up in the workplace. In recent years, about 14 percent of caregivers to the elderly have switched from full- to part-time jobs and 12 percent have left the work force, according to the American Association of Retired Persons. Another 28 percent have considered quitting their jobs, other studies have found. That's just what's aboveboard. Many employees are afraid to let on that they spent that "sick day" taking Mom to the doctor, visiting nursing homes or applying for Medicare. Many women shop, cook and clean for their parents before work, after work and on lunch hours, stealing time to confer on the phone during the day "Caring for a dependent adult has become, for many, a second full-time job," says Bernard M. Kilbourn, a former regional director of the U.S. Health and Human Services Department, now with a consulting group, Caregivers Guidance Systems, Inc.

To date, only about 3 percent of U.S. companies have policies that assist employees caring for the elderly. But Friedman predicts that such programs will become "the new, pioneering benefit of the 1990s." Businesses may have no choice. With the baby bust sharply reducing the number of young workers entering the job market, the U.S. Bureau of Labor Statistics warns that 60 percent of the growth in the labor force this decade will be women, virtually all aged 35 to 54. "This is the age group that's feeling the brunt of child-care responsibilities," says the BLS's Jesse Benjamin. "This is also the age group where elder care hits. It's a double whammy."

Congress is encouraging more family-friendly work policies—at least, it has tried. After five years of debate, lawmakers recently passed the Family and Medical Leave Act, requiring companies with more than 50 employees to grant them up to 12 weeks' unpaid leave to care for newborn or adopted children or relatives who are seriously ill. But President George Bush vetoed the bill, on the ground that government should not dictate corporate benefits.

American society is just waking up to the needs of an aging population. Even the words "elder care" and "caregiver" are new to the lexicon. Now, "there's a name and a description, and people are beginning to say, 'I fit into that' ", says Louise Fradkin, cofounder of the support group Children of Aging Parents (CAPS), which has more than 100 chapters nationwide. For years Fradkin says, caring for aged relatives was a hidden responsibility, one that most women assumed in silence. Even the major feminist groups have been slow to make it a cause. The National Organization for Women, for example, has been more concerned with abortion rights and advancement for women in the workplace than with family roles. "The problem today's midlife woman faces is that the rhetoric of the '70s and the realities of the '90s are somewhat discordant," says Michael Creedon of the National Council on the Aging.

Only the Older Women's League (OWL), a Washington advocacy group, has made elder care a pressing issue. "No matter what else we talk about, our members always come back to caregiving—it has a big impact on all their other roles," says OWL executive director Joan Kuriansky. "We get letters from women who are taking care of their children, and their parents and possibly their parents. They are running from place to place. How do we expect them to do that and stay employed?"

That is the dilemma of the Daughter Track. While women have become a major force in the American workplace, their roles as caregivers remain entrenched in the expectations of society and individual families. "Often it's the women's own sense of what's required of her," says Kuriansky. "Some of it is emotional. Some of it is economic—she may feel that she cannot contribute financially as much as a man does." And just as with child care, says CAPS's Fradkin, "women feel they have to be superwomen and do it all themselves."

Those who do ask for help at home are often frustrated. Many husbands are unable—or unwilling—to confront the emotional demands of elder care, even when the aged parents are their own. Two years ago, Pamela Resnick of Coral Springs, Fla., quit her job and moved her ailing father-in-law in. While he was in and out of hospitals, she says, "he always wanted to see me—not even my husband. My husband doesn't deal very well with that type of scene." Joan Segal, 49, who quit her job to care for her mother, threatened to leave her husband unless he helped her mother more Since then, Segal says, "He's so protective you'd think she was his own mother."

Grandchildren may also be swept into the changing family dynamics, and that adds to the guilt many women feel. Krissteen Davis, 43, a divorced accounting supervisor, has cut down her work hours since her 63-year-old mother, an Alzheimer's victim, came to live with her in Kansas City. Still, Davis's 13-year-old daughter must be home by 3:30 each day when her grandmother returns from an adult day-care center. "It's been hard on all of us," says Davis. Yet she says her mother "did for me when I was young. What's a couple of years out of my life?"

Time is often the most precious commodity for caregivers. "We were used to being George and Nancy with no kids at home," says Nancy Erbst, 38, of Minneapolis, whose mother-in-law, Hazel, lived with them for four years. "We used to take off on weekends and go camping. Our camping went down to one weekend in the summer." Nancy, an executive secretary, was also working to earn a bachelor's degree at the time. She would get up at 4 a.m. to study, then tend to Hazel before leaving for work at 7:45. Her husband's two grown daughters, who lived nearby, also helped watch over their grandmother until last spring, when her deteriorating health forced her into a nursing home. "It's what a family does for each other," Nancy says. "It's something you want to do."

Not all families rally so gracefully. Deciding who should do the caring, and where, can stir up old sibling rivalries—and create new bitterness. For several years, Linda Hunt, a 54-year-old Kansas widow, has been the primary caregiver for her mother, now in a nearby nursing home. Her brother has been mostly uninvolved. "Sometimes when he calls, he doesn't ask about her," she says. "It sets me hard against him."

Responsibility for an elderly relative usually falls to the woman who is nearest. And sometimes no one is close. Roughly one third of caregivers manage care for their aged parents long distance, assessing changing needs over the phone and with reports from neighbors. Even though her mother and father lived in a residential community that provided housekeeping and meals, Saretta Berlin, 60, flew from Philadelphia to Ft. Lauderdale, Fla., every 10 days during much of 1989, when her parents were failing. "I would tell myself that if I just made it to the plane, I would be OK," she says. "Then perfect strangers would ask me how I was doing, and the floodgates would open." Even now, with her father dead and her mother in a retirement home, Berlin calls daily and visits every three weeks or so.

As Berlin found, even when families put a parent in a nursing home, their responsibilities don't end. Many grown children rearrange their lives to visit as often as possible, and field lonely phone calls, night and day. Only about 10 percent of the disabled elderly are in such facilities—and the decision can haunt their families long afterward. Linda Hunt still feels guilty about putting her mother in a home three years ago—even though she was blind and Hunt was holding down two full-time jobs. "You think you should be able to do it all, but you can't," she says. "First you care for your children, then your mother. Pretty soon you just give your whole self to other people."

Unlike child care, the responsibilities of elder care often come suddenly. A stroke or broken hip can mean the difference between a parent living independently and needing round-the-block care. And while a child's needs can be planned for, an older person's requirements are often difficult to assess. Can Dad still manage in his own home? Will he need care for a few months—or many years? What's more, says Kilbourn, "in dealing with your parents, you do not have total control. Any decision * * * can be met with resistance if not total refusal to cooperate."

Reversing roles is one of the hardest aspects of caring for an aged parent. Kristeen Davis says her mother was "a really sharp lady—and one of my best friends" before Alzheimer's set it. Now, Davis says, "sometimes she just sits there like a little lump that used to be a person." Elderly people find it even harder to relinquish their old parental roles. Many are desperately afraid of burdening their busy children, yet desperately afraid of being alone.

Dot von Gerbig's mother and father moved in to help her in 1969, when she was a widow raising small children. Today, they still share her Honey Brook, Pa., home, along with her second husband and their 15-year old son. Von Gerbig's father, 92, is confined to a wheelchair, her mother, 84, is mentally confused, and both are legally blind. Before leaving for work at 7 a.m., von Gerbig arranges every aspect of their lives, laying out clothes and organizing food in the refrigerator, so they can manage by themselves until she returns. "So far, we're making it," says von Gerbig, 52. But she lives in fear that something will go wrong and make her break her vow to keep them out of a nursing home. What troubles her even more, she says, is how terribly cruel the aging process is. "It makes me angry and it makes me fearful," she says. "It's an awful thing that a person does a good job all his life and this is his reward."

Most caregivers lament that they can't do more for their parents. Some of the tough-

est constraints are financial. Medicare does not cover the costs of long-term care, anywhere. Medicare will pay for nursing homes, and home care in some states, but only after a patient has depleted his assets nearly to the poverty level. Thus, many elderly people exhaust their life savings paying for care, and families dig deep into their own pockets to help them.

Many married women, particularly those in low-paying jobs, find it cheaper to quit work and care for aging relatives themselves than to hire home health care. Professional women are less inclined to quit and more apt to hire help. Many are torn between the parents they cherish and the work they love. Just when many have gotten a long-awaited promotion, they find their parents in need of care.

Charlotte Darrow decided she had to abandon her career as a social psychologist at Yale and move to Ann Arbor, Mich., when her widowed mother fell ill in the late 1970s. She spend much of the next seven years cooking and chauffeuring for her. As a result, Darrow says, "I really lost everything—it was much too late to go back and recapture my career." She devoted the next six years to studying how 15 other professional women combined work and caregiving. Her manuscript tells how they hired help and sacrificed weekends, lunches and vacations to spend time with their parents. Despite enormous stresses, all 15 continued their careers. "What these women showed is that people don't have to say, 'My God, this is it!' " says Darrow, 67. "It is possible to go on with your life."

What can employers do to make that easier? One of the most helpful things is to acknowledge the situation. "Corporate America needs to create an environment where employees can say, 'I have a problem with an elder who needs care'," says OWL president Lou Glasse. The Travelers Companies was one of the first to do so; after a 1985 survey found that 28 percent of its workers over 30 cared for an aged parent, on an average of 10 hours a week, Travelers started a series of support programs. Today's leader may be The Stride Rite Corp., which this year opened the nation's first on-site intergenerational day-care center.

Other forward-looking firms have devised a wide range of programs and benefits. One of the most common, and least costly, is simply to educate employees about social services available in their communities. Some firms hold lunchtime seminars or "Caregiver Fairs," where local agencies describe their programs. Some publish detailed handbooks for employees, covering everything from how to select a nursing home to how to locate and pay for respite care. Growing numbers of companies also contract with private consulting firms that can help employees manage care even for relatives in distant cities. Work/Family Directions has developed programs for 21 national firms, linking their clients' employees with 175 agencies across the country. It also provides an 800 number for support and advice. In a few cities, government agencies provide similar services. Employees "don't want a way out of their caregiving responsibilities—they just want some help in coping," says Barbara Lepis, director of Partnership for Eldercare, a New York City program working with American Express, Philip Morris and J.P. Morgan.

The same Employee Assistance Programs (EAPs) that assist workers with drug and alcohol problems can often help with strains on the home front. In fact, EAP counselors frequently find that caregiving duties are at the root of employee's financial, marital or job-performance difficulties. Teresa Freeman, EAP manager at Travelers, says one employee was referred to her office because she was crying at work; another had been put on warning because she was unable to learn new skills. Both, it turned out, were caring for elderly parents and were cracking under the strain. Freeman formed a support group of caregiving employees. But other firms have found that support groups don't work well in situations where bosses and their subordinates may be reluctant to share intimate problems. Lepis says the chemistry works better when such sessions are called "caregiver exchanges" that deal with a specific topic, such as filling out a medical form, "Then we are able to get a cross-strata of the work force to commiserate together about this stupid form," she says.

Some firms are training supervisors to be compassionate about the demands workers face at home. Managers must also be reminded that the Mommy Track, and the Daughter Track, should not be slower roads to advancement. Otherwise, warned OWL in its 1989 Mother's Day report, "only orphans with no children could be placed on the fast track to professional success."

Growing numbers of firms are granting unpaid leaves to employees with family needs. IBM is perhaps the most generous. Full-time employees can take up to three years off, with benefits, and find their jobs waiting. "If we give our employees help in managing their personal lives, it helps us attract and retain the workers we need," says IBM spokesman Jim Smith. That has proved true at Aetna Life and Casualty as well. When it extended its family leave from a few weeks to as long as a year in 1988, the turnover rate among its female caregivers dropped from 22 to 13 percent. About 15 percent of U.S. companies offer flexible work hours. Some 35 percent of U.S. Sprint's 16,000 employees are on an "alternative" schedule—flextime, part time or job sharing, though most do so for child care or other reasons. Since January, Travelers has also granted every employee three "family-care days" a year that do not count as absences.

Alas, some elder-care programs are underutilized. In 1987, Remington Products offered to pay half the cost of respite care for workers' dependents during nonwork hours. Two years later, it dropped the program when fewer than six employees had signed up. Michael Creedon, who conceived the idea through his work at the neighboring University of Bridgeport (Conn.), speculates that Remington's highly ethnic work force may not have been comfortable with the idea of strangers in their home. Indeed, says OWL's Glasse, "many caregivers want to be so supportive of elders that they are reluctant to ask for help" and try to do it all on their own. Out of embarrassment, or their own individual work ethic, many employees are also reluctant to burden their bosses with family problems.

In the end, there is only so much the business world can do to help America's caregivers. Many liberal lawmakers and more than 100 special-interest groups are pressing the federal government to do more. In March, the U.S. Bipartisan Commission on Comprehensive Health Care proposed a giant new long-term care program that would guarantee home health care and three free months in a nursing home to all severely disabled Americans who need it, regardless of age or income. But the price tag—an estimated $42 billion a year—virtually assures that no legislative action will be taken any time soon.

Even without creating a massive new entitlement program, the federal government could do more to help the elderly and those who care for them. Federal funding for the network of social-service programs serving the elderly is a paltry $710 million a year; services are sparse and fragmented in many areas. Most offices are open only 9 to 5, forcing caregivers to deal with them during work hours. OWL is pressing the Social Security Administration to rewrite rules that penalize workers who take time out to care for childen or aged dependents. Upon retirement, a worker's monthly benefit is determined by averaging his or her earnings over the past 35 years. A zero is entered for any year not worked, no matter what the reason. Caregiving, says OWL executive director Kuriansky, "is a wonderful dimension of woman as nurturer—and it's something we don't want to undermine. But in playing that role, we want to make sure she is rewarded, not penalized."

Most women on the Daughter Track do not want to give up their family responsibilities—no matter what personal or professional sacrifices it entails. Many see their efforts as a chance to repay the time and care their parents gave them—a chance to say, again, I love you, before it's too late. What they would like is more understanding at work, more support from the men in their lives, more community services to help them—and a little applause from a world that often turns too fast to take time out for love.●

ONE MAN'S PURPOSE

● Mr. KERREY. Mr. President, I ask to have printed in the RECORD a newspaper article about Phil Sokolof of Omaha, NE, from the July 22, 1990, New York Times.

Phil Sokolof has gained national attention as a result of his crusade to encourage food companies to stop using coconut and palm oils in their products, because of the impact of these oils on cholesterol levels. Cholesterol has been identified as a major factor in heart attacks.

In promoting the use of alternatives to tropical oils which are saturated fats, Mr. Sokolof has proven that one individual can indeed make a positive difference in our society. I hope all Members will take his example to heart.

The article follows:

[From the New York Times, July 22, 1990]

ONE MAN WITH A PURPOSE TAKES ON HEART DISEASE

(By William Robbins)

OMAHA.—The "little guy out here in Omaha," as Phil Sokolof sees himself, has a new message for the giants of the fast-food industry. He has no plans to let up on them until he sees a lot of improvement in American diets.

"How can I stop as long as there are people out there I can help?" said Mr. Sokolof, a 67-year-old industrialist whose atten-

tion was focused on diet problems by a near-fatal heart attack 24 years ago.

For the last five years, Mr. Sokolof, a widower who prepares his own meals "with a microwave and a can opener," has been urging Americans to lower their cholesterol levels. For the last couple of years under the name of National Heart Savers Association, he has been financing a national advertising campaign against food companies he regards as offenders because of saturated fats in their products. He estimates that he has spent about $2.5 million so far in his crusade.

Mr. Sokolof's latest advertisement, which ran on July 3 in several newspapers including the New York Times, focused on the McDonald's Corporation and some of its rivals. "McDonald's, Your Hamburgers Still Have Too Much Fat!" it said, "and Your French Fries Still are Cooked with Beef Tallow." In a footnote, it said, "Both references are applicable to Burger King and Wendy's."

CONFIDENT OF IMPROVEMENT

"I can't say we're going to tear down the golden arches by the year 2000," Mr. Sokolof said in an interview here. "But I am confident that by the year 2000 they are going to be serving more healthful food under those golden arches."

Earlier, Mr. Sokolof ran a series of advertisements entitled "The Poisoning of America" that pictured products of several companies. His target was saturated fats used as ingredients, particularly coconut and palm oils. Saturated fats raise the level of cholesterol in the bloodstream; cholesterol has been identified as a major contributor to heart attacks.

A subsequent advertisement named a dozen food companies that had altered products to exclude saturated fats. The implication was that the changes had come in response to the advertising campaign.

Mr. Sokolof's attacks have stirred angry replies from several companies named in them, including McDonald's but some have indicated a grudging respect. Among independent specialists, observations have been mixed.

"HE DESERVES HIGH MARKS"

Spokesmen for McDonald's assail the advertisements as "absurd" or "reckless, misleading, the worst kind of sensationalism." And they say many McDonald's restaurants are experimenting with vegetable cooking oils.

Terry Thompson, a vice president of the Pillsbury Company, one of many food companies that have altered products, said: "My only observation then and now was that he was an effective communicator on an issue that was very important to him. He deserves high marks for that."

But he continued: "Like a lot of other food companies, Pillsbury's interest in reformulations preceded Mr. Sokolof's campaign. If anything, he probably accelerated some programs."

A FORTUNE IN CORNER BEADS

Philip Morton Sokolof was already a millionaire when he suffered his heart attack. Born in Omaha on Dec. 14, 1922, he was the son of a fruit-market owner who branched out into liquor stores and bars. Mr. Sokolof showed a childhood skill as a song-and-dance performer, and from the ages of 17 to 21, he earned his living on the road with a big band.

Following his father into business, Mr. Sokolof soon found himself in real estate and then in home building. In 1955 he found the niche in which he built his fortune. He bought a $15,000 metal-forming tool and began producing corner beads, and metal fittings that protect wallboard joints. Phillips Manufacturing, the company he formed to produce them, quickly became a success.

Meanwhile, he met and married Ruth Rosinsky, a woman who captured and held his admiration.

"She had an indomitable spirit," he said. His wife, who became ill at the age of 26 with a glandular cancer that finally caused her death in 1982, spent much of her life working with blind children while also bringing up the Sokolofs' two children.

Mr. Sokolof, always a compulsive worker, never had a hobby except bridge, a game at which he won many tournament events and became a life master. But he gave it up, complaining of a lack of time. Still he found time to pursue an interest in stock investments, a pursuit he credits as the source of part of his fortune, which he places as somewhere "in eight figures."

In 1966, when he was 43, came his heart attack, a surprise because he was slender, did not smoke and said he "was really into exercise, in great physical condition." After the heart attack, he discovered that his cholesterol level was dangerously high.

But it was not until 1984, when a Government study showed sharp reductions in heart attacks among people with low cholesterol levels, that he felt he had ammunition enough to start a national campaign.

In 1985 he started Heart Savers, an association with no membership rolls and with Mr. Sokolof as its sole supporter. That same year, in Grand Island, Neb., he started a program of cholesterol testing and soon replicated it in 16 other cities.

Mr. Sokolof summed up this way: "I have had great good fortune—being able to make a lot of money and being able to do something with it that I think is important." ●

THE ACTIVITIES OF UNESCO SINCE U.S. WITHDRAWAL: A REPORT BY THE SECRETARY OF STATE

● Mr. SIMON. Mr. President, all of us who had the opportunity to serve with Senator Robert T. Stafford of Vermont were impressed by him. He is a Republican who is proud of his party affiliation, but we all knew when he served here that he put the national interest first.

I particularly got to appreciate his leadership in the field of education.

I recently received a letter from him attaching a report from a committee that he headed.

One of the members of that committee is the distinguished member of the U.S. House from California, Congressman ESTEBAN TORRES. Another is Mary Hatwood Futrell, the former president of the National Education Association.

I ask, Mr. President, first, to insert the letter that he sent to me.

The letter follows:

UNITED NATIONS ASSOCIATION
OF THE UNITED STATES OF AMERICA,
Washington, DC.

Hon. PAUL SIMON,
Washington, DC.

DEAR PAUL: I appreciate your continued interest in my panel's work on the problems and progress of UNESCO. This is, after all, not exactly a burning campaign issue with the public at large, even if it is of interest to several sectors important to the country's future.

I enclose a copy of my final submission: a careful commentary on the State Department's recent report on UNESCO. After the year's work we had done on the issue, I was deeply disappointed by what came out of State—the review process was tightly controlled, the focus was very narrow, the questions it asked missed the real issues, and the findings were preordained. I would call it a fairly politicized report.

UNESCO is an issue that shouldn't just get lost in the shuffle. I am afraid that Congress may have to do some pushing on it. I'll be grateful for your help in trying to get a broad-based, balanced review process going by early 1991 in an appropriately neutral setting in the Administration.

I appreciate your help and continuing interest.

Sincerely,

ROBERT T. STAFFORD,
Chairman, UNA-USA Project on UNESCO.

Mr. SIMON. A commentary that he enclosed makes a number of points that we ought to be considering, as we look at the UNESCO situation.

At one point, the commentary states:

The Stafford panel postulated United States participation and leadership in the global system, including the United Nations agencies, as "normal"; U.S. nonparticipation in a major world agency only makes sense, the panel noted, if circumstances in the agency are abnormal and extraordinary.

Secretary Baker's report makes no mention of the broad context of U.S. participation in the multilateral system. Its fundamental perspective on such participation is implicit, but clear, in its assertion that:

As nonmembers, we are able to participate in and fund only those activities which are useful, effective, and unobjectionable from a political point of view.

This justification for nonmembership—that it allows a government to support only the programs that are immediately advantageous to it—would, if emulated by other states and applied to other international organizations, rapidly result in the disintegration of the postwar system of multilateral cooperation.

The Stafford panel had three sets of questions:

Are UNESCO's activities relevant to, and do they have an impact on, America's wide-ranging interests—in science, culture, education, human rights, and communication?

Are U.S. political objectives affected by UNESCO's actions?

Has the agency made progress in remedying the problems that the U.S. government cited as causes for American withdrawal? A corollary to this is the tactical question: If the United States does wish to press for additional reform of UNESCO, will continued nonparticipation strengthen or weaken American influence in the organization?

Frankly, those questions could be criticized because they did not ask a more fundamental question of whether UNESCO is contributing to a better

world and whether the United States presence on UNESCO could add strength to that contribution. Perhaps that is implied by the questions.

But the questions that were asked by the State Department's Bureau of International Organization Affairs in its review are clearly far too narrow and lack any sense of vision of how we build a better world. The State Department's questions were:

Is the United States able to protect its political interests as an observer?

What benefits could the United States expect to receive for the membership assessment of approximately $50 million per year?

Are the U.S. public and private institutions and individuals able to participate to the extent they desire in UNESCO activities? If not, is U.S. nonmembership the reason, or are there other factors, such as lack of funding, which are responsible.

A quote in one of the footnotes of the Stafford report is from Frank Press in behalf of the National Academy of Sciences. Many of us remember him as the President's science advisor. He is quoted from a hearing in Congress in 1989:

There is a consensus in the U.S. science and technology community that UNESCO is important and worth supporting under Federico Mayor. * * * From the perspective of the scientific community, a strong intergovernmental organization is essential to meet the increasingly urgent global problems that will confront us.

The Stafford report takes the various objections one by one and analyzes them, and I think effectively demolishes the criticisms of our participation.

On the Israeli/Palestinian issue, the Stafford report says:

The Stafford panel had noted (and shares) the U.S. concern about efforts by the Palestine Liberation Organization to secure voting membership in U.N. agencies, and international legitimacy, as the "State of Palestine." The Palestinians' application was turned aside at UNESCO, the panel concluded, in large part because its approval "would doom the chances of a hoped-for U.S. return in the coming year." But, concerned that Israel is "isolated and vulnerable while the U.S. is absent," the panel warned that if the U.S. is going to stay out of UNESCO, it will have scant leverage on this issue the next time around.

The I.O. report similarly concludes that hope for a U.S. return "was a key factor" in UNESCO members' decision not to seat the Palestinians. But the report is silent on how the U.S. can expect to see Palestinian membership denied next year, if member states conclude the United States will not rejoin anyway.

In one of the report's several passages that are critical of new Director-General Federico Mayor as an individual, it asserts that Mayor has "personally" paid considerable attention to the PLO while being "distant" from Israel. In this respect, the report cites a recent visit by Mayor to Israel (it does not mention that this was the first visit there by any Director-General in 15 years), claiming that Mayor "refused an offer to meet with the Israeli government" I.O. may have had faulty information. The Israeli government reportedly never invited him to come to Israel; and once there at the invitation of the Weizman Institute of Science, Mayor reports having met the prime minister, Yitzhak Shamir, and conferred with then-finance minister Shimon Peres and with foreign affairs vice-minister Samuel Hadas.

In the concluding paragraph the report states:

In what the I.O. report says and what it omits, it strays far from providing the balanced and comprehensive assessment needed by the nation's elected decisionmakers. Its narrow focus and contentious argumentation ignore and obscure the larger picture of UNESCO proposes, U.S. needs, and global interests. It does not attempt to contemplate the potential role that a revitalized UNESCO with vigorous American leadership might have in promoting peaceful change in an increasingly interdependent and multipolar world.

I ask that the full summary of the commentary of the Stafford panel be placed in the RECORD.

I urge my colleagues to look at this issue, which will be resurfacing again.

The summary follows:

COMMENTARY ON "THE ACTIVITIES OF UNESCO SINCE U.S. WITHDRAWAL: A REPORT BY THE SECRETARY OF STATE"

(Issued by the American Panel on UNESCO, convened by the United Nations Association of the USA)

On April 4, 1990, the Department of State announced that, based on its review of developments at the United Nations Educational, Scientific and Cultural Organization (UNESCO), "very little has changed since the United States withdrew at the end of 1984," and that a report detailing its findings would soon follow. The same day, the British Foreign Office issued its own statement describing progress at UNESCO but indicating the government was not yet prepared to rejoin. On April 17 the Secretary of State issued his report to the Congress on activities of UNESCO since the U.S. withdrawal.

The State Department report differs markedly in its tone and substance from both the British assessment and from the findings of an independent panel on UNESCO chaired by former Senator Robert Stafford and organized by the United Nations Association of the United States. In response to a number of requests from government officials and the nongovernmental community, the panel has released this assessment of the Secretary of State's report.

The report, prepared by the State Department's Bureau of International Organization Affairs (I.O.), offers justification, in the words of its conclusion, for "not reopening the question of whether to rejoin UNESCO." The document is a brief of arguments and objections in support of that contention, selective in its focus and facts. Given the perspective of the I.O. report and the questions it chooses to explore, it is not surprising that the conclusions it draws are rather different from those of the Stafford panel. In assessing the I.O. report, this commentary will at appropriate points contrast its approach and findings with those of the Stafford panel.

GENERAL PERSPECTIVE

The Stafford panel postulated United States participation and leadership in the global system, including the United Nations agencies, as "normal"; U.S. nonparticipation in a major world agency only makes sense, the panel noted, if circumstances in the agency are abnormal and extraordinary.

Secretary Baker's report makes no mention of the broad context of U.S. participation in the multilateral system. Its fundamental perspective on such participation is implicit, but clear, in its assertion that, "As non-members, we are able to participate in and fund only those activities which are useful, effective, and unobjectionable from a political point of view." This justification for nonmenbership—that it allows a government to support only the programs that are immediately advantageous to it—would, if emulated by other states and applied to other international organizations, rapidly result in the disintegration of the postwar system of multilateral cooperation.[1]

QUESTIONS FOR CONSIDERATION

The Stafford panel identified three basic questions at the outset of its inquiry:

Are UNESCO's activities relevant to, and do they have an impact on, America's wide-ranging interests—in science, culture, education, human rights and communication?

Are U.S. political objectives affected by UNESCO's actions?

Has the agency made progress in remedying the problems that the U.S. government cited as causes for American withdrawal? A corollary to this is the tactical question: If the United States does wish to press for additional reform of UNESCO, will continue nonparticipation strengthen or weaken American influence in the organization?

The panel organized its inquiry, and its report, around these questions. As a consequence, it devoted considerable attention to the issues and problems in education, science, culture, and communication on which international cooperation is needed, and to the contribution that UNESCO's program activities can or should make in addressing these needs.

The I.O. report does not survey, or even acknowledge, problems facing the world community in these sectors, and it does not consider whether or how international cooperation might help in addressing America's own problems and concerns in these fields. Nor does the report tarry over UNESCO's substantive program activities. The only attention given to the scope of the agency's efforts within its small budget is the repeated insistence that it should do less, although the report does not specify the program activities its authors think should be curtailed.

Instead, the I.O. report poses three somewhat different questions to guide its review:

Is the United States able to protect its political interests as an observer? Could we expect significantly better results as a member?

What benefits could the United States expect to receive for the membership assessment of approximately $50 million per year?

Are U.S. public and private institutions and individuals able to participate to the extent they desire in UNESCO activities? If

[1] In this vein, one linguistic idiosyncracy of the report acquires significance: its consistent use of the term "donors" to refer to member states that pay dues assessments. A donor, as Webster reminds us, is "one that donates"—i.e., "make[s] a gift" ("esp. to a charity or public institution"); and free-will offerings entail no obligation. Such usage admits of no obligations among states to contribute to structures advancing the common good of all the world community. It suggests a view of international relations fundamentally different from that undergirding the postwar framework of international institutions.

not, is U.S. non-membership the reason, or are there other factors, such as lack of funding, which are responsible?

This formulation accords apparent primacy to political concerns, ironically despite the U.S. complaint about "politicization" at UNESCO. In this context, membership meets the test of utility if it produces "significantly better" political outcomes. The value of membership dues is weighed in relation to the benefits the State receives. If American professionals' involvement in international activities sponsored by UNESCO is diminished, this may be attributed to other factors, like "lack of funding," rather than non-membership (even if non-membership may account for the absence of funding, much less loss of leadership positions).

Although the State Department report affirms that UNESCO activities in the three major areas of stated U.S. concerns at the time of our withdrawal are "elements bearing on [its] assessment," it seems significant that the above three questions—the ones on which, the report says, "[o]ur review of United States policy toward UNESCO has been based"—do not ask whether progress is being made on those concerns.

REVIEW PROCESS

The Stafford panel sought out the views of the professional communities active in UNESCO's fields of competence. Not only did it commission papers from outside experts in the various sectors to inform its deliberations; the panel conducted a survey among the many American nongovernmental organizations in science, education, culture, communication, and human rights with any international interest. The panel detailed the responses to the survey questionnaire in its report, *A Forum in Restoration*, and it listed all the citizen organizations whose governing bodies had endorsed renewed U.S. membership.[2]

In addition, the panel's major recommendation in its April 1990 Supplemental Statement was for an Administration review in "close consultation with the leaders of the nation's professional societies [and] the various federal agencies active in UNESCO's substantive fields." It noted that "such consultation will be crucial to the credibility of the report on UNESCO that Congress has required of the State Department."

The State Department bureau did not undertake a wide consultation. The I.O. report makes no mention of having solicited outside views. No nongovernmental organization active in UNESCO's fields has reported receipt of any questionnaire from the State Department, or any other office of the United States government, requesting an evaluation of problems and progress at UNESCO. Indeed, even the Government's own agencies in the relevant fields were apparently not asked to submit their assessments of UNESCO's work and usefulness. This was in marked contrast to the British government's far-reaching consultations this year with all interested nongovernmental organizations and public agencies.

The report emanates from within the Bureau of International Organization Affairs without broad inter-agency input. Its authors assert that they "studied with care" the views expressed, largely unsolicited, from outside; but the report dismisses most of them as "relatively uninformed." The report does not state which organizations had submitted views (with two exceptions), much less what their positions were.

Instead, the report advances a fourfold categorization of outside views, consisting of two opposed pairs:

(1) *Those who "support U.S. membership on philosophical grounds."* The report somewhat tendentiously summarizes this point of view thusly: "since UNESCO deals with education, science, and culture, the United States has a duty to support it." The report affirms that "a considerable number" of the views expressed to the Department fall into this category. However, because the report fails to identify most of the organizations it puts in this category, it is difficult to assess whether they include many U.S. professional societies unable to continue close collaboration with UNESCO since withdrawal. In any event, the report discounts the usefulness of their views because "(a)lmost all of them opposed our withdrawal in the first place."[3]

(2) *Those "opposed to membership in UNESCO on philosophical or political grounds."* The report notes "a number of organizations and individuals" fall into this classification, but does not identify them.

(3) *"Informed support for UNESCO."* The category is reserved for unnamed groups and individuals that, despite the U.S. withdrawal, "continue to participate actively in those UNESCO programs of interest to them"—particularly the American scientific community. These views are described as "usually narrowly focused."

(4) *"Informed opposition to UNESCO."* This category is said to include unnamed "individuals and groups interested in freedom of the press"; unlike the "informed support" category with which it is paired, this one is not described as "narrowly focused." However, the principal interested organization active at UNESCO on this issue, the World Press Freedom Committee, has always scrupulously refrained from taking a position on U.S. membership in UNESCO, as have such allied American organizations as the American Society of Newspaper Editors, the American Newspaper Publishers Association, and the Inter American Press Association. The report also does not indicate whether this "informed opposition to UNESCO" was expressed to the Department before or after the 1989 General Conference revised UNESCO's program plan for communication.

The report also places in this category of "informed opposition" unidentified U.S. government agencies "concerned about issues of management and efficiency in international organizations." This presumably refers to the Bureau of International Organization Affairs, responsible for writing the report.

The report does not address the views advanced at congressional hearings and in association resolutions by many concerned professional groups. Instead, based on the "only approximately 120 letters" received by the State Department on this issue, the report sweepingly concludes, "The overall total U.S. interest in UNESCO is very limited."[4]

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[2] Since early 1989 the following national organizations have called for U.S. reentry: American Psychological Association; American Council of Learned Societies; American Association of Museums; Sierra Club; American Association for the Advancement of Science; American Bar Association; American Chemical Society; National Education Association; American Educational Research Association; Comparative International Education Society; National Science Teachers Association; Council of Scientific Society Presidents; American Home Economic Association; National Society of Professional Engineers; American Physical Society; International Theatre Institute of the United States, Inc.

The panel knows of no citizen membership organization or professional society that has called for the United States to remain outside UNESCO. It is aware of one political advocacy group, the Heritage Foundation, that opposes U.S. reentry.

[3] Limiting political credibility to those who supported U.S. withdrawal "in the first place" would leave participation in the UNESCO debate to a relatively narrow stratum. When the Gallup Organization posed the issue to the American public in mid-1984, despite a fair amount of press attention to the campaign by UNESCO critics for U.S. withdrawal, nearly two-thirds of Americans (64 percent) reported that they had not heard or read anything about UNESCO. Among the minority who had heard something, only a third favored U.S. withdrawal and half opposed it.

[4] Representatives from the following nongovernmental organizations expressed views at hearings undertaken by both houses of Congress in 1989:

Frank Press *(National Academy of Sciences):* "There is a consensus in the U.S. science and technology community that UNESCO is important and worth supporting under Federico Mayor. . . . From the perspective of the scientific community, a strong intergovernmental organization is essential to meet the increasingly urgent global problems that will confront us."

Thomas Lovejoy *(Smithsonian Institution):* "[Global change] cannot be addressed solely on a specialized or piecemeal basis. All science must be involved. . . . It is only within UNESCO's broad umbrella that we find an exciting mechanism which encourages this cooperation and dialogue; a dialogue that I personally believe should be continued and enhanced by the U.S. retaking its membership and leadership role within UNESCO."

Ronald Mitchell *(International Reading Association):* "The promotion of literacy and basic education, a goal that most countries and individuals share, can be advanced most effectively through the mechanisms of multinational organizations. . . . the U.S. Departments of State and Education have sought out the assistance of the International Reading Association to identify a professional in reading and literacy to provide a needed technical assistance to UNESCO as it prepares and implements its plans for International Literacy Year."

Leon Boothe *(American Council on Education and 11 affiliated associations of colleges):* "We support a return to full U.S. membership in the organization. . . . United States higher education will benefit if the U.S. participates directly in the formulation of policies to carry out such programs and in future planning for the organization."

Leonard Sussman *(Freedom House):* "We have made our political point; nothing can be gained by our absence—except counterproductivity. We shall continue our losses, and fail to regain the preeminence in information/communication we once enjoyed."

Mary Hatwood Futrell *(National Education Association):* "U.S. participation efforts to support basic education to persons throughout the world is a moral necessity . . . . NEA's Executive Committee has endorsed the literacy campaign of UNESCO. . . . I urge the Senate Foreign Relations Committee to recommend that the U.S. rejoin UNESCO as an active participant in this and other worthy projects."

Edwin Feulner *(Heritage Foundation):* "There is no concrete data on which to base any reconsideration of U.S. nonparticipation in the organization. . . . What evidence I have seen points to the fact that sufficient reform is not even seriously being attempted by the organization."

Terry Morton *(U.S. Committee for International Council on Monuments and Sites):* "UNESCO's cultural program. . . . was never politicized nor was it part of the factors that led to U.S. withdrawal. Its cultural heritage program has continued to receive international praise for its effectiveness and efficiency."

Paul N. Perrot *(Virginia Museum of Fine Arts, speaking in his personal capacity):* "[UNESCO] has done more than foster agreements, conventions and recommendations. . . . Its direct action has been particularly strong in fostering international campaigns for the protection of monuments."

The I.O. report did single out the United Nations Association of the United States (UNA-USA) by name, which it categorized among those philosophically supporting U.S. membership. The report described UNA-USA as having "consistently advocated resumption of [U.S.] membership," without mention of UNA's long advocacy of major reform at UNESCO.[5] It did not mention that the American and international panels convened by the Association were chaired by a Senator who had supported the U.S. withdrawal. The report did find UNA-USA worthy of quotation once, for a skeptical question its leaders posed in a personal letter to UNESCO's Director-General on a hiring decision, and again for the Stafford international panel's call for "fundamental structural reform" of the agency. The report slightly misstated the conclusion of the American panel as having "recommended that the United States rejoin UNESCO," omitting the condition the panel attached to it—namely, adoption by the 1989 General Conference of the substance of the Director-General's program reforms.

The State Department report did approvingly acknowledge the Stafford international panel's consensus recommendations for "much-needed changes" in the structure of the Executive Board and in the process for establishing overall spending levels. But it overlooked the central recommendation of the panel—that structural reform is needed to enhance the role of the world's professional communities and to limit the politicizing control of governments. The I.O. report likewise takes no note of the international panel's finding that "It is inconceivable that the United States would have interests in science, culture, education, and communications so different from those of the rest of the world that it could not participate in the one U.N. agency that looks after these sectors."

OTHER NATIONAL GOVERNMENTS

The report attaches some importance to the views expressed by other national governments—or, more to the point, to a lack of them, evidenced by the paucity of "written" communications to the President and the Secretary of State. (The report does not mention direct conversations at the presidential or ministerial level. Nor does it mention bilateral contacts with any other federal department.) The obvious—and unsurprising—inference to draw is that UNESCO is not, relative to other matters they would pursue with Washington, the highest priority for national leaders, on which they would expend political capital in bilateral contacts.

The State Department did not solicit comprehensively from other national capitals their governments' views on U.S. involvement in this specialized agency. Nor does the report detail those views as expressed by member states' representatives at UNESCO. It simply acknowledges that they "all want us to return eventually to membership." While it cites purported expressions of concern about UNESCO by unidentified envoys, none of them suggests support for continued U.S. nonmembership. It is thus impossible to ascertain the accuracy of the report's assertion that an unspecified number of those the report deems "the most reform-minded" urge the U.S. to hold back "somewhat longer" as "continued leverage for reforms."

In this context, the view expressed to the Stafford panel by the West German member of the Executive Board is relevant: "The shock value of the U.S. withdrawal was very helpful to us; but everything that could be squeezed out of it has been wrung out. Now it is time for the United States to return." (Ambassador Walter Gelhoff, June 22, 1989, interview)

AREAS OF U.S. CONCERN

The I.O. report, like the Stafford panel, examined progress in each of the three areas of concern cited by the Reagan Administration at the time of U.S. withdrawal.

1. Budgetary growth

The Stafford panel noted the simple record: The United States had objected to "excessive" budgetary growth (the 1984-85 approved budget was 5.5 percent higher than that of the previous biennium). After the American and British withdrawals, UNESCO's budget was cut by a fifth, and its budget has been held constant at zero real growth from 1986 through 1991.

The British Foreign Office looked at the same record and concluded, "In general UNESCO has successfully adhered to the principle of Zero Real Growth over the past few years . . . This is a satisfactory outcome and compares well with performance elsewhere in the U.N. system."

By contrast, the I.O. report's writers "remain unconvinced that there has been any progress on budgetary restraint." Instead, the report sets new goalposts, calling for formal establishment of a new mechanism for setting agency spending levels; decentralization of UNESCO's workforce (which also surfaces as a management issue); and a reduction in major program activities under the rubric of "concentration."[6]

The I.O. report sharply criticizes the Director General for last year proposing 2.5 percent real budgetary growth for new program initiatives in education, science, and other fields. It expresses satisfaction that the General Conference "decisively rejected" the executive's budget request and approved only a zero real growth budget. The report makes the puzzling observation that even so, the new budget showed a nominal growth in dollar terms (because of currency fluctuations, etc.) of 8.1 percent over two years—and then concludes, "It is unfortunate that UNESCO has not accepted the need for budget restraint."

2. Politicization

The Stafford panel pointed to the communication debate and anti-Israeli resolutions of the 1970s as the enduring political controversies that had most aroused American concerns. "On balance," it found, many of the concerns about "politicization" of UNESCO activities have resolved themselves over the past several years—by a sobered pragmatism among developing countries that has emerged in all the organs of the U.S. system, by developments in international relations in the Soviet bloc and the various theaters of regional conflict, and in particular by the change in UNESCO leadership. Americans cannot expect that the four-fifths of the world that is poorer than the U.S. will always see issues the way their government sees them; and it is inevitable that in a forum of ideas, ideas and ideologies will clash. But Americans do expect balance and mutual respect—not always present in UNESCO proceedings when North-South tensions ran high.

The State Department report likewise notes the improvement in the political atmosphere throughout the U.N. system, where developing countries have "adopted a more results-oriented and practical approach to their [*sic*] problems, and eschewed much of the rhetorical excess of the 1970's and early 1980's." It affirms that "these positive influences have been felt also at UNESCO." However, the report is critical of the views of member states on some specific issues:

(a) Communication

The Stafford panel noted that the treatment by the 1989 General Conference of the controversial communication issue would be "the litmus test" by which Americans would assess the progess on containing "politicization."

The State Department report indeed gives considerable attention—fully one-seventh of its entire text—to the communication controversy. To define the fundamental U.S. interest the report cites no less an authority than the U.S. Supreme Court to express "our unshakable national commitment, embodied in the First Amendment, that 'debate on public issues should be uninhibited, robust, and wide-open.'" Yet it is the controversial debate in UNESCO over communication policies that the report seems intent on inhibiting.

The report presents a lengthy historical review of the communication debate over two decades at UNESCO. It does not acknowledge the possibility that there may have been some genuine problems in international information flows two decades ago, which in the communication debate might have become entangled with the political efforts to tame the press that the United States consistently combatted. Instead the report insists that all along the debate was simply "a direct challenge to cherished Western principles concerning freedom of the press." Western concerns about "freedom of opinion" and journalists' "freedom to report" were, the report affirms, assuaged in UNESCO's 1978 Declaration on the Mass Media. But in this "vague and ambiguous" compromise calling for a new "world information and communication order" (NWICO), the report argues, lurked "more harmful elements—a balanced flow, the contribution and role of the media, a right of reply for those who feel unfairly treated by the media." (As the Stafford panel noted, the right of reply was long enshrined in U.S. domestic broadcasting law as

[5] UNA-USA's national convention in 1988 adopted a resolution recommending that "returning to UNESCO should be a top U.N. priority for the next administration. The U.S. should replace its reform observation panel with an observer of ambassadorial rank to develop for the U.N. Educational, Scientific and Cultural Organization specific suggestions for reform that would lead to renewed U.S. participation in the Organization." The Association had recommended a series of reforms in UNESCO operations prior to the U.S. withdrawal, but argued that these could be better realized by working inside instead of outside the organization.

[6] The Stafford international panel proposed creation of "a formal mechanism for reaching agreement on an overall budgetary ceiling," one that would "assure the major contributors that they have considerable input into—but no veto over—the size of the total budget." As the I.O report approvingly notes, the international panel thought it useful to "give major and minor contributors comparable negotiating power." The U.S. panel members rejected the notion that specific structural reforms could now plausibly be added as new preconditions for U.S. reentry, however, and urged the U.S. to embrace the full recommended reform agenda and press it to adoption on rejoining.

Neither the international panel nor its U.S. subgroup found the "decentralization" and "concentration" concerns to be major institutional issues.

the "fairness doctrine," and American journalists and academics have long debated both the role of the media and balance in coverage; these "elements" only risk becoming "harmful" if governments decide and enforce standards—the lingering shadow that has so discredited NWICO.)[7]

Not only is the report's view of the communication issue itself somewhat contentious; its assessment of the communication program adopted by the 1989 General Conference is far harsher than virtually any other commentator's. The I.O. report incorrectly asserts that the plan "was, even in the most favorable analysis, a 'mixed bag'." On the contrary, most analysts, led by Leonard Sussman of Freedom House (the first to sound the alarms on the issue 15 years ago), have hailed the new plan as a decisive affirmation of press freedom. The British Foreign Office, in its recent report on progress at UNESCO, noted that even those "who in the past have been highly critical of UNESCO's Communications Programme . . . now see NWICO as being only a minor problem," and concluded that "in its present form it no longer constitutes a serious obstacle."

It is only the I.O. report that sees the UNESCO text's repeated emphasis on freedom and independence of the press as merely "cosmetic." (Why UNESCO language is "harmful" when ambiguous but "cosmetic" when it is clear is not explained.) The report seems preoccupied with denying legitimacy to any ideas advanced in the long debate on international information policy, disparaging them under the name of NWICO, and it disapprovingly quotes delegates at UNESCO for seeing a continuity of concerns in UNESCO's evolving program. While it acknowledges that under the new program mandate UNESCO has this year convened conferences on strengthening a free press in Eastern Europe, the report does not see in the new text the opportunities it may afford to embed Western free-press values in international norms.

(b) Israeli/Palestinian Issues

The Stafford panel had noted (and shares) the U.S. concern about efforts by the Palestine Liberation Organization to secure voting membership in U.N. agencies, and international legitimacy, as the "State of Palestine." The Palestinians' application was turned aside at UNESCO, the panel concluded, in large part because its approval "would doom the chances of a hoped-for U.S. return in the coming year." But, concerned that Israel is "isolated and vulnerable while the U.S. is absent," the panel warned that if the U.S. is going to stay out of UNESCO, it will have scant leverage on this issue the next time around.

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c. Human Rights

The I.O. report suggests some aversion to wide-open debate within UNESCO on the question of "rights of peoples" (such supposed group entitlements as a "right to self-determination" and a "right to development"), about which it details its suspicions even as it notes that UNESCO has allocated only $35,000 to study the concept. It claims to have "no doubt" about "the ultimate goal of the whole operation"—namely, "the evaluation of claims that particular peoples' rights have not been observed."

On this point too the British assessment was different: "Our concerns about 'peoples' rights' have also been largely allayed." The Stafford panel had likewise considered this tiny program, viewing it in the context of UNESCO's human rights activities. "While some Americans find discussion of 'rights of peoples' an annoyance, an irrelevance, or a sinister diversion from individuals' rights," the panel concluded, "an organization founded to promote the free flow of ideas need not shrink from analyzing them. * * * Americans should relish the challenge and opportunity of UNESCO's human rights program; it is foolish not to take part in shaping it."

3. Management

The Stafford panel had documented one major change in UNESCO personnel policy effected by Director-General Mayor in his tenure—the depoliticization of what had become a highly centralized political system of personnel recruitment that his predecessor had closely controlled, which Mayor remedied by returning hiring responsibility for program staff to program heads. The panel also noted Mayor's establishment of an international panel of management experts, chaired by Knut Hammarskjold, to advise on far-reaching administrative reform. The panel recently concluded that Mayor's subsequent announcement of a management restructuring, while politically inept, appeared consistent with the Hammarskjold blueprint, though it should be judged "in the long run" on how it facilitates efficiency in the implementation of the agency's program.

The State Department report declares that of the three stated U.S. concerns, "the least progress seems to have been made" on management reform. It does not mention the depoliticization of professional staff recruitment. The report does not attach great importance to the Hammarskjold Commission recommendations. But while Hammarskjold praised Mayor's administrative restructuring steps as "firm and determined reform action," "unique in the history of international organizations as to their scope and depth of vision," and "an uphill effort against traditional 'disciplinary turf' instincts and conservatism," the I.O. report describes the issue in somewhat dramatic language of a different sort ("most shocking," "worst crisis," "state of turmoil"). It sees virtually no merit in any of the reforms.

By contrast, the British government's report found that Mayor's "announced steps towards programme rationalisation, decentralisation and administrative reform * * *, by and large, are in line with our wishes." London held back from rejoining, however, "because these announcements are very recent," leaving "some uncertainty about * * * their full implementation in practice." The Foreign Office concluded that "some time is necessary" for the uncertainty to be dispelled.[8]

The State Department report is especially critical of the restructuring plan for its creation of new positions (without acknowledging the planned offset of freezing existing vacancies); for its seemingly arbitrary targets for moving professional staff out of Paris (precisely the "decentralization" the U.S. had been demanding); and for Mayor's selection of his top directors without "open recruitment" (a very legitimate criticism, if a not uncommon practice in many U.S. government appointments as well). On personnel appointments the report is quite solicitous of supposed prerogatives of the Executive Board (the body of whose "superficial or politicized debate" the report is elsewhere sharply critical). Some outside observers have praised Mayor for asserting his independence of governments' patronage demands, not currying political favor by seeking candidates from governments for the agency's top positions. The report volunteers no such praise, and endorses an alternative principle: "We believe that member governments which pay the bills should control international organizations."[9]

The report is critical of the secretariat's excessive reliance on consultants relative to regular staff, a new U.S. concern—and certainly a legitimate one for member states that UNESCO's Executive Board took up at its May 1990 session. The I.O. report continues, however, by attacking the Director General for making visits to national capitals, even to the point of counting days he has been away from headquarters ("this does not include vacation time"). It charges that Mayor went about, without exception, "at each stop asking the head of state to lobby the United States to return to membership," although it does not document this sweeping assertion. The British government's report did not see such questions as meriting attention, and they hardly seem relevant to whether the United States should be a member of UNESCO.

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[7] The I.O. report quotes at length a 1983 paper by Leonard Sussman of Freedom House (a member of the Stafford panel) that it says "played a significant role in toughening up U.S. communications policy." The report does not quote the paper's conclusion, "I do not believe the challenges to the free flow of information would cease if UNESCO stopped addressing the issue tomorrow. There would be other forums." Nor does it acknowledge that the paper's author, and the organization, opposed U.S. withdrawal then as a misguided response to the debate, or that he supports U.S. reentry now.

[8] Despite the quite apparent divergence of views between the British Foreign Office and the U.S. State Department on all three major concerns budget, "politicization" (especially NWICO), and management—the I.O. report concludes that "their thinking on the subject remains essentially the same as ours."

[9] This view is very different from a central finding of the Stafford international panel: "Agency decision-making must not be left to government functionaries and political representatives but must embrace the expertise and commitment of professionals in all UNESCO's fields of competence." The panel proposed far-reaching structural reform to diminish politicization and enhance quality. From this perspective, it is ultimately not governments, but taxpayers, that "pay the bills."

BENEFITS OF MEMBERSHIP

The State Department report takes a narrowly utilitarian view of U.S. membership in U.N. agencies. UNESCO membership, it avers, would give the U.S. little more than a vote in UNESCO governing bodies; whereas by staying out the U.S. can get a free ride on the dues that 159 other countries pay to maintain the UNESCO forum and institutional infrastructure for needed cooperation. Besides, as a nonmember "we retain considerable influence," since member states have been eager to persuade the United States to return.[10]

The report expects that "United States influence will certainly remain high during the next two years." This speculative assertion is not shared even by Western delegates at UNESCO. The Swiss ambassador, for instance, insisted to Stafford panel members that he and a growing number of other delegates "see no use in catering to a U.S. government that plainly doesn't plan on rejoining anyway." West Germany's Executive Board delegate (and ex-U.N. ambassador) notes that "countries increasingly accept the proposition that they can live without the United States, and that Washington's coming back in is something they can't affect, so it's not worth begging the Americans." The president of UNESCO's General Conference, a Guatemalan newspaper published, last year recalled that when the U.S. withdrew, "everybody thought UNESCO was going to die. But it survived—smaller, but it survived."

The major impediment to the continuation of U.S. leverage while sitting outside the agency is one that the report nowhere addressees: the United States has never specified what change would lead to reentry. Indeed, nothing in the report suggests an interest by the State Department in returning. On the contrary, its tone and argument give little reason to believe the United States would seriously consider returning no matter what UNESCO did. The report goes so far as to declare (in terms of implicit applicability to any international organization) that "UNESCO needs the United States as a member far more than the United States needs UNESCO."

The Stafford panel had given considerable attention to the usefulness of withdrawal as leveraged for reform, and concluded: "Although withdrawal from a multilateral agency can certainly be justified in dire circumstances, it is not—except for isolationists—an end in itself. . . . Suspension of membership is a tactic that must have clearly defined and attainable purposes." It noted that now, "By staying out, the U.S. will have no leverage to influence policies adopted by the organization: There is simply no more damage it can do to the agency." On the other hand, it concluded, as a dues-paying member its bargaining leverage on issues of importance (e.g., press freedom, PLO) returns; and "its citizens could once again be hired to fill UNESCO posts—facilitating the flow into UNESCO's work of liberating ideas from American society."

The last is a consideration absent from the I.O. report. In its assessment of benefits of U.S. membership, the report gives no attention to the potential significance of having American experts present in, or absent from, leading roles in shaping and running UNESCO's program activities, in which many countries have considerable trust and on which they rely. The impact of a lively American presence in the secretariat as well as in governing bodies should seem to merit the U.S. government's attention.

The State Department report worries that by rejoining UNESCO, "We would lend both our money and our credibility" to the organization. The Stafford panel concludes that "by staying outside the agency after the General Conference has approved policy reforms the U.S. had long sought, America will sacrifice any credibility to press for further reform." In this debate, credibility is for all a major concern.

In what the I.O. report says and what it omits, it strays far from providing the balanced and comprehensive assessment needed by the nation's elected decisionmakers. Its narrow focus and contentious argumentation ignore and obscure the larger picture of UNESCO purposes, U.S. needs, and global interests. It does not attempt to contemplate the potential role that a revitalized UNESCO with vigorous American leadership might have in promoting peaceful change in an increasingly interdependent and multipolar world.

UNA-USA AMERICAN PANEL ON UNESCO

Chairman: Robert T. Stafford, Former United States Senator (Republican of Vermont).

Panel members: Mary Hatwood Futrell, Former President, National Education Association, Vice President, World Confederation of Teaching Professions; Walter Rosenblith, Professor Emeritus, Massachusetts Institute of Technology, Former Vice President, International Council of Scientific Unions; John R. Stevenson, Counsel, Sullivan & Cromwell, President, National Gallery of Art Board of Trustees; Leonard R. Sussman, Senior Scholar in International Communications, Freedom House; Esteban Torres, Member, United States House of Representatives (Democrat of California), Former Permanent Delegate of the United States to UNESCO.

Project director: Jeffrey Laurenti, Executive Director, Multilateral Studies, United Nations Association of the United States.

Funding for this project was provided by the James S. McDonnell, Ford and Rockefeller foundations.

In accordance with the standard practice for policy panels sponsored by UNA-USA, the views expressed in this statement are those of the panel members and do not necessarily reflect the views of the Association or the underwriting foundations.●

[10] This claim of "considerable influence" seems inconsistent with the State Department's overall finding that "very little has changed," which would suggest the withdrawal strategy has failed. It is not clear from the report to what ends—political or administrative, if not educational or scientific—this "influence" would be used.

USE INGENIOUS PRIZES TO CAPTURE INGENIOUSNESS OF INVENTORS

● Mr. SIMON. Mr. President, recently, I saw the column of Michael Schrage from the Los Angeles Times reprinted in the Washington Post about how we ought to encourage inventors.

Since it is buried in the financial pages of the Washington Post, probably few people read it. But it calls attention to a major deficiency in our country.

He points out that Charles Lindberg, in crossing the Atlantic, was trying for a $25,000 prize. But the basic message is that in this country we're going to have to do much better in the field of inventing.

A look at the U.S. Patent Office shows that American citizens getting patents is going down steadily year after year in the totals, while the number of foreign citizens getting patents from the U.S. Patent Office is going up year after year as a percentage of the total.

Another indication is that when I appear on college campuses one of the questions I frequently ask is, "How many of you ever thought of inventing anything and getting a patent?"

Rarely is a hand ever raised.

Somehow, we have to turn that around. It should not take huge amounts of money.

A few years ago, I encourage some State legislators to introduce a bill calling for an inventor-in-residence program at some of the colleges in Illinois. The idea was that a successful inventor would be on the campus and give lectures once a week in a credit course, but there would be lab work, and the inventor would be on the campus to stimulate the students to be thinking in the same direction.

The bill passed the legislature and, unfortunately, the Governor vetoed it. I probably should have explained it better to the Governor before the veto.

But the idea strikes me as still being sound, and it seems to me that the idea could be particularly effective on smaller campuses.

For example, two of my college years were spent at Dana College in Blair, NE. It is a fine, fully accredited liberal arts college with about 500 students. If some foundations were to make a $50,000 grant for 1 year for a inventor-in-residence on that campus, my instinct is that everyone on the campus would know about it, and it would stimulate both faculty and students to talk about inventing. An arrangement could be worked out that perhaps 15 percent of the profits from any patent developed by the inventor-in-residence, while on campus, could go to the endowment of the college, stimulating other schools to follow the pattern and perhaps generate some income for the school.

I have not refined the idea, but there ought to be a relatively simple way of doing much more to encourage creative minds in this country to invent.

Michael Schrage's idea of a prize is a good one, and I hope somewhere some foundation takes him up on that.

But another idea that ought to be explored is to have inventors-in-residence at some of our colleges and universities, so that we appeal to the creative spirit that is in America much more than we now are.

Mr. President, I ask to insert into the RECORD the column by Michael Schrage.

The column follows:

[From the Washington Post, July 20, 1990]

USE INGENIOUS PRIZES TO CAPTURE INGENIOUSNESS OF INVENTORS

(By Michael Schrage)

If you had to design the dullest, most conventional, most uninspired way to encourage creativity and innovation, you'd probably end up with something that looks a lot like the Nobel Prize or the MacArthur Foundation "genius grant."

Sure, a Nobel or a MacArthur is lucrative and glistens with a patina of prestige and media hype—but when you get right down to it, these awards have all the spirit of an accoutant's report. They serve as celebrations of the status quo rather than as challenges to the imagination. They confirm what everybody knows, instead of getting people to think about what they don't know. But the worst thing about them is that, short of pulling names of out a hat, they are the laziest possible way to reward creativity. Simply get a bunch of big names in a room and have then pick winners as they posh on pâré de fois gras. Gosh, it's a tough job but someone has to do it.

We need prizes that are designed with as much ingenuity and creativity as they are intended to reward. Nobels are nifty, but perhaps society could get more bang for the buck if prizes encouraged people to focus on solving specific problems that they otherwise wouldn't consider. It's not that people shouldn't be rewarded for achievement, but that's not the best way to go. Prizes are a wonderful mechanism for capturing attention and imagination; let's treat them that way. Look at the history of technology and you'll find that ingenious prizes evoke innovative solutions.

Everybody remembers how Charles Lindbergh's solo flight across the Atlantic in 1927 absolutely galvanized the world and revolutionized the popular perception of aviation. What people forget is that the 25-year-old Lone Eagle was gunning for the $25,000 Orteig Prize posted by French-born hotelier Raymond Orteig in 1919. Lucky Lindy wasn't just captured by the romance of a New York-Paris crossing; he was also in it for the money. The Spirit of St. Louis may have been piloted by an American hero, but it was fueled by a prize.

This tradition of prizes to push the boundaries of technology goes back hundreds of years. In 1714, a specially established Board of Longitude promised the extraordinary sum of 20,000 pounds to "such person as shall discern the longitude by sea"—absolutely essential for navigation. It took almost 50 years, but a clock accurate enough to solve the problem was built by John Harrison in 1762. That device transformed maritime travel.

Similarly, when the Napoleonic Wars cut off the Continent's supply of raw cotton for textiles, Napoleon promised a huge prize to the inventor who could figure out a way to spin linen into fabrics. In 1810, Frenchman Philippe de Girard perfected the idea of "wet spinning"—soaking the raw flax before it went to the spindles. (Although quite successful, Napoleon reneged on his offer. *C'est la vie.*)

More recently, prizes have been used to provoke people into thinking about problems that have launched whole new genres of technology. Back in 1960, the brilliant physicist Richard Feynman concluded his American Physical Society Talk, "There's Plenty of Room at the Bottom," discussing "the problems of manipulating and controlling things on a small scale," with not one, but two, prize offers.

The first was $1,000 for building a rotating electronic motor 1/64th-inch cubed; the second was $1,000 for the first person to put a page of a book in a form suitable for reading by an electron microscope. The motor was built that same year; the microtext didn't materialize until 1985. The issue, of course, wasn't the money—it was getting people to think about building ultra-small things. These challenges helped launch the discipline of "nanotechnology"—the technology of engineering machines and processes billionths of an inch in size.

"Prizes can be very motivating," sys Paul MacCready, who runs Monrovia, Calif.-based Aero Vironment, an environmental and aeronautical consulting firm. "You put up a small prize and 100 times more money gets invested in trying to win it."

MacCready should know. On Aug. 23, 1977, his man-powered Gossamer Condor flew into aviation history by traversing a figure-eight course around two pylons half a mile apart to win the Kremer Prize of 50,000 pounds. Established in 1959 by British industrialist Henry Kremer, the Kremer Prize for Human-Powered Flight had tantalized and infuriated aviation enthusiasts for years as they sought to emulate Icarus without getting burned.

What lured MacCready into spreading his wings? "I did the project solely for the money," he says. "I had been the guarantor of a $100,000 note that had gone sour. Figuring out the pound-to-dollar exchange rate, I suddenly noticed the connection between a $100,000 prize and a $100,000 debt. If there had not been the prize, I wouldn't have done it."

MacCready, who is also intimately involved with General Motors Corp.'s efforts to develop the electric-powered Impact car, notes that the Kremer Prize was magnificiently structured to tease the imagination.

"It's very rare that you can come up with a perfect prize like the Henry Kremer Prize for Human Powered Flight," he says. "It was big; it was absolutely impractical—no inventors could justify spending their own money. I think it was a hugely creative prize. You find there are very few prizes like that."

Indeed, pointing to the web of interrelated technologies that the Gossamer Condor helped spawn. MacCready insists that "If Kremer hadn't come up with his prize in the 1950s, there would not be an Impact today. . . . In time, this is going to be a winner."

"Wherever these kinds of prizes have been proposed, they've almost always made a big difference," says Joel Mokyr, a Northwestern University professor whose book, "The Lever of Riches," explores the history of technological creativity. "This can be a fantastic idea to spur innovation."

Historically, society relies on the marketplace to generate innovation. Obviously, we don't need prizes to get people to seek out a cure for AIDS or get clever computer software written—market forces will take care of that. Prizes should be created for problems that the market wouldn't take care of, like human-powered flight or an airborne Atlantic crossing in the 1920s. Today, problems like traffic congestion, the management of waste products and remedial education seemingly lend themselves to creative prize design.

"These impractical prize-driven things have been worthwhile and will become even more so," says MacCready. "It changes people's thinking by giving them a goal. Changing your perspective is much more potent than just an invention."

What we need are state and local governments—as well as philanthropists and foundations—to actually sit down and think of creative prizes to help solve difficult (or interesting) problems. It's not enough to toss prize money at people because you like and admire what they've done—we need a slew of prizes and awards to get people to do new things. Perhaps we should begin by offering prizes to people who come up with the best ideas for prizes?●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1990, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $3.3 billion in budget authority, and over the budget resolution by $4.2 billion in outlays. Current level is under the revenue floor by $5.2 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $114.8 billion, $14.8 billion above the maximum deficit amount for 1990 of $100 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 23, 1990.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1990 and is current through July 20, 1990. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1990 Concurrent Resolution on the Budget (H. Con. Res. 106). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated July 16, 1990, there has been no action that affects the current level of spending or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 101ST CONG. 2D SESS., AS OF JULY 20, 1990

[In billions of dollars]

	Current level [1]	Budget resolution H. Con. Res. 106	Current level +/− resolution
Budget authority	1,326.1	1,329.4	−3.3
Outlays	1,169.4	1,165.2	4.2
Revenues	1,060.3	1,065.5	−5.2
Debt subject to limit	3,091.6	3,122.7	−31.1
Direct loan obligations	19.1	19.3	−.2
Guaranteed loan committees	115.1	107.3	7.8
Deficit	114.8	[2] 100.0	[3]14.8

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 106. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even through the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions. In accordance with Sec. 102(a) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act (101 Stat. 762) the current level deficit amount compared to the maximum deficit amount does not include asset sales.

[2] Maximum deficit amount [MDA] in accordance with section 3(7)(E) of the Congressional Budget Act, as amended.

[3] Current level plus or minus MDA.

THE CURRENT LEVEL REPORT, 101ST CONG., 2D SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1990 AS OF CLOSE OF BUSINESS JULY 20, 1990

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			1,068,600
Permanent appropriations and trust funds	954,969	791,109	
Other legislation	635,362	638,737	566
Offsetting receipts	−233,985	−233,985	
Total enacted in previous sessions	1,356,347	1,195,862	1,069,166
II. Enacted this session:			
Dire Emergency Supplemental Appropriations (P.L. 101-302)	2,293	666	
An act making technical amendments to Title 5, U.S. Code (P.L. 101-303)		−1	
Amtrak Reauthorization and Improvement Act (P.L. 101-322)	−10		−10
Total enacted this session	2,283	665	−10
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory adjustments required to conform with current law estimates in budget resolution:			
Salaries of judges	−8		
Payment to judicial officers' retirement fund	−4	−4	
Judicial survivors' annuities fund	−3	−3	
Fees and expenses of witnesses	−5		
Justice assistance	−4		
Fisherman's guaranty fund	1	1	
Administration of territories	−1		
Firefighting adjustments	−1,057	−192	
Federal unemployment benefits [FUBA]	5		
Advances to unemployment trust fund	(48)	(48)	
Spoecial benefits	−24		
Black Lung disability trust fund	52	31	
Vaccine improvement program trust fund	7	7	
Federal payments to railroad retirement	1	1	
Retirement pay and medical benefits	−4		
Supplemental security income program	263	263	
Special benefits, disabled coal miners	21		
Grants to states for Medicaid	−907		
Payments to health care trust funds	(325)	(325)	
Family support payments to States	84	84	
Payments to states for AFDC work programs	15	15	
Payments to states for foster care	−83		
Health professions student loan insurance fund	−25	−7	
Guaranteed student loans	−175		
College housing and academic facilities loans	−3	−3	
Rehabilitation services	−79		
Payments to widows and heirs	[1]	[1]	
Reimbursement to the rural electrification fund	111	111	
Dairy indemnity program	[1]	[1]	
Conservation reserve program	720		
Special milk program	−2		
Food stamp program	−2,000		
Child nutrition programs	−74		
Federal crop insurance corporation fund	*		
Agriculture credit insurance fund	342		
Rural housing insurance fund	[1]		
Rural communication development fund	[1]		
Payments to the farm credit system financial assistance corporation	−2		
Coast Guard retired pay	−17		
Payment to civil service retirement	(84)	(84)	
Government payments for annuitants	−3	−2	
Readjustment benefits	−62		
Compensation	258	208	
Pensions	−62		
Burial benefits	−4		
Loan guaranty revolving fund	−7		
Disaster relief	−1,100	−883	
Total entitlement authority	−3,834	−371	
VI. Adjustment for economic and technical assumptions	−28,685	−26,763	−8,900
Total current level as of July 20, 1990	1,326,110	1,169,393	1,060,256
1990 budget resolution H. Con. Res. 106	1,329,400	1,165,200	1,065,500
Amount remaining:			
Over budget resolution		4,193	
Under budget resolution	3,290		5,244

[1] Less than $500,000.

Notes.—Numbers may not add due to rounding. Amounts shown in parenthesis are interfund transactions that do not add to totals.●

REFERRAL OF A BILL—S. 2500

Mr. LEAHY. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of S. 2500, the visual pollution, bill, and that the bill be referred to the Environment and Public Works Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, on behalf of the majority leader I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Wednesday, July 25; that following the prayer, the Journal of Proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that upon reservation of the two leaders time, there be a period for morning business, not to extend beyond 9:30 a.m., and that during the period for morning business Senators NUNN and PRYOR be recognized for up to 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, for the information of Senators, on tomorrow at 3:15 p.m., there will be a live quorum and the majority leader will shortly thereafter make a motion to instruct the Sergeant at Arms to request the attendance of absent Senators. As under the previous order, at 3:30 p.m., the Senate will begin consideration of Senate Resolution 311. The majority leader encourages Senators to plan their schedules accordingly and plan to be in their seats by 3:30. Senate committees will not be permitted to meet after 3:15 p.m.

PROGRAM

Mr. LEAHY. So, Mr. President, to briefly recap the schedule for tomorrow we will resume the farm bill at 9:30 tomorrow morning. Senator BAUCUS will offer an amendment under a 1 hour and 15 minutes time limitation. The Baucus amendment will be laid aside once all time is used, and then Senator ROTH will offer his peanuts amendment.

Mr. President, I do not know if the distinguished acting Republican leader has anything further.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I commend the distinguished chairman of the committee for his guidance throughout the progress we made today. I share his hope tomorrow may see success for the farm bill of 1990.

RECESS UNTIL 9 A.M. TOMORROW

Mr. LEAHY. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that the Senate stand in recess under the previous order until 9 a.m. tomorrow, Wednesday, July 25, 1990.

There being no objection, the Senate, at 11:29 p.m., recessed until Wednesday, July 25, 1990, at 9 a.m.

EXTENSION OF REMARKS

COUNTRY MUSIC'S FAITHFUL FOLLOWERS

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. CLEMENT. Mr. Speaker, as the Representative of "Music City, U.S.A." I am pleased to share with my colleagues an article which appeared in today's Washington Post.

The article describes some of the feelings evident among country music fans at this year's "Fan Fair," the week-long celebration in Nashville, TN, where country music artists thank fans for their support and appreciation.

Mr. Speaker, country music holds a special attraction for people everywhere. It is a very unique form of American music, whose themes, melodies, and lyrics capture the very heart and soul of everyday living. As the article describes, for many fans, country's words and music carry them through the pain of hard times to a place of hope and greater understanding.

I am very proud that Nashville is the center of the country music industry. And I am very proud of the artists, who not only capture in their music the feelings of us all, but who also remember that the source of their personal success is the fan.

I commend the Washington Post article to my colleagues:

[From the Washington Post, July 24, 1990]

COUNTRY'S FAITHFUL FOLLOWERS

(By Linda Chion-Kenney)

Gary Daniels remembers who helped him heal the hurt that tore his heart almost 20 years ago. It was Ray Price, a man he never met, who sang a song he'll never forget.

"I was in the Navy," Daniels says, "and I was married to a very pretty little gal, my high school sweetheart. We split and it just devastated me. I sat and I listened to this song over and over and over on the jukebox, in Virginia Beach, in a little club called the Lamplighter."

Daniels, who is now working on his own country music career, recounts the song, "It Should Be Easier Now," in which Price sings: "The wound in my heart you carved deep and wide, followed and washed by the tears I've cried, but now there'll be more room for love inside, it should be easier now."

Those words, Daniels says, "gave me a light at the end of the tunnel. Here I'm 19 years old, and this is my first love, my true love, and I don't think there will ever be anybody else that could even compare. And all of a sudden this song is telling me: 'Hang on. Just hang on.' It carried me through."

And that, country music fans say, is country's draw: The words and the music carry them through the pain to a place of hope and greater understanding.

At least this was the consensus of dozens of country music lovers interviewed at the 19th annual International Country Music Fan Fair in Nashville last month. They were among the 24,000 performers, fans, promoters, managers, disc jockeys and roadies who attended the up-close, down-home fan appreciation week.

The event, sponsored by the Grand Ole Opry and the Country Music Association and held at the Tennessee Fairgrounds, included 13 shows featuring more than 90 acts—among them Randy Travis, Waylon Jennings, the Judds, Charley Pride and Charlie Daniels. Seven buildings housed more than 260 exhibit booths, mostly manned by fan club organizers. And many stars hosted breakfasts, luncheons and barbecues for their faithful followers.

Loretta Lynn headlined a 14-act dinner show sponsored by the International Fan Club Organization, a group founded by Loudilla Johnson of Wild Horse, Colo., and her sisters Kay and Loretta. Johnson says it was her idea for "some kind of party for all the fan club people" that led to the first Fan Fair.

"We envisioned it was going to be this huge success," Johnson says, "because we had worked with fans of country music enough to know that if the artist would devote the time, the fans would be there to support them."

Number among them Julie Sbraccia of Boston, who attended her first Fan Fair this year. "It's just something I thought I really should do, even just once," Sbraccia says. "So many stars participate and they stand behind their fan club booths and talk to you. You can actually walk up to someone you eally admire, meet them, shake their hand. In rock-and-roll, I don't think you'll ever see something like this."

For Sbraccia, and fans like her, it's all about connection.

"When you listen to somebody's music over and over, you kind of feel like you know him," Sbraccia says. "And then you come here and you meet him, it's almost like you feel you have a friendship. This person whose singing has done something for your life. And it's almost like: 'I finally got to meet that person who contributed to my life.' I might never do it again but I made a memory this time."

Sbraccia is among 30 million people nationwise (an industry estimate), among them President Bush, who listen to country music.

The misconception is that country music "is hayseed, but it's not," says Ronald Cotton, a concert promoter. "And it's not the 'Hee Haw' you see on television."

The stereotype is "twangy and hillbilly," says Lucy Grant, a Cleveland disc jockey who grew up in Bethesda, "And it's so much more contemporary now, with kind of a rock feel to it. It has a lot more mass appeal."

Country music "is everybody from k.d. lang to Hank Williams Jr., with the Kentucky Headhunters somewhere in between. Now you define that," says singer Larry Gatlin. "You can't. It's impossible. And it isn't important."

What is important Gatlin says, is what country stands for in the minds of those on both sides of the jukebox. And there, some common themes emerge.

"It's the 'Green, Green Grass of Home,' " Cotton says, citing the title of his favorite cut. "It's going back home. We'll never be able to. None of us will. But we try to remember the times as great."

"It's music for the people, everyday people," says Roy Wakely, a disc jockey in Dayton, Ohio. "People can relate to it in the way they live their lives: their love affairs, their ups and downs, their jobs, the hard times and the good times and the bad times."

"When you're down and out," says Michael Powell, of Michigan and a member of country singer Gary Morris's fan club, "you can listen to the music and say, 'Hey, I'm not alone. There's other people out there, maybe not in the same boat I am, but close enough. And they're making it. So I can make it too.' "

That's the key, says Jim Ibbotson of the Nitty Gritty Dirt Band, whose favorite self-penned lyric is: "Dance, little Jean, this day is for you, two people you love stood up to say, 'I do,' Today your mama's marrying your dad."

"We write songs that deal with the events of our lives," Ibbotson says, "and we present them in an easy-to-swallow melody. It's nothing real challenging for anybody to listen to. Plus, if the song is any good, it will touch a chord inside the listener. I think that's why most people tune in day after day,' 'cause they find out that somebody else hurts as much as they hurt or felt as elated as they felt."

In other words, country music is about "real people in real situations in a real world," says Jim London, co-host of the morning show on country music radio WMZQ-AM/FM (1390/98.7), the area's third-highest ranked station. And many of the listeners, says news director Kim Leslie, "look at the songs and the artists behind them as their own personal support group."

Support groups provide courage and encouragement from people who share a similar plight, "and you're saying the same thing goes on with a country music song," says Dan Hammer, president-elect of the Tennessee division of the Association for Marriage and Family Therapy. "The singer tells his story, and it's not exactly like my story, but it's close enough for me to say: 'Gee, I hadn't thought about telling my story in those words, but I can really relate.' "

This innate need for identification, for connection, magnifies in times of trouble.

"We listen to music all the time, even just walking around the mall, but we're not always feeling that particular need for support," Hammer says. "But when I'm experiencing a loss, I'm more heightened to words from anywhere. I'm not claiming country music is always artistic. But if it's in a form that can reach past some of our usual blocks, then we'll feel supported. We'll identify with the words."

Some people make the connection through other forms of artistic expression: an opera, a rock song, a poem, a painting, a dance. To focus on country is to "take a piece of Americana to show some very common, ordinary traits that happen to do

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

with being human," says Esco McBay, a family therapist in Nashville. "They're simply being expressed in this particular way in this particular setting.

"Obviously, behind every piece of art there is a person who expresses that thought or feeling," McBay says. "The music, then the song, becomes a connecting link between that person and the receiver. And so when I respond to that message, when I respond to that song, at some level I'm connecting to that person."

In today's "society of strangers," he says, "you see it even more. We're looking for a person to connect with, a person who understands us."

Garth Brooks, one of those people, found at Fan Fair a connection to the "real people" country music attracts.

"It's people who have started with nothing and built it," says Brooks, 26, whose debut album went gold in May. "They're chasing their dream, you've chased yours. They've given you your dream and now it's time to give something back."

Fan and star alike feel bonded by the values and memories they hold most dear. Fans talk about the stars almost as friends. Stars talk of fans who work hard, take pride in their families, believe in America and make it possible for the stars to live their dreams. And each sees in the other a reflection of himself.

"Hey, I slop hogs, I shovel horse manure and I change diapers," says Pam Perry, singer and mandolin player for Wild Rose, an all-woman band. "I know what that part of life is about."

"It hasn't been that long that I remembr being a fan, wanting to meet somebody," adds Kathy Mac, bass player for Wild Rose. "It's the American dream. It really is. Because you've seen somebody come from humble beginnings and suddenly become popular, and people want to meet them and they want to be around them. To people who are trying to get ahead in this world, that give them hope."

It's a matter of "taking courage in our own lives by the examples of others," McBay says. "The way that I can relate to that is the mentor concept. Most people develop mentors . . . people who . . . in a sense become a model."

Wendell Cox, lead guitarist for the Travis Tritt band, sees that with "I'm Gonna Be Somebody," a song the band sings "about this guy" everybody looks down on "so he wants to make something of himself."

And "most teenagers go through a hard time," he adds. "You get depressed or think about suicide and things like that. I think this song would probably give them a little bit different view of things and maybe help them to go for it, some kind of goal to have in mind, instead of sitting back and being depressed."

To tell a story that inspires, enlightens or entertains, someone needs to put pen to paper. And that's when country comes alive. "Our lives are better left to chance, I could have missed the pain, but I'd have had to miss the dance."

Those words, from a Garth Brooks song, "The Dance," written by Tony Arata, describe a dance "shared underneath the stars above" that for a moment made the world right. But the dance ends and the romance fades, and the song, says Janet Williams of Nashville, begs the greater question: "If you knew something was gonna hurt and break your heart and be painful, would you avoid it? If you did, then you'd never know the sweet part, the good things, the pleasure. And so the pleasure is worth the pain"

"If you're gonna throw stones and put on an act, you better move out of your house made of glass."

Those lyrics come from "It Takes One to Know One," a song about a woman who leaves her man because he's been cheating, which "is kind of typical country," says songwriter and singer Robbin Linda Brown, 34. Brown says while she has "a knack for rhyming and timing," she "had to live some life" to give heart to her songs. "I had to hurt a little."

"I've looked to the stars, tried all of the bars, and I've nearly gone up in smoke. Now my hand's on the wheel of something that's real and I feel like I'm goin' home."—From "Hands on the Wheel" by Willie Nelson

This theme of going home is a staple of country music.

"We wouldn't need to go back to childhood if our childhood were so perfect that it prepared us for everything that life was going to give us. And so there are some gaps," says family therapist Hammer.

For some people, he adds, a country music song provides "a retreat to a place where things were more secure. And there may be some things we would like to go back and experience because we'd like to have some more out of those experiences."

Such was the case for Ruth B. Swift of Baltimore, who was reminded at Fan Fair of good times with her father.

"He was a balladeer," Swift says, "and I remember as a child growing up, Daddy taking us to see a lot of the old performers." While walking the grounds at Fan Fair, the sound of country in the air, Swift says, the memories washed over her, "and I looked at my sister and said: 'Wouldn't Daddy love this?"

"And so it's personal," she says of her attraction to country music, tears welling in her eyes. "It's personal."

For Fans, 30 Seconds of Heaven

Ann Scalise of Brentwood, Tenn., had one goal in mind: to get Randy Travis's autograph to give to her mentally retarded sister.

"I know why I do it," she said in her fifth hour in line for the autograph at Fan Fair in Nashville last month. "But I don't know why people come and stand in these incredible lines for less than 30 seconds in front of this guy. I guess it's their one moment of glory. If they can't get famous, they're going to get close to somebody who is."

"Oh, it's worth it, just to get to meet them," says Sherry Hunt of Greenfield. Ohio, who waited hours at Loretta Lynn's fan club booth. "It's like being a part of their world for a little while."

An autograph, says Esco McBay, a family therapist in Nashville, is evidence of that contact, "reminders of a moment, a piece of time."

Says Tommy Daniel, who researches fan attraction for the Country Music Association: "It's like they [entertainers] live a life that's different from me, and I want to get close to them, to touch them, even if it's just for a moment."

Dozens of fans interviewed in Nashville say they see in the stars living proof that "real" and "down-home" people can, with sacrifice, humility, faith and hard work, overcome formidable odds. And many fans see in the stars a realization of the dreams they treasure.

"Everybody thinks they can sing to a certain extent," says Roy Wakely, a disc jockey in Dayton, Ohio. "They think: 'I can be a singer, but I don't want to because I've got a good job and a family. But that's me, Garth Brooks, if I would have pushed it. He's lived the life for me, and I'm staying home with my safe and secure job with my family.' People think like that."

JOHN G. RANGOS, RECIPIENT OF THE 1991 NATIONAL PATRIOTS AWARD FROM THE CONGRESSIONAL MEDAL OF HONOR SOCIETY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. WALGREN. Mr. Speaker, I want to pay special tribute to John G. Rangos, Sr., a Pittsburgh resident who has just been named the recipient of the Congressional Medal of Honor Society's National Patriots Award.

It is a unique honor for western Pennsylvania to claim John Rangos as one of our own. In announcing his designation last week, J. Elliott Williams, the society's president, called Mr. Rangos "a citizen patriot." Few words describe him better.

The Patriots Award honors outstanding Americans, and John Rangos is certainly in that category. And it is fitting that proceeds from the awards dinner next January honoring Mr. Rangos will be used to educate young people against drug abuse and to provide scholarships for the children of veterans. He and his Pittsburgh-based company, Chambers Development, are well-known in western Pennsylvania for their community involvement and leadership.

I am delighted to salute John Rangos on this special recognition and am pleased to share with my colleagues a brief profile of Mr. Rangos issued by the Congressional Medal of Honor Society.

John G. Rangos, Sr., President and CEO, Chambers Development Co., Inc.

John G. Rangos, Sr., is a visionary. Throughout his lifetime he has identified the needs of people and then set forth to fulfill those needs. Whether serving as a corporate executive or as a humanitarian Mr. Rangos looks to the future.

As president and chief executive officer of Chambers Development Company, Incorporated, Mr. Rangos directs the activities of one of the fastest growing environmental firms in the United States. The once local company, which he founded in 1971, went public in 1985 and has grown to become a powerhouse with operations in numerous states.

Chambers Development Company is nationally recognized as a leading environmental firm offering services in collection, hauling, recycling and landfill development. The company has compiled an outstanding record of service, environmental protection and cost effectiveness. The company also provides security through its wholly owned subsidiary, Security Bureau Incorporated.

The son of a Greek restaurant owner, Mr. Rangos was born in West Virginia and raised in Pittsburgh. Throughout his life he has been active in many community and church activities. In 1988 Mr. Rangos was elected an Archon of the Ecumenical Patriarchate of the Order of St. Andrew the Apostle, the highest order of laymen in the Greek Orthodox Church. Personally and professionally he has remained steadfastly committed to a guiding principle: children are the future.

With that in mind Mr. Rangos has generously supported a number of charities whose missions are to add value to life. Children's Hospital of Pittsburgh is proud to be one of the recipients of Mr. Rangos' generosity. Mr. Rangos has a lengthy history of supports with Children's dating back to the early 70's.

Over the years Mr. Rangos' involvement with Children's Hospital increased. In 1987 Mr. Rangos and the employees of Chambers Development instituted an annual recycling campaign. Proceeds were donated to the hospital's Free Care Fund. In 1989 Mr. Rangos launched the Cruise for Kids, a one-night fund-raising event held aboard the Gateway Clipper Fleet's Majestic. In its first year the event raised over $150,000, and in June 1990 the Cruise raised $200,000.

A member of the Pittsburgh Press Old Newsboys, Mr. Rangos earned the distinction of becoming the largest contributing Old Newsboy in his first year with the campaign.

However, Mr. Rangos' most evident display of his vision for the future came in the form of his contribution to the hospital's StarBright Centennial Research Endowment Campaign, Mr. Rangos' gift of $3 million set the pact for the future of the hospital's $22 million campaign. Through his generosity Mr. Rangos has endowed the Rangos Research Center, certain to be the home of future breakthroughs in pediatric research.

He also significantly contributes to United Cerebral Palsy, Muscular Dystrophy and the Leukemia Society in addition to other charitable organizations. He is an active member of The Allegheny Club, the Pittsburgh Press Club, the Truman Library Foundation, the International Platform Association, the University of Pittsburgh Golden Panther and the Churchill Valley Country Club. Mr. Rangos has served on the board of directors of the Sanitary Refuse Haulers Association of Southwestern Pennsylvania, Craig House-Technoma, Winchester North, Inc., Hellenic College and the Presentation of Christ Diocese. He has been a national delegate to the United States Olympic Conference, a United Nations of America delegate, a 32nd degree mason, a Syria Shriner, a UNICEF Pittsburgh fundraising chairman and a member of the Clergy Liturgy Council.

Mr. Rangos began his career with Rockwell Manufacturing Company, where he gained the distinction of being the youngest general agent in Rockwell's history. During the 1960's, Mr. Rangos formed several companies and pioneered technological advances in waste transportation and disposal, resource recovery and recycling.

After attending Houston Business College, Mr. Rangos served in the United States Armed Forces from 1951–1954 with a tour of duty in Korea.

RULE ON H.R. 1154, THE SEMIAUTOMATIC ASSAULT WEAPON IMPORT CONTROL ACT OF 1990

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to serve notice to my colleagues that, pursuant to the rules of the Democratic Caucus, I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 1154, the Semiautomatic Assault Weapon Import Control Act of 1990.

IN HONOR OF FLORENCE ZIEDMAN: AN EXTRAORDINARY VOLUNTEER

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. PORTER. Mr. Speaker, recently President Bush named one of my constituents, Mrs. Florence Ziedman of Buffalo Grove, IL, as his 197th "Daily Point of Light" volunteer. The President and Mrs. Bush, as well as President Reagan before him, have been so impressed with Mrs. Ziedman's contributions that they have both honored her with official recognition. Anyone who knows about "Mrs. Z" would be equally impressed, and I am proud to represent a congressional district that includes an individual of her caliber.

Although she is in the age category we refer to as "senior citizen," Florence Ziedman has energy and enthusiasm for life that would be the envy of a teenager. For over 45 years, she has volunteered at Edward Hines Veterans' Administration Hospital in Maywood, IL, assisting in the rehabilitation of spinal cord injured veterans who are paralyzed. For many of these veterans, she has been heaven-sent, leading them out of the depths of despair and giving them the will to live. I would like to share a moving description of Florence Ziedman that was written by someone who has known and worked with her for many years: Mr. Walter Schaffer, retired Chief of Recreation Therapy at Hines VA Hospital.

At the request of over 100 paralyzed veterans who wanted "Mrs. Z" to receive the recognition she so richly deserved, Mr. Schaffer wrote an essay entitled "They Only Wanted To Die." I have excerpted from that essay below, and anyone who reads it will understand why Florence Ziedman is truly one of our Nation's invaluable volunteers:

THEY ONLY WANTED TO DIE

"We love you Mrs. Z." Hundreds of severely paralyzed spinal cord injured veterans have been saying this to their wonderful "Mrs. Z" for years.

Her real name is Florence Ziedman. She is a bit over 78 years old and has volunteered for 45 years in the rehabilitation of injured veteran patients paralyzed from the neck or waist down. Some of them are so paralyzed they can move no part of their body except their head. Before Mrs. Ziedman came into their lives in 1944, many of them only wanted to die.

Mrs. Z is not the stereotype people have of a person over 78 years old. No one ever believes she is over 78. She doesn't look over 65 and has the energy of a person who is only 35.

President Reagan awarded her a commendation letter in 1988 for her dedicated volunteer work and for service to her country. The Veterans Administration has presented her with its highest honors. The Paralyzed Veterans of America has also honored her with numerous awards for helping their members.

Florence Ziedman has made over a half a million bedside visits in the 45 years she has been talking with and counseling spinal cord injured veterans. Her thousands of hours of volunteer work have saved the federal government over 100 thousand dollars in salary that would have been paid to a therapist doing similar work. In addition, Mrs. Z has secured over a quarter of a million dollars in donations for the hospital and its patients during her years of volunteer work.

Her commitment to the paralyzed veterans and her country can be comprehended through statistics describing the value of her service. Mrs. Ziedman has driven 187 thousand miles from her home to Hines VA Hospital, and has made this trip twice a week in all kinds of weather. Her fuel bill over the years has been $6,522 for 9,360 gallons of gasoline.

When most people her age retire to a rocking chair and watch television, Mrs. Ziedman is still driving down Interstate 294 on her way to Hines Hospital to help the people she loves to help the most . . . the veterans who need her so much.

In 1944, hospital troop trains were bringing hundreds of World War II injured to Hines every day. Twice a week, for 52 weeks, Florence tried to reach these patients as she walked the floors of the wards for hours on end. She smiled at them and offered to help them in any way she could. For one whole year, no patient ever smiled back. No patient even recognized her. They pulled the covers over their heads when she walked by.

They refused to face her. They looked the other way when she smiled at them. They did not want people to see their horrible physical condition. They did not want to see it themselves. The last thing they wanted was to talk about it. They looked at themselves as being among the living dead.

After 52 weeks of walking the wards in silence, one lone veteran smiled a faint smile at Mrs. Z. She smiled back. He talked with her. Others started to smile and talk too. Her lifetime career, which would span almost half a century of helping the severely disabled, started with this one little smile and after 45 years and one hundred thousand smiles it is still going strong. The patients smile at her and greet her and can't wait to see her when she walks the wards today. They have been doing this for 45 years.

Patients she helped rehabilitate in 1944; people who gave up on living; people who now live successfully in the community; all of these people still keep in touch with her. She has hundreds of paralyzed veterans as personal friends. They love her because they say they owe their lives to her. She gave them the will to live and a reason for living. She taught them something important about life and living that no doctor, nurse, therapist or even family member

could ever teach them. She taught them how to live when they only wanted to die.

Florence Ziedman showed them that life is a beautiful thing. She taught them that a physical disability was not a horror . . . something to hide from . . . something to fear and be ashamed of. She taught them that all people were beautiful people. She inspired them to see they had something of value to give back to them.

Mrs. Z is one of those rare people who understand how they feel. She listens and waits. She is a woman of great patience with the disabled. She knows that if she does not reach them today she will reach them at her next visit or the visit after that. In 45 years she has never failed to reach any patient.

The delicious food on her deli cart is given free to all of the patients. The federal government has never contributed any money to her food costs. Each year she raises $1,700 in donations to purchase food. Mrs. Ziedman does many other things to enrich the lives of the patients and to help the Veterans Administration. Her contacts with people in the theatrical world enable her to secure expensive tickets so patients can see first run plays and musicals appearing in Chicago. Since 1944 she has held 270 theater parties attended by patients on the spinal cord injury, nursing home, substance abuse and psychiatric wards. Not content with taking patients to the theater, Mrs. Z has also been responsible for bringing famous stars right to the bedsides of hospitalized veterans. Some of these stars have included Bob Hope, Jerry Lewis, Dean Martin, Milton Berle and others.

Every hospital should have a Mrs. Z. Many people have given their lives for their country, but Mrs. Florence Ziedman has given her life to her country by giving it to us, the paralyzed veterans, who served that country. She is a role model all volunteers in the nation can emulate; a role model of inspiration and love who taught disabled veterans how to live . . . when they only wanted to die.

ARAB REACTION TO SOVIET-JEWISH IMMIGRATION TO ISRAEL

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. LEVINE of California. Mr. Speaker, I rise today to share with my colleagues a report that was issued by the Anti-Defamation League of B'nai B'rith entitled "Arab Reaction to Soviet-Jewish Immigration to Israel." The report pulls together data regarding the coordination efforts of the Arab world to stop the flow of immigrants. It is an excellent and thorough report. I encourage my colleagues to read it carefully.

The text of the report follows:

ARAB REACTION TO SOVIET-JEWISH IMMIGRATION TO ISRAEL

PREFACE

As Soviet Jews emigrate to Israel in unprecedented numbers, their quest for security in a Jewish homeland is endangered by an Arab campaign to halt the exodus. The virulently anti-Zionist and anti-Semitic aspects of this campaign demonstrate once again the unwillingness of the Arab world to make peace with Israel and remind us that the Arab rejection of the Jewish state lies at the heart of the Middle East conflict.

The Arab reaction against Soviet Jewish emigration to Israel, as documented in this report, takes several forms:

An international lobbying campaign intended to persuade Moscow to cease issuing exit visas to Jews leaving for Israel. Pressure by Arab leaders has also been brought upon Eastern European countries that have been serving as transit points for Soviet Jews on their way to Israel to close their gates.

Strident media attacks throughout the Arab world depicting Israel as an alien, expansionist country with no legitimate right to co-existence in the region. These attacks have employed anti-Semitic caricatures and articles reminiscent of Nazi hate propaganda.

The call for "armed struggle" to prevent Soviet Jews from arriving in Israel. At least one terrorist group, Islamic Jihad, declared its intention to attack airlines and airports engaged in transporting Soviet Jews to Israel. PLO leaders have also been quoted as exhorting violent means to stop the immigrants. While none of these threats has been carried out, the targeting of refugees fleeing persecution for terrorist action is the most sinister aspect of the Arab campaign. It is one taken seriously by Israel.

INTRODUCTION

Soviet Jews, trapped for decades in the U.S.S.R. by repressive, anti-Semitic regimes, are finally being permitted to emigrate in large numbers. Thanks to a strenuous international effort and the onset of *glasnost*, the gates to freedom were unlocked by Soviet President Mikhail Gorbachev.

Spurring the exodus from Russia is the widespread fear of anti-Semitism. The unleashing of xenophobic passions and the near breakdown of the Soviet economy have revived grassroot threats against the Jewish population. Anti-Semitic stereotypes are surfacing throughout the U.S.S.R. more frequently. Harsh economic, conditions feed the need for a scapegoat. As a result, Jews are opting to leave the U.S.S.R. in unprecedented numbers.

With restrictions on the numbers of refugees permitted into the United States, the large majority of Soviet Jews are leaving for the one country that will take them—Israel. For Israel, whose security as a Jewish state is imperiled by its small population (less than 4.5 million Jews), the influx from the U.S.S.R. is viewed as a miracle for revitalizing the Zionist dream: the building of a Jewish homeland.

For Soviet Jews, their passage to freedom dramatizes another tenet of Zionism: the provision of safe refuge to Jews anywhere living under the threat of persecution.

ARAB REACTION

Throughout the Arab world, the response to the exodus from Russia to Israel has been one of unremitting hostility. Arab leaders have spoken out vociferously against the emigration, urging Moscow to deny visas to Israel. Their claim is that Jewish immigrants will settle in the West Bank and Gaza, thereby threatening the Palestinian inhabitants and their future hopes for a homeland. Taking this argument one step further, Iraq's Deputy Foreign Minister, Nizar Hamdoon, warned that should the new immigrants settle in the West Bank, a new physical, social and economic situation would emerge "which may lead to war." Among the same lines, Egyptian President Hosni Mubarak, speaking at a gathering of the Socialist International on May 22, declared that the influx of Soviet Jews into Israel "threatens to blow up the peace march and to put the whole region on the verge of a new, bloody confrontation."

This argument fails to consider the facts. Less than one percent of Russian immigrants choose to live in the territories. The stated Arab concern cannot be reconciled with the actual number of Soviet Jews that have thus far settled in the West Bank and Gaza. In reality, their concern continues to be about the very existence of a Jewish state in their midst.

The intensive Arab effort to stop Jewish immigration harkens back to the origins of the Arab-Israeli conflict. In the 1930s and 40s, Jews fleeing the Holocaust in Europe for British-governed Palestine were confronted with hostile opposition by the Arabs. As a result, Britain issued the notorious "White Paper" of 1939 limiting Jewish immigration as the threat to their existence increased in Europe. The moral implication of this heinous act ought not to be lost on the West today.

The campaign to stop the flow of immigration began with Jordan. King Hussein broadcast the message that Soviet Jews would displace Palestinians in the West Bank, driving them across the border into Jordan. The Hashemite Kingdom, claimed Hussein, would be jeopardized by this demographic surge. Neither the West nor the Soviets, argued Hussein, can permit this to occur.

This is an absurd charge. Apart from the fact that few Soviet Jews (less than one percent of the immigrants) chose to live in the territories, Israel has always viewed the future of Jews and Palestinians as living in peaceful coexistence. Far from displacing Palestinians, Israel is the only party engaged in their rehabilitation. In Gaza, for example, Israel, in cooperation with eight international organizations, purchased state land in the early 1970s to build low-cost homes as an alternative to the densely packed camps which have housed two-thirds of the refugees since 1949. However, the rehousing project has been denounced by Arab and PLO leaders who claim that the refugees should remain in the camps until an independent Palestinian state is established. At first, Arab government opposition and PLO intimidation prevented the program's implementation. But today, the real needs of the refugees have begun to outweigh external pressures and thousands of Palestinians have left the camps for more modern facilities built by Israel.

Despite the peace treaty with Israel, Egypt too has been an alarmist on the question of Jewish immigration. The Egyptian press—establishment and opposition alike—has been virulently hostile about Soviet emigration to Israel. "The crime of the age" is the recurring headline in Cairo. "The immigration is the third disaster after those in 1948 and 1967," is another theme which echoes throughout the Egyptian media.

Among the Palestinians there was no distinction between the so-called moderates and the hardliners on this issue. Faisal Husseini, portrayed as a voice of conciliation in the West Bank, visited Moscow in April and called upon Soviet authorities to restrict the emigration of Jews. When a Soviet Jew becomes a citizen of Israel, said Husseini in Moscow, "he becomes an element in the military machine that destroys Palestinians" (*Jerusalem Post*, April 19, 1990). Husseini's remarks were strongly rebuked by Is-

raeli peace activists for distorting the essence of Zionism and undermining the principle of coexistence.

LOBBYING

The sustained attack on Soviet Jewish *aliyah* in the Arabic press has been accompanied by an intensive lobbying campaign by individual Arab leaders and organizations such as the Arab League and the PLO. The main thrust of the campaign has been to persuade Moscow and East European transit countries to close the gates to the Soviet Jews and to protest in general against Israel's supposed intention of using the Soviet Jews as a demographic weapon against the Palestinians and the Arab world in general.

On January 18, 1990, a warning was given to the Israeli Ambassador to the United Nations by the Russian Ambassador that Moscow would stop Jewish emigration if Soviet Jews were settled in the West Bank or Gaza Strip. This warning followed "great pressure on the Soviet Union by the Arab states," according to the East Jerusalem newspaper Al-Quds (1/19/90). The Kuwaiti paper Al-Rai al-Am reported on January 20, 1990 that a high-level Soviet delegation had already secretly visited Israel to hand a letter to Prime Minister Shamir from Soviet Foreign Minister Eduard Shevardnadze on the same subject. PLO Chairman Arafat had reportedly sent Shevardnadze a letter on the matter.

Arab leaders have lobbied Soviet and American diplomatic representatives in Tunisia, at the United Nations and wherever else possible. The European Community has also been pressured for a response. PLO Chairman Yassir Arafat in particular has embarked on a series of high-profile meetings. He met with President Mitterand and ex-U.S. President Jimmy Carter in Paris, with President Cossiga in Italy and the Pope at the Vatican all in a matter of days at the beginning of April. Syrian President Assad visited Moscow in later April, 1990, where he raised the issue with Soviet leaders. While Gorbachev apparently decline to stop the exodus, he did tell the Syrian leader that "the issue of immigration should not only be concerned with human rights, but with the concrete rights of the Arabs as well."

Meanwhile, at the PLO's urging, an Arab League summit meeting to discuss the immigration issue will be held this month in Iraq.

Several other developments can most probably be attributed to this diplomatic offensive. Negotiations between the Soviet Union and Israel to institute direct flights from Moscow to Tel Aviv broke down. In late February 1990 U.S. Secretary of State James Baker linked the granting of $400 million in housing loan guarantees for Israel to a freeze on settlement activity in the administered territories. Jerusalem, which Israel does not consider as occupied territory and where many Soviet Jews have chosen to live, has also been targeted in the Arab campaign. Jerusalem is the capital of Israel and no amount of Arab pressure will infringe upon the rights of Jews to live in the city.

The Foreign Ministers of the European Community released a statement denouncing the policy of Israeli settlement in the disputed territories and the United Nations Security Council held a debate on the issue of Soviet aliyah, also at the behest of the Arab states.

ANTI-ZIONIST AND ANTI-SEMITIC THEMES AND IMAGERY

A survey of Arabic press coverage and statements of officials relating to the issue of Soviet aliyah reveals a number of recurring themes. These have little to do with today's Jewish refugees from the Soviet Union and much more to do with the historical anti-Israel attitude which still prevails in the Arab world. The expression of vehement opposition to the current immigration of Soviet Jews bears an uncanny resemblance to the way in which the Arab world greeted the influx of European Jews in the 1930s, before the state of Israel was founded.

In the 1950s, for example, constant comparisons were made in the Arab world between the Crusaders and the Israelis. Both were considered foreign interlopers who had come to the region as enemy invaders to wage war on Dar el-Islam, the Islamic world. Egyptian President Nasser even merged his army with that of the Syrians in a bizarre attempt to parallel Saladin's flushing out of the Crusaders seven centuries earlier. Little has changed in 1990. The Secretary-General of the Arab League, Chadhli Qlibi, stated that Soviet Jewish immigration "could fuel a new Crusade!" (Al-Qabas, Kuwait, 1/23/90), and the Saudi Arabian paper Al Jazira accused the Zionists of a plot "to establish a Jewish base on the land of Palestine from which to wage war on Islam" (2/1/90).

Another recurring theme found in Arab media coverage of the immigration is the depiction of all Jews as alien to the area, with no legitimate rights to settle there. The distinction is often blurred between the disputed territories of the West Bank and Gaza Strip and Israel in general. As a result, some articles are ambiguous. Others make their point perfectly clearly: that is, Israel is a false creation whose permanence and very existence is not to be taken for granted. The Egyptian journalist Ahmed Zein, for instance, wrote in the mainstream Al-Akhbar newspaper (2/1/90): "Israel cannot live, no matter how much the world powers support her, without peace in the region. But peace will not be realized as a result of aggressive policies, or by bringing in half a million residents who have no roots in the region, and settling them there. The land will not allow them to take root, as they are not its people. However long they live there, they will remain only on the surface. A strong gale will sweep them up and blow them far away."

Syrian President Hafez al-Assad went a stage further in a speech he made in Damascus on March 8, 1990. In his view, not only do the Jews of Eastern Europe have no historical claim at all on Israel, but they do not even belong to the Semitic people. Rather, they are descended from a "big tribe of Khazars that emigrated from the Far East to the West."

Saudi Arabia, regarded as a "moderate" in the Arab-Israeli conflict, takes no less a militant line on the question of immigration and Jewish presence in the Middle East. "Unless Palestine is turned into an inferno through escalation of the military struggle * * * the Jews in Palestine will number over 8 million by the beginning of the 21st Century," the Saudi newspaper Al-Riad recently stated.

Coverage of the new immigration also reflects feelings of deep uncertainty in the Arab world. Fears and accusations of the colonialism, which have lain dormant for some time, have resurfaced. The main threat is perceived as coming from Israel and her so-called expansionist aspirations. Much is made of Israel's supposed super-plan to establish a Jewish homeland stretching from the Nile to the Euphrates. The Arab media has depicted Soviet Jewish aliyah as a means by which Israel can bolster her numbers enough to acheive that expansionist end. Hussein Fahmi wrote in the Egyptian Akhbar al-Yawm (2/3/90): "If the program for huge immigration is realized, it will awaken the appetities of Israel and the Zionist extremists for the further incursion, harshness and expansion, and for a change in the balance of power in the interests of aggression."

PLO Chairman Yassir Arafat, in an interview with the Kuwaiti Al-Anba (3/12/90), urged the entire Arab nation to support the Palestinian struggle in the wake of the Soviet Jewish immigration. He noted "Israel's ambitions and plans to establish a Greater Israel from the Nile to the Euphrates." In the course of the interview, Arafat produced a map depicting the areas of "Israeli ambitions." The map included all of Jordan and Lebanon, two-thirds of Syria, a third of Saudi Arabia as far as al-Madina, the whole of Sinai and three-quarters of Iraq. "This is an implementation of the Zionist dream of establishing a state from the Nile to the Euphrates," stated Arafat.

The entire issue of Soviet Jewish immigration to Israel is widely depicted as a world conspiracy aimed against the Arabs. According to this thesis, Moscow, Washington, and Israel secretly plotted well in advance that once the Soviet gates had opened, the gates of the United States would close, forcing the Soviet Jews to go to Israel. The Soviet Jews themselves are cast for the most part as being pawns in the game of strengthening Israel. The reasons why they are so anxious to leave the Soviet Union in the first place are given very little consideration.

Finally, press on the issue has been replete with anti-Semitism, both in articles and in cartoons which address the subject. The abundance of anti-Semitic, stereotypical caricatures of hook-nosed, stunted Jews accompanying the press campaign against Soviet *aliyah* are reminiscent of those that appeared in Nazi hate pamphlets of World War II.

In the cartoons, Soviet Jews are for the most part represented as simple, weak victims of Israeli scheming. Israeli leaders including Shamir are depicted as aggressive bullies bristling with weapons. Stars of David adorn hats and sleeves to leave no doubt as to who is a Jew, again stirring up images of the Nazi era (see appendix).

TERROR

It did not take long for radical extremists in the region to respond to the new "Crusade" with an old weapon—jihad (holy war). The resort to terrorism is aimed at intimidating parties involved in facilitating the immigration of Soviet Jews to Israel. Israel and the United States have too often been victimized by the constant Middle Eastern terrorist threat against their interests worldwide. But countries such as Poland and Hungary have not.

In mid-March 1990, a terrorist group calling itself the Islamic Jihad for the Liberation of Palestine issued a threat in Beirut to target all airlines and airports helping to transport Soviet Jews to Israel. The Islamic Jihad for the Liberation of Palestine is believed to be linked with the Iranian-backed Hezbollah organization, and has been holding three U.S. hostages in Beirut since 1987. Following the threat, the national Hungari-

an airline, Malev, which had been providing a vital transportation link for the Soviet Jews via Budapest, suspended these flights. (Malev has since resumed the flights.)

Poland promptly offered to fill the void, and announced on March 24 that the number of flights between Warsaw and Tel Aviv were to be doubled. On March 30, gunmen shot down the representative of Animex, a Polish agricultural trade organization, and his wife, outside a Beirut hotel. Islamic Jihad for the Liberation of Palestine claimed responsibility for the attack, as did a previously unknown group calling itself the Revolutionary Action Arab Resistance Front—Sulayman al-Halabi Squad.

PLO leader Yassir Arafat, calling Soviet Jewish immigration a "more dangerous conspiracy" than Israel's establishment in 1948, has urged Arab and Palestinian throngs to confront the immigration threat "with effective measures and not merely with resolutions." Such sentiments have been voiced throughout the Arab world. In Egypt, for example, one newspaper editorialized: "The intifada must be intensified * * * in order to make the immigrants understand that they have to come from the Garden of Eden to Hell!" (Al-Kuds Arabia, March 1990)

According to a recent U.S. News and World Report, Palestinians are trying to enlist Hezbollah and European terrorists such as the Red Brigades to attack immigrants en route in Israel. Ahmed Jibril, head of the Damascus-based Popular Front for the Liberation fo Palestine, was quoted as urging Iraq, Syria and Jordan to form a military alliance that would stop the flow of Soviet Jews to Israel. "The greedy immigrant Jews will not come to Palestine to die," Jibril told the Arabic newspaper, Al Hayat.

To date, the only report of an attempted terrorist attack was of a Soveit airliner targetted by Palestinians. The report, carried by Tass (April 1990), the official Soviet news agency, claimed the attempted attack was made in Cyprus against an Aeroflo jet carrying Jewish immigrants to Israel. While Cyprus is not a transit point for Soviet emigrants, it is a stop-over for Soviet tourists visiting Israel. There was no further information or confirmation of this account.

CONCLUSION

Some may dismiss the Arab world's alarmist response to Soviet Aliyah as mere rhetoric. Nevertheless, it has introduced new tension and real physical danger into an already troubled region.

This anti-Israel sentiment in the Arab world is clearly no new development. The issue of Soviet Aliyah has merely provided a pretext for the Arab world to give vent to its historic opposition to Israel's very existence.

The Arab world's genuine acceptance of Israel's right to exist in security in the Middle East is a prerequisite for any kind of peace in the region. Such acceptance is obviously not yet forthcoming. The persistent attacks by the Arabs against Jewish immigration is not only an infraction of a cherished human rights principle—free emigration. It also undermines the prospects of a Middle East peace based upon mutual acceptance and Jewish-Arab coexistence in the region.

NONCONVENTIONAL FUELS CREDIT EXTENSION AND MODIFICATION ACT OF 1990

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. ANDREWS. Mr. Speaker, today, I am introducing, and hope my colleagues will join me in cosponsoring, legislation which I believe will go a long way toward helping our country address its needs for both energy and a clean environment. The Nonconventional Fuels Credit Extension and Modification Act of 1990 provides the necessary tax incentives to encourage continued production of fuels which are difficult to remove from the ground. These relatively low cost incentives include a 2-year extension of the section 29 tax credit and a modification and clarification of the definition of qualified nonconventional fuels relating to tight sands gas production no longer regulated by the U.S. Government.

The section 29 tax credit was enacted by the Congress in 1980 to encourage the production of nonconventional fuels which could be used to supplement our conventional energy resources. With U.S. oil import dependence currently approaching 50 percent, and the Nation's desire for cleaner air likely to increase consumer demand for natural gas, continuation of this targeted credit is vital to both our energy security and our economic and trade interests.

Currently, section 29 of the Tax Code provides a credit to producers upon the sale of certain nonconventional fuels, including oil produced from shale and tar sands; gas produced from geopressured brine, Devonian shale, coal seams, certain tight formations, and biomass; and certain liquid, gaseous or solid synthetic fuels produced from coal. These fuels can be found in a number of States, including Ohio, Pennsylvania, New York, and Michigan, well beyond the scope of traditional oil and gas producing areas. However, the eligibility for the tax credit is limited to production from wells drilled or property placed in service prior to January 1, 1991. This date needs to be extended for at least 2 years to provide a meaningful incentive for the continued production of these difficult-to-extract fuels.

The other part of my bill affects the eligibility of tight formation gas, a nonconventional fuel, for the tax credit. Since passage of the section 29 credit in 1980, court cases and the Federal Energy Regulatory Commission [FERC], while focusing on energy instead of tax policy, have virtually eliminated the qualification of tight formation gas production for the credit.

The removal of tight formation gas from eligibility for the credit has been accomplished at a time when natural gas remains one of our country's cleanest fuels. As compared with other fossil fuels, natural gas produces much less carbon dioxide and emits virtually no sulfur dioxide, the cause of acid rain. Much of the natural gas in the United States is difficult to produce because it is located in tight formations. Providing reasonable incentives to producers of tight formation gas is necessary to ensure their continued production. This is particularly important to our Nation now. Cheaper, less environmentally sensitive fuels are keeping the prices for natural gas from these formations too low for economic production without these incentives.

Current section 29 rules provide that the credit is applicable to the production of tight formation gas, if it is regulated and given an incentive pricing under the Natural Gas Policy Act of 1978 ("NGPA"). Continued regulation was included as a condition for eligibility in 1980 because, at that time, most experts believed that the prospect of deregulation meant increasingly higher prices for natural gas. Such price increases would have necessarily obviated the need for a production tax incentive. In fact, however, gas prices have declined in real terms since then. Consequently, continuation and expansion of the credit is more critical than ever.

Moreover, the regulatory requirements have unfairly placed the Congress and the administration in the position of being at the mercy of having to affect tax law when their focus was only to affect the regulated status of natural gas production. My bill is designed to eliminate this problem on a prospective basis.

The complexity and unfairness of relying on the regulatory status of tight formation gas under the section 29 rules can be explained as follows. When the NGPA was enacted, it arbitrarily distinguished the treatment of tight formation gas, depending on whether the gas was committed or dedicated to interstate commerce on April 20, 1977. The NGPA provided for phase deregulation, beginning January 1, 1985, of certain categories of gas under which most tight formation gas was classified (excluding committed or dedicated gas). Further, the NGPA included another classifiation, under which tight formation gas was qualified, which provided for incentive pricing.

My bill addresses two inequitable situations which have occurred because current section 29 rules rely on this complicated NGPA regulatory classification scheme. First, the bill addresses the problems involving those producers, with gas that was dually qualified under both a deregulated category (gas not committed and dedicated) and the regulated category which allows incentive prices. These producers initiated drilling programs in anticipation of the continued use of the credit in the belief that gas which was dually qualified was still eligible for the credit after January 1, 1985.

In what has become the first of a number of recent decisions with a similar impact on the Tax Code, the FERC issued an order in 1984 stating that gas which qualified under both a regulated and deregulated NGPA pricing category (dually qualified) would be deemed deregulated. The January 1, 1985, date, therefore, eliminated tax credits along with price regulation for tight formation gas which was not committed or dedicated to interstate commerce on April 20, 1977. In 1988, the FERC's decision was finally upheld by the Supreme Court in *Federal Energy Regulatory Commission* v. *Martin Exploration Management Co.*, 106 S. Ct. 1765, 1770 (May 31, 1988).

My bill would address this problem by removing both the price regulation and incentive pricing requirements under current section 29,

on a prospective basis. Accordingly, those producers with gas that was not dedicated or committed could drill tight formation gas wells after the date of enactment of my bill and would no longer be subject to these troublesome requirements. Since FERC and the Congress have made an energy policy decision to deregulate most tight formation gas, my bill would keep this decision from dictating tax policy relating to the section 29 credit.

My bill also addresses problems under current law involving gas which remained regulated even after the Martin Exploration decision. These producers, with gas committed or dedicated by April 20, 1977, undertook multiple well drilling programs in reliance on the continued utilization of the credit. Under the NGPA, this gas would never be deregulated, and the FERC issued an order soon after the credit was passed in 1980, giving this gas an incentive price to compensate for the high economic risks of production, both requirements for the credit.

The enactment of the Natural Gas Wellhead Decontrol Act of 1989 ("Decontrol Act") on July 26, 1989, brought the problem with the regulatory requirement under section 29 into focus for gas that was committed or dedicated. The Decontrol Act provides that all regulated tight formation gas, from wells drilled by the date of enactment, will be decontrolled on January 1, 1993. Gas from wells drilled after the date of enactment of the Decontrol Act will be decontrolled sooner on May 15, 1991.

Without any action by the tax writing committees, the Decontrol Act foreshortened the eligibility of this previously regulated tight formation gas for tax credits by eight or more years. Gas that would otherwise have generated credits through the year 2000 will lose its eligibility as early as May 15, 1991. Although the legislative history of the Decontrol Act includes specific language indicating opposition to this unintended impact on tax credits, the eligibility of these wells for the credit is severely curtailed.

Recent FERC regulatory action has also taken its toll on utilization of the credit for producers of gas which was committed or dedicated to interstate commerce by April 20, 1977. Until the issuance of a recent FERC rule, this tight formation gas remained eligible for incentive pricing as required for the credit. In 1989, the D.C. circuit held that the FERC could not arbitrarily terminate a 1983 rulemaking wherein they had proposed that incentive pricing for tight formation gas was no longer in the public interest, given the gas supply outlook at that time. Because the FERC withdrew its proposal in 1986, the gas remained price-regulated and qualified for the credit. In response to the court's remand, however, the FERC issued a new order in February 1990 (Order No. 519) stating that regulated tight formation and production enhancement wells, if drilled after May 12, 1990, would no longer qualify for an incentive price. Accordingly, the dedicated or committed tight formation wells, if drilled after May 12, 1990, will not qualify for the tax credit.

Again, without any input from the tax writing committees, an energy regulatory decision had and continues to have a direct impact on taxpayers using the credit. Moreover, the FERC determined on rehearing (Order No. 519–A) that the tax effects of its actions would not be taken into account in its decision to rescind incentive pricing.

Similarly, in April 1990, the FERC again issued an order with a direct impact on the credit for producers with committed or dedicated gas. In Order No. 523, interpreting the Decontrol Act's effective date, the FERC ruled that gas, even temporarily released from a contract in effect on the date of enactment of the Decontrol Act, is not regulated during the period of release. This order deregulates retroactively all released gas, even if "dedicated or committed" and thus otherwise price regulated, and produced after the date of enactment of the Decontrol Act.

My bill would eliminate any effect of both the Decontrol Act and these and future FERC rulings on the use of the section 29 credit, for gas committed or dedicated on April 20, 1977. Although the FERC decisions have had an adverse impact on producers of tight formation gas effective from the date of enactment of the Decontrol Act (July 26, 1989), in order to assure prospective only application, these rules would apply to gas produced after the date of enactment of my bill.

The Nonconventional Fuels Credit Extension and Modification Act of 1990 and a section-by-section explanation of its provisions are reprinted below. I hope my colleagues will join with me in cosponsoring this important legislation.

NONCONVENTIONAL FUELS CREDIT EXTENSION AND MODIFICATION ACT OF 1990

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nonconventional Fuels Credit Extension and Modification Act of 1990".

SEC. 2. EXTENSION AND MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) EXTENSION OF CREDIT.—Subparagraph (A) of Section 29(f)(1) of the Internal Revenue Code of 1986 (relating to application of section) is amended by striking "January 1, 1991" each place it appears and inserting "January 1, 1993".

(b) MODIFICATION OF CREDIT WITH RESPECT TO GAS FROM TIGHT FORMATIONS.—

(1) In General.—Subparagraph (B) of Section 29(c)(2) of such Code is amended to read as follows:

"(B) Special Rules for Gas From Tight Formations.—The term 'gas produced from a tight formation' shall only include gas—

"(i) which is committed or dedicated on April 20, 1977, to interstate commerce (as defined in section 2(18) of the Natural Gas Policy Act of 1978, as in effect on the date of the enactment of this clause), or

"(ii) which is produced from a well drilled after such date of enactment."

(2) Effective Date.—The amendment made by paragraph (1) shall apply to gas produced after the date of the enactment of this Act.

EXPLANATION OF ACT

Section 1. Short Title. Provides a short title, "Nonconventional Fuels Credit Extension and Modification Act of 1990".

Sec. 2. Extension and Modification of Credit for Producing Fuel From a Nonconventional Source. This section includes an extension of the credit and a modification of the fuels applicable to gas production from tight formations.

Subsection (a) of the Act amends subparagraph (A) of section 29(f)(1) of the tax code to extend the placed in service date by two years, until Janury 1, 1993. Under this provision all qualified fuels (as defined in section 29(c)(1)), drilled or placed in service during this additional two year period, would be eligible for the credit.

Subsection (b) of the Act substitutes two new categories for the rules applicable to tight formation gas production, under section 29(c)(2)(B) of the tax code. Under the first category, effective for wells drilled after the date of enactment, all tight formation gas would qualify for the credit, without the requirement that the gas be price regulated and eligible for incentive prices. This would qualify the type of gas production which was deemed to be deregulated under the Supreme Court Decision, Federal Energy Regulatory Commission v. Martin Exploration Management Co., 106 S. Ct. 1765, 1770 (May 31, 1988) ("Martin Wells").

Under the second category, certain gas from wells drilled prior to the effective date of this Act would remain qualified for the credit, regardless of the regulatory impact of the Natural Gas Wellhead Decontrol Act of 1989 ("Decontrol Act") and subsequent FERC orders. Qualified gas under this category must be produced after the date of enactment of this Act and must be produced from wells in which the gas was committed or dedicated on April 20, 1977, to interstate commerce as defined under the Natural Gas Policy Act of 1978 ("NGPA"). The intent of the provision is to cover wells which were regulated, and for which there was no intention to deregulate, at the time the tax credit was enacted in 1980. Without this amendment, gas produced from these wells after December 31, 1993, would automatically be disqualified for the credit when decontrolled pursuant to the Decontrol Act, if from wells drilled before the date of enactment of the Decontrol Act; the gas would be disqualified on May 15, 1991, for wells drilled after the date of enactment of the Decontrol Act.

Further, this category would assure that current and future regulatory decisions of the FERC would not have an inadvertent tax effect on the continuing qualification of these wells for the credit. Examples include the inadvertent tax effect of FERC Order No. 519, in which the FERC partially terminated the regulated (incentive) pricing of tight formation wells drilled after May 12, 1990, and FERC Order No. 523 in which the FERC determined that released gas could not be considered regulated under the Decontrol Act.

A SALUTE TO JOHN E. PISANO

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. WALGREN. Mr. Speaker, I want to ask my colleagues to join me in honoring the late John E. Pisano, manager of the Pittsburgh office of the U.S. Department of Housing and Urban Development, who passed away earlier this month.

Mr. Pisano was a government servant who dedicated most of his short life to service to people, and we in Pittsburgh are going to miss him greatly.

He was a good administrator of the public interest—the kind of administrator that has

been important for America to have. He put the success of the project he was facilitating ahead of the politics of those in contact with the project. And as a result, citizens of western Pennsylvania now are living better because of his service.

John E. Pisano was manager of the Pittsburgh office of the U.S. Department of Housing and Urban Development from November 30, 1981, until the time of his death on July 3, 1990. He was appointed to that career senior executive service position by former HUD Secretary, Samuel R. Pierce, Jr. The Pittsburgh office, under his leadership, received the HUD Region III 1985 Fair Housing Award of Merit. Mr. Pisano was named the HUD Region III Manager of the Year in 1987 and 1988. He was also nominated for the national HUD Manager of the Year award in each of those 2 years. In November of 1988, the Pittsburgh HUD Office, under Mr. Pisano's leadership, was presented with a Sustained Outstanding Office Award by former regional administrator, Kenneth J. Finlayson. In 1989, Mr. Pisano was recognized by the Three Rivers Center for Independent Living for his leadership in advancing the rights of persons with disabilities.

Prior to his appointment, Mr. Pisano served as chief of the loan management section for the college housing program in the U.S. Department of Education, a position he held since May 1980. He was responsible for developing and implementing policies and procedures for servicing over 3,200 loans valued at $3 billion.

From 1976 to 1980, Mr. Pisano was a realty specialist in HUD's Washington, DC headquarters, where he administered loan and grant programs for college housing. Prior to his appointment as a realty specialist, Mr. Pisano held several managerial positions in the Department, including special assistant to the director of housing programs and consultant to the Assistant Secretary of Housing. In these positions, he served as a policy advisor on the management of a broad range of subsidized and non-subsidized housing programs. From 1972 to 1974, Mr. Pisano was special assistant to the Director of HUD's Disaster Field Office in Wilkes-Barre, PA. He assisted the director in the management of the disaster recovery effort following the devastation caused by tropical storm Agnes in parts of Pennsylvania and New York. While in this position, he received the Department's Meritorious Service Award.

Before entering the Federal service, Mr. Pisano was a housing consultant and developer for Government-sponsored housing programs, as well as vice president of the Vector Corp., a manufacturer of nuclear reactor components. He also taught in the Pittsburgh Public School System. Mr. Pisano was born March 9, 1937; he received a bachelor of science degree in economics from Duquesne University in Pittsburgh.

Mr. Pisano is survived by his wife, Cynthia, and his mother, both of whom reside in Pittsburgh.

RULE ON H.R. 4939, RELATING TO MOST-FAVORED-NATION TRADE STATUS OF THE PEOPLE'S REPUBLIC OF CHINA

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to serve notice to my colleagues that, pursuant to the rules of the DemocraticcCaucus, I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 4939, relating to most-favored-nation trade status of the People's Republic of China.

COURAGEOUS HEROINE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. PORTER. Mr. Speaker, I rise before you today to honor a very special lady whose selfless act of courage saved the life of a 3-year-old boy. Bea Porter, who bears no relation to myself, a 15-year member of the Ladies Professional Golf Association, rescued 3-year old, Jonathan Smucker who was drowning in a pool near Phoenix, AZ's Moon Valley Golf Course on March 16, 1988.

At the time of the incident, Porter was playing a qualifying round for the LPGA's Standard Register Turquoise Classic. As she stood on the left side of the par five 13th hole, prepared to take a shot, she caught a glimpse of a fully dressed Amish man jumping into a backyard swimming pool. Mary Porter immediately recognized this peculiar situation and reacted by taking a closer look at the pool. She noticed a small child, 3-year-old Jonathan Smucker, floating face down in the pool.

Fortunately, Ms. Porter reacted quickly. With the assistance of her caddy, Wayne Sharpe, she climbed a 7-foot wrought iron fence, and without wasting any time, began to perform CPR on the child. The process which lasted a total of 20 minutes proved successful as the child was revived and rushed to the hospital where he was reported to be in good condition.

As if nothing out of the ordinary had occurred, Porter returned to her game, but missed qualifying for the Standard Register by three strokes. I am certain, however, that in her mind nothing could match the victory which she had just scored by saving a young child's life. Ms. Porter's noble effort should serve as an example to us all that we must often transcend daily life and suffer minor setbacks in our own personal quests in order to better fulfill our obligations as members of society. I know that all Members will join me in offering our heartfelt congratulations to her for this selfless act of courage.

EL SEGUNDO SUPERINTENDENT OF SCHOOLS LEAVES FOR WASHINGTON, DC

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. LEVINE of California. Mr. Speaker, I rise today to bring to the attention of my colleagues in the U.S. House of Representatives the announcement by President George Bush naming Richard Bertain as Associate Director for the ACTION Agency for the Office of Domestic and Anti-Poverty Operations. Dr. Bertain will retire from superintendent of El Segundo Unified School District on July 26, 1990, after 12 years of dedicated service to the community of El Segundo, a jewel by the sea in my 27th Congressional District.

Since 1978, Dr. Bertain has served as superintendent and assistant superintendent, business services, El Segundo Unified School District, where he managed the budget, business services, and personnel function. Prior to his current position, he served as assistant superintendent, business services, Palm Springs Unified School District, Palm Springs, CA, where he was in charge of all business functions, including accounting, budgeting, contracting, and insurance.

His experience also included service as president, American Educational Services, a consulting service to school districts and associations; and deputy superintendent of schools, Glendale Unified School District, Glendale, CA. He began his career as a high school teacher in San Diego in 1957.

Active in civic affairs, Dr. Bertain is currently on the Advisory Council of the Boy Scouts of America, and a sustaining member of the Young Men's Christian Association.

Dr. Bertain's academic credentials include a doctor of educational administration, Harvard University, a master of arts in educational administration, California State University, San Diego, and bachelor of arts in philosophy/English, St. Mary's College, California.

Throughout all his endeavors, Richard Bertain, has enjoyed the enthusiasm and support of his gracious wife, Mary, and their six children.

It is a pleasure to bring Richard Bertain's record of accomplishments to my colleagues. I ask that they join in congratulations on his recent appointment to the ACTION Agency. Our country is fortunate to have Dr. Bertain to administer such an important agency which does so much good work for so many people.

LEXINGTON MAYOR TESTIFIES ON RURAL TOURISM

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. SKELTON. Mr. Speaker, on June 30, 1990, my small business subcommittee held a field hearing at the Truman Library in Independence, MO, examining how economic de-

velopment through tourism can benefit rural communities. One of the witnesses presenting testimony was Mayor Cindy Dickmeyer of Lexington, MO. Mayor Dickmeyer's statement colorfully details how the tourism industry has helped to revitalize Lexington's economy and to bring the culture and the history of the past to life for visitors and residents today. Mayor Dickmeyer also addresses the challenges facing small towns, with access to limited funds, trying to attract visitors to spend time in their communities and experience what rural America has to offer.

Lexington is my hometown, and I have seen first-hand the benefits of tourism at work. Rural communities across our Nation, working to preserve the heritage that made our country great, share our rich legacy with future generations while sustaining the livelihoods of present-day residents. At this time I would like to submit Mayor Dickmeyer's testimony into the Extensions of Remarks of the CONGRESSIONAL RECORD:

STATEMENT OF CINDY DICKMEYER, MAYOR, CITY OF LEXINGTON

Mr. Chairman and members of the subcommittee, on behalf of the citizens of the Lexington community, we are very grateful for the opportunity to present our testimony today concerning tourism and its relationship with the rural communities of America.

Tourism in rural America is unique. Just as Lexington, Missouri, is unique. The history of Lexington spans 168 eventful years from the western frontier to our present day. Few Midwestern towns can boast of the rich tradition and exciting heritage that belongs to Lexington—beginning as far back as 1804 when Lewis & Clark passed the site of Lexington en route to explore the Northwest via the Missouri River. Settled during the 1820's, Lexington soon became a booming farm community and river town. Traders, fur trappers, and suppliers brought a brisk business to the community, which for a few years was the most western settlement from which outfitters sent caravans west on the Santa Fe Trail. Lexington became the seat of Lafayette County in 1823. In the 1850's, the offices of the great freighting firm, Russell, Majors, & Waddell was established. In 1859, this very firm inaugurated the famed Pony Express. The proud roll of early schools lists the very first college in the world to be founded by the Masons was opened in Lexington in 1848. Today's noted Wentworth Military Academy was founded in 1880 and is still in operation today.

Many large, beautiful houses and public buildings were built during the 1840's and 1850's. The present Lafayette County Courthouse was built in 1847 and has been occupied continuously, making it the oldest Courthouse in the State of Missouri still in use. There are over 110 antebellum homes still standing in our community today.

In September 1861, the prosperity of Lexington was temporarily disrupted by the invasion of the pro-South forces during the Battle of Lexington. The Anderson House, build in 1853, was used as a hospital during the battle. The battlefield is one of the few Civil War battlefields that has never been cultivated. This entire area is now a state historic site. After the Civil War, Lexington once again emerged as a prosperous community due to the coal mining industry becoming the economic mainstay of the area. And finally, in the center of our history, we have the dedication of the "Madonna of the Trail" monument. She was dedicated on September 17, 1928, by a Jackson County Judge—the Honorable Harry S Truman of Independence. This monument is one of twelve that is located in the states through which the National Old Trails Roads ran. Lexington also has four historic districts listed in the National Register of Historic Places.

There are many other areas of historical significance and interest in this small, rural community. I have only tried to highlight a few of them to give you an idea just how important Lexington's past has been in helping to develop this great country of ours. Lexington is situated in the very heartland of the United States. We, as our forefathers, are the very backbone of this country. We are the laborers, blue collar workers, and farmers. We are proud of our past and work hard to protect and save what we have. We realize that Lexington has not made history—but that history is what has made Lexington. The preservation of history is a vital part of our American heritage.

In recent years, rural areas have been plagued by a sharp decline in the agricultural industry, as well as the closings of many manufacturing industries. Some rural communities, however, like Lexington, have the potential to support and sustain an economy based on tourism. Tourism can be an especially beneficial activity to incorporate within the economic structure of smaller communities and rural areas, due to the fact that tourism is an industry that requires a limited financial investment. Because the major capital asset of this industry is, in fact, the natural or cultural resource itself, it therefore becomes an ideal vehicle for many rural areas to develop. When most people think of tourism, they think of recreation. However, attractions are what draw tourists to a specific area. Tourism, therefore, can't be considered a viable option for a community, if there is not a marketable attraction to present. Once your attractions have been acknowledged and established, there is an important need to be able to inform people about the attractions and services you have available. Tourism can't support any rural community through any significant economic importance if it is not first perceived as an important industry to that community and is developed in that manner. Even though a community's stability should not be built on a single industry, sometimes you have no alternatives. Tourism may be your only means of economic stability.

In Lexington, we have acknowledged tourism as being a very important industry to our community's economic structure. However, it is not our only means of economic survival. We have several other industries and businesses that give us a small, but deverse economy. However, development tourism as an industry in Lexington seems only natural. Tourism helps to expand our economical growth by stimulating future businesses—such as restaurants, motels, hotels, stores, and shops. This, in turn, helps generate needed additional revenue which can then be used to help make improvements to our city. There is really no limit to the amount in which our community could benefit from a prosperous tourism industry.

To help develop the tourism trade in Lexington, we have had two video tapes made. One is for tourism information; the other gives necessary information to an individual or company who might be considering locating in Lexington. We also send brochures and printed materials to the seven Tourist Centers throughout the State, as well as, Auto Club offices, motels and tourist agencies around the country. For four years, we have had a Uni-sign located on Interstate 70 to advertise our community to motorists traveling through the area. We also advertise, from time to time, in outside publications on our community's activities. We arrange tours through the Chamber of Commerce office and we are currently working with the Department of Economic Development to hold a regional meeting in Lexington this September. There are many programs and activities in our community that are co-operative efforts. Every two years, Lexington offers a two-day historic Old Homes Tour, which brings approximately 10,000 visitors to our community. Also, the Battle of Lexington State Park sponsors a Civil War battle re-enactment every three years. The next re-enactment is scheduled for September 19, 1991. This is a three-day event which brings in over 5,000 visitors from all across the country. This doesn't include the large number of re-enactors that also travel here to participate in the battle. Every fall, there is a three-day River Festival, which also draws many people to our community. Lexington, as I mentioned earlier, is also the home of Wentworth Military Academy. This military school, dating back to 1880, has students attending from all over the world.

Lexington is an All-Missouri Certified City, achieving a "Five-Star" status through the Missouri Community Betterment Program. We are members of the Missouri Travel Council, the Missouri Chamber of Commerce, and the Lafayette County Economical Development Authority. This committee tries to promote all of Lafayette County. Our Lexington Industrial Development Corporation is very active in promoting economical development in Lexington. We all realize it takes a united effort, if we are to succeed. We have a very active Historical Society, which recently raised over $90,000.00 to restore an 1830's log house, the only known wooden structure still standing from Lexington's founding days, with the Santa Fe Trail passing both it's original location and its present site.

We are very pleased that the State of Missouri has decided to put additional funds in the Battle of Lexington State Park, to construct a new visitors tourism center and a summer kitchen at the Anderson House.

We also have five licensed antique shops which are frequent stops by tourists and a historical museum in Lexington. We are located in the heart of Missouri's apple orchard country within an hour's drive of Kansas City and not far from the recreational area of the Ozarks. Approximately 60% of all Missouri tourists come from the metropolitan areas. As I stated at the beginning of my testimony, there is something very unique about tourism in rural America.

One of the main problems that small, rural communities face today is the competition of the nearby metropolitan areas. We do not have the manpower or the resources to call upon as metropolitan areas do. There must be a more focused attention given to the small, rural communities. Simply put, we need to be put on an equal basis as our larger counterparts. Our wagon wheels are just as rusty, and squeak just as much as theirs—however, they apparently don't squeak as loud!!

In closing, I have just one final thought to present. Lexington, as well as many other rural communities, is well worth a few days of anyone's time. Visitors can wander

through museums, tour the old homes, dine and shop, or just walk around and enjoy the beautiful scenery and relaxed atmosphere. It is our sincerest hope and desire that our testimonies to you today will not go unheard and that many future generations will also be able to enjoy what the rural communities have to offer. Through your dedicated commitments to develop and increase the tourism trade in rural America, this will become a reality.

A CRY FOR FREEDOM FOR THE CYPRIOTS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. WALGREN. Mr. Speaker, I would like to express my support today for a unified Cyprus, a nation that has endured a long battle against the illegal Turkish occupation of close to 40 percent of the island. This occupation has resulted in the creation of the "Green Line," a barrier that divides the Turkish and Greek people of that nation.

Cyprus first received its independence from Great Britain in 1960. At this time approximately 18 percent of the population was Turkish and the remaining 72 percent of the population was Greek. The Treaty of Association and Guarantee established a system that sought to ensure the rights of both peoples through a power-sharing system. But in 1974 the island was invaded by Turkish troops that were fearful that the Greek majority was seeking unification with Greece.

The sweeping changes in Eastern Europe can only serve as an example to the world. It is possible to overcome seemingly unsurmountable problems through the courage of a nation dedicated to freedom. Like the people of the United States and the rest of the free world, Cypriots deserve the chance to move freely throughout their country. The Berlin Wall has fallen and it is now time for the Green Line dividing north and south Cyprus to be abolished.

As a member of NATO, the United States must encourage a resolution of this dispute that divides Greece and Turkey, our NATO allies. I commend the people of Cyprus for their dedication to a united nation through a peaceful settlement and look forward to a similar commitment from the Turkish Government. Freedom for Cypriots is in reach.

FOR A FREE NEA

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. OWENS of New York. Mr. Speaker, later this week the House is expected to consider the reauthorization of the National Endowment for the Arts and with it, a number of proposals to censor the content of art financed by the NEA. The prospect of censorship has elicited an outpouring of outrage and opposition from the arts community and others who value artistic freedom. The intensity of opposition has been so strong, in fact, that some of our colleagues have begun complaining privately that supporters of the NEA are overreacting. But most clearly they are not. The response of the arts community and its allies has been exactly proportionate to the threat posed by the would-be censors among us. They understand that the creative process demands full and unfettered freedom; censorship, whether imposed from within or without, saps art of its integrity and meaning.

The very mission of the artist, as the great African-American writer James Baldwin once put it, is to be "an incorrigible disturber of the peace." This does not mean that all art must necessarily offend or shock us in order to be considered successful or worthwhile. But it does mean that, in realizing his or her creative vision, the artist must be free to ignore and trample over traditions, boundaries, and frontiers to which the rest of us adhere. As Baldwin eloquently explained:

The artist is distinguished from all other responsible actors in society—the politicians, legislators, educators, and scientists—by the fact that he is his own test tube, his own laboratory, working according to very rigorous rules, however unstated these may be, and cannot allow any consideration to supersede his responsibility to reveal all that he can possibly discover concerning the mystery of the human being. Society must accept some things as real; but he must always know that visible reality hides a deeper one, and that all our action and achievement rest ont things unseen. A society must assume that it is stable, but the artist must know, and he must let us know, that there is nothing stable under heaven. One cannot possibly build a school, teach a child, or drive a car without taking some things for granted. The artist cannot and must not take anything for granted, but must drive to the heart of every answer and expose the question the answer hides.

Many respected organizations and individuals outside of the arts community have come forward to speak out against the proposed restrictions on the creative freedom of NEA-funded artists; they have recognized that this is an issue not just for artists, but for all who value freedom of expression in this country. Prominent among these groups are the American Library Association and the New York State Board of Regents, both of which recently passed resolutions urging the Congress to resist calls to censor the NEA. I want to bring the texts of these resolutions to the attention of my colleagues in the hope that their appeals for a free NEA will be heeded when the House considers this issue later this week:

RESOLUTION ON THE REAUTHORIZATION AND REAPPROPRIATION OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL ENDOWMENT FOR THE HUMANITIES

Whereas, the American Library Association policy against government intimidation (53.4) states, "the American Library Association opposes any use of government prerogatives which leads to the intimidation of the individual or the citizenry from the exercise of free expression"; and

Whereas, current ALA Federal Legislative Policy encourages support of the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH); and

Whereas, there is a strong indication that the continued politicization of the Endowments' reauthorization and reappropriation process has caused a sense of uncertainty amongst grant applicants and recipients and even polarization between supporters and detractors of the Endowments; and

Whereas, the continuance of Federal grants unencumbered by political interference is of great and crucial significance to the Library community; and

Whereas, there is now an attempt to encourage the Congress to change the ratio of NEA grants to the States Arts Agencies which could seriously cripple the NEA's peer-grant process; now, therefore, be it

Resolved, that the American Library Association strongly urges the members of the United States Congress to resist any limitations or reductions of the appropriations for the NEA, the NEH or the Institute of Museum Services on the basis of partisan or doctrinal disapproval of projects funded by the Endowments; and, be it further

Resolved, that ALA urges that the Endowments enabling legislation, the National Foundation on the Arts and the Humanities Act, be reauthorized for a full five years without restrictions and without changes in the ratio of funds turned over to the States Arts Agencies; and, be it further

Resolved, that ALA urges the Chairpersons of the NEA and of the NEH and all of the grants officers of both Endowments to resist strongly any partisan or doctrinal influence over the grants-making process; and, be it further

Resolved, that copies of this resolution be forwarded to the Congressional Arts Caucus, Congressional Authorization and Appropriations Committees, the Office of Management and Budget, the Chairpersons of NEA and NEH, and any other appropriate bodies.

RESOLUTION OF THE NEW YORK STATE BOARD OF REGENTS REGARDING THE NATIONAL ENDOWMENT FOR THE ARTS

Resolved, That the Board of Regents of the University of the State of New York and the State Education Department support the five-year reauthorization of the National Endowment for the Arts (NEA) in its current form.

Thriving arts activity in New York enriches the educational experience of children and the lifelong learning of residents and visitors alike. Moreover, New York's unparalleled artistic excellence is a national resource shared in many ways with the entire nation and the world.

For twenty-five years, the NEA has granted public funds on the basis of a responsible peer review process to sustain and to encourage the nation's best artistic work and to make it broadly available to the public. NEA grants this past year provided $40 million to over 1100 grantees in New York to strengthen further the quality of the arts in New York and their national impact.

Although the peer review process is not infallible, even NEA's critics question only .02% (two one-hundredths of one percent) of the 85,000 grants that have been awarded. Vigilance to assure the accountability of the peer review process to the highest standards of quality should be required of the NEA National Council, but the process should not be changed.

Current attempts to weaken or circumscribe NEA activity, fueled by letter-writing campaigns of special interest groups, have already had a chilling effect on the arts. Any imposition of perceived or real limitations on the creativity, diversity and free-

dom of expression of publicly supported arts will produce far more harm than any isolated error of judgment could cause.

THE ABC'S OF BILINGUAL EDUCATION

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. EMERSON. Mr. Speaker, misconceptions about the purposes and intent of the Language of Government Act, H.R. 4424, continue to surprise me. I understand that the opponents of this measure have stated that bilingual education would no longer be allowed if we passed this bill. This brash statement is absolutely untrue. I strongly support bilingual education, and I think it's an essential tool in the teaching of English to non-English speaking schoolchildren across America. My criticism of the bilingual programs we have today is that they don't work. Children finish years of bilingual training without a basic, fundamental knowledge of English. And when we allow this to happen, we're shortchanging our children.

If we want to see how well our bilingual education programs are working, we should ask the students. My good friend, Congresswoman NANCY JOHNSON, was kind enough to share with me the following two columns that appeared in the Hartford Courant last month. Here is a telling critique of bilingual education from the students' point of view. Next year, the Bilingual Education Act will be reauthorized. I recommend that each of my colleagues take the time to consider who benefits—and who doesn't—from our existing bilingual programs before the vote is cast.

STUDENTS OFFER CRITICAL VIEW OF BILINGUAL EFFORT

(By Tom Condon)

There's another precinct to be heard from on the bilingual education question—the kids. I recently wrote two columns criticizing the city's bilingual program. I said the program doesn't work for many youngsters because it doesn't teach them English, and hence inhibits their chances for a good job.

Michael May, an English teacher at Bulkeley High School, asked his freshmen and sophomores to write short essays on whether or not they thought I was right. Here are some of the responses. (He asked that I just use the students' first names.)

Sonia, a sophomore: "Yes, I think the system cheats the kids." She said most bilingual teachers speak only their students' native language, not English. Then the students go home, where the native language is spoken, so they never hear any English. "The student's only hope is to have a friend who speaks English," she wrote.

"When I was in bilingual class, the teacher never spoke to me in English. The only reason I learned was that my mother, who had come to Hartford at an early age, sometimes spoke to me in English, and I had a few friends who spoke English," she wrote. "I think if teachers are in the bilingual program they should teach the two languages so when students get to higher grades they won't have a hard time dealing with English."

Criticism of bilingual teachers was a recurrent theme.

Ramon, a sophomore, said that when he came to Hartford he didn't know he was in a bilingual class. "I had a teacher who only spoke Spanish. I thought it was a Spanish class. The teacher never spoke English. My mother found out and got me out into a class where the teacher could speak English."

I sensed from certain essays that there is some peer pressure not to learn English. "No matter if people make fun of you, don't give up. No matter what, learn English," advised Madelyn, also a sophomore. "Students who don't practice English are not going to be able to communicate with other people or teachers. When they need a job they won't."

As the system now stands, students are supposed to be brought up to a grade 3.5 level in Spanish before being switched to English. Some students take years and years to reach that level in Spanish. Abner, a freshman, suggested starting kids earlier in English. He said he was in a bilingual kindergarten but then was placed in an English first grade and learned English rapidly.

"If most of the Hispanic kids are given lots of English, they will learn it very quickly," he said.

Curiously, many students blame the non-English-speaking students and their parents for their not learning English. "The Spanish students have to get their acts together," one student wrote. "If a boy is 15 and can't speak English, do you ever think his mother or father is to blame?" another wrote.

Here's the kicker. All these kids are Hispanic themselves. They know they're going to need English to get further in school or get a good job. It's a shame they aren't serving on the school board.

They sense that some bilingual teachers aren't doing the job. I think they're right. Bilingual teachers are exempt from having to take CONNCEPT, the basic skills test in reading, writing and mathematics that other teachers must pass as part of the certification process. Are the bilingual teachers exempt because many couldn't pass the test? Is this fair to the kids?

The teachers and administrators who spoke to me in my first two columns have been called in to speak with the school administration. I trust this is for a constructive discussion on how to improve the program. It better be.

CRITICS CONSIDER BILINGUAL EFFORT A SLIP OF TONGUE

(By Tom Condon)

In the 1970s, Lorene Lugo, a reading specialist in the Hartford school system, was a big supporter of the bilingual education program. Over the years, she became disillusioned.

"It became almost a monolingual Spanish program; the English part didn't develop at the same pace," she said. "Because of that, many students stayed in it forever."

Two years ago, as reading consultant at the Burns School, she'd had it. There were too many children born in Hartford and in the sixth grade who couldn't read or write English.

She gathered teachers and said, in effect, "Let's teach more English sooner." Many agreed to try.

Nydia Rivera teaches a second-grade bilingual class at the M.D. Fox School. She taught mostly in Spanish, per city guidelines, but believed her pupils could start English.

So she tested them last year, then increased her English teaching to about half her lessons. By the end of the year, 19 of her 26 pupils were reading well enough to go into a transitional class, the last phase of the bilingual process.

For the 1988-89 school year, only five of 208 children in the bilingual programs in the McDonough School were "mainstreamed" into regular English classes. This year, 14 made the jump. "The kids need more time for English instruction," said Vice Principal Mary Alice McNaboe, and she said they'll get it—next year.

As these efforts indicate, the city's bilingual education program is in dire need of reevaluation.

The theory is to teach children in their native language—most often Spanish in the city—while they learn English, then switch to English when appropriate, said Adnelly Marichal, the program's director.

A recent state study found the kids spend an average of about four years in the program, but some spend much longer. Marichal doesn't see a problem with that, saying children learn languages at different speeds. She said if children learn subjects in Spanish, it shouldn't matter when they transfer to classes in English.

Some of the time it works. But for many, perhaps thousands, it doesn't, critics say. Youngsters aren't compelled to learn English, so some don't. Lugo said some children find it difficult, and sometimes stigmatizing, to be learning the basics of English in the middle grades or later.

Program critics also cite poor English texts, some bilingual teachers who are weak in English and kids who keep themselves in the program to go to high school with friends.

Marichal said many impoverished students often begin with weak language skills, and it is best to teach them to read Spanish first.

Lugo asks, "Why not start them in English?" She said they'll learn Spanish at home. "Putting a child born in Hartford in a Spanish kindergarten is ridiculous," said Lugo, now at the Lewis Fox Middle School.

Lugo said bilingual education should start earlier, be more intensive and have set time limits of two to four years. She is appalled when children are in the program longer than that, as is Terry Trask, principal of the Milner School.

"There's no excuse for it. It's that simple. The research is clear as a bell—they should be inundated with English, and they can learn it. We've known this for 20 years," Trask said.

Program defenders say more English might mean the loss of culture. "Keeping them unemployed and on welfare is not the culture," Rivera said. "I'm Puerto Rican and we keep the culture at home."

Rivera knows something is wrong. Her husband, Officer Eddie Rivera, as a recruiter for the Hartford Police Department. He's met scores of otherwise excellent applicants for the Department whose English was so bad they couldn't fill out the job applications.

RESOLUTION PASSED BY THE BOARD OF SUPERVISORS, COUNTY OF SAN DIEGO

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. HASTERT. Mr. Speaker, I was very pleased to learn that the San Diego County Board of Supervisors recently passed a resolution supporting my legislation to repeal the Social Security earnings test. I am extremely grateful of the efforts of Ms. Rosa Wilms who was instrumental in the board's decision to adopt this resolution.

The county of San Diego is another in the long list of earnings test repeal supporters. The chamber of commerce, the National Federation of Independent Businesses, the Seniors Coalition, the Seniors Cooperative Alert Network [SCAN], Sears Corp., Chevron Corp., and many others repeatedly call for the elimination of the penalty imposed on Social Security beneficiaries who work to supplement their income.

H.R. 2460, the Older Americans' Freedom To Work Act, has well over a majority of the House, 247 Members, as cosponsors. Yet, this legislation is being prevented from complete consideration by the whole House by the Ways and Means Committee.

The time has long past when this legislation should have been considered. Let's not further delay consideration of H.R. 2460. America and its seniors cannot afford to wait any longer.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO RE: LEGISLATION TO ELIMINATE THE SOCIAL SECURITY EARNINGS PENALTIES FOR INDIVIDUALS WHO HAVE REACHED RETIREMENT AGE

Whereas, retirees of age 70 or greater are permitted by law to earn as much as possible without any reduction in their Social Security earnings; and

Whereas, persons between the ages of 65 and 69 have their Social Security benefits reduced one dollar for every three earned above certain thresholds; and

Whereas, continued participation in the workforce by skilled, experienced persons is becoming more and more critical to the standard of living in the United States; and

Whereas, H.R. 2460 would amend the Social Security Act to remove the existing penalties on persons between the ages of 65 and 69; and

Whereas, recent studies have shown that removal of the penalties would cause a reduction in the budget deficit: Now therefore be it

Resolved, by the Board of Supervisors of the County of San Diego, State of California, that it supports legislation which would amend the Social Security Act to remove the penalties on Social Security benefits of persons aged 62 through 69 whose earnings are above the thresholds.

A PROPOSAL FOR UNINSURED CHILDREN FROM THE AMERICAN ACADEMY OF PEDIATRICS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. WYDEN. Mr. Speaker, the American Academy of Pediatrics has developed a proposal to provide health care access to the 12 million American children and 14 million women of childbearing age who currently lack health insurance. Millions more are underinsured; they lack adequate insurance coverage for necessary medical services and for even the most basic preventive care. Still others are uninsurable because of preexisting chronic or recurring conditions.

A majority of uninsured children do not come from stereotypical poor families. More than half of all uninsured children live in families with incomes above the poverty level. Three-fourths are white, and more than half live in two-parent families. Approximately 2 million uninsured children live in families in which one or both parents have employer-purchased health insurance.

Uninsured children are often unable to afford medical attention at the onset of an illness, and they are more likely to be in poor health. They also often fail to receive preventive care. The health insurance system in this country commonly provides reimbursement for expensive acute care, such as inpatient care and surgery, while limiting reimbursement for less costly preventive services. Preventive care, early treatment of acute illnesses, and other outpatient services can often eliminate or minimize the need for more costly procedures and hospital care.

Lack of preventive care can lead to dire consequences. Uninsured children are less likely to be immunized than those with insurance. One in three poor children is not immunized at age 2 against rubella, measles, and mumps. Coincident with declining immunization rates, epidemics of measles are occurring in many cities throughout our country with deaths of 40 children reported this year. The number of reported cases of mumps is also rising. Early treatment can influence long-term outcome and maximize a child's potential.

In addition to the alarming number of uninsured children, over 14 million women of childbearing age do not have insurance for prenatal care, maternity care, or both. One out of every four pregnant women receives no prenatal care during her first trimester. As a result, undetected problems may unnecessarily complicate pregnancies. Lack of counseling about proper nutrition and about the use of alcohol, tobacco, and certain drugs can result in low-birthweight, congenital anomalies, and sick newborns and a high rate of infant mortality. In fact, our mortality rate places us 22d among the nations of this world.

The proposal developed by the American Academy of Pediatrics would eliminate financial barriers to care. It would expand the delivery of prenatal, preventive, acute, and chronic care to all children and pregnant women by coordinating efforts of the public and private sectors.

While the Academy's proposal is not the perfect solution to our Nation's health care problems, it represents a first step which is worthy of further consideration by Congress. A summary of the proposal is as follows:

SUMMARY

Access to quality care will be met by creating, through federal legislation, a mechanism to:

1. Build on and improve the existing employer-based system that provides health insurance to employees and their dependents.
2. Develop, for children and pregnant women who are without employer-based insurance, a parallel system that provides private health insurance through a state-administered insurance fund (SAIF).
3. Rechannel into the SAIF federal and state monies for children and pregnant women currently served by the Medicaid program.
4. Allow maximum state flexibility for program administration within federal guidelines.
5. Rely on existing health care delivery models that are simple and easy to use for both the provider and patient.

All children and pregnant women will have access to private health insurance through an employer financed plan or a SAIF.

A standard benefit package of comprehensive care is arranged into three categories.

(1) Preventive benefits: Including preventive care visits at clearly defined intervals, prenatal and delivery care, care of newborns, and child abuse assessment. Regardless of income level or insurance system, no co-payments or deductibles will be applied.

(2) Primary/major medical benefits: Including care for acute and chronic illness, hospital care, subspecialty consultations, emergency room care, drugs, and laboratory tests. Based upon income, there will be a maximum deductible of $200 and a maximum co-payment of 20% of the total charges for services in this category.

(3) Extended major medical benefits: Including mental health, substance abuse, and treatment of developmental and learning disabilities. There will be case management for some benefits in this category. As with the major medical benefits, copayments and deductibles apply. There will also be caps for benefits in this category. Mechanisms such as prior approval, plan of care, preferred providers, and dollar limits may be applied to extended major medical benefits.

These benefits will be equally available through employer-based insurance and the SAIF.

Employers who offer insurance to their employees may choose to provide the mandated benefits for children and pregnant women. Employers who choose not to offer insurance to children and pregnant women or who offer less than the mandated benefits will pay a payroll tax of 3.17%. Employees enrolled in the employer-based system will be responsible—as they usually are—for premium payments, deductibles and co-payments.

All children and pregnant women who do not receive insurance through an employer will have access to private health insurance through the SAIF.

The SAIF will be funded by a combination of revenue sources including:

A 3.17% employer payroll tax.

Individual premium payments by families enrolled in the SAIF.

Federal and state dollars allocated for the children's and pregnant women's portion of Medicaid.

EMPLOYEE STOCK OPTIONS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mrs. KENNELLY. Mr. Speaker, I am pleased to be an original cosponsor of legislation introduced by my colleague, Representative ROD CHANDLER, to restructure the existing Federal income tax incentives for employee stock options.

Employee stock options have always been important and this is particularly true today. Stock option programs, if properly structured, can function as an important part of a renewed national policy to encourage savings and investment generally, and employee stock ownership in particular. Congress has long recognized the importance of stock option programs and has accordingly sought to encourage such programs with tax incentives. Unfortunately, however, our existing tax incentives for stock options no longer contribute to these savings and employee stock ownership national objectives in the best possible way and they therefore need to be revised in a manner that is consistent with our current budgetary situation.

If tax incentives for employee stock option programs are to contribute effectively to the attainment of the national objectives to which I have referred, they must encourage employees to exercise the options they receive at an early date and then to hold the stock they acquire as a long-term investment. Our current tax incentives often encourage employees who receive stock options to do precisely the opposite. This is because the exercise of a stock option is generally a taxable event requiring the employee to pay a Federal income tax on the amount by which the value of the stock purchased exceeds the option price paid for the stock. Many employees who exercise options must immediately sell a portion of the stock they purchase in order to pay the tax. This "tax at exercise" rule does not produce much revenue because the employer gets a tax deduction equal to the income taxed to the employee, but it can encourage many employees to defer exercising their options until they have need for cash and then immediately sell all the stock they purchase, using a portion of the sales proceeds to pay tax and the balance to meet their individual cash need.

This "tax at exercise" rule does not apply to so-called incentive stock options, but the tax incentives for these options are no longer adequate. They are subject to a tax at exercise rule for purposes of the 21-percent alternative minimum tax, they are subject to a dollar limitation and employers do not receive any tax deduction for granting such options. Moreover, with the repeal of the preferential tax rate for capital gains in 1986, incentive stock options lost much of the attractiveness they might otherwise have.

The legislation I am cosponsoring today seeks to encourage employees to exercise their options early and then to hold the stock they acquire as a long-term investment. Under our legislation, so-called opportunity stock options would not be subject to any tax at exercise rule. The tax on the gain realized at exercise generally would be deferred and taxed as ordinary income when the employee disposed of the stock. The benefit of this tax deferral would in effect be denied in most cases where the employee did not hold the stock for at least 2 years. Finally, while the employer would be allowed a tax deduction with respect to opportunity stock options, this deduction would be deferred until the employee paid his or her tax upon disposition of the stock. Allowing an employer deduction is correct as a matter of tax policy as is deferring that deduction and deferral of the deduction also makes enactment of the bill consistent with our current budgetary situation.

Mr. Speaker, restructuring the stock option tax incentives in the manner contemplated by our legislation will both serve the important national objectives to which I referred earlier and it will promote a greater degree of stability in the ownership of our corporations and a greater alignment of the interests of employees and shareholders. These additional benefits are believed by many—including myself—to be critical if we are to compete in the emerging global economy in the 1990's and beyond.

Our legislation also merits support because it limits the tax benefits of "opportunity stock option" status to those stock option programs that both meet the principal requirements that Congress previously imposed on incentive stock options and a new requirement that the options be granted to a broad group of managerial-type employees and not just to a handful of the most senior executives. This distribution requirement requires that at least 40 percent in value of the options be granted to employees who are not senior managment employees.

This distribution rule is intended to promote the effectiveness of opportunity stock option programs by assuring that options are granted to those management employees whose positions within their corporate employers are such that they have the best "hands on" opportunities actually to put in place and carry out those policies that will promote the long-term productivity and efficiency that the global economy now demands as the price of survival of our Nation's employers. Moreover, the 40 percent ratio contemplated by the distribution requirement is a more reasonable and conceptually sound way to limit the benefits received by the very senior executives than is the somewhat arbitrary dollar limit now applied to incentive stock options.

Mr. Speaker, constructive legislative initiatives like this are critical if we are as serious as we need to be about promoting increased savings and investment and the ability of our employers to compete in the world marketplace. Hopefully, we can enact our legislation in the near future so that this important program can begin to operate.

INCENTIVE STOCK OPTIONS

HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. CHANDLER. Mr. Speaker, I am today introducing legislation to revitalize the existing Federal income tax incentives for employee stock options. This legislation, which is intended to be substantially revenue neutral, has three specific objectives. First, to encourage corporations to award stock options to a broad class of their managerial employees—and not just to a few top executives. Second, to stimulate employees to exercise their stock options promptly and then to hold the stock they acquire as a long-term investment. Third, to assure that the incentives to accomplish these two economic objectives are structured so that a stock option transaction is taxed in accordance with its dual nature as a partially compensatory and a partially investment-oriented transaction.

Congress has for many years affirmatively sought to encourage stock options. Most recently, in adopting the present incentive stock option rules in 1981, Congress recognized that stock options are an important incentive device for attracting and retaining key personnel, and that the proprietary interest resulting from the exercise of stock options provides employees with an incentive to improve the financial performance of their employers. Stock options have an even more important role today. If we are to compete effectively in a global market in the 1990's and beyond, we must have a greater degree of stability in the ownership of our corporations, we must have managers at all levels whose decisions have a long-term orientation, and we must have managers whose interests are reasonably well aligned with the shareholders they serve. Properly structured stock option programs can make important contributions to these objectives.

Unfortunately, our current Federal income tax laws do not encourage, and in some cases may actually discourage, the very kinds of stock option programs that can contribute positively to the objectives I have outlined. Under present law, an employee who exercises a stock option must typically pay a Federal tax on the economic—but phantom—income he or she is deemed to have realized when the value of the stock exceeds the price the employee pays for it. This tax at exercise rule requires many employees to sell a substantial portion of the stock just to pay the tax and encourages some to defer exercising their options until they have a need or use for the cash they can obtain by selling all of the stock. In short, the general tax at exercise rule discourages the early exercise of stock options and the long-term holding of the stock.

The tax at exercise rule does not apply to incentive stock options, but incentive stock options have become equally unattractive for other reasons. With the elimination of the preferential tax rate for capital gains, incentive stock options no longer offer a significant advantage over other stock options. However, even if the capital gains preference were to

be restored, incentive stock options would not be effective because they are subject to an unrealistically low ceiling on options that can be exercised in any one year. Moreover, incentive stock options are in fact subject to a tax at exercise rule for purposes of the 21-percent alternative minimum tax. Finally, even though incentive stock options—like all stock options—have a compensatory element, employers are not allowed any tax deduction for incentive stock options. Thus, some employers prefer to grant other options that are subject to the full tax at exercise rule.

The legislation I am introducing today would create a new class of opportunity stock options that would remedy these defects in present law. However, opportunity stock option treatment would generally only be available for option programs that meet both the current law qualification rules for incentive stock options and a new requirement that at least 40 percent of the options be granted to employees who are not senior management employees. This new distribution requirement—which has no counterpart in the present law of stock options—is a critical component of the proposal because it encourages the granting of stock options to the management personnel who consistently have the best hands-on opportunities to implement changes that will increase long-term corporate productivity and net worth. Furthermore, using the ratio of options granted to senior management and management employees is a much more principled way to limit the benefits received by the most senior managers than is the artificial dollar limitation now embodied in the incentive stock option rules.

The tax consequences of an opportunity stock option can be described quite simply. The excess of the fair market value of the stock acquired upon the exercise of the option over the option price paid for the stock—commonly referred to as the "spread"—would always be subject to the regular income tax—and not to the minimum tax—as ordinary income and the employer would receive a tax deduction equal to the spread. To promote both the early exercise of opportunity stock options and the long-term holding of the underlying stock, the employee tax—and the employer deduction—would be deferred until the employee disposed of the stock. Any additional gain on the disposition would generally be taxable as income from the sale of a capital asset, just like sales from other investment assets, which would be taxed as ordinary income or capital gain in accordance with the then prevailing law. However, if the employee disposed of the stock within 2 years from the date the option was exercised, the employee would also generally have to pay the Government an interest charge so that he or she would get no economic benefit from the deferral of the tax on the spread.

This is very important legislation, Mr. Speaker. If enacted, it would promote the crucial goals of employee ownership and increased corporate productivity and efficiency. As I stated before, if we are serious about competing effectively in the global market, legislative measures such as this need to be enacted.

HOSPITAL ACCREDITATION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. STARK. Mr. Speaker, recently the Subcommittee on Health held a hearing on hospital accreditation and compliance with Medicare's conditions of participation.

The focus of our hearing was a report from the General Accounting Office assessing the effectiveness of the Health Care Financing Administration's process to validate the results of accreditation decisions of the Joint Commission on Accreditation of Healthcare Organizations [JCAHO].

Validating the JCAHO process is critical, given that HCFA, through a process termed "deemed status," relies on JCAHO to assure that most hospitals are providing quality health services to Medicare beneficiaries. If a hospital is accredited by JCAHO, it is deemed to meet the Medicare conditions of participation.

The results of the GAO report were unsettling, to say the least.

The major conclusion of GAO's report is that given the total difference in the criteria against which HCFA surveys and those against which JCAHO surveys, we can't really tell much about whether hospitals are meeting the Medicare conditions of participation.

Prior to the hearing the members of the subcommittee were briefed by Dr. Dennis O'Leary, head of JCAHO, on the specific problems at specific hospitals which the JCAHO has identified in the last year. The briefing raised a number of concerns about the quality of hospital services.

We found that some hospitals have no system to monitor and evaluate the medical care being provided to Medicare patients. Therefore, these hospitals have no way to assure quality of care, whatsoever.

A number of hospitals do not review surgical cases, as they are expected and required to do. This means that these hospitals have no way to protect beneficiaries against unnecessary surgery and patients may be subjected to the risks of surgery without cause.

We have identified hospitals without infection control systems. These hospitals do not check the adequacy of their sterilization procedures; they may be using surgical instruments on patients that are dirty or contaminated by bacteria. Without infection control, no one knows.

Certain hospitals do not conduct blood usage reviews. Blood usage reviews protect patients against receiving incompatible or tainted blood. A patient receiving incompatible blood dies. A patient receiving tainted blood risks infection with hepatitis, AIDS, or other viruses or bacteria.

We also found hospitals which cannot document that they are not dumping poor patients from their emergency rooms nor assure that patients are not held in the emergency room prior to receiving life-saving treatment.

The biggest problem of all which we found, a problem verified by the General Accounting Office, is that an unconscionable period of time goes by between identification of a problem and follow up by JCAHO to assure that the problem is corrected. A hospital in my own district has problems which were originally reported in 1987; the hospital did not lose its accreditation until this year, and it is still providing services to Medicare beneficiaries.

Due to strong interest in the subject of hospital quality assurance, I am including at the conclusion of this statement the list of hospitals which were found by the JCAHO not to deserve full accreditation last year. I believe that Members will find this list of interest.

Given the findings of this hearing and the expected results of an ongoing investigation by the GAO, I intend to work with Dr. O'Leary and with HCFA to make sure that our hospitals are providing the best care possible. In particular, I want to make sure that those which don't measure up cannot continue to participate in the Medicare and Medicaid Programs.

HOSPITAL ACCREDITATION

HOSPITAL AND STATUS

1. North Star Hospital, Anchorage, AK 000037091. Conditional.
2. Randolph County Hospital, Roanoke, AL 006530802. Full Survey, tentatively not accredited [TNA].
3. Drew Memorial Hospital, Monticello, AR 006710470. Post July Adverse.
4. Calexico Hospital, Calexico, CA 006930347. Full Survey, TNA.
5. Memorial Hospital at Exeter, Exeter, CA 006930725. Full Survey, TNA.
6. Biggs-Gridley Memorial Hospital, Gridley, CA 006930885. Withdrawal.
7. The Hayward Hospital, Hayward, CA 006930945. Withdrawal.
8. Loma Linda Community Hospital, Loma Linda, CA 006931275. Conditional.
9. Loma Linda University Medical, Loma Linda, CA 006931290. Conditional.
10. Los Angeles County-King/Drew, Los Angeles, CA 006938521. Conditional.
11. Los Angeles County/University of Southern California Medical Center, Los Angeles, CA 006931580. Conditional.
12. Queen of Angels/Hollywood Presbyterian Medical Center, Los Angeles, CA 003002950. Conditional.
13. AMI South Bay Hospital, Redondo Beach, CA 006932540. Conditional.
14. Pacific Coast Hospital, San Francisco, CA 006932877. Conditional.
15. Kaweah Delta District Hospital, Visalia, CA 006933850. Conditional.
16. Lincoln Community Hospital, Hugo, CO. 006849160 Conditional.
17. Floyd County Memorial Hospital, Charles City, IA 006620215. Withdrawal.
18. Clarinda Municipal Hospital, Clarinda, IA 006620240. Withdrawal.
19. Winneshiek County Memorial, Decorah, IA 006620380. Conditional.
20. Broadlawns Medical Center, Des Moines, IA 006620400. Conditional.
21. Dewitt Community Hospital, Dewitt, IA 006620475. Conditional.
22. Knoxville Area Community, Knoxville, IA 006620830. Conditional.
23. Mahaska County Hospital, Oskaloosa, IA 006621099. Conditional.
24. Cook County Hospital, Chicago, IL 006430600. Contingency, TNA.
25. Jackson Park Hospital, Chicago, IL 006430780. Conditional.
26. Gibson Community Hospital, Gibson City, IL 006431782. Conditional.
27. Hopedale Medical Complex, Hopedale, IL 006431911. Conditional.

28. Marion Memorial Hospital, Marion, IL 006432165. Conditional.
29. John & Mary E. Kirby Hospital, Monticello, IL 006432280. Conditional.
30. Bunkie General Hospital, Bunkie, LA 006720143. Conditional.
31. Hamilton Medical Center, Lafayette, LA 006720334. Conditional.
32. Jo Ellen Smith Psych. Hospital, New Orleans, LA 000037027. Conditional.
33. Rivernorth Treatment Center, Pineville, LA 003008429. Conditional.
34. Richland Parish Hospital, Rayville, LA 006720767. Withdrawal.
35. Louisiana State Univ Hospital, Shreveport, LA 006720776. Conditional.
36. Gaebler Children's Center, Waltham, MA 000035863. Full survey TNA.
37. Saint Mary's Health Services, Grand Rapids, MI 006441210. Conditional.
38. Weiner Memorial, Marshall, MN 006610795. Conditional.
39. Stevens Comm Memorial Hospital, Morris, MN 006611190. Conditional.
40. Sandstone Area Hospital, Sandstone, MN 006611742. Contingency TNA.
41. Pemiscot County Memorial Hospital, Hayti, MO 006630234. Withdrawal.
42. Pender Memorial Hospital, Burgaw, NC 006360225. Withdrawal.
43. Northern Hospital of Surry, Mount Airy, NC 006361035. Full TNA.
44. Washington County Hospital, Inc, Plymouth, NC 006361155. Withdrawal.
45. Presentation Medical Center, Rolla, ND 006640400. Withdrawal.
46. Wentworth-Douglass Hospital, Dover, NH 006120080. Conditional.
47. Exeter Hospital, Exeter, NH 006120110. Conditional.
48. The Cheshire Medical Center, Keene, NH 006120180. Conditional.
49. Nashua Memorial Hospital, Nashua, NH 006120290. Conditional.
50. St. Joseph's Hospital, Nashua, NH 006120300. Conditional.
51. Newport Hospital, Newport, NH 006120320. Conditional.
52. Physicians Hospital, Jackson Heights, NY 006211970. Full survey TNA.
53. Monroe Community Hospital, Rochester, NY 006214270. Conditional.
54. St. Luke's-Memorial Hospital, Utica, NY 006215100. Conditional.
55. Mercy Hospital of Watertown, Watertown, NY 006215230. Conditional.
56. Dayton Mental Health Center, Dayton, OH 000037946. Post July Adverse.
57. Bristow Memorial Hospital, Bristow, OK 006730104. Withdrawal.
58. Choctaw Memorial Hospital, Hugo, OK 006730525. Contingency TNA.
59. Edgewater Psychiatric Center, Harrisburg, PA 000037750. Conditional.
60. Mid-Valley Hospital, Peckville, PA 006231630. Post July Adverse.
61. English Park Hospital, Marion, SC 006370447. Withdrawal.
62. Mobridge Community Hospital, Mobridge, SD 006650305. Withdrawal.
63. Jackson Counseling Center, Jackson, TN 000036757. Conditional.
64. Gladewater Municipal Hospital, Gladewater, TX 006741655. Full survey TNA.
65. Myrtle Werth Medical Center, Menomonie, WI 006450930. Conditional.
66. St. Luke's Medical Center, Milwaukee, WI 006451160. Conditional.
67. Howard Young Medical Center, Woodruff, WI 006452305. Conditional.

JUSTICE FOR THE PALESTINIANS

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. KYL. Mr. Speaker, the foiled terrorist attack by the PLO against a beach near Tel Aviv, which led to the suspension of the United States-PLO dialog, served to remind us all of the enduring and intractable Middle East conflict, of which the Palestinian question is a part, and, to date, the inability to reach a lasting resolution to this conflict.

There is only one reason why a solution has remained elusive; namely, Israel's Arab neighbors, less Egypt, refuse to recognize Israel's right to exist.

In trying to understand the conflict in the Middle East, I found the following article by Max Singer very informative. Mr. Singer puts the Middle East conflict, and what is needed to resolve the conflict, in perspective.

The article follows:

JUSTICE FOR THE PALESTINIANS

(By Max Singer)

When Egypt signed a peace treaty with Israel a decade ago, she was thrown out of the Arab League (although the League's headquarters were in Cairo). But Egypt has now been accepted back into the Arab fold, and President Hosni Mubarak has just launched a new "peace" proposal. This "ten-point plan," responding to the Israeli plan to hold West Bank elections, proposes *inter alia* that all Palestinians, including those in East Jerusalem, be allowed to vote and run for office, that Israel allow international supervision of the process, and that the army withdraw from the "area of polling places" on election day.

There is a certain check in Arab countries (which don't enjoy free elections) telling Israel how to run one, particularly since Israel has already run fair elections in the territories it administers. Nonetheless, Egypt's "plan" has achieved some success. Yasir Arafat has endorsed it, and Israeli cabinet ministers are embarrassingly divided in their reactions to it. (The PLO Executive Council has rejected it, but divisions in the PLO are generally resolved by the world's devoting exclusive attention to Arafat's reaction.) If this sounds familiar, perhaps it is because this latest Egyptian initiative is but one example of a general Arab strategy in the Arab-Israeli dispute. It is to pretend that Israel's war is with the Palestinians and to treat the Arab states not as participants but as third parties, favorable to the Palestinians, perhaps, but anxious to foster a reasonable settlement.

There is a common perception that Israel has been treating the Palestinians unjustly—that she has responded to the Palestinians' drive for peace with a narrow-minded concern for security and a selfish desire to maximize her territory. It is true that the Palestinians are not being treated justly. And it is also true that Israel has a duty to act with justice toward them. But it is not Israel that is responsible for the injustice of the Palestinian situation. Israel and the Palestinians are both victims of the Arab states' enmity toward Israel. They are each simultaneously victim and oppressor. The Palestinians are victims of the Arab states, but as Arabs they also participate in oppressing Israel by denying her peace; Israel is a victim of Arab enmity and threat, and, as a result, has been forced to act as a temporary oppressor of the Palestinians.

The original reason why the Palestinians do not have their own state is that in 1948, when the UN ordered that such a state be created, the Arab armies prevented it. Most of the territory the new Palestinian state was supposed to get was occupied by Jordan. The reason why Arabs from Israel are still in refugee camps forty years after World War II is that the Arab states decided their suffering could be used as a political lever against Israel.

The key point is that the Palestinians, in addition to being their own nation, are also part of the Arab nation. To appreciate how central the Palestinians' Arab connection is to the question of justice, compare what Israel's two relationships with her neighbors would be if they could be separated:

Israel and the Palestinians: Israel is strong, the Palestinians are weak; Israel holds all the disputed territory; Palestinians never started a war against Israel and say they want peace (at least some say so). Palestinians present no real danger to Israel.

Israel and the Arabs: The Arab states have armies large enough to threaten Israel's existence, and they have five hundred times as much land and thirty times as many people as Israel. The Arab states have attacked Israel and (except for Egypt) refused to discuss peace since Israel came into existence.

The nature of Israel's obligation to the Palestinians, therefore, depends upon whether Israel has an obligation to ignore their Arab connection. So we have to ask how significant that link really is.

First of all, the Palestinians get their power from the Arab states. While it is the struggle of Palestinian people in the territories that makes news and appears to be the cause of the pressure on Israel to negotiate with the PLO, that appearance is an illusion. The Palestinians' struggle would have no political significance if it were not for the diplomatic, political, and financial power of the Arab states and their Communist and other allies.

Secondly, while many Palestinians are angry at the way the Arab states have abused them, there has been no movement among the Palestinians to separate themselves from the Arab war against Israel's existence. Nor have the Palestinians called on the Arab world to make peace with Israel if Israel would only deal fairly with them. For Israel to make peace with the Palestinians while the Arab war against Israel continues would be like making peace with a hand while the rest of the body is trying to kill you.

Israel must respect the humanity and the interests of Palestinians, and act as justly toward them as it can, but this does not mean that Israel is obligated to produce justice for them. That is beyond Israel's power. Israel can try to work out practical accommodations that would reduce the pain to both Palestinians and Israelis while the Arab war against Israel continues.

Israel must also pursue lasting peace with the Arab states, both as a matter of justice to the Palestinians, and because Israel's basic long-term security requires it—at least by the time her neighbors become modern enough to produce and operate high-quality armored divisions in mobile combat. (This is a rejection of the view that Israel has no choice but to be at war for the indefinite future, and therefore need not and cannot

have a policy of seeking peace.) But if Israel were tempted to do so by opening negotiations with the Palestinians for a new Palestinian state, she would be moving away from peace. The key to moving toward peace is to respond to the causes of the real war, which is why the Egyptian ten points are not helpful.

The original-cause was the Arab states' refusal to have a Jewish state in the Middle East. In the forty years since Israel's creation, the Arab states have learned that they cannot defeat Israel militarily (although that fact might change). They have no active programs to destroy Israel; their military forces (except Syria's) are primarily designed for use against each other. But none of the Arab states except Egypt officially recognizes the State of Israel; the others are legally still at war with it.

The government of each of the Arab countries is beset by one or more fundamentalist or fanatic Moslem organizations trying to get the country to return to more traditional Islamic practice. The Arab governments thus take pains to avoid actions that might stir up Islamic fundamentalist discontent—such as making peace with Israel. They continue to operate a worldwide boycott to prevent people from doing business with Israel; they refuse to negotiate; and they distribute anti-Jewish and anti-Israel propaganda, like The Protocols of the Elders of Zion. Generally, no argument for the legitimacy of Israel as a state is permitted in the Arab countries (with the partial exception of Egypt), and Arab children through the university level are educated to hate Israelis and to regard the State of Israel as illegitimate and evil. There is little doubt that, if they saw a chance to destroy Israel and slaughter Israelis, the Arab states would be held back only by concern for protecting themselves.

The critical step in designing a peace strategy is the selection of goals. The degree of "peace" that exists now—that is, an absence of combat except with the Palestinians—is too low a goal; it doesn't provide enough protection. But reconciliation—that is, cordial relations between Israel and the Arab countries—is too high a goal: it is unrealistically ambitious.

The realistic and necessary goal for Israel is peace treaties with the principal Arab states—Syria, Iraq, Jordon, Saudi Arabia, and Lebanon. If Syria and Iraq were not included it would be too dangerous for the other countries to make peace, but with Syria, Iraq, Egypt, and Saudi Arabia included, there is no other Arab state that could challenge the legitimacy of their action. Although peace treaties won't solve everything, they would be an important step for at least three reasons. First, signing peace treaties would force Arab governments to explain to their people why it is right to accept Israel as a legitimate state. Second, an Israeli embassy, flying the Israeli flag, in each Arab capital will help prepare new generations of Arabs to accept the idea of Israeli legitimacy. Third, Arab leaders who oppose attacking Israel or taking terrorist actions against her will be in a stronger position if their country has signed a peace treaty.

But before any Arab government will even consider making peace with Israel it must be convinced that Israel cannot be destroyed. As it happens, the main hope for destroying Israel is internal dissension, followed by conflict between Israel and the U.S. (and Europe). Any impression that Israel might become so divided as to lose the will to defend herself weakens the prospects for peace.

The Arab countries (like most countries) are impressed by power. If Israel is forced back—except in the context of an Arab defeat, as in 1973—the Arab countries will be encouraged to think that their faith in Islam's power is being vindicated and that they should redouble their efforts. They will never be *satisfied* by Israeli concessions or retreats.

But even once the Arab states understand that they have no hope of destroying Israel, there remain three major obstacles to peace. First, the Arab countries don't stand to gain much from making peace. They need their armies anyhow, for protection against other Moslem countries. Since the state of war is not costly to them, peace would not be profitable. Second, they are afraid that it would endanger their governments by giving their fundamentalist minorities an excuse to attack them. Third, the high visibility of the conflict between Israel and the Palestinians stirs Arab hatred of Israel.

But time is on Israel's side for two reasons. The Arab threat to Israel has been largely dependent on Soviet arms, money, and political help. But growing conflict within the Soviet empire suggests that, within the next decade or two, Soviet support for Arab resistance to peace will greatly diminish.

Furthermore, contrary to current impressions, the long-run trend is against the Islamic fundamentalists. Their main conflict with the rest of the Arab population is not about the war with Israel, it is about their effort to make their countries observe the law of Islam more strictly. Traditional Islam seems to be in conflict with modernity, and most Arabs want their countries to become modern enough so that the people can have educations and decent and healthy living conditions. The fundamentalists got a big boost from Khomeini's victory, and from Arab oil power, but the effect of these two events is beginning to wear off. Sooner or later the Arab populations will become strong enough to resist their fundamentalists tendencies, and the Arab states will be able to make peace with Israel.

Israel's conflict with the Palestinians gives peacemakers a cruel dilemma. On the one hand, if Israel could end the dramatic conflict with the Palestinians, that would remove one obstacle to an Arab-Israeli peace. On the other hand, if such a settlement led hopeful Arabs to think that Israeli power has begun to decline, then the Arab states would be completely unwilling to make peace. Evidence of Israeli weakness would stimulate Arab enmity at least as much as Israeli "oppression" of Palestinians. (This is the Middle Eastern Catch-22.)

This does not mean that Israel can't afford to make voluntary (i.e., not resulting from American pressure) concessions once the current uprising has been clearly defeated. But if Israel were forced to surrender most of the territories by internal political divisions, rock-throwing Arab crowds, and foreign pressure, that would exactly contradict all the requirements of the pursuit of peace. It would remove any pressure on the Arab states to move toward peace. It would demonstrate the success of a cheap form of Arab attack against Israel. It would show Israel's reluctance to do what is necessary to protect herself. And the maximum gain is a tenuous peace with only part of Israel's least dangerous enemy.

The real path to peace is to bring diplomatic and political attention back to the long-term underlying conflict. The world's concern for the Palestinians should be expressed by demands that the Arab states move toward peace. The United States must give the Arabs reason to think that (a) while they refuse to move toward peace, they will not gain American favor, and (b) the longer they wait, the worse the terms will be for them.

In sum, the way to pursue peace is to expose and counter the Arab strategy, expressed anew in the Egyptian ten points, of pretending that the war against Israel is a Palestinian war. Israel should stop discussing the terms of peace until the Arab states indicate that they are ready to make peace.

H.R. 4000, THE CIVIL RIGHTS ACT OF 1990, HAS NOTHING TO DO WITH QUOTAS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. HAWKINS. Mr. Speaker, one of the principal purposes of the Civil Rights Act of 1990 is the restoration of the disparate impact theory under title VII. This theory derives from Congress' original intent, when it enacted title VII in 1964, to prohibit employment practices that are fair in form, but discriminatory in operation. Since a unanimous Supreme Court first recognized Congress' intent 19 years ago in Griggs versus Duke Power Co., Federal courts have applied the theory in hundreds of cases in the 1970's and 1980's.

Griggs and its progeny have led to the elimination of countless unnecessary barriers to employment opportunity, opening up millions of jobs to women and minorities. In many cases, women and minorities have successfully challenged discriminatory employment practices that had nothing to do with their ability to perform the jobs in question. However, in many other cases, employers have successfully defended practices which were, though discriminatory, truly necessary to their businesses.

Despite the fair balancing of interests Griggs achieved, however, five members of the Supreme Court gutted it last year in the Wards Cove case. The Civil Rights Act of 1990 restores the disparate impact theory and breathes life again into title VII.

For 6 months, critics of this legislation have complained that these rules, if reestablished, would be too difficult for employers to meet. They warn that employers will make sure their work forces are numerically proportioned so they can avoid lawsuits they cannot win. But for 6 months, and through 10 hearings and three markups, none of these critics has offered a shred of evidence that supports their assertions. Indeed, how could they, when 19 years of case law and experience suggests otherwise?

I would like to submit for inclusion in the CONGRESSIONAL RECORD two articles by Sholom D. Comay, president of the American Jewish Committee, which clarify this misperception about the Civil Rights Act of 1990. The American Jewish Committee is a longstanding opponent of quotas, but has fully

supported this legislation since its introduction last February.

[From the Christian Science Monitor, July 11, 1990]

THE CIVIL RIGHTS ACT IS NOT A QUOTA BILL

(By Sholom D. Comay)

A small coterie of opponents to the Civil Rights Act of 1990 have sought to advance their cause by labeling the act "a quota bill." Nothing could be further from the truth.

The act does not mandate quotas. Nor does it even encourage or authorize the institution of quotas as one of the remedies available to victims of discrimination. The American Jewish Committee is an organization long opposed to quotas and is a strong supporter of the bill.

Behind the specifics of this legislation to restore and strengthen civil rights protections are people: people whose lives will be, and already have been, dramatically and negatively affected by the weakening of laws against employment discrimination. When members of our society are adversely affected, society itself stands weakened.

The Civil Rights Act of 1990 would remove substantial barriers to relief from employment discrimination that face women and racial, religious, and ethnic minorities, barriers that have resulted from several recent Supreme Court decisions that overturned established law.

Among its goals, the bill would reestablish a Supreme Court standard first developed in 1971 in *Griggs v. Duke Power Co.* Before the court reversed itself in the June 1989 *Wards Cove* decision, the *Griggs* precedent stood for nearly 20 years, without once resulting in racially based numerical quota systems.

The standard enunciated in the Civil Rights bill, taken nearly verbatim from *Griggs*, recognizes a fair distribution of legal responsibility in cases of employment discrimination by providing that, if a plaintiff links an employment practice with a discriminatory or disparate impact, the employer then must prove the business necessity of that practice. The initial burden upon the plaintiff is significant. The plaintiff must not only first prove that a statistically significant disparity exists that presents a pattern of discrimination, but also that a link exists between the specific employment practice or group of practices and the discrimination.

Thus, contrary to the bill's opponents, the Civil Rights Act would not permit an aggrieved worker to attack an employer's "employment process" merely because a racial imbalance exists. Rather, he or she must prove a causal connection. Only then does it become the burden of the employer to prove, as a defense, that the specific practice or group of practices "bears a substantial and demonstrable relationship to effective job performance."

Contrary to statements by the bill's opponents, before *Ward Cove*, employers satisfied the business necessity standard without resorting to quotas. In fact, under Griggs, many employers were able to prove that a challenged employment practice was necessary for the success of the business, and thus the cases were dismissed.

An employer is far better equipped to show the necessity for a given employment standard than is an employee to show that there is no such need. After all, such information is available to employers, rarely to employees.

The bill's opponents cite other alleged problems. Faced with the almost 20 years of evidence to the contrary, opponents claim that "conservative legal counsel," fearful that their clients would be dragged into court, would now advise employers to institute quotas as a safety measure. Such counselors must not have been in practice between March 8, 1971, when the *Griggs* decision was handed down, and June 5, 1989, when *Wards Cove* overturned *Griggs*—or they failed to make such recommendations, or employers chose not to go along with their recommendations. In the years following *Griggs*, the court required employers to remove subjective tests which had a discriminatory impact, among other barriers, but never once required an employer to utilize quotas for hiring.

Opponents further assert that the Civil Rights Act of 1990 would lead to endless litigation and costs. Again, no data exist to support the claim. In fact, a strong case can be made that the bill would discourage litigation. Moreover, such litigation that may be brought, according to studies of litigation under a related civil rights statute, as a rule has not led to large verdicts. Opponents also charge that the bill and its policy of "quotas-by-threat" is another example of affirmative action gone awry, violating basic principles of equal justice. Not only is such a charge false, but it fails to distinguish among the many forms of affirmative action, including goals and timetables, that measure performance and encourage universities and employers to seek out *qualified* applicants.

The quota scare tactic is much ado about nothing. What *is* important is what the Civil Rights Act of 1990 would accomplish once it is approved by Congress and signed into law. Our government would then send the important signal that justice must not be denied; that this country will neither tolerate nor support employment discrimination; and that for the ethical, moral, and economic well-being of this nation such discrimination must not be allowed.

[From the Washington Times, July 17, 1990]

CIVIL RIGHTS REPAIR: PROTECTION FOR EQUAL JUSTICE

(By Sholom Comay)

The Civil Rights Act of 1990 is the subject of heated debate on Capitol Hill. As president of the American Jewish Committee, I write to underscore the importance of this measure. This "civil-rights bill of the 90s" is moving through Congress, after being introduced by a bipartisan coalition in both houses of Congress, and currently has the support of 48 senators and 182 representatives.

During a joint hearing of the House Education and Labor Committee and the House Judiciary Committee Subcommittee on Civil and Constitutional Rights, I testified with other civil-rights leaders who reviewed the struggle women and minorities have waged over the past quarter century. But why did we come before Congress to testify? Were not millions of Americans already protected by civil-rights laws dating back to the 1960s, and the 1860s?

We testified because many protections previously afforded under these laws no longer are available; they were eliminated by the Supreme Court's 1989 restrictive decisions. In its rulings, the Supreme Court turned dramatically away from the national consensus behind the vigorous enforcement of federal equal opportunity laws, abandoning the well-established principle that remedial civil-rights statutes ought to be broadly construed.

The civil-rights community, including the American Jewish Committee, has thus urged Congress to support the Civil Rights Act of 1990. This important measure would help remove the unfair restrictions women and racial, ethnic and religious minorities once again confront in the workplace.

Behind the dry legalisms in this bill are individuals whose lives will be, and already have been, dramatically affected by the weakening of laws against employment discrimination. The Civil Rights Act of 1990 would restore and strengthen remedies for gender, racial, religious and ethnic discrimination on-the-job, and in hiring, firing and promoting, and it would require employers to prove that a job practice or group of practices with discriminatory impact is necessary for business purposes.

The bill also would allow victims of intentional racial, gender, religious and ethnic employment discrimination to collect monetary damages, as is now the case for victims of intentional racial discrimination. The act also would allow employees to challenge discriminatory job practices when they learn how they would be personally affected and would, at the same time, limit extraneous, repetitive, and costly litigation of issues already resolved by the courts.

Those who oppose the act have taken several tacks. First, they argued that the Supreme Court's decisions were merely "technical corrections." Then they introduced an alternative bill. Finally, they have attacked the Civil Rights Act for allegedly establishing racially based numerical quota systems. However, nothing in this bill creates, condones, or even encourages the institution of quotas.

The portion of the bill thus criticized would merely codify case law existing prior to the Supreme Court's deplorable decision in the Wards Cove case. Reversing that decision to restore the earlier law would place the burden of justifying discriminatory job practices on the shoulders of those with the most information available about job practices: employers. If employers can prove that, regardless of the discriminatory impact, a particular job practice bears a "substantial and demonstrable relationship to effective job performance," employers would be free to continue that practice.

President Bush has offered an alternative to the Civil Rights Act of 1990, the Civil Rights Protections Act (S. 2166/H.R. 4081). The AJC opposes this bill because it targets only two of the six recent decisions of the court, inadequately at that.

The administration addresses only one aspect of the many types of employment discrimination, and is silent on the systemic nature of employment discrimination that retards the progress of women and racial religious and ethnic minorities.

What are our specific objections to this bill? And what does it tell us about the administration's views on civil rights? We oppose this bill because it would place an undue burden on the victim of discrimination. It would require employees to prove that an employment practice with discriminatory impact is not necessary for business. Thus, when fighting employment discrimination, workers would be required to use information they are not likely to possess, or be able to obtain. This would make cases with merit exceedingly difficult, if not impossible to win, and is fundamentally unfair.

We oppose the administration's bill for these additional reasons: It would permit in-

appropriate motives like race, gender, religion and ethnicity to be factors in hiring, firing, and promotion decisions; it would not allow a victim of intentional gender, religious or ethnic discrimination to seek monetary damages, although under present law a victim of racial discrimination is able to collect such damages; and it would allow continuous and costly legal challenges to civil-rights cases that have been settled on terms approved by a court.

Over the past 25 years, this country has made great strides in civil rights. Gone are the segregated drinking fountains, lunch counters and schools. This nation has held aloft the ideal of mutual respect for all people, regardless of the color of their skin, the accent in their speech, their religion or their gender. We cannot afford to go backward, fighting past battles, instead of meeting the challenges that a new century will present. We cannot let the vestiges of a bygone era keep us from finally achieving the goals envisioned in the Declaration of Independence, that all are entitled to life, liberty and the pursuit of happiness.

Let 1990 be a watershed in the history of civil-rights law. The AJC supports the Civil Rights Act of 1990 because we believe in this ideal and are committed to equal justice for all. I urge those of you who share this ideal and commitment to contact your members of Congress and let them know that you also support the Civil Rights Act of 1990.

VOTE-BUYING SCHEME

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. JACOBS. Mr. Speaker, in the cold initial months of 1985, a cynical campaign of slander was conducted against the Democratic Party with regard to the 1984 U.S. House election in the Eighth District of Indiana.

A few, a very few Members of this body actually said in House proceedings that the Democratic Party was stealing that election.

David Lilienthal spoke of "setting one American against another based on mere attacks, mere unsubstantiated attacks."

The following newspaper articles are not slander nor "mere unsubstantiated attacks." They constitute fact which confirms that "truth crushed to Earth shall rise again."

[From the Indianapolis News, June 30, 1990]

PROBE OF VOTE-BUYING ENDS IN SENTENCING

A four-year probe of vote-buying in a rural Indiana county ended Friday when U.S. District Judge Gene E. Brooks sentenced former Rockport Mayor Ferman M. Yearby to 60 days in prison.

As chairman of the Spencer County Republican Party, Yearby directed what many considered to be a traditional Spencer County practice of buying votes with dollars and whiskey.

Each election year, at least for the period 1982-1986, that was investigated. Yearby and others raised thousands of dollars that were funneled to "drivers."

The drivers would round up voters on election day, paying them $25 to $50 for their vote or buying them liquor.

Yearby, 70, was only one of 17 persons to be convicted in the vote-buying scheme. Others included two Republican Party county treasurers, a county commissioner and a township trustee.

In 1984, Spencer County vote-buying nearly changed the outcome of the 8th District congressional race. State officials initially declared Republican candidate Richard D. McIntyre the winner by 34 votes, but the House refused to seat McIntyre. A federal recount declared Democratic Rep. Francis X. McCloskey the winner by four votes.

[From the Indianapolis News, May 15, 1990]

ROCKPORT MAYOR MAY LOSE PARTY JOB, TOO

(By Terry Horne)

State law will require Rockport Mayor Ferman M. Yearby Jr. to give up his city office upon conviction in a vote-buying scheme.

However, state Republican Party officials say they may not be able to take away his job as Spencer County Republican chairman.

The U.S. attorney's office filed a plea agreement Monday in which the 70-year-old mayor said he will plead guilty to conspiring with the Spencer County GOP treasurer, a township trustee and others to buy votes in the 1982 and 1984 general elections.

Yearby's plea closes out a three-year investigation of vote-buying by Spencer County Republican officials, U.S. Attoney Deborah J. Daniels said

He will be the 17th person to be convicted in the vote-buying case, and Daniels said Yearby was at the top of the pyramid.

"It's a sad commentary on the electoral process when the top officer in a political party in a county is enmeshed in the vote-buying process." she said.

Yearby faces up to five years imprisonment and $250,000 in fines. He could not be reached for comment.

State GOP chairman Keith Luse and the news of Yearby's plea raises "real concern." Luse plans to bring the issue before the state central committee at its regular meeting later this week.

He added there do not appear to be any rules allowing the state officials to remove Yearby from his party office.

Any action would have to be taken by county party officials.

Luse said he has asked the party's legal counsel to review what measures can be taken.

The county vice chairman, Louise Talbott, said she didn't know whether Yearby would remain as county chairman. "We've never had this happen before," she said.

According to the indictment, Yearby and others raised thousands of dollars that eventually were funneled to "drivers," who would pay voters $25 to $50 or buy them whiskey for their votes.

At one point, the Spencer County vote-buying scheme had the potential to distort history.

In 1984, the 8th Congressional District, of which Spencer County is a part, was the scene of one of the nation's closest electoral contests.

State officials initially declared Republican candidate Richard D. McIntyre the winner by 34 votes, but the issue eventually was carried all the way to Washington when the House refused to seat McIntyre.

A federal recount declared incumbent Democratic Rep. Francis X. McCloskey the winner by four votes, however.

Yearby is scheduled to be sentenced June 29 before U.S. District Judge Gene E. Brooks.

[From the Indianapolis Star, May 27, 1990]

VOTES-FOR-CASH PROBE NETS SEVERAL CONVICTIONS

(By James A. Gillaspy)

During the past three years, federal authorities have won convictions against Republican Party officials and workers who paid more than $50,000 to buy votes in Spencer County elections for local, state and federal offices.

The principal target of the probe—and the last suspect to be charged in the six-year investigation—has agreed to plead guilty and be sentenced on June 29 in U.S. District Court at Evansville.

Rockport Mayor Ferman Yearby, chairman of the county's Republican Party, has admitted he solicited political contributions for Republican vote-buying: referred candidates to party officials for vote-buying assistance; and tried to conceal payoffs during the investigation.

Though he was charged in a 15-count federal indictment in October, Yearby is pleading guilty to a single charge of conspiracy as part of a plea agreement with first assistant U.S. attorney Timothy M. Morrison.

The maximum possible sentence for conspiracy is five years in prison and a $250,000 fine.

As part of his punishment, the 70-year-old mayor must resign from office. Others convicted during the investigation are:

L. J. Scamahorn, a former treasurer for the Spencer County GOP, convicted of conspiracy, fined $1,000 and sentenced to five years' probation and barred from public office during that period.

Ronald W. Cron, Scamahorn's successor as Spencer County Republican Central Committee treasurer, convicted of conspiracy, sentenced to two years' probation and barred from public office during that period.

James William Scherer, a former Spencer County commissioner, convicted of conspiracy, fined $2,500 and sentenced to five years' probation.

Kermit Lindsey, a former Ohio Township trustee in Spencer County, convicted of conspiracy and sentenced to five years' probation and barred from public office during that period.

James Harrison, an organizer of the vote-buying effort, convicted of conspiracy, fined $1,000 and sentenced to five years' probation and barred from public office during that period.

William Parm, a vote-buying recruiter, convicted of conspiracy and sentenced to two years' probation and barred from public office during that period.

John Donald Smith, a driver, convicted of vote-buying and fined $5,000.

Larry Snyder, a driver, convicted of conspiracy, fined $1,000 and sentenced to four years' probation.

Donald Crane, John Clark, Eldon Cleon Lindsey, Joseph Wilkowski, Larry Fodge, Bobby Gene English and Rudy Jackson, all drivers convicted of conspiracy and sentenced to two years' probation and barred from public office during that period.

Larry D. Williams, a driver, convicted of offering to buy a vote and sentenced to one year's probation.

Mr. Speaker, pursuant to article 1, section 5 of the Constitution, the historically close and disputed 1984 election results in Indiana's Eighth District were thrown into the House of Representatives.

The U.S. House Recount Commission, composed of one Republican and two Democratic House Members repeatedly bent over backward to give the Republican candidate the benefit of the doubt which is to say several advantages. In precincts where more votes were cast than voters, clear precedents of the House were rejected by the Commission to the benefit of the Republican.

Ten clearly illegal 1984 absentee ballots—counted in no other 1984 contest in the Eighth District of Indiana—were counted by the Commission to the 3-vote advantage of the Republican candidate. One of the ballots was not cast in the congressional race and the other 9 broke 6 to 3 in favor of the Republican, an illegal 3-vote gift from the Commission.

Even with these unfair advantages given to the Republican, the Democrat, our colleague, FRANK MCCLOSKEY emerged with a 4-vote plurality and was seated. The record itself shows that Mr. MCCLOSKEY actually won by 7 votes.

Except for those 10 illegal ballots counted, on balance, against FRANK MCCLOSKEY, no one can name a ballot that was allowed by the Recount Commission in the congressional race which was not also counted by the election officials in Indiana in the other contest involved in the same Eighth Congressional District. And no one can identify a ballot which the Commission did not count which was counted by the Indiana officials in other contests conducted in the same Eighth Congressional District.

The following April 22, 1985, Wall Street Journal editorial probably in good faith, asserted that Indiana election officials had declared the Republican the winner by 400 votes. As can be seen by the Indianapolis newspaper article, that figure was actually 34 votes. Even that figure was in dispute. The 400-vote figure emerged during an Indiana State recount pursuant to an archaic State statute which allowed the party in power—in this case, the Indiana Republican one—to throw out all perfectly legal ballots in any precinct where even the tiniest of clerical errors were made on tally sheets. Indiana Republicans themselves later in the same year rejected the same statute as unworkable and unjust.

TIP'S GOLD WATCH

It's nice every now and then to be able to write about one of those events held dear in American culture. In this instance, it's the traditional retirement party. If things go according to plan, the Democrats this afternoon will kick off the official beginning of the festivities surrounding the announced 1986 retirement of House Speaker Tip O'Neill. The keynote speech on the House floor today will go something like this: "And so, Mr. Speaker, in honor of your more than 32 years of service to the House and to the U.S. system of electoral politics, we present you with a small token—the eighth congressional seat of Indiana!" At this point the Speaker will be handed his human gold watch—a shiny new Democratic congressman named Frank McCloskey.

On Friday, two other Democratic congressmen decided that Mr. McCloskey won that long-disputed election in Indiana by a margin of four votes. While this gives the Speaker a chance to celebrate by finally winning one, don't expect much applause from the Republican side of the aisle. It is much more likely that what will occur on the floor of the House of Representatives today will less resemble a victory party than a bitter and bloody pit fight. Here's why:

For the past few weeks a group of official vote counters created by the House Democrats have been out in Indiana's Eighth District recounting the ballots cast there last November. The House Democrats didn't like the November outcome because a Republican named Richard McIntyre won the election by something over 400 votes, and his opponent, the incumbent Mr. McCloskey, complained about the results and about how votes were counted in several counties.

This was the first time in 24 years the House ordered a recount instead of accepting state certification, though at no point in the affair has anyone raised charges of fraudulent procedures. The House Democrats voted twice to refuse to seat Republican McIntyre, which means that the people of Indiana's Eighth District have had no vote in the House for nearly four months.

The Democrats set up a "task force" to recount the vote in Indiana. Last Friday, the Democrats' designated counters finished poring through the ballots and announced that Mr. McCloskey had won the election by a vote of 116,645 to 116,641. In the end, the great Indiana recount came down to judging several dozen disputed ballots as for either McIntyre or McCloskey. This task fell to the special commission's three House members—Democrats Leon Panetta and Bill Clay and Republican Bill Thomas. Ironically enough, the members judged the ballots by voting on them, and after watching the Democrats repeatedly vote for Mr. McCloskey, Republican Bill Thomas quit voting.

Throughout all the partisan contentiousness over this dispute, nearly all had agreed that if the outcome of the recount in this admittedly close election came down to a handfull of votes, there would be a new election. What no one took into account, but probably should have, was that this whole show has been run by arguably the two most partisan Democrats in the House—Tip O'Neill and Tony Coelho. At 3 p.m. this afternoon, the Democrats will most probably vote to seat Mr. McCloskey based on this four-vote "victory." The lively proceedings will be televised on C-Span.

From where Mr. O'Neill and Mr. Coelho sit, Mr. McCloskey's new, four-vote win is mainly an opportunity to stick it to their nemesis in the White House by staging a straight party-line vote on the seating. Such victories may afford the Speaker some pleasure as he battles toward the sunset, but we wonder whether younger House Democrats might not be wondering if that loud sound they hear is their party crashing into the rocks at the bottom of the falls. There is simply no way the Democrats can look good saying a Democrat's four-vote victory is valid after they said a Republican's 400-vote victory was invalid.

But then, the Speaker doesn't have to worry about the future, since he won't be around. If making a mockery of the democratic process will give him fond memories for his golden years, we believe he should by all means go ahead.

Mr. Speaker, there are people who owe Mr. MCCLOSKEY and his party an apology. But do not hold your breath until the apology is made.

COMMENTING ON AIDS RESEARCH FUNDING

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. PURSELL. Mr. Speaker, Congress approved an annual appropriation bill in mid-July which includes health research funding—and the process by which those research dollars are apportioned has drawn criticism.

At the heart of the debate is the level of funding provided AIDS research, currently $1.6 billion per year. The appropriation bill approved by the House calls for $1.7 billion during fiscal 1991, more than triple the fiscal 1987 level of $502 million.

In May, some 1,000 AIDS activists protested outside the National Institutes of Health [NIH] in Bethesda, MD—the umbrella agency through which most of the research dollars are channeled. The NIH demonstrators, like those outside the recent economic summit in Houston, claim government has been inattentive to AIDS. They believe more can and should be done.

There is no question the pain caused by AIDS is enormous. As a senior member of the House subcommittee charged with writing the annual health care appropriation, I recognize the devastation brought on by AIDS. I also recognize the need for ongoing research.

Each year my subcommittee receives testimony from AIDS researchers, doctors treating AIDS patients, AIDS patients themselves and the family members of AIDS patients. There is little doubt the victims deserve our attention, compassion, and a portion of our health care research dollars.

But AIDS victims are not alone in their pain. We also hear from witnesses testifying about cancer, heart disease, Alzheimer's disease, stroke, lung disease, and the list goes on.

With limited research dollars available, policy makers such as myself must focus on priorities—priorities built on a comprehensive point of view rather than political pressure. We must balance the health needs of an entire population.

Unfortunately, many fail to recognize the comprehensive approach needed for health research, viewing AIDS as the preeminent health crisis, rather than as one of the many health problems which claim lives each year.

Commenting after the NIH protest, columnist Charles Krauthammer wrote in a June edition of Time magazine:

AIDS is now riding the crest of public support, won in the rough and tumble of politics. All perfectly legitimate, and a tribute to the passion and commitment of AIDS activists. But that passion turns to mere stridency when they take to the streets to protest that * * * society has been ungenerous and stinting in its response to the tragedy of AIDS. In fact, American society is giving overwhelming and indeed disproportionate attention and resources to the fight.

Concerned about the disproportion, I raised this point a year ago during debate over fiscal 1990 health research funding.

Speaking at Herrick Hospital in Tecumseh in July 1989, I pointed out that while the total

number of AIDS-related deaths since 1981—now about 80,000—is devastating, cardiovascular diseases claim as many lives every 4 weeks. Yet, AIDS research funding exceeds the amount spent each year on heart disease, about $1 billion.

I also pointed out that Federal AIDS research funding now equals the amount spent annually on cancer research, despite the fact cancer claims some 500,000 lives a year, while AIDS claims less than 10,000.

Bringing the perspective closer to home, the leading cause of death in Michigan, like many other States, continues to be heart disease. In fact, Michigan has the Nation's highest chronic disease death rate—deaths caused by illnesses such as heart disease, stroke, diabetes, lung cancer, breast cancer, cervical cancer, colorectal cancer, or cirrhosis.

The more than 500 deaths per 100,000 population in Michigan caused by these chronic diseases compares with 5 deaths per 100,000 population for AIDS. Yet, funding for AIDS in Michigan from the Center for Disease Control [CDC] is second only to immunization funding. The CDC—which is a part of the health appropriation—reports its AIDS funding in Michigan exceeds chronic disease prevention by more than 40 to 1.

Since pointing out this growing disproportion a year ago, I have heard from many members of the national health research community. Most have expressed concern about the funding trend.

Researchers in all settings are feeling the effects of the shift, as funds and personnel increasingly are moving to AIDS-related projects, leaving vulnerable the other critical health research areas. Their voices, coming from NIH, hospitals, and universities are asking to be heard.

Last month, Dr. Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases—the lead AIDS institute—went on record concerning the AIDS funding trend.

"There is a disproportionate amount within the framework of what we're spending on biomedical research given to AIDS when you compare cancer and heart disease," Dr. Fauci said.

When the full record is reviewed, I believe the need to remove politics from the health research allocation process becomes apparent. As I said at the onset, policymakers must balance the health needs of an entire population.

The momentum of AIDS has pushed other health needs to the periphery. It's time we took a step back to regain our perspective and refocus our health research efforts based on priorities rather than politics.

PERSONAL WATERCRAFT: DANGEROUS TOYS?

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. BARNARD. Mr. Speaker, I rise to alert my colleagues to the possible dangers to innocent bystanders arising from the use of small, motorized watercraft, known as water scooters or personal watercraft. Anyone who has attempted to relax near a river or lake or any open piece of water is aware of the annoying, whiny, persistent noise which these craft emit. However, they have also been known to be involved in several injuries and deaths to innocent people.

The Government Operations Committee's Commerce, Consumer and Monetary Affairs Subcommittee, which I chair, has a long and continuing interest in safety issues concerning the use of motorized vehicles. The subcommittee did the initial and basic investigation and hearings on the safety regulation of all-terrain vehicles [ATV's] by the Consumer Product Safety Commission. This investigation resulted in the agreement by the industry to cease selling the three wheeled version of the ATV. Personal watercraft present some of the same safety issues raised in the ATV matter, and for this reason the subcommittee has begun an investigation of the adequacy of safety of these vehicles.

Jurisdiction for regulation of the safety of these vehicles on the Federal level is lodged in the Coast Guard. The States and localities also share responsibility for safety regulation. Some States appear to be making an attempt to regulate age limitations and areas in which these vehicles may be used, but others are not. Unfortunately, at this juncture, it is my conclusion that more must be done on both the Federal and State and local levels in a concerted manner to get this incipient safety issue under control.

I want to call to the attention of my colleagues my recent letter which appeared in the July 23, 1990, New York Times concerning an article which had appeared on this subject.

The letter follows:

[From the New York Times, July 23, 1990]

AS MORE PEOPLE TAKE TO PERSONAL WATERCRAFT, DANGERS INCREASE

To the Editor:

Your July 8 article on personal watercraft as pleasure or nuisance neglects to mention that these new "toys" can be not only disturbing but also dangerous, and some vehicles may be more dangerous than others. Safety in the use of these vehicles has become a public-policy issue because increasing numbers of people have been killed or injured in their use.

The House of Representatives Commerce, Consumer and Monetary Affairs Subcommittee, which I head, has investigated the safety and regulation of these vehicles for more than two years. The Coast Guard, which collects statistics from state authorities on all boating-related deaths and injuries, reports to me that it knows of 55 deaths and more than 1,000 serious injuries since 1985 connected with use of personal watercraft. The figures may be incomplete because the Coast Guard estimates it receives reports on only 5 percent to 10 percent of all nonfatal accidents. One purpose of my investigation is to determine if more precise data collection should be required.

People have been killed in collisions with personal watercraft. A woman in a rubber raft on vacation in Hawaii was killed by a fast-moving motor craft driven by a 6-year-old boy. Most often collisions result, in the Coast Guard's words, from "the deliberate desire of the operators to use the maneuverability of the craft to the utmost—by riding in very close proximity to other boats, either making sudden but deliberate turns when riding in close formation with other personal watercraft or when 'wake jumping' behind other boats."

Many users of these craft are young, and state laws differ tremendously on age limits and training before they may be sold or rented. Young people rent these craft because they are relatively expensive. An industry publication states, "the statistics show that when you're out there cruising this summer and a personal watercraft comes whizzing toward you at 35 or 40 m.p.h., the odds are that the rider is young, inexperienced (perhaps it's his first time up on a rented craft, and he doesn't even know how to stop or turn it), and he knows even less about the rules of the road or anything else about boating." Young users have been disproportionately killed and injured by them.

The dramatic increase in personal watercraft makes this a public-policy issue. The industry estimates about 250,000 vehicles have been sold. Other estimates put the number in the United States at up to 500,000.

Finally, not all personal watercraft require the operator to stand or kneel. It has been alleged that the stand-up model encourages more dangerous maneuvers. Thus, another object of my investigation is to determine if there is a relation between accidents and deaths among different models.

DOUG BARNARD, JR.

WASHINGTON, *July 9, 1990.*

THE GRANDEST FLAG IN THE WORLD

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Ms. ROS-LEHTINEN. Mr. Speaker, it gives me great pleasure to recognize today a truly fine and patriotic American, Ann Shires of Miami Beach, FL.

In 1986, this outstanding constituent wrote a song expressing her great love for freedom and our grand flag. Her song, entitled, "American Flag," pays tribute and praise to that flag which has flown proudly for over 200 years.

Ann Shires is a patriot, who recognizes all that the flag stands for, and is willing to stand by it and is proud to keep it flying. She knows that the stars and stripes are meant to be respected and that pledging allegience is a virtue, not a vice.

Include Ann Shires as one who loves the flag of the United States of America and the Republic for which it stands and I am honored to include her song for all to read and enjoy:

AMERICAN FLAG

(By Ann Shires)

This is my flag, red, white and blue with 50 stars.
Each star is a state of the Union.
This is my flag which represents freedom to everyone.
This is my flag of 200 years.
It will never, never die, it will always live no matter how small, crumbled or ripped.
This flag will live and fly across every hill, valley, mountain top, moon and planet.

I'm proud to be an American who flys the greatest, grandest flag in the world.
It is the red, white and blue with 50 stars.
For as long as America lives so will "Old Glory" that is forever, that is forever.
This is the flag of 200 years.
It's the flag of the American Revolution, Bunker Hill, Boston Tea Party and Continental Congress.
This is the flag our forefathers fought for, Washington, Adams, Jefferson and Lincoln.
It is our Bill of Rights, Declaration of Independence, Constitution, Liberty Bell, Gettysburg Address, Statue of Liberty, and most of all liberty and freedom.
This is the greatest flag in the world.
And without our mother country, England, we would never have had this flag, so we must thank, thank you very, very much.
For our brave soldiers who fought all the wars for freedom home and abroad, so that our flag and America could live in peace, we are eternally grateful.
For our brave astronauts who explore the wonders of space, and implanted the flag on the moon, we are proud.

CONGRESS CARRIES THE TORCH FOR AFGHAN RESISTANCE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. DREIER of California. Mr. Speaker, as the struggle continues in Afghanistan against the totalitarian regime of Najibullah, much of what is going on there is ignored by the media. The Soviets admitted the bankruptcy of their occupation of Afghanistan, although they still send in, by some accounts, almost $300 million per month to prop up the Najibullah regime. It seems that when the Soviets officially withdrew, we in the United States lost interest. But, Mr. Speaker, we must not forget the valiant resistance fighters in Afghanistan. Their struggle for freedom and self-determination continues. I would commend to my colleagues an excellent article from Insight magazine on congressional support of the Afghan resistance and ask that it be printed into the RECORD.

AFGHAN FRONT RESTS ON CAPITOL HILL

(By Richard Mackenzie)

(Summary: First there was White House funding for the anticommunist guerrillas in Afghanistan. Then there was bipartisan congressional support for the policy. That because intense activism on Capitol Hill, which authorized even more aid than presidents have asked for. Now some advocates for the mujahideen say that Congress's next vote on sustained funding will be a much closer call, but they expect to be helped by new concern over Soviet actions toward the Baltic states.)

It took an act of Congress to fight the Afghan war. Indeed, it took several acts of Congress, a multitude of resolutions, a task force of legislators and a great deal of lobbying.

Afghanistan has been held up as a rare example of bipartisan congressional support for a president's activist foreign policy. It is also an example of what is often called extensive "meddling" by Congress in the foreign policy process, though, ironically, it is almost never cited as such by those who in other contexts deplore the emergence of "535 secretaries of state."

Congress has forced two successive administrations to spend money, mount programs and switch tactics in both covert and overt efforts to oust the Soviets and topple the Kabul regime installed by the Soviet invasion in 1979.

Pressure from Capitol Hill has been instrumental in everything from supplying the Afghan resistance with sophisticated surface-to-air missiles to providing a U.S.-sponsored reading room for Afghan refugees in a distant, dusty, provincial capital of Pakistan.

Although lawmaker's activism has often involved confrontation with executive branch officials, those same officials have not shied from seeking congressional allies as a way of bringing weight to bear in bureaucratic disputes. In fact today, with no victory in sight for the anticommunist resistance, a senior official who is intimately involved in developing and implementing U.S. policy on Afghanistan says: "The movement in the State Department and the White House is just to get rid of the problem by whatever method necessary. Only Congress can save the Afghans now."

Whether Congress is inclined to do so is the subject of some speculation. A member of the Senate Appropriations Committee staff, while denying report that support for U.S. aid to the resistance is crumbling, add: "It's a closer call in the Congress than it was two years ago, but not so close as to put the program in jeopardy." The staff member thinks that Mikhail Gorbachev's crackdown in Lithuania may have shored up support that had flagged as the Cold War wound down and the resistance fighters, known as *mujahideen,* failed to unite and achieve a quick victory.

"Before the Baltic states issue," says the staff member, "people were asking, 'Aren't you being unreasonable in continuing on Afghanistan in light of all the good things between the Soviet and us?' Now there is less of a willingness in the Congress to give Gorbachev the benefit of the doubt."

A COALITION IS BORN

Congress first became actively involved in the war effort out of unwillingness to give the CIA the benefit of the doubt. Declaring that the United States had "a moral obligation" to arm the Afghan resistance. President Carter in January 1980 allocated $30 million for covert military assistance for that year. On Jan. 9, CIA officials briefed the Senate Select Committee on Intelligence on details of the plan, which included sending old Soviet weapons from Egypt. There was no objection to the plan by any senator, says one of those involved.

Few in Washington questioned the policy or its details in the first years. "Although the great numbers of Congress supported the Afghan policy, most then felt, I suspect, that it was a lost cause," says Rep. Don Ritter, a Pennsylvania Republican. "In all of that time, the House Foreign Affairs Committee barely touched on it."

Backed by the CIA, President Mohammad Zia-ul-Haq of Pakistan insisted on "plausible deniability" for the delivery of weapons through his country to the resistance, so most activity was shrouded in secrecy. In part for this reason, early attempts by Congress to get involved in the Afghan cause were far from simple.

The early military supplies were fairly paltry. Even the $30 million plus other donations from supportive Muslim nations brought little in the way of modern or effective weapons. As a result, on Sept. 30, 1982, a liberal Democrat from Massachusetts, Sen. Paul Tsongas, introduced a non-binding resolution cosponsored by 98 other senators, calling on the administration to give the Afghan resistance "effective material assistance." It would be "indefensible to provide the freedom fighters with only enough aid to fight and die, but not enough to advance their cause," the resolution stated when it was introduced.

Only Sen. Charles McC. Mathias Jr., a liberal Republican from Maryland, stopped it from getting unanimous support, likening it to the 1965 Gulf of Tonkin resolution that essentially authorized the Vietnam War. The Tsongas resolution would give President Reagan a similar blank check, Mathias said. And as acting chairman of the Foreign Relations Committee, the body before which the Tsongas resolution lay, Mathias ensured it never moved.

Still, it had an effect. In December, Reagan instructed the CIA to provide the resistance with better weapons, including mortars, grenade launchers, mines and recoilless rifles, all of Soviet origin. Hidden in the Defense Department's annual appropriations bill, but administered by the CIA, the military aid soon grew to $80 million per year and later into hundreds of millions of dollars annually.

Senior CIA officials also went to work urging members of Congress to oppose the Tsongas resolution if versions of it came up again, say aides who worked for Congress at the time. "The agency felt that any public discussion of aid to the Afghans would endanger supply lines through Pakistan," says one former staff member.

Tsongas reintroduced the resolution in October 1983 with 67 other cosponsors, about one-third of the original 99 having withdrawn after hearing the CIA argument. At a closed Senate briefing in January 1984, State Department officials insisted that the "material assistance" phrase be deleted. Saying he did not want to jeopardize the aid, Tsongas did not push the issue. On Sept. 25, the Foreign Relations Committee deleted the "material assistance" phrase and inserted a generalized request that the United States "encourage and support the people of Afghanistan to continue their struggle [and] support effectively the people of Afghanistan in their fight for freedom." The resolution passed 97-0 Oct. 3, 1984.

The House version, presented by Ritter of Pennsylvania, languished in its original language in the Foreign Affairs Committee for much of the same time. The day after the Senate approved the compromise resolution, the House also passed the same wording by a voice vote with no objections.

SENDING STINGERS

The Tsongas-Ritter resolution established the principles that have guided Congress ever since. The prickly relations with the CIA and the State Department would also endure.

Jamsheed K.A. Marker, Pakistan's ambassador to the United States under President Zia, says three separate U.S. powers were at work in implementing Afghan policy: the administration, the CIA and Congress. "The role of Congress was twofold," says Marker, now living in Florida and writing a book on the subject. "It was almost the only issue on

which there was wall-to-wall support from both the Democrats and the Republicans. The second point is that the administration sometimes found itself one step behind. Had it not been for Congress, I'm not sure that many things, including the supply of certain weapons to the resistance, would have occurred."

Most crucial among those "certain weapons" was the Stinger. "The Stingers changed the face of the war," says Mohammad Hasham, an Afghan guerrilla commander now visiting the United States. "After they arrived, the Soviets no longer ruled from the skies."

Before the surface-to-air missiles arrived, by all accounts, a battle royal broke out within the government, starting in early 1985. Just who did what remains a controversy.

The CIA was less than enthusiastic about supplying the missiles, since the presence of U.S.-made weapons would mean that U.S. involvement could no longer be denied. Opposition came from the Joint Chiefs of Staff as well, says an aide to Rep. Charles Wilson, the Texas Democrat who has been publicly credited with a leading role in the fight. The Defense Department argued that the weapons could fall into terrorist hands and be used to shoot down a civilian airliner or could be captured by the Soviets and duplicated.

A former senior Defense Department official says that several senior State Department officials also opposed the idea at first—chief among them Principal Deputy Assistant Secretary of State Arnold Raphel, who went on to become the U.S. ambassador to Pakistan and who was killed in a mysterious plance crash in August 1988 along with Zia and his top generals.

The defense official says that Utah Republican Orrin G. Hatch, a member of the Senate Select Committee on Intelligence, pushed hardest for the program, making two important trips to Pakistan. On the second of these, in January 1986, he took along members of the so-called 208 Committee, which comprised representatives from all the major U.S. agencies with an interest in Afghan matters and convened regularly at the National Security Council. The group met with Zia and mujahideen leaders, who argued the critical military need of an effective antiaircraft weapon.

In private meetings at the Pentagon, the former defense official says he and others argued that the Soviets already had the specifications for the first-generation Stinger, which they had received from Greece, and had built their own lackluster version, the SAM-14. Defense Under Secretary for Policy Fred Ikle came forward, writing what provided to be a convincing two-page paper saying that the Joint Chiefs of Staff concerns were unrealistic. "Ikle finally swayed the Joint Chiefs," says a congressional aide.

The former defense official credits Hatch's taking the 208 Committee to hear Zia and the mujahideen firsthand with winning all agencies' support for the missiles. The Stinger fight finally was won in April 1986 when Reagan ordered their delivery and the first batch was sent to Pakistan.

On Sept. 26, 1986, a mujahideen group shot down a MiG jet fighter for the first time. Almost 1,000 other Soviet and Afghan regime planes and helicopters have since been shot down by the resistance, says the aide to Rep. Wilson.

HUMPHREY AND THE ENVOY

In the late 1980s, resistance leaders gave used Stingers to Wilson and Sen. Gordon J. Humphrey in gratitude for their help. Wilson's hangs over his congressional office door. Humphrey gave his to a young aide who worked on Afghanistan.

Gratitude to Humphrey went back a ways. Elected in November 1984 for his second term as a conservative Republican senator from New Hampshire, Humphrey picked up the cudgel for the Afghan resistance—with a vengeance. He immediately had his staff research how supplies were reaching the guerrillas, sending aides to Peshawar, the Pakistani border town where the mujahideen are headquartered. He was not happy with what they found.

Humphrey says he found in the Senate "a vacuum of interest" in the war. (Tsongas had retired after discovering he had a lymphoma.) "The resistance was not getting the help it should have from us," Humphrey says. "That's when we started criticizing the administration and the CIA publicly."

To increase the pressure and look for new ideas, Humphrey founded what became a 26-member bipartisan Congressional Task Force on Afghanistan. That group conducted four hearings in 1985 on subjects including the geostrategic importance of the region, medical conditions in the war zone, the threat of famine there and "effective public diplomacy" on the war. At the public diplomacy hearing, Zbigniew Brzezinski, the national security adviser under Carter, said U.S. policy toward Afghanistan had "suffered from managerial neglect. It has not been coordinated on a sustained and high enough level."

Humphrey seized on the phrase "managerial neglect" and on the analysis. His quest to get someone higher than a desk officer at State working full-time on the Afghan war may have begun at that hearing. But it continued for more than four years, producing some of the most virulent struggles between a senator and the State Department in recent times.

State insited that no special envoy was needed. Humphrey fought back, eventually bottling up adminstration nominees in the confirmation process. Things reached a head in June 1988, when there were 130 nominees to posts caught in what became a partisan logjam. The ranking party leaders, Kansas Republican Robert Dole and West Virginia Democrat Robert C. Byrd, intervened, writing to Secretary of State George P. Shultz June 15 to say having a special envoy was necessary and would "open the way to Senate action on a number of worthy ambassadorial nominees."

The next day Shultz pledged he would consider creating such a position, and the 130 nominees were approved. But in a lenghty letter to Byrd and Dole dated June 21, the secretary spoke only of how much he appreciated Senate interest in Afghanistan and what a good job the State Department was doing on it, making no mention of the special envoy position.

Humphrey then held up the confirmation of Christopher Ross as ambassador to Algeria, leading, by Aug. 11, to another logjam of 45 ambassadors and other officials. That day, on the Senate floor, the last day before a recess, Byrd asked if the calendar was cleared. Dole said, "I have one senator I hope comes to the floor who has a hold on Christopher Ross." Dole had in his pocket a handwritten note from Deputy Secretary of State John C. Whitehead, saying: "In order to solve Gordon Humphrey's problem, I am willing to agree that we will find an appropriate person and assign him as special envoy to Afghanistan."

On the floor, Dole continued: "I am not certain the State Department knows who it will be at this point but I hope we might —" Byrd interjected: "Maybe Senator Humphrey."

THE QUETTA QUEST

At times, sections of the administration leaked details of problems they were facing to Humphrey, believe he would happily cut through red tape or find funds they felt were necessary. Such was the case with the establishment of a U.S. Information Agency country program for Afghanistan.

A 1986 USIA memo given to Humphrey said "a gap exists" in U.S. diplomacy in Afghanistan. The Senate included an amendment in the 1988 Foreign Relations Authorization Act, mandating a USIA country program for Afgahnistan.

One component of the program, a USIA reading room in Quetta—the squalid capital of Pakistan's southwestern Baluchistan province and home to almost 1 million of the 3.5 million Afghan refugees in that country—had been shelved for more than two years, before it was brought to Humphrey's attention. The senator fired off a letter to Michael Pistor, counselor at USIA, May 20, 1988. "Knowing of your deep commitment to the Afghan country program," he said sarcastically, "I would appreciate what steps you will take to secure USIA funding for the Quetta facility."

After enormous energy and paperwork, U.S. Ambassador to Pakistan Robert Oakley opened the library of American books and magazines April 6, 1989, reading a declaration on Humphrey's behalf.

MCCOLLUM FLIGHTS

In 1985, Rep. Bill McCollum, a Florida Republican, came up with the idea of sending the resistance excess Defense Department equipment ranging from boots and blankets to medicine. He saw it as a complement to the humanitarian program then being started among the refugees in Pakistan by the U.S. Agency for International Development. That year, acting on a Humphrey amendment, Congress also ordered that the administration's initial allocation of $1 million a year for humanitarian aid be boosted to "not less than $15 million." (Each year since, Congress has pushed the number higher. It is now $83.5 million.)

McCollum's so-called Excess Bill passed in 1985 by a voice vote. Humphrey a member of the Armed Services Committee, pushed it through the Senate. All the controversy came in its implementation. The State Department at first was "less than enthusiastic" about the idea because it was not a State Department idea, says a Capitol Hill staff member who observed the talks.

A battle then developed between Defense and State over control of the program. State officials argued that Defense had no presence in Peshawar and that State should have authority because it was there on the ground. Finally, a deal was worked out that gave them joint control, with State having veto power over deliveries.

Giant U.S. Air Force transport planes that became known as the McCollum Flights began hauling not only weapons but also humanitarian goods to Pakistan. The next year, congressional and AID supporters approached McCollum, suggesting the program be expanded to bring back victims of the war for treatment in the United States. As the planes already were returning empty, that program did not need a vote in Congress. The first patient came to the United States March 6, 1986, and more than 500

have followed since. Another 400 have gone to Europe and Japan for treatment they could not receive in Pakistan.

FROM REAGAN TO BUSH

As the Bush administration came in, Afghanistan activists in Congress were exhausted by a bitter and hard-won fight, led by Byrd and Humphrey, to stop State from "selling out the resistance" in the 1988 Geneva Accords. But they also had high hopes. Just before the hearing for his nomination as secretary of state, James A. Baker III made a commitment to Humphrey that he would name an ambassador to the resistance who would report directly to Washington. Longtime South Asia and Sino-Soviet Foreign Service expert Peter Tomsen began that job in May last year, reporting to Under Secretary of State for Political Affairs Robert Kimmitt and chairing an interagency group on Afghanistan. His position did not require Senate approval.

A Senate staff member speaks of his boss meeting Baker before his confirmation in January 1989. "The senator told him that we had to fight over every piddling little thing with the last administration. He suggested we have a working arrangement this time." But confrontation continues.

Led by Ritter, 19 members of Congress have written a series of letters to President Bush in recent months asking why the United States, through Pakistan, supports the anti-Western radical Gulbuddin Hekmatyar with funds and arms at the expense of other, pro-Western *mujahideen* commanders.

Numerous copies of the latest letter were hand-delivered to the White House and other branches of the government Jan. 31. It complained of the fact that an important resistance commander, Ahmad Shah Massoud, was not getting supplies. White House Chief of Staff John Sununu sent an immediate note acknowledging receipt of the letter. But, more than two months later, there had been no reply to their questions or requests for help. As a result, aides to 10 of the congressmen called the White House in the first week of April to ask why the letter had been ignored.

Apologizing for the delay, national security adviser Brent Scowcroft wrote back April 18, assuring them that deputy national security adviser Robert Gates had met with Massoud's emissaries March 14 and that lengthy discussions between them and other NSC staff showed that "the problems you raised have been resolved." Several persons at the meeting, including Humphrey, say the letter misrepresents what was discussed. "It's just bureaucratic runaround," Humphrey says. "It's scandalous." The White House has no comment on Humphrey's charge, says a spokesman.

Most observers believe that Congress will approve spending several hundred million dollars to carry the resistance through the end of this year. The judgment will be made by House and Senate appropriations committees with oversight by intelligence committees, the Appropriations staff member says. The vote may be close.

Meanwhile, the guerrilla war of Congress's Afghanistan activists continues. When Baker sat down in Moscow in February with his Soviet counterpart, Eduard A. Shevardnadze, for talks on arms control and Afghanistan, Byrd, Dole, Humphrey and five other lawmakers faxed him a letter expressing their concern about a possible softening of administration policy.

Says one of the senators' aides: "That was directed at the Soviet Politburo. We wanted them to be absolutely convinced that we are willing to stay in the game."

THE JUNIOR STATESMEN FOUNDATION HONORS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. GILMAN. Mr. Speaker, I am pleased to advise our colleagues that two outstanding young people from my congressional district in Rockland County, NY, are attending the 50th annual session of the Junior Statesmen Summer School here in Washington, DC.

The two students from Rockland County selected to attend the Junior Statesman Summer School this year are Alice Belisle, a student at Suffern High School, and Rachel Miller, a student at Spring Valley High School.

Alice Belisle has received academic recognition from her school in social studies, science, English and her high school Orchestra. Alice has maintained an excellent academic record, having been named to the honor roll or high honor roll consistently since seventh grade. She received an "A plus" grade at the Long Island University Earth Science Program, was a recipient of the Lowell Cobin Award for excellence in science, and is a recipient of the Presidential Academic Fitness Award.

Alice is truly a well-balanced student, augmenting her sterling academic record as a member of her school's varsity swim team and has been honored with the teams' Coach Award and selection as an alternate to the New York State section 1 meet. Alice pursues her musical interests as a member of the All-County Junior Festival, the Youth Philharmonic and the Rampao College Academy of Strings Ensemble. She also participates in mock trials, the National Forensics League, the National Junior Honor Society, student government, and in her church youth group.

Alice Belisle plans to attend college and law school and anticipates a career in family court law practice.

Rachel Miller, although only 15 years old, has a similiarly impressive resume of outstanding accomplishments. A resident of Chestnut Ridge, NY, and a student at Spring Valley High School, Rachel is enrolled in accelerated classes and has received several awards in social studies and in English. Rachel is a member of both the National Honor Society and of Arista, another well-recognized honor association.

Rachel is looking forward to a career in public affairs, and is particularly interested in working to foster relations between the Soviet Union and the United States. She has visited the U.S.S.R. and several nations of Eastern Europe and has closely been following the exciting developments in that part of the world.

Rachel Miller is cofounder and vice president of the Spring Valley Junior State Chapter, and has served as a student director of her school's Thespian Troupe. She is also a member of the Debate Team, the French Club, and her school's award-winning literary magazine.

Both Alice Belisle and Rachel Miller will be honored at a reception to be hosted by the Junior Statesmen Foundation on July 25. We can all be proud of the leadership abilities exhibited by Alice, by Rachel, and by the 238 other 1990 participants from throughout the United States.

Alice Belisle and Rachel Miller are outstanding representatives of our 22d Congressional District of New York. I invite all of our colleagues to join with us in saluting them and the other fine participants in the Junior Statemen Foundation's 1990 Summer School.

TRIBUTE TO NIKOLA TESLA

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. PANETTA. Mr. Speaker, today I would like to commemorate the birthday several days ago of a great American inventor, Mr. Nikola Tesla. Born on July 10, 1856, Mr. Tesla's significant and extraordinary contributions to society in the field of electrical engineering continue to play a major role in the daily lives of individuals around the world. It would be quite difficult to go through a day without benefiting from one of Mr. Tesla's inventions. Perhaps the most important of his 111 patents is his polyphase alternating-current generator, which serves as the basis of our present electrical system.

In 1888, Mr. Tesla sold his patent to Westinghouse Electric Co., over the erroneous objections of Thomas Edison. As we all know, the alternating current system continues to provide electricity safely throughout the world today. In 1893, Mr. Tesla was awarded the contract to build the first electrical generators by the Niagara Falls Commission to Westinghouse Electric Co. This led to a contract between Westinghouse and General Electric to build distribution lines to Buffalo, NY, thus paving the way for the transmission of electric current throughout America.

In 1893 Westinghouse Electric Co. was honored with the illumination contract for the Chicago World's Fair. The fair showcased Mr. Tesla's system of alternating current as well as tube lighting, another one of his inventions. In the same year, Mr. Tesla lectured about his new Tesla Coil, which he had invented and patented 2 years earlier. This coil is still widely used today as a vital component of radios, television sets and other electronic devices. He was also recognized by President Grover Cleveland, who turned on a lavish lighting spectacle which introduced millions of Americans to electric light.

Despite these and many other important achievements, Nikola Tesla has not been granted his proper place in history. For example, much of the credit for Mr. Tesla's inventions is given to Mr. Edison in exhibits at the Smithsonian Institution. Although the museum has included Mr. Tesla's alternating current generators in his exhibits, no mention is made of Mr. Tesla himself. In fact, the generator is included as part of the Edison exhibit. In addition, his invention of the radio is commonly credited to Guglielmo Marconi, and the Smithsonian magazine recently honored Mr. Marconi as the "father of radio," although a 1943

Supreme Court decision ruled that Mr. Tesla's inventions of the basic wireless technology used in the radio preceded Mr. Marconi's patents.

There are numerous explanations why Mr. Tesla has not been granted his proper place in history. Once he invented the basic technology for an invention, he would sell the patents rather than mire himself in the tedious details of transforming the inventions into a commercially viable product. He functioned outside of the influences of corporations; consequently, he was not given the corporate financial backing Thomas Edison received.

Thus, Nikola Tesla remains as mysterious and unappreciated today as when he was alive, with the exception of a special third grade class in Dexter, MI.

Had it not been for John Wagner, a teacher from Dexter, MI, and his devoted third grade class at the Bates Elementary School, much of the credit for Mr. Tesla's monumental achievements would remain unrecognized. The class has raised enough money to commission a bust of Nikola Tesla, with the intention of placing it in the Smithsonian. While the Smithsonian has yet to accept the bust, the students have succeeded in raising this country's consciousness about the true genius of this inventor and have secured a promise by the Smithsonian to run a temporary exhibit on Mr. Tesla's accomplishments in 1993. I commend them for their efforts.

Mr. Speaker, as this third grade class has helped me realize, Nikola Tesla was an outstanding pioneer who deserves to be given his proper place in history. His extraordinary achievements have been overlooked and underappreciated for too long.

TO REMEMBER NICK ANGEL

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. VISCLOSKY. Mr. Speaker, I rise today to pay tribute to an outstanding citizen and public servant of northwest Indiana and who recently passed away, Mr. Nickolas V. Angel.

A lifelong resident of northwest Indiana, Nick was a graduate of East Chicago Washington High School and Indiana University. He began his career in public service in 1964 when he was selected to be a State Representative to the Indiana General Assembly. In the next 25 years, Nick has served as Lake County Commissioner, a member of the North Township Advisory Board, and he held the position of Lake County Treasurer when he died.

Nick's contributions to the residents of northwest Indiana are numerous. Nick played a very important role in the establishment of community mental health centers in our region. He was also an early and active proponent of a coordinated and regional transportation system. He recognized how important this was to the future economic development of northwest Indiana. In the early 1970's, Nick was one of the local community leaders who worked tirelessly to save the South Shore commuter railroad. Today, this passenger service annually transports over 3.5 million commuters between northwest Indiana and Chicago. A large percentage of these commuters are Indiana residents who work in Chicago. It has been estimated that these wage earners return $100 million to the Hoosier State. Without Nick's vision and efforts, I am doubtful that the South Shore would be in existence today.

I was fortunate to know Nick for many years. He was one of the brightest people in government that I had the pleasure to work with. He was a man of ideas and ideals. At this time, my thoughts and condolences go out to his family. With Nick's passing, northwest Indiana is poorer, but because of him, it is a better place.

TRIBUTE TO LESTER DIEFENTHALER

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Ms. KAPTUR. Ms. Speaker, I rise to pay tribute to a remarkable human being, dedicated family man, and tireless professional who overcame many obstacles to become a recognized success in the field of optometry. Recognized by our community as "Optician of the Year" in 1989, Lester Diefenthaler unselfishly dedicated his life to his family, his church, and to the optical profession. His work—precise, and exacting and performed with loving care—served as a continual inspiration to all who knew him in his field, and in the broader community. He will be missed by all. The people who have worked with him at Optical Arts especially and the many people of Ohio's Ninth District have lost a valued friend.

Mr. Diefenthaler began his career in the optical profession when he applied for a job in a spectacle lab by answering an ad in a newspaper in 1944. Although he had only one eye, and several health problems, he was determined to study in the field. Lester received official training in New York and Chicago. He then started his own company, "Diefenthaler Contact Lens Service" in 1962. Soon after that, he devised his own unique fitting technique for contact lenses. Anyone who even came under his care knew the total commitment he demonstrated in assisting people to see. One ophthalmologist has said, "If Lester can't fit you with contact lenses, no one can." Mr. Diefenthaler was also instrumental in achieving higher standards for opticians. He worked for many years through correspondence to pass legislation, and by his own drawings of caricature cartoons on the ploys of the opticians, he helped pass modern licensing laws. He was one of a kind, always upholding the highest values of his profession.

Lester took giant steps in the growing field of optometry including the business that he built. It is a testament to a lifetime of contributions to his fellow citizens, young and old. Through his dedication to education, support of licensing, innovative fitting techniques, and ability to overcome many personal challenges, he was an inspiration to all who shared the great gift of knowing him as a friend. To his wife Mildred, his daughter Mary, and his entire family, let the record show our community grieves for him. No finer or devoted man ever walked the Earth. We will miss him. America is a better land for Lester Diefenthaler having walked in our midst. May he be blessed.

EXPAND THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. HOCHBRUECKNER. Mr. Speaker, I am introducing legislation today to help increase U.S. economic diversification and provide the Federal Government with better and more competitive services from private industry. The dynamic and exciting changes in Eastern Europe and the Soviet Union offer us real hope for increasing peace and prosperity in the world. As the United States continues to reduce its level of military spending, however, we must be flexible in responding to the economic impact of these changes.

To strengthen the U.S. industrial base, help defense companies diversify into other areas, and provide the Federal Government with competitively-priced, effective services from private enterprise, I propose that the Department of Defense's Procurement Technical Assistance [PTA] Program be made available for use by any Federal department and agency.

Since its beginning in the mid-1980's, the Procurement Technical Assistance Program has provided useful direction to businesses interested in bidding for Federal contracts and has increased the pool of quality competition for Department of Defense [DOD] contracts. This program has also reduced costs to DOD. While the Procurement Technical Assistance Program was established primarily to help with defense procurement, I believe this system could benefit both businesses and the Government by assisting in other areas of Federal contracting.

As an example, the Federal Government is going to need the assistance of private industry in tackling the huge task of assessing and cleaning up this Nation's Federal facilities. Many companies, particularly smaller firms, do not know how to compete for Federal contracts. The Departments of Defense and Energy, with thousands of sites requiring environmental analysis and restoration, need help in awarding contracts to well-qualified, competitive firms. Many companies, however, may only know of contract opportunities with the Environmental Protection Agency. This modification to the procurement technical assistance programs can help industry learn about the needs of the whole Federal Government, thus enabling the Government to have its needs better met.

While Federal agencies have procurement offices that deal with small and disadvantaged businesses, the structure of the DOD's Procurement Technical Assistance Program appears unique. Under the PTA Program, the Department shares the cost of supporting PTA programs conducted by State and local governments and private nonprofit organiza-

tions. There are about 80 centers that already operate nationwide.

According to the Defense Logistics Agency, which oversees the PTA Program, some centers are already able to assist contractors interested in business opportunities with Federal agencies besides the DOD. This is one sign that an expansion of the PTA Program is needed. The PTA Program, however, does not allow DOD funding for this kind of assistance. Nor is assistance provided in support of contracts outside of the DOD considered when evaluating a center's performance, which is a factor in evaluating performance and funding each fiscal year. These are limitations which burden the PTA programs administratively and hinders the exchange of useful information.

In sum, I believe that modifying the legislation establishing the Procurement Technical Assistance Cooperative Agreement Program to include other Federal agencies could: First, increase the pool of competitive and qualified businesses bidding for these Government contracts; second, help small companies already using this program to also compete for other Federal contracts; third, assist in diversifying some DOD contractors; fourth, strengthen the industrial base; and fifth, accomplish these goals by using the existing infrastructure of 80 procurement centers nationwide. No new bureaucracies will be required.

Many communities with defense-oriented local economies are facing tough adjustments as defense spending is reduced. I believe this modification will not only help the Federal Government, but will also provide a useful tool in strengthening local economies and regional economic diversification.

BILL PROTECTS SENIOR CITIZENS FROM MEDIGAP FRAUD AND ABUSE

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. ERDREICH. Mr. Speaker, it has been estimated that more than 20 million seniors on limited, fixed incomes spend more than $15 billion annually on Medigap policies. Unfortunately, many of these policies are of low value and duplicate other coverage these seniors already have, either under Medicare, another policy or Medicaid. High pressure sales techniques are often used to sell unsuspecting seniors policies that are worth little more than the paper on which they are written.

I am a cosponsor of H.R. 4840, the Medigap Fraud and Abuse Prevention Act of 1990. This bill will establish new standards to protect senior citizens in Alabama and across the Nation from fraud and abuse in the Medigap market. This legislation requires the National Association of Insurance Commissioners to provide uniform standards for the Medigap market and increases the penalty against those who knowingly sell policies that duplicate health benefits a person already has.

H.R. 4840 requires Medicare supplemental insurance policies to meet consumer protection standards relating to simplification, nonduplication and minimum loss ratios. It requires that policies be guaranteed renewable, prevents the sale of Medigap policies with impunity to low-income seniors on Medicaid, and closes loopholes in the current duplication statute.

It also bars Medigap rate hikes if a company does not meet the loss ratio requirements set by the bill. It raises the loss ratios to 70 percent for individual policies and 80 percent for group policies, and establishes a process where Medigap companies would have to get prior approval before instituting a rate hike. Companies failing to meet loss ratio standards would be required to make refunds to policyholders.

In addition, H.R. 4840 provides penalties against individuals who issue, sell or renew Medicare supplemental policies which are in violation of the standards established by the bill, or offer to sell a policy in a State that has not approved such a policy.

We must put an end to unscrupulous Medigap policy issuers who prey upon older Americans who subsist on fixed incomes. Seniors must be able to compare policies and make informed choices about the coverage that is best for them. H.R. 4840 will help strengthen Federal laws governing the Medigap market and assure that our seniors get no less than the coverage they need and pay no more for it than is absolutely necessary.

MODUS OPERANDI OF THE RAINBOW LOBBY

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. DYMALLY. Mr. Speaker, for the past year, I have brought to the attention of the Members of the House of Representatives the deception of the Newmanites—the Rainbow Lobby, the New Alliance Party, the National Allance newspaper, the U.S.-Congo Friendship Committee, the Institute for Social Therapy and Research, and their front organizations.

By placing this information in the CONGRESSIONAL RECORD we have learned the following:

Their origin is within Lyndon LaRouche's organization;

Claim to have left LaRouche and started a communist cell—the International Workers Party (IWP);

Joined the Ku Klux Klan in picketing school boards in West Virginia, against African American authors whom the KKK accused of authoring "nigger text books;"

Target Members of the Congressional Black Caucus;

Use their newspaper to smear their opposition; mostly black elected officials, including the *Jackson Advocate,* a black weekly in Mississippi;

Use a battery of lawyers to file harassment suits against those who criticize them;

Use some African Americans to front for them, and then run as candidates against African American elected officials;

Harass those who disagree with them; and

Supply major newspapers with false information about their critics.

The above is just a small sample of their modus operandi. Rev. Jackson's Rainbow Coalition is not affiliated.

A SPECIAL VISIT: DIMITRIOS I, THE ECUMENICAL PATRIARCH OF CONSTANTINOPLE IN AMERICA

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. MAZZOLI. Mr. Speaker, I rise today to recognize a special visitor to the United States: Dimitrios I, the Ecumenical Patriarch of Constantinople. Patriarch Dimitrios is currently on a month-long tour of America.

As the supreme spiritual leader of the Eastern Orthodox Church, Patriarch Dimitrios is playing a critical role in guiding the church—comprising nearly 250 million members—through the turbulence of the Communist downfall. After years of religious persecution throughout Eastern Europe, the people are now freely returning to the Orthodox Church, and the church is reshaping itself to help reshape these post-Communist societies.

Patriarch Dimitrios' visit marks the first time a supreme Orthodox patriarch has traveled to the Western Hemisphere. In Washington, he was a guest of President Bush and presided over a convention of Greek Orthodox clergy and laity, He also met with other Christian leaders, Jewish leaders, and public officials.

Mr. Speaker, as the Eastern Orthodox Church enters a new era in its long ans significant history, I salute Patriarch Dimitrios and wish him much health and success in the year ahead.

ITALIAN-AMERICAN HERITAGE AND CULTURE MONTH

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. ENGEL. Mr. Speaker, today I would like to take the opportunity to introduce, along with 103 of my colleagues, a bipartisan piece of legislation designating October, 1990 as Italian-American Heritage and Culture Month. This resolution will pay tribute to the experiences and achievement of Italian-Americans in this country. This commerative legislation will continue a tradition I initiated last year when Congress, for the first time, passed and the President signed a resoltuion designating October, 1989 as Italian-American Heritage and Culture Month.

The Italian-American community is one of the largest ethnic groups in the United States representing over 20 million American citizens. Their experiences are not unlike those of other immigrant groups who have journeyed to our shores seeking greater opportunities and a new and better life. Italian-Americans, like other immigrant groups, have aspired to the attainment of the American dream and their contributions have helped shape the great tapestry of the United States.

The designation of October as Italian-American Heritage and Culture Month will honor Christopher Columbus and his unique place in American history and will feature the many contributions and achievements of Italians and Italian-Americans in every facet of life in these United States. In addition, a key objective of this commemoration will be to acquaint the American public with the lesser known personages such as William Paca, an original signer of the Declaration of Independence, Philip Mazzei, credited with coining the Declaration of Independence phrase, "All men are created equal," Enrico Fermi, one of the early pioneers of nuclear physics, and others who have contributed so much to the development of our country.

There are many Italian-American groups and organizations throughout the country which greatly contribute to the progress and prosperity of our Nation on a yearly basis. These organizations are planning special programs and events during the month of October in conjunction with Italian-American Heritage and Culture Month. These events will bring to the attention of the public the great contributions Italian-Americans have to our society.

Mr. Speaker, it is with great honor and pride that I propose this legislation. I wholeheartedly urge my colleagues to join me in designating October 1990 as "Italian-American Heritage and Culture Month."

HOUSE OF REPRESENTATIVES—*Wednesday, July 25,1990*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. HOYER].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 24, 1990.

I hereby designate the Honorable STENY H. HOYER to act as Speaker pro tempore on Wednesday, July 25, 1990.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for all those people who use the resources of the land to improve the lives of people. For those who nurture the soil and provide our food, for those who bring forth from the Earth the resources of plenty, and for all those whose stewardship cares for the land for the generations yet to come, we offer these words of thanksgiving and appreciation. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. PURSELL. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PURSELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 288, nays 111, not voting 33, as follows:

[Roll No. 261]

YEAS—288

Ackerman	Geren	Miller (CA)
Anderson	Gibbons	Mineta
Andrews	Gillmor	Moakley
Annunzio	Gilman	Mollohan
Anthony	Glickman	Montgomery
Archer	Gonzalez	Moody
Atkins	Gordon	Morrison (CT)
Barnard	Gradison	Morrison (WA)
Bateman	Grant	Mrazek
Bates	Green	Murtha
Beilenson	Guarini	Myers
Bennett	Gunderson	Nagle
Berman	Hall (OH)	Natcher
Bevill	Hall (TX)	Neal (MA)
Bilbray	Hamilton	Neal (NC)
Boggs	Hammerschmidt	Nowak
Bonior	Hansen	Oakar
Borski	Harris	Oberstar
Bosco	Hatcher	Obey
Boucher	Hawkins	Olin
Boxer	Hayes (IL)	Ortiz
Brennan	Hayes (LA)	Owens (NY)
Brooks	Hefner	Owens (UT)
Broomfield	Hertel	Oxley
Browder	Hoagland	Packard
Brown (CA)	Hochbrueckner	Pallone
Bruce	Houghton	Panetta
Bryant	Hoyer	Parker
Bustamante	Hubbard	Parris
Byron	Huckaby	Patterson
Campbell (CO)	Hughes	Payne (NJ)
Cardin	Hutto	Payne (VA)
Carper	Hyde	Pease
Carr	Jenkins	Pelosi
Clarke	Johnson (CT)	Penny
Clement	Johnson (SD)	Perkins
Clinger	Johnston	Petri
Coleman (TX)	Jones (GA)	Pickett
Collins	Jones (NC)	Pickle
Combest	Jontz	Porter
Conte	Kanjorski	Poshard
Conyers	Kasich	Price
Cooper	Kastenmeier	Pursell
Costello	Kennedy	Quillen
Cox	Kennelly	Rahall
Coyne	Kildee	Rangel
Darden	Kleczka	Ravenel
Davis	Kolter	Ray
de la Garza	Kostmayer	Richardson
DeFazio	LaFalce	Rinaldo
Dellums	Lancaster	Ritter
Derrick	Lantos	Robinson
Dicks	Laughlin	Roe
Dixon	Leath (TX)	Rose
Donnelly	Lehman (CA)	Rostenkowski
Dorgan (ND)	Lehman (FL)	Roth
Downey	Lent	Rowland (CT)
Duncan	Levin (MI)	Rowland (GA)
Durbin	Levine (CA)	Roybal
Dwyer	Lewis (GA)	Russo
Dymally	Lipinski	Sabo
Dyson	Livingston	Saiki
Early	Lloyd	Sarpalius
Eckart	Long	Savage
Edwards (CA)	Lowey (NY)	Sawyer
Emerson	Luken, Thomas	Saxton
Engel	Manton	Scheuer
English	Markey	Schiff
Erdreich	Martinez	Schneider
Espy	Matsui	Schulze
Evans	Mavroules	Schumer
Fazio	Mazzoli	Serrano
Fish	McCloskey	Sharp
Flippo	McCurdy	Shaw
Foglietta	McDermott	Shumway
Ford (MI)	McEwen	Shuster
Frank	McHugh	Sisisky
Frost	McMillen (MD)	Skaggs
Gaydos	McNulty	Skeen
Gejdenson	Mfume	Skelton
Slattery	Swift	Visclosky
Slaughter (NY)	Synar	Walgren
Smith (FL)	Tallon	Walsh
Smith (IA)	Tanner	Waxman
Smith (NE)	Tauzin	Weiss
Smith (NJ)	Taylor	Weldon
Smith (VT)	Thomas (GA)	Wheat
Snowe	Torres	Whitten
Solarz	Torricelli	Williams
Spratt	Towns	Wilson
Staggers	Traficant	Wise
Stallings	Traxler	Wolpe
Stark	Udall	Wyden
Stenholm	Unsoeld	Wylie
Stokes	Vander Jagt	Yates
Studds	Vento	Yatron

NAYS—111

Armey	Hefley	Rhodes
Baker	Henry	Ridge
Ballenger	Hiler	Roberts
Barton	Holloway	Rogers
Bereuter	Hopkins	Rohrabacher
Bilirakis	Hunter	Ros-Lehtinen
Bliley	Inhofe	Roukema
Boehlert	Ireland	Schaefer
Brown (CO)	Jacobs	Schroeder
Buechner	James	Schuette
Bunning	Kolbe	Sensenbrenner
Burton	Kyl	Shays
Callahan	Lagomarsino	Sikorski
Campbell (CA)	Leach (IA)	Slaughter (VA)
Chandler	Lewis (CA)	Smith (TX)
Clay	Lewis (FL)	Smith, Denny (OR)
Coble	Lightfoot	
Coleman (MO)	Lowery (CA)	Smith, Robert (NH)
Condit	Lukens, Donald	
Courter	Machtley	Smith, Robert (OR)
Craig	Madigan	
Crane	Marlenee	Solomon
Dannemeyer	Martin (IL)	Spence
DeLay	Martin (NY)	Stangeland
DeWine	McCandless	Stearns
Dornan (CA)	McCollum	Stump
Douglas	McGrath	Sundquist
Dreier	McMillan (NC)	Tauke
Edwards (OK)	Miller (OH)	Thomas (CA)
Fawell	Miller (WA)	Thomas (WY)
Fields	Molinari	Upton
Gallegly	Moorhead	Volkmer
Gallo	Morella	Walker
Gekas	Murphy	Weber
Goodling	Nielson	Whittaker
Goss	Pashayan	Wolf
Grandy	Paxon	Young (AK)
Hancock	Regula	Young (FL)

NOT VOTING—33

Alexander	Fascell	Kaptur
Applegate	Feighan	McCrery
Aspin	Flake	McDade
AuCoin	Ford (TN)	Meyers
Bartlett	Frenzel	Michel
Bentley	Gephardt	Nelson
Chapman	Gingrich	Sangmeister
Coughlin	Gray	Valentine
Crockett	Hastert	Vucanovich
Dickinson	Herger	Washington
Dingell	Horton	Watkins

□ 1023

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present I would have voted "aye" on rollcall No. 261.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. HOYER). The Chair recognizes the gentleman from Idaho [Mr. CRAIG] for the purpose of leading the House in the Pledge of Allegiance.

Mr. CRAIG led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1970. An act to establish constitutional procedures for the imposition of the sentence of death, and for other purposes, and

S. 2606. An act for the relief of Conwell F. Robinson and Gerald R. Robinson.

LET US OVERRIDE THE PRESIDENT'S VETO ON THE PARENTAL LEAVE BILL

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, we come to work today, we men and women of the Congress, with many complicated things on our minds. We are thinking about the deficit and how to reduce it without passing any unfair taxes. We think about the S&L debacle, how we are going to learn from past mistakes. We think about reducing the defense budget; how could we not have unemployment and dislocation.

These are complicated and important matters, Mr. Speaker. But now we have a chance to do something simple, something straightforward, and something that can help the men and women of our communities. That is to override the President's veto of the parental leave bill.

This bill merely says that a mother can stay home with a new baby, the most natural thing in the world, for a few weeks without losing her job.

This bill says that a father can take care of a parent who is dying, a chance to say "Thank you" without losing his job.

Mr. Speaker, the Congress knows that the American family has changed and has responded to these changes.

Mr. Speaker, let us do something for the American people and override this veto.

LET'S PUT SOME TIME LIMITS ON SPECIAL PROSECUTORS

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, it has been almost 4 years since we created the special prosecutor for the Iran-Contra affair. I am afraid that what started as prosecution has turned into persecution.

The American public does not know any more about Iran-Contra than it did 3 years ago; the defendants have been drained of their assets defending the charges; the only group to profit has been the lawyers.

The taxpayer has spent tens of millions of dollars on this probe, and gotten precious little for it. It is time to shut it down.

Today I am introducing a bill which will make sure that future special prosecutors are not able to conduct endless fishing expeditions. It will automatically put a 2-year sunset provision of the appointment of special prosecutors, unless an extension is approved.

My four Republican colleagues on the Iran-Contra panel HENRY HYDE, JIM COURTER, BILL MCCOLLUM, and MIKE DEWINE, have agreed to sign on as cosponsors of this bill. I urge other Members to join me in supporting this important legislation.

HEALTH AND ENVIRONMENTAL PROBLEMS ALONG THE UNITED STATES-MEXICO BORDER

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to introduce legislation to provide for the development and implementation of programs to address health and environmental problems along the United States-Mexico border region. I would also like to thank my colleague, Congressman ALBERT BUSTAMANTE, for sponsoring this legislation with me.

Those of us from districts along the border know all too well the characteristics and unique health and environmental problems experienced by border communities. The border region, though rich in many aspects, also presents us with many challenges that must be approached differently than in other parts of the country.

Last month an article in the Journal of the American Medical Association described the deplorable conditions in communities along the 2,000 mile-long border shared by the United States and Mexico. It also urged Congress to establish a permanent United States-Mexico Border Environmental Health Commission to develop programs to address the health and environmental problems along the border. My legislation, the United States-Mexico Border Health and the Environment Act, would establish a unit within the State Department and at least two regional offices which would develop and implement programs to alleviate the serious conditions present along the border. This unit would be headed by a coordinator appointed by the President and would be responsible for coordinating with Federal, State, and local entities to develop comprehensive environmental and health programs for the border region. My bill also calls for the Secretary of State to negotiate with Mexico to encourage the appointment of a coordinator of border health and the environment in Mexico to work with the United States counterpart to develop joint solutions to the various problems that exist along the border.

For the last three congressional sessions, Senator BENTSEN and I have urged the General Accounting Office and the Department of Health and Human Services to complete reports on health conditions along the border. The conclusions of these agencies were as expected: A high birth rate but a frightening infant mortality rate, low immunization rates, a lack of health insurance greater than in the general population, language barriers that make access to health care more difficult, a shortage in health professionals and a high incidence of diseases that have been eradicated in most regions of the United States.

Environmental problems along the border of the United States and Mexico are recognized as directly responsible for the higher rates of communicable diseases in those areas, particularly when compared with the rest of the country. The rate of gastrointestinal diseases and type A hepatitis are two to three times higher in the border area than in the rest of the Nation, and in El Paso County alone there are more hepatitis cases than in 24 States and more tuberculosis cases than in 19 States. The next step is to move forward with this information and do something about what has now been documented. I believe there have been enough studies reporting on the deplorable health and environmental conditions along the border and the time has come for us to take action.

All these problems will be magnified if the population continues to multiply at present rates. Currently, the Hispanic population is growing three times faster than the U.S. population generally, yet residents along the border earn the lowest income in the State. The population on the Mexican side of the border is increasing at an even greater rate than the United States population, in large part because of the employment opportunities created by foreign manufacturers establishing plants along the border. The tremendous growth seen in the twin plant industry has also had an

effect on the health and environment conditions along the border. Many see the growth of these industries as a mixed blessing. While they have served to employ approximately 1½ million Mexicans and have assisted in retaining some jobs in the United States instead of moving them to Pacific Rim countries, they have also created an overextension of Mexican infrastructure, such as hospitals, highways, sewage treatment plants, and serious pollution.

Rapid industrialization in border cities and the resulting waste have created a need for sophisticated waste management. In Nuevo Laredo, Mexico, for instance, an average of 24 million gallons of untreated wastewater are dumped into the Rio Grande, whose water is used by cities on both sides of the river as their water supply. Sewage dumped by Mexican cities in similar situations along the length of the river cause a number of ensuing problems. Portions of the Rio Grande are unfit for contact with human skin, much less human consumption. The high rate of communicable diseases, coupled with hazardous waste and air pollution, affect residents on both sides of the border—evidence that only by working together with Mexico can any progress really be made.

Air pollution is another serious problem being encountered by border communities. Several U.S. communities face the possibility of sanctions imposed by the Environmental Protection Agency for violation of Federal statutes. These violations, however, occur in part because of contributions to pollution by Mexican communities, a situation which has important public health implications. One community cannot tackle the problem alone without the cooperation of its neighbor to the South.

There are many examples of problems that cannot be resolved without the cooperation of the adjoining community because residents on both sides of the border contribute to the problem and are affected by resulting consequences. Diseases recognize no international border. I am heartened that communities on the United States side cooperate frequently with their Mexico counterparts. Local communities are very cognizant of the fact that they cannot wait for individuals in Washington, DC, and Mexico City to address their problems. I believe health professionals must often overlook the fact that we are two distinct nations and work together as one community on common problems. These informal networks and relationships, however, could be strengthened and improved by the establishment of a border health and environment unit which would coordinate Federal, State, and local efforts, as well as encourage international cooperation, to alleviate unhealthful conditions along the border.

I urge my colleagues to support this important piece of legislation.

REPUBLICANS WIN TROPHY: NINE TO SIX

(Mr. PURSELL asked and was given permission to address the House for 1 minute.)

Mr. PURSELL. Mr. Speaker, I have the great pleasure and great honor to present to the GOP House leadership the Republican Honor Roll Trophy that was won last night in a victory over the Democrats 9 to 6.

□ 1030

It was a great victory. During our great debates on important issues of the Nation we took a little time out last night on behalf of Children's Hospital. I would venture to say that we raised over $10,000 again this year for the kids of America.

On behalf of the GOP team and our fellow Democrats, it was a great game, a beautiful evening, and a great victory. Retirement is three times in a row for the GOP. Thanks very much, and we will win it again next year.

A BIRTHDAY PRESENT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as we saw today by the paper, as there are no secrets, this is the month that I turn 50. So I feel perfectly free to come to this well and talk about what I want for my birthday. What do I want for my birthday? I want something that at my age I probably cannot use, but I want something for every American family, and that is family medical leave.

I certainly hope that 60 percent of Americans will be able to, at the end of this day, look forward to seeing the right to stay home with their children not being a privilege but become a right. It is a right in every industrial nation, every other industrial nation. Even South Africa has passed family medical leave.

So please help this 50-year-old woman get through her birthday, and let Members do something for the American people. I think they are tired of government by privilege and who a person knows, and benefits by privilege and who a person knows. Being with your family should be an American right. It is in every other country.

SUSTAIN THE VETO ON MANDATED LEAVE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, once again Congress has looked into its crystal ball and is saddling America's small businesses with another Federal mandate—family and medical leave.

Leave benefits make good business sense. A Federal mandate does not. Congress should be promoting policies to encourage employers to provide a flexible benefit package for their workers that meets the individual needs of each employee and business.

By mandating requirements, this bill discourages flexibility, requires uniform leave benefits, rides roughshod over freedom of individual choice, promotes job loss, and restricts business growth.

America's small businesses are opposed to mandated leave benefits. In a poll conducted by the National Federation of Independent Business [NFIB], over 84 percent of small business owners nationwide opposed mandated leave benefits.

Join me in opposing yet another mandate on the backbone of America's job market. Vote to sustain the President's veto of H.R. 770.

VETO OVERRIDE OF THE FAMILY MEDICAL LEAVE ACT

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, I am completely dismayed that today we must once again attempt a veto override on yet another piece of profamily legislation. I find this extremely disturbing. In the short amount of time that President Bush has been in office, he has used his veto power 13 times—that is more than President Reagan during the entire 8 years he was President. For someone that repeatedly stated throughout his campaign that "we need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during a serious illness", he certainly has a strange way of showing it.

The Family Medical Leave Act is a bill that is vitally important to thousands of American families across the country. In today's world, where both parents must work to make ends meet, they need the guarantee of the family medical leave act if they choose to start a family or if an accident, or long-term illness were to strike. In the world market, America is the only major industrial nation without such a leave policy for its employees.

The concerns expressed by the small business communities across the United States were addressed in the compromise package. Only 5 percent

of American employers would be required to provide family leave.

Mr. Speaker, I maintain that this legislation is desperately needed—too many Americans are being forced to choose between maintaining their economic livelihood and meeting their family responsibilities. The future of our families demands only one vote—a vote to override the President's veto.

INTRODUCTION OF VICTIMS' RIGHTS AND RESTITUTION ACT OF 1990

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, today I am introducing the Victims' Rights and Restitution Act of 1990.

So often, we focus on the criminal when we consider crime legislation. We increase prison capacity, provide law enforcement with sophisticated technology, and generally call for tougher measures to combat crime. While these efforts are important, we cannot overlook the fact that, in any violent crime, there is a victim that deserves our compassion, our support, and our care.

This legislation calls on Federal agencies to treat victims with respect and dignity, and to keep them informed of court proceedings against their attacker. Also, the bill would ensure that law enforcement agencies provide various services to victims, such as providing information on counseling, medical care, and police protection.

Finally, my legislation requires Federal courts to order a convicted criminal to pay restitution for the full amount of the victim's losses, and specifies that restitution orders cannot be discharged as a result of bankruptcy.

It is about time that we look at the other, and more tragic side of violent crimes. Let's put away the criminal offenders and offer our compassion and assistance to those who were their victims. I urge my colleagues to support this bill.

OVERRIDE PRESIDENTIAL VETO

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, when the Family and Medical Leave Act came to President Bush's desk, he had a choice: He could side with the business interests and veto the bill, or he could stand up for American families and sign it. True to the age-old image of the Republican Party, President Bush vetoed the Family Medical Leave Act, an action which brought smiles to the corporate board rooms of America, and sadness to the family rooms in American homes.

Instead of supporting those progressive businesses which have already instituted family and medical leave policies at least as liberal as this bill, the President vetoed the bill. President Bush's veto comes to the defense of the dregs of American business, those corporate managers more interested in book value than human values. President Bush's veto did not do any favors for American business, and it is certainly a slap in the face to working men and women stuggling to keep their families together. Members should override this mistake by President Bush.

FINANCIAL CRIMES PROSECUTION AND RECOVERY ACT AS REPORTED BY THE COMMITTEE ON THE JUDICIARY

(Mr. HILER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILER. Mr. Speaker, I rise today to encourage the leadership of this House to promptly take up the S&L crime package passed by the Judiciary Committee as a separate bill. Yesterday, I joined the distinguished ranking members CHALMERS WYLIE and HAMILTON FISH in introducing H.R. 5353, the Financial Crimes Prosecution and Recovery Act as reported by the Committee of the Judiciary of the House of Representatives. Three-quarters of this bill is derived from H.R. 5050 legislation that I joined a bipartisan coalition to introduce and that has been reported unanimously by a Banking Committee subcommittee. They say that imitation is the sincerest form of flattery and we Republicans on the Banking Committee are tremendously flattered by the Judiciary Committee's S&L amendment. We feel that every effort must be made to pass it into law by the recess date.

H.R. 5353 is tremendously important legislation. Government prosecutors and regulators need the tools contained in this bill and H.R. 5050 to enhance criminal prosecutions and increase recoveries at troubled and failing financial institutions. I am concerned that by the crime bill which only passed the Judiciary Committee by a 19 to 17 vote is legislation that is filled with controversy and may impede the prompt passage of S&L crimes legislation. I encourage the House leadership to take the opportunity to move the Judiciary Committee's amendment, which has considerable bipartisan support from the Banking Committee, and bring it to the floor for a clean vote next week. Lets not bog the clean up of the S&L problem in the divisive and controversial issues that fill the crime bill. I urge my colleagues to support the Wylie-Fish bill, H.R. 5353, and to work to bring it cleanly to the floor so that we may pass it into law by the August recess.

VOTE TO OVERRIDE VETO

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, we need to assure that women do not have to worry about getting their jobs back after having a child or caring for a child during a serious illness. That was President Bush's promise during the last election.

Today we vote on a different reality, to override the veto of the President on the Family Leave Act.

The President tells Members it would not be efficient, that it would hurt business if we gave parents a chance to be with their children in illness. He does not explain how the Germans, the Japanese, our economic competitors, have more liberal leave policies and have prospered while many American families have been hurt, and parents have been taking from their ill children.

However, this is not only about efficiency, this is about a more decent Nation. It is about building strong families, about parents who can care for children, and about their own aged. Vote to override this veto because the ultimate efficiency is a working family, a family unit that can work and can care for their own. Vote to override.

□ 1050

SUBSIDIZED PORNOGRAPHY

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, there is talk that a National Endowment for the Arts appropriation bill will come to the floor before Members have been given an opportunity to vote for and to amend an authorization bill, before there is an opportunity to set standards so that tax dollars do not subsidize anti religious or pornographic art. The American people are sickened to see their tax dollars subsidizing crucifixes being submerged in bottles of urine or photographs indistinguishable from triple X-rated pornography.

Those of us who are concerned about this travesty were assured of a vote on standards. Now, we hear that through parliamentary procedures and parliamentary manuevering we may be denied a vote on effective standards. If Members of this body are forced to vote for an NEA appropriation bill with no standards or sham

standards, this body should vote to zero out the National Endowment for the Arts, this rougue agency. Let the American people make their own decisions as to what art they will not subsidize.

Mr. Speaker, if there are effective standards against the subsidization of blasphemy and pornography, so be it, but if there are no standards within this authorization or appropriation, there should be no government arts program, no National Endowment for the Arts.

S&L CROOKS EXCUSED, BUT JIM BAKKER PAYS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute.)

Mr. TRAFICANT. Mr. Speaker, after the big savings and loan ripoff, the Justice Department has had it, they are upset, and they are going to play hardball. But because they cannot collect from these savings and loan crooks and the judges said they have suffered enough, they are going after Jimmy Bakker. Remember Jimmy, the television preacher known for a TV ministry full of sex and violence and at times even violent sex? He is doing 45 years of hard time in prison, and guess what? The Justice Department is going after every penny they can. They are going to garnish his prison wages—11 cents per hour, $2.64 per day, $18.48 per week, $967 per year.

Think about that. In only 500 million years they will collect every penny the savings and loan crooks ripped off from us.

I say, "Wow. Stay healthy, Jimmy. The entire supply side economic recovery now depends on you. I don't care what anybody said about you, you're OK with me. Go get 'em, Jimmy."

A PROPOSAL TO EXTEND GRAMM-RUDMAN AND BALANCE THE BUDGET

(Mr. GEKAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the budget deficit is now reported to be $170 billion. The Gramm-Rudman target is around $65 billion from the deficit. This is impossible. Everybody knows that we cannot do it. Yet Gramm-Rudman is the only way we can discipline ourselves.

So I have offered a solution—not the solution perhaps, but a solution—and that is to pass a bill and enact a law which would extend Gramm-Rudman to 1995. It would call for a $50 billion cap on the deficit reduction for 1991 and $30 billion a year thereafter until 1995, when we would in a new target area bring about the balanced budget. That is the only realistic way we can do it. This $50 billion we are talking about for this year coincides with the Federal Reserve Chairman's estimate as to what it would require for a healthy economy and for bring about reduced interest rates. A capital gains tax cut in the midst of that would help the economic recovery continue on its upward course.

Mr. Speaker, I offer this bill, and I ask for the cosponsorship of Members.

SALUTE TO NOLAN RYAN

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, I rise to salute one of the most extraordinary athletes of our time—Texas Ranger pitcher Nolan Ryan. This evening in Arlington Stadium, Nolan Ryan will attempt to win his 300th game. Baseball fans all over America will be rooting for him and, whether or not he wins tonight, there is no question that he eventually will win number 300.

Few athletes in any sport can match Nolan Ryan's record of achievement. At age 43, he is pitching some of the best baseball of his career. Last year he extended his all-time career strikeout lead past the 5,000 mark. This year, he pitched his 6th no-hitter—another major league record. He is ranked near the top of the American League in strikeouts all season, despite having missed a number of starts due to a back injury.

Nolan Ryan has demonstrated that it is possible to sustain a high level of excellence well past the time when most baseball players have retired. He is an inspiration to people of all walks of life and has given people in his home State of Texas something to cheer for in the face of difficult economic times. I salute him and wish him well as he takes the mound tonight.

PROPOSED CONSIDERATION OF S&L BILL BEFORE AUGUST ADJOURNMENT

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, we can finally do something about the savings and loan crooks before we go home in August. Last night the Wyley-Fish savings and loan bill was introduced. It is H.R. 5353.

There are those who will ask, What is in this bill? What are we going to do with another bill? Let me suggest to the Members that this is the same bill that came out of the Banking Committee and out of the Financial Institutions Subcommittee on a 42-to-0 vote. We marked it up in the Committee on the Judiciary on Tuesday. It is ready to come to the floor; it is ready for a vote. Republicans and Democrats know what is in it.

There should be no increase in the debt limit and there should be no adjournment—and I think the Republicans are going to hold everyone to that standard—no debt limit increase and no adjournment until H.R. 5353 is voted on and sent out of this body to the Senate.

Can it be done? Of course it can be done. Last week the balanced budget statute, the sham statute, came to this floor without any hearing and without any markup in any committee. If the Speaker wants to move legislation, all he has to do is put it on the list for next week and let us vote on it.

It needs one little amendment, Mr. Speaker. It does need my amendment which I hope to offer to open up the Jim Wright case and all the other closed files, as well as all the pending files, of savings and loan problems with Members of this body and former Members, and get those files over to that special counsel that is included in H.R. 5353.

A PLEA TO ACCEPT COMMITTEE RECOMMENDATIONS OF MATTERS OF ETHICS

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, much time of the House today or tomorrow will be wasted on motions to censure or expell BARNEY FRANK. The Ethics Committee, Republicans and Democrats, thoroughly investigated the case and recommended unanimously that he be reprimanded.

If Mr. FRANK accepts this judgment, we should also, just as the House accepted the Ethics Committee recommendation for no action on the book dealings of the Republican whip, Mr. GINGRICH. These were at least as creative as any book deal ever conceived by Jim Wright. To go beyond the committee's recommendations is to incite ugliness and bigotry in this House——

The SPEAKER pro tempore (Mr. GLICKMAN). The Chair would ask the gentleman to withhold.

The Chair would state to the gentleman that under the rules and procedures of the House he should not discuss a pending case before the Standards Committee before it comes to the floor, where it will then be fully discussed. The gentleman can proceed generally to talk about issues, but he cannot get into any specifics of any Member's conduct.

Mr. McCLOSKEY. Generally speaking, then, Mr. Speaker, to go beyond the committee's recommendation would be most unfortunate and would

incite bigotry and ugliness in a way that is most regrettable. This would not be befitting the dignity of our two great political parties.

A SPECIAL COUNSEL TO INVESTIGATE S&L FRAUD

(Mr. BUNNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, tired of all of the bull on the savings and loan crisis? Boy, the Democrats sure are.

Yesterday they were forced to show their true colors.

During consideration of the crime package in the Judiciary Committee, one Member wanted to show the world how tough he was on S&L fraud and offered an amendment to appoint a special counsel.

But, when an additional amendment was offered to have the House and Senate Ethics Committees turn over all of their information to the special counsel to see if any Members of Congress committed any crimes, the big, bad, get-tough Democrats took tail and ran.

Did I hear the ghosts of Jim Wright, Tony Coelho, and Freddie St Germain voting by proxy?

H.R. 5353 contains this important responsibility for the special counsel. If you really want to get tough on S&L crime, cosponsor H.R. 5353 and let the special counsel decide who the S&L crooks really are.

□ 1050

AMERICAN FARMERS FEELING EFFECTS OF PROTECTIONIST AGRICULTURAL POLICIES ABROAD

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, I rise today in support of H.R. 3950, the 1990 farm bill. This bill contains numerous provisions very important to America's position in agriculture. It seeks to aid American farmers who feel the effect of protectionist agricultural policies abroad.

It will promote the sale of U.S. agricultural commodities in foreign markets.

It will continue to provide the American farmer with the reasonable level of support he needs to stay competitive in a very hostile trade environment.

European and Japanese farmers receive huge subsidies from their governments. American farmers cannot and will not be left out in the cold.

I urge my colleagues to support a strong farm program, and to support the ability of American farmers to compete in the world marketplace.

STOP THE PARTISAN MANEUVERS—PASS THE FINANCIAL CRIMES PROSECUTION AND RECOVERY ACT

(Mr. MACHTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACHTLEY. Mr. Speaker, it is remarkable to me that some of the very same people from the other side of the aisle who have been criticizing the Republican administration for not adequately prosecuting the S&L crooks are now dragging their collective, purely political feet in enacting a separate S&L crime bill. The leadership, it appears, has tied up the S&L crime package within a controversial, and perhaps divisive, omnibus crime bill whose passage appears to be certainly not assured. We need to move the S&L crime bill through the House and have it on the President's desk before the August recess.

Yesterday, Mr. Speaker, the gentleman from Ohio [Mr. WYLIE] and the gentleman from New York [Mr. FISH], ranking members, introduced the Financial Crimes Prosecution and Recovery Act as reported by the Committee on the Judiciary. This legislation separates the Committee on the Judiciary's S&L crimes amendment as a clean bill. The legislation enjoys bipartisan support, the support of the administration, the support of the Department of Justice, and the support of the chairman of the FDIC.

Mr. Speaker, every day the leadership postpones the consideration of H.R. 5353, the cost of cleaning up this S&L mess is increasing. I do not need to remind anyone in this body that the American people are demanding action. They will not stand for another blanket covering this simmering mess.

My colleagues, let us finish with the partisan maneuvers and get on with the tasks at hand. Let us work toward enacting H.R. 5353, the Wylie-Fish bill, into law and put those S&L crooks into jail.

SUPPORT THE FARM BILL

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. My colleagues, please notice behind the Speaker's podium there is an American flag, and above that flag is engraved "In God We Trust," and above that is a clock. On each side of that clock are the American eagles which symbolize this strong country which has a strong defense system which must be able to protect itself. But on each side of those eagles is a basket of food.

Mr. Speaker, today we will debate a farm bill, it is important that, to be a strong country, we must be able to produce enough food and fiber for our people at an affordable price.

Oh, what a bargain we give the taxpayers of this country. Today my colleagues will hear debate from Members who will want to cut the heart out of the agricultural program. We have less than 1 percent of our total budget going for farm support programs, and in that investment, for the American dollar only about 13 cents of our hard-earned dollars goes for food.

Mr. Speaker, my colleagues can go to any other country in the world, and the cost for their food is much, much higher. They can go into any supermarket in this country, and they will find a wider variety of food than anywhere else in the world.

We are blessed. We are fortunate. In Moscow there are people that get in line at 5 o'clock in the morning just to go get a McDonald's hamburger.

So, Mr. Speaker, I challenge my colleagues, as we debate the farm bill today, to look at that wise investment that we do give to the American people and to our farmers.

WE NEED IMMEDIATE ACTION ON THE FINANCIAL CRIMES PROSECUTION AND RECOVERY ACT

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I would join in urging Members of this body to sign on with my friend and colleague, the gentleman from New York [Mr. FISH] and myself in encouraging the leadership in bringing to the floor and passing the Financial Crimes Prosecution and Recovery Act.

I appreciate very much the encouragement of those who have gone before and spoken on behalf of our effort.

H.R. 5353 would enhance the prosecution of S&L fraud and gives the regulators and prosecutors more power to seize stolen property. Much of this bill was originally incorporated in H.R. 5050 and has had bipartisan support since its inception. As of today, over 140 Members from both sides of the aisle have signed on as cosponsors. The bill, passed unanimously by the Financial Institutions Subcommittee, was modified and incorporated in the crime bill as title XIX.

Mr. Speaker, I commend the gentleman from New York [Mr. SCHUMER], the chairman of the Criminal Justice Subcommittee, for his hard work on the financial crimes title.

The problem is, Mr. Speaker, that the crime bill has been referred to four other committees. We can expect substantial delays because of the committee consideration, as well as the partisan nature of many of the issues in that bill. That is why the gentleman from New York [Mr. FISH] and I are asking that the bill be brought to the floor immediately so that the American taxpayer, who is outraged at the cost of the savings and loan crisis, can have a shot at better prosecution as far as the S&L crimes are concerned.

CATFISH SWIMMING PAST COD AND FLOUNDER

(Mr. ESPY asked and was given permission to address the House and to revise and extend his remarks.)

Mr. ESPY. Mr. Speaker, there is something fishy on Capitol Hill today, and I would like to admit that my office is responsible.

Tonight, Mr. Speaker, we will be serving up more than 700 pounds of catfish in the Longworth cafeteria. I hope that all of my colleagues and friends can come and join us and share in this southern delicacy.

Mr. Speaker, I know that this fish is not all that pretty. As a matter of fact, it is probably one of the ugliest of fishes. However my colleagues know the old saying, that it is not what is on the outside, but what is on the inside, that counts, and we know that in the case of catfish the inside is nothing but delicious.

Mr. Speaker, by the end of the decade, this little fish will probably be the most consumed fin fish in the United States, swimming past cod and flounder. Sales have increased from 5.7 million pounds from 1970 to more than 340 million pounds today. It provides about 6,000 jobs in my congressional district and is responsible for an economic impact to the State of Mississippi of about $300 million per year.

So today, Mr. Speaker, I am proud to give tribute to all of the catfish growers and producers all across our country, but most especially to the catfish growers and producers in Mississippi who have been most successful with this alternative crop which has given such a great boost to our rural economy.

MOVE QUICKLY ON THE WYLIE-FISH S&L CRIME BILL

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, the gentleman from Ohio [Mr. WYLIE] and the gentleman from New York [Mr. FISH] have introduced a bill that would speed up the prosecution of those in the savings and loan crisis, those criminals responsible for plundering the savings of the American people. We must move quickly, and in order to do so, we must not slow the process by waiting for the crime bill. Instead, we should consider the provisions dealing with S&L crimes in HR 5353, the Wylie-Fish bill separately, and, furthermore, move to pass the bill before the August recess.

As we are all too well aware, the estimated cost of the S&L bailout is growing by millions of dollars each day, and the amount of cases involving S&L fraud, solved and unsolved, known and unknown, is mounting at an alarming rate. We must not let these cases sit on the shelf. We in Congress are responsible for enacting legislation that will allow the criminals to be caught and the money to be returned to the American people. Our constituents are counting on us to get something done and to protect them from further thievery.

This bill is based on H.R. 5050 which has been endorsed by the Justice Department, is supported by FDIC Chairman Bill Seidman, and was reported by a vote of 42 to 0 by the Financial Institutions Subcommittee. The Wylie-Fish bill expands the tools available to the Federal Government and strengthens the sentencing quidelines that will bring the S&L criminals to a long awaited justice.

THE PRESIDENT'S VETO OF THE FAMILY AND MEDICAL LEAVE ACT

(Mr. OWENS of Utah asked and was given permission to address the House for 1 minute.)

Mr. OWENS of Utah. Mr. Speaker, I rise today in opposition to the President's veto of the Family and Medical Leave Act and urge by colleagues to support this override.

As my colleagues know, improvement of the human condition has not always been easy and has almost always been accompanied by compromise. Today, we debate basic safeguards for the families of working men and women of this country, safeguards, we must recognize which are already in place in most industrialized nations around the world. Isn't it ironic that the United States has taken so long to follow their lead on this? And isn't it doubly ironic, Mr. Speaker, that our chief executive, usually a strong supporter of strong families, is fighting this vital family need every step of the way?

Supporters of this legislation are not asking the business community for extravagant economic sacrifice. Rather, they seek only basic protection for their families and only from larger businesses which can afford to give it. Workers who make businesses grow and prosper, ought not be reduced to the difficult choice between careers and caring for a newborn or seriously ill loved one.

Opponents of the measure have argued in the strongest terms against Government intrusion in what they have called business matters. White House spokesmen have said these family and medical leave benefits should be provided voluntarily. Unfortunately real life does not always work that way. Social Security was not negotiated. Neither were minimum wage, unemployment insurance, or child labor laws. These were legislated for the sake of fairness and civility in the workplace.

But we care about the small businesses which must bear this burden, and for that reason we worked out a compromise—one which I, along with many of my colleagues, insisted on. Under this compromise, businesses with less than 50 employers would not be covered by the law. In my State of Utah, 95 percent of all businesses would be exempt. Only the largest and most financially able businesses would have to adhere to the Family and Medical Leave Act.

□ 1100

FAMILY AND MEDICAL LEAVE ACT

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, I rise to urge my colleagues to vote to override the President's veto of the Family and Medical Leave Act.

When I spoke on this issue on the House floor last year, I mentioned that the United States and South Africa were the only industrialized nations in the world that did not offer a family leave policy to their citizens. Less than a year later, Mr. Speaker, conditions have changed. Following the adoption of a family leave policy in South Africa, the United States is now the only industrialized nation in the world lacking such a policy. We are, to say the least, Mr. Speaker, behind the times.

Some would argue that passage of the Family and Medical Leave Act would damage American competitiveness by encouraging worker absenteeism. But this argument is completely unsubstantiated by modern experience. Japan and West Germany, widely considered to be the most economically competitive nations in the world, both offer national family and medical leave policies much more comprehensive than what we are considering today. In fact, today's bill provides only minor benefits when compared to the family and medical leave policies of the world's other leading democracies.

The Family and Medical Leave Act strikes an important balance between the needs of American businesses and those of its working families. It allows workers to take 12 weeks off—without pay—for family or medical emergencies, yet it permits employers to replace workers who have not returned to work after those 12 weeks. In a nation which prides itself in its family values, surely we can permit our citizens to be with their loved ones during times of illness and with their children in the formative months after childbirth.

Critics of the Family and Medical Leave Act charge that it is the responsibility of management and its employees to work out their business policies and that the Federal Government should not be involved. But we have all heard this before—from those who fought against the establishment of a minimum wage to those who opposed creating our Nation's pension program, Social Security. In both these cases, Government had to step in to ensure that all American workers received a fair deal. Now the Family and Medical Leave Act again presents us with the chance to recognize that our citizens are people, as well as workers.

I urge my colleagues to vote to override the President's veto of this much-needed piece of legislation.

IN SUPPORT OF THE OVERRIDE OF THE PRESIDENT'S VETO OF H.R. 770, THE FAMILY AND MEDICAL LEAVE ACT OF 1989

(Mr. HAYES of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYES of Illinois. Mr. Speaker, I rise to encourage my colleagues' support in overriding the President's veto of H.R. 770, the Family and Medical Leave Act of 1989.

This country lags so far behind other countries when it comes to our social responsibilities. Sadly, statistics from divorce to child poverty to teen pregnancy tell us that our families need our attention.

Finally, when we in the Congress have reached an agreement on family and medical leave for our Nation's workers, the President, after months and months of campaigning in support of this very issue, denies our workers basic job protection.

I believe that the Family and Medical Leave Act represents sound social and much needed family policy. In addition, I consider this legislation to be a very modest step in the right direction. In my opinion, family and medical leave is a minimum labor standard akin to minimum wage and child-labor laws.

Once again I call upon my colleagues that profess to be so profamily to stop giving lip service to family values and begin to see the need for a more realistic policy approach for our Nation's families. Our futures and our families may depend on it. Please vote to override the President's veto.

THE URGENCY OF THE S&L CRISIS

(Mr. KASICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASICH. Mr. Speaker, I stand before you today to once again stress the urgency of the S&L crisis, and with it the need to investigate, prosecute, and punish the S&L criminals as quickly and efficiently as possible. We must not get bogged down in legislation subject to partisan debate and based on matters extending beyond the issues at hand.

By waiting to pass the crime bill and the provisions dealing with the S&L crimes contained therein, we are only delaying the process of passing S&L crime legislation.

We must therefore consider separately the passage of H.R. 5353, sponsored by my colleague and good friend, the gentleman from Ohio [Mr. WYLIE].

The American taxpayers have been nothing but victims of fraud and abuse employed by S&L officers, Congress, and powerful lobby groups. The welfare of the hard-working American has not been protected. The same taxpayers are now on the hook for paying a bill for over $300 billion to bail out the industry and to return the money due to depositors.

The gentleman from Ohio [Mr. WYLIE] has been a leader in trying to work to effectively get our way through this problem. What I would like to say is that the gentleman from Ohio [Mr. WYLIE] ought to be given a fair shot by those on this side of the aisle who would like to incorporate the provisions of his bill in their bill. What I would suggest rather than fooling around, monkeying around with all that, let us just pass what the gentleman from Ohio [Mr. WYLIE] has proposed. It will make sense. It will get us well on the road to resolving this problem.

PENALIZING TAXPAYERS FOR S&L CRISIS

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, once it was obvious how much the savings and loan mess was going to increase the budget deficit, President Bush decided that the taxpayers of this country should be penalized to pay for it.

Now, is that not ironic? The savings and loan thieves who stole their depositors blind, and now the same depositors are asked by President Bush to pay more taxes to bail themselves out. That does not make sense. Is this fair? No, it is not fair.

Justice was swift when the Congressmen involved in Abscam and Wedtech were sent to jail. Right away people said, "Let's take care of those thieves." Why not the savings and loan crooks? They are the biggest thieves in history. They make Jesse James look like Pat Boone.

I say to President Bush that if he is going to punish the taxpayers, then punish the crooks first.

INVESTIGATE JIM WRIGHT, TONY COELHO AND FERNAND ST GERMAIN

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, many of my colleagues on this side of the aisle have once again been berating the administration regarding the S&L crisis, saying that we ought to put the crooks in jail, and last week I sent a letter to the Justice Department with 32 signatures requesting that the Justice Department prosecute, if necessary, those people from the Congress who have been involved in this Congress. I specifically mentioned the Speaker of the House, Mr. Jim Wright, Mr. Tony Coelho, and Mr. St Germain. Not one Democrat would sign that letter requesting an investigation and possible prosecution.

Yesterday when H.R. 5353 was voted on in the committee, an amendment was proposed asking that the Ethics Committee release the information to the Justice Department so that these people could be investigated and prosecuted. I am talking about Jim Wright, Tony Coelho, and St Germain, and not one Democrat would vote for it.

Now, Mr. Speaker, you cannot have it both ways. If you want prosecution of crooks, then let us prosecute them. Let us get the information to the Justice Department to get the job done, and that means information from the Ethics Committee on Jim Wright, Tony Coelho, and St Germain.

IN SUPPORT OF OVERRIDING VETO OF FAMILY AND MEDICAL LEAVE ACT

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, I rise today in strong support of overriding the President's veto of the Family and

Medical Leave Act. With both parents working by necessity in many families and single parents working to try to stay out of poverty, what happens when a family member becomes sick? Should workers be forced to face being fired or worry about being fired if they want to take care of a family member?

Workers in my own State of Maine are lucky because we have a law that works which provides for parental and medical leave. Maine workers are able to take leave to take care of a newly born or adopted child, a family member or to recuperate from a serious illness, without concern about losing their jobs.

The Family and Medical Leave Act is necessary. It is socially just. It is right. People simply should not be forced to choose between their jobs and their families.

Mr. Speaker, I strongly urge my colleagues to vote in favor of the override. Frankly, I urge my colleagues to vote in favor of families.

THE END OF BINARY CHEMICAL WEAPONS

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, Secretary of Defense Dick Cheney recently withdrew his $140 million fiscal year 1991 request for the Bigeye bomb and the 155 millimeter binary shell. The Secretary deserves unmitigated praise for his forsight in terminating this unwise and costly program.

The binary program was doomed from the start. The Bigeye bomb had a questionable mission and unworkable technology. The plan to store binary weapons on our soil for use in Europe was never feasible.

The United States-Soviet agreement to destroy all but a small fraction of their huge stockpiles puts President Bush in a leadership position to achieve a truly histroic multilateral chemical weapons nonproliferation treaty in Geneva.

Such an agreement would be the highlight to a very successful first term and would demonstrate the President's ability to further U.S. interests in this amazing era of change. Congratulations, Mr. President.

KEEP COMMITMENT TO FAMILIES OF AMERICA

(Mrs. UNSOELD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. UNSOELD. Mr. Speaker, "we need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during a serious illness."

That is what our President said. Not recently, though. He said that back on the campaign trail. Now, he has vetoed the bill that would help working women and men care for their families.

This veto is an attack on American values, an attack on American families.

Today many claim the American family is falling apart. They blame our social and economic ills on the demise of the family.

American families are facing new economic challenges: More women are working, more single-parents are raising families alone, and more families are caring for aging parents. This family and medical leave bill will help our families face these challenges.

Strong families make America strong.

Where are our values? Where are our priorities?

Let's keep our commitment to the families of America.

Let's override this veto.

DON'T VOTE FOR CHILD PORNOGRAPHY, BLASPHEMING OUR LORD AND SAVIOR JESUS CHRIST, OR DEFENDING THE HOLLYWOOD LEFT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I had wanted to rise this morning during this steam valve 1-minute pressure relief period to again talk about, as I do periodically, our hostages in Beirut. Terry Anderson was taken prisoner 5½ years ago. The AP bureau chief, Tom Sutherland, was taken prisoner a few months later, on June 9, 1985. He had only been 20 minutes out of the airport. He has since been 5½ years in a dungeon, some cellar in Beirut. He spent only 20 minutes free on the Beirut Airport road.

I ask people to pray and send me suggestions. I have asked before but I do not get any. I want to know what we can do, what I can talk to President Bush about.

Mr. Speaker, I want to do a double pressure relief this morning. Here is the front page of last Wednesday's Washington Times. On the front is a pornographic picture. The distinguished journalist, the brilliant Arnauld de Borchgrave, had no choice. It is part of the NEA debate. The picture is of a ceramic, three-dimensional, hard core pornographic work by, it says, some feminist Judy Chicago. That is an assumed name. To say this woman is a feminist is insulting to feminists, if that's possible. She is not a feminist, she is a weirdo, wacko, three-dimensional ceramic pornographer.

Now, I understand that the leadership is going to bring NEA funding to this floor without an authorization bill, just an appropriations bill. We are not allowed to legislate on appropriations bills. So I guess the leadership wants an up or down vote on NEA funding.

Look, Mr. Speaker, this is not going to be the Christian right against the Hollywood left. It will be fought by all those who want to stop the slide into the sewer of American culture. And if you want an up or down vote on NEA, then a pro-NEA vote is going to be interpreted, and I'll make sure it is, on November 6 as a vote for child pornography, a vote for blaspheming our Lord and Savior Jesus Christ, and a vote for defending the Hollywood left.

Have it your own way, Mr. Speaker.

OVERRIDE PRESIDENTIAL VETO ON FAMILY AND MEDICAL LEAVE ACT

(Mrs. COLLINS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS. Mr. Speaker, I would urge Members to vote for the override today on the Family and Medical Leave Act veto. As a mother I know very well the anxiety that comes upon you when your child is sick. I also know what it is to have a parent who is desperately ill and who needs your help, who needs your assistance, who needs your moral support.

The economic status for many people is such that they cannot afford to take a chance on losing their job to be a good family member. I do not think that we as Americans ought to put them in that position. We as representatives of all the people in this Nation I believe have a responsibility to ease that kind of burden for our working people, our mothers, our fathers, our children, and anybody else in our family who happens to be extremely ill.

Mr. Speaker, we have received a large number of letters in my office and personal phone calls from people telling very distressing, real stories of what has happened in their families, of jobs that have been lost, of loved ones who have been left uncared for. Surely that is not what we want to do. Certainly we must in fact pass the override bill when it comes up today and give back the comfort and safety that working America needs and wants.

NO AID FOR FRAUDULENT SOVIET SYSTEM

(Mr. COX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX. Mr. Speaker, the recent declaration of sovereignty in the Baltics, in the Ukraine, and even the Russian Republic itself, shows that the Soviet empire is crumbling. At the same time the evidence is also mounting that these changes are occurring in the Soviet Union not because of the current leaders of the Communist Party, but in spite of them.

We have heard a lot about glasnost and perestroika. The introduction of reforms some are saying is due entirely to the reformed leadership of the Communist Party and its head, Mikhail Gorbachev. But behind the scenes Mikhail Gorbachev continues to be a drag on reform, firing newspaper editors, expelling journalists from Lithuania, and gassing peaceful protestors in Soviet Georgia.

The principal tool of repression in the Soviet Union is the KGB. Recently a top KGB major general resigned his position and fingered the KGB as a tool of the Communist Party. He also filed as a candidate for the Soviet Parliament.

Yesterday, Mr. Speaker, the Gorbachev government arrested Oleg Kolugy. That is the reality of glasnost and perestroika in the Soviet Union. The system is a fraud and it ought to be a hot day in Siberia before we support it with American taxpayer dollars, as some in this Congress are proposing.

FAMILY AND MEDICAL LEAVE ACT, A PROTECTION AMERICANS NEED

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, I am basically an optimistic person. I enjoy the daily give-and-take of making laws. It takes a lot to get me steaming mad on the floor of Congress. But as we debate once again the merits of the Family and Medical Leave Act, I am embarrassed and angry. Embarrassed that we are still debating a basic protection that workers in every other industrialized country now enjoy.

George Bush, in his campaign, said he would support unpaid leave for new parents or workers facing a family medical crisis. What he neglected to tell us is that he would veto legislation that would guarantee it. Once again the American family has been bushwacked. Once again on a critical issue, the current administration has sided against the interests of the average American worker. Opponents argue that that bill will prove too expensive and cumbersome for American businesses. If this is so, why are so many companies adopting medical leave policies voluntarily?

I know what we all expect today. The votes, I'm told, are not sufficient to override this veto. But I urge my colleagues thinking about supporting the President to reconsider. This is an important protection that American workers need and expect. Mr. Bush does not have to explain his position to the voters this fall. We do.

GATT NEGOTIATIONS MUST RESIST EFFORTS TO WEAKEN EXISTING LAW

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, strong and effective trade laws are critical to the health of U.S. industry. In the past decade more than 700 antidumping and countervailing duty cases were filed by thousands of companies across the United States, involving plants and communities in virtually every State of the Union.

The Uruguay round of GATT is entering the closing month of negotiations. The final consensus will be brought to Congress for approval of the legislative fast-track. This agreement will be the basis of our future trade laws. That is why it is urgent that we act now to ensure our negotiators resist any efforts to weaken existing law.

Task forces have been formed by our parties, as well as the creation of a coalition of congressional caucuses, to monitor and examine what these proposed changes will mean to American companies. Our trading partners should be put on notice that next year's congressional consideration of the GATT agreement will depend on the results of GATT negotiations in creating a strong and enforceable discipline that does not weaken our existing trade laws. Anything less will be met with strong and unified opposition.

CONGRESS MUST ACT ON H.R. 5353 NOW

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, for several weeks we have heard Members of this House telling us that we must take tough action on the savings and loan mess. That time has come. H.R. 5353 has been introduced and it is available for immediate action. It is a bill which is a consensus of bipartisan vote already recorded in both the Committee on the Judiciary and the Committee on Banking, Finance and Urban Affairs. We can act responsibly now.

Mr. Speaker, it is the intention of many Members that we do act now. Therefore, this House can expect that there will be opposition to adjournment motions this week and the week thereafter until H.R. 5353 has been considered, hopefully as a free-standing bill. We ought not be waiting for the savings and loan issue to be tied to other legislation like the crime bill, which may take more weeks to resolve. We can and we should act now.

□ 1120

CONGRESS SHOULD OVERRIDE VETO ON FAMILY AND MEDICAL LEAVE ACT OF 1990

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, I stand here as an unabashed supporter of President Bush. I think he is a very effective leader. Moreover, I think he is a fine and decent human being.

But I must confess I think his veto of the Family and Medical Leave Act was ill-advised. Today I was heartened to read an article in the Washington Post by one of America's most respected business leaders, Lawrence Perlman, who is the president and chief executive officer of Control Data.

Among other things, Mr. Perlman said of the Family and Medical Leave Act: "It is an important piece of legislation because it recognizes that each employee is a whole person with a life that extends beyond the workplace. Employer support of the employee and her or his family is as important as safety and a minimum wage. The House would do well to override this veto in its scheduled vote today."

To that I can only add, amen.

FAMILY AND MEDICAL LEAVE ACT OF 1990—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-209)

The SPEAKER pro tempore (Mr. MCDERMOTT). The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 770) to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The gentleman from Missouri [Mr. CLAY] is recognized for 1 hour.

Mr. CLAY. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Iowa [Mr. GRANDY] and 15 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA], pending which I yield myself such time as I may consume.

Mr. Speaker, Congress has been debating family and medical leave for 5 years. If we fail to override the President's veto today the debate will continue until the bill is law because the vast majority of American people want and need it.

In the recent Wall Street Journal Poll, 71 percent of the public favored enactment. We in Congress should listen to the people who sent us here, and vote to override the veto.

The President's veto message echoes the arguments that some in the business community have made in opposition to the bill. He talks of preserving "flexibility," allowing employers and employees to work out such issues at the workplace and a trade off with other benefits. At the heart of the message is the concept that protecting the basic rights of workers is bad for business.

The same arguments were used to oppose the minimum wage law, the Social Security Act, the Occupational Safety and Health Act, child labor laws and a host of other labor standards. Protecting worker health and safety does not stifle flexibility; ensuring a Social Security pension will not undermine other employee benefits, exploiting the labor of children should not be left to the discretion of employers.

In the past, Congress has rejected these arguments and stood on principle for fair and just minimal labor standards. Workers, business and the country have prospered as a result. Establishing minimal workplace standards pays long-term dividends.

Today we're fighting to preserve our families; to ease the intolerable choice that thousands of people face every day of having to choose between family and job. Congress has again turned to labor standards because they have worked in the past. We need a standard which provides that a parent doesn't have to give up a job to be with a new born or seriously ill child. A worker should not have to choose between a dying mother and a job.

A leave standard that assures job security at times of great family need is based on well established, time tested principles of labor law. It is fashioned to accommodate the dramatic growth of women in the work force. It encourages and supports family life. I am sorry the President did not sign this bill. I hope Congress votes for our families and overrides the veto.

Mr. GRANDY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, since last we considered the Family and Medical Leave Act the House has seen fit to one, pass the Clean Air Act imposing more restrictions on America's business and employers, and two, the Act for Americans With Disabilities, and in both cases we had the support of a large bipartisan coalition in this House because we felt that these mandates were justified.

In the last year we have created a new minimum wage. In the week ahead we will address a civil rights bill which most probably will pass this House, and in the next Congress I would be surprised if this body did not consider a new approach to health care delivery in this country which will invariably involve the employers of this country.

With that in mind, I would argue at the outset that not passing this version of benefits in the workplace is not a betrayal of trust by the American President to the American people. It is an idea to derail a good idea which was transformed into bad policy. We have done this before. In an attempt to correct an imbalance of health care in the workplace we created, passed and then repealed section 89. In an attempt to address the catastrophic health care concerns of elder Americans, we created the Catastrophic Health Care Act which we then repealed.

We are debating today a piece of legislation, not a concept, and in this particular piece of legislation, the compromise notwithstanding, the substitute notwithstanding, we still have items of profound disagreement which I hope Members will address today when they consider whether to sustain or override. Let me just address four of them right now.

This bill, unlike any other legislation in any State or any country in the world, has a provision to allow part-time employees who work only 20 hours a week or a thousand hours a year to collect full benefits under this 12 unpaid weeks of leave. This bill addresses public entities, nonprofits. We are talking here about such diverse entities as rural hospitals, already strapped with an imbalance of Medicare reimbursement which is driving a lot of our rural facilities into bankruptcy. They too would have to comply with 12 weeks of unpaid leave for specific, usually specialized health care providers. And I would add nursing homes here too. Mr. Speaker, nursing homes that are soon to be wrestling with new regulations which are driving up their costs and closing their doors. They too would have to comply with the Family and Medical Leave Act.

There is an unprecedented change in labor law. If an employer is found in violation of this act they are subject to four times the damages and backpay. There is not another labor law in statute that requires that.

Finally, on the whole question of notification, it is true that the employee does have to notify reasonably and practically to take leave. He does not have to provide any notification as to whether he or she is going to come back. However, the employer has to continue to provide health care benefits while that person is on leave. The employee, on the other hand, has no such specification.

That is just four of many reasons, Mr. Speaker, why this legislation, this approach to benefit policy is not something that the President could sign and not something that this House should support.

In my remaining time let me just address on concern that has been addressed through a litany of 1 minute speeches today, and that is the notion that this country, and of course its kindred spirit, South Africa, is the only part of the civilized world that does not have a leave policy. Let me talk a little bit about some of those leave policies in other industrialized countries.

Australia, Austria, Canada, Chile, France, East Germany, West Germany and Japan, yes, they all have leave policies, and in every single one the employee pays into that plan. Not in H.R. 770, and not in this legislation.

□ 1130

There is not a leave policy that we have been able to uncover in the world where the employer has to bear 100 percent of the burden.

Please bear that in mind when we discuss this policy today.

The President vetoed this bill because he is supportive of the concept; he is not supportive of H.R. 770. And as we will find when we take the vote, this House will sustain that veto.

Mr. Speaker, I reserve the balance of my time.

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is beyond my understanding why President Bush vetoed this humane, bedrock, family values bill. It is particularly difficult for me to understand from a President who is a compassionate, sensitive family man, himself.

What compelling national interest prompted this veto? Or was there an egregious flaw in the drafting of the legislation that forced his hand? I doubt it, because in his veto message all he mentioned were mandates, his opposition to mandates, and that he is in favor of voluntary programs. So obviously he does not have other reasons.

Well, now, if mandates are the real reason, then the President should be

consistent. His convictions on mandates should have led him to take the offensive on a whole range of mandates ranging from the Americans With Disabilities Act to the Clean Air Act.

Did he? No, he did not. So mandates cannot really be the issue.

We know how he compromised on the minimum wage mandate, we know that. So I do not see his reasoning. But I guess there is no further purpose served in trying to speculate about what convictions of the man in the White House are on this issue, because the vote today, my colleagues, is your vote to cast and yours alone, in the name of your constituents.

In that regard, I want to remind you, if you have not already read it, the Wall Street Journal/NBC poll of last week said that 71 percent of the American people support the Family and Medical Leave Act. Of that number, 52 percent who designated themselves as social conservatives favor the Family and Medical Leave Act. That is the endorsement from the American people.

Now it is our turn as Members of this House to stand up for principle. We cannot straddle on this issue and we cannot waffle.

Let me remind you that this is a vote for American families. Two-thirds of the women in the work force are there out of economic necessity. It is not just a nice alternative life style for them. This is a question of a roof over their heads and food on the table. Families need two paychecks just to keep up in this day and age.

You know, it is not as though this bill has not been carefully constructed to address the legitimate concerns of the business community. I have a strong support for business and I have been strongly supported by business, and I have worked with the chairman of the subcommittee for over 3 years to work out the needed flexibility to be there to serve the legitimate concerns of the business community. And they are in there, and nobody can deny that.

Now let me make another very important point: During our years of discussion of this bill, not one State, not one business who already has far more generous leave policies than is contemplated here has come to me or to us and said that they would abandon their policy or that their leave policies have interfered with their operations or their productivity.

Interestingly enough to that point, in today's Washington Post there is an article by the chief executive officer of Control Data, entitled "Family Leave, It Is Good Business." You should all read it before you cast this vote.

In conclusion, I want to say to my colleagues again in the strictest terms, this is your vote, you have to answer to your constituents on this, not to the White House. This vote to sustain the veto is literally saying, if you vote for it, literally saying to a pregnant woman or the mother of a terminally ill child or someone who is caring for an elderly parent who needs hospice home care, you are saying to that person, "Go find another job." That is literally what you are saying. I am saying to you you must vote for the bill, against the veto, vote for the 71 percent of the American people who support it and vote against the paid business lobbyists in Washington, DC, who oppose this bill.

If we fail here today, we will be back here again, whether this year or next year, but we will have a family medical leave bill.

The article follows:

FAMILY LEAVE—IT'S GOOD BUSINESS

(By Lawrence Perlman)

President Bush was ill-advised to veto the Family and Medical Leave Act, which was passed with bipartisan support in Congress. The act is a moderate and appropriate response to dramatic changes in the American work force as women and single parents, particularly at lower income levels, make up an even larger proportion of the employee base in many companies and as men take on different roles in the family.

Moreover, it is an important piece of legislation because it recognizes that each employee is a whole person with a life that extends beyond the work place. Employer support of the employee and her or his family is as important as safety and a minimum wage. The House would do well to override this veto in its scheduled vote today.

Essentially, the act would require firms with 50 or more employees to grant up to 12 unpaid weeks of leave in connection with the birth or adoption of a child or to care for a sick child, spouse or parent. During the leave, the employee's health insurance coverage would continue (along with the leave taker's obligation, if any, to pay a share of the premium). At the end of the leave, the employee would be entitled to the job she or he left or a comparable one.

And that's it. The exemption for firms with fewer than 50 employees would mean that 95 percent of employers—and 44 percent of employees—would not be covered at all.

So we are really for the most part only talking about large businesses, most of which have far more generous parental leave programs than the one called for by the vetoed measure.

For example, at Control Data, a maternity leave can mean at least five months' leave at 65 percent of regular pay, and in some circumstances to even longer periods at 60 percent of pay.

A Minnesota statute in effect since August of 1987 mandates—for firms with 21 or more employees—a minimum six weeks of unpaid parental leave for the birth or adoption of a child, with ensured return to the same or a similar job. I know of no problems that this state law, which is very much like the proposed federal law, has caused Minnesota businesses.

The president vetoed the bill on the ground that the federal government should not mandate how employers treat their employees. This argument was pressed on him by most of the lobbying groups purporting to speak for the business community.

In the absence of generally accepted business standards of conduct toward employees, congressional mandates not only ensure fair treatment of workers but also nullify the advantage companies that do not treat their employees fairly would have over those who do. While most firms treat employees fairly, many do not. So over the years Congress has mandated a safe work place, a minimum wage and overtime pay, a pension and disability plan we call Social Security, pregnancy leave at least equal to leave benefits extended for any other physical condition rendering an employee unable to work, a vesting schedule for company pension plans and so forth.

Another argument advanced by the bill's opponents was that its cost—estimated by the General Accounting Office at about $4.50 annually per employee—would make it harder to compete in world trade. Not only is the cost trivial but nobody should argue that we require lower wages in the United States to match lower wages in the Pacific Basin or less effective pollution controls because foreign firms are spared such costs.

Moreover, our chief trade competitors, Germany and Japan—indeed, apparently all industrial nations except South Africa—have mandated family leave programs far more expensive per employee than the vetoed bill.

The real issue for American businesses and the federal government is what steps need to be taken to make the United States more competitive in world markets. Energy devoted to challenging an overdue and moderate piece of legislation is swinging at the wrong ball. Business opposition to this piece of legislation perpetuates the public perception that corporate managers believe that well-managed businesses are inconsistent with the enhancement of human values and the empowerment of employees.

In fact, enlightened and successful businesses have led the way on family leave and a number of other similar issues. With regard to the family leave issue, the president needs to hear a different business voice from the one to which he apparently listened.

Mr. GRANDY. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Texas [Mr. BARTLETT] a member of the Committee on Education and Labor.

Mr. BARTLETT. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise to answer the question that was posed as to what prompted George Bush to cast this courageous veto against this bill and what prompted 187 House Members to vote against what is, on the surface, a politically popular proposal; I will answer it in one word, and the word is: compassion. Compassion for 110 million workers of America who are each attempting to secure their individual benefits, their individual workplace, their individual careers, their individual jobs, and whose benefits will be denied them by the cruelty of this cruel hoax which would mandate a one-benefit-fits-all, one-size-fits-all, to those 110 million workers that they would have to take this benefit because the U.S. Congress is trying to look good and look politically popular.

The fact of the matter is those 187 of us that voted against this mandate in the first place, and indeed George Bush, are for parental leave as a benefit. We are also for vacation pay, for pension plans, for profit sharing, for van pooling, for dental care, for medical assistance, for sabbaticals, for onsite child care; we are for a whole array of employee-requested benefits.

If we were to take the cruelty of singling out this one particular benefit and say we are excluding all others, the Federal Government is going to mandate this benefit, then we would deny someone else their benefit that they would choose to have.

The fact is that his mandate is particularly cruel to those low-income workers because to make it worse we would mandate in this bill a yuppie benefit, a benefit that only goes and can be used by upper income parents in this country, upper income workers and thus deny the $4-per-hour cafeteria worker or the $6-per-hour factory worker benefits that those workers would rather have.

The mandate before us is cruel because it denies other people other benefits that are not on the political agenda of those who would sponsor this Federal mandate.

The fact is those of us who voted against this bill and will vote against it again are for parental leave as a benefit, but we are for choices by American workers, not choices made for them by politicians.

Further, this parental leave benefit mandates one type of parental leave, not just one benefit, but one standardized, homogenized, one-size-fits-all for every State in the Nation, for every town and city, for every employer and for every employee, and we would say 12 weeks unpaid leave in addition to your vacation pay and other leave is all you get.

□ 1140

We cannot get 16 weeks at half pay, we cannot get 10 weeks at full pay, we cannot get 6 weeks at full pay or 4 weeks at half pay. So by mandating just one particular type of parental leave we would deny workers all other types of choices.

Mr. CLAY. Mr. Speaker, I would like to clarify one thing. Who vetoed this bill? It was not Mother Teresa. It was the President of the United States who vetoed the bill.

Mr. Speaker, I yield 2 minutes and 15 seconds to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I thank the chairman for his wonderful work, and I want to thank the gentlewoman from New Jersey for being so courageous. It must be difficult to see the President of the United States veto the bill.

I think we should be intellectually honest about this bill and tell the truth and not use language in an ironic form. I think when we talk about the word "compassion," we ought to tell the truth about what this bill is. The family unit is the root of the American growth in this country, and the reason why people want this bill which is a very, very sensitive bill is because it invests in the American people.

Americans are asking why we do not care about their quality of life. Now, I heard the gentleman from Iowa compare our country somehow with South Africa. It is true that we are the only country of the industrialized society that does not have a medical leave policy, nor do we have a health care policy in this country. We are the only industrialized country besides South Africa.

Therefore, let Members tell the truth about the bill and not lie to the American people.

Basically, what we are talking about is one leave for 12 weeks per year with no pay. We exempt those businesses with less than 50 employees. Now, if we want to compare the United States to other countries, and I heard the gentleman from Iowa somehow convolute the issue of pay, let Members talk about other countries. We have no leave policy. Chile offers 18 weeks at 100 percent pay. Poland, 16 to 26 weeks at 100 percent pay. Ireland offers 14 weeks at 80 percent pay. Austria offers 20 weeks at 100 percent pay. Canada offers 15 weeks at 60 percent paid leave. France offers 16 weeks and 90 percent paid leave. Finland, 35 weeks at 100 percent paid leave. West Germany, Italy, Japan, Sweden, and others. I ask our people here in this country to join with Members in insisting that we invest in our people and endorse the Medical Leave Act and vote down the President's veto.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GREEN].

Mr. GREEN of New York. Mr. Speaker, today we decide a very simple question. Is the American family of as much importance to Members, as a country, as are the jury system and our armed services? That is the question.

What we are proposing here by way of mandatory leave is no novelty. We already provide it. We provide it under the Jury Systems Improvement Act of 1978 which provides job protection for employees who report for Federal jury service, and most States have similar provisions. Under the Federal Veterans Reemployment Statute, draftees, Reserve and members of the National Guard are provided with employment protections while they are away on duty, and Americans inducted to or enlisted in the armed services are considered as having been on furlough or leaves of absence during their military training and services. All this bill does is to give similar protections to family members, either at times of birth or at times when they need leave because of illness in the family.

I think the family is as important as the armed services and the jury system.

Mr. GRANDY. Mr. Speaker, let me just respond to the gentlewoman from Ohio in terms of some of the countries that she cited.

Yes, Chile does have a leave policy, but the employer pays none for either the public or private system. Employees pay 6.7 to 7.5 percent. The Government partially subsidizes the public, and pays none of the private. France, there is a split between employer and employee. Ireland, a 50–50 split, but they exempt part-time employees and public employees. There is enormous difference between all of those statutes and what we are proposing today.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. GRANDY. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, what the gentleman is talking about is the same kind of social security that we have. For example, in Canada, it is part of their social security act that they get medical leave in family leave paid for 14 weeks, 60 percent of it. That is part of the same employer and employee essence of their social security act. So, it is not any additional cost.

Let Members be intellectually honest when we are talking about this bill.

Mr. GRANDY. Mr. Speaker, I want to be numerically honest, too. It is true under this legislation the employer bears 100 percent of the cost.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL], a member of the Committee on Education and Labor.

Mr. FAWELL. Mr. Speaker, the real issue here is not whether this bill is pro-family or pro-worker or pro-anything. I can think of a dozen employee benefit programs, all of them good, all of them can be described as pro-family, et cetera, et cetera, and I suppose we could support mandating of every one of those voluntary programs, as we are suggesting that we would do here.

Let me suggest just one area because time is short. A real issue, I believe, is whether Congress should mandate a detailed and inflexible "one way for all" employee leave program for all of America's employers. This is not just one of the Federal employee programs, it is for all of diverse America. This includes the private for profit businesses, charity, not for profit entities, public employers, including hospitals, schools, colleges, police and fire departments, cities and villages, ad infinitum. Together these public and private employers have hundreds of

thousands of job descriptions, and each one has to dovetail with specific job missions dictated by the State and local laws and customs, and they in turn need to dovetail to the leave programs which specifically must relate to these job missions.

The sponsors of H.R. 770 appear to assume that job responsibilities and employee leave programs of a fire or police department in Albuquerque and a hospital trauma team in San Francisco where it is vital that they control the employees as to when they come and when they go, are the same as a dress manufacturer in Boston or a university in Florida; as if the unique and dangerous challenges of operating a nuclear power plant in Chicago or a drug or a homicide team in New York and their respective employees' leave policies.

These assumptions, I think are as audacious as they are false. Local governments, for instance, have vital public health, safety, educational and social responsibilities to fullfill. They know a lot more than the U.S. Congress about crafting employee leave policies to fit their particular public missions. What makes Congress believe it can draw an employee leave plan which can direct all hospitals in America as to when and under what circumstances badly needed physical therapists and nurses and ambulance drivers and paramedics or emergency room personnel may take off and come back, and yes, expect to have their jobs waiting for them?

All of this, of course, without loss of life and jeopardy to the hospitals' public health and safety missions.

H.R. 770 is a labor unions' delight. It is a collective bargaining clause, and we are calling it a law, but it does not, it cannot possibly fit all of the diverse cultures of this little United Nations we call America.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. FORD].

□ 1150

Mr. FORD of Michigan. Mr. Speaker, frankly I am puzzled by the nature of the opposition to this bill. I have heard it said that some people who are opposing it are moved by its terrible impact on small business. The fact is that when we adopted, at the urging of the gentlewoman from New Jersey [Mrs. ROUKEMA], a limitation of applying this to employers of 50 or more employees, we did so acknowledging that that exempted about 95 percent of the employers in the country.

Then we come to the floor and we hear Members talking about the cataclysmic effect this legislation would have on our economy. That would lead us to believe that if those employers who do have more than 50 employees and do not now have a policy that permits a person to take leave to have a baby or care for a critically ill child were compelled to do so, it would threaten the underpinnings of our society. I suggest that people who are talking that way are not sharing the last part of the 20th century with reality.

If we look at the work force today, we will discover that if we count full and part-time employees, a majority of the people in the work force today are female, and if we look at that female population, we will find that a majority of that population are in their child-bearing years.

I meet with people from business who are interested in talking to us about our educational needs for the future and what the work force of the future is going to look like and who recognize that in the next 10 years 80 percent of all the new entries that come into the work force are going to be women and minorities. That causes them to come in to us and ask, "What are we going to do that is different to provide for a quality work force? How are we going to be competitive?" They are already beginning to figure it out for themselves, and the answer they are coming up with are: Child care, family medical leave, and issues of this kind that will make it possible for females in particular to, with some sense of security, pursue full-time and long-term employment without forgoing care or having a family.

That is the pattern of the future of this country. We try to go back to the great time when mama stayed home with the children and only one person worked. We are not living in that America any more. The change continues to take place every day, and anybody who looks down the road to see what our needs are going to be, as our committee does, has to recognize that if we are going to have a truly competitive work force, it is going to have to depend on humane policies such as this that will facilitate people doing what the President said he wanted them to do. The President, as I recall it, agreed with us when he said in October 1988 that no person, particularly a woman, should have to choose between their job and their child.

Mr. Speaker, I urge all my colleagues to join me in voting to override President Bush's veto of the Family and Medical Leave Act.

The President's veto of this bill makes no sense. As a Presidential candidate, George Bush not only recognized the importance of family leave, he said he wanted to do something about it. He told the women of Illinois that it was wrong that women could be forced to choose between losing their jobs or taking care of their children. He said that in the kinder and gentler America he envisioned, we would put an end to that kind of impossible choice.

We took the President at his word. The bill we passed does just what the President said he wanted. It gives parents the right to take an unpaid leave to care for their newborn or seriously ill children. It makes it a violation of Federal law for an employer to fire a mother or father who takes a leave to care for a newborn baby or a sick or dying child.

My constituents support this bill, just as most Americans across the country do. Eighty-one percent of those who answered my annual survey support the Family and Medical Leave Act, and 80 percent of all Americans support the bill. Yet the President has vetoed it.

It is true that the bill goes a little beyond the President's campaign pledge. It says an employer can't fire a worker who takes a reasonable leave to care for a dying parent or a seriously ill spouse. But the American people support that notion, and those provisions are not why Mr. Bush vetoed this bill.

What were his reasons? First and foremost, he has made a U-turn on the entire issue. He now believes it is simply wrong for the Federal Government to mandate leave policies for America's employers and work force, no matter what those leave policies are.

The President argues that employers need flexibility and options and that a rigid leave policy interferes with flexibility. I disagree. The only flexibility at issue here, the only option that would be blocked is the option to fire employees who have to take care of their families during times of crisis.

President Bush says American business needs the option and flexibility in order to be competitive in the global economy. That's nonsense, and the President knows it. Our toughest international competitors, West Germany and Japan, have mandated leave policies very much like this bill, but in most respects they go far beyond the Family and Medical Leave Act—both Japan and West Germany provide paid leave to mothers of newborn infants and to disabled workers. Our international competitors protect the options of their workers, of their families. And their businesses do just fine, as the people in my part of the country know all too well.

The President's veto message never mentions the steps we took to minimize the impact of this bill on business. Ninety-five percent of all businesses are totally exempted from the act's coverage. No business with less than 50 employees is covered. No one in Congress wants to hurt small businesses or impose undue burdens on them, and so we exempted them, leaving them all of the flexibility in the world.

No, the President's veto makes no sense. It tells American businesses that family responsibilities are no concern of the Federal Government. It tells workers that their Government won't help them, it won't protect them against even the worst, most senseless actions of their employers. His veto makes the "kinder and gentler America" Mr. Bush promised nothing more than a hollow campaign pledge.

For the sake of America's families and the working parents who support them, I urge you to join me and vote to override the President's veto.

Mr. GRANDY. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Speaker, I say to the Members, let us all join together in sustaining the President's veto.

Mr. Speaker, I rise in support of the President's veto of the mandated leave bill.

Mandated benefits will have a devastating impact on the business community and the economy of this country.

As a small businessman, I cannot imagine the practicality of mandating a benefit that would be desirable for every worker. To be cost effective, particular benefits should be tailored to meet individual needs. It's called a cafeteria of benefits.

As a small businessman with a company in North Carolina, I offer a benefit mix that helps the business and meets the desires of the workers. We provide a number of employee benefits, including health insurance, life insurance, a retirement plan, weight loss classes, blood screening, cancer screening, flexible work schedules, physicals, and maternity and family leave.

The benefit pie available to workers is only so big. As an employer, I have to ask myself, what benefits will be cut or reduced to pay the Federal mandate. Do we lose weight loss classes, give up cancer screening or make do with less dental care? Obviously, such a mandate would hurt older workers. Single workers may prefer enhanced dental care or longer vacation leave in lieu of parental leave.

My company was able to meet the needs of my workers without a mandate from Washington bureaucrats. The bottom line is that as an employer, I will look out for my workers. If I do not, my best employees will go to the competition.

A report by Opinion Research Corp. indicates that what employees want is greater choice not more benefits. Employers are moving toward flexibility. Mandated benefits can only hamper a company's ability to provide appropriate benefits for their employees.

Let us not mandate away flexibility. Join me in voting to sustain the President's veto.

Mr. GRANDY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Speaker, over the years this Government has found it necessary on occasion to step into the workplace and set minimum standards for wages, health, and safety requirements, pensions, and other job-related matters. This Family and Medical Leave Act is an entirely different kind of intervention. It mandates a cumbersome set of permissive practices and establishes a Federal priority—and I think that is very important—among potential worker benefit options that is as intrusive as it is expensive and unwarranted. It intervenes in an area that is historically within the purview of negotiations and/or collective bargaining between the employer and the employee.

This act seems to me to ignore the reality that its potential benefit is not shared equally among all workers. In fact, I think it could be argued that it probably discriminates against some and will probably be used by those who have the least economic claim upon it.

Benefits cost money. The money comes from the pockets of the employers or the pockets of the employees. The cost of worker benefits has continued to rise over the past several years, and when we mandate one benefit, we reduce the option or flexibility for those employers or employees to select from among those options. It is the employees and the employees who should decide where benefit costs are going, not the Federal Government.

Many of us on this side do not question the fact that there are those individual horror stories out there where uncaring and insensitive employers have been insensitive to family needs to workers in the work place, but the imposition of a national mandated leave policy throughout every work place, regardless of whether or not they are offending employers, whether or not they have leave policies, whether or not they give options to their employees within the workplace, the imposition of that national mandated policy in every workplace in this country of 50 employees or more is certainly not the answer.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, what are we talking about here? We are talking about 12 weeks of unpaid leave for an employee for the birth or adoption of a child or to care for a seriously ill child, spouse, or parent. That is nothing revolutionary.

What are the arguments against it? We are told it is too burdensome on small business. That is not so. We exempt small businesses with 50 or fewer employees. That is 95 percent of all jobs in America.

We are told it is too costly. That is not so. This is unpaid leave.

We are told it is anticompetitive in the international marketplace. That is not so. We know that Japan gives 12 weeks at 60 percent of pay, that West Germany gives 14 to 19 weeks at 100 percent, and that Canada and the United Kingdom have similarly generous leave policies.

But the one that really gets me is that we are told it is disruptive and people will take advantage of it. A woman has a child, and when all is well at home, is she just going to take advantage of it and have an extended vacation? Do we know why women work? For the same reason men work. They like to eat, they want to have a roof over their heads, and they want to educate their children.

Mr. Speaker, we talk a lot in this town about family values, it is time we practice what we preached.

Mr. GRANDY. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Speaker, I rise in support of the President's veto of H.R. 770, the Family and Medical Leave Act, and urge my colleagues to sustain the President's veto.

In fact, I am puzzled as to why we are bothering to vote on this override when we already know that this measure did not pass with enough bipartisan support to override the presidential veto.

In my judgment, a vote to sustain is a vote to craft a family leave policy that can gather bipartisan support in the Congress. The President's objections, which many on both sides of the aisle agree with, are based on his view that H.R. 770 mandates requirements on employers that are better left to labor-management negotiations. This legislation requires employers to provide employees up to 12 weeks of leave per year for a wide range of family and medical purposes. The enforcement provision, which the bill leaves o the Department of Labor, is an EEOC-style enforcement, with multiple appeals and the prospect for substantial litigation.

We all agree that every American deserves job security during a time of family need. But let us begin down the path of legislating in this area by moving toward a policy that can gain bipartisan support.

Last, year, I offered legislation, The Maternity Leave Act of 1989, that provides for 10 weeks of leave every 24 months for the birth or adoption of a child. This approach, which enjoys bipartisan support, reflects the current practice of many small employers and is a reasonble beginning point for Federal policy in this area of labor law.

I had planned to offer this legislation as an amendment to H.R. 770 during House consideration. While the Rule allowed time on my amendment, I did not offer my proposal at that time because I felt, as many Members continue to feel, that a serious debate on the merits was not taking place, that the business and labor communities were not willing to discuss any middle ground. With this veto it is time to look at new proposals. So, today I am introducing a new bill, The Family Leave Act of 1990, that allows all employees 10 weeks of job-protected leave for the birth or adoption of a child. Unlike the Maternity Leave Act, this bill would grant men and women, mother and father, job protection, gives Federal and congressional employees an equivalent leave, and has special rules that govern leaves for classroom teachers.

Let us sustain the veto and then sit down together and work on a compromise to fulfill the need for job protections for American families.

□ 1200

Mr. CLAY. Mr. Speaker, I yield 1½ minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, the President's veto of the Family and Medical Leave Act was a cruel and callous act against American families. It was an act taken by the President of the United States that shows the complete lack of understanding of the needs of America's families, the need to be in the workplace, the need to make compatible the need to work and the goal of raising a healthy family. What the President has said is, "We will continue to punish those families that show the kind of paternal-maternal instincts that we want in our own families."

Mr. Speaker, the mother who rushes home to a sick child, the father that takes care of a sick parent, the family that joins together to take care of their own, they can be fired today. They can lose their job. They will have to suffer that kind of hardship.

The President of the United States has kicked the American family right in the teeth. In a time when we see generations coming closer together, as the elderly are living longer and need their children more, as the baby boomers are trying to educate their children, as families are starting to have children at an older age, when we need this kind of act to help those families, the President says, "Make it voluntary."

It is voluntary, and it is not working. People continue to get fired. Has the President failed to read the case studies, to read the histories of families that have lost their jobs, lost their economic underpinnings, because they wanted to take care of a child, because they wanted to take care of a parent, because they tried to avoid going to a nursing home, they tried to avoid sending them to charity?

Mr. Speaker, families that are working on the best instincts of American families are now being told by the President, "Go it alone. Don't look to us for help."

It makes a mockery, it makes an absolute mockery, out of this President suggesting that he is profamily, cares about families or understands families.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Speaker, in the President's message accompanying his veto of this bill, he wrote that H.R. 770 "ignores the realities of today's workplace and the diverse needs of workers."

Unfortunately, that describes his veto rather than the family leave bill. I suppose that if America had a substantial labor surplus, a declining and healthier elderly population, and an overwhelming majority of one-worker households, then the President's veto might make sense.

But that is not the America of today—and even less the America of tomorrow. So we are faced with this question: Is family leave legislation in our national interest?

The answer is yes if you believe that we need a more productive and efficient work force in order to be competitive.

Yes, if you think that strong and cohesive families are vital to our country's future—and if you think that families, and not society, are the first and best providers of care.

And yes, if you think that the absence of family leave policies already exact a significant societal cost—without any benefit in return.

Mr. Speaker, with this legislation, we have a chance of addressing a workplace issue before it becomes a full-blown crisis—the chance for Congress to do the unusual and anticipate a problem, rather than clean up the mess later.

We should act in the national interest today, Mr. Speaker, and override the President's veto of family leave legislation.

Mr. GRANDY. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, while I believe the legislation before us today has some merit, I rise in support of the Presidential veto primarily due to the inadequacy and inflexibility of the bill. During floor consideration of the bill, I was one of several Republicans who supported the substitute version but also supported the motion to recommit because I believed in many ways, this legislation did not go far enough.

One aspect of the bill which I found particularly troubling was the absence of tax credits—I believe that the House should have reexamined the feasibility of offering tax credits to those businesses willing to offer parental and medical leave benefits to their employees. In this way, companies would have the option of providing benefits to employees but they would not be required by Federal law to offer them. In this way, all companies would have incentives to offer leave to their employees on a voluntary, not mandatory basis—and, given enough of a carrot, probably would not hesitate to offer the benefit.

Another major criticism I have of the bill is that in its current form, it only assists a certain type of worker. I question how beneficial this bill would be for low-income or older workers. There are many low-income workers who perhaps would prefer other types of benefits because they cannot afford to take several weeks of unpaid leave. These persons, who many times have small children, may benefit more from a cafeteria-type plan that would provide them with a choice of employee benefits such as extended health care coverage child care, or educational benefits.

In my congressional district, I represent a high number of older Americans who have made the decision to continue to work. I am not certain that the family and medical leave may be the best that we can offer to our senior—older persons are more interested in long-term health care insurance. Last year, I talked to thousands of older persons and the message was the same—the benefit they wanted the most was long-term health care coverage. I personally believe that allowing employers to provide benefits suited to their employees is in the best interest of their workers.

And, I might add—if medical and family leave benefits is a good idea—then why should the employee of a 49 or loss employee firm not be covered? A pregnant woman is just as pregnant no matter what the size of her firm.

For these reasons, I voted to recommit the legislation when we were debating the legislation in the House. While I felt that the bill was improved, I also strongly believe that government should not be mandating a specific form of benefit—that the employer/employee relationship should have a choice and that the benefit should not be limited to employees of just the larger firms. In my judgment, the bill is flawed and therefore, I will vote to veto the legislation.

Mr. GRANDY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise to urge my colleagues to sustain the veto of H.R. 770, the Mandated Family and Medical Leave Act.

H.R. 770 is another symptom of a virus that has been going around inside the Capital Beltway in recent years, the M.O.S.F.A.—the mandated, one-size-fits-all attitude.

This bill was well-intentioned. I think we all agree that every employer who can ought to provide the kinds of benefits outlined in this bill. But not every good idea makes a good law, for the whole Nation, regardless of the circumstances, needs, or preferences of individual workers and employers.

H.R. 770 would guarantee an employee taking leave unconditional and immediate reinstatement whenever he or she chooses to return from leave, regardless of the economic consequences to the employer, and even if the leave is taken for an indeterminate period of time or the employer has to fill the leave-created vacancy with a new, permanent worker. Thus, H.R. 770 does not give the employer the discretion necessary for reasonable work force planning.

At the beginning of the leave period, the employer—and, in all good faith,

the employee—may have no idea whether the employee will be coming back to work in 1 week, 12 weeks, or ever. The employer—especially smaller businesses—are faced with the uncertainty of not knowing whether to let the position go vacant or go forward with, in many cases, expensive hiring and training procedures that may require hiring a new, permanent employee.

Conversely, H.R. 770 requires the employee, as well as the employer, to agree to reinstatement at the end of 12 weeks, or else lose the benefits conferred by the bill. All the experts agree that bonding with a newborn hardly begins in 12 weeks. A serious health condition could last longer.

A preferred rehire approach would have corrected these problems, by guaranteeing that an employee returning from leave would be entitled to reinstatement or to placement in an equivalent position—for which the employee is qualified—if such position is available when the employee returns from leave. If the same or equivalent position is not immediately available, the employee taking leave would be guaranteed to be rehired for the next identical or equivalent position that opens up.

This approach would have addressed the inequities of having to fire a new employee, who may be facing greater family or economic stresses than the leave-taking employee. It also prevents the alternate inequity that arises if an employer is forced, under H.R. 770, both to return the leave-taking employee to the payroll and to keep on a permanent replacement hired during the leave.

I sought to offer such a preferred rehire amendment when H.R. 770 was originally considered, but a straight, up or down vote on the amendment was not made in order. Floor debate already was becoming confused and almost all amendments were ultimately withdrawn.

Employment policy should be conditional on some economic and realistic circumstances. This bill does not recognize the reality of the actual working world and, therefore, this veto should be upheld.

□ 1210

Mr. CLAY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Speaker, I rise in strong support of overriding the President's veto of the Family and Medical Leave Act.

As a mother, I know well the feeling of anxiety that comes upon you when your child is ill. For many parents, their economic status already provides an obstacle when seeking professional medical care for a child, relative, or themselves. The added burden of possible unemployment may cause an internal conflict that renders a decision life-threatening. The notion of a mother or father not providing the best care for his or her child may seem foreign, but for many it is a distressing reality.

I know by the number of letters that I have received that the Family and Medical Leave Act is supported by a cross section of organizations. I also know by the outpouring of calls and personal messages that this matter is important to constituents in the diverse city of Chicago and to those all across the Nation. This matter concerns us all. As Representatives of the people of this country, we must show responsibility and leadership on this issue because the family and the American work force are two institutions that cannot afford to be left unprotected and vulnerable.

We need to do something to assure job security for the employees of this Nation when a crisis besets them, and we need to do it now. We must override the veto and enact legislation that reflects the internal conflicts a working individual faces when a family member needs him or her. In all of our lives there will come times of crisis and no matter how much one might wish to be in two places at one time we all know this is simply not possible.

Let me remind you, too, that in today's world there are more women working than ever before. In fact, the Bureau of the Census has projected that this decade will be the first to begin with the majority of mothers in the United States in the work force. This represents an increase of over 80 percent since the year 1970. It also means more children are practicing self-care, sometimes even when they are ill, because there moms are working in order to put a roof over their heads and food in their stomachs.

The Family and Medical Leave Act, guarantees that an employee, such as a working mother, will not lose her job because of the need to respond to a family or personal crisis. Plain and simple, it is wrong—almost un-American—to make the working individuals of this Nation, who are a viable component in our global economy, choose between employment and caring for a sick child, a terminally ill parent, a seriously sick spouse, or for themselves.

Furthermore, let us remember that it is not only the mothers in America that need job-protected leave, it is also the fathers, the daughters, the sons, the husbands, and the wives with family responsibilities who need measures such as are contained in this bipartisan compromise bill.

Family and Medical Leave makes sense. When an employee is seriously ill his or her output is severely curtailed. Simple economics demands that we maintain productivity at its highest level. It costs the American public $4 billion per year to pay unemployment compensation for workers fired as a result of unprotected leave. In contrast, the Family Medical Leave Act would cost a business an average of $5.30 per year.

It is also significant to note that as the population ages, there will be growing need for care of the elderly. Not all of them will be able to live alone; some may require confinement to a nursing home; others may live with their children and their families. The medical needs of these older Americans may sometimes demand the full attention of the care givers. This is a difficult time for all involved; and I know from personal experience that the daughters and sons acting as care givers deserve the peace of mind of knowing that their jobs will be waiting for them when the medical crisis is over.

It is the working poor and minorities who are already at the highest risk for unemployment and it is poor and black women who are hurt the most by lack of job-protected leave. Without the job security that the Family and Medical Leave Act provides these and others might well add to the 6.8 million Americans already unemployed, hungry, and homeless.

When we contemplate this legislation let's think of the crucial period of bonding needed between newborns and parents, between adopted children and their new parents. Let's think of the foster children who need the full attention of their new parent in order to make the transition into a new home. Foster children are also more likely to have medical complications that demand time from a parents work schedule. The recruitment of foster parents is already an arduous task that must be overcome for the sake of over 30,000 of this Nation's children. How can we ask someone to commit to this difficult task with the risk of unemployment hanging over their heads?

This legislation also helps those who are already employed but suffer from such disabling conditions as epilepsy, cancer, or multiple sclerosis for example. For those with epilepsy, a change of medicine can necessitate some time off from work because of the onset of seizures during chemical readjustment. Chemotherapy treatments may mean 2 days per month of missed work for a cancer patient. If the effects of multiple sclerosis worsen and someone with this surmountable disability must recuperate before returning to work, under this legislation their position will be held for up to 12 weeks so they can continue to be independent, active members of society.

This bill allays some of the fears that employers may have. All businesses of 50 employees or less would be permanently exempted from the act. The compromise of 12 weeks increases the level of certainty for employers. Doctor certification for leave allows an employer to be sure that the crisis is indeed real.

This compromise is supported by a cross section of organizations. The outcome of passage of H.R. 770 with the compromise amendment is long overdue for the working sector of this country and those who depend on them. The peace of mind afforded recovering, and employees tending to other family members, will hasten their return to the work force. Additionally, it will make adoption and foster care for children with medical complications a less difficult situation and it allows those with potentially handicapping disabilities to remain self-supporting, self-reliant individuals.

I urge my colleagues to listen to the American people, listen to Mrs. Bush, and let's put family first and join me in overriding the veto of H.R. 770.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. MCDERMOTT].

Mr. McDERMOTT. Mr. Speaker, patient recovery from serious illness benefits enormously from the participation of the family, who provide the love and support a patient most needs. The family is also an important link in the treatment process. For the physician, families are an important resource for information, decisions on appropriateness of care, monitoring of progress and continuity of care, and often provision of basic care. The more serious the illness, the more critical the family's presence is.

I have no doubt that if anyone in this room had a child or parent suffering a devastating illness, he or she would not hesitate to miss a few votes to care for them. But other workers are not so fortunate. And that is unfair.

The Family and Medical Leave Act seeks to help families in crisis, so they will not be punished for their love, their anguish, or their misfortune. It tries to help workers do right by their families—by allowing them to nourish new life or comfort those at the end of life.

The people of this country deserve better than the glib cliches we've heard from the President about the free market and the needs of business. Some people have exceptional burdens to bear. They deserve a chance to confront and bear those burdens with faith, dignity and our full support.

I urge my colleagues to override this veto.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Speaker, normally I subscribe to the view: "that government is best which governs least."

But I also feel that our Nation's future depends on the strength of the family.

In the case of family leave legislation, Congress should make an exception to the general rule that Government not interfere in the workings of the free enterprise system.

It is not so much that there are millions of women who need to work and also want to have children, though it is probably true.

It is not so much that parental leave will save money over time because we will have healthier or more emotionally stable children, though such a result is likely.

It is simply a case of my wanting to put the interests of children first.

To me, the early weeks that a parent spends at home with a new baby are so vital, the need to nurture the parent-child relationship so important, that I am willing to give children priority.

I cannot think of a more worthy goal than strengthening the family in America.

Mr. GRANDY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. LAFALCE], the distinguished chairman of the Small Business Committee.

Mr. LAFALCE. Mr. Speaker, unlike Presidents Bush and Reagan, I think it appropriate to mandate that employers provide certain benefits to their workers.

In 1986 I cosponsored Representative SCHROEDER's bill which called for leave to care for newborn or newly adopted children, seriously ill children, and for the employee's own serious illness. I featured that bill in my newsletter to constituents and I wrote op ed articles extolling such programs.

Notwithstanding, I voted against H.R. 770, and I intend to vote to sustain the President's veto, and urge you to do the same.

Why?

Because, in my view, H.R. 770 goes much too far, much too fast. It goes very substantially beyond the original program outlined above.

While the rhetoric associated with both has been basically the same, H.R. 770 includes two new categories of leave which were not in the initial version of the bill and which my staff's research indicates are not provided in leave programs in any other nation—spousal care and elder care.

Some of the arguments used to promote the bill have been very misleading. One argument is that all of the world's industrialized nations have a leave program except two: The United States and South Africa. Proponents would have us believe that other nation's programs are as extensive as the one contained in H.R. 770, and they use guilt by association by saying that the United States is as "bad" in this area as South Africa and no other.

What are the facts?

First, almost all industrialized countries have one form or another of pregnancy disability leave. U.S. law requires that an employer provide pregnancy disability leave if the employer provides other types of disability leave. Among them is South Africa, providing 18 weeks of pre-natal leave and 8 weeks post-natal—Switzerland provides a total of 10 weeks; Belgium 14. Several of these programs would more reasonably be described as a maternity leave program.

Second, of 23 countries which we surveyed, 21 provide extended sick leave for employees—only Israel and South Korea did not. The length of leave provided ranges from 15 days—Canada to unlimited—New Zealand and South Africa..

Third, seven countries—Denmark, Finland, Iceland, Italy, Norway, Sweden, and West Germany—have programs calling expressly for maternity and paternity leave.

Fourth, leave to care for sick children is available in only three countries: Sweden, 60 days; Norway, 10 days per parent; 20 for a single parent; and West Germany, up to 5 days per parent per child per year.

Fifth, finally, our survey indicated that leave to care for spouses and elder care are not mandated in any of the industrialized nations surveyed.

This information was not able to be derived from the committee report on H.R. 770. In order to compile it, my staff contacted and received data from the Congressional Research Service, the Employee Benefit Research Institute, the Women's Research and Education Institute, the International Labor Organization, the General Accounting Office, the Department of Labor, and the Womens' Legal Defense Fund.

In enacting a Federal law, there are a great number of alternatives which could be considered, and Federal legislation in this area should have started out carefully and selectively. Instead, H.R. 770 provided everything, all at once, in one fell swoop. Not simply maternity and paternity leave; not simply sick leave for oneself or one's children; not simply for Federal employees or for public employees. But rather, every kind of leave imaginable, including spousal care and elder care, and for the private sector as well as the public sector. No phasing, no study of various State experiments, no concern for how this would impact on us internationally. We could and should have studied what other developed nations provide. If we had, we would have learned that the typical program is one that provides maternity benefits and extended sick leave for employees; that a minority of countries provide paternity leave and that no country provides leave to care for spouses or parents. And we could have tailored a program for the United States which was closer to the consensus of the other industrialized nations of the world.

We could have looked to the 50 States to observe and study their laws. But we didn't. If we had, we would have discovered that over 60 percent of the States do not mandate any leave policies for the private sector—21 have no mandated policies at all, 10 have programs applying only to public employees; that 11 States mandate pregnancy disability; that only 4 States have maternity and paternity programs—only 1 of which also provides for leave to care for sick children; and that only 5 States have programs, recently enacted, experimenting with more comprehensive programs bearing some similarity to the one in H.R. 770—although frequently with less leave time mandated. Finally, we would have learned that in almost all cases when States have mandated leave, they have put the responsibility to pay for continued health insurance coverage on the employee, not the employer as provided in H.R. 770.

I frankly do not think that H.R. 770 received the kind of serious thought and consideration it should have, particularly when one looks at the process in the other body. Not a single amendment to the House bill was offered in the Senate; indeed, the Senate did not even have a recorded vote on this controversial bill. One can easily suspect that a veto was so confidently expected, and that an override was thought to be so improbable, that a political "free lunch" was taken.

Unfortunately, because there were no Senate amendments, there was also no conference, and the chance for a conference committee to correct the many defects in a bill progressing through either body—something which is, of course, a frequent occurrence—was not available with regard to this bill.

Let's sustain this veto, and then let's work to put together a more responsible leave program for American workers.

Attached is an outline of a bill providing American workers with reasonable leave to deal with their children and with their own illnesses. I intend to introduce this bill next week if the President's veto is sustained. It, like H.R. 770, is probably a bill that the President would veto, but it is also one where a successful effort to override the veto would be quite likely:

THE EMPLOYEE LEAVE ACT OF 1990 SUMMARY OF PROVISIONS

Employees and employers covered as provided in H.R. 770:

Up to 8 weeks of maternity/paternity leave for both newborn and newly adopted children (available to either mother or father, but not both at the same time);

Up to 8 weeks every 2 years to care for seriously ill children;

Eight weeks every two years for an employee's own illness;

Health insurance benefits would be continued, but at the employee's expense;

Employees would have to utilize available disability or sick leave, paid or unpaid, before using this leave; time taken with such available other leave would count toward the time limits;

Initial enforcement through administrative law judges at the Department of Labor; and

Double back pay for violations (rather than quadruple, as in H.R. 770).

Mr. CLAY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Speaker, I rise in strong support of overriding the President's veto of the Family and Medical Leave Act.

The President often speaks of his commitment to American families. But a commitment to our families must be expressed in more than words. When push came to shove, the President demonstrated where his commitment really lies: He vetoed the most important pro-family measure of the 101st Congress.

He vetoed the bill because he felt it involves a trade-off between the interests of the family and the interests of American business. But that trade-off does not exist. Small business is exempt from this legislation. And the final bill sent to the President made many accommodations for the business community. The result is a bill that helps our families without harming business.

The Family and Medical Leave Act is win-win legislation.

It will help Americans fulfill their family responsibilities without losing their jobs.

Because it preserves employment, it will save all Americans money in reduced spending on unemployment compensation and other social programs.

It will help make America more competitive by promoting a well-trained, experienced, high-morale workplace.

It will help ensure that our young people—the next generation of leaders in this Nation—receive the care they deserve early in life.

And it will help ensure that the elderly and infirm receive the loving care they deserve.

Today we have an opportunity to do more than talk about helping American families. We have an opportunity to take action. We have an opportunity to stand up for the values we believe in. We have an opportunity to do what every other industrial nation has already done—provide family and medical leave.

I urge my colleagues to stand up for the American family by voting to override the President's veto.

Mr. CLAY. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, I rise in strong support of the Family and Medical Leave Act and urge my colleagues to join me in voting to override the President's veto. American families should not have to wait one more day for this legislation.

When George Bush was a Presidential candidate, he summoned this Nation to provide parental leave and many Americans voted for him, thinking he was a new kind of Republican. But then when he got to be President, George Bush proceeded to veto parental leave. If you are confused, Mr. Bush wants you to know that he always meant parental leave to be voluntary for employers. Imagine that. When FDR summoned the Nation to a high purpose, it was always in the cause of people, guaranteed by law. The same held true of other great Presidents, like Truman and Kennedy. But when George Bush summons this Nation, what he means is: "Do this if you'd like to and, if you can't, well, never mind." What a concept of leadership.

We've heard this kind of veto message argument before—that mandated benefits are somehow unfair to businesses, that it will make businesses less competitive with foreign business interests. That we should wait for businesses to decide when it's convenient for them.

Well, the majority of this House and the Senate and the American families have spoken. We've waited long enough.

This country will be more competitive only if its work force isn't torn between family and work. It's been proven time and time again in Japan, in West Germany, and in every other industrialized nation except South Africa.

The Family and Medical Leave Act provides workers a modest amount of unpaid, job-protected leave for childbirth, adoption or serious illness.

I will not join in sending the misguided message of the veto to working parents and their children—that caring for a sick parent or new baby is just not a priority in this country. None of us should have to choose between keeping a job or caring for our families.

I urge my colleagues to vote to override the President's veto and to vote for the American family.

Mrs. ROUKEMA. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Speaker, you got to have heart. Where is our country's heart? You all know that 95 percent of the businesses in this country are exempted from the effects of this law, 95 percent, and of the 5 percent that are left, 2½ percent have either paid or voluntary leave in their labor contracts, so you are only dealing with a very, very small part of American industry.

And what kind of employee would take off after having exhausted their annual leave and their medical leave, and get down, you know, all included in the 60 days, just 60 days, 12 weeks sounds like an awful lot of time, but it is just 60 days, you see, to be with a newborn baby, or more importantly, to be home for a desperate family medical emergency situation, at no pay, most of these people live paycheck to paycheck, if it was not just terribly desperate.

And what employer would be so heartless and mean as to not give them their jobs back or to want to refuse to continue their medical insurance payments while they are gone?

□ 1220

All of us, I really believe, ought to support our President and sustain his vetoes when we think he is right, but we ought to override him when we think he is wrong. In this particular instance, in my opinion, I think he is wrong, so I am going to vote to override him, and I certainly urge my colleagues to do likewise.

Mrs. ROUKEMA. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I rise in support of the override of the President's veto.

This bill has been portrayed as big-labor, special-interest, and antibusi-

ness. Well, many of us on both sides of the aisle who support this legislation continue to enjoy the strong support of every major business group in this country, but on this issue they are wrong. This is the right issue for working men and women in this country today.

Many of us who support this legislation did not support H.R. 770 and, contrary to what we have heard on the floor today, there was a significant compromise made that tightened up five specific areas of this legislation that I think is palatable to any business establishment in this country. Mr. Speaker, as a matter of fact, the gentleman from Tennessee [Mr. GORDON] and I offered to amend the bill even further to try to make it an even better bill, but yet the leadership on our side did not want to make the bill in their opinion any better because it would have brought additional votes from our side of the aisle in support of this legislation. We were serious about our efforts to make this the best possible compromise, and in discussions with the White House, we said the same thing. We want to improve and find a bill that is in fact the best interests of everyone, and that was not allowed to occur.

We have heard the issue of cost raised. Mr. Speaker, let us look at cost, because somebody has to pay for the costs of our health care premiums. Let us take one specific example, the hundreds of thousands of American people who are terminally ill. Now, they have two choices. The one choice is they can be confined to a hospital or a skilled-care nursing facility, and all of us can pay for the support of them at a cost of $300 to $500 per day, or we can offer the alternative of hospice care for a terminally ill person with less than 6 months to live. They can go to their home to be with their family and loved ones for a cost of approximately $70 per day.

There is one hangup there, Mr. Speaker. There has to be a family care provider at home, and if that family care provider cannot be there, that person must be confined to a skilled medical facility, and we all pay for the cost of that.

Mr. Speaker, the American family has had to adjust over the last 40 or 50 years. Many of our families have husbands and wives both working today. We talk a good game about supporting American families. Mr. Speaker, this bill supports American families.

We need this bill, because it is good for mothers and fathers. It is good for caring sons and daughters. It is good for our families, and it is good for America.

I would hope that my colleagues would join me in voting to override the veto.

Mrs. ROUKEMA. Mr. Speaker, I yield myself the remainder of my time, 30 seconds.

Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. WELDON], and I want to underscore what he has just said.

People who vote to sustain this veto are saying women and children last, all other mandates first.

Mr. GRANDY. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL], our distinguished Republican leader.

Mr. MICHEL. Mr. Speaker, I rise in support of sustaining the President's veto.

There is a consensus among us on a major point:

Parental and medical leave policies can be highly valued benefits for workers.

But those who support the President's veto believe such policies should be designed to meet the special needs of individual employers and their employees.

This can be best accomplished through the normal collective bargaining procedures between labor and management, rather than through Federal mandates.

The issue is not Federal mandating as such. After all, if a law does not mandate something or other, it isn't a law—it's a suggestion. Some mandates are good, others are not.

But all to often when we pass a law that mandates one good thing we neglect to examine its unintended side-effects on other goods things. This is such a case.

We are mandating a specific good thing in H.R. 770—leave policy.

But we are also, unintentionally perhaps, lessening the possibility for workers and employers to choose other good things.

H.R. 770 is modeled after classic workplace legislation of 40 years ago when the patterns of labor-management relations were much simpler.

But such simplistic, although well-intentioned legislation, doesn't meet the needs of the 1990's. The nature and the needs of the work force have changed. Women have become a larger part of the work force. Family needs must be taken into account. Employee needs are varied.

Some employees may find it more desirable to have a shorter paid leave rather than the longer unpaid leave mandated in this legislation.

Innovative benefits plans or "cafeteria benefits" such as child-care assistance, pregnancy and parental leave, tuition assistance, and flexible scheduling should be encouraged to allow employers to attract and keep skilled workers.

Mandated benefits such as those contained in H.R. 770 could stifle such innovative benefit plans.

As the work force changes, workers' needs change. As workers needs change, employers must have the flexibility to meet these needs.

Mr. Speaker, diversity, choice, flexibility, and innovation are virtues the American economy must seek to enhance, not hinder, if we are to continue to create jobs, and to be competitive in a global economy.

The Government mandates contained in H.R. 770 inhibit the flexibility to accommodate the needs of both the employees and employers of this Nation.

Therefore, I urge my colleagues to vote to sustain the President's veto of H.R. 770.

Mr. CLAY. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Speaker, I strongly urge an override of the President's veto on the Family and Medical Leave Act.

Mr. Speaker, while the President has managed to direct the Nation's attention to his troubled lips, his ailing ears escape with impunity. President Bush has a problem; he can only hear certain voices. Unfortunately, they are the voices of big business.

Last June, for instance, he vetoed the minimum wage increase. He could not hear the voices of struggling workers who would have greatly benefited from the legislation that Congress approved. He only heard the voices of big business, telling him the modest increase was excessive.

Unfortunately, the President's hearing problem has not improved since then. President Bush recently vetoed the Family and Medical Leave Act, a moderate and appropriate response to dramatic changes in the American work force.

The President did not hear the majority of Congress and four-fifths of the American public who support family and medical leave legislation. Unfortunately, he missed the cries of low-wage workers who need the policy most because they can least afford to lose their jobs when faced with a family crisis. They desperately need assurance that they will have their jobs when they return.

President Bush also could not hear voices reminding him that it is Congress's job to address the need for minimum standards to protect citizens and society. Congress has done just this in many instances, and has provided minimum wage legislation, overtime restrictions, child labor laws, OSHA regulations, Social Security, and the American with Disabilities Act.

Mr. Bush could not hear the voices of economists explaining to him that the cost of unpaid leave is so minimal that it is extremely unlikely that employers will eliminate other employee benefits if required to offer leave as envisioned in the Family and Medical Leave Act. In fact, no employer with an existing leave policy has ever eliminated or curtailed other benefits of employees. And, a recent study shows that a majority of employers in the four States which now have family leave laws report no change in costs due to the law.

All the president heard, however, were the voices of some big businesses telling him that the essential, long-overdue, Family and Medical Leave Act, mandated by Congress and the American people, is not a good idea.

Congress has recognized that the President's lips can be hardly readable. We must also recognize that his ears can be overly selective. Even though he has not, we must listen to the voices of American people—and to the voices of reason.

Mr. CLAY. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I am appalled to hear the previous speaker say that we should leave this to the collective-bargaining process when 85 percent of the American workers are not covered by collective bargaining. That is a meaningless argument.

Mr. Speaker, I yield the balance of my time, 4 minutes, to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I rise in strong support of overriding the President's veto on this important bill.

Every day in American newspapers we read more and more about the American family and the stress it is under. The American family in the 1980's is very similar to a hamster I used to have as a pet. It ran and ran and ran on the wheel, and it never got anywhere.

We have seen how the tax burden has been shifted onto the American family. We have seen how we must have dual-earner families to remain middle-class. People are no longer in the work force because they are bored. They are in the work force because they want to remain middle-class.

There is a cataclysmic effect on the working family today, because this country is so far behind in providing this right to American families.

□ 1230

I think many of the Members in opposition to this, mix up two things, benefits versus rights.

Let us talk about what a benefit is. A benefit is something like paid vacation. What is a right? Well, we have rights to serve on juries. We have rights to serve in the National Guard. Do we not have any right to be with a child when it is born or adopted? Every other country says yes, you have that right.

Mr. Speaker, that is not a benefit. This is unpaid leave. There is a big difference. The reason American families are in the workplace, as many Members have eloquently said, is they need the money. So that is the biggest, biggest hindrance to using this. They are only going to use it when their family needs are crying out with this cataclysmic cry for their help or their need. I find it outrageous that we are not going to grant people that right.

Mr. Speaker, we hear people saying oh, the cost; oh, the cost. Well, GAO says the cost is $5.50 per year per employee. Boy, that is going to break America.

Let me tell Members, not only that, every country that is knocking our socks off in trade does this, and does more, does it with paid leave. I think the time has come where we have got to stop throwing rhetoric at families out of this Capitol and throw them some rights.

People are also saying oh, this is not flexible. This is like putting a straitjacket on. Everybody has got to take this.

Baloney. It suddenly gives them something to negotiate with. They can go to their employer and say, "I will not take my 12 weeks unpaid leave if I can have part-time work during the period where I am readjusting with the family." It does not give them anything except rights to negotiate, for the first time to try to be able to find how they can juggle both work and families.

Mr. Speaker, if we were not number one in divorce in the world, if we were not number one in family violence and drug and alcohol abuse, if we were not No. 1 in all those stress-related things, then I think we could keep thumbing our nose at this family type of legislation. But we are No. 1, and we ought to be asking what is driving this stress, what is driving the economic push that is forcing families into the workplace and the workplace not recognizing any family needs.

Mr. Speaker, I cannot believe that we are going to sustain the President's veto. It is 1990, it is not 1930. We really need to catch up.

Mr. Speaker, this society is based upon the solidity of our family units. Our family units are moving and quaking because they are so stressed out and they are pulled in so many directions. I think it is time we try and help people who are trying to get into the middle class. They know how to work this. That is why even in the Wall Street Journal poll 71 percent are for this. You give them this benefit and I assure you, they are going to know how to figure this out. They are going to be very sophisticated in utilizing this, to be able to help them with their family need.

Mr. Speaker, I really plead with Members to face up to what we are doing today and realize only 1 out of 10 families look like "Leave It to Beaver" anymore. One of the problems we have as elected officials is only 1 out of 10 of our families do not look "Leave It to Beaver." So we have to stretch to imagine what they are going through. But stretch. Imagine the stress in your own districts, and please, please, vote to override the President's veto.

Mr. CARDIN. Mr. Speaker, the American work force has changed dramatically over the last few decades. Between 1970 and 1988, the proportion of working mothers increased 52 percent. Working women contribute an average of 41 percent of their family's total earnings. Women play a larger and larger role in contributing to the financial success of their families and they make up a larger and larger percentage of the work force. Unfortunately, public policy has been very slow to catch up to these new social realities. We need to get unstuck from the realities of the 1950's; the heyday of the tupperware and bomb shelter parties are long gone.

The Family and Medical Leave Act, by addressing the social needs of the 1990's, will enable working men and women to care for their children and/or their parents while guaranteeing them the right to be a productive member of the American work force. The Family and Medical Leave Act's time has come. Every American has a right to be a productive member of the work force. Working Americans should never be forced to choose between their work and a child or their livelihood and tending to a sick parent.

We, as a nation, lose when workers must forgo their jobs for family needs. The loss to taxpayers in the form of unemployment insurance and other benefits caused by the lack of medical leave totals $4.3 billion. Not only does family and medical leave make good sense, it makes good business sense. It costs far less to retain an experienced, trained employee than it does to replace one lost to childbirth or medical emergency. Productivity and company commitment can only be enhanced by the protection of these employee rights.

Mr. Speaker, I care about families and workers. The Family and Medical Leave Act ensures that the American people can be good caretakers of children, the disabled, and the elderly, at the same time that they are good workers. No American should be penalized for being good at both jobs. I urge my colleagues to support this veto override.

Mr. ANNUNZIO. Mr. Speaker, it appears that when it comes to legislation that would really make a difference in the lives of America's working families, President Bush can only respond with a four-letter word.

For America's working class, it is disappointing to read the President's lips as he spells out that four-letter word he uses over and over again when it comes to giving them a modest helping hand—v-e-t-o. Let's take a look at President Bush's track record on labor issues:

H.R. 2, the Fair Labor Standards Amendments of 1989 to restore the minimum wage to a fair and equitable rate, passed the House on March 23, 1989, by a vote of 248 to 171. Vetoed on June 13, 1989.

H.R. 20, the Hatch Reform Act of 1990, to restore to Federal employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, passed the House on April 17, 1990, by a vote of 297 to 90. Vetoed on June 15, 1990.

H.R. 1231, to establish an emergency board to investigate the dispute between Eastern Airlines and its collective bargaining units, passed the House on March 15, 1989, by a vote of 252 to 167. Vetoed on November 21, 1989.

H.R. 770, the Family and Medical Leave Act, passed the House on May 10, 1990 by a vote of 237 to 187. Vetoed on June 29, 1990.

Mr. Speaker, this list doesn't even include the Textile, Apparel, and Footwear Act—of which I am proud to be a cosponsor—which passed the House and Senate during the 100th Congress but was vetoed by President Reagan and which President Bush vows to veto if given the opportunity as well.

The 101st Congress has worked very hard, Mr. Speaker, to pass a series of bills to respond to the needs of America's working families. I believe we have put together a number of excellent bills which would lighten the burden on our working men and women, to provide a level of fairness at the job site for all Americans, not just a select few.

But time and time again, President Bush has used that four-leter word "veto" to dash our hopes and those of American workers. Thus, with the exception of the Americans With Disabilities Act and two bills of which I was an original cosponsor—the Steel Import Stabilization Act, H.R. 904, and Steel Fair Trade Review Act, H.R. 3093, which were signed jointly into law on December 12, 1989 as the Steel Trade Liberalization Program Implementation Act—Congress has little to show for its efforts. Thanks to George Bush, this has been the most frustrating legislative session in terms of labor legislation in recent memory.

Mr. Speaker, I have my own one word response to the President's four-letter word on labor legislation, and that word is enough. I encourage my colleagues to join me in taking two, distinct steps to deliver this message to the Oval Office.

First, today, July 25, 1990, the House of Representatives has an opportunity to tell the President what we think about his little four-letter word when we vote to override his veto of the Family and Medical Leave Act. This important legislation would provide 12 work weeks of unpaid leave a year to workers if needed because of the birth of their child or the serious illness of a child, spouse, or parent.

Voting to override this veto should not be a difficult task, because we would just be doing nothing more than what George Bush the candidate—not George Bush the President—promised the American people on the campaign trail.

In vetoing this vital legislation—of which I am proud to be a cosponsor—President Bush reneged on his campaign pledge to provide job-protected leave for family illness, child birth or adoption. When he was asking the American people for their votes in 1988, he thought this legislation was a pretty good idea. However, in his veto message, President Bush qualified his support by saying such policies should be voluntary, not mandated by the Government—a distinction he conveniently failled to make on the campaign trail.

I think the President should be ashamed of himself, not only for going back on a campaign promise, but for vetoing the most important profamily legislation Congress voted on this year. Unlike the President, I do not believe a working mother should be asked to choose between the child she loves and the job she needs. Thus, I implore my colleagues to join me in saying "enough" to the President by overriding his veto of the Family and Medical Leave Act today.

Mr. Speaker, the second action I ask my colleagues to take is to join me and almost 150 of our colleagues in the U.S. House of Representatives as a cosponsor of H.R. 3936, which would prevent employers from hiring permanent replacements during a labor dispute. This bill would also prohibit employers from discriminating against striking workers coming back to the workplace after the dispute has ended.

The right to strike is eroding in America today as a result of a series of judicial decisions and the union-busting initiatives of the Reagan-Bush administrations. This essential freedom, which is now being emulated in emerging democracies around the globe, has brought numerous basic protections to American workers such as union representation, collective bargaining rights, improved wages and fringe benefits, and safer workplaces. But if Congress fails to act, this progress might not only just come to a halt, but might be reversed.

When striking becomes the equivalent of giving away your job, the balance of power is unfairly and dramatically shifted against American workers. That is why it is so important that Congress act upon H.R. 3936, and act upon it quickly. There are few days left in the 101st Congress to enact such major legislation as this, but there are few more important issues to American workers than this.

It's high time that Congress tells President Bush "enough is enough" on issues crucial to American working families. Vote to override the veto on the Family and Medical Leave Act, and enact into law H.R. 3936 this year.

Mr. MATSUI. Mr. Speaker, today the House has the opportunity to once again voice its belief in American families. It is unfortunate that this opportunity appears before us as the result of President Bush's veto of the Family and Medical Leave Act, but his veto of this important legislation should not diminish our commitment.

Throughout the 1988 Presidential campaign we repeatedly heard the President proclaim his commitment to American families and family values. The President had a tremendous opportunity to live up to this commitment by signing the Family and Medical Leave Act into law. Instead, he chose to veto this legislation, and we all learned that his statements on the campaign trail were nothing more than words.

American families need the protections contained in the Family and Medical Leave Act. This modest legislation makes a clear acknowledgment of the sometimes contrasting family and work obligations that American workers now face.

The Family and Medical Leave Act is a very modest attempt to provide families with minimum protection in times of stress and uncertainty. It will allow parents to fulfill both their work and family obligations. The reality of the 1990's is that in most families both parents work outside the home, and most of these parents work for employers who do not provide leave for family or medical emergencies. The version of the bill approved by Congress truly represents a compromise that takes into account the needs of American families, and the concerns of American businesses.

Actions speak louder than words. The President's veto sends a clear message to working families about how this administration truly views their contribution to society. America's families are too important to the strength of this Nation merely to be treated as a campaign slogan or a 30-second commercial.

I urge my colleagues to vote to override the President's veto of the Family and Medical Leave Act. American families deserve better than this.

Mr. FAZIO. Mr. Speaker, I regret that we are here today to again vote on H.R. 770, the Family and Medical Leave Act. Although this important bipartisan bill was overwhelmingly approved by both Houses of Congress and supported by 71 percent of the American people, we revisit this issue today because H.R. 770 was vetoed by President Bush.

H.R. 770 addresses the changing face of the American family, with more single-headed households or families where both spouses work. It recognizes that America's working families have responsibilities to both their jobs and their families and acknowledges that they should not be forced to choose between them when faced with a family or medical crisis. And while H.R. 770 addresses these competing responsibilities, it does not place undue strain on the Nation's businesses.

Despite the support and need for H.R. 770, President Bush apparently believes that working Americans should be forced to make that difficult choice between their family and job. And while the President contends that individual employers will provide this benefit without a mandate from the Federal Government, he fails to acknowledge that when left to make their own decision about this important benefit, most employers thus far have failed to provide unpaid family or medical leave.

We must ensure that America's workers have job security when they are faced with a need for family or medical leave. Everyone should have the right to work and have a family, without jeopardizing either one. Let us reaffirm our support for working families and vote to override the President's veto.

Mr. WELDON. Mr. Speaker, I rise today to support the override of President Bush's veto of H.R. 770, the Family amd Medical Leave Act of 1990.

This legislation will provide a critical protection to America's families. It will ensure that employees are not forced to choose between their jobs or families.

Our society has changed dramatically over the past 20 years and the Federal Government has a responsibility to meet the needs created by these demographic shifts. Today, less than 10 percent of Americans live in a traditional family, in which the father is the breadwinner and the mother stays home with children. Women comprise 45 percent of the work force and this number is rising. And an incredible two-thirds of mothers with children under the age of three work outside the home. These changes have put a strain on the American family. Employees must have the opportunity to care for their families in time of crisis.

Critics would like to depict this as a partisan issue. If Republicans vote the party line, and not with the needs of the working families of their districts, that view will be confirmed. A strong show of support for unpaid family and medical leave by Members on the Republican side of the aisle will send a clear signal to the American people that it is not only the Democrats that are concerned about the future of American families. As a Republican, I was not an initial supporter of this bill, as I am reluctant to impose mandates on business. The compromise embodied in H.R. 770, however, represents a fair balance between the needs of the family and the concerns of the business community.

The President has argued that such a bill would hurt our competitiveness in the global marketplace and stifle job creation. I strongly disagree with this assessment. The 50 employee minimum in this bill exempts 95 percent of companies in America. And the leave is unpaid. The General Accounting Office estimated the cost to be only $5.30 per covered employee per year. Workers will not voluntarily give up 12 weeks of salary except in the most serious of cases. The bill also provides a key employee exemption. This allows an employer to designate their workers earning the top 10 percent in salary to be exempt from the job protection coverage.

Globally, other countries do much more than is embodied in H.R. 770. We have failed to protect families as well as the rest of the industrialized countries. Family and medical leave is a labor protection consistent with such statutes, as minimum wage and a 2-month notice before plant closings. It is merely a necessary courtesy for working people in today's society.

Critics of H.R. 770 argue that industry is establishing their own leave programs and it is unnecessary for the Government to enact a family and medical leave act. I only wish that this was the case. According to the Bureau of Labor Statistics, only 37 percent of employers with more than 100 employees provide maternity leave. The General Accounting Office estimated that more than 60 percent of American workers are not covered by a short-term disability plan.

Mr. Speaker, we live in a day when it is necessary and commonplace for both spouses to be in the work force. At the same time, we are watching the deterioration of many traditional family values. The FMLA will help working men and women make it through the times of crisis which threaten to tear families apart.

I urge my colleagues on both sides of the aisle to recognize the overwhelming need for this bill and vote to override the President's veto of the Family Medical Leave Act.

Mr. GRANDY. Mr. Speaker, I suppose we could start this debate with a long discussion of the role of government mandates concerning benefits in this society and the risk they present to the rational, efficient allocation of benefits for employees in any given workplace, but perhaps it would be mroe profitable simply to ask a simple question, Is there a real need for this legislation?

I realize that both sides of this debate can hurl statistics back and forth as to what employers are doing voluntarily, along with antidotal evidence as to both employer programs and instances where employees, regrettably, have lost their jobs because some employers were inflexible with regard to the family needs of these employees. Further, we can talk at length about what the States are doing. But let me just ask my colleagues whether they have heard from any appreciable number of their constituents on this issue. If not, why not? Could it be that, in fact, situations were employers refuse to accommodate the needs of their employees are, in fact, relatively rare? If so, should we be here today passing national legislation mandating one approach to circumstances which invariably widely differ from workplace to employee and employee to workplace.

Interestingly enough, if this issue is burning in the hearts and minds of Americans, if they are clamoring for this, much the same way they clamored for section 89 or catastrophic health care, then why have many public opinion surveys put this issue at a very low priority. Instead, clean air, crime, and child care rank much higher. I have received about three to four letters a month on the issue. The majority of these letters have been in opposition to mandated family and medical leave.

Of course, Mr. Chairman, the substitute and H.R. 770 mandate one inflexible approach to a multifacted problem—a set number of weeks for a set number of conditions. The effect, as numerous witnesses at hearings testified and which will be discussed further later today, will be redistribution and reallocation of benefits directed to those employees who fall within the legislated, favored set criteria, while benefits available to other employees will diminish. I know this may be a shock to some of the proponents of this bill, but employers only have so much money to spend: The benefit "pot" is not bottomless.

Employee needs differ from one business to another. We believe that mandating this particular benefit limits the ability of employers to offer benefits that appeal to their workers. Ultimately, a benefit decreed becomes a benefit denied because of the fixed profit pool available to employees.

What about the family with older children, not a newborn, that desires child care benefits? They are more concerned with what happens the first 10 years instead of the first 12 weeks.

What about the family that wants strong dental benefits, or the family with a child who has a congenital birth defect—say kidney disease which later creates a need for kidney dialysis and a kidney transplant? This family would undoubtedly rather have strong medical benefits—a Blue Cross/Blue Shield policy—than 12 weeks of unpaid medical leave.

What about employees who would rather bargain for greater paid sick leave, adoption assistance, employee discounts, vision care, or a profit-sharing plan?

Is it the role of the Federal Government to collectively bargain for these employees? I say no. Flexible benefit packages must be allowed to meet the flexible needs of each individual's work force, whether this work force is in Mason City, IA, in Los Angeles, CA, or in a medium-size city like Waco, TX.

Of course, if the leave mandated by this bill cost little or nothing, these concerns may not be real ones, and proponents will again cite GAO's study on H.R. 770. Again, later speakers will touch on this subject, but for now I want to emphasize that for many reasons the GAO's study missed the mark. Perhaps, most tellingly, the GAO only looked at the cost of health insurance coverage and, incredibly, assumed there would be no loss of productivity associated with a lost worker, concluding that his or her work could be simply spread around and that no costs would be associated with hiring temporary workers. Mr. Speaker, perhaps in a typical Washington, DC, office, work can be simply spead out among workers, but surely most American workplaces do not normally operate at such an inefficient rate that a worker here or there won't be missed. On this note, I simply want to emphasize that a study by the Society for Human Resource Professionals put the cost of replacing workers at $56 million and that a study by Robert Nathan Associates put the cost of continued health insurance at $277 million to $692 million, depending on certain factors.

Finally, I just want to quickly touch on the States. Numerous States have enacted legislation in this area, and legislation is pending in others. Is this legislation identical to H.R. 770 or the substitute? No, and that's the point. A one-size-fits-all solution is absurd, particularly when the States are developing their own solutions to whatever problems are being brought to the attention of the State legislatures. Why should the Federal Government step in and play "Big Brother" now?

I would now like to turn to the structural problems of both H.R. 770 and the substitute.

ADMINISTRATIVE DIFFICULTIES

The structural framework established by H.R. 770 and retained by the substitute, without any significant change, for the administration of the required benefits would be unworkable, as a practical matter, would fail to allow for legitimate needs of employers in orderly managing their work forces to produce a quality product, and would likely lead to extensive litigation as employers and employees disagree over the proper interpretations of the many vague provisions in the bill. While it is here impossible to discuss all of these problems in detail, the most significant can be summarized under the following areas:

DEFINITIONS

The definition of "serious health condition" is critical to H.R. 770 and the substitute, as the employee may take time off if he or she has a serious health condition and to care for a child, parent, and—under the substitute—spouse who has a serious health condition. Well, as with much legislation in Congress, the label used is misleading, although appealing, and the types of conditions covered by the definition of a serious health condition could be many and not, in fact, all that serious. Both H.R. 770 and the substitute identically broadly define the term as "an illness, injury, impairment, or physical or mental conditions which involves (A) inpatient care in a hospital, hospice, or residential health care facility, or (B) continuing treatment or continuing supervision by a health care provider."

The committee report, p. 29, notes that the definition is "broad and intended to cover various types of physical and mental conditions." What does continuing treatment or continuing

supervision mean? The GAO, upon which the proponents frequently rely, noted the problem with the definition and made up their own definition in order to try to estimate the cost of the bill, stating:

There is another matter related to the cost of this legislation that warrants attention, namely the need to clarify the definition of serious health condition under the provisions of the bill permitting leave to care for seriously ill children and temporary medical disability. Currently, there is substantial room for varying interpretations. For example, the cost of the bill would increase by nearly $120 million if serious illness is assumed to be 21 days or more of bed rest rather than 31 days, as in our estimate.

In sum, GAO was stating, and we agree, that the relevant definitions provided by the bill are unworkable and so elastic as to be meaningless. This key problem alone is fatal to H.R. 770 and the substitute.

BROAD ELIGIBILITY FOR LEAVE/BENEFITS

Virtually all employees of a covered employer, regardless of the nature of their work or impact of their absence, will be eligible for leave under H.R. 770 and the substitute. Any employee who has worked 1 year for the same employer and has worked at least 1,000 hours—about 20 hours a week—qualifies. Thus, after 1 year of part-time work, an employee would be eligible for up to 12 weeks of leave over the next year. Unfortunately, the broad criteria established by the bill governing availability of leave make the likelihood of actual use of most or all of such leave quite probable. Further, there is apparently no requirement that leave actually be needed, in the sense that exigent circumstances exist, before it is taken. The birth, adoption, placement in foster care, or serious health condition of a son or daughter, or the serious health condition of a spouse or parent, alone trigger eligibility for the leave. Thus, an employee could apparently take 12 weeks off in order to care for a parent even though, as would likely often be the case, the aid of the employee is not actually necessary—such as when another relative or professional attendant at a hospital is tending to the needs of the ill parent. Similarly, an employee could take 12 weeks off in order to care for a child living with a divorced spouse, without regard to whether the employee actually has custody of the minor. And, of course, an employee could take 12 weeks off because of a child's birth, adoption, or placement in foster care even though an able-bodied, unemployed spouse is at home to care for the child. In sum, many factual situations will qualify employees for the full 12 weeks of leave provided by this bill; emergency, pressing, or unusual circumstances need not exist.

KEY EMPLOYEES

Certain key employees are exempt from reinstatement rights under the bill but remain eligible for continued health benefits coverage. This exemption—the only one in the bill—is extremely limited, as employees falling within the exemption must be among the highest paid in the work force and those whose reinstatement would cause substantial and grievous economic harm to the employer. It would seem that the exemption tied to the nature of an employee's work, availability of replacements, and impact of the employee's absence would have been more realistic. Notably, New Jersey's law looks to the effect of the leave being taken, not the effect of reinstatement. The substitute made a slight change in the exemption, but with no real effect.

COVERED EMPLOYEES

Finally, it is worth emphasizing that, as the bill contains few employee exemptions, it contains fewer employer exemptions. All types of employers above the 50-employee threshold, including State and local governments, regardless of the nature of their operations, are covered. Hospitals, police departments, firefighters, specialized private sector services—large or small—must be prepared, possibly at a moment's notice, to fill a position, however critical, with a temporary employee or do without the work of that employee. The majority did add, at committee markup, specially tailored provisions to address the needs of local public schools, and, I note, that the substitute now covers private schools. Presumably, many other types of organizations could now also step forward expecting special consideration of their own unique problems.

EMPLOYER CONTROL OF LEAVE

Stated simply, H.R. 770 and the substitute allows employees virtually unrestrained discretion as to when to take leave and when to return from leave, rendering employer work force planning extremely difficult. Serious health condition leave can be taken in intermittent segments of time so long as medically necessary. Proponents of the bill will argue that certain provisions require an employee to give reasonable and practicable notice of foreseeable leave for birth or adoption and, similarly, to provide reasonable and practicable notice of foreseeable leave for planned medical treatment or supervision and to make a reasonable effort to schedule such leave without disrupting unduly the employer's operations, subject to the approval of the employee's health care provider. However, the bill is silent as to what these fluid concepts mean and, more importantly, as to any sanctions, such as denial of leave, an employer could impose upon an employee for failing to meet these vague obligations. The obligations will be, therefore, essentially meaningless except in the most outrageous cases of noncompliance by an employee. Would any employer risk quadruple backpay liability in second guessing how a court or an administrative law judge would interpret these terms?

REINSTATEMENT AND HEALTH BENEFITS RIGHTS

Under H.R. 770 and the substitute, the employer must restore an employee to the same position or an equivalent—in all terms and conditions of employment—position, whenever, quite literally, the employee decides to return from leave, subject only to a right to request medical certification, by the employee's health care provider, of the employee's ability to resume work. The employer clearly has no discretion to delay reinstatement for a short period of time or for any time at all, much less until an equivalent position becomes available. Nor does an employer even have the right to require that an employee periodically report in—by telephone or in writing—as to the basis for continued leave or as to when he or she expects to return to work, if at all. The difficulties this poses for an employer attempting to decide whether a vacated position should be filled on a temporary or permanent basis or held open pending the uncertain return of an employee are not hard to imagine.

Of course, during leave, health benefits coverage must also be continued under H.R. 770 as if the employee remained on the job. However, while the implicit quid pro quo to this continued coverage is the employee's return to work, there is no mechanism by which an employer could recover benefit costs from an employee who chooses, even voluntarily, not to return to the position at the end of the leave period. The employer cannot ask an employee to guarantee his or her return—or even to provide written notice of his other intention to return; indeed, the employee has every incentive not to state his or her intentions in order to secure the longest possible coverage. The inequity of this arrangement, together with the requirement that the employee be reinstated immediately upon return, is best exemplified by a related case study of an employer, as cited by the National Federation of Independent Business in its February 7, 1989, testimony before the subcommittee:

We recently had a young woman who requested 3 months' maternity leave which we granted. In order to hold her job, we employed a temporary employment service to fill this job as secretary/receptionist. During the leave, we paid all benefits. At the end of the leave, the individual informed us of her decision not to return to the labor force. In other words, we went through a period of inefficiency and delay in being able to seek and train a replacement—as well as a monetary outlay to cover fringe benefits—for an employee who did not return.

Other problems are also evident. For example, it is the apparent intention of H.R. 770's sponsors and the substitute's sponsors that the 18- to 36-month continuation of health care coverage requirements under title X of the Consolidated Omnibus Budget Reconciliation Act [COBRA] would not begin until after it is clear that the employee would not be returning to work, rather than to allow computation of the continued coverage period from the time when leave began. Further, it is unclear how an employer who maintains a health plan to which an employee contributes through payroll deductions, a common arrangement, would collect payments from an employee on unpaid leave. Could an employer require cash payments before or during leave and terminate coverage when such payments were not forthcoming, or must the employer make the employee's payments and await the uncertain return of the employee to be reimbursed? These are real problems which are not properly addressed by H.R. 770 or the substitute.

ENFORCEMENT/DAMAGES

H.R. 770 establishes an entirely new, overly complex enforcement scheme. Indeed, the enforcement provisions alone comprise close to half of the entire text of title I—the non-Federal sector requirements—of the bill. Under this novel scheme, an employee may file a charge with the Department of Labor, or file a private cause of action in Federal or State court with a jury trial. A charge must be processed by the Department through several

levels, including administrative law judge hearings, along a very precise, expedited timetable. A failure by the Department to comply with any obligation in a timely manner would then entitle an employee to file in court, subject to certain conditions. Judicial review could follow in any case. The employer shall be liable for damages for No. 1, lost wages and benefits plus No. 2, an amount equal to the greater of first, lost wages and benefits or second, consequential damages—including pain and suffering—capped at three times lost wages and benefits for potential recovery of 4 times lost backpay and benefits. A successful good faith defense would allow the court to reduce damages to lost wages and benefits. These provisions for enforcement and, particularly, damages are virtually unparalleled under other major labor laws. These typically provide for no private cause of action when an administrative review and enforcement mechanism has been established or, in those cases where such mechanism exists, at least, importantly, require a filing with the relevant agency first to allow that agency an opportunity to act on the charge and to engage in conciliation. Moreover, where a private cause of action is allowed, the applicable procedure typically does not provide for an extensive, quasi-judicial hearing review process within the agency. Similarly, no known labor statute gives a complainant the vague right to bring a civil action after a charge has been filed on the basis that the agency has failed to meet any obligation under the statute in a timely manner. Most importantly, no major labor statute provides for recovery for compensatory damages such as pain and suffering or for potential quadruple backpay liability. Typically, such statutes provide for backpay and benefits or, under some circumstances, double backpay and benefits.

Of course, unique rights may demand unique remedies, despite the resultant uncertainties and litigation costs, but it is difficult to believe that the rights afforded by this bill deserve greater protection than those provided under title VII of the 1964 Civil Rights Act, the Age Discrimination in Employment Act, the National Labor Relations Act, the Fair Labor Standards Act, the Equal Pay Act, the Davis-Bacon Act, the Service Contract Act, or the Rehabilitation Act of 1973.

Finally, it is worth noting that the Department of Labor, under two different Secretaries serving in two different administrations, has twice expressed problems with these procedures. On September 9, 1988, then-Secretary of Labor Ann McLaughlin wrote to Senator WILLIAM ARMSTRONG addressing the enforcement procedures in S. 2488, which were similar to those now in H.R. 770 and the substitute, noting that the Department was concerned with the bill's rigid enforcement procedures and time frames, lack of prosecutorial discretion, and potential workload impact on other enforcement programs. On March 7, 1989, Secretary of Labor Elizabeth Dole, in informing various members of the Committee on Education and Labor that she would recommend a veto of the bill, noted that it would create a new and costly Federal bureaucracy to administer its requirements.

Mr. Speaker, all of the problems I have just discussed existed with H.R. 770, and they continue to exist with this substitute. It's the same old stuff in a new bottle. These administrative problems alone require the House to sustain the President's veto of this Family and Medical Leave Act.

Mrs. SAIKI. Mr. Speaker, I rise today to urge my colleagues to join me in voting to override the President's veto of the Family and Medical Leave Act of 1990.

For years workers have tried to balance family and business obligations on their own.

Because of changes in the work force, that approach is no longer working.

This legislation is for the mother who isn't able to stay at home and care for her newborn or tend to her sick child because she is afraid that she'll lose her job and she can't take that risk because she is the only wage earner supporting that child.

It's for the families that have both parents working outside the home not because they want the frills, but because they need two incomes to pay for the basics of life.

This bill sets a minimum unpaid leave policy and gives these families the help they may desperately need.

And let me remind my colleagues that business has survived intervention from the Congress in the past to prohibit child labor and provide for fair employment practices and health and safety standards in the workplace.

These laws came into being because the determination was made that the public good was not being served under the business practices of that time.

Today, business is sensitive and working to achieve the goals of this measure but these efforts are not moving fast enough.

Please join me and vote yes on the override to give the mothers and fathers in today's work force the security and support that they need.

Mr. STOKES. Mr. Speaker, I rise today to express my profound displeasure with President Bush's veto of H.R. 770, and to urge all my colleagues to vote to override this veto.

In May of this year, the U.S. Congress passed landmark legislation, H.R. 770, the Family and Medical Leave Act [FMLA], to provide employees with up to 12 weeks per year of unpaid family leave to care for a newborn child, for a seriously ill family member, or for an employee's own serious illness. Employees would be entitled to the same or an equivalent position upon return from leave, and health insurance would continue during the leave period. The measure is designed to provide a minimum level of benefits, while protecting the jobs of employees while on leave. On June 29, President Bush vetoed the Family and Medical Leave Act.

President Bush has once again demonstrated his disregard for campaign promises by his veto of this important legislation. We should remember that this is the same President who said during his 1988 election campaign, "We need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during serious illness." That was true then, and it is true now.

Mr. Speaker, the Family and Medical Leave Act would only apply to businesses with 50 or more employees. This permanent exemption for small businesses would mean that 95 percent of all employers, and 44 percent of employees, would not be covered by the act at all. In addition, the General Accounting Office has estimated that complying with the act would cost employers about $4.50 annually per employee, hardly a cost that would cripple U.S. competitiveness in the world economy. It is hard to imagine a more modest, moderate, and appropriate response to dramatic changes in the American work force.

American families are finding it more and more difficult to meet both their work and family responsibilities. Today, most families need two incomes simply to make ends meet. According to statistics, two-thirds of all married women, 72 percent of married women with school-aged children, and 57 percent of women with preschool children work outside the home. Unfortunately, American business has been slow to respond to the new reality in the workplace. The Family and Medical Leave Act would enable workers to take short leaves for family and medical reasons with the security of knowing they can return to their jobs.

Mr. Speaker, I find it appalling that the President would veto family and medical leave legislation. Passage of the Family and Medical Leave Act would bring the United States into the modern world of employee leave policy. Every major industrial nation in the world, except the United States, requires some form of parental leave. In fact, most industrialized countries provide more weeks of leave, and many require employers or the Government to pay workers for at least a portion of the leave. President Bush failed to uphold his campaign promise, and he has failed the millions of working Americans with families. Let us step forward today and restore the confidence of the American people in their Government. I urge my colleagues to vote to override President Bush's veto of the Family and Medical Leave Act.

Mr. SYNAR. Mr. Speaker, the President has broken his promise to the American family. He once stated that no woman should have to choose between her job and the needs of a sick child, and yet he has vetoed a bill that would improve family life across the Nation, the Family and Medical Leave Act.

I am voting to override the President's veto for the same reason that I originally supported the Family and Medical Leave Act: This bill strikes the proper balance between family and work responsibilities. It provides employees with 12 weeks a year in unpaid family and/or medical leave and exempts businesses with under 50 employees.

I have heard from many Oklahomans on this issue. Small businesses were concerned that this would be their downfall, but 97 percent of the businesses in my district would be exempt from this policy. I also heard from working women and men who value their families and need their jobs. I took these concerns into consideration when deciding to support this legislation. The Family and Medical Leave Act is profamily and probusiness.

Years ago, when fathers worked and mothers stayed home, there was no question about how to care for a sick relative or a newly born child. Today, 57 percent of married mothers with children under 6 work. Suddenly, providing care for a sick husband, child, or parent

can mean choosing between your family and your job. Working Americans should not have to make that choice.

This is a bill which the vast majority of Americans want and need. According to a recent Gallup poll, 80 percent of all Americans believe parents should be with their children during the first weeks of life and should care for family members during illness without risk of losing their jobs.

Unfortunately, many working Americans have lost their jobs when they tried to juggle work and care for a sick family member. When working Americans lose their jobs because of a family medical crisis, we all lose. The rest of us pay the bill in lost tax revenues and higher payments for social programs, such as unemployment compensation, Medicaid, and food stamps. The Family and Medical Leave Act won't cost one penny in new Federal spending.

The bill includes exemptions for those small businesses who would have difficulty implementing a family and medical leave policy. While 95 percent of all businesses nationwide will be exempted, the remaining 5 percent of businesses that are covered employ 49 percent of all Americans. In Oklahoma, 39 percent of all employees will be covered by the Family and Medical Leave Act.

The Family and Medical Leave Act would help make American companies more competitive internationally by increasing employee productivity and decreasing turnover. America's two toughest competitors—West Germany and Japan—guarantee at least 3 months of paid family leave. With this act, businessmen invest in an experienced, well-trained, happy work force and America invests in a more competitive work force.

Mr. HAWKINS. Mr. Speaker, I rise in support of H.R. 770, the Family and Medical Leave Act of 1990, and to urge my colleagues to vote to override the President's veto of this most important piece of legislation.

Mr. Speaker, passage of this measure is long overdue. It has languished while American families have cried out for help. The stress of dealing with the demands of both child rearing and work are enormous. Managing the day-to-day routine of family and work is difficult enough but when these demands are compounded by the potential loss of employment when one needs time to care for a seriously ill child or parent, or to care for a new born or adopted child, the emotional stress felt by the working family can reach the breaking point.

We seem unwilling to reach out and help our families. Mr. Speaker, this bill is an acknowledgment that the two parent working family is the current and future work force of this country and that our most precious resource—our families—need to be more fairly reconciled with workplace demands.

There is not a Member of Congress who has not proclaimed in glowing terms support and reverence for the family, but when the family has called for help we have turned our backs looking desperately for "Ozzie and Harriet" and "Father Knows Best" pretending all is well. All is not well, and any one who believes that the answers lie in the past or believes society will return to that television view of life is suffering more than a deaf ear. If we do not respond as a nation to these pleas for help and fair treatment our society will lose more than its economic base, it will lose its families. It is time to face today's workplace realities of which the two employee family is crucial, and recognize their value both as parents and employees.

The measure before us begins the process of balancing these most demanding time requirements—work and family. Please vote to override the President's veto.

Mr. ALEXANDER. Mr. Speaker, I rise today in support of the American family.

We all know the perception is widespread that so much of what is being done in Washington is antifamily.

We have an opportunity today to help reverse that perception by voting to override President Bush's veto of this legislation.

If our goal is to strengthen the family, we certainly should not make working people choose between job security and caring for their loved ones.

I don't know of one of us who would want to face that unpleasant choice. Is the legislation an undue burden on business? I believe that issue was addressed by permanently exempting all firms with less than 50 employees. The Family Medical Leave Act recognizes that the small business community faces a special set of constraints.

So, the legislation allows for the protection of trasitional family values—of helping loved ones in time of great need—and for small business.

For many families, the economic reality is that both parents must hold jobs in order to make ends meet.

That reality means that they now face a wrenching choice between family responsibilities and the responsibilities of the workplace.

The reality is that fear of the permanent loss of a paycheck prevents many people from fulfilling their family responsibility.

I submit that our choice is clear: we must not force Americans to choose between their jobs and their loved ones.

Mr. MINETA. Mr. Speaker, I rise in support of the motion to override the President's veto of H.R. 770, the Family and Medical Leave Act.

By vetoing this crucial, profamily legislation, President Bush has, once and for all, showed us that he does not understand the needs of the American family.

Our world and its challenges may be changing, but our values are simple:

No American should have to choose between having a family and having a job. Parents must be afforded the time to care for their children.

Mr. Speaker, the President is handling the American family like a political football. He's punted—we cannot.

Mr. MILLER of California. Mr. Speaker, I rise in support of the override of President Bush's veto of H.R. 770, the Family and Medical Leave Act.

President Bush vetoed this legislation because he objected "to the Federal Government mandating leave policies for America's employers and work force." He says he supports voluntarily efforts by businesses to provide family leave, but his actions certainly reflect leadership on this issue.

He says that H.R. 770 "ignores the realities of today's workplace and the diverse needs of workers," but in fact, it is George Bush who is ignoring the realities and needs of America's families, who constitute that work force day in and day out.

He charges that "mandated benefits raise the risk of stifling the development of—innovative benefit plans," but in reality H.R. 770 offers a minimum benefit that can act as a floor for any innovative plan an employer wants to adopt.

He says that his "administration is strongly committed to policies that recognize that the relationship between work and family must be complementary," but he refuses to support a basic leave policy for America's families.

Mr. President, actions speak louder than words, and your actions tell us that you don't support America's families. Your actions tell us that America's families must go it alone. Your actions tell us that the richest nation in the world is unwilling to provide a basic benefit that most other nations in the world—rich and poor alike—provide without question, and without worrying that such benefits jeopardize their ability to compete in world markets.

Mr. President, while you are bemoaning the threat of the family and Medical Leave Act to our Nation's competitiveness, our major economic competitors—Japan and West Germany—already provide more family leave protections than those contained in H.R. 770.

The strength of America lies in its working families and our strength as a nation depends on the productivity of our workers. We would not have productive workers and we would not have a strong America if we do not provide our workers with basic job benefits and a minimal job guarantee when there is a personal crisis in their lives.

Mr. President, this legislation is not a threat to our Nation's competitiveness. But our failure to provide a minimum job guarantee to families to care for a newborn child or to tend to a sick or dying family member is a threat to the well-being of millions of Americans who live in fear that they may lose their jobs should a medical catastrophe hit.

Their fears are not unfounded. Less than two weeks ago, the Washington Post interviewed a woman who was fired from her job when she told her employer that she was pregnant. Shortly thereafter, her husband, who worked for the same company, was also fired. They lost their income—and their health insurance—just when they needed it most—to care for a new baby.

There are some American families, it is true, who may not need the job protection that the Family and Medical Leave Act provides following the birth or adoption of a child or to attend to the serious illness of a parent or child. The richest 1 percent of families in America, who earn more than the poorest 40 percent of families, can afford to pay someone to take care of their ill family members or to hire a nanny to care for their newborn children. But for most American families, without the protections provided by the Family and Medical Leave Act, attending to a sick parent or child will be a luxury.

The Family and Medical Leave Act is not an extravagant piece of legislation. But it pro-

vides a safety net for millions of families by guaranteeing a job-protected leave when they most need it. At the same time, it exempts small employers—who continue to be concerned about its cost—from coverage.

The Family and Medical Leave Act will be cost effective. American taxpayers lose more than $600 million every year in unemployment compensation and other benefits that are paid to workers who lose their jobs because they do not have guaranteed parental or medical leave.

The cost of implementing the Family and Medical Leave Act is only about $5 per year per covered worker. It seems a small price to pay for the increased well-being of American families.

We can pretend that we do not need this legislation and that employers will take voluntary action to provide parental leave. But that hasn't been the case so far. How long will America's families have to wait for employers to volunteer? We can't expect that every worker whose employer fails to provide family and medical leave can look for a different job where these benefits are provided every time they have a family medical emergency or a new baby to nurture.

If we do not override the President's veto of the Family and Medical Leave Act, the message that we send America's families is that our Government is unwilling to guarantee basic protections enjoyed by families the world over.

My colleagues, let our actions match our rhetoric. Let's not just say we care about America's families. Let's show them we care. Vote to override the President's veto of the Family and Medical Leave Act.

Mr. CLINGER. Mr. Speaker, there is no question that the structure of the American family is changing, as is the composition of the work force. And it is true that these two institutions have sometimes collided. We have heard several heartbreaking stories about workers forced to choose between their jobs, sometimes their sole source of income, and their families. I believe that Congress can and should take steps to alleviate this situation.

However, the approach we are debating today, the one-size-fits-all mandate, ignores the very cause of this problem. We are in a state of flux, of rapid change. Rigid, unthinking mandates, are better suited for simple, stable, and unchanging situations.

Last year we passed a mandated minimum wage bill which covers our employees for the first time. This year we are considering repealing the section of the act that applies to Congress because it is too restrictive, because it doesn't take into account the unique nature of the congressional office, and because it is an administrative nightmare. And yet we seem determined to force other employers, everyone but us, to comply with these mandates.

Mr. Speaker, I urge my colleagues to vote to sustain the President's veto so we can begin a constructive debate to a highly complex problem.

Ms. PELOSI. Mr. Speaker, I rise today in support of the override of the President's veto of the Family and Medical Leave Act.

On May 10, 1990, this House voted to provide job security for our working families who must take leave due to the birth of a child or the illness of a sick spouse or parent.

On June 29, 1990, this important legislation was vetoed by the President. This action was yet another broken promise by the President to American families—he is denying parents their right to care for their families.

As the United States enters a new millennium, more people must work outside the home to support their family. That is a reality. Too often, the necessity of two incomes conflicts with the need to provide family care. We must ensure that this conflict does not threaten the continued viability of the family. The Family and Medical Leave Act provides some degree of economic security to people who must attend to family needs.

I note with interest that today's Washington Post had a small article stating that the Federal Reserve Board Governor, Martha Seger, may step down from her position in order to care for an elderly parent. Our distinguished colleague, Congresswoman BOGGS, is leaving our ranks to care for a sick child. Taking care of parents and children is a reality of life in our times. We must take steps to ensure that all Americans have the freedom to take care of their family obligations. The President's veto of the Family and Medical Leave Act is antifamily—we must act in support of American families and override his veto. In the President's veto message, he stated his objection to mandated benefits and indicated that benefits of this nature should be negotiated between employees and their employers. How much longer must American families wait for a negotiation? After they have lost a job due to a family emergency? American families cannot and must not wait any longer. The Family and Medical Leave Act is in the same order of previous Federal minimum labor laws, such as the Fair Labor Standards Act, the Age Discrimination in Employment Act, and the Occupational Safety and Health Act. It is nothing extraordinary. It is ordinary protection that should be allowed for America's workers and families.

I urge my colleagues to support the override and cast a vote for our families.

Mr. CONYERS. Mr. Speaker, I rise to support the override of the President's veto of H.R. 770, the Family and Medical Leave Act. I have been a cosponsor of family leave legislation since it was first introduced in 1985. Today, the majority of American families are made up of two-earner couples, while one in four children live in single parent families. Over half of all mothers with children under the age of one work outside the home. The work force has changed, and the workplace must change with it.

Family and medical leave is not a privilege, it is a right which has been assured the citizens of every industrialized country except the United States and South Africa. Working Americans should not be forced to choose between keeping their jobs and caring for a baby, sick child, or a parent in failing health. This bill will not make our industry less competitive: After all, Japan and Western Europe already provide paid leaves—often several months duration—to their employees.

While there is considerable flexibility within the workplace to extend basic job protection, those workers at the bottom of the ladder are not afforded even minimal options in times of family crisis and are most in need of Federal standards. Right now, workers have no job protection under Federal law when they have a family or medical emergency. We have heard testimony from workers who were fired after caring for sick children, or elderly parents. This is not a yuppie issue: Women without employer provided leave have average annual earnings of $5,000 less than women with job-protected leave. It is low-income women who must return to work soon after the birth of a child and who suffer the most from the unemployment that can result.

This veto is a callous slap in the face to American families. During his campaign, President Bush said that "we need to assure that women do not have to worry about getting their jobs back after having a child or caring for a child during a serious illness * * * we've got to do something about it." Just what is it that he is planning to do? And when? He has offered no solutions.

This bill is a compromise, a small step, a modest provision. In fact, many workers who need this protection will be unable to take this leave because they cannot afford to be without pay. But I support H.R. 770 because I believe job security for dedicated employees is a critical and necessary first step toward the protection of America's families.

The SPEAKER. All time has expired.

The question is, will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device and there were—yeas 232, nays 195, not voting 5, as follows:

[Roll No. 262]

YEAS—232

Ackerman	Conyers	Gaydos
Alexander	Costello	Gejdenson
Anderson	Coughlin	Gephardt
Andrews	Coyne	Gibbons
Annunzio	Crockett	Gillmor
Anthony	Davis	Gilman
Applegate	de la Garza	Gonzalez
Atkins	DeFazio	Gordon
AuCoin	Dellums	Gray
Bates	DeWine	Green
Beilenson	Dicks	Guarini
Bennett	Dingell	Hall (OH)
Berman	Dixon	Hawkins
Bilbray	Dorgan (ND)	Hayes (IL)
Boehlert	Downey	Hertel
Boggs	Durbin	Hochbrueckner
Bonior	Dwyer	Horton
Borski	Dymally	Hoyer
Bosco	Dyson	Hyde
Boucher	Early	Jacobs
Boxer	Eckart	Jenkins
Brennan	Edwards (CA)	Johnson (CT)
Brooks	Engel	Johnson (SD)
Brown (CA)	English	Johnston
Bruce	Erdreich	Jontz
Bryant	Espy	Kanjorski
Bustamante	Evans	Kastenmeier
Campbell (CA)	Fascell	Kennedy
Cardin	Fazio	Kennelly
Carper	Feighan	Kildee
Chapman	Fish	Kleczka
Clay	Flippo	Kolter
Clement	Foglietta	Kostmayer
Coleman (TX)	Ford (MI)	Lantos
Collins	Ford (TN)	Lehman (CA)
Condit	Frank	Lehman (FL)
Conte	Frost	Levin (MI)

Levine (CA)	Oberstar	Slaughter (NY)
Lewis (GA)	Obey	Smith (FL)
Lipinski	Ortiz	Smith (IA)
Long	Owens (NY)	Smith (NJ)
Lowey (NY)	Owens (UT)	Smith (TX)
Luken, Thomas	Pallone	Smith (VT)
Machtley	Panetta	Snowe
Manton	Payne (NJ)	Solarz
Markey	Pease	Solomon
Martin (IL)	Pelosi	Staggers
Martin (NY)	Perkins	Stark
Martinez	Poshard	Stokes
Matsui	Price	Studds
Mavroules	Rahall	Swift
Mazzoli	Rangel	Synar
McCloskey	Ravenel	Torres
McCurdy	Regula	Torricelli
McDade	Richardson	Towns
McDermott	Rinaldo	Traficant
McGrath	Roe	Traxler
McHugh	Ros-Lehtinen	Udall
McMillen (MD)	Rose	Unsoeld
McNulty	Rostenkowski	Vento
Mfume	Roukema	Visclosky
Miller (CA)	Rowland (CT)	Volkmer
Miller (WA)	Roybal	Walgren
Mineta	Russo	Waxman
Moakley	Sabo	Weiss
Molinari	Saiki	Weldon
Mollohan	Sangmeister	Wheat
Moody	Savage	Whitten
Morella	Sawyer	Williams
Morrison (CT)	Scheuer	Wilson
Morrison (WA)	Schneider	Wise
Mrazek	Schroeder	Wolpe
Murphy	Schumer	Wyden
Murtha	Serrano	Yates
Natcher	Sharp	Yatron
Neal (MA)	Shays	Young (AK)
Nowak	Sikorski	
Oakar	Skaggs	

NAYS—195

Archer	Gekas	Lowery (CA)
Armey	Geren	Lukens, Donald
Aspin	Gingrich	Madigan
Baker	Glickman	Marlenee
Ballenger	Goodling	McCandless
Barnard	Goss	McCollum
Bartlett	Gradison	McCrery
Barton	Grandy	McEwen
Bateman	Grant	McMillan (NC)
Bentley	Gunderson	Meyers
Bereuter	Hall (TX)	Michel
Bevill	Hamilton	Miller (OH)
Bilirakis	Hammerschmidt	Montgomery
Billey	Hancock	Moorhead
Broomfield	Hansen	Myers
Browder	Harris	Nagle
Brown (CO)	Hastert	Neal (NC)
Buechner	Hatcher	Nielson
Bunning	Hayes (LA)	Olin
Burton	Hefley	Oxley
Byron	Hefner	Packard
Callahan	Henry	Parker
Campbell (CO)	Herger	Parris
Carr	Hiler	Pashayan
Chandler	Hoagland	Patterson
Clarke	Holloway	Paxon
Clinger	Hopkins	Payne (VA)
Coble	Houghton	Penny
Coleman (MO)	Hubbard	Petri
Combest	Huckaby	Pickett
Cooper	Hunter	Pickle
Courter	Hutto	Porter
Cox	Inhofe	Pursell
Craig	Ireland	Quillen
Crane	James	Ray
Dannemeyer	Jones (GA)	Rhodes
Darden	Jones (NC)	Ridge
DeLay	Kasich	Ritter
Derrick	Kolbe	Roberts
Dickinson	Kyl	Robinson
Donnelly	LaFalce	Rogers
Dornan (CA)	Lagomarsino	Rohrabacher
Douglas	Lancaster	Roth
Dreier	Laughlin	Rowland (GA)
Duncan	Leach (IA)	Sarpalius
Edwards (OK)	Leath (TX)	Saxton
Emerson	Lent	Schaefer
Fawell	Lewis (CA)	Schiff
Fields	Lewis (FL)	Schuette
Frenzel	Lightfoot	Schulze
Gallegly	Livingston	Sensenbrenner
Gallo	Lloyd	Shaw
Shumway	Spence	Thomas (GA)
Shuster	Spratt	Thomas (WY)
Sisisky	Stallings	Upton
Skeen	Stangeland	Valentine
Skelton	Stearns	Vander Jagt
Slattery	Stenholm	Vucanovich
Slaughter (VA)	Stump	Walker
Smith (NE)	Sundquist	Walsh
Smith, Denny (OR)	Tallon	Watkins
	Tanner	Weber
Smith, Robert (NH)	Tauke	Whittaker
	Tauzin	Wolf
Smith, Robert (OR)	Taylor	Wylie
	Thomas (CA)	Young (FL)

NOT VOTING—5

Flake	Kaptur	Washington
Hughes	Nelson	

□ 1252

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill, together with the accompanying papers, are referred to the Committee on Education and Labor and the Committee on Post Office and Civil Service.

The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. CLAY. I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the veto of H.R. 770.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER DURING CONSIDERATION OF H.R. 5313, MILITARY CONSTRUCTION APPROPRIATIONS ACT, FISCAL YEAR 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-629) on the resolution (H. Res. 441) waiving certain points of order during consideration of the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION TO ACCOMPANY HOUSE JOINT RESOLUTION 7, REPEALING OBSOLETE JOINT RULE OF CONGRESS RELATING TO SINE DIE ADJOURNMENT OF CONGRESS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-630) on the joint resolution (H.J. Res. 7) to repeal an obsolete joint rule of Congress (sections 132 of the Legislative Reorganization Act of 1946, as amended) relating to sine die adjournment of Congress, which was referred to the House Calendar and ordered to be printed.

FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

The SPEAKER. Pursuant to House Resolution 439 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3950.

□ 1256

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 950) entitled the "Food and Agricultural Resources Act of 1990," with Mr. BONIOR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 24, 1990, the amendment offered by the gentleman from Wisconsin [Mr. OBEY] had been disposed of and title IV was open for amendment at any point.

Are there any further amendments to title IV?

AMENDMENT OFFERED BY MR. WALSH

Mr. WALSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALSH: In section 201(3)(4)(C)(i) of the Agricultural Act of 1949, as amended by section 402 of the bill (page 119, lines 17-18), strike "7 billion" and insert "6 billion".

Mr. WALSH. Mr. Chairman, my amendment is actually quite simple. Within the dairy title there is a trigger of 7 billion pounds, at which time the Secretary of Agriculture is given the discretion to implement a standby supply management program.

□ 1300

This amendment would reduce that figure of 7 billion pounds of milk equivalent, based on solids, not fat, to 6 billion pounds.

Lowering the trigger would show a budget savings which we all are working to achieve. The current 7 billion trigger sends a signal to the market to overproduce. We are already seeing signs of a surplus milk situation. It would furthermore help avoid a repeat of the 1980's surplus situation followed by lower income for farmers. A lower trigger would control the surplus situation more quickly and provide a more stable market for the consumer.

Secretary Yeutter supports this trigger reduction as it allows him to involve himself more quickly in a sur-

plus situation and get a better handle on the market situation.

In closing, I believe this is a reasonable compromise between the various industry parties seeking a stable market and payment equity. By avoiding large fluctuations in the marketplace, both the farmer and the consumer benefit.

Mr. Chairman, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in support of the 6 billion trigger amendment offered by the gentleman from New York [Mr. WALSH].

Mr. Chairman, in the 1985 farm bill a trigger to reduce the support price of milk by 50 cents per hundredweight was established. This trigger was set at 5 billion pounds and was estimated from purchases of butterfat. The 1990 farm bill, however, allows for a trigger based on a much more accurate method—one based on total milk solids and is set at 7 billion pounds.

I would like to point out to my colleagues that though H.R. 3950 is basing the dairy trigger on milk solids, a 7 billion pound trigger does not make sense as this figure would equate into a $840 million budget cost for dairy.

Mr. Chairman, today, we have the opportunity to support an amendment which will cut the trigger level from 7 to 6 billion pounds. This will establish a $725 million budget cost for the dairy price support program, resulting in a savings of $115 million at a time of rising budget costs.

For this reason, I strongly support this amendment as it not only saves the Government $115 million and keeps CCC purchases down and within the budget baseline but more significantly allows for a tight dairy market—one beneficial to our Nation's dairy farmers.

Accordingly, I urge my colleagues to support this amendment not only for its fiscal enlightenments but for our Nation's dairy farmer, all of whom will benefit from a 6 billion trigger.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I will certainly support the Walsh amendment. The gentleman from New York has explained the budget significance of this. It is something we will have to take into consideration sooner or later.

I think it also helps Members with the credibility of the budget regarding the passage of the bill before Members today. I commend the gentleman for his amendment.

Mr. WALSH. Mr. Chairman, I thank the distinguished gentleman from Texas [Mr. STENHOLM], and would like to add that this would allow the Secretary to intervene sooner than later in the event of an increase or substantial surplus.

The 7 billion trigger sends a signal to the market to overproduce. We have already begun to see an increase in production. That would allow the Secretary to intervene at the 6 billion pound level, and the savings projected for just the first year are approximately $115 million. Those are precious dollars given the budget deficit situation that we are all facing.

I think it is an effort on the part of the Committee on Agriculture and the subcommittee to do our best to add to the effort to balance the budget. This would also send a signal to the marketplace, provide for a more stable market, provide for a better pay price to the producer over a longer period of time, so there are benefits to all concerned.

Mr. OLIN. Mr. Chairman, I rise in opposition to the amendment. I hope Members will give some attention to this situation. This amendment that has been offered seems like a simple amendment. It may seem that it is not important, but do not be fooled by that. As simple as though it may seem, this amendment would lower the trigger, which would kick in whatever inventory management scheme we finally end up with. It would have the effect of triggering that scheme sooner, and the problem with the amendment is that it is not appropriate. It is unnecessary at this time.

Yesterday we defeated the Volkmer amendment, which would have authorized a production control plan to kick in at even a lower level, and we decided in that vote by a vote of 353 to 70 to stay with the committee's position which was to study that issue with the USDA before going ahead and implementing a rather major change in the dairy policy.

Now, this issue is the issue of the trigger that will go along with that program, and the two tie together. Since we do not have a plan, it seems like it is a little ridiculous to start fooling with the trigger that was set up by the committee as a trial trigger for a plan that has not been agreed to. The argument that this is going to cost a lot of money is phony because the intent of this inventory control plan is for it to be a fallback in the event we go out of control. Under the provisions of the bill that the committee is proposing, it is working with, it is not expected that that trigger will be reached during the full 5-year plan. It just does not make sense to have a trigger which relates to a procedure that lost by a factor of 5 to 1, to be fooled with at this time. It does not make any sense at all to fool around with that trigger. The only reason for this amendment is that it represents some kind of a move to please this dairy organization, or several, that will provide some brownie points to the Members that have made this move. It is a false move. I hope we can recognize that it is a bad signal to put out to the dairy industry.

If this amendment passes, what we are doing is sending a signal that we want to kick in a production control scheme at a relatively low level of surplus, even before we find out what that scheme should be. That is a bad signal. I say this because we are nowhere near having a surplus of any magnitude.

Right now it looks like we have a milk shortage, supply and demand are in relative balance. The forecasts are with the committee bill keeping the support level at 10-10, the surplus should not kick in for this whole 5-year period. The only point that is extremely important is that this is a signal to dairy farmers that we are looking forward to a production control scheme, a production-based scheme, and I can see the farmers getting that signal and gradually working to build up herds, and build themselves up into a position where they are able to have a larger base when that happens.

Actually, in the beginning of this process, I favored a higher trigger, 10 billion of 12 billion pounds, so it would not kick in except under emergency situations. So we do not get into a mandatory severe program unless it is absolutely necessary. The committee got down to 7 billion as a trigger, and they compromised and tried to work out an amendment in putting the committee together, and it was a compromise far beyond what I should have done. Certainly, to cut to 6 billion is a bad cut.

Yesterday's amendment that we defeated would have called for a 3.5 billion trigger, and was soundly defeated. I ask Members to leave this trigger alone. Do not go against the committee.

The other side of the aisle, I am sure, will recognize that the administration is opposed to this amendment, that it opposed this amendment as it did oppose the Volkmer amendment. There will be plenty of opportunity to establish an appropriate trigger when we get the USDA study done, and we analyze the whole situation as well as the budget considerations. That will be the time to make any adjustment of the trigger that is needed. I urge a no vote on this amendment, just as I did on the Volkmer amendment. Those who voted against Volkmer should vote against Walsh.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from New York. I think it is important that everyone understand exactly what we are doing here, and we are

trying to bring a trigger line with some sense of budget reality.

The purpose in that is it does no good to have a trigger that is way up there when we know that the budget is going to drive this up each and every year. Six billion trigger probably costs around $725 million on an annual basis. If Members look at the CBO projections, the only year that that is a possibility of getting over that is 1994. I guarantee we will do a lot between now and 1994 that will affect dairy. No Member would live or die on that 1994 projection.

□ 1310

Mr. Chairman, I think it brings the trigger into balance, and that is what we are trying to do budgetwise. So for that reason I support the amendment.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I rise in support of the trigger amendment, and commend my colleague, Mr. WALSH, for offering this amendment. We, in the Northeast agricultural caucus, appreciate having the opportunity to work with one of our Members in keeping the dairy market tight and at the same time assisting the committee in meeting the budget baseline for the dairy title as provided by the Budget Committee.

We know that the greatest concern of our farmers is income security. In view of our budgetary constraints, our farmers are faced with continual attacks being made on the various commodity support payments. What farmers don't understand is why these attacks are taking place. They want tight markets just like everyone else. They don't want handouts. They want to sell their product in the private sector and not to the Commodity Credit Corporation. What they want is fairness and a level playing field.

Dairy farmers in the Northeast are the most efficient in the country. We don't have a surplus production problem. We have a balanced milk supply and demand market and we want to keep it that way. Our farmers get upset with each repetitive cut in the milk price support level as a result of the 1985 farm bill trigger of 5 billion pounds of estimated purchases of butterfat by the CCC. They are not the cause of the overproduction problem, but because dairy policy is a national policy, they are penalized. That is unfair, but at the same time I realize dairy policy must be made on a national scale.

With the 1990 farm bill, the trigger is figured on a total milk solids basis, something I have been pushing for a long time, and the trigger is used as a means of implementing a milk supply management system. That is good. The only problem is that the trigger in the committee bill is too high.

A 7-billion-pound trigger equates to a $840 million budget cost for dairy. With a 7-billion-pound trigger, it is likely that in a surplus situation, the M–W milk price would decline to the same level as the $10.10 milk support price before the supply-management requirement would kick in. A 6-billion-pound trigger would meet the baseline that the Budget Committee has given the House Agriculture Committee for the dairy title, $725 million. We need a trigger, no greater than 6 billion pounds, in the House Agriculture Committee bill in order to kick in a supply management program as soon as an overproduction problem rears its ugly head. A 6-billion-pound trigger will keep the dairy product market tight so that our farmers will continue to receive $3 to $4 over the support price for each hundredweight of milk.

Let us help the House Agriculture Committee reach its budget baseline. Let us help our dairy farmers by keeping a rein on dairy production. Let us help the taxpayers by ensuring that the Department of Agriculture is forced to implement a supply management program before CCC purchases of dairy products get out of hand. Support the Walsh amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WALSH].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OLIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 256 noes 164, not voting 12, as follows:

[Roll No. 263]

AYES—256

Ackerman	Dorgan (ND)	Hiler
Alexander	Douglas	Hoagland
Andrews	Downey	Hochbrueckner
Annunzio	Durbin	Holloway
Anthony	Dwyer	Hopkins
Applegate	Dymally	Horton
Aspin	Dyson	Houghton
AuCoin	Eckart	Hoyer
Barton	Emerson	Hubbard
Bennett	Engel	Huckaby
Bereuter	English	Johnson (CT)
Bevill	Erdreich	Johnson (SD)
Bilbray	Evans	Johnston
Boehlert	Fawell	Jones (NC)
Bonior	Feighan	Jontz
Borski	Fish	Kanjorski
Bosco	Flippo	Kasich
Brennan	Foglietta	Kastenmeier
Brooks	Ford (MI)	Kildee
Browder	Ford (TN)	Kolter
Brown (CA)	Frost	LaFalce
Bruce	Gallo	Lancaster
Bryant	Gejdenson	Laughlin
Burton	Gekas	Leach (IA)
Bustamante	Gephardt	Leath (TX)
Byron	Geren	Levin (MI)
Callahan	Gibbons	Lightfoot
Campbell (CO)	Gillmor	Lipinski
Carr	Gilman	Lloyd
Chandler	Glickman	Long
Chapman	Gonzalez	Lowey (NY)
Clay	Goodling	Luken, Thomas
Clinger	Gordon	Lukens, Donald
Coleman (MO)	Gradison	Machtley
Coleman (TX)	Grandy	Madigan
Conyers	Gray	Manton
Costello	Guarini	Markey
Coughlin	Gunderson	Marlenee
Coyne	Hall (OH)	Martin (IL)
Crockett	Hall (TX)	Martin (NY)
Davis	Hamilton	Martinez
de la Garza	Hammerschmidt	Mavroules
DeFazio	Hancock	McCloskey
DeWine	Harris	McCrery
Dickinson	Hayes (LA)	McCurdy
Dicks	Hefner	McDade
Dingell	Henry	McDermott
Donnelly	Hertel	McEwen
McGrath	Ravenel	Smith, Robert (NH)
McHugh	Regula	Snowe
McMillen (MD)	Richardson	Solarz
McNulty	Ridge	Solomon
Meyers	Rinaldo	Stallings
Mfume	Robinson	Stangeland
Miller (OH)	Roe	Stenholm
Moakley	Rogers	Stokes
Molinari	Rostenkowski	Sundquist
Mollohan	Roth	Swift
Montgomery	Rowland (CT)	Synar
Moody	Russo	Tanner
Morella	Sabo	Tauke
Morrison (CT)	Saiki	Tauzin
Morrison (WA)	Sangmeister	Torricelli
Mrazek	Sarpalius	Towns
Murphy	Sawyer	Traficant
Murtha	Saxton	Traxler
Myers	Scheuer	Udall
Nagle	Schiff	Unsoeld
Natcher	Schneider	Upton
Nowak	Schroeder	Vander Jagt
Oakar	Schuette	Visclosky
Oberstar	Schumer	Volkmer
Obey	Sensenbrenner	Walgren
Ortiz	Serrano	Walsh
Owens (NY)	Sharp	Watkins
Oxley	Shays	Weber
Pallone	Shuster	Weldon
Paxon	Sikorski	Wheat
Payne (NJ)	Skaggs	Williams
Pease	Skelton	Wilson
Penny	Slattery	Wise
Perkins	Slaughter (NY)	Wolpe
Petri	Smith (IA)	Wylie
Pickle	Smith (NJ)	Yatron
Poshard	Smith (TX)	
Pursell	Smith (VT)	

NOES—164

Anderson	Goss	Pickett
Archer	Grant	Price
Armey	Hansen	Quillen
Atkins	Hastert	Rahall
Baker	Hatcher	Rangel
Ballenger	Hawkins	Ray
Barnard	Hayes (IL)	Rhodes
Bartlett	Hefley	Ritter
Bateman	Herger	Roberts
Bates	Hughes	Rohrabacher
Beilenson	Hunter	Ros-Lehtinen
Bentley	Hutto	Rose
Berman	Hyde	Roukema
Bliley	Inhofe	Rowland (GA)
Boggs	Ireland	Roybal
Boucher	Jacobs	Savage
Boxer	James	Schaefer
Broomfield	Jenkins	Schulze
Brown (CO)	Jones (GA)	Shaw
Buechner	Kennedy	Shumway
Bunning	Kennelly	Sisisky
Campbell (CA)	Kolbe	Skeen
Carper	Kostmayer	Slaughter (VA)
Clarke	Lagomarsino	Smith (FL)
Clement	Lantos	Smith (NE)
Coble	Lehman (CA)	Smith, Denny (OR)
Collins	Lehman (FL)	Smith, Robert (OR)
Combest	Lent	Spence
Condit	Levine (CA)	Spratt
Conte	Lewis (CA)	Staggers
Cooper	Lewis (FL)	Stark
Courter	Lewis (GA)	Stearns
Cox	Livingston	Studds
Craig	Lowery (CA)	Stump
Crane	Matsui	Tallon
Dannemeyer	Mazzoli	Taylor
Darden	McCandless	Thomas (CA)
DeLay	McCollum	Thomas (GA)
Dellums	McMillan (NC)	Thomas (WY)
Derrick	Michel	Torres
Dixon	Miller (CA)	Valentine
Dornan (CA)	Miller (WA)	Vucanovich
Dreier	Mineta	Walker
Duncan	Moorhead	Waxman
Early	Neal (MA)	Weiss
Edwards (CA)	Neal (NC)	Whittaker
Edwards (OK)	Nielson	Whitten
Espy	Olin	Wolf
Fascell	Owens (UT)	Wyden
Fazio	Packard	Yates
Fields	Panetta	Young (AK)
Frank	Parker	Young (FL)
Frenzel	Parris	
Gallegly	Pashayan	
Gaydos	Patterson	
Gingrich	Payne (VA)	

NOT VOTING—12

Bilirakis	Kaptur	Pelosi
Cardin	Kleczka	Porter
Flake	Kyl	Vento
Green	Nelson	Washington

□ 1332

Mrs. ROUKEMA and Messrs. DERRICK, INHOFE, DIXON, PATTERSON, WHITTEN, TORRES, NEAL of Massachusetts, TAYLOR, FAZIO, and HUTTO changed their vote from "aye" to "no."

Messrs. PENNY, SKAGGS, STALLINGS, PALLONE, SMITH of New Hampshire, and AuCOIN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. HATCHER. Mr. Chairman, I was unavoidably detained on rollcall 263, the vote on the Walsh amendment. Had I been present I would have voted "aye" on rollcall 263.

Mr. ANDERSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to engage in a colloquy with the distinguished chairman of the Committee on Agriculture to address provisions of H.R. 3950 regarding wetlands and water quality.

Pursuant to the rules of the House and attendant precedents and referrals, the Committee on Public Works and Transportation has jurisdiction over pollution of navigable waters.

Because of its jurisdictional interest in wetlands and water quality, the Public Works Committee has followed with great interest the debate over various provisions in the 1990 farm bill. We did not request a sequential referral of H.R. 3950 because of our understanding with the Agriculture Committee that their bill is not intended to directly or indirectly affect wetlands and water quality programs within our jurisdiction. At this point, I would appreciate the distinguished chairman of the Agriculture Committee reaffirming these assurances and clarifying some additional matters.

First, is it the understanding of the gentleman from Texas that nothing in H.R. 3950 modifies or is intended to modify the Army Corps of Engineers' and Environmental Protection Agency's wetlands regulatory programs under section 404 of the Clean Water Act?

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield, I would state that the gentleman is correct that H.R. 3950 does not in any way amend or affect the corps' and EPA's responsibilities under the Clean Water Act. All of the bill's wetlands provisions relate solely to programs and activities of the Secretary of Agriculture and not those of the corps or EPA.

Mr. ANDERSON. Is it the gentleman's further understanding that key terms and requirements in H.R. 3950, such as those involving the definition of wetlands, delineation determinations and appeals, exempted activities, and mitigation, do not extend beyond the context of swampbuster and into corps and EPA regulatory activities?

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield further, I would state to the gentleman that that is correct. For example, provisions in H.R. 3950 addressing wetlands delineations and procedures and mitigation requirements are not intended to affect duties or requirements of EPA and the corps in their review or implementation of the 1989 Federal Manual for Identifying and Delineating Jurisdictional Wetlands and the 1990 Mitigation Memorandum of Agreement. Provisions on swampbuster, the conservation reserve program and the new wetlands easement program are separate from and not in lieu of other agency activities.

Mr. ANDERSON. A second matter involves H.R. 3950's surface and ground water quality provisions. Is it the gentleman's understanding that nothing in the bill affects, diminishes, or otherwise impairs the water quality programs and authorities of EPA or State and local governments pursuant to the Clean Water Act?

Mr. DE LA GARZA. Yes. The gentleman is correct that nothing in H.R. 3950 is meant to modify or impair Federal, State, or local water pollution control activities under the Clean Water Act. For example, sections 319, 320 and 208 of the Clean Water Act remain unchanged. However, the Secretary of Agriculture, in carrying out responsibilities in this bill, is encouraged to continue to coordinate with EPA in solving point source and nonpoint source water quality problems.

Mr. ANDERSON. A related area involves water quality activities of the Tennessee Valley Authority and the Soil Conservation Service. One provision, in particular, amends Public Law 566's small watershed programs. What is the Agriculture Committee's intent with regard to this provision?

Mr. DE LA GARZA. The committee's intent is to improve water quality through activities of TVA's National Fertilizer and Environmental Research Center and the Soil Conservation Service. The Committee on Agriculture does not intend to affect the jurisdiction of the Public Works and Transportation Committee in any way.

Mr. ANDERSON. I thank the gentleman from Texas, the distinguished chairman of the Agriculture Committee. The Public Works and Transportation Committee is also considering legislative changes to improve wetlands and water quality protection programs, and we appreciate the opportunity to obtain clarifications and assurances regarding the 1990 farm bill, and its effect on our jurisdiction.

□ 1340

The CHAIRMAN. Are there any other amendments to title IV?

Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to state to the Members that as we have done through the whole process of the farm legislation, we tried to incorporate and accommodate concerns of Members and groups, and we are in the process now of having further discussions to see if accommodation cannot be reached with parties relating to the next two titles, title V and title VI, which would be the wool and mohair title and the honey title. I appreciate the effort being done by all of the Members from the diverging viewpoints to see if we can arrive at some agreement within the norms of protecting the interests of the House, the interests of the committee, and the interests of individual Members.

I would hope that we can arrive at some degree of compromise to present to the Members for their final approval or disapproval thereof.

Mr. Chairman, at this time in order to further facilitate those discussions, I ask unanimous consent that title VII be printed in the RECORD and open to amendment at any point, and that it be in order to return to titles V and VI after the disposition of this title.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—OILSEEDS

SEC. 701. OILSEED PRICE SUPPORT.

Effective only for the 1991 through 1995 crops of oilseeds, including soybeans, sunflower, canola, rapeseed, safflower, flaxseed, and mustard seed, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by—

(1) inserting after "tung nuts," in the first sentence "oilseeds (including soybeans, sunflower, canola, rapeseed, safflower, flaxseed, and mustard seed)," and

(2) amending subsection (g) to read as follows:

"(g)(1)(A) The Secretary shall support the price of soybeans, sunflowers, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, through loans and purchases in each of the 1991 through 1995 marketing years as provided in this subsection.

"(B) Except as provided in paragraph (2), the level of price support —

"(i) in the case of the 1991 and 1992 crops of soybeans shall not be less than $5.25 per bushel; and

"(ii) in the case of the 1991 through 1995 crops of sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, shall be set for each such oilseed at such level as the Secretary determines is fair and reasonable in relation to the level of price support available for soybeans, including any adjustment made pursuant to paragraph (2),

but, except in the case of cottonseed, in no event less than the level established for soybeans on a per-pound basis for the same crop year.

"(2) In the case of each of the 1993 through 1995 crops of soybeans and other oilseeds for which a price support program is in effect under this subsection, if the Secretary estimates for the marketing year for such crop that the ratio of ending stocks of soybeans or such other oilseeds to total use for the marketing year will be—

"(A) more than 25 percent, the Secretary may reduce the level of price support determined under paragraph (1)(B) for soybeans or such other oilseeds for the marketing year by an amount not to exceed 5 percent in any year.

"(B) more than 20 percent but not more than 25 percent, the Secretary may not reduce the level of price support determined under paragraph (1)(B) for soybeans or such other oilseeds for the marketing year.

"(C) equal to or less than 20 percent, the Secretary shall increase the level of price support determined under paragraph (1)(B) for soybeans or such other oilseed for the marketing year by 5 percent in any year. In no case may the level of price support for the 1993 crop of soybeans be more than $5.40 per bushel.

Any change in the level of price support for soybeans or such other oilseed under this paragraph shall not be considered in determining such level of price support for subsequent years.

"(3)(A) If the Secretary adjusts the level of price support for soybeans or other oilseeds under paragraph (2), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(i) certifying such adjustment as necessary to prevent the build-up of stocks or to encourage production; and

"(ii) containing a description of the need for such adjustment.

"(B) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

"(4)(A) The Secretary shall permit a producer to repay a loan made under this subsection for any crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds that the Secretary may designate, at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the prevailing world market price for such crop, as determined by the Secretary.

"(B) The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for such crops; and

"(ii) a mechanism by which the Secretary shall periodically announce the prevailing world market price for such crops.

"(5)(A) The Secretary shall, for each of the 1991 through 1995 crops of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, make payments available to producers who, although eligible to obtain a loan under paragraph (1), agree to forgo obtaining such loan in return for such payments.

"(B) A payment under this paragraph shall be computed by multiplying—

"(i) the loan payment rate; by

"(ii) the quantity of such crop that the producer is eligible to place under loan.

"(C) For purposes of this paragraph, the quantity of such crops eligible to be placed under loan may not exceed the product obtained by multiplying—

"(i) the individual farm acreage for such crops actually harvested; by

"(ii) the actual yield per harvested acre established for the farm.

"(D) For purposes of this paragraph, the loan payment rate shall be the amount by which—

"(i) the loan level determined for such crop under paragraph (1) exceeds

"(ii) the level at which a loan may be repaid under paragraph (4).

"(E)(i) The Secretary may make payments under this subsection available in the form of certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation.

"(ii) The Secretary shall make certificates available under clause (i) in such a manner so as to minimize the accumulation of oilseeds stocks.

"(6) For purposes of this subsection, the marketing year for—

"(A) soybeans, sunflower, or safflower is the 12-month period beginning on September 1 of the calendar year in which the crop of the commodity is harvested;

"(B) canola and rapeseed is the 12-month period beginning on May 1 of the calendar year in which the crop of the commodity is harvested; and

"(C) flaxseed, mustard seed, and any other oilseeds the Secretary may designate is such period as prescribed by the Secretary by regulation.

"(7)(A) The Secretary shall make a preliminary announcement of the support price for each crop—

"(i) of soybeans, sunflower, and safflower not later than November 1 preceding the beginning of the marketing year for the crop,

"(ii) of canola and rapeseed not later than July 1 preceding the beginning of the marketing year for the crop, and

"(iii) of flaxseed, mustard seed, and other oilseeds the Secretary may designate not later than 10 months preceding the beginning of the marketing year for such crop.

"(B) The Secretary shall make a final announcement of the level of price support for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate not later than 30 days after the beginning of the marketing year for such crop. The final support price may not be less than the support price provided for in the preliminary announcement.

"(8) Loans for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate shall be made available not earlier than the beginning of the marketing year for the crop and shall mature nine months from the date of the loan.

"(9) Notwithstanding any other provision of law the Secretary may not require participation in any production adjustment program for any commodity as a condition of eligibility for price support under this subsection.".

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there were no amendments noticed to the oilseed section. That is what we are on now. But I just thought, and I will have a complete statement put in the RECORD, but I wanted to point out to my colleagues that this is basically the soybean, sunflower, canola section of this bill, and this section of the bill provides for the first time a marketing loan for oilseeds at levels which are not scored as having any budget impact whatsoever.

Oilseeds, and particularly soybeans, but the other oilseeds, are grown in almost every State in this country. Soybeans are often referred to as the miracle crop of this country, but so are things like sunflowers and canola, rapeseed, and the other oilseeds. These are seeds which produce oil which has very low cholesterol and items which have many uses beyond the agricultural field.

We put this provision in there because we were concerned about the rapid reduction in production of soybeans in this country, the vast increase in production in other parts of the world, the competitive threats to the United States and the ability of the United States to be able to respond with respect to this most unusual crop, soybeans, and other oilseeds. At the same time, we wanted to provide equity and fairness for other oilseeds like sunflowers and canola so that there would be an incentive for farmers to grow these crops as well and not just stick to the monoculture agriculture which exists in many parts of this country where you can only grow one crop and there is no economic incentive to shift to other crops.

This section, together with the flexibility provisions in the farm bill, provide a great opportunity for farmers to have additional options and to plant for the marketplace, to plant for the kinds of crops that farmers want.

I particularly compliment our chairman and our ranking member, the gentleman from Texas [Mr. DE LA GARZA] and the gentleman from Illinois [Mr. MADIGAN], and my ranking member on the Wheat, Soybeans, and Feed Grains Subcommittee, the gentleman from Montana [Mr. MARLENEE], for his efforts in structuring this program.

By the way, before I yield, I also want to pay special reference to other members of the committee, the gentleman from Missouri [Mr. EMERSON], the gentleman from Iowa [Mr. GRANDY], the gentleman from Iowa [Mr. NAGLE], the gentleman from Indiana [Mr. JONTZ], and the gentleman from South Dakota [Mr. JOHNSON]. This was, during the committee debate, a very contentious part of the bill, that is a soybean marketing loan. This provision is the most major structural change program wise in this farm bill, and I would note for the record that it has managed to get through here without any amendments. No, I do not believe there are any amendments to this bill.

Again, since soybeans can be grown everywhere in this great country of

ours, this provision should have a profound effect on agriculture.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I thank my colleague, the gentleman from Kansas, the chairman of the Subcommittee on Wheat, Soybeans and Feed Grains, and as the ranking member, I would like to say that this particular section was ultimately arrived at with a great consensus between the industry, the ranking member, the Democrat side, and the Republican side. We sweat blood and shed many tears over this particular section. However, we have come up with a very workable program that will give the United States the benefit of meeting oilseed competition worldwide. We will keep our production, and keep our competitors in other parts of the world from expanding production. We will be able to foster and keep this important industry as a viable part of American agriculture with the provisions that are in the bill if they are kept as they are, and I anticipate that they will be.

I heartily endorse this section and hope that we can move forward from this section to other parts of the bill.

Mr. GLICKMAN. Mr. Chairman, reclaiming my time, if I may just add one additional point, in this country a lot of farmers who plant corn could plant soybeans and vice versa, but there has been a disparity in the way the Government supports the relative crops. Some believe that the support level for corn has been so high that farmers have not been given the incentive to shift into soybeans, and to move flexibly between crops, and this provision of law will add to that flexibility so farmers can make their decisions based on the market and not just based on the particular program that has been in existence.

Mr. MARLENEE. If the gentleman will yield further, we were able to arrive at this consensus without an impact on the budget. CBO has scored it as little or not any cost, and I think it is a good section and provides the protection with very little cost.

Mr. GLICKMAN. Mr. Chairman, title VII of H.R. 3950 establishes a new program for oilseeds crops, our second most valuable field crop and one of American agriculture's most important export crops.

I want to point out that while this title establishes a new program, it does so within the limits of the budget. This title makes structural changes in the present oilseeds programs to ensure that U.S. farm programs protect and benefit only American farmers and that American farmers retain their competitive position in world markets. Indeed, this title's primary aim is to ensure that the U.S. retains its dominant position in the world oilseeds markets, one of the world's most dramatically growing agriculture markets.

Before elaborating on oilseeds and the new program this bill establishes, I want to emphasize again that, according to estimates from the Congressional Budget Office, this program will not increase budget outlays over the existing soybean program. It is budget neutral.

The administration was well aware of our intent, yet it has released a letter to Congress opposing it anyway saying that it might, emphasize might, result in costs. Well, I would point out to my colleagues that it might rain tomorrow, but we will cross that bridge when we come to it.

Quite honestly, I found the administration's letter hard to believe especially since Secretary Yeutter said, in response to my question, at one of the committee's hearings last February 20 that we had no philosophical objections to kind of program we have established so long as it did not cost. The committee's proposals do not cost.

For 5 years oilseed production has fallen precipitously. Since the record harvest of 1979 of 2.2 billion bushels, U.S. output has dropped by 14 percent and output of soybean meal and oil have fallen even more. If we do not take action now by enacting this title, I am concerned that this vital industry will be handed over to our competitors who have stolen a large chunk of our oilseed export markets.

For example, while the United States is still the dominant producer and exporter of soybeans, South Americans and Europeans are fast approaching. The South Americans have already taken away our position as the leading exporter of soybean oil and meal. It is estimated that every 1-percent loss in market share means a $2 billion loss in revenue for our farmers, rural areas, and the country as a whole.

With regard to the other growing oilseed industries covered in this title, they too have been hurt by the 1985 act. Canola, sunflower, and safflower production have all declined during a time when the demand for these oilseeds has been increasing at rapid rates. The demand is increasing because these oilseeds, when crushed, produce oils which are low in saturated fat content and are essential components of processed foods, cooking oils, salad oils, and snack foods.

The meal that these oilseeds produce, including soybeans, is an important ingredient in livestock rations because of their high protein levels. Increasing demand for poultry and beef have led to bigger demands on oilseed meals.

Last summer, I visited the Soviet Union and talked with agricultural officials who told me about a major program in progress to upgrade the availability of meat to consumers. They indicated that this program would undoubtedly involve importing more soybeans in the years to come to feed its livestock sector. Also, the oil from the soybeans will help their food processing sector develop. In addition, through the 1990's, the potential import demand for soybeans from Eastern European countries is estimated to triple the growth rate sustained in the 1980's.

It is my hope that the United States will be able to help meet these needs in the coming years and I believe that this new title will help us achieve this goal.

To reverse these production trends, the committee, under the strict constraints of the budget, has put together this title that will help correct the problems the soybean and oilseed industry have had to deal with over the past 5 years. To a large extent certain features of the present farm bill had the unintended effect of contributing to these problems.

The 1985 act discouraged farmers from planting oilseeds, because these crops were competing with acreage planted to crops providing relatively more income support. The 1985 act did establish a price support, but in relation to other commodities it was so low that it could not compete with the income supports of other commodities, such as corn. Since most land that can produce soybeans can produce corn as well, farmers would often choose corn over soybeans because of the better income support that it offered.

Even when soybean market prices were high as they were in 1988 and 1989, as a result of the drought, farmers did not switch to corn also because of the planting constraints associated with the 1985 act. For instance, farmers in the other commodity programs have established a crop base acreage for each program crop they grow which are covered by Government payments. Once a farmer starts planting other crops, such as soybeans, on that established crop base, his ability to earn program benefits in the future is diluted.

These two rather interrelated and complicated reasons that have led to a drastic reduction in soybean plantings over the last 5 or 10 years have been corrected, as best as possible, in this title and title XI.

The oilseed program established in this title ensures that farmers who elect to respond to market demands for oilseeds are afforded reasonable levels of income protection. Current law is amended to encourage the marketing of soybeans, not the accumulation of market depressing surpluses which have caused lower prices and contributed to the decline in oilseeds production. For example, over the previous 5 years, soybean market prices have been at their lowest during those years when surpluses exceeded 20 percent of usage, causing further disincentives to soybean producers to expand production.

Under this new program, soybean farmers will be able to repay loans made to them at the lower of the loan rate or the world price for soybeans. This ability for farmers to repay loans at levels beneath the rate for which the loans were made will remove the price setting feature of the soybean program as it has operated under previous legislation. That feature has influenced not just the U.S. market, but the world market by supporting prices farmers in other countries receive for their crops. In effect, the present program has benefited foreign farmers every bit as much as it has helped U.S. farmers, which is why it is imperative to change the program.

This program is patterned after the cotton and rice programs in the 1985 act and which are continued in their respective titles. Similar legislation was considered for soybeans in the 1985 act; however, this feature was made discretionary with the Secretary, who has never elected to make the option available to producers. Also, in the 1988 Omnibus Trade and

Competitiveness Act, Congress reaffirmed its belief in the ability of this type of soybean program to restore the competitiveness of U.S. soybeans in the world market by requiring the Secretary to implement such a program to restore the competitivenss of U.S. soybeans in the world market by requiring the Secretary to implement such a program absent significant progress toward a multilateral agreement on agricultural trade reforms.

To begin with, the price support loan level for the 1991 and 1992 crops of soybeans is fixed at $5.25 per bushel.

For the 1993 through 1995 crops, the level of the loan is based on the projected level of soybean stocks to soybean use. The loan rate is increased by 5 percent when stocks equal 20 percent of use or less indicating a demand for more production, except for the 1993 crop when the level may not exceed $5.40 per bushel. When stocks are in excess of 25 percent of use, indicating ample supplies of soybeans, the level of the loan rate is reduced by 5 percent. When the stock-to-use ratio is between 25 percent and 20 percent, the loan rate is maintained at $5.25 per bushel.

In addition to this market sensitive system of setting and adjusting soybean price-support loan levels, the committee's legislation contains other provisions designed to promote the orderly marketing of soybeans. Soybean growers may elect to receive payments equal to the difference between the soybean loan rate and the redemption rate in order to move their crop directly into marketing channels without being forced to cycle it through the CCC. To ward off large surpluses, the Secretary is instructed to make these payments in certificates redeemable for commodities owned by the CCC in a manner that he believes will minimize the buildup of excess soybean supplies.

The soybean market and the market for other oilseeds are closely interrelated. Not only are various oilseeds and oilseed products highly interchangeable, the price of various oilseeds are based on each other, as well. While the U.S. oilseeds industry and the opportunities for markets in the future are mostly dominated by soybeans, other oilseeds also have a significant role to play.

Therefore, the committee's legislation provides for the same program for sunflower, safflower, canola, rapeseed, flaxseed, mustard seed, and such other oilseeds the Secretary designates. In determining the level of price support for these oilseeds, the title requires the Secretary to set the loan rate for each oilseed based on its historic market price relationship to the market price of soybeans on a per pound basis. The committee's legislation contains these provisions to ensure that price movements in the soybean market do not adversely affect producers of other oilseeds.

This legislation provides a foundation of predictable income supports for the oilseed industry while also ensuring that market conditions are factored into program decisions. It is a much-needed program which I believe will put our oilseed producers on the same footing as foreign producers without spending billions of dollars doing so. I strongly encourage my colleagues to support this title.

Mr. ARMEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not have an amendment with respect to this section and have not filed an amendment with respect to this section.

I understand the explanation given by the two gentlemen that spoke so glowingly on behalf of the inclusion of this section in the bill, and I think the gentleman from Kansas made a very good argument when he pointed out that we do need to have this section because of the declining numbers of American agricultural acreage that have been devoted to soybean production.

Soy is an American agricultural innovation and yet over the years decreasingly have Americans been devoting their resources and their resourcefulness to the production of soybeans, and increasingly has the crop been cultivated abroad. Consequently, of course, Americans have not captured as great a share of the world markets as they might otherwise have captured, and it is true that one of the reasons the American producers had a disincentive to put their agricultural resources into the production of soybeans is the fact that we have had such a generous corn program.

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In fact, there are many observers of agricultural practice in America who would argue that it is the generosity of the corn program that has caused the virtual monocropping of several States, and subsequent to that monocropping, the increasingly more heavy reliance of chemical fertilizers for replenishment of the soil, as opposed to the normal more prudent agrarian practice of crop rotation.

The solution of the committee, rather than to see the perverse effect on this crop soybean of the excessively generous program for corn, is to create a soybean program, where there has not been a program before.

Mr. Chairman, I think we should understand, this is a new program. It has not been in existence before. It is an extension even further of the arm of American Government agricultural policy over the affairs of agricultural practice in the farmland. I would suggest that a better alternative for the program would have been to diminish perhaps target prices, perhaps loan rates, perhaps set-aside requirements in corn and other crops, and thereby remove the profit differential between putting resources into these crops and soybeans and restoring the incentive of the American farmer to add soybeans to their crop rotation.

That is not the course of action the committee has taken. I think it takes us further in the direction of more Government control of agricultural practices, reduced freedom of choice, and freedom of agricultural practice for the American farmer.

Mr. Chairman, I find it regrettable, but I did feel compelled to speak, lest the people who study our behavior here today innocently conclude that this was a responsible practice as opposed to a compounding of the irresponsible practice of extending Government control into the very productive agricultural sector of our economy.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I do not agree with the conclusions of the gentleman from Texas [Mr. ARMEY], but I do agree that the relationship in support prices from one crop to another must make sense. There is no question that the relationship between the corn target price and the world price for soybeans has proved to be a disadvantage for people to plant soybeans. To that extent I agree with the gentleman. I just do not take the next leap to faith, as the gentleman would.

Mr. ARMEY. Mr. Chairman, reclaiming my time, I appreciate that. If I might respond to the gentleman from Kansas [Mr. GLICKMAN] very quickly, if in fact there is a difference between 4 and 6, you can reach parity by either raising from 4 to 6, or lowering from 6 to 4. I am just suggesting we went the wrong way.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to respond just briefly to my friend, the gentleman from Texas [Mr. ARMEY], on the implication that was made, and had been made earlier, that the reduction of soybean acreage in this country and the subsequent increase in soybean acreage in other foreign countries has led us to a situation where we are not producing all the U.S. needs, and in fact some indications are that we are importing large amounts.

Mr. Chairman, that is not true. The U.S. soybean supply for 1989-90 is over 2 billion bushels. There is a targeted carryover of between 200 and 300 million bushels of soybeans produced in the United States. The only importation of soybeans is a miniscule amount of soybeans, which come primarily off the Canadian border. It is primarily because it is an open border. Many

American families live closer to milling operations or crushing mills in Canada than the United States, and because they can move back and forth, they can very easily do that. It is much easier than to stay in the United States.

Additionally, and I think this is important to point out, because I think it sums up a philosophy that the gentleman from Texas [Mr. ARMEY] has relative to farm programs, he said because the corn program is such a generous program, what we should do is make it less generous, rather than trying to assist in some of the other commodities. Being someone that represents a very high agrarian part of the country, I would say what I want to do is not make it worse on them, but make it better on them.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, the gentleman from Texas [Mr. COMBEST] made a good statement that this shows the fallacy of thinking we can have stable prices and stable supplies with a crop that has not been under a program with reserves like soybeans. Soybeans were $10 a bushel only 2 years ago. That is what got them into trouble. When you do not have reserves like we have for feed grains and some of the other programs, we do not have stable prices. That happened with soybeans. The price went up and then it goes back down. That is what the problem is with soybeans and after going so high, consumption went down and production did not follow.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I want to thank the gentleman from Texas [Mr. COMBEST] for his remarks. I particularly appreciated his points, although I must say if he had listened carefully to my comments, my comments were that we had not captured the share of the world's demand for American soybean production that we might otherwise have had.

Mr. COMBEST. Mr. Chairman, reclaiming my time, the gentleman from Texas [Mr. ARMEY] makes a good point. I think it further emphasizes the fact that we are doing terrible destruction to the American producer if we pull the rug out from under him or her at a time when other countries are increasing their subsidization, making it much more viable for them to get into production, rather than forcing them out, as they are in this country.

Mr. EMERSON. Mr. Chairman, I stand today in full support of the oilseed title to the Food and Agriculture Resources Act of 1990. The oilseed title of this legislation represents a landmark effort in Federal farm policy. The establishment of a marketing loan for domestic oilseed producers will provide a tremendous opportunity to regain lost foreign market opportunities.

American soybean producers have suffered for too long. U.S. soybean acreage has fallen over 11 million acres during the last decade and foreign soybean production is up over 15 million acres in that same period. Couple that with world markets that are growing at an annual rate of nearly 5 percent and there is little mystery why American soybean farmers are losing both soybean volume and income.

The thrust of this oilseed legislation has encompassed several main objectives. First, soybean producers have needed the flexibility of planting soybeans without fear of losing their base acreage to already established program crops. Second, soybean producers desperately need to regain world market shares that have shifted to many of our foreign competitors. South America has taken a great deal of the world soybean market away from American producers and this legislation is a positive approach to getting soybean growers back on the competitive track.

This measure offers the opportunity for change—to reverse current trends, to restore balance between crops, to expand demand, to increase prices, to provide planting freedom, to support farmers when prices are low. I commend the Agriculture Committee for addressing this need and ask for the support of this body in forwarding these goals.

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: On page 152, after line 13, add the following: Subtitle B, Soybeans.

SEC. 711. SHORT TITLE AND TABLE OF CONTENTS.

(a) This subtitle may be cited as the "Soybean Promotion, Research, and Consumer Information Act".

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Sec. 711. Short title and table of contents.
Sec. 712. Findings and declaration of policy.
Sec. 713. Definitions.
Sec. 714. Issuance and amendments of orders.
Sec. 715. Required terms in orders.
Sec. 716. Referenda.
Sec. 717. Petition and review.
Sec. 718. Enforcement.
Sec. 719. Investigations; power to subpoena; aid of courts.
Sec. 720. Administrative provisions.
Sec. 721. Regulations.
Sec. 722. Authorization.

SEC. 712. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) soybeans are an important source of nutritious foods that are a valuable part of the human diet and are an important feedstuff for the livestock industry;

(2) the production of soybeans plays a significant role in the economy of the United States in that soybeans are produced by thousands of soybean producers, processed by numerous processing entities, and soybeans and soybean products produced in the United States are consumed by people and livestock throughout the United States and foreign countries.

(3) soybeans and soybean products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of soybean products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for soybeans and soybean products are vital to the welfare of soybean producers and processors and those concerned with marketing soybeans and soybean products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of soybeans and soybean products;

(5) there exist established State and national organizations conducting soybean promotion, research, and consumer education programs that are valuable to the efforts of promoting the consumption of soybeans and soybean products;

(6) the cooperative development, financing, and implementation of a coordinated national program of soybean promotion, research, consumer information, and industry information are necessary to maintain and expand existing markets and develop new markets for soybeans and soybean products; and

(7) soybeans and soybean products move in interstate and foreign commerce, and soybeans and soybean products that do not move in such channels of commerce directly burden or affect interstate commerce in soybeans and soybean products.

(b) POLICY.—Congress declares that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this title, of an orderly procedure for developing, financing through assessments on domestically-produced soybeans, and implementing a program of promotion, research, consumer information, and industry information designed to strengthen the soybean industry's position in the marketplace, to maintain and expand existing domestic and foreign markets and uses for soybeans and soybean products, and to develop new markets and uses for soybeans and soybean products.

(c) CONSTRUCTION.—Nothing in this title may be construed to provide for the control of production or otherwise limit the right of individual producers to produce soybeans.

SEC. 713. DEFINITIONS.

As used in this title:

(1) The term "Board" means the United Soybean Board established under section 1905(b) of this title.

(2) The term "commerce" includes interstate, foreign, and intrastate commerce.

(3) The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of soybeans or soybean products.

(4) The term "Department" means the Department of Agriculture.

(5) The term "first purchaser" means—

(A) except as provided in subparagraph (B), any person buying or otherwise acquiring from a producer soybeans produced by such producer, or

(B) the Commodity Credit Corporation, in any case in which soybeans are pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation.

(6) The term "industry information" means information and programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the soybean industry, and activities to enhance the image of the soybean industry.

(7) The term "marketing" means the sale or other disposition of soybeans or soybean products in any channel of commerce.

(8) The term "net market price" means—

(A) except as provided in subparagraph (B), the sales price or other value received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors, as determined by the Secretary or

(B) for soybeans pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation, the principal amount of the loan.

(9) The term "order" means an order issued under section 1904.

(10) The term "person" means any individual group of individuals, partnership, corporation, association, cooperative, or ony other legal entity.

(11) The term "producer" means any person engaged in the growing of soybeans in the United States who owns, or who shares the ownership and risk of loss of, such soybeans.

(12) The term "promotion" means any action, including paid advertising, technical assistance, and trade servicing activities, to enhance the image or desirability of soybeans or soybean products in domestic and foreign markets, and any activity designed to communicate to consumers, importers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of soybeans or soybean products or the benefits of importation, use, or distribution of soybeans and soybean products.

(13) The germ "qualified State soybean board" means a State soybean promotion entity that is authorized by State law. If no such entity exists in a State, the term "qualified State soybean board" means a soybean producer-governed entity—

(A) that is organized and operating within a State,

(B) that receives voluntary contributions and conducts soybean promotion, research, consumer information, or industry information programs, and

(C) that meets criteria established by the Board relating to the qualifications of such entity to perform duties under the order, as determined by the Board, and is recognized by the Board as the soybean promotion and research entity within the State.

(14) The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of soybeans or soybean products, including any research activity designed to identify and analyze barriers to export sales of soybeans and soybean products.

(15) The term "Secretary" means the Secretary of Agriculture.

(16) The term "soybean products" means products produced in whole or in part from soybeans or soybean by-products.

(17) The term "soybeans" means all varieties of Glycine max or Glycine soya.

(18) The terms "State" and "United States" consist of the fifty States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 714. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—To effectuate the declared policy of section 1902(b) of this title, the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this title applicable to producers and first purchasers of soybeans. Any such order shall be national in scope, and not more than one order shall be in effect under this title at any one time.

(b) PROCEDURE.—(1) The Secretary may propose the issuance of an order under this title, or an association of soybean producers or any other person that would be affected by an order issued pursuant to this title may request the issuance of, and submit a proposal for, such an order.

(2) Not later than 30 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements under this title. Such order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any order issued under this section. Except as otherwise provided in sections 1905(b)(2)(F) and 1905(d)(1), no amendment to an order shall be effective until approved by a referendum of soybean producers and the provisions of this title applicable to orders shall be applicable to amendments to orders.

SEC. 715. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL—Any order issued under this title shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE UNITED SOYBEAN BOARD.—(1) The order shall provide for the establishment of, and appointment of members to, a United Soybean Board to administer the order. Members of the Board shall be soybean producers appointed by the Secretary, on a geographic basis, from State or combined units, as provided in this subsection. The cumulative number of seats on the Board shall be the total number of seats to which all the units are entitled.

(2) The Secretary shall establish State units and combined units and seats on the Board for such units, as follows:

(A) Except as provided in subparagraph (B), each State shall be considered as a unit.

(B) A State in which average annual soybean production is less than 3 million bushels shall be grouped with other States into a combined unit. To the extent practicable, each State with average annual soybean production of less than 3 million bushels shall be grouped with other States with average annual soybean production of less than 3 million bushels into a combined unit, in a manner prescribed in the order, and each combined unit shall consist of geographically contiguous States. Each combined unit shall have an average annual production of soybeans of at least 3 million bushels.

(C) Subject to subparagraph (F), each unit, as established under subparagraph (A) or (B)—

(i) if its average annual soybean production is less than 15 million bushels, shall be entitled to one seat on the Board;

(ii) if its average annual soybean production is 15 million bushels or more but less than 70 million bushels, shall be entitled to 2 seats on the Board;

(iii) if its average annual soybean production is 70 million bushels or more but less than 200 million bushels, shall be entitled to 3 seats on the Board; and

(iv) if its average annual soybean production is 200 million bushels or more, shall be entitled to 4 seats on the Board.

(D) At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Secretary, if necessary, shall adjust any unit to conform with subparagraphs (A) and (B) and any modifications pursuant to paragraph (F). If the Secretary makes such an adjustment, the Secretary shall re-establish the seats on the board to conform with subparagraph (C) and any modifications pursuant to paragraph (F).

(E) For purposes of subparagraph (A), (B), (C), and (D), the Secretary shall determine average annual soybean production applicable to a crop year by using the average of the 5 previous crops of soybeans, excluding the crop in which production was the highest and the crop in which production was the lowest.

(F) At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Board may recommend to the Secretary, to the extent it determines appropriate, changes in the levels of production used in subparagraphs (A), (B), and (C) to determine per-unit representation on the Board. The Secretary may amend the order to make such changes in levels of production used to determine per-unit representation. Any such amendment to the order shall not be subject to a referendum of producers. A unit may not, as a result of any modification under this subparagraph, lose Board seats to which it is entitled at the time the order is initially issued unless its average annual production, as determined under subparagraph (E), declines below the levels required for representation, as specified in subparagraphs (A), (B), and (C).

(3)(A) The Secretary shall appoint soybean producers to seats established under paragraph (2) from nominations submitted by each unit. Each unit shall submit to the Secretary at least 2 nominations for each appointment to the Board to which such unit is entitled.

(B)(i) The Secretary shall solicit nominations for each seat on the initially-established Board to which a State unit is entitled from the State soybean board in the State that submits satisfactory evidence to the Secretary that such board meets the criteria of section 1903(13), other than section 1903(13)(C), of this title. If no such organization exists in the unit, the Secretary shall solicit nominations for appointments in such manner as the Secretary determines appropriate.

(ii) The Secretary shall solicit nominations for each seat on the initially-established Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any State soybean board operating in the unit that submits satisfactory evidence to the Secretary that such board meets the criteria of section 1903(13), other than section 1903(13)(C), of this title.

(C)(i) The Secretary shall solicit nominations for each subsequent appointment to a seat on the Board to which a State unit is entitled from the qualified State soybean board in the unit. If no such organization exists in the unit, the Secretary shall solicit nominations for such appointment in such manner as the Secretary determines appropriate.

(ii) The Secretary shall solicit nominations for each subsequent appointment to a seat on the Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any qualified State soybean board operating in the unit.

(4) The Secretary may reject any nomination submitted by a unit. If there are insufficient nominations from which to appoint members to the Board as a result of the Secretary rejecting the nominations submitted by a unit, the unit shall submit additional nominations, as provided in paragraph (3).

(5) The Secretary shall ensure, to the extent practicable, that at least 5 of the members appointed to the Board are members in good standing, and were members for at least 3 years prior to appointment to the Board, of a national general farm organization. Each of the 5 members shall be a member of a different national general farm organization.

(6) Each appointment to the Board shall be for a term of 3 years, except that appointments to the initially-established Board shall be proportionately for 1 year, 2 year, and 3 year terms. No person may serve more than 3 three-year terms. Board members shall serve without compensation, but shall be reimbursed by the Board for their reasonable expenses incurred in performing their duties as members of the Board.

(7)(A) Notwithstanding the foregoing provisions of this subsection, the Secretary, under procedures established by the Secretary, may appoint to the initially-established Board up to 3 temporary members to serve in addition to the members appointed as otherwise provided in this subsection, as the Secretary determines appropriate for transition purposes under the criteria set out in subparagraph (B). Each such temporary member shall be appointed for a single term not to exceed 3 years.

(B) The Secretary, in making any temporary appointments to the initially-established Board, shall ensure, to the extent practicable, that each State with a State soybean board that, prior to the enactment of this title, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts has representation on the initially-established Board that reflects the relative contributions of such State to the national soybean promotion and research effort.

(8) The order shall provide for at least one meeting of the Board annually and specify the circumstances in which additional special meetings of the Board may be held.

(c) Powers and Duties of the Board.—The order shall define the powers and duties of the Board and shall include the following powers or duties:

(1) to administer the order in accordance with its terms and provisions;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to elect members of the Board to serve on committees;

(4) to submit budgets to the Secretary for the Secretary's approval or disapproval;

(5) to contract with appropriate persons to implement plans or projects;

(6) to contract with qualified State soybean boards to implement programs in their States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order;

(8) to provide the Secretary with prior notice of meetings of the Board to allow the Secretary, or a designated representative, to attend such meetings;

(9) to recommend to the Secretary amendments to the order;

(10) to provide at least annually a report to producers accounting for funds and describing programs implemented and make such report available to the public upon request; and

(11) to ensure, in carrying out the order, that the development of the budget and activities conducted under the order do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level.

(d) BOARD VOTING PROCEDURES.—(1) The order shall establish procedures for the conduct of voting by the Board, as specified in this subsection. At the end of the 3 year period beginning on the effective date of the order, the Board may recommend to the Secretary changes in such procedures for the conduct of voting by the Board, and the Secretary may amend the order to make such recommended changes in voting procedures. Such amendment to the order shall not be subject to a referendum of producers.

(2) Each member of the Board shall be entitled, in any vote conducted by the Board, to cast the number of votes determined under the following rules:

(A) Each member shall be entitled to cast one vote unless a roll call vote is conducted. On a roll call vote, each member shall be entitled to cast such additional votes as are assigned to the member under subparagraph (B).

(B) The additional votes that each member is assigned for roll call votes shall be computed as follows:

(i) Except as provided in clause (ii), each unit shall be allotted one vote for each percent, or portion of a percent, of the total amount of assessments remitted to the Board that was remitted from the unit, net of any refunds made under subsection (j)(2), on the average, during each of the 3 previous fiscal years of the Board.

(ii)(I) During the first fiscal year of the Board, each unit shall be allotted one vote for each percent, or portion of a percent, of the total production of soybeans in the United States that was produced in the unit, on the average, during each of the 3 immediately preceding crop years.

(II) The order shall provide appropriate adjustments of the procedure for the allotment of votes under clause (i) to apply to allotments of votes during the second and third fiscal years of the Board.

(iii) A unit's total votes under clause (i) or (ii) shall be divided equally among all the members representing that unit. The procedures established by the order shall provide for the equitable disposition of fractional votes assigned to a member under such division of a unit's votes.

(3)(A) Except as provided in subparagraph (B), a motion shall carry if approved by a simple majority of members of the Board casting votes.

(B) Any member of the Board may call for a roll call vote on any motion. Except as otherwise provided in the bylaws adopted by the Board, whenever a roll call vote is conducted, the motion shall carry only if approved by a simple majority of all votes cast and a simple majority of all units voting, with the vote of each unit determined by a simple majority of all votes cast by members in that unit.

(4) In any vote conducted by a committee of the Board, each member of the committee shall have one vote.

(5) A member may not cast votes by proxy.

(e) BUDGETS.—The order shall provide that the Board shall develop budgets on a fiscal year basis of anticipated expenses and disbursements under the order, including probable costs of administration and promotion, research, consumer information, and industry information projects. The Board shall submit such budgets or any substantial modification thereof to the Secretary for the Secretary's approval. In approving or disapproving such budget or modification, the Secretary shall, among other considerations, ensure that the activities conducted under the order do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level. Each such budget or modification shall be approved or disapproved by the Secretary within 45 days after the Secretary receives the budget or modification. No expenditure of funds may be made by the Board unless such expenditure is authorized under a budget or modification approved by the Secretary.

(f) PLANS AND PROJECTS.—The order shall provide that the Board shall review or, on its own initiative, develop plans or projects of promotion, research, consumer information, and industry information, to be paid for with funds received by the Board.

(g) ADMINISTRATION.—(1) The order shall provide that the Board shall be responsible for all expenses of the Board.

(2)(A) The order shall provide that the Board may establish an administrative staff or facilities of its own or contract for the use of the staff and facilities of national, nonprofit, producer-governed organizations that represent producers of soybeans.

(B) If the Board establishes an administrative staff of its own, the Board is authorized to expend for administrative staff salaries and benefits an amount not to exceed one percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (j)(2), for that fiscal year.

(C) If the staff of national, nonprofit, producer-governed organizations that represent producers of soybeans are used by the Board, the staff of such organizations shall not receive compensation directly from the Board, but such organizations shall be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of, and authorized by, the Board.

(3) The order shall provide that costs incurred by the Board in administering the order (including the cost of staff but not including administrative costs incurred by the Secretary) during any fiscal year shall not exceed 5 percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (j)(2), for that fiscal year.

(h) CONTRACTS AND AGREEMENTS.—(1) To ensure coordination and efficient use of funds, the order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of the activities authorized by this title with national, nonprofit, producer-governed organizations that represent producers of soybeans, and for the payment thereof with funds received by the Board under the order.

(2) To enhance coordination, the Board, when entering into contracts or agreements for the implementation and carrying out of activities authorized by this title, shall ensure that all plans or projects implemented for consumer information, industry information, promotion, or research are implemented by a single entity. There shall not be in force, at any one time, more than one contract or agreement for implementation of plans or projects for consumer information, for industry information, for promotion, or for research, except that, upon approval of the Secretary, the Board may contract with qualified State soybean boards to implement plans or projects within their respective States.

(3) Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project;

(B) the plan or project shall not become effective unless it has been approved by the Secretary, and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, including staff time, salaries, and expenses expended on behalf of Board activities, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(i) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records, which shall be available to the Secretary for inspection and audit, as the Secretary may prescribe,

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe, and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

The Board shall cause its books and records to be audited by an independent auditor at the end of each fiscal year and a report of such audit to be submitted to the Secretary. The Secretary shall make such report available to the public upon request.

(j) ASSESSMENTS.—(1)(A)(i) The order shall provide that each first purchaser of soybeans from a producer shall collect, in the manner prescribed by the order, an assessment from the producer and remit the assessment to the Board. If a qualified State soybean board is operating in the State, the Board shall permit such State board to collect such assessments on behalf of the Board from first purchasers in the State in which such board is operating.

(ii) The rate of assessment prescribed by the order shall be one-half of 1 percent of the net market price of soybeans bought or otherwise acquired by the first purchaser from the producer.

(iii) No more than one assessment shall be made with respect to any particular soybeans.

(iv) The order shall provide that no person may engage in any scheme or device regarding the net market price of soybeans for purposes of affecting the assessment under the order.

(B) The order shall provide that any person processing soybeans of that person's own production and marketing such soybeans or soybean products made from such soybeans shall remit to the Board or the qualified State soybean board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for in subparagraph (A)(ii).

(2)(A) The order shall provide that, during the period prior to the approval of the continuation of the order in the referendum provided for in section 1906(a), as determined by the Secretary, each producer shall have the right to demand and receive from the Board a refund of any assessment collected from such producer if—

(i) such producer is responsible for paying the assessment; and

(ii) such producer does not support the programs, projects, or activities implemented under the order.

(B) Subject to the provisions of subparagraph (C)(i), any demand by a producer for a refund of an assessment under this paragraph shall be made in accordance with regulations, on a form, and within the time period, not to exceed 90 days from the date of collection, prescribed by the Board.

(C)(i) In each State in which a qualified State soybean board collects assessments, as provided in paragraph (1)(A)(i), producers shall submit demands for refunds of assessments to the qualified State soybean board. Such board shall process such submissions under procedures established under State statute applicable to refunds of assessments on soybeans, except that if no refunds are allowed under State statute, such submissions shall be processed under procedures established under this paragraph.

(ii) In each State not specified in clause (i), producers shall submit demands for refunds of assessments directly to the Board.

(D) Subject to the provisions of subparagraph (C)(i), each refund to a producer of an assessment under this paragraph shall be made as soon as practicable, but in no case more than 60 days, after submission of proof satisfactory to the qualified State soybean board or the Board that the producer paid the assessment for which refund is demanded.

(3) The assessments shall be used for payment of the expenses incurred in implementation and administration of the order, the establishment of a reasonable reserve, and reimbursement to the Secretary of administrative costs incurred by the Secretary after the order has been proposed.

(4) A producer who can establish that such producer is contributing to a qualified State soybean board shall receive credit, in determining the assessment due to the Board from such producer, for contributions to the qualified State soybean board of up to one-quarter of 1 percent of the net market price of soybeans or the equivalent thereof. A producer may receive a credit under this paragraph only if the contribution is to the qualified State soybean board in the State in which the soybeans are produced, except that the Board, with the approval of the Secretary, may authorize exceptions to such State-of-origin rule as appropriate to ensure effective coordination of collection procedures among States.

(5) The procedures in the order for the collection of assessments shall ensure, to the extent practicable, that such soybeans are subject to a single process of assessment under the order.

(k) CREDIT FOR CERTAIN COSTS TO STATES.—The order shall provide that the Board may provide a credit against the amount of collected assessments due from each qualified State soybean board of an amount not to exceed one-half of any fees paid to State governmental agencies or first purchasers for collection of the assessments if the payment of such fees by the qualified State soybean board is required by State statute enacted prior to the date of enactment of this title. Any credit provided to any qualified State soybean board under this subsection may not exceed 2.5 percent of the amount of assessments collected and remitted to the Board under subsection (j).

(l) MINIMUM LEVEL OF ASSESSMENTS TO STATES.—(1) The order shall contain provisions to ensure that, during the period prior to conduct of the referendum provided for in section 1906(a), each qualified State soybean board retains annually an amount of money equal to the average amount that the State board collected from assessments during each of the State board's fiscal years 1984 through 1988, excluding the year in which such collections were the highest and the year in which such collections were the lowest, as determined by the Secretary and subject to paragraph (3).

(2) The order shall provide, effective after the conduct of the referendum provided for in section 1906(a), subject to paragraph (3), that the Board annually shall provide a credit to each qualified State soybean board of an amount by which—

(A) The amount equal to one cent times the average number of bushels of soybeans produced in the State during each of the preceding 5 years, excluding the year in which the production is the highest and the year in which the production is the lowest, exceeds

(B) the total amount collected by the qualified State soybean board from assessments on producers under this title and State law minus the amount of assessments remitted to the Board during such year under subsection (j).

(3) The total amount of assessment funds retained by a qualified State soybean board under paragraph (1) or (2) and subsection (j)(4) for a year may not exceed the total amount of assessments collected in the State under subsection (j), net of any refunds made under subsection (j)(2), for that year.

(m) INVESTMENT OF FUNDS.—The order shall provide that the Board, with the approval of the Secretary, may invest funds received by the Board under the order, pending their disbursement, only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States. Income from any such investment may be used only for such purposes as the invested funds may be used.

(n) PROHIBITION.—(1) Except as otherwise provided in paragraph (2), the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing any action or policy of the United States Government, any foreign, State, or United States territory or possession government, or any political subdivision thereof.

(2) The prohibition in paragraph (1) shall not apply to—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, and industry information under the order; or

(C) any action designed to market soybeans or sobyean products directly to a for-

eign government or political subdivision thereof.

(o) BOOKS AND RECORDS OF FIRST PURCHASES AND CERTAIN PRODUCERS.—(1) The order shall require that each first purchaser of soybeans and any person processing soybeans of that person's own production maintain and make available for inspection by the Board or the Secretary such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. The order shall exempt small producers processing soybeans of their own production from such recordkeeping and reporting requirements if they are not required to pay assessments under the order.

(2)(A) Information maintained under paragraph (1) shall be made available to the Secretary as is appropriate for the administration or enforcement of this title, or any order or regulation issued under this title.

(B) The Secretary shall authorize the use under this title of information regarding first purchasers that is accumulated under a law or regulation other than this title or regulations under this title.

(3)(A) Commercial or financial information obtained under paragraphs (1) and (2) and that is privileged or confidential shall be kept confidential by all officers and employees of the Department, the Board, and agents of the Board, subject to the provisions of subparagraph (B).

(B) Information obtained under the authority of this title shall be made available to any agency or officer of the Federal Government for—

(i) the implementation of this title;

(ii) any investigatory or enforcement action necessary for the implementation of this title; or.

(iii) any civil or criminal law enforcement activity if the acitivity is authorized by law.

(4) Any person who intentionally or knowingly violates the provisions of this subsection, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if an agent of the Board or an officer or employee of the Department, shall be removed from office.

(p) INCIDENTAL TERMS AND CONDITIONS.—The order shall provide terms and conditions, not inconsistent with the provisions of this title, as necessary to effectuate the provisions of the order, including provisions for the assessment of a penalty for each late payment of assessments under subsection (j).

SEC. 716 REFERENDA.

(a) INITIAL REFERENDUM.—Not earlier than 18 months nor later than 36 months following the issuance of an order under section 1904 of this title, the Secretary shall conduct a referendum for the purpose of ascertaining whether the order then in effect shall be continued. Such referendum shall be conducted among producers who, during a representative period as determined by the Secretary, have been engaged in the production of soybeans. Such order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum. If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate the collection of of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) ADDITIONAL REFERENDA.—(1)(A) after the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of soybeans, of which group of requesting producers not in excess of one-fifth are producers in any one State, as determined by the Secretary.

(C) Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of soybeans to determine whether such producers favor the termination of the order.

(2) If the Secretary determines, in any referendum conducted under paragraph (1), that termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall terminate, as appropriate, collection of assessments under the order within 6 months after such determination and shall terminate the order, as appropriate, in an orderly manner as soon as practicable after such determination.

(3)(A) To facilitate the periodic determination as to whether producers favor the conduct of an additional referendum under this subsection, the Secretary, 5 years after the conduct of a referendum under this section and every 5 years thereafter for as long as an order is in effect, shall provide soybean producers an opportunity to request an additional referendum, as provided in this paragraph.

(B)(i) To implement the requirements of subparagraph (A), the Secretary shall establish a procedure under which producers may request a reconfirmation referendum in person at county extension offices during a period established by the Secretary, or as provided in clause (ii).

(ii) In lieu of making such requests in person, producers may make requests by mail. Mail-in requests must be postmarked no later than the end of the period established under clause (i) for in-person requests. To facilitate such submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for in-person requests, of the producers' opportunity to request the additional referendum. Such notification shall explain the producers' rights to, and the procedures specified in this subsection for, the conduct of an additional referendum, the purpose of the referendum, and the date and method by which producers can act to request the additional referendum under this paragraph. The Secretary shall take such other actions as the Secretary determines necessary to ensure the producers are made aware of the opportunity to request an additional referendum on the order.

(D) As soon as practicable following the submission of requests for a reconsideration referendum, the Secretary shall determine whether a sufficient number of producers have requested an additional referendum, and take other steps to conduct an additional referendum, as required under paragraph (1).

(E) Any additional referendum requested under the procedures provided in this paragraph shall be conducted not later than one year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of such referendum.

(c) PROCEDURES.—(1) The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any activity required under this section, except for the salaries of Government employees.

(2) Each referendum shall be conducted for a reasonable period (not to exceed 3 days) established by the Secretary, under a procedure whereby producers intending to vote in the referendum shall certify that they were engaged in the production of soybeans during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) Referenda shall be conducted at county extension offices and provision shall be made for absentee mail ballots to be provided upon request.

SEC. 717. PETITION AND REVIEW.

(a) PETITION.—Any person subject to an order issued under this title may file with the Secretary a petition stating that such order, any provision of such order, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or an exemption from the order. The petitioner shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary. After such hearing, the Secretary shall make a ruling on the petition.

(b) REVIEW.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within twenty days after the date of the entry of a ruling by the Secretary under subsection (a). Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure. If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further action as, in the opinion of the court, the law requires.

SEC. 718. ENFORCEMENT.

(a) IN GENERAL.—(1) Each district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain a person from violating, an order or regulation issued by the Secretary under this title.

(2) A civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation if the Secretary believes that the administration and enforcement of this title would be adequately served by providing a suitable written notice or warning to the person who committed such violation notice or warning to the person who committed such violation or by administrative action under subsection (b).

(b) ADMINISTRATIVE REMEDIES.—(1)(A) A person who willfully violates an order or regulation issued by the Secretary under this title may be assessed by the Secretary—

(i) a civil penalty of not more than $1,000 for each such violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by the order, an additional penalty equal to the amount of such assessment.

(B) Each such violation shall be a separate offense.

(C) In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from violating such order or regulation.

(D) No order assessing a penalty or cease and desist order may be issued by the Secretary under this paragraph unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record with respect to such violation.

(E) An order assessing a penalty or cease and desist order issued under this paragraph by the Secretary shall be final and conclusive unless the person against whom the order is issued files an appeal from such order with the appropriate district court of the United States, as provided in paragraph (2), not later than 30 days after the date of such order.

(2)(A) A person against whom an order is issued under paragraph (1) may obtain review of such order in the district court of the United States for the district in which such person resides or does business, or in the United States district court for the District of Columbia, by—

(i) filing a notice of appeal in such court not later than 30 days after the date of such order; and

(ii) simultaneously sending a copy of such notice by certified mail to the Secretary.

(B) The Secretary shall file promptly in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(C) A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(3)(A) A person who fails to obey a valid cease and desist order issued under paragraph (1) by the Secretary, after an opportunity for a hearing, shall be subject to a civil penalty assessed by the Secretary of not more than $500 for each offense.

(B) Each day during which such failure continues shall be considered a separate violation of such order.

(4)(A) If a person fails to pay a valid civil penalty imposed under this subsection by the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business.

(B) In such action, the validity and appropriateness of the order imposing such civil penalty shall not be subject to review.

(c) OTHER REMEDIES UNAFFECTED.—The remedies provided in subsections (a) and (b) shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 719. INVESTIGATIONS; POWER TO SUBPOENA; AID OF COURTS.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary deems necessary—

(1) for the effective administration of this title, or

(2) to determine whether any person subject to the provisions of this title has engaged or is about to engage in any act that constitutes or will constitute a violation of any provision of this title, or of any order or regulation issued under this title.

(b) POWER TO SUBPOENA.—For the purpose of any such investigation, the Secretary may require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the production of records. The court may issue an order requiring such person to appear before the Secretary to produce records. Any failure to obey such order of the court may be punished by such court as a contempt thereof. Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

SEC. 720. ADMINISTRATIVE PROVISIONS.

(a) CONSTRUCTION.—Except as provided in subsection (b), nothing in this title may be construed to—

(1) preempt or supersede any other program relating to soybean promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State; or

(2) authorize the withholding of any information from Congress.

(b) STATE LAWS.—(1) In order to ensure the proper administration of this title, any provision of State law automatically requiring a State referendum relating to the continuation or termination of a qualified State soybean board shall, to the extent it automatically requires such a referendum, be suspended for the period beginning on the date an order is issued under section 1904 and ending 18 months after the referendum on such order is conducted under section 1906(a). Such suspension shall not be construed to apply to any State referendum regarding a State soybean promotion program that is originated by soybean producers.

(2) In order to ensure adequate funding of the operations of qualified State soybean boards under this title, whenever an order is in effect under this title, no State law or regulation that limits the rate of assessment that the qualified State soybean board in the State may collect from producers on soybeans produced in such State, or that has the effect of limiting such rate, may be applied to prohibit such State board from collecting, and expending for authorized purposes, assessments from producers of up to the full amount of the credit authorized under section 1905(j)(4).

SEC. 721. REGULATIONS.

The Secretary may make such regulations as may be necessary to carry out the provisions of the title.

SEC. 722. AUTHORIZATION.

There are hereby authorized to be appropriated annually such funds as are necessary to carry out the provisions of this title. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Board in administering any provision of any order issued under this title.

On Page 146, after line 18 insert: Subtitle A, Oilseed Price Support.

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, this is an en bloc amendment. This amendment was addressed to title XIX, but should technically fit under this title. All we are doing now is offering it here, rather than title XIX.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there further amendments to title VII?

If not, the Clerk will designate title V.

Mr. DE LA GARZA. Mr. Chairman, with regard to the unanimous consent that the House so graciously extended to us to delay consideration on titles V and VI, the Members negotiating and discussing the matter are still in the process of hopefully arriving at some satisfactory conclusion. Therefore, I would continue my unanimous consent request that titles V and VI be delayed, and that we continue with the next title.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will designate title VIII.

The text of title VIII is as follows:

TITLE VIII—PEANUTS

SEC. 801. SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.

The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1991 through 1995 crops of peanuts:

(1) Subsections (a) through (j) of section 358 (7 U.S.C. 1358(a)–(j)).

(2) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a(a)–(h)).

(3) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359 (a), (b), (d), (e)).

(4) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(5) Section 371 (7 U.S.C. 1371).

SEC. 802. NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA.

Effective only for the 1991 through 1995 crops of peanuts, subsections (k) through (p) of section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(k) through (p)) are amended to read as follows:

"(k)(1) The national poundage quota for peanuts for each of the 1991 through 1995 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible, seed, and related uses, except that the national poundage quota for any such marketing year shall not be less than 1,350,000 tons.

"(2) The national poundage quota for a marketing year shall be announced by the Secretary not later than December 15 preceding such marketing year.

"(l) The national poundage quota established under subsection (k) shall be appor-

tioned among the States based upon the percentage of the national poundage quota allocated to farms in each such State for 1990.

"(m)(1)(A) A farm poundage quota for each of the 1991 through 1995 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1990 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (l) for any such marketing year is larger than such quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) for institutions specified in section 358b, as approved and determined by the Secretary pursuant to that section.

"(B) The farm poundage quota for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(i) of the preceding sentence shall be the same as the farm poundage quota for such farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including—

"(i) any increases for undermarketings from previous years; or

"(ii) any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (9).

The farm poundage quota, if any, for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the poundage quota allocated to such farm for such year under paragraph (2)(A).

"(C) For purposes of this paragraph, if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a, the receiving farm shall be considered as possessing the farm poundage quotas (or portion thereof) of the transferring farm for all subsequent marketing years.

"(2)(A) Except as provided in paragraph (3), if the poundage quota apportioned to a State under subsection (l) for any of the 1991 through 1995 marketing years is increased over the poundage quota apportioned to the State for the immediately preceding marketing year, such increase shall be allocated proportionately, based on farm production history for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) If the poundage quota apportioned to a State under subsection (l) for any of the 1991 through 1995 marketing years is decreased from the poundage quota apportioned to the State under such subsection for the immediately preceding marketing year, such decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for such immediately preceding marketing year.

"(3)(A) Notwithstanding the foregoing provisions of this subsection, in the case of the State of Texas only and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year 33 percent of the increased poundage quota referred to in paragraph (2)(A) for any year (hereafter in this section referred to as the 'reserve share') shall be allocated according to this paragraph.

"(B) The Secretary shall distribute the reserve share to counties in which the production of additional peanuts exceeded the total poundage quota allocated to farms in such counties for the 1989 marketing year (hereafter in this paragraph referred to as 'eligible counties'). The amount of such reserve share distributed to each eligible county shall be proportional to—

"(i)(I) the total additional peanuts produced in such eligible county for the 1988 crop; divided by

"(II) the total amount of additional peanuts produced in all such eligible counties for the 1988 crop; multiplied by

"(ii) the reserve share.

"(C) In the case of eligible counties where more than 10,000 tons of poundage quota was allocated to all farms in the county for the 1989 marketing year, the total poundage quota distributed to any such county under this paragraph and paragraph (8) shall not increase the total poundage quota allocated to all farms in such county to a level of more than 100 percent of the total poundage quota allocated to farms in such county for the 1989 marketing year. In the event the amount of total poundage quota allocated to all farms in any such county is increased to 100 percent of the total poundage quota allocated to all farms in such county for the 1989 marketing year, the remainder of the reserve share distributed to such county shall be redistributed to other eligible counties in accordance with subparagraph (B).

"(D) The portion of reserve share distributed to each eligible county under this paragraph shall be allocated in accordance with subparagraph (E) within such county only to farms (hereafter in this paragraph referred to as 'eligible farms')—

"(i) having a poundage quota for the 1990 marketing year; and

"(ii) from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(E) The portion of reserve share distributed to each eligible county shall be allocated among eligible farms in each such county on the following basis:

"(i) A factor shall be established for each eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total amount of remaining peanuts produced on such farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(ii) Each eligible farm shall be entitled to that proportion of the reserve share as its factor bears to the total of such factors for all eligible farms in such county.

"(F) The remaining 67 percent of such increased poundage quota referred to in paragraph (2)(A) shall be allocated to farms pursuant to paragraph (2)(A).

"(4)(A) Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1991 through 1995 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include—

"(i) any increases for undermarketing of quota peanuts from previous years; or

"(ii) any increase resulting from the allocation of quotas voluntarily released for one year under paragraph (9).

"(5) For purposes of this subsection, the farm poundage quota shall be considered produced on a farm for a particular marketing year if—

"(A) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(B) the farm poundage quota for the farm was released voluntarily under paragraph (9) for only 1 of the 3 immediately preceding marketing years; or

"(C) the farm poundage quota or any portion thereof was leased to another owner or operator of a farm within the same county for transfer to such farm for only 1 of the 3 immediately preceeding years.

"(6)(A) The farm poundage quota established for a farm under this subsection, or any part of such quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner.

"(B) The poundage quota for the farm for which such quota is released shall be adjusted downward to reflect the quota that is so released.

"(7)(A) Except as provided in subparagraph (B) and paragraph (8), the total amount of the farm poundage quotas reduced or permanently released from farms in a State for any marketing year under paragraphs (4) and (6) shall be allocated proportionately, based on farm production history for the 3 immediately preceding years, to other farms in the State on which peanuts were produced in at least 2 of such years.

"(B)(i) Subject to clause (ii) the Secretary shall allocate to each farm for which no poundage quota was established for the immediately preceding year's crop an amount of quota from the total amount of farm poundage quota reduced or permanently released in the State equal to such farm's average production for the 3 immediately preceding years during which peanuts were produced on such farm.

"(ii) The Secretary shall allocate under clause (i) a maximum of 25 percent of the total amount of farm poundage quota reduced or permanently released in the State to such farms and if the sum of such average production for such farms exceeds this maximum the Secretary shall allocate such maximum to such farms in proportion to such average production for the 3 immediately preceeding years during which peanuts were produced on such farm.

"(8)(A) In the case of the State of Texas only and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, the farm poundage quota reduced from farms in the State of Texas as provided in paragraph (4), except the percent allocated to new farms as provided in paragraph (7), (hereafter in this section referred to as the 'release share'), shall be allocated according to this paragraph to other farms that had a peanut quota for the 1990 marketing year.

"(B) The Secretary shall distribute the release share to counties in which the production of additional peanuts exceeded the total poundage quota allocated to farms in such counties for the 1989 marketing year (hereafter in this paragraph referred to as 'eligible counties'). The amount of such release

share distributed to each eligible county shall be proportional to—

"(i)(I) the total additional peanuts produced in such eligible county for the 1988 crop; divided by

"(II) the total amount of additional peanuts produced in all such eligible counties for the 1988 crop; multiplied by

"(ii) the release share.

"(C) In the case of eligible counties where more than 10,000 tons of poundage quota was allocated to all farms in the county for the 1989 marketing year, the total poundage quota distributed to any such county under this paragraph and paragraph (3) shall not increase the total poundage quota allocated to all farms in such county to a level of more than 100 percent of the total poundage quota allocated to farms in such county for the 1989 marketing year. In the event the amount of total poundage quota allocated to all farms in any such county is increased to 100 percent of the total poundage quota allocated to all farms in such county for the 1989 marketing year, the remainder of the release share distributed to such county shall be redistributed to other eligible counties in accordance with subparagraph (B).

"(D) The portion of release share distributed to each eligible county under this paragraph shall be allocated in accordance with subparagraph (E) within such county only to farms (hereafter in this paragraph referred to as 'eligible farms')—

"(i) having a poundage quota for the 1990 marketing year; and

"(ii) from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(E) The portion of release share distributed to each eligible county shall be allocated among eligible farms in each such county on the following basis:

"(i) A factor shall be established for each eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total amount of remaining peanuts produced on such farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(ii) Each eligible farm shall be entitled to that proportion of the release share as its factor bears to the total of such factors for all eligible farms in such county.

"(9)(A) The farm poundage quota, or any portion thereof, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that such quota, or any part thereof, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) Any adjustment in the poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which such quota was released for any subsequent marketing year.

"(10)(A) Except as provided in subparagraph (B), the poundage quota for a farm for any marketing year shall be increased by the number of pounds by which the total marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1989 crop) were less than the total amount of applicable farm poundage quotas (disregarding adjustments for undermarketings from previous marketing years) for such marketing years.

"(B) For purposes of subparagraph (A), no increase for undermarketings in previous marketing years shall be made to the poundage quota for any farm to the extent that the poundage quota for such farm for the marketing year was reduced under paragraph (4) for failure to produce.

"(C) Any increases in farm poundage quotas under this paragraph shall not be counted against the national poundage quota for the marketing year involved.

"(D) Any increase in the farm poundage quota for a farm for a marketing year under this paragraph may be used during the marketing year by the transfer of additional peanuts produced on the farm to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation prescribe.

"(11) Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (10) exceeds 10 percent of the national poundage quota for the marketing year in which such increases shall be applicable, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 percent of the national poundage quota.

"(n)(1) For each farm for which a farm poundage quota is established under subsection (m), and when necessary for purposes of this Act, an average farm yield of peanuts shall be determined for each such farm.

"(2) Such yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm out of the 5 crop years 1973 through 1977.

"(3) If peanuts were not produced on the farm in at least 3 years during such 5-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(o)(1) Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the five calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, fourth, and fifth years of the period.

"(2) The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held.

"(3) If more than one-third of the producers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(p) For the purposes of this part and title I of the Agricultural Act of 1949:

"(1) The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (m).

"(2) The term 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (2)), seed, and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available.

"(4) The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (m), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of such farm for such year.".

SEC. 803. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.

Effective only for the 1991 through 1995 crops of peanuts, subsections (i) and (j) of section 358a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358a) are amended to read as follows:

"(i)(1) Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same county for transfer to such farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season only—

"(A) if not less than 90 percent of the farm quota exclusive of undermarketings and temporary quota transfers, plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(B) under such terms and conditions as the Secretary may by regulation prescribe.

In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(2) The owner or operator of a farm may transfer all or any part of the farm poundage quota for such farm to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the preceding year's crop. Any farm poundage

quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if such transferred quota is produced or considered produced on the receiving farm.

"(3) Notwithstanding paragraphs (1) and (2), in the case of any State for which the poundage quota opportioned to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(j) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) No transfer of the farm poundage quota shall be permitted if the local county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (hereafter in this section referred to as the 'county committee') determines that the receiving farm does not have adequate tillable cropland to produce the transferred farm poundage quota.

"(3) No transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with this section.

"(4) Such other terms and conditions that the Secretary may by regulation prescribe.".

SEC. 804. MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.

Effective only for the 1991 through 1995 crops of peanuts, subsections (f) through (l) of section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359) are amended to read as follows:

"(f)(1)(A) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 percent of the support price for quota peanuts on the quantity of such excess amount of peanuts for the marketing year in which such marketing occurs.

"(B) For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for such peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445 c-1(c)(1)); or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (j).

"(2) Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent. Such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty.

"(4) Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins.

"(5) If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(n), times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) Errors in weight that do not exceed one-tenth of 1 percent in the case of any one marketing document shall not be considered to be marketing violations except in cases of fraud or conspiracy.

"(g)(1) Only quota peanuts may be retained for use as seed or for other uses on a farm. When so retained, quota peanuts shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under subsection (c), are unique strains, and are not commercially available.

"(2) Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (k).

"(3) Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(h) On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i)(1) Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c-1(c)(1)).

"(2)(A) Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of such peanuts, to comply with regulations that the Secretary shall issue.

"(B) The regulations issued by the Secretary under subparagraph (A) shall include, but need not be limited to, the following provisions:

"(i) Handlers of shelled or milled peanuts may export or crush peanuts classified by type in all of the following quantities:

"(I) Sound split kernel peanuts purchased by the handler as additional peanuts to which a mandated deduction with respect to the price paid to the producer of such peanuts is applied due to the percentage of such sound splits.

"(II) Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of such peanuts purchased by the handler as additional peanuts less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of such loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total peanut purchases for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during such year.

"(iv)(I) The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that such allowance shall not be less than 4 percent, except as provided in sub-clause (II).

"(II) The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, to ensure the handler's compliance with the obligation to export or crush peanuts.

"(4) Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5)(A) Except as provided in subparagraph (B), the failure of a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in such failure to comply.

"(B) A handler shall not be subject to a penalty for failure to export or crush additional peanuts if such peanuts were not delivered to the handler.

"(6) If any additional peanuts exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer thereof shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(j)(1) Handlers may, under such regulations as the Secretary may issue, contract with producers for the purchase of additional peanuts for crushing, export, or both.

"(2)(A) Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval before August 1 of the year in which the crop is produced.

"(B) Such contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of such additional peanuts, including the identity of the contracting parties, the poundage and category of the peanuts, the disclosure of any liens on such peanuts, and the intended disposition of the peanuts.

"(C) Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (i) by such date as prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(3) Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of such peanuts for domestic edible or seed use.

"(4) Notwithstanding any other provision of this Act, if the President issues a proclamation under section 22 of the Agricultural Adjustment Act temporarily suspending restrictions on, or increasing any quota for, the importation of peanuts, the Secretary shall permit a handler, subject to such terms and conditions as the Secretary may prescribe, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer such peanuts for sale for domestic edible, seed or related uses.

"(k)(1) Subject to section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2)(A) Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c-1(c)(1)) shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts.

"(B) The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(l)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(2) This section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(3) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4)(A) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulation may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

"(B) Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations.

"(C) All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5)(A) Notwithstanding any other provision of law and except as provided in subparagraph (B), the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, reducing the penalty to zero, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) The amount of any penalty imposed on a handler under this section that resulted from the failure to export contracted additional peanuts may not be reduced by the Secretary.".

SEC. 805. PRICE SUPPORT PROGRAM.

Effective only for the 1991 through 1995 crops of peanuts, section 108A of the Agricultural Act of 1949 (7 U.S.C. 1445c-1) is amended to read as follows:

"PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS OF PEANUTS

"SEC. 108A. (a)(1) The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1991 through 1995 crops.

"(2) The national average quota support rate for each of the 1991 through 1995 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 6 percent the national average quota support rate for the preceding crop.

"(3) The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

"(4) The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403.

"(5) The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(b)(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1991 through 1995 crops at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts.

"(2) The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(c)(1)(A) In carrying out subsection (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.60 of title 7 of the Code of Federal Regulations (January 1, 1985)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(B) Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(C) Loans made under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(2)(A) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota

peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing such pools.

"(B) Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

"(i) For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

"(ii) For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i).

"(d) Notwithstanding any other provision of this section:

"(1) Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

"(2)(A) The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool under section 358(m)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358 (m)(10)).

"(B) Losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358(m)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358 (m)(10)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

"(e) Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(o) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(o).".

SEC. 806. REPORTS AND RECORDS.

Effective only for the 1991 through 1995 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

SEC. 807. SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.

Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1991 through 1995 crops of peanuts.

SEC. 808. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

Effective only for the 1991 through 1995 crops of peanuts, the Agricultural Adjustment Act of 1938 is amended by inserting after section 358a the following:

"QUOTA FOR RESEARCH

"SEC. 358b. Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from such State's quota reserve to land-grant institutions identified in the Act of May 8, 1914 (7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes in an amount equal to that amount of quota held by each such institution during 1985 up to one tenth of one percent of such State's basic quota. The responsibility for complying with the duties of the farm operator with respect to the production of such quota peanuts shall be vested in the director of the Agricultural Experiment Station for the State.".

SEC. 809. CONFORMING CHANGES.

Section 8b of the Agricultural Adjustment Act (7 U.S.C. 608b), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in subsection (b)(2) by striking "section 108B of".

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMEY: Strike out title VIII (page 153, line 1 through page 189, line 22), and insert in lieu thereof the following:

TITLE VIII—PEANUTS

SEC. 801. REPEAL OF MARKETING QUOTA PROGRAM FOR PEANUTS.

(a) MARKETING QUOTAS.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1933 (7 U.S.C. 1357-1359), relating to peanuts, is repealed.

(b) PRICE SUPPORT LEVELS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(1) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts";

(2) in section 408(c) (7 U.S.C. 1428(c)), by striking "peanuts,"; and

(3) by repealing sections 108, 108A, and 108B (7 U.S.C. 1445c, 1445c-1, and 1445c-2).

(c) CONFORMING AMENDMENTS.—(1) Sections 361, 371(a), 371(b), 373(a), 373(b), and 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361, 1371, 1373, and 1375) are amended by striking "peanuts" each place it appears.

(2) Section 373(a) of such Act (7 U.S.C. 1373(a)) is further amended—

(A) by inserting "and" in the first sentence after "from producers,"; and

(B) by striking ", all producers engaged in the production" and all that follows through "peanut-threshing machines".

(3) Section 8(b)(2) of the Agriculture Adjustment Act (7 U.S.C. 608b(b)(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking ", as determined under section 108B of the Agricultural Act of 1948 (7 U.S.C. 1445c-2),".

SEC. 802. PRICE SUPPORT PROGRAM.

The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by inserting after section 107F (7 U.S.C. 1445b-5) the following new section:

"SEC. 108. PRICE SUPPORT PROGRAM FOR PEANUTS.

"(a) IN GENERAL.—Except as provided in subsection (c), the prices of the 1991 and subsequent crops of peanuts shall be supported at such level as the Secretary determines to be appropriate.

"(b) FACTORS.—In making the determination, the Secretary shall take into consideration—

"(1) the factors specified in paragraphs (1) through (8) of section 401(b);

"(2) the cost of production;

"(3) any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the crop year for which the level of support is being determined;

"(4) the demand for peanuts for domestic edible use, peanut oil, and meal;

"(5) expected prices of other vegetable oils and protein meals; and

"(6) the demand for peanuts in foreign markets.

"(c) LIMITATION.—The level of price support determined by the Secretary for a crop of peanuts shall not result in a net loss to the Federal Government in excess of the average net loss to the Federal Government from supporting the 1987, 1988, and 1989 crops of peanuts.".

SEC. 803. EFFECTIVE DATE.

The amendments made by this title shall take effect beginning with the 1991 crop of peanuts.

POINT OF ORDER

Mr. HATCHER. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HATCHER. Mr. Chairman, the Armey amendment violates section 303 of the Budget Act because it provides new budget authority in 1991 with no budget resolution in place.

According to the Congressional Budget Office, commerical users of peanuts would suspend their 1990 purchasing in anticipation of lower 1991 prices. CBO estimates that 1990 carryover stocks would fall by 50 percent, about 335 million pounds. Producers would fail to redeem a similiar volume of peanut price support loans in the absence of commercial use, resulting in a reduction of loan repayments of $110 million in fiscal year 1991. CBO projects that CCC would be able to sell the acquired stocks of peanuts at about half the acquisition price, netting $55 million of receipts in fiscal year 1992 and no net cost in fiscal year 1993 through fiscal year 1995.

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Mr. CHAIRMAN. Does the gentleman from Texas [Mr. ARMEY] wish to be heard on the point of order?

Mr. ARMEY. I would like to be heard on the point of order, Mr. Chairman.

Mr. Chairman, if one reads the amendment on page 3, line 13, it begins "limitation," and the limitation is very, very much to the point. If I can just take a moment I will read the limitation. It says:

The level of price support determined by the Secretary for a crop of peanuts shall not result in a net loss to the Federal Govern-

ment in excess of the average net loss to the Federal Government for supporting the 1987, 1988 and 1989 crops of peanuts.

Mr. Chairman, on the basis of the inclusion of that limitation in the amendment I would suggest that it does not violate, it does not have the violation that the gentleman has raised as a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Georgia [Mr. HATCHER] wish to be further heard on the point of order?

Mr. HATCHER. Yes, Mr. Chairman. Clearly it does violate it, Mr. Chairman.

In addition to taking the cap off on the peanuts that are to be produced, and thereby having peanuts sold at a lower price, his amendment would strike the cross-compliance portion of the current peanut program which results in Georgia and other States in the Southeast taking up losses that occur in Texas and Oklahoma and other parts of the country. So clearly it is in violation.

The CHAIRMAN. Does the gentleman from Texas wish to be heard further on the point of order?

Mr. ARMEY. Mr. Chairman, I would continue to contend that given the limitation expressed on line 13 of page 3, I am not in violation.

The CHAIRMAN (Mr. BONIOR). The Chair is prepared to rule.

The gentleman from Georgia [Mr. HATCHER] makes a point of order under section 303(a) of the Budget Act that the amendment offered by the gentleman from Texas [Mr. ARMEY] provides new budget authority for fiscal year 1991 before the concurrent resolution on the budget for fiscal year 1991 has been agreed to.

The essence of section 303(a) of the Budget Act is timing. It reflects a judgment that legislative decisions on revenues and expenditures for the coming fiscal year should await the adoption of the concurrent resolution on the budget for that year. Once the budget resolution is in place, sections 302 and 311 of the Budget Act govern such decisions under the terms of the resolution.

Under section 302, where levels of spending and revenues are pertinent, the Chair must rely on estimates—this is important, the Chair has to rely on estimates—provided by the Committee on the Budget pursuant to subsection 302(g). Under section 303, however, the Chair is guided by arguments as to whether an amendment provides new budget authority for the ensuing fiscal year.

In the instant case, having been informed by the gentleman from Georgia that the Congressional Budget Office has scored the language of the amendment as providing new budget authority of $110 million for fiscal 1991 based upon economic assumptions and estimates that are unique to the peanut program, the Chair is inclined to give weight to those estimates in order to maintain consistency in determinations under title III of the Budget Act.

The Chair sustains the gentleman's point of order.

Mr. HATCHER. I thank the Chair.

Mr. JONES of North Carolina. Mr. Chairman, I rise in adamant opposition to the amendment being offered by the gentleman from Texas regarding the peanut title of H.R. 3950 and urge my colleagues on both sides of the aisle to do likewise.

The 1985 farm bill set a straight course for our Nation's farmers toward stability in the overall farm economy. Farmers throughout the Nation were suffering economically before enactment of the 1985 legislation. Over the last 5 years, farmers throughout the Nation and my home State of North Carolina have seen conditions change for the better and we now have a more stable and dependable farm economy. I believe H.R. 3950 will continue this trend toward stability and help ensure that this Nation keeps as many small farmers as possible on their farms and assist those farmers to operate to the fullest capacity.

The Agriculture Committee of this body has spent the last year researching and preparing H.R. 3950. The committee has made changes where needed while trying to ensure that the impact of the 1985 legislation continues into the 1990's. I commend the fine work done by the Agriculture Committee, especially the distinguished chairman. However, some of our colleagues here in Congress wish to derail the efforts of the Agriculture Committee. The gentleman from Texas is one such example. As I understand it, the Armey amendment would erase the peanut program as we know it and would give the Secretary of Agriculture the discretionary power to set the peanut price support level, if deemed necessary. I fail to understand why my friend from Texas wishes to do away with a farm commodity program that is recognized as one of the most efficient and successful. Let's look at a few facts.

Since the 1985 legislation was enacted the program costs related to edible quality peanuts have all but disappeared. National cross compliance requires peanut farmers to subsidize any losses resulting from peanuts grown for domestic consumption through a process of removing profits from peanut sales pools. In short, the farmers themselves are subsidizing losses incurred by the program, not the Federal Government. I might add that the peanut farmer is the only farmer of any kind in this country that helps eliminate losses incurred by a price support program.

Some of my colleagues argue that the peanut program has participation restrictions and that farmers must inherit the right to grow peanuts under the program. Nothing could be further from the truth. The peanut program is a voluntary program. Any farmer with a 2-year history of growing peanuts becomes eligible to participate in the program. If the program is so restrictive in the number of participants, then why have roughly 5,120 new quota farms been established since enactment of the 1985 legislation.

Despite the obvious facts, Mr. Chairman, many of my colleagues still attack this efficient and cost effective program which is ensuring the American consumer the best supply of high quality peanuts at low prices. American consumers pay less for peanut butter than most foreign consumers. The average price for an 18-ounce jar of peanut butter in the United States is $2.03. The same jar of peanut butter would costs $3.60 in West Germany, $4.68 in Japan, and $2.88 in Canada. Also, the Consumer Price Index for food items has risen 74 percent since 1978. However, the Consumer Price Index for peanuts for the same period shows only a 47 percent increase. The program has proven its benefits to the American consumer over the years.

Quite frankly, I see no reason for attacking the peanut program. It has proven cost effective, open to participation to farmers, a benefit to the American consumer, and an important mechanism for ensuring farm economy stability. Without the present peanut program peanut farmers throughout the Nation would be subject to a boom and bust economy and we would lose countless farmers.

The family farmer has proven to be the backbone of this Nation throughout its history. Let's ensure that the stability of the farm economy mandated in the 1985 legislation continues and our farmers continue to provide this Nation with the best high quality and inexpensive food source possible. I urge my colleagues to defeat the Armey amendment and support the Agriculture Committee in its efforts. Let's show our support for the American peanut farmer by supporting H.R. 3950 as reported by the Agriculture Committee.

The CHAIRMAN. Are there any amendments to title VIII?

If not, the Clerk will designate title IX.

The text of title IX is as follows:

TITLE IX—WHEAT

SEC. 901. LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, ACREAGE LIMITATION PROGRAM, AND LAND DIVERSION FOR THE 1991 THROUGH 1995 CROPS OF WHEAT.

Effective only for the 1991 through 1995 crops of wheat, section 107A of the Agricultural Act of 1949 (7 U.S.C. 1445b) is amended to read as follows:

"SEC. 107A. ANNUAL PROGRAM FOR 1991 THROUGH 1995 CROPS OF WHEAT.

"(a) LOANS AND PURCHASES.—(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), the Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of wheat at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—(A) 1991 CROP TRANSITION RULE.—From June 1, 1991 to September 30, 1991, the loan and purchase level for the 1991 crop of wheat shall be not less than $1.93 per bushel. Beginning October 1, 1991, the Secretary shall make available to producers who pledged 1991 crop wheat as collateral for a price support loan, or whose 1991 crop wheat was purchased by the Secretary, at the $1.93 level an increase in the loan or purchase amount such that the loan and purchase level is

equal to the level described in subparagraph (B).

"(B) 1991 THROUGH 1995 CROPS.—Except as provided in subparagraph A and paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—(A) STOCKS TO USE RATIO.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

"(i) equal to or greater than 30 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 10 percent.

"(ii) or less than 30 percent but not less than 15 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 5 percent.

"(iii) less than 15 percent, the Secretary may not reduce the loan and purchase level for wheat for the corresponding.

"(B) REPORT TO CONGRESS.—(i) If the Secretary adjusts the level of loans and purchases for wheat under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the build-up of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

"(C) COMPETITIVE POSITION.—Notwithstanding the provisions of subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 5 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for wheat under this paragraph shall not be considered in determining the loan and purchase level for wheat for subsequent years.

"(4) MARKETING LOAN.—(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(III) the prevailing world market price for wheat, as determined by the Secretary.

"(B) WORLD PRICE FORMULA.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wheat; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wheat.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the Secretary in determining the simple average price received by producers for the immediately preceding marketing year shall use the latest information available to the Secretary at the time of the determination.

"(b) PAYMENTS FOR FORGOING LOAN OR PURCHASE.—(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wheat the producer is eligible to place under loan.

"(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of wheat eligible to be placed under loan may not exceed the product obtained by multiplying—

"(A) the individual farm program acreage for the crop; by

"(B) the farm program payment yield established for the farm.

"(4) PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for such crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments to be known as 'deficiency payments' for each of the 1991 through 1995 crops of wheat in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage for the crop; by

"(iii) the farm program payment yield for the crop for the farm.

"(B) 0/92 PROGRAM.—(i) If an acreage limitation program under subsection (f)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the permitted wheat acreage of the farm (as determined in accordance with subsection (f)(2)(A)) equal to more than 8 percent of the permitted wheat acreage of the farm for the crop to conservation uses (except as provided in subparagraph (G))—

"(I) such portion of the permitted wheat acreage of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (G)) shall be considered to be planted to wheat for the purpose of determining the individual farm program acreage in accordance with subsection (f)(2)(F) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (f)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph on such acreage.

"(ii) Notwithstanding any other provision of this section, any producer who elects to devote all or a portion of the permitted wheat acreage of the farm to conservation uses (or other uses as provided in subparagraph (G)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to wheat and eligible for payments under this subparagraph for such crop at a per-bushel rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which wheat producers may agree to participate in the program for such crop.

"(iii) The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total amount of wheat acreage that may be taken out of production under this subparagraph, taking into consideration the total amount of wheat acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the amount of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during such crop year.

"(iv) The wheat crop acreage base and wheat farm program payment yield of the farm shall not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (G)).

"(v) Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(vi) Any acreage considered to be planted to wheat in accordance with clause (i) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation, set-aside, or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(C) PAYMENT RATE.—The payment rate for wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(i) the national weighted average market price received by producers during the first 6 months of the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop, prior to any adjustment made under subsection (a)(3) for the marketing year for such crop of wheat.

"(D) COMPENSATION FOR SUPPORT LEVEL ADJUSTMENT.—(i) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) In determining the payment rate, per bushel, for payments for a crop of wheat under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of wheat, received by pro-

ducers during the marketing year for such crop, as determined by the Secretary.

"(iii) Notwithstanding any other provision of this Act the Secretary shall—

"(I) by December 1 of the marketing year for the crop estimate the national weighted average market price, per bushel of wheat, received by producers during such marketing year;

"(II) by December 15 of such marketing year use the estimate to make available to producers who have elected the payment option authorized by this clause not less than 75 percent of the increase in payments estimated to be payable with respect to such crop under this subparagraph; and

"(III) adjust the amount of each final payment for wheat to reflect any difference between the amount of any estimated payment made under this clause and the amount of actual payment due under this subparagraph.

"(iv) Producers shall elect the payment option authorized by clause (iii) at the time of entering into a contract to participate in the program established by this section for the crop.

"(E)(i) MINIMUM ESTABLISHED PRICE.—The established price for wheat shall not be less than $4 per bushel.

(ii) ESTABLISHED PRICE INCREASE.—If in any crop year the Secretary announces an acreage limitation program under subsection (H)(2) or a set-aside program under subsection (F)(3) for farms under which the percentage reduction or set-aside is in excess of 7.5 percent (10 percent in the case of the 1994 and 1995 crops), then the established price for such crop shall be increased by an amount not less than 2.55 percent of the established price for such crop for each 2.5 percent incremental increase of such percentage reduction or set aside in excess of 7.5 percent (10 percent in the case of the 1994 and 1995 crops).

"(F) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of wheat on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(G) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

"(H)(i) TARGET OPTION PROGRAM.—Subject to clauses (ii) and (iii), if an acreage limitation program under subsection (f)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the permitted wheat acreage of the farm (as determined in accordance with subsection (f)(2)(A)) to conservation uses, the producers shall be eligible for an increase of up to one percent in the established price of wheat, on the acreage on the farm actually planted to wheat, for each one percent of the permitted wheat acreage of the farm devoted to conservation uses.

"(ii) The portion of permitted wheat acreage of the farm devoted to conservation uses under clause (i) shall not exceed 10 percent of the crop acreage base of the farm.

"(iii) Such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producers would be eligible to receive under section 107A(c)(1)(B).

"(iv) The wheat crop acreage base and the wheat farm program payment yield for the farm may not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses.

"(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(I) the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(II) 75 percent of the farm program payment yield established by the Secretary; by

"(III) a payment rate equal to 33⅓ percent of the average of the established prices for the crop.

"(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or from stocks of wheat held by the Commodity Credit Corporation.

"(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the wheat acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the wheat acreage of the producers.

"(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) NATIONAL PROGRAM ACREAGE.—(1) IN GENERAL.—(A) PROCLAMATION.—Except for a crop with respect to which there is an acreage limitation program in effect under subsection (f), the Secretary shall proclaim a national program acreage. The proclamation shall be made not later than June 1 of each calendar year for the crop harvested in the next succeeding calendar year.

"(B) REVISION.—The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as such revision is made.

"(C) AMOUNT OF ACREAGE.—The national program acreage for wheat shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(D) ADJUSTMENT FOR CARRYOVER.—If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) PROGRAM ALLOCATION FACTOR.—The Secretary shall determine a program allocation factor for each crop of wheat, if the Secretary proclaims a national program acreage for such crop. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except

that in no event shall the allocation factor for any crop of wheat be more than 100 percent nor less than 80 percent.

"(3) FARM PROGRAM ACREAGE.—(A) DETERMINATION.—Except as provided in subsection (f)(2), the individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(B) LIMITATION ON REDUCTION.—The individual farm program acreage shall not be further reduced by application of the allocation factor if the producers on a farm reduce the acreage of wheat planted for harvest on the farm from the crop acreage base established for the farm under title V by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

"(C) FAIR AND EQUITABLE TREATMENT.—The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the crop acreage base established for the farm under title V, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(D) ADJUSTMENT FOR EXEMPTIONS.—In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of wheat shall be determined under title V.

"(f) PROGRAMS TO REDUCE ACREAGE.—(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—(i) Notwithstanding any other provision of this Act, except as provided in subparagraphs (B) and (C), if the Secretary determines that the total supply of wheat, in the absence of an acreage limitation or set-aside program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of wheat either an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

"(ii) In making a determination under clause (i), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

"(iii) If the Secretary elects to put either of such programs into effect for any crop year, the Secretary shall announce any such program not later than June 1 prior to the calendar year in which the crop is harvested.

"(iv) Not later than July 31 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in the program announced under clause (iii) if the Secretary determines that there has been a significant change in the total supply of wheat since the program was first announced.

"(B) AMOUNT OF ACREAGE LIMITATION.—In the case of each of the 1991 through 1995 crops of wheat, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of wheat to total use of wheat for the marketing year will be—

"(i) more than 40 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not less than 20 percent nor more than 30 percent; or

"(ii) equal to or less than 40 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not more than 20 percent.

"(C) CONDITION FOR ELIGIBILITY.—As a condition of eligibility for loans, purchases, and payments for any such crop of wheat, except as provided in subsection (g), the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, any land diversion program, as provided in paragraph (5).

"(2) ACREAGE LIMITATION PROGRAM.—(A) UNIFORM PERCENTAGE.—If a wheat acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction to the wheat crop acreage base for the crop for each wheat-producing farm.

"(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm.

"(C) WHEAT CROP ACREAGE BASE.—Wheat crop acreage bases for each crop of wheat shall be determined under title V.

"(D) DETERMINATION OF CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(E) INAPPLICABILITY OF NATIONAL PROGRAM ACREAGE.—If an acreage limitation program is announced under paragraph (1) for a crop of wheat, subsection (d) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop.

"(F) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsections (c)(1)(B) and (c)(1)(H), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(3) SET-ASIDE PROGRAM.—(A) IN GENERAL.—If a set-aside program is announced under paragraph (1), as a condition of eligibility for loans, purchases, and payments for wheat authorized by this Act (except as provided in subsection (g)), the producers on a farm shall—

"(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop for which the set-aside is in effect; and

"(ii) otherwise comply with the terms of such program.

"(B) CONSERVATION USE REQUIRED.—The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(C) UNIFORM ACREAGE LIMITATION.—If a set-aside program is established, the Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms.

"(D) ADJUSTMENTS TO SET-ASIDE.—The Secretary may make such adjustments in individual set-aside acreages under this paragraph as the Secretary determines necessary—

"(i) to correct for abnormal factors affecting production; and

"(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

"(4) USE OF CONSERVATION ACREAGE.—(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B) or subsection (c)(1)(H)), set-aside program, or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(D) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation or set-aside program for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county so as not to affect adversely the economy of the county.

"(6) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) WILDLIFE USE COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) CONSERVATION COST SHARING.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage.

"(D) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(8) BUSHEL PRODUCTION TARGETS.—Notwithstanding the foregoing provisions of this subsection, in carrying out the program conducted under this subsection, the Secretary may prescribe production targets for participating farms expressed in bushels of production so that all participating farms achieve the same pro rata reduction in production as prescribed by the national production targets.

"(9) SPECIAL OATS PLANTINGS.—(A) IN GENERAL.—In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats the Secretary, notwithstanding the foregoing provisions of this subsection—

"(i) shall, subject to subparagraph (B), provide that any reduced acreage and set-aside acreage may be planted to oats for harvest;

"(ii) may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under section 105A available to producers with respect to acreage planted to oats under this paragraph; and

"(iii) shall not make program benefits other than the benefits specified in clause (ii) available to producers with respect to acreage planted to oats under this paragraph.

"(B) LIMITATION.—(i) If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest under subparagraph (A) to an amount that will result in projected domestic production fulfilling projected domestic demand.

"(ii) Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm.

"(g) EXCEPTIONS TO PROGRAMS TO REDUCE ACREAGE.—(1) ONE-HALF ACREAGE REDUCTION PROGRAM.—(A) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who meet the requirements of this paragraph.

"(B) FORM OF PAYMENT.—Such payments shall be—

"(i) made in the form of wheat owned by the Commodity Credit Corporation; and

"(ii) subject to the availability of such wheat.

"(C) DETERMINATION OF PAYMENT.—(i) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(ii) The quantity of wheat to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(D) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(i) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(ii) agrees to forgo receiving payments under subsection (c);

"(iii) does not plant wheat for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(iv) otherwise complies with this section.

"(2) ACRE-FOR-ACRE REDUCTION—(A) IN GENERAL.—The Secretary may permit producers on a farm to plant wheat on a portion of the acreage otherwise required to be devoted to conservation uses under subsection (f) if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments under subsection (c)(1)(A)(ii).

"(B) LIMITATION.—If the Secretary exercises the authority provided under subparagraph (A), then the Secretary shall implement this paragraph in such a manner that no greater outlays by the Commodity Credit Corporation result from its implementation.

"(C) BASES AND YIELDS UNAFFECTED.—The wheat crop acreage base and the wheat farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to wheat as authorized under this subparagraph.

"(h) EQUITABLE RELIEF.—(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) PROHIBITIONS.—(1) CROSS COMPLIANCE.—(A) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(B) BASE INCREASES.—If a producer on a farm is participating in the wheat program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

"(i) the terms and conditions of the applicable commodity program for such commodity; or

"(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

"(2) OFFSETTING COMPLIANCE.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the wheat program with respect to any other farm operated by such producers."

SEC. 902. NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.

Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) (relating to marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1991, through May 31, 1996.

SEC. 903. SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.

Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331-1336, 1338, 1339, 1379b, and 1379c) shall not be applicable to the 1991 through 1995 crops of wheat.

SEC. 904. SUSPENSION OF CERTAIN QUOTA PROVISIONS.

The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1991 through 1995.

SEC. 905. NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF WHEAT.

Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1991 through 1995 crops of wheat.

The CHAIRMAN. Are there any amendments to title IX?

Mr. DE LA GARZA. Mr. Chairman, I respectfully renew and continue my unanimous-consent request that titles V and VI be deferred until further consideration of the succeeding titles.

The CHAIRMAN. Without objection, consideration of titles V and VI will be suspended until a further time.

There was no objection.

The CHAIRMAN. Are there any amendments to title IX?

AMENDMENTS OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Section 107A of the Agricultural Act of 1949, as amended by section 901 of the bill, is amended by:

In subsection (a)(3)(C) (page 193, lines 4 and 5) striking "not to exceed 5 percent" and inserting "not to exceed 10 percent"; and

In subsection (c)(1)(E)(ii) (page 200, at lines 11 and 12 and at lines 16 and 17) striking "7.5 percent (10 percent in the case of the 1994 and 1995 crops)" and inserting at those two points "22.5 percent"

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, I further ask unanimous consent that my amendment to title IX, the wheat title, and title X, feed grains, printed on page H5223 of the CONGRESSIONAL RECORD for July 20, 1990, may be considered together inasmuch as they are identical and have the same substantive effect on the wheat and feed grain programs.

I have copies of a letter from Secretary Yeutter available to the desk and the chairman's desk expressing the administration's support for my amendment to make the grain price and income support programs more market-oriented and less costly.

The CHAIRMAN. The Clerk will report the amendment to title X.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Section 105A of the Agricultural Act of 1949, as amended by section 1001 of the bill, is amended by:

In subsection (a)(3)(C) (page 226, lines 16 and 17) striking "not to exceed 5 percent" and inserting "not to exceed 10 percent"; and

In subsection (c)(1)(E)(ii) (page 233, lines 17 and 18, and line 22) striking "15 percent and inserting at those two points "17.5 percent".

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. VOLKMER. Mr. Speaker, reserving the right to object, just so I understand the amendment—and I will not object because I think we will just fight it out on the floor—as I understand it, this amendment affects the loan rate. Now, is it only on wheat, or on wheat and corn? I want to clarify that first.

Mr. MADIGAN. If the gentleman will yield, it is on wheat and corn.

Mr. VOLKMER. So together we are on wheat and corn. I appreciate that because we have one fight.

The second thing, this amendment affects the ability of the Secretary to change the loan rate down and also affects the amount of set-aside; is that not correct?

Mr. MADIGAN. That is correct.

Mr. VOLKMER. So it gives more discretion to the Secretary so that we would end up on wheat and corn both, if the gentleman's amendment is adopted, with a lower loan rate, and possibly a higher set-aside?

Mr. MADIGAN. If the gentleman will yield further under his reservation, the purpose of the two amendments en bloc is to split the difference between current law and the committee bill. The committee bill severely restricts the Secretary's ability to use the Findley loan.

Mr. VOLKMER. That is correct.

Mr. MADIGAN. And it also puts conditions on his ability to increase the set-aside.

Mr. VOLKMER. That is correct, as regards causing an effect on the target price, and we understand that.

Mr. MADIGAN. If the gentleman will yield further under his reservation, the purpose of my amendments en bloc is to restore some of the Secretary's current ability to use the Findley, but not all of it, and to condition his ability with regard to increasing the set-aside less severely than is contained in the committee bill, but more severely than in current law. In each case I am splitting the difference between the bill and the current law.

Mr. VOLKMER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois that the amendments be considered en bloc?

There was no objection.

Mr. MADIGAN. Mr. Chairman, I am offering these two amendments en bloc on behalf of the gentleman from Iowa [Mr. GRANDY], the gentleman from Illinois [Mr. BRUCE], the gentleman from Minnesota [Mr. FRENZEL], the gentleman from Illinois [Mr. DURBIN], and myself. There are two provisions in the committee bill that I seek to amend. The first is the provision in the committee bill with regard to the Secretary's discretion to lower loan rates in order to meet the world market price.

□ 1410

The committee bill restricts the ability of the Secretary that the Secretary has under current law. This is in the bill because some believe that the Secretary used his authority too frequently in the past.

My amendment is half as restrictive as the bill. It splits the difference between current law and the committee bill, and the adoption of my amendment would save some $200 million from the provision contained in the committee bill.

The second part of my amendment goes to a provision in the bill which is unlike anything in current law. The new provision contained in the committee bill would require the Secretary to raise the target price on wheat and corn any time the Secretary increases the acreage reduction program.

This feature that I have just described has a $2 billion price tag. It is proposed to be justified because of a desire to ensure that a flow of money from the Treasury will go on to areas with high participation in the conservation reserve program.

Those areas already have received funds from the conservation reserve program, in some areas in the range of $45 per acre. But I am not standing here this afternoon, Mr. Chairman, attempting to be a scrooge with regard to these provisions. What I am proposing to do is to split the difference between the committee bill and current law so that my amendment would result in an expenditure of $1 billion extra above current law but $1 billion less than is proposed to be spent under the committee bill.

Again, I split the difference between current law and this new idea so that this new idea will only cost $1 billion additional rather than $2 billion additional.

The two parts of my amendment taken together save $1.2 billion from the committee bill's spending levels. These two amendments are offered to address objections to the committee bill that have been raised by the

Office of Management and Budget and the U.S. Department of Agriculture.

Those objections are that these two provisions in the bill which I am discussing are provisions that move American agriculture away from the thrust of the 1985 bill, away from the direction of the 1985 bill that moved us to a more market-oriented agriculture policy.

In fact, the administration is saying, and I agree, along with the cosponsors of my amendment, that if these two provisions in the committee bill were left as they stand, we would be back in the business of storing grain rather than selling grain.

So as I said at the outset, I have not attempted to be a scrooge here with regard to the committee action. I have proposed to split the difference and to spend only $1 billion in new money instead of slightly over $2 billion in new money.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendments.

First of all, let me say I have the highest respect for the gentleman from Illinois [Mr. MADIGAN]. He is genuinely a thinking Member with whom I usually agree. On this one, I think he is wrong.

I think, in my judgment, he is carrying the water of the Secretary of Agriculture on an issue that philosophically we just have some differences with the Department of Agriculture on.

Essentially, these amendments that he is offering do two things: First, they lower the loan rates or the basic support levels that farmers are entitled to under the law, both in wheat and corn, by an additional 5 percent.

Technically, they give the Secretary the authority to lower the loan rate 5 percent further. But the net effect, the way the world works, is to lower the loan rates 5 percent, which effectively means to lower the market price in this country 5 percent.

So if you want to lower basic farm prices, prices that farmers get for their products, vote for the Madigan amendment because that is what, in effect, he is doing. He is going to lower the loan rate for wheat 5 percent, the loan rate for corn 5 percent; that means the farmers will get 5 percent less out of the market.

In my judgment, it may cost the Government more money because it may increase the payment Uncle Sam gives to those farmers although that is not a clearly given situation right now. But it will lower the market price that farmers get.

This is a question of philosophy: Do you want to have low market prices as low as possible to make us competitive in the world markets even though that is going to put a lot of folks out of business, which I think is the net effect of the Madigan amendment, or do you want reasonable support of market prices to make sure the farmers can at least get a break out of the marketplace?

To be perfectly honest with you, I think the Madigan amendment makes it impossible for farmers to make their living out of the marketplace.

We dealt with this issue in committee. I thought it was resolved. Now the administration comes back with their philosophical move to lower market prices further through reducing the loan rates.

So I just would hope that my colleagues would recognize that an aye vote on this amendment would not only essentially break the deal that we made beforehand, but would also lower market prices for wheat and corn that farmers receive. That is a bad idea. It is a slap to the American farmer.

Now, the second part of the amendment basically rejects or changes the Marlenee amendment that was done in the full committee which has to do with increases in wheat target prices that would take effect if the acreage reduction programs would exceed certain levels.

In our judgment, if the Department wants to implement a very high acreage reduction program, which provides budget savings, the Department should give the budget savings back to the farmer by increasing target prices at least to some extent. Otherwise the Department of Agriculture has unlimited tools to reduce income to farmers any time it wants to raise acreage reduction programs.

These are complicated, arcane issues. I am not going to tell my colleagues about all the intricacies of farm programs. But the simple fact of the matter is if you adopt these amendments, you will reduce farm income and you will lower farm prices.

We thought we had kind of a middle-of-the-road compromise in the committee. I know the Department does not like it. They want absolute discretion to do everything.

But I would hope my colleagues would reject these amendments.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, is it not true under my amendment the Secretary would have less discretion than he has under current law?

Mr. GLICKMAN. That is true, but less than what the committee bill provides.

Mr. MADIGAN. That is what I said at the outset. The gentleman is saying I want to do all these new things that have never been done before. My amendment gives the Secretary less authority than he has under current law to do the things that the gentleman describes.

Mr. GLICKMAN. That is correct. However, we made changes in that current law in this bill. The changes we made were deliberate policy changes to restrict much more greatly the ability of the Secretary to lower farm prices.

Mr. MADIGAN. And those changes, if I may say this to the gentleman, cost $2 billion, and the purpose of my amendment, as I said at the outset, is to split the difference with you and let you spend $1 billion more but let us save $1 billion from the $2 billion that you propose to spend.

Mr. GLICKMAN. Not according to the CBO estimates that we got in commiittee. I do not know what numbers the Department of Agriculture is getting for you, but in my judgment those numbers are not accurate.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. I thank the gentleman for yielding.

Mr. Chairman, I simply would like to make that very point: We need to underscore the fact that the Office of Management and Budget and the Congressional Budget Office differ on a number of these figures. What this body uses are the Congressional Budget Office figures. There is no question that this legislation is well within the boundaries.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. GLICKMAN] has expired.

(On request of Mr. ENGLISH and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 3 additional minutes.)

Mr. GLICKMAN. I continue to yield to the gentleman from Oklahoma.

Mr. ENGLISH. I thank the gentleman for yielding further.

Mr. Chairman, I too want to underscore the fact that this particular legislation takes away discretion the Secretary of Agriculture has had up to date.

The committee, the subcommittee, and the committee, did this deliberately for the simple reason that we felt that this had gone far enough, that the Secretary had used this as a means of reducing the price long enough. It is a basic difference as far as the philosophy is concerned and the direction that we need to go, with regard to agriculture.

Quite frankly, our farmers have suffered enough. We think at this point it is time that the line be drawn and the committee drew the line, and the Secretary disagrees with that.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I ask the gentleman to correct me if I am wrong, but my understanding is that the wheat set-aside right now is 5 percent. The committee bill says that if the Secretary were to increase the wheat set-aside to 7½ percent, just 2½ percent from where it is right now, that he would also have to increase the target price.

□ 1420

That is, the amount by which the Government Treasury is exposed to payments of farmers.

Now, I do not see how in the world any Member can say that that provision is not going to cost money. I have a letter here under date of July 20, 1990, from the U.S. Department of Agriculture, Office of the Secretary, that says that that provision at 7½ percent, if it is triggered, costs $2 billion a year.

Mr. GLICKMAN. Mr. Chairman, reclaiming my time, set-asides ought to be based on the fundamental policy of the farm bill, whether it is inventory management, acreage reduction, and all of that kind of thing. If we are going to give the total power to the Secretary to set a set-aside based on budget issues, then we are really making mincemeat about farmers' ability to stay alive.

Mr. ENGLISH. If the gentleman will continue to yield, to follow up on that, I think the basic facts of the gentleman from Montana [Mr. MARLENEE], and the reason that he offered this particular amendment was to try to make sure that our farmers are treated fairly.

Without question, any time we increase set-aside, that means the farmer will have that much land on which he can derive any kind of productive revenue. I think that that budget issue again, I would hope that we would stick to one budget body, and in this particular case it has to be Congressional Budget Office. We have seen in the past the Office of Management and Budget, and those items that they do not philosophically agree with are not very generous.

I say in this case they will not be generous.

Mr. GLICKMAN. Reclaiming my time, there are two basic amendments in this amendment en bloc. One amendment is to cut the support price for farmers by 5 percent, just basically cut the market price farmers get. That is the 5-percent loan production. If a person is a corn farmer or a wheat farmer, the price will drop on their product 5 percent, if this is passed. What happens to the natural price in the last few months will make it tough.

The second part of the amendment having to do with the acreage reduction program, I thought we agreed in committee it is the Marlenee amendment. I am willing to support it. I think it is fair to farmers. When we combine the two things together, what the Madigan amendment does is cut farm income, particularly in the marketplace. That troubles me very much.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words, and I rise to correct the gentleman from Illinois [Mr. MADIGAN], my ranking member in the full committee. When he stated that if the wheat set-aside raises above 5 percent, the Treasury would be exposed to greater costs according to our bill. Obviously this is not the case. In our bill we worked out the difference between 5 and 7½ percent, and we did that so there would be no budget exposure unless the set-aside exceeds 7½ percent.

The Congressional Budget Office said, "Hey, there will be no exposure if you raise the trigger to 7½ percent." The Department of Agriculture concurred that there would be no exposure if we raised the trigger to 7½ percent.

If I may correct the statement of the gentleman from Illinois, we have allowed the Secretary of Agriculture to have the discretion to raise the set-aside to 7½ percent with no increase in target price, and that is in the legislation that we are proposing today. What this amendment of my good friend from Illinois, the ranking member of the committee does, is drive down the farmers' market price. We drive down the market price by creating a downward spiral in the loan rate. First, we must understand that loan rates set market prices. I think the Members of the House of Representatives need to understand that. It is generally accepted that loan rates set market price.

Second, there are a lot of people out there saying, "We want to receive our income from the market." What this amendment actually does is to drive down the loan rate, so what we are saying is, "Let us drive down the loan rate and you will get less from the market and more in the way of deficiency payments."

Third, by lowering the market price, we have widened that gap between the target and the loan, and the exposure to the Treasury is actually more. As I said, this amendment is a blueprint for disaster. It creates a downward spiral in prices. We have a lower market price that is melded into the loan formula, and we take 75 percent of that figure, and we again have a lower loan rate. Then we take 75 percent of the next year's market price that is established by that loan rate, and so it keeps going down and down and down.

I would say that at the end of the 5-year bill we could actually see a market price and loan rate far below $2 a bushel.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to speak in support of the amendment of the gentleman from Illinois.

As has been described here, it is a two-part amendment. Its intention is to maintain rational farm policy and to save a little bit of money. Both are laudable goals.

I think we need to take a look at this bill's cost as it came to the floor of this House. I have not been able to follow all the amendments, but I gather it has not been reduced a great deal. When it came here, it was $6.9 billion over the spending baseline for the 5-year evaluation period; $6.9 billion is a lot of money.

Now, in addition to this bill being over the baseline, our farm program is unlikely to be sustained at the baseline. So while this bill may be an important statement by friends of agriculture, and may be indeed passed, it is not going to be the final action on ag programs. They will be reduced.

If the Members of this body choose to reject what looks to me like good amendments that bring this bill more into balance, I think they are going to have reductions in the farm program imposed by others. Those reductions will occur through sequester, through summitry, or in some other way.

Now, the gentleman from Illinois has not tried to restore the Secretary of Agriculture's power that he enjoyed under the 1985 Farm Act. Far from it. He gives the Secretary only half as much. Moreover, there has been no demonstration that people have suffered under the exercise of that authority under the past 4 or 5 years.

No Secretary of Agriculture would exercise that power wantonly. To say that it mandates a decrease in farm income, I think, is evidence of misunderstanding of the amendment. The amendment mandates nothing. It simply gives the Secretary of Agriculture some authorities which he can exercise at his discretion, if conditions are correct.

Mr. Chairman, it is also important that we sell a major part of what we grow overseas. If we make the market price higher than world prices by reason of keeping inflated loan and target prices, we are going to find ourselves less able to compete with the growing number of competitive countries who are willing to provide food at market prices.

It seems to me on all accounts, that is from a standpoint of fiscal soundness, from a standpoint of minimum risk to agricultural producers, from a standpoint of trying to avert a worse kind of savings applied externally in the future, and from the standpoint of American competitiveness, the amend-

ment of the gentleman from Illinois is constructive and should be supported.

□ 1430

Mr. PENNY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Madigan amendment. We worked on this provision in committee at some length, and we came back to revisit this question on a couple of occasions in both the subcommittee and the full committee. I believe we worked out a good compromise.

I will not speak so much to the effect that the Madigan amendment would have on the Marlenee provision which would increase the target in those instances in which the Secretary drastically increases the set-aside. But I would speak most strongly against that part of the Madigan amendment which affects the underlying loan rate philosophy of this 1990 farm bill. We made a conscious decision in the committee that we were going to repeal the Findley provision, which allowed the Secretary of Agriculture to lower at his own discretion and for his own reasons the loan rate significantly from one year to the next.

It was our judgment that to have a market-oriented loan policy does not necessarily mean that we have to have the lowest loans that the law will allow. As long as those loan rates float below the average market price, we have in a sense a market-clearing policy. If we have a market-clearing policy at which loans can be redeemed at less than the market price, then we are not costing the Treasury one dime.

We did not see any justification for lowering rates well below the market price. We do not subscribe to the theory that somehow these lower rates enhance the farmer's position when in fact all they do is increase the amount of money that the Government has to pay that farmer, because it could widen the gap between their actual price and the amount that we guarantee them under the statutory loan. So the payments increase to these farmers if we allow the Secretary virtually unlimited authority to lower these loan rates.

Again we say in the bill that 85 percent of the average market price ought to be the loan rate on a year-in, year-out basis. We give the Secretary some additional authority to go below that amount if we have a surplus building in these various crops. We think that as long as we have a loan rate below the market price, there is no justification to take that loan rate even lower. It does not save us any money.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I do not want to take a lot of the time of the House. I just want to commend the gentleman from Minnesota and others who have spoken against that amendment. I think the provision in the committee print should be supported. I associate myself with the gentleman's position in opposition to the amendment, and I rise in opposition to the amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I say to my colleagues that we are freezing target prices in this bill. They are not going up at all.

What the gentleman from Montana is saying is if the Department determines to cut back the amount of acreage the farmer can produce, the Secretary should not be given unlimited discretion to do that; he should not be able to do it willy-nilly just as a way to reduce the deficit. That is, there ought to be some control so there is a little bit of disincentive for the Secretary just to do that to save money.

After all, the farmers will come out dramatically behind if it is not done without that disincentive. If we want to give Secretary Yeutter all the discretion in the world, then we should vote for the Madigan amendment, and if we want to lower the loan rates and, therefore, the market prices 5 percent, we should vote for the Madigan amendment.

Mr. PENNY. Mr. Chairman, if I might reclaim my time, fundamentally the issue at stake here is whether the loan rate ought to have something to do with the market price. Most of us on the committee agree that it should have some relationship to the market price. We established the loan rate at 85 percent of the average market price, therefore assuring that it would be a market-clearing loan rate.

Second, we made a conscious decision in our committee that the loan rate ought to have some relationship to the carryover stocks. In those cases where the carryover is growing, we do, on a year-to-year basis, allow the Secretary authority to take the loan rate below the statutory level. So we do account for that in the committee bill, and that is the underlying philosophy that we feel will make more sense for agriculture and provide more stability for our farmers.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to point out that when we freeze target prices and lower the loan rate, that increases the potential deficiency payment. What the Department wants to do is to use that incentive of a higher deficiency payment to pay for diverting acres.

Deficiency payments were never intended to be used for paying for diverting acres. Al Quie and I were the inventors of deficiency payments. We did not intend for them to be used that way at all. They are supposed to use acreage reduction payments to pay for set aside acres, but the Department invented this idea of using the potential of getting more money from deficiency payments as a tool to require producers to idle acres without a payment to offset those casts. That is what is really going on here.

The bottom line is that when we freeze target prices and reduce the loan rate, we have increased the possibility of someone earning a higher deficiency payment. Then what they want to do is to use that to say, "Now you've got to reduce your acres without payment in order to qualify for that deficiency in price.

This is going to hurt the program next year. Next year we are going to have a hard time getting sufficient sign-ups because the market price in its cycle has worked up. The possibility of a higher deficiency payment next year is just not there, and we are going to have trouble getting people to sign up for a low-deficiency payment because they are going to say, "In order to get the possibility of this deficiency payment, you have to idle these acres," and they cannot afford to do it to protect against a reduced risk.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield to me?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I think we ought to discuss the second half of my amendment. I do not believe the gentleman was on the floor when we did that initially. I know the gentleman is personally engaged in agriculture, is a former member of the Agriculture Committee, and is now on the Agriculture Subcommittee on the Appropriations Committee, so I know the gentleman from Iowa is very knowledgeable about these things.

The second half of my amendment goes to a provision in the bill that says that if the Secretary increases the ARP, he must also increase the target price. Now, the bill was brought to the floor with the illusion that that will not cost any money if he increases the target price. The Secretary is not going to increase it if he has to increase the target price. I am splitting the difference with the committee.

In other words, I am giving the Secretary less authority than he has under current law but more authority than he has under the committee bill.

Mr. SMITH of Iowa. That is all true, and under current law, if it is not changed, the Secretary is going to have so much authority next year to lower the loan rate compared to target prices, with the market price being

higher than the loan rate, so near to the target price, that people will not sign up. That is the problem we are going to have if we do something in this bill to correct it.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield further.

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I would like to make the point to the gentleman that under current law the Secretary can lower the loan rate more than is proposed for him to be able to lower the loan rate under my amendment.

Mr. SMITH of Iowa. That is true, and there is a fear out there that he will lower it so much he will not get a sign-up next year.

Mr. MADIGAN. What this bill does is it literally takes away his ability to use the Findley amendment. As the gentleman from Iowa knows, if he uses the Findley amendment, the farmer gets paid. What I am doing in the first part of my amendment is splitting the difference between current law and the committee bill with regard to the Secretary's ability to use Findley. I am also splitting the difference between current law and the bill with regard to increasing the ARP.

What we are doing in this committee bill is taking away from the Secretary all ability to manage the farm program. I am only trying to give him back half the ability he has under current law.

My very good friend, the gentleman from Montana, says that we have to put in a provision that says if he increases the ARP, he has to increase the target price or we are not going to have any money flow into Montana, because there are so many acres in Montana in the Conservation Reserve Program. In that gentleman's district the Conservation Reserve Program is spending $9 million dollars a year. It is like that is not money. Because we put the land in the Conservation Reserve Program, we have to have a higher target price if you increase the ARP, because we are not going to have enough land in production.

What about the money you got from the Conservation Reserve Program? It was an average of $45 an acre in the gentleman's district. Is that not money? I think that is money.

□ 1440

Mr. SMITH of Iowa. Mr. Chairman, I do not know about the district of the gentleman from Illinois [Mr. MADIGAN], but in large measure CRP payments pay the taxes and the upkeep on the land. They are replacements for cost of holding the land. They are not really subsidies.

Mr. MADIGAN. Mr. Chairman, if the gentleman from Iowa [Mr. SMITH] will continue to yield, in my area in Illinois the land taxes are much higher, I suspect, than they are in Montana, or Dakota, or someplace like that, because the land is much more fertile. The taxes average $12 an acre in my district.

Mr. Chairman, that is a whole lot less than $45 an acre payment from the conservation reserve.

Mr. SMITH of Iowa. However, Mr. Chairman, it costs money to hold the land for several other costs.

Mr. BRUCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of the amendments.

I rise in support of the en bloc amendments of the gentleman from Illinois [Mr. MADIGAN]. I believe they deserve support. Each amendment merely restores to the Secretary of Agriculture some of the authority he presently has, and I think we have got to emphasize that. Mr. Chairman, this bugaboo we have about the Findley amendment and lowering the loan rate is an authority he currently has. As to the amendment, it also allows the Secretary to adjust setaside acreage, an authority that he presently has under the 1985 farm bill.

Mr. Chairman, I believe these amendments deserve support. Why are we really messing with success? The 1985 farm bill reduced farm debt, increased farm income and increased overseas export.

I was a member of the Agriculture Committee when we drafted the 1985 farm bill, and we had a goal in that farm bill: stabilize falling farm income, increase exports and start a very good and meaningful conservation program.

Mr. Chairman, we did that in the 1985 farm bill, and it has been successful. Part of that success was the flexibility we gave to the Secretary of Agriculture and his role in getting us into international markets. Eliminating these provisions from this bill could bring the economy from the farm part of the United States back into the depression of the early 1980's when we were losing farm families at a tremendous rate. The flexibility, the flexibility of the 1985 act, allowed the Secretary to establish a policy which expanded markets for every farmer in the United States.

Mr. Chairman, without flexibility we knew what happened in 1985. As soon as the Secretary of Agriculture established the loan rate, then every other country in the world pegged their price 1 or 2 cents below our loan rate, and we were stuck with it. So, in 1985 we said, "Can't we be smarter than that? Can't we be smarter than just telling our competitors our lowest dollar?"

So, Mr. Chairman, the Findley amendment was implemented, and we allowed the Secretary to get us back market, and since the inclusion of the flexibility in the 1985 farm bill, other countries have been very reluctant to get involved in price wars with the United States and our farmers because they do not know how far we may go, and we protect our farmer, as the gentleman from Illinois [Mr. MADIGAN] has very aptly pointed out, by making payments. As we lower the loan rate under Findley, we make Findley payments to every farmer in the United States.

Expanding world trade is the best tool for making farmers in my part of the United States, and I think all over the United States, profitable over the long run. If we put the family farmer in my area in competition with corporate farmers, the problem is going to be that the production costs for larger farmers are lower than the production costs for the small farmers, and they will lose out. But, if we allow our farmers to compete against the world market, our costs are very competitive, and we can continue to expand. The House bill, as currently drafted, could increase loan rates and make it easy for foreign competitors to take back markets that we have taken in recent years, and we cannot afford to lose markets that we have gained.

Mr. Chairman, no one here has said that the 1985 farm bill has not worked. It has worked. We are expanding our markets, and, when these policies reflected in the amendment are really being proven out, why are they not adopted, as the gentleman from Illinois [Mr. MADIGAN] has suggested? Why are we changing the policy that has allowed us to compete? These amendments only partially restore the discretion of the Secretary of Agriculture.

The amendments of the gentleman from Illinois [Mr. MADIGAN] are a middle ground position that I think makes the bill more competitive, less costly and allows small farmers to continue to stabilize, and increase farm income and get into the export markets. I speak in favor of the amendments.

Mr. GRANDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of the amendments of the gentleman from Illinois [Mr. MADIGAN].

Mr. Chairman, I am a cosponsor of these amendments, and I am sorry we have to offer them, but times have changed since the members of the committee agreed to the provision of H.R. 3950. We thought, when we delivered that bill, and I still believe it is a responsible piece of legislation, and we will support it wholeheartedly, that we were in keeping with our budget figures. We have learned subsequent to that that via the midsection review we could be as much as a billion or so over just in the production subsidy programs alone. That is why the gen-

tleman from Illinois [Mr. MADIGAN], the gentleman from Illinois [Mr. BRUCE], the gentleman from Illinois [Mr. DURBIN], and myself have offered this reluctant compromise, because we believe in maintaining the inventory management figures that made the 1985 farm bill work, and we do not believe in striking those provisions to save dollars in order to save some money by referring to the farm bill as an entitlement program and attempting to means test income, but that is the choice that this body will face. We can either make some structural cuts by regaining discretion for the Secretary of Agriculture, which he may or may not use; we assume he probably will, and allow those cuts to come in gradually over the 5-year course of the bill, or we can violate the promise and provisions of the 1985 farm bill and say to certain farmers who gain more income that they are no longer qualified to be in the program.

Mr. Chairman, if we do that, it is my belief that those farmers, supposedly the wealthy cream of the crop, will leave the program, land that is retired under acreage reduction programs will be farmed fence to fence, market price will drop, farm income will go down, and this committee and this Congress will come right back into this body and write a more generous farm program in years to come.

So, Mr. Chairman, I will not support the Armey provision that will attempt to do that, nor will I attempt to support provisions that will target bushels and allow farmers to reorganize their farms around those targets.

There is a cut we can make, and I do not want to speak in the vernacular of the Committee on Agriculture because most Members in this body do not serve on that committee and do not know what in heaven's name we are talking about half the time, but this will save taxpayer dollars without imperiling the Farm Program as it was conceived, devised, and implemented in 1985.

Mr. Chairman, all it does is give the Secretary half of what he had in the 1985 farm bill. It is true that we have gone out on point and supposedly offered an amendment that is not in concert with the committee print. But that has happened already. The gentleman from Missouri [Mr. VOLKMER] has offered an amendment to raise the milk price. There will be other amendments to raise the target price. There will be amendments to lower the target price.

We are attempting, Mr. Chairman, with this amendment to use the language that we have created in a bill that I think every member of the committee is proud of in an attempt to meet some budget targets which we know we have to meet.

The gentleman from Minnesota [Mr. FRENZEL] said that we are probably going to have to look at a budget summit that is going to take even more money out of the farm bill. I do not look forward to that prospect, but I assume it is something that is going to be inevitable. If that is true, I want the farm bill to remain the document that it was in 1985 and in 1990.

Mr. Chairman, the only way to make some cuts and maintain the integrity of the programs is to support the amendments of the gentleman from Illinois [Mr. MADIGAN] which will hopefully over time take as much as 1.2 billion out. It is not a popular amendment. It is not one I give my wholehearted support to. However, Mr. Chairman, I think we have to look at the real politics of this program, and the fact is that we can, without, I think, imperiling farm income, and I would disagree with those Members that say this will decimate farm income. I do not think this is decimating farm income any more than the 1985 bill decimated farm income.

I would point out that in my State, yes, we have seen loan rates drop, and we have seen feed costs go down, and we have seen livestock return to the State of Iowa, hogs and cattle both.

I would only argue that we do not have an abundance of choices here. The one choice the committee can make to cut this program without violating the provisions that we have worked on now for over 6 years to maintain are contained in these amendments, and I would urge Members to support these amendments and reject the amendments of the gentleman from Texas [Mr. ARMEY] that will try to cut the farm program another way. I hope the committee will give this amendment their full-fledged support.

Mr. FRANK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the amendments. The gentleman who preceded me, the gentleman from Iowa [Mr. GRANDY], said that he did so with partial enthusiasm. He exceeds me in expertise, but I will make up for that in enthusiasm for the amendment.

Mr. Chairman, I think what the gentleman from Illinois [Mr. MADIGAN] has done, given the set of painful choices that we face on this bill, as on others, is a reasonable approach to it.

□ 1450

The denial of discretion to the Secretary seems to me in this situation to cause a great deal of difficulty. I said this was not an area of my primary expertise, although I have tried very hard to follow it. I have gotten through working on a housing bill and we are going to be bringing a housing bill to the floor soon, I hope, where we made a lot of very painful choices. No one is singling out agriculture for a reduction.

What we are saying is that at this time of cutbacks that are happening across the board, that it is a mistake to try to immunize any sector. I realize the committee bill does not do that by the standards of the committee in the past; but by the denial of discretion to the Secretary I think we run into a situation, first, we have been told this again and again, we cannot predict with great accuracy what is going to happen with the weather and with crops and with other countries in the world and their growing practices.

In the nine years I have been here, we have had problems where agricultural bills have had results after being passed very different from those that were anticipated. If you deny this discretion to the Secretary, you lock in a situation where for a number of factors over which nobody here has any control turn out differently than anticipated, we do not have the capacity to respond.

I think it is a perfectly reasonable approach the gentleman has taken.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Well, Mr. Chairman, perhaps, first of all, the gentleman does not understand what happens. If a 5-percent discretion is granted, that means Uncle Sam comes up with those payments, I would say to my friend, the gentleman from Massachusetts. You increase payments by doing this. I do not think that is what the gentleman wants to do.

The second thing I would point out to the gentleman, this amendment came right from the office of Richard Darman, the head of the Office of Management and Budget. This is an OMB amendment to try to reduce farm income, in my judgment, and I just think the gentleman is playing right into their hands.

Mr. FRANK. Well, I would say two things to the gentleman from Kansas. First, the gentleman caught himself in the middle of a sentence, and I understand why. He first said this was one that was going to greatly increase Federal spending, but then said that it came from Mr. Darman to decrease, I believe, Federal spending. I think it is his understanding that it ultimately will.

Second, unlike the gentleman from Iowa, I am going to be for some of the later amendments. This is not the only amendment that I am going to be supporting. The gentleman from Iowa said he would not be supporting later amendments dealing with income. I will be dealing with those as well, so from the standpoint of spending, this is not the only approach it seems to me that we ought to be taking. I am going to be voting for them.

I do think we have a problem here. We talk about entitlements, and I think we have in the agricultural area built up a situation where we have anti- means tests for entitlements.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I come from an area, I do not have these large 4,000, 2,000, 3,000, or 1,000 acre farms. I have a few maybe 1,000 acre farms, but I am basically from a rural family farm area. That is my kind of agriculture, and agriculture is the basic economics of my district, but what this is proposing is, sure, it will increase Government payments, as the gentleman from Kansas said.

Now, the only alternative under our budget that we are going to have when those payments are increased is to reduce the target price, and when you reduce the target price you reduce income to all farmers, not just the big farms, but all farms, dairy farmers and all.

Mr. FRANK. Let me say to the gentleman, when we reduce the target price, who pays for that? Who pays but the Government.

Mr. VOLKMER. The Government, right.

Mr. FRANK. The Government pays. I thank the gentleman.

Mr. VOLKMER. Wait 1 minute. If the loan rate market price is up, but if you reduce the loan rate you can still pay as much and reduce farm income.

Mr. FRANK. Well, the gentleman I think is making the point, however, that in fact the initial cut is not going to be increasing Government spending for agriculture. If that were the case, the Members who are opposing it so vigorously would not be opposing it. A particular piece does one thing, it triggers other things, and the overall effect I believe would be to reduce spending at a reasonable rate over a period of years. I believe that is why the gentleman is opposing it; so the notion that this is somehow going to increase Government spending I think is an inaccurate one.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Missouri.

Mr. VOLKMER. I just would like to point out to the gentleman, he started out by saying that he does not know very much about the program and how it works. That is very obvious to me that the gentleman does not. I have always taken the position that a little bit of knowledge can be very harmful.

Mr. FRANK. Well, I would say to the gentleman from Missouri, that has been the historic bind we have gotten ourselves into. We have a situation where only those who represent a particular form of economic activity have taken the lead in adopting legislation dealing with it, and that gives a bias to our policy which I think has caused some of the problems we are in now.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(At the request of Mr. PENNY, and by unanimous consent, Mr. FRANK was allowed to proceed for 2 additional minutes.)

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding to me.

I just want to highlight a few points. Right now there is a $50,000 payment limit on deficiency payments. That is the difference between the market price for the loan rate and the target price.

We also have payments that go to producers between the statutory loan rate and the lower loan rate, the lower loan rate that we would allow the Secretary the discretion to establish if this amendment is adopted.

There is a much higher payment limit on that differential.

I know that the gentleman in the well is going to support amendments later in the day to put a limit on those Findley payments, but if those amendments do not prevail, the gentleman's support for this amendments now will simply obligate the Government to much higher payments under the Findley provision and those payments will not be kept at $50,000, which by and large takes care of small- and mid-size farmers.

Mr. FRANK. Mr. Chairman, I have yielded most of my time to the gentleman. I will take it back simply to say this. As I understand the amendment, perhaps the author can correct me, we are talking about discretion. Nothing is going to force the Secretary to do something that costs more money.

The fact is that we are talking about giving the Secretary discretion. What my friends have said to me is, "Oh, don't you understand that OMB is for an amendment that is going to cost the Government a lot more money and the Secretary if we give him discretion is going to act in ways substantially to increase the payments."

I do not think anyone believes that. We are talking about giving the Secretary discretion.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Illinois.

Mr. MADIGAN. It is interesting, Mr. Chairman, to listen to this debate. The deficiency payment being the difference between the loan rate and the target price, the gentlemen on the other side of the aisle are telling us that if you lower the loan rate, you increase that difference and increase the budget exposure.

Then they tell us that if you increase the target price, you do not do the same thing. Even though you increase the spread between the two, they will tell you that by lowering one, you increase expenditures, but by raising the other you do not. That is fantastic.

I think it is wonderful that the gentleman does not understand this program. We would all be better if none of us understood that kind of a program.

Mr. FRANK. Well, I would be willing to understand it more and pay for it less. That is what I am working for.

Mr. GRANDY. Mr. Chairman, will the gentleman yield.

Mr. FRANK. I yield to the gentleman from Iowa.

Mr. GRANDY. Mr. Chairman, I thank the gentleman for yielding to me.

I would just say that we have already visited what happens when we have higher loan rates. That was the 1981 farm bill. What this Government wound up doing was storing grain.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(At the request of Mr. GRANDY, and by unanimous consent, Mr. FRANK was allowed to proceed for 1 additional minute.)

Mr. GRANDY. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Iowa.

Mr. GRANDY. Mr. Chairman, I thank the gentleman for yielding to me again.

I would only say that higher loan rates have traditionally resulted in reduced export capability and agriculture has run a surplus with our exports for 5 years, and it does result in higher storage costs on grain that we smell instead of sell.

It also reduced our ability to feed livestock, which is one part of our agriculture which we do not subsidize.

So the gentleman, although it has been alleged that he does not understand the program, is very articulate in his ignorance, I must say, because he is articulating an advantage for agriculture that we have tried to maintain in our agriculture program.

Mr. FRANK. Mr. Chairman, I thank the gentleman. It is the things I know that I screw up.

Mr. SARPALIUS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a part of this amendment that they are attempting to take out of the bill is a proposal that we offered in the Agriculture Committee. We found that in the past 5 years when the wisdom of the Agriculture Committee put together a farm bill

that surely was a step in the right direction of dealing with some of the problems that we were facing in agriculture, but it is interesting that in the past 5 years we have seen the target prices go down every year. We have seen the amount of money going into the farmer's pocket begin to decrease.

When we began debating the farm bill, the farmers that I heard from in my district were saying if we could just increase the target prices that would help us; but the concern we had in the committee was how do you pay for it?

We gave a clear option to them. We gave the option of by increasing the ARP's they can then choose to increase the target prices.

It does not cost the Government any money. It is clearly a decision up to that individual producer if he wants to take advantage, he or she, if they want to take advantage of a higher target price.

□ 1500

When that proposal was offered before the Agriculture Committee, there was not a single vote against it. Everybody supported it. There were not any arguments or any testimony against that proposal. So I encourage my colleagues, as they look at this amendment, I encourage them to vote against it, because of that provision that is in there. It is a clear option to each individual producer, and it does not cost the Government any money.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. SARPALIUS. I yield to the gentleman from Montana.

Mr. MARLENEE. I would like to say, in conclusion, that I support the remarks of the gentleman from Texas, but most importantly, if Members vote for the Madigan amendment, they are voting for driving down market price. That is the bottom line. The producers want their price out of the market, their payments out of the market, and you are driving down market price by voting for the Madigan amendment and increasing Government cost.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. SARPALIUS. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, there was one point the gentleman from Iowa made that I think was in error. I think it should be corrected. He made the point that with higher target prices that this in some way affected our export capability. It was always my understanding market price affected capability, and the administration's position has always been that if they they could simply get the market price low enough this country would sell more.

The point that I think that we have all reached is that we have seen lower and lower market prices, and we have seen less and less export. If I recall correctly, we are exporting less today than we did 10 years ago when we had a higher target price.

So I would simply make the point the two simply do not hook up. The one thing that we understand and understand very well, however, is given today's budget climate that any time exposure of the Federal Government is increased we are going to see lower income for our farmers. That does not have to be.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. SARPALIUS. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, this, it seems to me, is a clear distinction between how a number of us think about farm policy in this Congress.

There are many who talk about lower prices and being more competitive. Lower prices, we have heard that talk for a decade. If we can just get prices lower, we will be more competitive and sell more. The question I ask is: Of what value is it to produce and sell something when you get a price below your cost of production? How much more competitive do you want to be? How much more quickly can you go broke?

I mean, the fact is this does not work. We do not need weaker prices. We need stronger prices.

The future of family farming is not to further erode the price-support structure. The future of family farming is in some stable prices that approach something around the cost of production which gives people who plant crops an opportunity to think they can make a profit, and we are discussing here, once again, an amendment that philosophically says our future is to try and soften prices, weaken prices, drive down prices. That is not a future that farmers I represent believe makes any sense at all for them. That is a future of bankruptcy and despair and giving up.

We need to move in exactly the opposite direction. Nothing could be clearer than this kind of suggestion on the floor about the difference that divides us, and it is not all partisan difference. I mean, there are lots of people on both sides who believe the future of family farming is in stronger prices, not weaker prices.

Mr. SARPALIUS. I thank the gentleman.

Mr. Chairman, I might say in closing in my remarks that the clear key to this amendment that was on the bill that is in there now that this amendment here will take away is that the option is up to the individual producer, and anytime our farmers can make a little money it has a ripple effect throughout this whole country. Small businesses benefit from it. Larger cities benefit from it. We all benefit from it.

It is clear that in the past 5 years and in the wisdom of the Agricultural Committee that they put together a good bill, and with this amendment, if it comes into effect, it will hurt in that direction.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was not going to say anything, but, you know, some days it just does not pay to, I guess, get up in the morning and come down here on the floor.

Some of my friends are for this en bloc amendment and some of my friends are opposed to the en bloc amendment. I am with my friends.

We had this debate in the committee, and I want to clear one thing up right away, if the whole debate on what we do in farm policy is based on if we are trying to save small family farmers, you are going to get this Member's immediate attention, because the small family farmer in my district has about 1,000 acres, a father, and two sons. That is what we have to do to become efficient. So let me get that off my chest right away.

We farm the ground. All the rest of you people just put the seed in the ground and let it rain and watch it grow, and we produce more wheat in my district than any State. So let us take this small family farmer, that is, 5 feet 2 from Missouri, and let him do his job, and let my 6 foot 2 farmer do his job under farm policy that fits both.

Mr. Chairman, the gentleman from Montana [Mr. MARLENEE] has what in essence is the old flexible parity bill. It is a pretty good concept. I supported it during consideration of the 1985 act. What it says is the farmer sets aside more ground. In exchange for that, in keeping with the current farm policy, he will get a higher target price.

What the gentleman from Montana [Mr. MARLENEE] is worried about is that in Montana, in Kansas, and in other areas where you have a great deal of land that has gone into the Conservation Reserve Program, so adequately debated on both sides, and you summer fallow, that is, you let the ground lie in fallow, there is not much left, and so you keep nicking and nicking away at the tillable acres that the farmer can farm. And he ought to get a higher target price. Quite frankly, I support that.

Now, on the loan rate, that is the other en bloc amendment. The loan rate now is 85 percent of the market price. It is a 5-year average. You toss out the high and you toss out the low, and according to this amendment, well, according to the existing bill, it is $2.44. The adjusted loan rate at Dodge City, KS, and at the elevators, about

$1.90, and I do not think it is going to come into play.

What are we talking about? We are talking about 5 percent, 5 percent, that is it.

The gentleman from Kansas [Mr. GLICKMAN], my colleague, my friend, we have a 10-percent option in there that if the surplus builds up we go back in the grain business, we can lower the loan and move the grain. Then we give 5 percent to the Secretary. No Democrat alive, and some Republicans on the Ag Committee, want to give the Secretary discretionary authority unless it is policy they do not like or we have to cut. Then we give him everything.

So this whole argument is over 5 percent.

The real question is: What do we do in conference, and what do we do to measure up to the sequester or the budget summit that we have to live with? OMB, yes, OMB, and I am not a very happy supporter of those folks, and the USDA say the Marlenee amendment will cost $1 billion. CBO says zero.

The Department is going to announce a set-aside the end of this week in double figures, and so you are going to have to pay a higher target price, folks, and it is going to cost some money.

On the loan rate, OMB and the Department say it costs about $200 million, and CBO, once again, says it does not cost anything. It just depends on which yardstick that you want to use.

I suggest to the Members that if they vote for this, when we go to conference and we have to cut, where are we going to find those cuts? There is about $1,200,000,000 that is going to have to come out. We talked about this at great length on the Ag Committee. It is a shame we had to debate it here on the floor and take all this time.

From a policy standpoint, I support the gentleman from Kansas; I support the gentleman from Montana.

From a real hard decision standpoint on what we are going to have to make down the road, the gentleman from Illinois [Mr. MADIGAN] is making an excellent point.

PARLIAMENTARY INQUIRY

Mr. GLICKMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GLICKMAN. Mr. Chairman, the gentleman from Illinois [Mr. MADIGAN] has offered two amendments en bloc. I am just curious as to whether there can be a division of the question under the rule that we have.

The CHAIRMAN. The amendments are divisible if so requested.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois, because I think the gentleman from Illinois seems to think the rule provides that the question cannot be divided. I am just trying to get a definitive answer on this.

Mr. MADIGAN. Mr. Chairman, in responding to the gentleman's request, I would say that the rule makes in order any amendments that were printed in the RECORD by last Friday night. My amendments were printed in the RECORD by last Friday night. The rule says on page 3 at line 16,

> Any amendments en bloc made in order by this resolution shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

The CHAIRMAN. Those nondivisible amendments, the Chair might state to the gentleman from Illinois, were the chairman's en bloc amendments at the end of each title as stated in the rule. The provision in the rule does not pertain necessarily to amendments considered en bloc by other Members by unanimous consent, which was given to the gentleman from Illinois earlier. Under the precedents, such en bloc amendments remain divisible.

Mr. GLICKMAN. Mr. Chairman, I do not intend to ask for a division of the question.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois [Mr. MADIGAN]. The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MADIGAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 210, not voting 3, as follows:

[Roll No. 264]

AYES—219

Annunzio	Costello	Goodling
Applegate	Courter	Goss
Archer	Cox	Gradison
Armey	Coyne	Grandy
Atkins	Crane	Grant
Baker	Dannemeyer	Green
Ballenger	Davis	Guarini
Bartlett	DeLay	Gunderson
Barton	DeWine	Hall (OH)
Bateman	Dickinson	Hamilton
Bates	Donnelly	Hancock
Bennett	Dornan (CA)	Hansen
Bentley	Douglas	Hastert
Bilirakis	Downey	Hefley
Bliley	Dreier	Henry
Boehlert	Duncan	Herger
Boucher	Durbin	Hiler
Brennan	Dwyer	Hochbrueckner
Broomfield	Fawell	Holloway
Brown (CO)	Fields	Hopkins
Bruce	Fish	Horton
Buechner	Foglietta	Houghton
Bunning	Ford (TN)	Hubbard
Burton	Frank	Hughes
Callahan	Frenzel	Hunter
Campbell (CA)	Gallegly	Hutto
Carper	Gallo	Hyde
Carr	Gaydos	Inhofe
Chandler	Gekas	Ireland
Clarke	Gibbons	Jacobs
Clinger	Gillmor	James
Coble	Gilman	Jenkins
Conte	Gingrich	Johnson (CT)
Kanjorski	Morella	Schumer
Kasich	Morrison (CT)	Sensenbrenner
Kennelly	Morrison (WA)	Shaw
Kleczka	Mrazek	Shays
Kolbe	Murphy	Shumway
Kolter	Nielson	Shuster
Kostmayer	Nowak	Skeen
Kyl	Owens (UT)	Slaughter (NY)
LaFalce	Oxley	Smith (NJ)
Lagomarsino	Packard	Smith (VT)
Lehman (FL)	Parris	Smith, Robert (NH)
Lent	Paxon	Snowe
Lewis (CA)	Petri	Solomon
Lewis (FL)	Porter	Spence
Lipinski	Poshard	Stark
Livingston	Pursell	Stearns
Lloyd	Quillen	Studds
Lowery (CA)	Rahall	Stump
Lukens, Donald	Ravenel	Sundquist
Machtley	Regula	Thomas (CA)
Madigan	Rhodes	Thomas (WY)
Martin (IL)	Ridge	Torricelli
Martin (NY)	Rinaldo	Udall
Mavroules	Ritter	Upton
Mazzoli	Roe	Vander Jagt
McCandless	Rogers	Visclosky
McCollum	Rohrabacher	Vucanovich
McCrery	Ros-Lehtinen	Walgren
McDade	Rostenkowski	Walker
McEwen	Roth	Walsh
McGrath	Roukema	Weiss
McMillan (NC)	Rowland (CT)	Weldon
McMillen (MD)	Russo	Whittaker
McNulty	Saiki	Wolf
Meyers	Sangmeister	Wylie
Michel	Saxton	Yates
Miller (CA)	Schaefer	Yatron
Miller (OH)	Schiff	Young (FL)
Miller (WA)	Schneider	
Molinari	Schuette	
Moorhead	Schulze	

NOES—210

Ackerman	Edwards (OK)	Lowey (NY)
Alexander	Emerson	Luken, Thomas
Anderson	Engel	Manton
Andrews	English	Markey
Anthony	Erdreich	Marlenee
Aspin	Espy	Martinez
AuCoin	Evans	Matsui
Barnard	Fascell	McCloskey
Beilenson	Fazio	McCurdy
Bereuter	Feighan	McDermott
Berman	Flippo	McHugh
Bevill	Ford (MI)	Mfume
Bilbray	Frost	Mineta
Boggs	Gejdenson	Moakley
Bonior	Gephardt	Mollohan
Borski	Geren	Montgomery
Bosco	Glickman	Moody
Boxer	Gonzalez	Murtha
Brooks	Gordon	Myers
Browder	Gray	Nagle
Brown (CA)	Hall (TX)	Natcher
Bryant	Hammerschmidt	Neal (MA)
Bustamante	Harris	Neal (NC)
Byron	Hatcher	Oakar
Campbell (CO)	Hawkins	Oberstar
Cardin	Hayes (IL)	Obey
Chapman	Hayes (LA)	Olin
Clay	Hefner	Ortiz
Clement	Hertel	Owens (NY)
Coleman (MO)	Hoagland	Pallone
Coleman (TX)	Hoyer	Panetta
Collins	Huckaby	Parker
Combest	Johnson (SD)	Pashayan
Condit	Johnston	Patterson
Conyers	Jones (GA)	Payne (NJ)
Cooper	Jones (NC)	Payne (VA)
Coughlin	Jontz	Pease
Craig	Kaptur	Pelosi
Crockett	Kastenmeier	Penny
Darden	Kennedy	Perkins
de la Garza	Kildee	Pickett
DeFazio	Lancaster	Pickle
Dellums	Lantos	Price
Derrick	Laughlin	Rangel
Dicks	Leach (IA)	Ray
Dingell	Leath (TX)	Richardson
Dixon	Lehman (CA)	Roberts
Dorgan (ND)	Levin (MI)	Robinson
Dymally	Levine (CA)	Rose
Dyson	Lewis (GA)	Rowland (GA)
Eckart	Lightfoot	Roybal
Edwards (CA)	Long	Sabo

Sarpalius	Smith, Robert (OR)	Traficant
Savage	Solarz	Traxler
Sawyer	Spratt	Unsoeld
Scheuer	Staggers	Valentine
Schroeder	Stallings	Vento
Serrano	Stangeland	Volkmer
Sharp	Stenholm	Washington
Sikorski	Stokes	Watkins
Sisisky	Swift	Waxman
Skaggs	Synar	Weber
Skelton	Tallon	Wheat
Slattery	Tanner	Whitten
Slaughter (VA)	Tauke	Williams
Smith (FL)	Tauzin	Wilson
Smith (IA)	Taylor	Wise
Smith (NE)	Thomas (GA)	Wolpe
Smith (TX)	Torres	Wyden
Smith, Denny (OR)	Towns	Young (AK)

NOT VOTING—3

Early	Flake	Nelson

□ 1533

Messrs. SERRANO, OWENS of New York, HEFNER, TORRES, JOHNSTON of Florida, COUGHLIN, DELLUMS, and EDWARDS of Oklahoma changed their vote from "aye" to "no."

Messrs. DAVIS, BATEMAN, HUNTER, WHITTAKER, HUBBARD, CLARKE, CALLAHAN, and Mrs. LLOYD changed their vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: on page 193, after line 9 insert the following new subparagraph:

"(E) MINIMUM LOAN RATE.—Notwithstanding the provisions of subparagraph (A), the loan rate for wheat shall not be less than $2.44 per bushel, unless such rate would exceed 80 percent of the five year average market price determination.".

On page 201, strike lines 4 through 6 insert "sorghum or the production of guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, commodities for which no substantial".

On page 214, line 15, insert after the period the following: "The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.".

TITLE IX—WHEAT

Section 901 is amended—

(1) by inserting on page 203, line 1 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(2) by inserting on page 203, line 22 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(3) by inserting on page 204, line 23 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, these en bloc amendments have the Sarpalius amendment and the Thomas amendment on the Indian waters and an agreed amendment on the minimum loan rate.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there further amendments to title IX?

Mr. DE LA GARZA. Mr. Chairman, I renew my unanimous-consent request that titles V and VI be deferred and that we may continue with the next title.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GLICKMAN, Mr. Chairman, title IX, the wheat title, of H.R. 3950 will continue the legacy established in 1933 of providing a bountiful supply of wheat, the fundamental component to most food, at a low cost to the consumer. As the chairman of the Wheat, Soybeans, and Feed Grains Subcommittee, I feel confident that this title will help farmers deal on a daily basis with the unpredictability and volatility of wheat markets. After talking with many wheat producers over the past year, I feel that H.R. 3950 deals responsibly with their concerns, which I enumerate.

Wheat is the principal food grain produced and consumed in the United States and worldwide. Americans consume annually an average of 128 pounds of wheat products, mainly in the form of flour, a 10-percent increase over the last decade.

Approximately 446,000 farms, in virtually every State, produce wheat. U.S. farmers are capable of growing and exporting all five major classes of wheat: One, hard red winter, the largest, used primarily for bread and all-purpose flours; two, soft red winter, used for cakes, pastries, and crackers; three, hard red spring, also used for breads; four, white, used for noodles and some pastries; and five, durum, from which pasta is made.

The 1990 wheat harvest will contribute over $8 billion to the Nation's economy, placing wheat fourth behind corn, hay, and soybeans, in value of all field crops produced in the United States. U.S. farmers supply an average of 40 percent of the wheat traded in international commerce. Wheat exports over the past 5 years have ranged from a low of under 40 percent of total production, approximately 900 million bushels, to as high as 77 percent of the annual harvest, nearly 1.5 billion bushels, making this crop one of American agriculture's most important export crops. Maintaining our wheat export markets is the key to a healthy wheat industry and this title along with the trade title of this bill is geared to do just that.

Unfortunately for our wheat farmers, the wheat industry in the United States continues to be highly volatile and variable, putting farmers at risk every year. In spite of technological advances which have yielded more productive varieties of wheat and more efficient production techniques, wheat production continues to be subject to the vagaries of weather, macroeconomic variables, and changes in international trading patterns. For example, a seemingly innocent announcement by USDA on projected foreign production sends domestic wheat prices spiralling downward and may not recover for weeks to come.

This title's objective is to provide the wheat industry the economic stability and predictability it will need to feed this Nation and many foreign nations every year. In three different but related ways, this title provides stability: One, it provides for the continuation of a system of stable income supports for wheat producers; two, it amends the operation of the wheat program to provide better balance between food security needs, export demand, and price supports; and three, it provides for a closer relationship between supplies and demand for wheat and production adjustment provisions of the wheat program.

With regard to income support levels, the committee extends through the 1995 wheat crop the same level of income support which is now in place for the 1990 crop of wheat. Unlike the 1985 act which permitted gradually declining levels of income support for wheat growers over 5 years, the committee's legislation stabilizes income support levels. Everywhere I traveled last summer, most farmers, while supporting a continuation of current policy set forth in the 1985 farm bill, warned that any further reductions in wheat income supports would be devastating to them and to the rural communities around them.

Accordingly, wheat farmers who agree to participate in the annual program for wheat will be eligible to receive payments equal to the difference between $4 and the higher of the average market price for wheat during the first 6 months of the marketing year.

One of the most significant deviations from the 1985 act is increasing price support loan levels for wheat. Under the 1985 act the Secretary set the loan rate between 75 and 85 percent of the average market price of wheat for the preceding 5 years, except that the year to year reduction could not exceed 5 percent. The 1985 act permitted the Secretary to lower that rate an additional 20 percent if such an adjustment were necessary, in the eyes of the Secretary, to maintain the competitiveness of U.S. wheat in world markets. Farmers who receive such loans pledge their crop as collateral and, at the end of the 9-month loan term, must repay the principal amount plus interest or may forfeit the collateral to the Commodity Credit Corporation, the USDA entity responsible for income and price support functions.

Although a reduction in loan rates for wheat in the 1985 act made wheat producers competitive again in the world market, it, simultaneously, placed financial pressures on wheat farmers, who not only use the loans to defray production and harvesting costs, but also as marketing tools to enable them to market wheat later in the marketing year, following

harvest season price lows. The only reason loan rates were established in the first place was to provide low interest loans to farmers waiting for market prices to improve. If they are not meeting this basic objective, then something is wrong.

In response, the legislation the committee has developed brings a better balance between wheat price support levels and supply and demand for wheat. Under the committee bill, the primary determinant for establishing the loan rate for wheat is still the average market price of wheat. This level is set at 85 percent of the average market price for the preceding 5 crops, excluding the highest and lowest annual prices, thus ensuring that wheat loan levels will be set at rates fair and reasonable to market prices and not interfere with the competitiveness of U.S. wheat.

In addition, the Secretary is given authority to make further adjustments in the loan levels based on the amount of wheat stocks on hand, providing for further refinements in the price support level for wheat based on annual market conditions. If the supply of wheat will exceed 30 percent of use, the Secretary may lower the effective loan level for wheat by 10 percent; if the stocks-to-use ratio is below 30 percent but 15 percent or more, the loan rate may be adjusted downward by 5 percent; and if the stocks-to-use ratio is under 15 percent, the loan rate may not be adjusted further.

In addition, the Secretary may further adjust the loan level for wheat downward by an additional 5 percent, without regard to the level of stocks on hand, if he determines that such a further reduction is needed to keep U.S. wheat competitively priced in the world market.

To ensure that the Secretary is making reductions in the wheat loan level based on market conditions and sound reasoning, the legislation requires that his determination be submitted to the Agriculture Committees for review. In addition, the legislation provides that if loan levels are reduced under these circumstances, the Secretary must compensate wheat farmers for the reductions by making payments based on the average market price for the entire marketing year. These reductions are not factored into the setting of loan levels for subsequent crops.

The effect of this change in loan rates is projected to increase loan rates by as much as 25 percent from the levels at which they would be set if the formula of the 1985 act were continued for another 5 years. While this change will ensure that loan rates are determined with greater consideration for market conditions and the financing needs of wheat farmers, I assure my colleagues that the changes made in the legislation will not interfere with the competitiveness of U.S. wheat.

The stability of the wheat program is further enhanced under the committee's legislation by the changes made in the annual acreage limitation requirements. Under the wheat program, farmers must idle a percentage of their wheat acreage, as determined by the act, and devote this acreage to conserving uses. This feature of the program is designed to ensure that production and demand stay within reasonable balance.

Under the 1985 act, the Secretary was required to implement an acreage limitation of not less than 20 percent but not more than 27½ percent for each farm participating in the wheat program if wheat supplies were projected to exceed 1 billion bushels. If projected supplies of wheat were projected to be below 1 billion bushels, the Secretary has been prevented from implementing an acreage limitation in excess of 20 percent.

Although this system of determining acreage limitation requirements has been in part responsible for the gradual decline in wheat surpluses over the life of the 1985 act, it is highly arbitrary and clearly removed from actual market conditions.

In developing this legislation, just as the committee revised the determination of annual loan levels to be more sensitive to market conditions, the committee has revised the determination of annual acreage limitation factors. Under the legislation the level of wheat land participating producers must idle will be determined by the amount of wheat projected to be on hand in the United States for that crop. If stocks are projected to exceed 40 percent of use, the Secretary would be required to establish a limitation factor of not less than 20 percent nor more than 30 percent for each farm. For crops when stocks are projected to be under 40 percent, the acreage limitation factor may not exceed 20 percent.

With these changes in place for the next 5 years, the committee is confident American wheat producers and consumers will have a stable economic environment and stable supply of wheat. It will enable farmers to invest and operate with predictability in terms of annual Government programs and will also ensure that the essential features of those programs remain sensitive to market conditions so that consumers are assured of adequate and affordable supplies of wheat and wheat products.

The CHAIRMAN. The Clerk will designate title X.

TITLE X—FEED GRAINS

SEC. 1001. LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, ACREAGE LIMITATIONS PROGRAM, AND LAND DIVERSION FOR THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

Effective only for the 1991 through 1995 crops of feed grains, section 105A of the Agricultural Act of 1949 (7 U.S.C. 1444c) is amended to read as follows:

"SEC. 105A. (a) LOANS AND PURCHASES.—(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4) the Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of corn at such level as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) MINIMUM LOAN LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—(A) STOCKS TO USE RATIO.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

"(i) equal to or greater than 25 percent, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount not to exceed 10 percent in any year.

"(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount not to exceed 5 percent in any year;

"(iii) less than 12.5 percent the Secretary may not reduce the loan and purchase level for corn for the marketing year.

"(B) REPORT TO CONGRESS.—(i) If the Secretary adjusts the level of loans and purchases for corn under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the build-up of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

"(C) COMPETITIVE POSITION.—Notwithstanding the provisions of subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for corn, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 5 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for corn under this paragraph shall not be considered in determining the loan and purchase level for corn for subsequent years.

"(4) MARKETING LOAN.—(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under paragraphs (1) or (6) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(III) the prevailing world market price for feed grains, as determined by the Secretary.

"(B) WORLD PRICE FORMULA.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for feed grains; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for feed grains.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the Secretary in determining the simple average price received by producers for the immediately preceding marketing year shall use the latest information available to the Secretary at the time of the determination.

"(6) LOAN LEVELS FOR OTHER FEED GRAINS.—The Secretary shall make available to producers loans and purchases for each of the

1991 through 1995 crops of grain sorghum, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b).

"(b) PAYMENTS FOR FORGOING LOAN OR PURCHASE.—(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of corn, grain sorghum, barley, oats, and rye, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of such feed grains the producer is eligible to place under loan.

"(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of feed grains eligible to be placed under loan may not exceed the product obtained by multiplying—

"(A) the individual farm program acreage for the crop; by

"(B) the farm program payment yield established for the farm.

"(4) PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for such crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments (to be known as 'deficiency payments') for each of the 1991 through 1995 crops of corn, grain sorghum, oats, and barley in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage for the crop; by

"(iii) the farm program payment yield for the crop for the farm.

"(B) 0/92 PROGRAM.—(i) If an acreage limitation program under subsection (f)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the permitted feed grain acreage of the farm (as determined in accordance with subsection (f)(2)(A)) equal to more than 8 percent of the permitted feed grain acreage of the farm for the crop to conservation uses (except as provided in subparagraph (H))—

"(I) such portion of the permitted feed grain acreage of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (H)) shall be considered to be planted to feed grains for the purpose of determining the individual farm program acreage in accordance with subsection (f)(2)(G) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (f)(2)(E); and

"(II) the producers shall be eligible for payments under this paragraph on such acreage.

"(ii) Notwithstanding any other provision of this section, any producer who elects to devote all or a portion of the permitted feed grain acreage of the farm to conservation uses (or other uses as provided in subparagraph (H)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to feed grains and eligible for payments under this subparagraph for such crop at a per-bushel rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which feed grain producers may agree to participate in the program for such crop.

"(iii) The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total amount of feed grain acreage that may be taken out of production under this subparagraph, taking into consideration the total amount of feed grain acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the amount of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during such crop year.

"(iv) The feed grain crop acreage base and feed grain program payment yield of the farm shall not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (H)).

"(v) Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

"(vi) Any acreage considered to be planted to feed grains in accordance with clause (i) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation, set-aside, or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(C) PAYMENT RATE.—The payment rate for each crop of feed grains shall be the amount by which the established price for such crop of feed grains exceeds the higher of—

"(i) the national weighted average market price received by producers during the first 6 months of the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop, prior to any adjustment made under subsection (a)(3) for the marketing year for such crop.

"(D) COMPENSATION FOR SUPPORT LEVEL ADJUSTMENT.—(i) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for feed grains under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the deficiency payments for feed grains by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) In determining the payment rate, per bushel, for deficiency payments for a crop of feed grains under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of such crop of feed grains, received by producers during the marketing year for such crop, as determined by the Secretary.

"(E) ESTABLISHED FOR CORN.—

"(i) MINIMUM PRICE.—The established price for corn shall not be less than $2.75 per bushel.

"(ii) ESTABLISHED PRICE INCREASE FOR FEED GRAINS.—If in any crop year the Secretary announces an acreage limitation program under subsection (f)(2) or a set-aside program under subsection (f)(3) for farms under which the percentage reduction or set aside for a crop of feedgrains is in excess of 15 percent, then the established price for such crop shall be increased by an amount not less than 2.55 percent of the established price for such crop for each 2.5 percent incremental increase of such percentage reduction or set-aside in excess of 15 percent.

"(F) ESTABLISHED PRICE FOR OTHER FEED GRAINS.—(i) The established price for grain sorghum shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn.

"(ii) The established price for oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but not less than $1.45 per bushel.

"(iii) The established price for barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley, and provided that the ratio of such established price for barley shall not be less than 85.8 percent of the established price for corn.

"(G) REDUCTION FOR DISASTER PAYMENTS.—The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(H) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

"(I)(i) TARGET OPTION PROGRAM.—Subject to clauses (ii) and (iii), if an acreage limitation program under subsection (f)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the permitted feed grain acreage of the farm (as determined in accordance with subsection (f)(2)(A)) to conservation uses, the producers shall be eligible for an increase of up to one

percent in the established price of the crop of feed grains, on the acreage on the farm actually planted to feed grains, for each one percent of the permitted feed grain acreage of the farm devoted to conservation uses.

"(ii) The portion of permitted feed grain acreage of the farm devoted to conservation uses under clause (i) shall not exceed 10 percent of the crop acreage base of the farm.

"(iii) Such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producer would be eligible to receive under section 105A(C)(1)(B).

"(iv) The feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses.

"(J)(i) BARLEY CALCULATIONS.—The Secretary shall, for purposes of determining the payment rate for barley under subparagraphs (C)(i) and (D)(ii), use the national weighted average market price received by producers of barley sold primarily for feed purposes.

"(ii)(I) In the case of the 1991 crop of barley, the Secretary shall, for purposes of determining any advance deficiency payment made to the producers of barley under section 107C, use the national weighted average market price received by producers for all barley, as determined by the Secretary.

"(II) In implementing this subsection, the Secretary shall ensure that producers of the 1991 crop of barley, notwithstanding the method of calculation or the amount of the advance deficiency payment, shall be equal to receive the total amount of payments as calculated under clause (i).

"(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(I) the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(II) 75 percent of the farm program payment yield established by the Secretary; by

"(III) a payment rate equal to 33⅓ percent of the established price for the crop.

"(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or from stocks of feed grains held by the Commodity Credit Corporation.

"(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the feed grain acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the feed grain acreage of the producers.

"(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) NATIONAL PROGRAM ACREAGE.—(1) IN GENERAL.—(A) PROCLAMATION.—Except for a crop with respect to which there is an acreage limitation program in effect under subsection (f), the Secretary shall proclaim a national program acreage for each of the 1991 through 1995 crops of feed grains. The proclamation shall be made not later than September 30 of each calendar year for the crop harvested in the next succeeding calendar year.

"(B) REVISION.—The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as such revision is made.

"(C) AMOUNT OF ACREAGE.—The national program acreage for feed grains shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(D) ADJUSTMENT FOR CARRYOVER.—If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(E) INAPPLICABILITY TO OATS.—This subsection shall not apply to the 1991 through 1995 crop of oats.

"(2) PROGRAM ALLOCATION FACTOR.—The Secretary shall determine a program allocation factor for each crop of feed grains, if the Secretary proclaims a national program acreage for such crop. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 percent nor less than 80 percent.

"(3) FARM PROGRAM ACREAGE.—(A) DETERMINATION.—Except as provided in subsection (f)(2), the individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(B) LIMITATION ON REDUCTION.—The individual farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the crop acreage base established for the farm under title V by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

"(C) FAIR AND EQUITABLE TREATMENT.—The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the crop acreage base established for the farm under title V, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(D) ADJUSTMENT FOR EXEMPTIONS.—In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of feed grains shall be determined under title V.

"(f) PROGRAMS TO REDUCE ACREAGE.—(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—(i) Notwithstanding any other provision of this Act, except as provided in subparagraphs (B) through (D), if the Secretary determines that the total supply of feed grains, in the absence of an acreage limitation or set-aside program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of feed grains either an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

"(ii) In making a determination under clause (i), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

"(iii) If the Secretary elects to put either of such programs into effect for any crop year,

the Secretary shall announce any such program not later than September 30 prior to the calendar year in which the crop is harvested.

"(iv) Not later than November 15 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in an announcement made under clause (iii) if the Secretary determines that there has been a significant change in the total supply of feed grains since the program was first announced.

"(B) AMOUNT OF ACREAGE REDUCTION.—In the case of each of the 1991 through 1995 crops of feed grains, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total use of corn for the preceding marketing year will be—

"(i) more than 25 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 12.5 percent nor more than 20 percent; or

"(ii) 25 percent or less, the Secretary may provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not more than 12.5 percent.

"(C) CONDITION FOR ELIGIBILITY FOR FEED GRAINS.—As a condition of eligibility for loans, purchases, and payments for any such crop of feed grains, except as provided in subsection (g), the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, the land diversion program, as provided in paragraph (5).

"(D) CONDITION FOR ELIGIBILITY FOR OATS.—Except as provided in paragraph (9), as a condition of eligibility for loans, purchases, and payments for the 1991 through 1995 crop of oats, the producers of oats on a farm may not plant oats in excess of the crop acreage base for the farm.

"(2) ACREAGE LIMITATION PROGRAM.—(A) UNIFORM PERCENTAGE.—If a feed grain acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction to the feed grain crop acreage base for the crop for each feed grain-producing farm.

"(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm.

"(C) EXCEPTION FOR MALTING BARLEY.—The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley for harvest, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe.

"(D) FEED GRAIN CROP ACREAGE BASE.—Feed grain crop acreage bases for each crop of feed grains shall be determined under title V.

"(E) DETERMINATION OF CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(F) INAPPLICABILITY OF NATIONAL PROGRAM ACREAGE.—If an acreage limitation program is announced under paragraph (1) for a crop of feed grains, subsection (d) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop.

"(G) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c)(1)(B) and (c)(1)(I), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(H) LIMITATION ON OATS ACREAGE REDUCTION.—In the case of the 1991 through 1995 crops of oats, the Secretary—

"(i) shall not establish a percentage reduction in accordance with paragraph (1) in excess of 5 percent, unless the Secretary determines that the supply of oats will be excessive without a greater percentage reduction than 5 percent; and

"(ii) may establish a percentage reduction for oats in accordance with paragraph (1) of less than 5 percent. If the Secretary does not establish a percentage reduction requirement for oats, the Secretary shall ensure that the crop acreage bases established for the farm and the farm acreage base are not increased as a result of this clause.

"(3) SET-ASIDE REQUIRED.—(A) IN GENERAL.—If a set-aside program is announced under paragraph (1), as a condition of eligibility for loans, purchases, and payments for feed grains authorized by this Act (except as provided in subsection (g)), the producers on a farm shall—

"(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect; and

"(ii) otherwise comply with the terms of such program.

"(B) CONSERVATION USE REQUIRED.—The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(C) UNIFORM ACREAGE LIMITATION.—If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms.

"(D) ADJUSTMENTS TO SET-ASIDE.—The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary—

"(i) to correct for abnormal factors affecting production; and

"(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

"(4) USE OF CONSERVATION ACREAGE.—(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodities, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B) or subsection (c)(1)(I)), set-aside program, or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(D) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to

wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) WILDLIFE USE COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) CONSERVATION COST SHARING.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage.

"(D) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(8) BUSHEL PRODUCTION TARGETS.—Notwithstanding the foregoing provisions of this subsection, in carrying out the program conducted under this subsection, the Secretary may prescribe production targets for participating farms expressed in bushels of production so that all participating farms achieve the same pro rata reduction in production as prescribed by the national production targets.

"(9)(A) In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats the Secretary, notwithstanding the foregoing provisions of this subsection—

"(i) shall, subject to subparagraph (B), provide that any reduced acreage and set-aside acreage may be planted to oats for harvest;

"(ii) may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under this title available to producers with respect to acreage planted to oats under this paragraph; and

"(iii) shall not make program benefits other than the benefits specified in clause (ii) available to producers with respect to acreage planted to oats under this paragraph.

"(B) LIMITATION.—(i) If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest under subparagraph (A) to an amount that will result in projected domestic production fulfilling projected domestic demand.

"(ii) Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm.

"(g) EXCEPTIONS TO PROGRAMS TO REDUCE ACREAGE.—(1) ONE-HALF ACREAGE REDUCTION PROGRAM.—(A) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of corn, grain sorghum, oats, and barley, make payments available to producers who meet the requirements of this paragraph.

"(B) FORM OF PAYMENT.—Such payments shall be—

"(i) made in the form of such feed grains, respectively, owned by the Commodity Credit Corporation; and

"(ii) subject to the availability of such feed grains.

"(C) DETERMINATION OF PAYMENT.—(i) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(ii) The quantity of feed grains to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(D) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(i) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(ii) agrees to forgo receiving payments under subsection (c);

"(iii) does not plant feed grains for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(iv) otherwise complies with this section.

"(2) ACRE-FOR-ACRE REDUCTION.—(A) IN GENERAL.—The Secretary may permit producers on a farm to plant feed grains on a portion of the acreage otherwise required to be devoted to conservation uses under subsection (f) if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments under subsection (c)(1)(A)(ii).

"(B) LIMITATION.—If the Secretary exercises the authority provided under subparagraph (A), then the Secretary shall implement this paragraph in such a manner that no greater outlays by the Commodity Credit Corporation result from its implementation.

"(C) BASES AND YIELDS UNAFFECTED.—The feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to feed grains as authorized under this subparagraph.

"(h) EQUITABLE RELIEF.—(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) PROHIBITIONS.—(1) CROSS COMPLIANCE.—(A) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(B) CROP ACREAGE BASE INCREASES.—If a producer on a farm is participating in the feed grains program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

"(i) the terms and conditions of the applicable commodity program for such commodity; or

"(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

"(2) OFFSETTING COMPLIANCE.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the feed grains program with respect to any other farm operated by such producers.".

SEC. 1002. PRICE SUPPORT FOR HIGH MOISTURE FEED GRAINS.

(a) RECOURSE LOANS.—Notwithstanding any other provision of law, effective for each of the 1991 through 1995 crops of feed grains, the Secretary of Agriculture shall make available recourse loans as determined by the Secretary, as provided in this section, to producers on a farm who—

(1) normally harvest all or a portion of their crop of feed grains in a high moisture state (herein defined as a feed grain having a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under sections 105A(a)(1) and (6) of the Agricultural Act of 1949);

(2)(A) present certified scale tickets from an inspected, certified commercial scale, including licensed warehouses, feedlots, feed mills, distilleries, or other similar entities approved by the Secretary, pursuant to regulations issued by the Secretary; or

(B) present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which cer-

tified scale tickets may be obtained within reasonable proximity of harvest operation;

(3) certify that they were the owners of the feed grain at the time of delivery to, and that the amount to be placed under loan was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to such facilities maintained by the users of such high-moisture feed grain;

(4) comply with deadlines established by the Secretary for harvesting the feed grain and submit applications for loans within deadlines established by the Secretary; and

(5) participate in an acreage limitation or set-aside program for such crop of feed grains established by the Secretary.

(b) ELIGIBILITY OF ACQUIRED FEED GRAINS.—Such loans shall be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(1) the acreage of the feed grain in a high moisture state harvested on the producer's farm; by

(2) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grain was obtained.

SEC. 1003. NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1991 through 1995 crops of feed grains.

SEC. 1004. CALCULATION OF REFUNDS OF ADVANCE ESTABLISHED PRICE PAYMENTS BY PRODUCERS OF THE 1988 OR 1989 CROPS OF FEED BARLEY.

(a) MANDATORY CALCULATION OF REFUND.—(1) IN GENERAL.—Not later than 45 days after the date of enactment of this Act, the Secretary of Agriculture shall calculate, for informational purposes only (except as provided in the discretionary authority under subsection (b)), the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 Federal barley price support program would be required to make pursuant to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) based on a formula that includes the human food values of barley in all components of the calculations used to determine the amount of refund of the advance deficiency payment required of such producer.

(2) DISCLOSURE.—(A) TO THE PUBLIC.—The Secretary shall publish in the Federal Register—

(i) the formula used to perform the calculations described in paragraph (1);

(ii) the aggregate results that the use of such calculation would have pursuant to subsection (b), in terms of—

(I) the total reduction in the amount of refunds,

(II) the number of producers affected, and

(III) any other information the Secretary determines appropriate;

(iii) a declaration of the Secretary's decision whether to use such calculation to recalculate barley producer's refunds pursuant to subsection (b); and

(iv) a statement of the Secretary's reasons for the decision described in clause (iii).

(B) TO PRODUCERS.—The Secretary shall make available to each producer of 1988 or 1989 crop barley, upon request, a statement detailing the effect of the calculation of refunds described in paragraph (1) upon such producer's 1988 or 1989 refund.

(b) DISCRETIONARY USE OF CALCULATION.—(1) IN GENERAL.—The Secretary may use the calculation described in subsection (a) to determine whether or not to reduce the total refund owed by a producer of 1988 or 1989 crop barley under section 107C of the Agricultural Act of 1949.

(2) PROCEDURE FOR USE OF CALCULATION.—If the Secretary decides to use the calculation described in subsection (a) as provided under paragraph (1), then, in the case of a producer of 1988 or 1989 crop barley who paid the refund of the advance deficiency payment for such crop calculated prior to the enactment of this Act (or any amount of refund in excess of the amount of the refund determined in accordance with paragraph (1)), the Secretary —

(i) shall, before May 31, 1991, reimburse the producer the amount of refund paid by the producer in excess of the refund determined in accordance with this section;

(ii) shall have the option to make such reimbursement in a lump sum or in installments;

(iii) shall, not later than 45 days after the date of enactment of this Act, notify producers who are eligible to receive such reimbursement of their 1988 or 1989 advance deficiency payment refund under this section—

(I) of the timing of the payment of such reimbursement (either in lump sum or in installments),

(II) that the amount of such reimbursement shall not bear interest if paid before October 15, 1990, and

(III) that the amount of such reimbursement paid after October 15, 1990 shall bear interest at a rate of at least 7 percent per annum; and

(iv) may elect to pay such reimbursement in a lump sum with negotiable generic certificates redeemable for commodities owned by the Commodity Credit Corporation if such reimbursement is paid in full not later than 60 days after the date of enactment of this Act.

The CHAIRMAN. Are there amendments to title X?

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA:

On page 236, after line 25 insert the following subparagraph:

"(E) MINIMUM LOAN RATE.—Notwithstanding the provisions of subparagraph (A), the loan rate for corn shall not be less than $1.76 per bushel, unless such rate would exceed 80 percent of the five-year average market price determination.".

On page 245, strike lines 6 through 8 and insert "sorghum or the production of guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, commodities for which no substantial".

On page 260, line 15, insert after the period the following: "The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.".

TITLE X—FEED GRAINS

Section 1001 is amended—

(1) by inserting on page 237, line 14 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(2) by inserting on page 238, line 11 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(3) by inserting on page 239, line 13 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There is no objection.

Mr. DE LA GARZA. Mr. Chairman, this is the same amendment that we just did to the preceding title, and we are doing it to this title.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there other amendments to title X?

If not, does the gentleman from Texas wish to renew his unanimous-consent request?

Mr. DE LA GARZA. Mr. Chairman, I renew my unanimous-consent request that titles V and VI be deferred and that we continue on with the succeeding titles.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, title X, feed grains, is the product of thousands of hours of public hearings in virtually every corner of this country over the past 4 years I have served as chairman of the subcommittee. This title will continue to support feed grain and livestock producers in their efforts to produce for our national well-being.

This title contains the best features of the 1985 Food Security Act and makes refinements the subcommittee deemed necessary to make the programs more responsive to market conditions, correct inequities in existing programs, and provides new incentives for the production of oats to decrease U.S. reliance on imports.

The United States is the world's largest producer and consumer of corn, the leading feed grain in the world. Equally important to the livestock and food sector are sorghum, barley, and oats. Altogether these crops contribute at least $14 billion annually to the economy.

Grown on over 600,000 farms, corn production is a $12 billion per year industry. Each American consumes the equivalent of over 1,100 bushels of corn annually, primarily in the form of meat, livestock products, and corn by-products. Eighty percent of all livestock feed, for cattle, hogs, and poultry, is corn. High fructose corn syrup is one of the fastest growing uses of corn, accounting for nearly 15 percent of corn use and are projected to continue growing by as much as 3 percent annually.

Over 1 billion additional bushels of corn are used each year for a variety of industrial purposes, beverage alcohol, and, increasingly, for the production of ethanol as an extender and additive to gasoline for motor vehicles, which constitutes slightly under 5 percent of all corn usage. In addition to the domestic market, U.S. corn growers supply more than 70 percent of the corn traded in world markets.

The United States produces one-third of all the grain sorghum grown in the world, most of it concentrated in the Southern and Central Plains States on some 100,000 farms. Grain sorghum, also known as milo, has a farm value of over $1 billion annually. U.S. sorghum exports represent over 75 percent of all world sorghum trade. The most prevalent use of milo is as a livestock feed. Approximately 98 percent of all milo used domestically is for feed, primarily for cattle.

Barley production is concentrated in the Pacific Northwest and Northern Plains. Sixty percent of the annual barley crop is used for feed for dairy and beef cattle. Another 30 percent of the crop is used by malters for the production of beer. The remainder of the crop is exported. The value of the U.S. barley crop exceeded $900 million in 1987, ranking barley ninth of field crops prior to the two drought reduced crops of 1988 and 1989.

An important feature of the barley market is the distinction between feed barley and malting barley. High quality barley used for malting purposes can be produced only from certain barley varieties and the grain itself must also possess certain quality characteristics to be acceptable to malters. For example, adverse conditions during the growing season can frequently diminish the quality of the grain to the point it is unsuitable for use in beer.

The principal domestic use of oats is for livestock feed and a specialty feed for race horses. Recent studies indicating that certain fibrous plant materials, such as oat bran, may help lower serum cholesterol levels have led to a tremendous increase in human consumption of oatmeal, oat cookies, oat pancakes, and any other food containing oats you can think of. In 1989 alone, food, seed, and industrial uses increased by 10 percent, 110 million bushels, which account for one-fourth of total use.

Despite this increase in demand, farmers have not increased their plantings of oats, which have average around 6 million acres per year since 1986. As a result, the United States has become the largest importer of oats, importing 60 million bushels in 1989 alone, compared to an average of only 3 million bushels for the past 20 years.

A major cause for downward production trends of oats is the structure of farm programs. Since 1982, the program acreage bases for oats and barley have been combined into a common oats and barley acreage base. On this base a farmer could plant any combination of oats and barley. Because the target price for barley gave farmers a greater return than did the oats target price, barley production has increased at the expense of oats production. Oats acreage also declined as a result the enrollment of 1 million acres of oats acreage into the Long-Term Conservation Reserve Program.

Feed grain production in the United States continues to be a highly volatile and variable industry. In spite of technological advances which have resulted in more efficient production techniques, the production of feed grains continues to be subject to the vagaries of weather, macroeconomic variables, and changes in international trading patterns.

This title is designed to provide the feed grains industry the economic stability and predictability it will need to meet domestic and international demand in years to come. The legislation does so in three ways: First, by continuing a system of stable income supports for feed grains producers; second, by amending the operation of the feed grains program to balance between food security needs and feeding needs, export demand, and price supports; and third, by providing for a closer relationship between supplies and demand for feed grains and production adjustment provisions of the feed grains programs.

As my Subcommittee on Wheat, Soybeans, and Feed Grains traveled across the country last year, most of the farmers we talked to agreed that the 1985 farm bill should be continued to a large extent. It was a bill that provided stability and predictability to farmers suffering through the most difficult decade since the dust-bowl days.

In response to their request, the committee's legislation extends through the 1995 crops the same level of income support as in place for the 1990 crop of corn, milo, and oats. Unlike the 1985 act which provided for a gradually declining amount of income support for feed grains producers over 5 years, the committee's legislation stabilizes income support levels.

Some contend that income supports should be phased out with price supports, but as Senator Hubert Humphrey said 14 years ago, we cannot leave food security to chance. Farmers need to know that they will make some return on their investment so that they will be able to renew their investment in the land next year. Some will argue that the income support provided under this bill is not sufficient, well time will tell, but at least it provides them with more stability than what is offered at the market place. A stable agricultural sector means a stable supply of food at reasonable prices for all Americans.

Farmers who agree to participate in the annual program for feed grains will be eligible to receive payments equal to the difference between $2.75 for corn and—for milo, feed barley, and oats, comparable amounts based on the feed value relationships of those crops to corn—the higher of the average market price for the crop during the first 6 months of the marketing year or the amount per bushel of price support loans farmers are eligible to receive for the crop.

In response to the barley problem that was brought to the subcommittee's attention over the past year, the committee's legislation corrects inequities due to the melding together of feeding and malting barley prices in income support calculations. Prices for malting barley generally run about 20 cents per bushel over feeding barley but in some years, such as 1988, the spread between malting barley and feed barley increased to as much as $2 per bushel. The 1985 act established an income support level derived from the feed energy value of barley to corn. Accordingly, all barley received equal income support, in spite of the distinct end uses of malting and feed barley.

However, actual income support payments under the 1985 act were computed based on a sales weighted average market price which included both types of barley. As a result, as spreads between malting barley and feeding barley increased, as they did during the drought years of 1988 and 1989, feed barley growers were at a distinct disadvantage, so much so that growers had to repay some income support payments even though market prices for feed barley never reached target price levels.

To eliminate the possibility of such inequities in the future, the committee's bill applies a target price for the 1991 through 1995 crops of barley equal to the level of income support in place for the 1990 crop, $2.36 per bushel. In addition, the bill eliminates the average market price of malt barley in the determination of income support payments, ensuring the feed barley producers are not treated adversely due to market price movements for malt barley which may be totally unrelated to market prices for feed barley.

To help curb the trend of importing oats and to spur production, the committee's legislation continues provisions of the 1985 act which permit farmers to devote all of a farm's crop acreage base to oats production without penalty or eilgibility for future program benefits.

Planting oats as a cover crop on acreage idled under other annual commodity programs is a good way to protect idled land so it is not surprising that many farmers practice this. However, over the past 5 years, farmers have been prevented from harvesting those oats for grain, in spite of the fact that the United States imports approximately 50 to 60 million bushels of oats annually. To address this problem, H.R. 3950 bill allow farmers to harvest oats planted on idled acreage in those years the Secretary determines that domestic oats production will not meet expected domestic demand. As a further incentive to increase domestic production, the Secretary is given the authority to make oats program payments on oats planted on idled acreage.

Another concern that farmers around the country wanted the committee to address was the calculation of nonrecourse loan rates, known as price supports. Under the annual programs, farmers may receive from the Department of Agriculture a loan equal to the amount of feed grains produced on the farm multiplied by the loan rate in effect for that crop. The 1985 act established the level of the loan rate between 75 and 85 percent of the average market price of corn for the preceding 5 years, except that the year to year reduction could not exceed 5 percent. However, the bill also permitted the Secretary to lower that rate an additional 20 percent if such an adjustment were necessary, in the eyes of the Secretary, to maintain the competitiveness of U.S. corn and other feed grains in world markets.

This loan rate calculation, which has lowered loan rates to to unprecedented levels, was created to curb several problems associated with very high loan rates which existed

between 1981 and 1985. To a certain extent, these high loan rates caused U.S. producers to lose market share very quickly between 1981 and 1985. Corn exports dropped by nearly one-half, from a high of 2.4 billion bushels per year to just over 1 billion bushels as foreign production and foreign exports expanded. Also, high loan rates encouraged farmers to forfeit their grain which resulted in the CCC owning, by the end of the 1985 marketing year, nearly 5 billion bushels of corn. In response, Congress directed the Secretary in the 1985 farm bill to drop price support loan levels, but in no way encouraged him to drop them the maximum extent possible for each crop year 1990.

The reduction in loan rates resulted in lower prices for U.S. feed grains in the world market, produced greater risk for foreign farmers, and was partly responsible for the ability of U.S. farmers to recapture approximately 70 percent of the world corn market by 1990. However, at the same time, reduction in these loan levels placed additional financial pressures on farmers, who use the loans to defary production and harvesting costs and as marketing tools to enable them to market their crops later in the marketing year, following harvest season price lows.

I want to emphasize this latter point. Producers all over the country, I believe, understand why it is so important to have reasonable loan rates—to be competitive in important export markets. However, farmers expressed to me that current loan rates are too low because they do not provide them with enough upfront cash to meet immediate operational expenses during post harvest price lows. Mr. Chairman, the only reason loan rates were established in the first place was to provide low interest loans to farmers waiting for market prices to improve. If they are not meeting this basic objective, then something is wrong.

In response, the legislation the committee has developed brings better balance between price support levels and supply and demand. Under the committee bill, the primary determinant for establishing the loan rate for corn and other feed grains continues to be the average market prices of the crops. This level is set at 85 percent of the average market price for the preceding five crops, excluding the highest and lowest annual prices, thus ensuring that feed grains loan levels will be set at rates fair and reasonable to market prices and not interfere with the competitiveness of U.S. crops.

In addition, the Secretary is given authority to make further adjustments in the loan rates based on stocks on hand, providing for further refinements in the price support level for feed grains based on annual market conditions. If the supply of corn will exceed 25 percent of use, the Secretary may lower the effective loan level by 10 percent; if the stocks-to-use ratio is below 25 percent but 12½ percent or more, the loan rate may be adjusted downward by 5 percent; and if the stocks-to-use ratio is under 12½ percent, the loan rate may not be adjusted further.

In addition, the Secretary may further adjust the loan level for feed grains downward an additional 5 percent, without regard to the level of stocks on hand, if he determines that such a further reduction is needed to keep U.S. feed grains competitively priced in the world market.

To ensure the judicious use of this authority, the legislation requires that if the Secretary determines to make such reductions in the loan level, then the Secretary must transmit to Congress notice of such action for review by the Agriculture Committees and must certify that the reductions are warranted based on market conditions. In addition, the legislation provides that if loan levels are reduced under these circumstances, the Secretary compensate, by making payments based on the average market price for the entire marketing year, feed grains producers for the reductions and such reductions are not factored into the setting of loan levels for subsequent crops.

According to projected market prices at the time of H.R. 3950's development, the effect of this change to the loan rate calculation is to increase projected loan levels as much as 25 percent over the life of the legislation from the levels at which they would be set if the formula of the 1985 act were continued for another 5 years. While this change will ensure that loan rates are determined with greater consideration for market conditions and the financing needs of farmers, the changes made in the legislation will not interfere with the competitiveness of U.S. feed grains.

The stability of the production of feed grains is further enhanced under the committee's action on changing the annual acreage limitation requirements. In developing the legislation, just as the committee revised the determination of annual loan levels to be more sensitive to market conditions, the committee revised the calculation of annual acreage limitation factors.

Under the legislation the amount of feed grains acreage participating produces must idle will be determined by the amount of corn projected to be on hand. If stocks are projected to exceed 25 percent of use, the Secretary would be required to establish a limitation of not less than 12½ percent nor more than 20 percent for each farm. For years when corn stocks are projected to be under 20 percent, the acreage limitation factor may not exceed 12½ percent.

Mr. Chairman, I feel confident that the changes the committee has made in this title will benefit farmers and consumers alike. I am confident that it will provide farmers with the predictability and stability they need to produce for a nation so reliant on them. Also, I think that this title provides predictability and stability to the livestock sector so that it may continue providing meat to us at reasonable prices.

The CHAIRMAN. The Clerk will designate title XI.

The text of title XI is as follows:

TITLE XI—GENERAL COMMODITY PROVISIONS

Subtitle A—Miscellaneous Commodity Provisions

SEC. 1101. PAYMENT LIMITATIONS.

(a) AMENDMENTS TO SECTION 1001 OF THE FOOD SECURITY ACT OF 1985.—Effective beginning with the 1991 crops, section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1) by striking "1990" and inserting "1995";

(2) in paragraph (2)(A) by striking "1990" and inserting "1995";

(3) in paragraph (2)(B)(iii)(I) by striking "under section" and all that follows through "respectively" and inserting "under section 107A(a)(4), 105A(a)(4), 103B(a)(5), 101B(a)(5), or 201(b)(2), respectively,";

(4) in paragraph (2)(B)(iv) by striking "under section" and all that follows through "such Act" and inserting "under section 107A(c)(1) or 105A(c)(1), respectively, of the Agricultural Act of 1949 as the result of a reduction of the loan level for such crop under section 107A(a)(3) or 105A(a)(3) of such Act";

(5) in paragraph (2)(B)(v) by striking "107D(b), 105C(b), 103A(b), or 101A(b)," and inserting "107A(b), 105A(b), 103B(b), or 101B(b),"; and

(6) in paragraph (2)(B)(vi) by striking "107D(g), 105C(g), 103A(g), or 101A(g)" and inserting "107A(g)(1), 105A(g)(1), 103B(f), or 101B(f)".

(b) CONFORMING AMENDMENT.—Section 2 of the Act of December 11, 1989 (Public Law 101-217) is amended by striking "Effective only for" and inserting "Effective beginning with".

(c) AMENDMENT TO SECTION 1001C OF THE FOOD SECURITY ACT OF 1985.—Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308-3(a)) is amended by striking "and 1990" and inserting "through 1995".

(d) TREATMENT OF MULTI-YEAR FARM PROGRAM CONTRACT PAYMENTS.—Effective beginning with the 1989 crops, the Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-C) the following new section:

"SEC. 1001D. TREATMENT OF MULTI-YEAR FARM PROGRAM CONTRACT PAYMENTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, in the event of a transfer of ownership of a farming operation (or an ownership interest in a farming operation) by way of gift (in anticipation of death or upon disability of the donor), devise, or descent, the Secretary of Agriculture shall continue to make to the new owner or owners all payments which may become due and payable by virtue of any multi-year program contract which was in effect at the time of the gift or the death of the prior owner.

"(b) LIMITATION ON INCREASE IN PAYMENTS.—Payments made pursuant to this section shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the gift or the death of the prior owner.

"(c) LIMITATION ON DECREASE IN PAYMENTS.—Payments shall be made pursuant to this section to the new owner or owners of a farming operation (or an ownership interest in a farming operation) without regard to any limitation on farm program payments received by such new owner or owners in their capacity as separate persons actively engaged in farming with regard to any other farming operation, including the operation subject to the multi-year program payment contract which is the basis of this section.".

SEC. 1102. HYBRID SEED CORN PRODUCERS.

(a) DEFINITION.—For the purposes of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) and the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) the terms "producer" and "producers" shall include a grower of hybrid seed corn under contract, and the grower's interest in the crop shall be determined as though any contract for growing such hybrid seed corn did not exist.

(b) DETERMINATION OF ACTIVELY ENGAGED STATUS.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308-1(b)) is

amended by adding at the end the following paragraph:

"(6) GROWERS OF HYBRID SEED.—To determine whether a person growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of any contract for growing such hybrid seed.".

SEC. 1103. ADVANCE DEFICIENCY AND DIVERSION PAYMENTS.

Effective only for the 1991 through 1995 crops of wheat, feed grains, upland cotton, and rice, section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) is amended to read as follows:

"SEC. 107C. (a)(1) If the Secretary establishes an acreage limitation or set-aside program for any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary shall make advance deficiency payments available to producers for each of such crops.

"(2) Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

"(A) Such payments may be made available in the form of—

"(i) cash;

"(ii) commodities owned by the Commodity Credit Corporation and negotiable certificates redeemable in a commodity owned by the Commodity Credit Corporation, except that not more than 50 percent of such payments may be made in commodities or such certificates in the case of any producer; or

"(iii) any combination of clauses (i) and (ii).

"(B) If payments are made available to producers as provided for under subparagraph (A)(ii), such producers may elect to receive such payments either in the form of—

"(i) such commodities; or

"(ii) such certificates.

"(C) Such a certificate shall be redeemable for a period not to exceed 3 years from the date such certificate is issued.

"(D) The Commodity Credit Corporation shall pay the cost of storing a commodity that may be received under such a certificate until such time as the certificate is redeemed.

"(E) Such payments shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

"(F) Such payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying—

"(i) the estimated farm program acreage for the crop, by

"(ii) the farm program payment yield for the crop, by

"(iii)(I) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate; and

"(II) in the case of rice and upland cotton, not less than 30 percent, nor more than 50 percent, of the projected payment rate,

as determined by the Secretary.

"(G) If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(H) If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received such advance payments shall refund such payments.

"(I) Any refund required under subparagraph (G) or (H) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

"(J) If a producer fails to comply with requirements established under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

"(3) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(4) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(5) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.

"(b) If the Secretary makes land diversion payments under this Act to assist in adjusting the total national acreage of any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary may make at least 50 percent of such payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for such payments.".

SEC. 1104. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

Effective only for the marketing years for the 1991 through 1995 crops, section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by—

(1) in the third sentence, striking the language following the third colon and inserting the following: "Provided, That, notwithstanding any other provision of law, the Corporation may not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye at less than (A) 150 percent of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, or (B) if the Secretary permits the repayment of loans made for a crop of the commodity at a rate that is less than the loan level determined for such crop, 150 percent of the average loan repayment rate that is determined for such crop during the period of such loans."; and

(2) in the seventh sentence, striking ", but in no event shall the purchase price exceed the then current support price for such commodities" and inserting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use".

SEC. 1105. DISASTER PAYMENTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS, SOYBEANS, SUGAR BEETS, AND SUGARCANE.

(a) EXTENSION OF AMENDMENT TO SECTION 201 OF THE AGRICULTURAL ACT OF 1949.—Section 1008 of the Food Security Act of 1985 is amended by striking "1990" and inserting "1995".

(b) TECHNICAL CORRECTION.—Section 201(k)(1) of the Agricultural Act of 1949 (7 U.S.C. 1446(k)(1)) is amended by striking "Secetary" and inserting "Secretary".

SEC. 1106. EXTENSION AND ENHANCEMENT OF AUTHORITY FOR MULTIYEAR SET-ASIDE CONTRACTS.

Section 1010 of the Food Security Act of 1985 (7 U.S.C. 1445i) is amended—

(1) in paragraph (1) by—

(A) striking "The Secretary of Agriculture may" and inserting "The Secretary of Agriculture shall";

(B) striking "beyond the 1990" and inserting "beyond the 1995";

(C) striking "through 1990" and inserting "through 1995";

(D) striking "the set-aside acreage to vegetative cover capable" and all that follows through "natural beauty." and inserting "50 percent of the set-aside acreage to a perennial cover crop or an annual cover crop each year that is capable of naturally improving water quality, improving habitat for wildlife, or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise. Seasonal flooding with shallow water shall be considered to be acceptable cover crop for the purpose of this section.";

(E) striking "Grazing" and inserting "Haying or grazing"; and

(F) striking "grazing" and inserting "haying or grazing"; and

(2) by adding at the end the following:

"(5) To be eligible to enter into a multiyear set-aside agreement and receive cost share assistance under this section a producer shall designate the same cropland each crop year for all agricultural set-aside and acreage limitation programs that are involved in multi-year set-aside programs, except that those croplands necessary for normal crop rotation or those lands used for changes in farm operations shall be exempt from this requirement. Each producer shall establish on such acreage a perennial cover crop or an annual cover crop that is capable of naturally improving soil fertility, reducing water problems, improving water quality, improving habitat for wildlife or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan for such land require otherwise.".

SEC. 1107. ESTABLISHMENT OF COVER CROP.

(a) IN GENERAL.—The Secretary should encourage producers who participate in an acreage reduction program established for a crop of wheat, feed grains, cotton or rice under the Agricultural Act of 1949 to plant an annual or perennial vegetative cover on reduced acreage that provides full season coverage capable of naturally improving soil fertility, reducing erosion, improving soil quality, enhancing wildlife, and making forage available for drought emergencies on all acreage required to be devoted to conservation uses, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise.

(b) PARTICIPATION VOLUNTARY.—Participation by a producer in any program of encouragement under subsection (a) shall be at the discretion of the producer. Failure to participate in any such program shall not

be used to determine eligibility for any other Federal program, unless specifically authorized by law.

(c) CONSIDERATION OF MANAGEMENT PRACTICES.—In any program of encouragement authorized under this section the Secretary shall provide for the planting of annual or vegetative cover crops consistent with normal crop rotation management practices, such as summer fallow or other conserving use management practices, traditionally practiced in the area.

SEC. 1108. SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.

Effective for the 1991 through 1995 crops of wheat and feed grains, section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended to read as follows:

"SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

"SEC. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105A or 107A for one or more of the 1991 through 1995 crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of the Federal Government. To carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.".

SEC. 1109. EXTENSION OF THE FOOD SECURITY WHEAT RESERVE.

Section 302 of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1) is amended—

(1) in subsection (b)(2)—

(A) by designating the current paragraph (2) as subparagraph (2)(A);

(B) by striking "(A)" and "(B)" and inserting "(i)" and "(ii)", respectively; and

(C) by adding the following new subparagraph:

"(B) Not later than 18 months after the release of stocks from the reserve, the Secretary of Agriculture shall replenish the reserve—

"(A) through purchase under subparagraph (A)(i) to the extent of the appropriations available; or

"(B) by designating an equivalent quantity of wheat from uncommitted stocks of the Commodity Credit Corporation, to the extent sufficient appropriations are not available under subparagraph (A)(i), except to the extent that the Secretary reports to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that there are not sufficient uncommitted stocks of the Commodity Credit Corporation available."; and

(2) in subsection (i) by striking "1990" both places it appears and inserting "1995".

SEC. 1110. EXTENSION OF NORMALLY PLANTED ACREAGE PROVISIONS.

Sections 1001(a) and (b) of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) are amended by striking "1990" each place it appears and inserting "1995".

SEC. 1111. EXTENSION OF PROVISIONS REGARDING THE ADVANCE ANNOUNCEMENT OF PROGRAMS.

(a) AMENDMENT THROUGH 1996 CROPS.—Section 406 of the Agricultural Act of 1949 (7 U.S.C. 1426) is amended by—

(1) striking "1990" each place it appears, other than in subsection (b)(3)(B)(ii), and inserting "1995";

(2) striking "1991" each place it appears, other than in subsection (b)(3)(B)(ii), and inserting "1996";

(3) in subsection (b)(2) striking "(B)(1)" and inserting "(B)(i)"; and

(4) adding at the end of subsection (b)(3)(B)(ii) a new clause as follows:

"(iii) In the case of the 1996 crop, the Secretary shall make available to producers of a commodity who exercise the election provided by this section and who comply fully with the terms and conditions of any acreage reduction program established for the 1995 crop of the commodity—

"(I) loans and purchases at the level established for the 1996 crop under legislation enacted subsequent to the date of the enactment of the Food and Agricultural Resources Act of 1990, except that if legislation is enacted subsequent to the enactment of such Act which provides that loans and purchases shall not be made with respect to the 1996 crop of a commodity, the Secretary may make available to producers of such commodity eligible for the election provided by this subsection loans and purchases at the level determined for the 1995 crop, or if legislation is not enacted subsequent to the enactment of such Act which provides that loans and purchases shall be made with respect to the 1996 crop of any such commodity, and if loans and purchases are available to producers of such commodity under laws previously enacted, none of the provisions of this section shall apply to the 1996 crop;

"(II) deficiency payments calculated on the basis of the established price for the commodity determined for the 1995 crop; and

"(III) payments equal to the difference between the level of loans and purchases that the producer is eligible to receive under subclause (I) for such commodity for the 1995 crop and the level of loans and purchases determined for such commodity for the 1995 crop.

Payments authorized by subclause (III) of the preceding sentence shall be made in cash or in the form of in-kind commodities.".

(b) AMENDMENT THROUGH 1995 CROPS.—Section 406 of the Agricultural Act of 1949 (7 U.S.C. 1426) is amended—

(1) in subsection (b)(1) by striking "1987 through 1991 crops of wheat, feed grains, upland cotton and rice" and inserting "1991 through 1995 crops of wheat and feed grains";

(2) in subsection (b)(1) by striking "1987 through 1991 crops of wheat, feed grains, upland cotton and rice" and inserting "1991 through 1995 crops of wheat and feed grains";

(3) in subsection (b)(2)(B) by striking clauses (iii) and (iv) and inserting "and" at the end of clause (B)(1);

(4) in subsection (b)(3)(B) by striking "(i) Except as provided in clause (ii)," and inserting "Effective for the 1992 through 1995 crops,"; and

(5) by striking subsection (b)(3)(B)(ii) and the last sentence in subparagraph (B).

SEC. 1112. EXTENSION OF PROVISIONS REGARDING CERTAIN DETERMINATIONS OF THE SECRETARY.

Section 1017(b) of the Food Security Act of 1985 (99 Stat. 1459) is amended by striking "1990" and inserting "1995".

SEC. 1113. APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.

Section 1018 of the Food Security Act of 1985 (99 Stat. 1459) is amended by striking "1990" and inserting "1995".

SEC. 1114. NORMAL SUPPLY DETERMINATION.

Section 1019 of the Food Security Act of 1985 (7 U.S.C. 1310a) is amended by striking "1990" and inserting "1995".

SEC. 1115. NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD.

Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking "1990" and inserting "1995".

SEC. 1116. PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS.

Effective beginning with the 1991 crops, section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended—

(1) by striking the first sentence in subsection (a) and inserting "If the Secretary estimates for any marketing year that the ratio of ending stocks to total use for the marketing year for wheat will be more than 40 percent or for corn will be more than 25 percent, the Secretary shall formulate and administer a program under which producers of wheat or feed grains, respectively, will be able to store wheat or feed grains to extend the time period for their orderly marketing and to provide for adequate, but not excessive, carryover stocks to ensure a reliable supply of the commodities.";

(2) in clause (1) of the third sentence of subsection (b) by striking "in not less than three years, with extensions as warranted by market conditions" and inserting: "in not less than 18 months, with one automatic 6-month extension upon the request of the producer, and further extensions at the discretion of the Secretary";

(3) in the third sentence of subsection (b) by striking clause (2) and inserting the following: "(2) payments to producers for storage at rates determined by the Secretary to be equivalent to average rates paid for commercial storage in that State and to be paid at the end of each calendar quarter after the grain has been stored;";

(4) in the third sentence of subsection (b) by striking clause (4) and inserting "(4) producers to redeem such loans at their discretion";

(5) in clause (5) of the third sentence of subsection (b) by striking "the higher of 140 percent of the nonrecourse loan rate for the commodity or the established price for such commodity," and inserting "150 percent of the nonrecourse loan rate,";

(6) by striking the fourth sentence of subsection (b);

(7) in subsection (c) by inserting at the end the following: "The Secretary may waive the repayment of principal or interest on loans made under this section if market conditions warrant."; and

(8) by striking paragraph (2) of subsection (e) and inserting the following:

"(2)(A) The total quantity of wheat stored under storage programs established under this section shall not exceed 300 million bushels.

"(B) The total quantity of feed grains stored under storage programs established under this section shall not exceed 600 million bushels.".

SEC. 1117. CERTIFICATES.

(a) AMENDMENT.—Section 107E of the Agricultural Act of 1949 (7 U.S.C. 1445b) is amended—

(1) in subsection (b)(3) by inserting "which shall enable any subsequent holders of such certificates to redeem such certificates under the same rules that apply to original holders of such certificates" before the semicolon; and

(2) by inserting at the end the following new subsection:

"(c) In the case of the annual programs for wheat or feed grains, if the Secretary makes in-kind payments available to producers for any payment under any such program, the Secretary shall also permit producers to elect to receive such payment in cash instead of in the form of an in-kind payment.".

(b) APPLICATION.—The amendment made by paragraph (a)(1) shall only apply during the 180-day period beginning on the date of enactment. No person may redeem more than $25,000 worth of certificates under such amendment.

(c) LIMITATIONS.—In no event shall a person receive a payment from the Commodity Credit Corporation for a certificate that is redeemed under the amendment made by paragraph (a)(1) in an amount greater than the price paid for the certificate by such person. No expired certificate shall be exchanged under this section if the owner purchased such certificate after January 1, 1990.

SEC. 1118. PROCEDURAL REQUIREMENTS.

The Agricultural Act of 1949 is amended by inserting after section 107F the following new section: "

SEC. 107G. PROCEDURES FOR DISPOSITION OF STOCKS.

"(a) IN GENERAL.—The Commodity Credit Corporation shall, by rule, establish procedures for the exchange of certificates issued by the Commodity Credit Corporation for commodities or funds of the Commodity Credit Corporation, including any procedures to be used by the Commodity Credit Corporation to determine the value of any such commodities.

"(b) ADVANCE ANNOUNCEMENT.—As soon as practicable before the marketing year or season for each commodity for which there is an annual program in effect under this Act, the Secretary shall announce the anticipated stock disposition actions with respect to the exchange of commodity certificates for commodities owned by the Commodity Credit Corporation (and reasons therefor) for that commodity for the marketing year or season.

"(c) ANNOUNCEMENT OF RATIONALE AND GOALS.—Whenever the Secretary decides to make payments to producers participating in annual programs under this Act using marketing certificates, the Secretary shall announce the rationale for such decision and the goals for the levels of Commodity Credit Corporation stocks.

"(d) REPAYMENT IN CERTIFICATES.—Whenever the Secretary decides to make payments to producers participating in annual programs under this Act using marketing certificates, the Secretary shall allow producers to make any refund of those payments by using such certificates.".

SEC. 1119. FINANCIAL IMPACT ASSESSMENT.

The Secretary shall conduct an annual assessment of the financial impact of the support levels established and announced by the Secretary under programs contained in the Agricultural Act of 1949 (hereafter "programs"), including an assessment of the effect of such support levels on the ability of producers to meet their financial obligations (with special emphasis on borrowers from the Farmers Home Administration and the Farm Credit System). The Secretary shall annually prepare a report containing the results of such assessment and submit such report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, not later than the date of the final announcement for such programs by the Secretary for any one year. The assessment under this section, including the assessment of the effect of such support levels on the ability of producers to meet their financial obligations, shall be only for informational purposes and for Congressional oversight and shall not give rise to any cause of action, be a basis for, or be used as evidence in support of, any claim or right of any person, including farmers and borrowers, in any administrative or judicial proceeding.

SEC. 120. SURVEY OF PROGRAM PARTICIPANTS.

(a) SURVEY.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall provide that producers, during the sign-up period for commodity programs under the Agricultural Act of 1949 (7 U.S.C. 1441) in the 1991 calendar year, complete a survey regarding the preference of such producers, either to increase the efficiency of their farming operation or to assist in meeting conservation requirements for the farm, for the redistribution of any crop acreage bases on each producer's farm. Such survey shall include questions designed to determine whether such producers would prefer to redistribute their current crop acreage bases—

(1) in different proportions among the program crops for which such producers currently have a crop acreage base;

(2) among program crops for which such producers currently do not have a crop acreage base; or

(3) in some combination of the options provided under paragraphs (1) and (2)

without exceeding total cropland of the farm. Such survey shall be prepared and administered by the Agricultural Stabilization and Conservation Service, and conducted in every county where sign-ups for Federal commodity programs are administered.

(b) ANALYSIS OF DATA.—The Secretary shall compile and analyze the data collected from the survey required under subsection (a) to determine—

(1) the potential increases and decreases in State, regional, and national acreage that would be planted to various program crops if producers were given the option to redistribute their current crop acreage bases as indicated by the survey conducted under subsection (a);

(2) the potential commodity program costs or savings if producers were allowed to implement the redistribution of such crop acreage bases as described in paragraph (1);

(3) the potential impact of such a redistribution of crop acreage bases on the competitiveness of United States agriculture in world markets; and

(4) such other consequences of such a redistribution of crop acreage bases that the Secretary determines to be of significance to United States agriculture.

(c) REPORT.—Not later than January 31, 1992, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the survey conducted under subsection (a). Such report shall—

(1) include a compilation of the data collected pursuant to the survey conducted under subsection (a);

(2) include the results of the analysis and determinations required under subsection (b);

(3) provide a summary of such data and determinations on a program crop-by-program crop and State-by-State basis; and

(4) provide such other recommendations or information as the Secretary determines appropriate.

Subtitle B—Uniform Base Acreage and Yield Provisions

SEC. 1121. ACREAGE BASE AND PROGRAM YIELD SYSTEM FOR THE WHEAT, FEED GRAIN, UPLAND COTTON, AND RICE PROGRAMS.

Effective for the 1991 through 1995 crops of wheat, feed grains, upland cotton, and rice, title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended to read as follows:

"TITLE V—ACREAGE BASE AND PROGRAM YIELD SYSTEM FOR THE WHEAT, FEED GRAIN, UPLAND COTTON, AND RICE PROGRAMS

"SEC. 501. PURPOSE.

"The purpose of this title is to prescribe a system for establishing farm and crop acreage bases and program yields for the wheat, feed grain, upland cotton, and rice programs under this Act that is efficient, equitable, flexible, and predictable.

"SEC. 502. DEFINITIONS.

"For purposes of this title—

"(1) the term 'program crop' means any crop of wheat, feed grains, upland cotton, or rice; and

"(2) the term 'county committee' means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is administratively located.

"SEC. 503. FLEXIBLE ACREAGE BASE AND FLEXIBLE CROP ACREAGE.

"(a) ESTABLISHMENT OF BASES.—The Secretary shall provide for the establishment and maintenance of flexible acreage bases for the 1991 and subsequent crop years.

"(b) DETERMINATION OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, shall determine the flexible acreage base for a farm for a crop year. Such flexible acreage base shall include the sum of—

"(1) the number of acres equal to the sum of the crop acreage bases for the farm; and

"(2) the average of the acreage on the farm planted and considered planted to soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate under section 201(g)(1)(A), in each of the 5 crop years immediately preceding the year for which the determination is made.

"(c) FLEXIBLE CROP ACREAGE.—(1) Designation by Producers.—Notwithstanding any other provision of this Act, the Secretary shall permit producers on a farm to designate up to 25 percent of such flexible acreage base for the crop year as flexible crop acreage. Such flexible crop acreage may be planted, at the option of the producer, to—

"(A) any program crop in an amount such that the plantings of all program crops on a farm do not exceed the total of the permitted acreage for all program crops on the farm: Provided; That during any of the crop years 1991 through 1995 in which a percentage of permitted acres on a farm planted to a crop of wheat, feed grains, cotton, or rice shall be ineligible to receive deficiency payments by virtue of any program policy element that may subsequently be enacted removing from the producer of such crop the option to plant the permitted crop and receive deficiency payments thereon, then at such time and to the extent of the percentage of such ineligibility to receive deficiency payments

on the permitted program crop or crops on the farm, the restrictions imposed by this subparagraph shall be waived as to the total plantings of all program crops on the farm on flexible acreage base on the farm as defined in this title.

"(B) soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, or any other oilseeds the Secretary may designate under section 201(g)(1)(A);

"(C) sweet sorghum, guar, sesame, castor beans, mustard, crambe, plantago ovato, triticale, rye, guayule, milkweed, mung bean, meadowfoam, jojoba, kenaf;

"(D) commodities grown for experimental purposes, as determined by the Secretary; or

"(E) commodities for which no substantial domestic production or market exists, as determined by the Secretary.

"(2) NOTIFICATION.—With regard to commodities that may be planted pursuant to paragraph (1) (D) and (E), the Secretary shall make a determination in each crop year of the commodities that will qualify for planting on flexible acres and shall publish a proposed list of such commodities in advance of making a final determination and granting the authority to producers to plant such commodities.

"(3) BASE PROTECTION.—For the purposes of determining the flexible acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as flexible crop acreage under paragraph (1), shall be considered to be planted to the program crop or oilseed specified in subsection (b)(2) for which such crop planted on such flexible crop acreage is substituted.

"(4) LIMITATION ON BENEFITS.—The Secretary shall not make program benefits, other than price support loans authorized under this Act for the program crop, available to producers with respect to a program crop planted on flexible crop acreage under paragraph (1), and shall ensure that the crop acreage bases and the flexible acreage base established for the farm are not increased due to such plantings.

"(d) OATS PLANTINGS.—(1) BASE PROTECTION.—Notwithstanding any other provision of this Act, the Secretary shall permit producers on a farm to designate any portion of the flexible acreage base (excluding any acreage specified in subsection (b)(2)) for the crop year as acreage base established for oats. For the purposes of determining the flexible acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as oats base under this paragraph and planted to oats for harvest shall be considered to be planted to the program crop for which oats are substituted.

"(2) OATS PROGRAM BENEFITS.—The Secretary may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under section 105A available to producers with respect to acreage planted to oats under this subsection.

"(3) LIMITATION OF BENEFITS.—The Secretary shall not make program benefits other than benefits specified in paragraph (2) available to producers with respect to acreage planted to oats under paragraph (1), and shall ensure that the crop acreage bases established for the farm and the flexible acreage base are not increased due to such plantings.".

"SEC. 504. CROP ACREAGE BASES.

"(a) ESTABLISHMENT.—(1) IN GENERAL.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping. The sum of the crop acreage bases for all program crops produced on any farm for any crop year shall not exceed the flexible acreage base for such farm for such crop year, except to the extent that the excess is due to an established practice of double cropping.

"(2) DOUBLE CROPPING.—The term 'double cropping' means a farming practice, as defined by the Secretary, which has been carried out on a farm in at least 3 of the 5 crop years immediately preceding the crop year for which the crop acreage base for the farm is established.

"(b) DETERMINATION.—(1) IN GENERAL.—(A) Except as provided in subparagraph (B), the crop acreage base for a program crop for any farm for the 1991 and subsequent crop years shall be the number of acres that is equal to the average of the acreage planted and considered planted to such program crop for harvest on the farm in each of the 5 crop years preceding such crop year.

"(B) In the case of upland cotton and rice, the crop acreage base for those crops shall be the number of acres that is equal to the average of the acreage planted and considered planted to such program crop for harvest on the farm in each of the three crop years preceding such crop year.

"(2) ACREAGE CONSIDERED PLANTED.—The acreage considered planted to a program crop shall include—

"(A) any reduced acreage, set-aside acreage, and diverted acreage on the farm;

"(B) any acreage on the farm that producers were prevented from planting to such crop because of drought, flood, or other natural disaster, or other condition beyond the control of the producers;

"(C) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted under section 107A(c)(1)(G), 105A(c)(1)(H), 103B(c)(1)(F), or 101B(c)(1)(F), as the case may be;

"(D) acreage designated as flexible crop acreage, other than that portion designated from acreage specified under section 503(b)(2);

"(E) any acreage on the farm that the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base;

"(F) any acreage on the farm for which the crop acreage base for the crop on the farm was adjusted because of a condition or occurrence beyond the control of the producer pursuant to subsection (e).

"(3) CONSTRUCTION OF PLANTING HISTORY.—For the purpose of determining the crop acreage base for the 1991 and subsequent crop years for any farm, the county committee, in accordance with regulations prescribed by the Secretary, may construct a planting history for such crop if—

"(A) planting records for such crop for any of the 5 crop years preceding such crop year are incomplete or unavailable; or

"(B) during at least one but not more than 4 of the 5 crop years preceding such crop year, the program crop was not produced on the farm.

"(c) CROP ROTATION.—The Secretary may make adjustments to reflect crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable crop acreage base.

"(d) PREVENTED PLANTING.—If a county committee determines, in accordance with regulations prescribed by the Secretary, that the occurrence of a natural disaster or other similar condition beyond the control of the producer prevented the planting of a program crop on any farm within the county (or substantially destroyed any such program crop after it had been planted but before it had been harvested), the producer may plant any other crop, including any other program crop, on the acreage of such farm that, but for the occurrence of such disaster or other condition, would have been devoted to the production of a program crop. For purposes of determining the flexible acreage base or the crop acreage base, any acreage on the farm on which a substitute crop, including any program crop, is planted under this subsection shall be taken into account as if such acreage had been planted to the program crop for which the other crop was substituted.

"(e) ADJUSTMENT OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.

"SEC. 505. FARM PROGRAM PAYMENT YIELDS.

"(a) ESTABLISHMENT.—The Secretary shall provide for the establishment of a farm program payment yield for each farm for each program crop for each crop year. Such program payment yield shall be equal to the average of the farm program payment yields for the farm for the 1981 through 1985 crop years, excluding the year in which such yield was the highest and the year in which such yield was the lowest.

"(b) PRODUCER PROTECTIONS.—(1) LIMITATION ON REDUCTIONS.—If the farm program payment yield for a farm is reduced more than 10 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 10 percent below the farm program payment yield for the 1985 crop year. Such payments shall be made available to producers not later than the time final deficiency payments are made available.

"(2) CONSTRUCTION OF YIELDS.—If no crop of the commodity was produced on the farm or no farm program payment yield was established for the farm for any of the 1981 through 1985 crop years, the farm program payment yield shall be established on the basis of the average farm program payment yield for such crop years for similar farms in the area.

"(3) COUNTY YIELDS.—If the Secretary determines such action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period; or

"(B) the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available.

"(4) BALANCING OF YIELDS.—If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(c) DETERMINATION OF YIELDS.—(1) ACTUAL YIELDS.—With respect to the 1991 and subsequent crop years, the Secretary may (A) establish the farm program payment yield as provided in subsection (a), or (B) establish a farm program payment yield for any program crop for any farm on the basis of the average of the yield per harvested acre for the crop for such farm for each of the 5 crop years immediately preceding such crop year, excluding the crop year with the highest yield per harvested acre, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm. For purposes of the preceding sentence, the farm program payment yield for the 1986 crop year and the actual yield per harvested acre with respect to the 1987 and subsequent crop years shall be used in determining farm program payment yields. Notwithstanding any other provision of this paragraph, for purposes of establishing a farm program payment yield for any program crop for any farm for the 1991 and subsequent crop years, the farm program payment yield for the 1986 crop year may not be reduced more than 10 percent below the farm program payment yield for the farm for the 1985 crop year.

"(2) ADJUSTMENT OF YIELDS.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any farm program payment yield for any program crop for any farm if the farm program payment yield for the crop on the farm does not accurately reflect the productive potential of the farm.

"(d) ASSIGNMENT OF YIELDS.—In the case of any farm for which the actual yield per harvested acre for any program crop referred to in subsection (c)(1) for any crop year is not available, the county committee may assign the farm a yield for the crop for such crop year on the basis of actual yields for the crop for such crop year on similar farms in the area.

"SEC. 506. PLANTING AND PRODUCTION HISTORY OF FARMS.

"Effective for each of the 1991 and subsequent crop years, each county committee, in accordance with regulations prescribed by the Secretary, may require any producer who seeks to establish a flexible acreage base, crop acreage base, or farm program payment yield for a farm for a crop year to provide planting and production history of such farm for each of the 5 crop years immediately preceding such crop year.

"SEC. 507. ESTABLISHMENT OF BASES AND YIELDS BY COUNTY COMMITTEES.

"Each county committee may, in accordance with regulations prescribed by the Secretary, provide for the establishment of a flexible acreage base, crop acreage base, and farm program payment yield with respect to any farm administratively located within the county if such flexible acreage base, crop acreage base, or farm program payment yield cannot otherwise be established under this title. Such bases and farm program payment yields shall be established in a fair and equitable manner, but no such bases or farm program payment yields shall be established for a farm if the producer on such farm is subject to sanctions under any provision of Federal law for cultivating highly erodible land or converted wetland.

"SEC. 508. APPEALS.

"The Secretary shall establish an administrative appeal procedure which provides for an administrative review of determinations made with respect to flexible acreage bases, crop acreage bases, and farm program payment yields.".

The CHAIRMAN. Are there amendments to title XI?

AMENDMENT OFFERED BY MR. SCHUMER

Mr. SCHUMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHUMER: At the end of subtitle A of title XI, insert the following new section:

SEC. 1121. ELIGIBILITY REQUIREMENT.

(a) GENERAL RULE.—(1) A person shall not be eligible to receive, directly or indirectly, any payment, purchase, or loan for wheat, feed grains, cotton, honey, rice, oilseeds, wool, and mohair under the Agricultural Act of 1949 if that person has adjusted gross income of at least $100,000 for the taxable year during which such payment, purchase, or loan is made available to that person or the preceding taxable year.

(2) Except as provided by paragraph (4), in the case of a person who is not an individual, paragraph (1) shall be applied by substituting "taxable income" for "adjusted gross income".

(3) For purposes of this section, a partnership shall be treated as a person who is not an individual.

(4) In the case of any person who is exempt from tax under chapter 1 of the Internal Revenue Code of 1986, that person shall not be eligible to receive any payment, purchase, or loan under the Agricultural Act of 1949 if that person has gross revenues of at least $1,000,000 for the calendar year during which such payment, purchase, or loan is made available to that person or the preceding calendar year.

(5) In the case of estates and trusts, the Secretary of Agriculture shall prescribe rules based on the principles of paragraph (1) to carry out this section.

(b) DEFINITIONS.—For purposes of this section:

(1) The terms "adjusted gross income" and "taxable income" shall have the meanings given such terms by the Internal Revenue Code of 1986.

(2) The term "person" shall have the same meaning it has for purposes of section 1001 of the Food Security Act of 1985.

(c) RULES.—The Secretary of Agriculture shall prescribe rules to carry out this section.

(d) EFFECTIVE DATE.—This section shall apply to the 1991 crop and all subsequent crops.

Redesignate the succeeding section accordingly.

□ 1540

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SCHUMER. Mr. Chairman, I move to strike the last word. This amendment is a very, very simple thing. It says that farmers and others who make over $100,000 in adjusted gross income will not get a support payment. This amendment helps to focus the farm program where it ought to be focused, on the family farmer.

What has happened to our farm program since 1985, it has been skewed to the very wealthy. It has too much to become a trickle-down farm program where 3.6 percent of the farmers get 40 percent of the subsidy. This amendment is not a broad and sweeping amendment. It only affects 20,000 farmers and another 4,500 entities, less than 2 percent, less than 2 percent of all the farmers in this country.

Amazingly so, Mr. Chairman, I hope my colleagues listen to this fact. Those 20,000 farmers, of their adjusted gross income, do Members know how much is farming? Not 50 percent, not 25 percent, not even 10 percent, but only 4 percent. Only 4 percent of the income of these 20,000 farmers is farm income. These are not family farmers. They are rather gentleman or hobby farmers. They are big agribusinesses, or they are people who do not make farming as their major or even secondary profession, and they should not be getting, and they do not need a subsidy.

Members, we live in a time of budget deficit. We are going to be cutting in the next few months thousands and hundreds of thousands and billions of dollars on the programs we really care about. Now we can save over $700 million a year without any question, by telling those 20,000 farmers and 4,500 entities that if they want to be farmers, they want to be farmers, they do not need a government subsidy to do it.

The family farmer deserves help. I have always supported that notion. These people are not family farmers.

Mr. Chairman, let me make a couple of other points. First, it has been said that if these people are out of the program, then they will plant, and plant, and plant, and plant, and ruin the whole program. Nonsense. These people, these mere 20,000 farmers, only use for their ARP the acreage that they have not farmed because they are part of the program. That acreage is less than 2 percent of the total acreage farmed. Furthermore, if they plant other goods, other commodities, they are most likely to be unsubsidized commodities. We all know that subsidized commodity acreage has gone down while fruit, vegetable, and other nonsubsidized commodity farmlands have gone up.

As for the environmental issues that some have raised, again, it does not affect the bill. The National Resource Defense Council, probably the toughest and most militant of all the environmental groups, supports this amendment. So I say to my colleagues, this amendment is a simple amendment. It says that for the richest 20,000 farmers who are not part of the program, who are part of the program now, giving them a subsidy is a mistake. They do not need one. The dol-

lars in this program ought to be directed where people think they are being directed, although so many are not, at the family farmer.

Members, this is a unique chance to tell our country that we mean what we say when our farm programs are not aiding the wealthy, in terms of agribusiness, but are aiding the people who need help. This has been carefully crafted. We use adjusted gross income, that is profit. Some have said that the Reid amendment in the Senate was misdrawn. I agree. There can be farmers who have gross sales of half a million dollars who are not wealthy, who are family farmers who are middle-class farmers, but with adjusted gross income we are aiming at only the most profitable, the small handful who do not need or deserve a subsidy.

Mr. GLICKMAN. Mr. Chairman, I have a substitute to the Schumer amendment.

POINT OF ORDER

Mr. SCHUMER. I have a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SCHUMER. Mr. Chairman, the point of order is simply that, first, I believe that this amendment has not been printed in the RECORD, secondly, that a substitute to this amendment is not allowed by the rule, and that there were a set number of amendments printed and the time to offer this substitute would have occurred at the beginning when the amendment is offered. We are in the middle of debate, and as I understand it, the gentleman from Kansas [Mr. GLICKMAN] does not have a right to offer a substitute to this amendment at this time. He may offer his amendment that was printed as a separate amendment later, but not as an amendment at this time.

The CHAIRMAN. Does the gentleman from Kansas [Mr. GLICKMAN] wish to be heard on the point of order?

Mr. GLICKMAN. Mr. Chairman, the amendment was printed in the RECORD as an amendment, and under the rule there was no limit on amendments or substitutes offered. The general rules of the House would apply, in my judgment. I believe this amendment is germane because it relates to the exact same subject matter.

Mr. SCHUMER. Mr. Chairman, as I understood it, only the chairman is allowed to offer such an amendment, and it was my understanding that the rule was not crafted that any member of the committee could get up and offer a substitute. It is my understanding that such a substitute would not be allowed under the rules.

I would like clarification as to who can offer substitutes and at what point in time.

The CHAIRMAN (Mr. BONIOR). The Chair would state at this time that only first-degree amendments have to be printed in the RECORD, and the rule so states. Second-degree amendments do not. Therefore, the Chair would have to rule against the point of order raised by the gentleman from New York.

AMENDMENT OFFERED BY MR. GLICKMAN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SCHUMER

Mr. GLICKMAN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN as a substitute for the amendment offered by Mr. SCHUMER: On page 266, after line 21, insert the following new subsection:

"(e) DEFICIENCY PAYMENT INELIGIBILITY.—Effective beginning with the 1991 crops, the Food Security Act of 1985 is amended by inserting after section 1001D (as added by subsection (d)) the following new section:

'SEC. 1001E. DEFICIENCY PAYMENT INELIGIBILITY.

'(a) IN GENERAL.—Any person that has qualifying gross revenues in excess of $1,000,000 annually shall be ineligible to receive deficiency payments on program crops.

'(b) DEFINITIONS.—

'(1) QUALIFYING GROSS REVENUES.—For purposes of this section, the term 'qualifying gross revenues' means the gross income derived by a person from the sale of program crops.

'(2) DEFICIENCY PAYMENTS.—For purposes of this section, the term 'deficiency payments' means payments authorized to be made to producers of program crops under sections 107A(c)(1), 105A(c)(1), 103B(c)(1), 103(h)(3)(A), and 101A(c)(1) of the Agricultural Act of 1949.

'(3) PROGRAM CROPS.—For purposes of this section, the term 'program crops' means wheat, feed grains, upland cotton, extra long staple cotton, and rice.'.".

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. CONTE. Mr. Chairman, I object.

□ 1550

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the amendment.

Mr. GLICKMAN. Mr. Chairman, first of all, I want to pay tribute to the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], because they have raised an issue which I have been concerned about for some time, and that is the eligibility of people who get farm program payments. It is an issue that should be debated. It is an issue that relates to the philosophical heart of what farm program payments are about, and that is whether they are there as income support or whether they are there as some form of marketing, inventory management situation.

The gentleman from New York [Mr. SCHUMER] has offered an amendment which handles this problem in one fashion. It is not necessarily mutually exclusive to the way I am handling it, but I think the way I proposed to do it is a better way of handling it, and it is a more fair way of handling it and it has as its goal to get the giant operators out of the farm program, those people who do not need direct deficiency payments from the Government.

Let me tell the Members what my amendment does. My amendment says that any person who has gross revenues of $1 million or more from program crops, from wheat, feed grains, cotton, and rice, any person who gets $1 million or more from those crops could no longer be eligible for direct deficiency payments from Uncle Sam. We would say, "You are big enough to handle it on your own."

They would still qualify for loans, and they would still qualify for the conservation program, but they would not qualify for the direct Treasury checks from Uncle Sam.

This basically would deal with an operator who had about 3,000 acres of corn. The gentleman from Louisiana [Mr. HUCKABY] would know the specific amounts on rice or cotton. But they would be very large operators, and as to the million dollars, you would add all of this together. It would not be a million dollars in cotton, a million dollars in corn, and a million dollars in wheat; it would be a million dollars in total payments or sales from program crops.

The purpose of this amendment is to take the giant operators out of the program, the people who do not need to be in this program. I think this is a better, more constructive way of handling this issue. It saves some money. It does not destroy the conservation program which we have worked so hard on in connection with this particular situation.

Many Members have said to me, "I would like to do something that takes the giants out of the program, but I don't want to do anything that will actually hurt family farm agriculture."

Mr. Chairman, I know that the gentleman from Louisiana [Mr. HUCKABY], the gentleman from New York [Mr. SCHUMER], and others are working on other parts of this issue, the payment issue. The point I would make is that the function of my amendment is to take the megaoperators, the giants, out of the program, the people with tens of thousands of acres of wheat or corn or rice or cotton, people who probably ought not to be in the program at all, but not take out those operators who from year to year do fairly well, grow a sig-

nificant amount of production in this country, and who ought to be in the program because if they are not, they will tend to do things to the land which in some cases are not conducive and constructive to soil and water conservation as they might be if they were in the program.

This farm bill has many good parts. Perhaps the best part of all is that we have some of the best conservation provisions that have ever been presented in agriculture in this country. If we kick a lot of the folks out of the program who produce a great portion of the crops, we reduce the incentive to comply with those conservation provisions. That does not make any sense. If we kick a lot of folks out of agriculture who year to year produce a great portion of the crop, then we lose the ability of the Secretary of Agriculture and others to deal with issues of supply and demand. At the same time it is wrong that megaoperators get farm program payments. It is wrong that massive corporate agricultural entities in various parts of this country that may gross $20 million, $30 million, or $50 million a year get farm program payments, and to that extent it is incumbent upon us in agriculture to root that part of the problem out. That is the function of my amendment.

Again, my amendment says that if you get $1 million in income from program crops—and that is gross income, not net but gross—then you cannot get Treasury payments from Uncle Sam in the form of deficiency payments.

I am sure that the gentleman from New York [Mr. SCHUMER] will explain his amendment in great depth. His amendment applies to adjusted gross income, and the numbers are different. I am not here to put his amendment down. He has worked very hard and worked constructively on his amendment, and he offers it. I just think that his amendment would have a counterveiling result. It will tend to cause farmers to break up their farms to get around the $100,000 limit, it will encourage people to stay out of the program, and it will hurt the soil and water conservation.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. GLICKMAN] has expired.

(On request of Mr. SCHUMER, and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 3 additional minutes.)

Mr. GLICKMAN. Finally, Mr. Chairman, I have one other point. Let us not be misled about this environmentalist issue. Most of the environmental organizations do not support the Schumer-Armey amendment. The AFL-CIO opposes the Schumer-Armey amendment, and virtually all the farm coalition opposes the Schumer-Armey amendment.

What I have attempted to offer here is a constructive middle-ground approach that takes care of the real serious problem, which is our giant operators, but I am not trying to decimate American agriculture in the process.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I just have a few questions. I have just seen the amendment. First, it states that the million dollars shall simply be from program crops.

Mr. GLICKMAN. That is correct.

Mr. SCHUMER. So it would cover a giant company that would have $20 million in revenues, $19 million from nonprogram crops, and $1 million from program crops; is that correct?

Mr. GLICKMAN. Well, the amendment speaks for itself.

Mr. SCHUMER. I would ask the gentleman a second question. I know exactly how many people will be covered by my amendment. How many farms or entities would be covered by the gentleman's amendment?

Mr. GLICKMAN. It would be several thousand. I cannot give the gentleman a specific number because we have been able to determine the issue of program versus nonprogram crops, but we do know that there are several thousand people predominantly in corn, rice, and cotton, very large operators who would be covered under this provision.

□ 1600

Mr. SCHUMER. Mr. Chairman, does the gentleman from Kansas [Mr. GLICKMAN] dispute the fact that for the $500,000 limit, which was in the Senate, there were 14,000 entities covered?

Mr. GLICKMAN. Mr. Chairman, I do not dispute it because I did not see those numbers.

Mr. SCHUMER. OK. It is my guess that for million dollar entities you would probably have, maybe, a couple of thousand covered, and no more.

Mr. GLICKMAN. We do not know that. The gentleman from New York [Mr. SCHUMER] is speculating.

Mr. SCHUMER. OK.

Let me ask the gentleman from Kansas [Mr. GLICKMAN] another question.

Mr. GLICKMAN. Sure.

Mr. SCHUMER. Is it not true that a farmer could not make very much money, but could even take a loss even if he or she had a million dollars in gross revenues, so that this amendment is not aimed at profitability, but rather at gross sales, and this might really hit some people who are losing money or not making very much money?

Mr. GLICKMAN. That is indeed possible, however I have made the value judgment, as the gentleman from New York [Mr. SCHUMER] has in his amendment, picking $100,000; we both picked an arbitrary number, that an operator that gets a million dollars gross sales from programmed crops is a very large operator indeed. And we have just made the arbitrary judgment that those people should not be in the program. But they can be removed from the program without hurting the basic program itself.

Mr. SCHUMER. Mr. Chairman, I would ask the gentleman from Kansas [Mr. GLICKMAN] another question.

Mr. Chairman, the gentleman from Kansas [Mr. GLICKMAN] said that for the Schumer amendment, the Schumer-Armey amendment, that someone could divide their farm land up. Is that not true under the amendment of the gentleman form Kansas [Mr. GLICKMAN] as well; divide into separate entities, and each of those would have a million dollars?

Mr. GLICKMAN. It is, but it is because, the difference is because, the gentleman's $100,000 is from all income sources, agriculture or nonagriculture. The husband could be a dentist, and the wife could be a farm wife.

Mr. SCHUMER. Indeed. That is the intent of our amendment. Someone has over $100,000.

Mr. GLICKMAN. OK. Wait, wait.

Mr. SCHUMER. They do not need a subsidy no matter where the money comes from.

Mr. GLICKMAN. OK, but the fact of the matter is, because the income is not all program crop related, statistically and procedurally it will be much easier to break up their farms under your proposal than mine.

Mr. ENGLISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, as I do with the Armey-Schumer amendment, not so much with regard to amounts, because it appears that is what the debate is sinking into, but for the purpose of the farm bill directly.

Mr. Chairman, it seems to be that many people have gotten the impression that the purpose of farm legislation is income maintenance, that this is some kind of welfare program for farmers that we have carved out in the Federal Government.

Mr. Chairman, 50 years ago, when this program was designed, that was not the intent. The intent of the program was try to put together a national program that, in fact, served the consumers of this Nation. It provided for a balance, to try to provide a balance, between supply and demand so that each and every year the consumers would receive a steady, reliable source of food and fiber. And at the beginning of each and every farm bill, it continues to state that that is the purpose, but some people seem to have

gotten to the point that they believe that this is income maintenance.

Mr. Chairman, if we are talking about $1 million on gross income, I do not know how anyone can justify $1 million in gross income for that person to receive an income maintenance, a welfare check. If we are talking about $100,000 adjusted gross income, someone with $90,000 adjusted gross income, I do not know how we can justify an income maintenance check, a welfare check.

Mr. Chairman, I ask my colleagues, "If we're going to provide it for farmers, why aren't we providing it to small businessmen, whether it's the man running the local gas station, or a drug store, or some general store out in the country?" It does not make any sense.

The only way that a farm program makes sense is if we hold to the original purpose of that farm legislation, and that is that it is in the best interests of the consumers and all the people of this Nation if, in fact, we have a program that requires people to carry out certain acts.

As far as the farm bill is concerned, whether a person may be required to have a 5-percent set-aside; that means, a certain amount of land that he does not farm, to carry out certain environmental requirements, whether it is not to drain a wetland, whether it is to make sure that certain lands that are vulnerable to erosion are protected, or whether it means carrying out the conservation plan in that 1985 farm bill placed on each of our farmers, and this bill will require them to carry out at their own expense; those are expenses, denial of income to farmers, and that is the reason that those farmers are compensated. If in fact it is the purpose to take the largest farmers that we have in this country and take them out of the program, we can no longer have an effective program. We are taking out the most acreage, and that is what is wrong with the approach of most of the amendment of the gentleman from Kansas [Mr. GLICKMAN] and the amendment of the gentleman from New York [Mr. SCHUMER]. Both are aimed at taking out those people who have to play a vital role for us to have a successful farm program.

I would hope, Mr. Chairman, that we would hold to the original intent of this legislation. I would hope, Mr. Chairman, that we would continue the purpose of the farm bill, which is to have a program which, in fact, assures our consumers and all the people of our country that they will continue to receive an abundance of food and fiber at a reasonable price, as they have for the past 50 years. The farm program has worked well for them.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, I thank the gentleman from Oklahoma [Mr. ENGLISH] for yielding.

Mr. Chairman, what the gentleman is saying is that a farm bill basically is a combination of carrot and stick. We want farmers to do certain things. We protect them if they do that. We also provide incentives for them not to do other things, and generally what the gentleman is saying is that it is policy that we are setting here to have some people who are farmers to do certain things to produce food and fiber in this country. We do not ask them about the carrots and sticks if they make so much money or do not make so much money because the point of the gentleman is this is not an income maintenance. This is not a welfare program. It is a program designed to assure that we have that abundant crop, that we have the grocery store ability to go into our stores and find the variety, the wholesomeness, the freshness of our food and fiber in this country that has served us so well, and that is the point that these people who are trying to tie these support payments to some sort of income vehicle do not understand.

Mr. Chairman, I have a problem with the gentleman from Kansas [Mr. GLICKMAN]. Nobody could probably stand up here and say, "Gee, people who make $1 million ought to go ahead and get Federal support." I have problems with the fact that it is gross revenue.

There are a lot of small businesses that sell products, whatever it might be, $100,000, $1 million, but they may be losing money because they have expenses that exceed $1 million.

I say to my colleagues, "When you use gross revenue figures, today it may be $1 million. Five years from now it may be $100,000. Who knows? But when you use gross figures, they are distorted figures. They're not bottom line figures, and I think it's very unfair to even consider this one."

Mr. Chairman, the underlying amendment has some real basic problems with it as well, and we are talking about, I think, that the gentleman from New York [Mr. SCHUMER] said that it only affects 20,000 farmers because that is how many are over. The point of it is, it affects every farmer because the big farmers who will opt out of the program will produce, and produce, and produce, and that puts my little family farmer in Missouri at a disadvantage because the price he gets for his corn or wheat is depressed because the big guys out there are producing more, and more and more.

(By unanimous consent, Mr. ENGLISH was allowed to proceed for 2 additional minutes.)

Mr. COLEMAN of Missouri. Mr. Chairman, that is the reason we have to look at this in the context of everything, the small producers and the large producers. I do not have any producers in my district that make $1 million. I do not have any that I am sure of who have adjusted gross income of $100,000 that are farmers. Our average farm is about 230, 40, acres. That cannot be done on that size acreage, at least with a legal crop, and make that kind of money.

So, Mr. Chairman, the point is that we have got to protect all the farmers. If we take some of them out because it looks good, it is window dressing, we are really denying benefits to the small farmers because they are going to be impacted on low prices that they receive on their commodities because there will be others that say, "We are ineligible for this program. Therefore, we're going to opt out of it, and produce, and produce, and produce."

Mr. ENGLISH. Mr. Chairman, the gentleman from Missouri [Mr. COLEMAN] is correct.

I think again the point has to be stressed that the reason these payments are made is for people to comply with the program. There is also, I think, an enormous assumption being made that all farmers are participating in the program. To the contrary. We are finding a smaller and smaller number of farmers who are participating because of the additional burdens that are being laid on those farmers.

Mr. Chairman, I spoke of the 1985 farm bill and the requirements that we have in that farm bill with regard to what farmers can and cannot do in carrying out their farming practice: protecting the environment, such things as wetlands that cannot be drained. We did not have that before the 1985 farm bill, nor did we have the requirement that we had in the 1985 farm bill that every farmer had to come up with a conservation plan and have that plan filed by last year, the end of last year, and in this farm bill we are requiring those farmers to take it a step further. They are going to have to implement this.

Mr. Chairman, this legislation provides no funds for those farmers to be compensated for carrying out those very expensive plans. It provides no compensation for those farmers to do any additional work that needs to be done with regard to denying themselves the productivity of those wetlands.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, the gentleman from Oklahoma [Mr. ENGLISH] is absolutely right. These are the sticks that we put in that forces them to do certain things, and we are not giving them a nickel to do it with.

(By unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. COLEMAN of Missouri. Mr. Chairman, they do not get one nickel in additional assistance from the Government to do these things, but if they do not do those things, they may be fined, as my colleagues know, $750, maybe $5,000, and they are going to have to pay to have them done eventually anyway.

□ 1610

Let me mention one more thing. Under the amendment of the gentleman from New York [Mr. SCHUMER] every farmer is going to have to go into the ASCS Office with this IRS form to disclose it to his neighbors and friends and everybody to show how much money they made or did not make. Boy, that is going to go over big in the farm community.

Mr. ENGLISH. Mr. Chairman, I think there is one other point that needs to be made, and that is the fact that farmers are not simply going in and complying. If we add these additional burdens, if we take the largest landowner and say, "Hey, you can't participate in the farm program. You're out of it," that means that those farmers have the incentive to go fence row to fence row with regard to the plantings; they no longer have the incentive to protect the wetlands, and they are going to be out in fact doing all they can to try to make that farm pay as much as it possibly can. There are not going to be any conservation plans to carry out. There are not going to be any kinds of environmental work that is going to be done and we are going to see more damage, not only to our markets and our farmers, but we are going to see terrible damage done to our environment, and I think it is a serious mistake.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(At the request of Mr. SCHUMER, and by unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from New York.

Mr. SCHUMER. Just two points for clarification, Mr. Chairman, one point of agreement and one for clarification. The gentleman from Missouri said that under the Schumer amendment people would have to file an IRS form. I know how much farmers do not want to do it. It is not dissimilar from the tenants in my district who do not want to do it. We have not required that. Instead, we have required a self-clarification. So there is no IRS form for any farmer under my amendment.

In reference to the gentleman's point, I agree with the gentleman from Oklahoma and the gentleman from Missouri that gross income is not the way to go because it is unfair, and in fact that was the message that the gentleman from Texas and I explored in the USDA, hardly someone who agrees with our amendment, but said that if you are going to do it, do it right. Gross income does not work.

I have a letter here which I would make available to my colleagues, a whole page from the U.S. Department of Agriculture saying that gross income does not work, and one of the main reasons is that it hurts farmers who are not wealthy, but who have large sales.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

(By unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. ENGLISH. Mr. Chairman, I would like to ask the gentleman one question that goes to the very heart of this that I have not been able to understand from the gentleman's amendment, and I would like for the gentleman to try to answer for me.

If, in fact, the purpose of this legislation is income maintenance, and that is the real thrust of what the gentleman's amendment is all about, it is income maintenance, if that is what this is all about, how in the world can the gentleman justify a farmer who has an adjusted gross income of $90,000 receiving a $50,000 check from the Federal Government, while from the gentleman's own district he may have a lady down there who has five children and having a tough time getting those kids to school and giving them enough to eat, how can the gentleman justify the difference betweeen those two if, in fact, that is what the thrust of this legislation is all about and the purpose of it, understanding that is what I say it is not about, but that is what the thrust of the gentleman's amendment is, and I do not see how the gentleman can jusfity that.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, I would say to the gentleman that the purpose of this is not income maintenance. If it were simply income maintenance, we would not have chosen a $100,000 level, we would have chosen a $20,000 or $15,000 level and aimed at the benefit to low-income farmers.

Mr. ENGLISH. If it is not income maintenance, then there is no way in the world the gentleman can justify his amendment, nor can the gentleman from Kansas.

Mr. GRANDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Schumer amendment.

I would urge my colleagues to remember that the vote just prior in this House did save, according to estimates from the USDA, $1.2 billion. Estimates on the Schumer-Armey amendment vary from the $2.8 billion figure offered by OMB to only $200 million offered by the Department of Agriculture. There is no consensus within the Federal Government as to how much money you might really save.

Now, I do not intend to take up my time arguing about the farmers who will be thrown out of the program and whether or not this will affect the price to the smaller farmer. I believe that case has been well made.

Let me just go the question of whether or not this amendment has an environmental consensus behind it, because I know many Members who are not on the Agriculture Committee are concerned that the farm bill does not violate certain environmental contracts that we write into this legislation every 5 years, and this parenthetically is the toughest environmental bill the committee has ever reported.

Now, the gentleman from New York [Mr. SCHUMER] said that he had the National Resource Defense Council behind the bill. I do not doubt that.

But I will take his NRDC and raise him the National Audubon Society, the International Association of Fish and Wildlife Agencies, the National Wildlife Federation, and the Center for Resource Economics.

Let me just quote from a letter from the National Audubon Society about the concerns that they raise with this amendment. They talk about the 1985 bill and the 1990 extension and say that the conservation compliance provision required an estimated 1.5 million farmers to develop soil conservation plans for 143 million acres of highly erodable crop land, plans which have the potential to reduce excess soil erosion by as much as an additional 700 million tons by the 1995 implementation deadline.

That is a promise, Mr. Chairman, that we make.

Here is what they say about the amendment:

> These resource goals could be partially undermined by the Armey amendment. The amendment would make farmers with adjusted gross incomes greater than $100,000 ineligible for federal farm subsidies, limiting the availability of commodity program benefits to farmers who control a relatively large share of agricultural resources and production. Absent stronger inducements for compliance will reduce the effectiveness of federal agricultural resource protection policies like Sodbuster, Swampbuster and Conservation Compliance.

Other Members will make this argument, but I would note that you have four highly respected environmental agencies that have serious concerns about the potential violation through the environmental contracts that we raise.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. GRANDY. I yield to the gentleman from New York.

Mr. SCHUMER. Have any of them taken a position against the amendment?

Mr. GRANDY. Every one of them.

Mr. SCHUMER. Has any one of them explicitly stated they are against the amendment, because I have talked to all of them and they have claimed neutrality, so I would like the gentleman to read me the names of those who are against my amendment.

Mr. GRANDY. Does the gentleman assert that they support the amendment? They do not support it.

Mr. SCHUMER. They do not support nor do they oppose. The National Resource Defense Council explicitly supports.

Mr. GRANDY. Well, reclaiming my time, let me just say that they do raise legitimate concerns, and these are concerns the entire body should consider because they do affect the future of the environmental contracts in the farm bill.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GRANDY. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, what the gentleman is saying is that if you have people who opt out of the farm program because they are now ineligible under the Schumer amendment, they will go in and they will plow up these lands. They will go in and take away wetlands. There is no incentive. There is no carrot and there is no stick left because they are not in the program. They do not care.

The reason we have these letters in support of the position of the gentleman from Iowa [Mr. GRANDY], is that it is the environmentally sound position to vote against the Schumer amendment because these lands will be torn up. The environment will be tossed out. They are concerned about that. We are concerned about it, and that is a side effect of the Schumer amendment.

Mr. GRANDY. Let me reclaim my time, Mr. Chairman, and say first to the gentleman from New York who had asked, and I did not have this information in front of me, this letter is the final paragraph from the International Association of Fish and Wildlife Agencies.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, I asked about the Audubon Society and the National Wildlife Federation who the gentleman quoted from.

Mr. GRANDY. Well, the International Fish and Wildlife Agencies can be considered a proenvironmental group, and they say:

> We urge you to defeat these amendments and thereby continue your leadership to protect our valuable natural resources.

My point is only in stressing this undoes the thesis in the 1985 farm bill and the 1990 extension, that we are creating Federal contracts for everybody who goes into the program, not entitlements benefits, not giveaway programs.

The specifications are such that more and more producers are leaving the program, as the chairman of the Subcommittee on Conservation, the gentleman from Oklahoma [Mr. ENGLISH] said.

Finally, I would just note that if farmers have to certify their income at the ASCS office or the IRS, or whatever, that will drive more people out of the program.

Mr. HUCKABY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman the pending Schumer-Armey amendment and the Conte amendment that will be offered later on go to the very heart and soul of the functioning of farm programs.

Let us look at what we are trying to do here with the 1990 farm bill. We are trying to assure an adequate, safe supply of food and fiber. We are trying to asssure a reasonable return on investments so that our farmers can continue to farm and stay on the farm.

□ 1620

Let me point out it is very possible, very probable, very likely that you can have an adjusted gross income of $100,000 and end up the year with nothing. That does not include your payments that you make for land that goes for principal. That does not include your tractor payments that go toward principal.

This is a very unfair, very biased measure.

We in agriculture have the ability to produce more food and fiber than we can see as far into the future as the eye can see. So what we try to do with these farm programs is to pay farmers not to plant. We try to control supply and demand and regulate it so that the farmers can ge most of their income, if not all of it, from the marketplace instead of the Government. But we have this target-price deficiency payment mechanism so that farmers, by not planting all of their land, will receive Government payments.

The amendment offered by the gentleman from New York [Mr. SCHUMER], he states, is aimed at some 4 or 5 percent of the farmers. Let me point out to the Members that 15 percent of our farmers produce 70 percent of the agricultural products in America. These are the top 15 percent. You start making a lot of them ineligible for farm programs, and we are going to significantly handicap the way the entire system works, and it is going to penalize the farmer in the middle and the farmer at the bottom.

The proposal by the gentleman from Kansas [Mr. GLICKMAN], USDA says that in 1988 farms with gross revenue above $1 million accounted for $300 million in Government payments, whereas, USDA says for the proposal by the gentleman from New York [Mr. SCHUMER], it would only save a total of $200 million over the entire 5-year life of this farm bill.

How you can arrive at savings of billions of dollars a year I do not understand when our own USDA estimates a saving of less than $200 million over 5 years.

So I would urge my colleagues, and I am not really for either one of these amendments, but if they want to make a choice and take a choice of saying, "I limited," the Glickman amendment is far preferable than the Schumer amendment.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I wanted to read some quotes from some environmental organizations with regard to particularly the Armey-Schumer proposal. It applies just as well to the Glickman proposal.

The Center for Resource Economics says, "The amendment is likely to have significant and adverse effects on national efforts to conserve wetlands."

The National Audubon Society says, "Limiting the availability of commodity program benefits will reduce the effectiveness of Federal agricultural resource protection policies."

The International Association of Fish and Wildlife Agencies states, "Amendments such as those proposed by Mr. ARMEY would undoubtedly force thousands of producers out of Federal farm programs. The potential consequences are serious. Short-term economic gains to the Nation could quickly be offset by environmental costs."

The National Wildlife Federation states,

> The National Wildlife Federation is concerned about the potential impact the amendment might have on the wetland protection measures currently incorporated in the conservation title. Because Swampbuster links farm program participation to wetland drainage, it is the best deterrent currently available to discourage farmers from converting wetlands. Any reduction in the number of farm program participants will directly affect the amount of wetland acres presently covered by Swampbuster.

What we are doing in this particular case under either of these two amendments is taking the biggest chunks of farmland we have got out of the conservation program.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for his contribution. He is exactly right. We are going

to take significant pieces of farmland out of them participating in these environmental programs.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I was not clear. The gentleman was just citing some data just a few minutes ago about what USDA projects would be saved by the million-dollar-gross-sales substitute amendment of the gentleman from Kansas [Mr. GLICKMAN]. Am I correct, is that what the gentleman was citing?

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. HUCKABY] has expired.

(At the request of Mr. GREEN and by unanimous consent, Mr. HUCKABY was allowed to proceed for 5 additional minutes.)

Mr. HUCKABY. Mr. Chairman, reclaiming my time, I will quote from the USDA: "In 1988, farms with gross revenues above $1 million accounted for about $330 million in Government payments." That includes all gross revenues, not just farm programs which the amendment offered by the gentleman from Kansas [Mr. GLICKMAN] is doing. USDA also estimates that the total savings for 5 years from the Schumer-Armey proposal before us now is $200 million.

Mr. ARMEY. If the gentleman will yield further, does the USDA typically score savings of alternative budget proposals for purposes of budgetary policymaking?

Mr. HUCKABY. Does the gentleman have any data that he could substantiate that is more accurate? This has to be based on many assumptions, of course, and one must keep in mind that additional farm reorganizations will take forth that would lead us to inefficiencies. One of the greatest things that America has going for it is its agriculture, and we must operate on the margin of economy of scale where it is the most efficient. This amendment strikes at the heart of the ability to do that by forcing farmers into smaller economic sizes where they can no longer be efficient and compete and lead the world in production in agriculture, which we do today.

I would suggest to the gentleman that if we pass this Schumer-Armey amendment that in the year 2000 we will look back and wonder what happened to American agriculture in the 1990's, and this will be a significant contribution to the decline if we make these larger efficient operations ineligible for Government participation.

Mr. ARMEY. Mr. Chairman, if the gentleman will yield further, I am still trying to understand and grasp. If I understand what the gentleman said that if one took data related to $1 million gross revenue from all sources that the outlay of Government support prices to those enterprises totals about $330 million a year? Is that correct?

Mr. HUCKABY. I pointed out the Glickman amendment before us does not encounter $1 million from all sources, only from program costs.

Mr. ARMEY. If in fact one was talking then about the Glickman proposal, it would probably then be a figure lower than the $330 million, but the gentleman does not have a number for that figure itself?

Mr. HUCKABY. No. I do not. To my knowledge, those numbers, exact numbers, do not exist. As I stated, I gave this for a relative frame of reference.

Mr. GREEN of New York. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from New York.

Mr. GREEN of New York. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the Glickman amendment does establish a principle, and that principle is that it does stick in one's craw to be subsidizing people above some level of income. It sticks in my craw that someone who is getting unemployment insurance averages only $2,000 a year in Federal money, but someone in the farm program who is making a lot more gets an average of $18,000 a year in Federal farm payments, and I think the Glickman amendment concedes that there is some point where the disparity is just so bad that we are not going to tolerate it.

I should simply like to suggest that to most people in this country subsidizing people above $100,000 is pretty bad, particularly when we do so little for those who are in poverty and for those who are thrown out of work in the industrial sector.

Is it such a harsh thing to ask that people who are above $100,000 a year in income come off the dole? I urge defeat of the Glickman million-dollar amendment and support of Armey-Schumer.

Mr. HUCKABY. I thank the gentleman for his contribution.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a lot of different approaches are going to be taken obviously to the impact that the amendments that have been offered are going to have.

I would take just a moment to direct some concerns relative to the Schumer-Armey amendment and the impact that it is going to have on the implementation on the administration of the farm program through ASCS. I want to read from, and I will include in the RECORD, a letter from the Secretary of Agriculture to me in regard to the proposal.

□ 1630

The letter is dated today, and it says, in part,

A "means-tested" program could not be implemented without placing a significant burden on, and added administrative expense to, the Agricultural Stabilization and Conservation Service. The 1988 and 1989 Disaster Programs have provided ASCS with experience in administering a gross income type of means test. Because of the high ($2,000,000) trigger level applicable to the disaster programs, the means test was not a significant administrative burden. Many of the proposals now being considered would, however, be a significant administrative burden. This is caused by a number of factors, including the fact that most proposals for means testing have much lower income thresholds than those required for the disaster programs. In addition, data must be gathered from producers for multiple years. ASCS would be required to gather data such as income tax records which the agency has not had prior experience in evaluating.

Mr. Chairman, I include the letter from the Secretary of Agriculture for the RECORD:

DEPARTMENT OF AGRICULTURE,
Washington, DC, July 25, 1990.

Hon. LARRY COMBEST,
House of Representatives, Washington, DC.

DEAR LARRY: Many thanks for your letter, jointly signed by Congressman Roberts and yourself, expressing concern about the administrative expense and complexity of various amendments to the 1990 Farm Bill. I share your concern that the cost/benefit ratio may not be very high for many of these proposals.

A "means-tested" program could not be implemented without placing a significant burden on, and added administrative expense to, the Agricultural Stabilization and Conservation Service (ASCS). The 1988 and 1989 Disaster Programs have provided ASCS with experience in administering a gross income type of means test. Because of the high—$2,000,000—trigger level applicable to the disaster programs, the means test was not a significant administrative burden. Many of the proposals now being considered would, however, be a significant administrative burden. This is caused by a number of factors, including the fact that most proposals for means testing have much lower income thresholds than those required for the disaster programs. In addition, data must be gathered from producers for multiple years. ASCS would be required to gather data such as income tax records which the agency has not had prior experience in evaluating.

Creating a "means-test" which is evaluated at farm level, while other commodity program limitations are evaluated on a "person" basis, would be very difficult to administer in a fair manner. ASCS would need to develop regulations which would require analysis of sales and income information at the farm level. This would be difficult, particularly when more than one person is involved in a farm or when a person is involved in more than one farm.

Any targeting program will provide an incentive for producers to reorganize to maximize payments. This will mean increased administrative costs for ASCS and governmentally fostered inefficiencies for producers which will reduce our international competitiveness.

Virtually all of these proposals would substantially increase the data collection efforts for ASCS. We believe that targeting objectives could be better accomplished by implementing a direct attribution program. This would remove the incentive for producers to reorganize the farming operations and it would be easier and more cost effective to administer.

A similar letter has been sent to Congressman Roberts.

Sincerely,

CLAYTON YEUTTER,
Secretary.

Mr. Chairman, a lot of discussions have gone on about a family farm. We could debate from now on what a family farm is. A family farm in the district of the gentleman from New York [Mr. SCHUMER] is going to be certainly different than a family farm in Texas. But to that family who is out there on that farm, be it maybe much larger, to them that is going to be their family farming operation.

It is not consistent with agriculture policy as we have had for many, many years to begin to make determinations based upon what is the individual's family farm operation. That is simply not a measure we can agree is something that can be determined.

If that family in west Texas on that farming operation happens to have an income level of over $100,000 adjusted gross income, which I might say is not all that great down in Texas, and it does not include that individual's principal payments on equipment, it does not include that individual's principal payments on land, it does not give any opportunity for that individual to grow, and from discussion with the gentleman from Texas, the way that that would be administered is if the level was hit, the following year that individual would not be able to be in the program. If in fact that current farm programs are the same in the future as they are now, then that would make them ineligible for any future types of programs.

Mr. Chairman, it is just simply something that is going to be impossible to administer.

Mr. ROBERTS. Will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, the gentleman from Texas [Mr. COMBEST] has mentioned a specific concern I have had. I have talked to the gentleman from Texas [Mr. ARMEY] and the gentleman from New York [Mr. SCHUMER], and was planning on asking them this question, whether farmers are going to have to take their income tax returns, after they file them April 15, down to the beleaguered ASCS office and stand in line, like they have to stand in line with everything else?

The gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY] have both indicated to me no, no, no, no, we are just going to have them certified. You have to certify on the form anyway. But what you are telling me is the Secretary of Agriculture in a letter to you has indicated this is a multiple year concern. That is, if a farmer makes over $100,000 in adjusted gross income one year, but then we have a drought year and he does not, what happens to that preexisting contract he has with the CRP Program, or any other contract he signs?

Is the gentleman telling me the Secretary says they will have to have the income tax returns?

Mr. COMBEST. Mr. Chairman, reclaiming my time, I quote from the letter: "In addition, data must be gathered from producers from multiple years. ASCS would be required to gather data such as income tax records which the agency has not had prior experience in evaluating."

Mr. ROBERTS. If the gentleman will continue to yield, that is a tremendous concern that I think will set off a firestorm of controversy in farm country. What we do not need for a farmer who has to prepare his ground in July, and I am talking about the winter wheat producer in Kansas now, and then he goes ahead and has to put the seed in the ground in September or early October, and then he has to make a decision in regard to a whole lot of cropping plans, and he has to make a decision in January or February whether to sign up for the program, and then certify he signed up, and jump through all the hoops and hurdles in June.

In the meantime, here comes the tax return on April 15.

Mr. Chairman, is that prospective or de facto, or whatever? Now the Secretary says you have to have your income tax return.

Mr. COMBEST. Mr. Chairman, reclaiming my time, obviously those questions are not answered, because those regulations have not been written. They would be left up to the USDA. In doing so, the USDA is already stating that in fact the only thing mentioned as far as substantive data in proving one's income level would be income tax returns.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has expired.

(By unanimous consent, Mr. COMBEST was allowed to proceed for 3 additional minutes.)

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I do think there is a very important point that needs to be made here with respect to this question of participation and the environmental impact of our legislation.

Mr. COMBEST. Mr. Chairman, reclaiming my time, I would yield to the gentleman from Texas [Mr. ARMEY] if he wants to respond to the issue relative to that. I will let the gentleman talk to somebody else about the environmental impact.

Mr. ARMEY. If the gentleman will yield further, the point is that participation in the Conservation Reserve Program is not affected by this legislation. If in fact they are disqualified by their adjusted gross income from participating in loan rates, target prices, and those programs, that is one thing. But for the land that they put in the conservation reserve, they are in no way required to give that up or lose their participation in that.

Mr. COMBEST. Mr. Chairman, reclaiming my time, the point that this gentleman from Texas was making was that in fact income tax records may be required by the farmer. Would the gentleman from Texas [Mr. ARMEY] dispute the fact that ASCS under a GAO audit or any other conditions trying to prove income level, would the gentleman state that a farmer would not have to take his income tax records into the ASCS office?

Mr. ARMEY. Mr. Chairman, first of all, regulations for the administration of certification would be up to the Secretary.

Mr. COMBEST. The Secretary says in this letter that income tax records, which the agency has not had prior experience in evaluating, would be required.

Mr. ARMEY. In most cases, of course, it would not be a problem, because in small, rural, local communities, people know.

Mr. COMBEST. Mr. Chairman, people might know. People might have a basic idea. But if you are trying to certify in order to receive records under penalty of law, under a GAO audit, if you have miscertified, there are substantial penalties. Just someone knowing that Joe Brown down the street makes less than $100,000 a year ain't going to get it.

Mr. ARMEY. Mr. Chairman, if the gentleman would yield further, there is nothing that would prevent the Secretary of Agriculture in writing the regulations to say that a sworn statement by the individual applicant would be acceptable for self-certification.

Mr. COMBEST. Mr. Chairman, there is nothing which would state that the Secretary could not dictate the fact that it would have to be income tax records under which one sets out and proves. It would be very legitimate for that to be the document which is used.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has again expired.

(At the request of Mr. MARLENEE, and by unanimous consent, Mr. COM-

BEST was allowed to proceed for 2 additional minutes.)

Mr. COMBEST. Mr. Chairman, the point has been stated or has been taken away from the fact that it would be in very few instances that income tax records would have to be used. I just hold that that is not true. I hold that that is going to be the document that is going to have to be taken into the office. As proof of the fact, the thing that concerns me the most is the Secretary of Agriculture specifically mentions in a letter that in trying to administer a means test program, that income tax records would be one of those things which would have to be used.

Mr. MARLENEE. Will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Montana.

Mr. MARLENEE. There is a question of practical management and equity involved in this payment limitation question. That question is do we want to drive those producers who make over a certain amount of money out of the program and perhaps out of business? If a commercial operator goes to the bank, most bankers will insist that he participate in farm programs as an insurance. If he comes in there and says no, I do not qualify for these farm programs, he is likely to be turned down by his financial institution, which in turn means that he has to liquidate at least a great part of his operation, or dispose of it in some manner.

Mr. Chairman, it is a question of equity. This man in most instances when he has a commercial operation will exceed the limit if it is a large operation, and will not qualify, thereby disqualifying him from financing by some financial institutions.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I was just asking, we have had a lot of talk about income tax forms and going down to the office with it. It is my understanding that USDA law prohibits the USDA from acquiring income tax forms. Is that not true?

Mr. COMBEST. Mr. Chairman, reclaiming my time, all I know is what the Secretary of Agriculture responded to me in a letter about a means testing program, and he states that ASCS would be required to gather data such as income tax records.

□ 1640

Mr. SCHUMER. I would say to the gentleman, if he would continue to yield, that that would mean that this Congress, on a law signed by the President, would have to repeal the law that says that the USDA is not allowed to ask for those. Our amendment does not touch that law.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, right now they are requiring production of income tax records in order to prove whether or not they are actively engaged in agriculture, so that cannot be.

Mr. MARLENEE. If the gentleman will yield, the ASCS Committee is also requiring producers to come in, if they want agricultural assistance in the form of livestock feed loans, and produce their income tax records.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has again expired.

(On request of Mr. ROBERTS and by unanimous consent Mr. COMBEST was allowed to proceed for 1 additional minute.)

Mr. COMBEST. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

We are talking about income tax returns. Will this amendment, since we are talking about income tax returns, allow the farmer to deduct expenses associated with schedule F?

Mr. SCHUMER. I cannot hear the gentleman.

Mr. ROBERTS. What I am asking the gentleman from New York is will his amendment in terms of definition of adjusted gross income allow that farmer to go ahead and itemize, like he normally does, the schedule F, this schedule F in terms of farm income and expenses? We are talking about things like labor, fertilizer, custom hire, et cetera, and is that now then brought over here on the 1040 form to adjusted gross income? Is that what are are talking about.

Mr. SCHUMER. If the gentleman will yield, it is above adjusted gross income, I would tell him.

Mr. ROBERTS. But I ask if the farmer uses the schedule F form on farm income and expenses, does he take that out before he hits the $100,000, that is my question.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has again expired.

(On request of Mr. ROBERTS and by unanimous consent Mr. COMBEST was allowed to proceed for 1 additional minute.)

Mr. COMBEST. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I would ask the gentleman from New York that question.

Mr. SCHUMER. Mr. Chairman, will the gentleman from Texas yield?

Mr. COMBEST. I yield to the gentleman from New York.

Mr. SCHUMER. I would ask the gentleman just to look at line 18 on the form. That will explain it all.

Mr. ROBERTS. We have rents, royalties, partnerships, estates and trusts on the 1040, and I am asking for schedule F; if the farmer cannot use schedule F for his normal operating expenses here, and that is deducted from the $100,000, I would tell the gentleman that his numbers of $20,000 and $25,000 are going to jump and triple.

Mr. SCHUMER. I would say to the gentleman that is not the case. If he looks at the amendment we do not change a thing about how adjusted gross income is calculated, not a thing.

Mr. ROBERTS. Could the gentleman give me a yes or no on schedule F?

Mr. SCHUMER. I would ask the gentleman from Kansas to read the amendment, and simply point to anything that changes the way adjusted gross income is now calculated. It does not.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, as has been pointed out previously by especially the gentleman from Oklahoma [Mr. ENGLISH], the gentleman from New York starts out with an erroneous goal for farm programs. The goal is not welfare for producers. It is to stabilize food prices and supplies, and the payments, of course, relate to the contribution toward the goal.

When there is a housing program in New York we do not limit someone to getting money from five subsidized apartments. If they furnish 1,000 subsidized apartments, they earn and receive more money than does one who furnishes the five. The housing programs in this country are not accomplishing our objective and I voted for all of them, and I tried to improve them, but they are not working satisfactorily. But we do not try to cure their problems by saying nobody can furnish more than five subsidized housing programs or housing units in this country. That is not the way to do it.

Then those supporting the amendment go from the erroneous assumption that the programs are for income maintenance instead of assuring supplies at reasonable prices, to assuming that prices for food in this country are high. The way to determine whether or not prices of food that are from price-supported commodities are high is to go to the grocery store and compare them with those products that are not processed from price-supported products.

I did go to the grocery store. Here is 5 pounds of flour, wheat flour, $1.39, 5 pounds of it. That is 7,500 calories,

which is enough for an obese American for 4 days. It takes 22 minutes at minimum wage to earn enough to buy that 5 pounds of flour, 22 minutes at minimum wage and $3.80 an hour.

Then I have cornmeal here. That is a price-supported product. It cost $1.69 for 5 pounds. That has 6,750 calories in it and it costs $1.69, and it takes 26 minutes working at minimum wage to earn enough to provide enough calories for 4 days if that were all one eats. Those are price-supported commodities that are in this bill that we are complaining about.

Now here is sugar. We had sugar amendments up here yesterday. It is slightly higher, $1.79 for 5 pounds. That 5 pounds contains 8,720 calories. It takes 28 minutes for someone in New York or anywhere else in this country working at minimum wage to earn enough to buy 5 pounds of sugar, and that is a fourth as much as they need for the whole year to add to their other products.

Now let us look at some non-price-supported products. Here is one, $2.83 for a package and it is only 2 pounds and 4 ounces. What do you suppose it is? It is cat food. Cat food. You pay, as a matter of fact, five times as much for a pound of food for Old Tom, and it contains what they could not sell for human food, whatever was leftover.

But here is the other one. I have another non-price-supported package that cost $2.89 for 5 pounds. There it is, 5 pounds, $2.89. it is not price supported.

You would think to hear some people here talk that it is only price-supported products that would be that high priced. Here it is, more than twice as high as wheat flour, and what do you suppose it is? It is chicken manure, chicken manure, more than twice as much for 5 pounds as it is for 5 pounds of flour. What is left over after the chicken was done with it brings more per pound than the price-supported corn it ate.

It just does not hold, any way you look at it, to say that these farm programs have failed, and also that they are causing prices to be high in this country. They have stabilized prices. It is a wonderful program with regard to reaching its goals. I do not know of any other program we have had that is of national importance that has met its goals as much as the farm programs have.

For less than $10 billion a year, we have stabilized prices and kept them at a reasonable level. That has not happened with regard to housing and most other programs. A study just showed last week—the computer study from Iowa State—showed that as a result of the drought that we just went through, the reserves we had, and that is paid as a part of this $10 billion, will save the consumers in this country $40 billion between now and the next 3 or 4 years.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SMITH] has expired.

(By unanimous consent Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, that part of the program alone, by stabilizing prices, and by carrying over from years of surplus to years of shortage is enough to pay for these programs.

If one starts with a false assumption, which the gentleman from New York starts with, of course they will end up with the wrong conclusion, and that is what they do. So I ask Members to oppose this amendment.

Mr. ARMEY. Mr. Chairman. I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Glickman substitute to the Schumer-Armey amendment, and I will speak on the Schumer-Armey amendment when we get back to that subject later, presumably after a vote.

1650

Mr. Chairman, I would like to compare these two alternative approaches on three particular points.

We are all concerned about the cost of the farm program. Certainly, the average cost of the farm subsidy program during the 1970's was about $3 billion a year. It jumped to around $12 billion a year in the 1980's.

We are looking at very serious budget constraints and very tough choices. We may some day in the not-too-distant future be wrestling with whether or not we cut back on Medicare benefits or raise taxes or any other number of tough choices.

So we try to cut and gain savings wherever possible. We are also concerned about the increasing participation rate of American farmers in agricultural programs. We are concerned with equity and fairness in the manner in which we do supplement the incomes of American working men and women.

On these two issues, let us just focus for a moment on what is the fair thing to do, when in fact we have to limit the extent to which we draw on the Federal Treasury and the taxpayers' largesse to supplement the income of working men and women.

Mr. Chairman, the Schumer-Armey amendment says that, based on income, if the family's adjusted gross income from all sources is $100,000, 3 times the gross income of the average family of four in the United States, we have a basis by which we should disqualify them from participation in agricultural subsidy payments.

By comparison, the Glickman amendment says if they have $1 million of gross sales. Now, we do not know what that means by way of income. We do not know how many farmers will be affected, and we cannot get any information regarding what would be the subsequent savings to the taxpayers. In the Schumer-Armey approach, the Congressional Budget Office estimates a $400 million-a-year savings to the taxpayer. The Office of Management and Budget estimates $900 million a year to the taxpayer.

So we have some real estimates that we can lay before you for consideration.

Then we look at the question of supply management. It is argued that agricultural policy in the United States is for the purpose of supply management. We know from IRS data collected, hard data, that there are 20,000 of the 800,000 farm income-reporting entities that would be affected and that if in fact we pass the Schumer-Armey amendment, this would result in a possible reduction in participation acreage of 2.5 percent. Now, if in fact everybody that was affected by this bill did what apparently the committee fears worst, which is to plant fence row to fence row in the program crop participation, of which they are now denied to continue, they would have no more than a 2.5 percent impact on the total production of that program crop. But I would suggest to you that that would not be the case.

Mr. Chairman, I grew up not too far from the Red River Valley and I remember the Red River Valley, not the Red River Valley of Texas, the Red River Valley of North Dakota.

I can remember three crops that were prominent in the valley: potatoes, for which there was no program; wheat, for which there was the kind of program we address here; and sugar, for which there was an even more complex program.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(By unanimous consent, Mr. ARMEY was allowed to proceed for 5 additional minutes.)

Mr. ARMEY. Let me suggest to you that should a beleaguered wheat or sugar or beet farmer in the Red River Valley find themselves because of this $100,000 disqualification no longer willing to continue to produce those two crops, they would find ample opportunity to make a reliable living in potatoes. And in the absence of a potato program, the potato farmers of America have not ruined their market.

There is no reason to suggest that these 20,000 farmers who have become successful enough to generate for themselves $100,000 of adjusted gross income would be more foolish than potato farmers in the Red River Valley of North Dakota and Minneso-

ta who have never enjoyed the enlightening benefits of participation in a Government program.

Now let us go to the third question, conservation. There are approximately 60 million acres of American agricultural land set aside from production. About half of those acres, about 30 million of those, are set aside voluntarily by the farmer with no recompense for that set-aside other than the right to participate in the program crop of their choice, by way of complying with the base and yield prescriptions given to them at their local ACS office.

So about half of that acreage might be affected if in fact these 20,000 farmers, totally, brought their share of these 30 million acres into production. Two and a half percent of 30 million acres is your best estimate of what would be the impact from your fence row to fence row, if the worst-case scenario took place.

On the other hand, there is another 30 million acres that farmers voluntarily set aside with no compensation in conservation plans and their ability to continue that conservation set-aside and to enjoy the compensation they receive as an inducement to put land into that conservation set-aside would not be affected by this legislation one bit, not one bit. And there would be no reason to suspect they would have less love for the land, that they would be less responsive to these inducements by the Federal Government that got them to be conservative with their land in the first place, if they did not enjoy participation in these other programs.

Now, the Glickman amendment and the supporters of it have given us no understanding as to what it would save the taxpayer, what might be the fence row to fence row impact if everybody affected—which quite frankly is not likely to be very many people—would be and what would be the impact on the consumer tax bill.

One final point: The question about whether or not this legislation as we propose it would require people to take tax records to the local ACS office is now clouded by the observation of the gentleman from Iowa which says they must do that now. I am eager to learn more about that.

But let me tell you about this: Our legislation says to the Secretary, "You will write the regulations." This is not unusual. We do this in many cases when we write legislation.

"You will write the regulations for enforcement." The Secretary is not required, in turn, to require certification by the revelation of one's income tax forms. The extent to which the Secretary may decide that he is compelled by the untrustworthiness of the American farmers to have them bring in the hard documentation of their tax forms would have to be a matter, is left to be a matter within this bill to the discretion of the Secretary, given his estimate of the veracity of American farmers.

□ 1700

Now, if indeed the Secretary believes American farmers cannot be trusted to sacrifice in testimony to their farmers and neighbors at the local AFC office, he may resort to something that vigorous. I do not know whether he will or not, but he is not mandated to do so.

However, let me suggest for a moment, what if, even though we do not, what if we mandated that they must show their income tax forms to prove they qualify for this benefit? Is that so much to ask for people making $100,000 a year? That they document their real income in order to qualify for up to $50,000 a year subsidies from American consumers? I would not consider that unreasonable, but we do not do it. It is not required in the bill.

Now, I suggest the possibility that a few of the 20,000 may be so lacking in veracity as to be required by their neighbors to do so, is a small price to pay to get this improvement.

(On request of Mr. COMBEST and by unanimous consent, Mr. ARMEY was allowed to proceed for 5 additional minutes.)

Mr. ARMEY. Mr. Chairman, I presume the gentleman from Texas [Mr. COMBEST] would like to be yielded to?

Mr. COMBEST. Mr. Chairman, yes, I and several other Members.

Would the gentleman then state since, in his opinion he is saying that if the Secretary does not understand an individual enough and a farmer that he is not making over $100,000 or so, would the gentleman be willing to suggest that he would wish they would use a certification rather than requiring some simple, just common sense, says that if they are going to have to prove whether or not they are making $100,000 a year under the gentleman from Texas' and the gentleman from New York's amendment, that the way to determine that is from an individual's income tax records. What else is there, other than simply signing a certification?

Mr. ARMEY. We are talking about the IRS data that is confidential, and we do not know the names of these 20,000 farmers. By IRS data, complete database, tells Members that there are approximately 20,000 people in the United States who take farm income, report farm income, and have an adjusted gross income of over $100,000. Incidentally, the farm income of these 20,000 people is, on average, 4 percent of the total income.

Mr. COMBEST. Mr. Chairman, if the gentleman will continue to yield, we are having to also prove that we are not over that level. It is not just those that have to go in and say, "No, I cannot get it."

Mr. ARMEY. I can suggest to the gentleman that the 780,000 American farmers would have no occasion to be asked to present their income taxes under that, as a bare minimum.

Mr. COMBEST. If the gentleman will continue to yield, the 780,000 farmers, there is no requirement at all for them to even prove this?

Mr. ARMEY. Obviously, if we are talking of the average small family farm, certification should be reasonable.

Mr. COMBEST. If the gentleman will continue to yield, I would hope under GAO audit that we read carefully the language on the floor about what the gentleman's intent is, because under a GAO audit, I can assure the gentleman who is a friend of mine from Texas, that they are not going to accept a certification. They are going to want proof, and the only proof that individual can give is income tax.

Mr. ARMEY. Mr. Chairman, if the gentleman will let me reclaim my time, as a coauthor of the amendment, let me certify, at this point, let me state, it is not the intent of the framers of the amendment to require or even recommend to the Secretary that the only way a farmer in America can certify themselves eligible under this bill is by displaying their IRS forms.

In fact, I would say it is the intent and the understanding of the framers of this amendment that there would be very, very few and rare occasions where any reasonable body, within any reasonable regulations, wherein by any reasonable Secretary of Agriculture, would even suggest the necessity for such an occurrence.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield to me in response to that question, what I say once again is, just as the gentleman said, it is not our intent to require taxing, but it is not more than our intent. Our intent does not matter.

The law states, according to the general counsel of USDA, that they are not allowed to ask for tax returns. This amendment does not change that. So, if we are unhappy with the present system, then change it. There are many people on this committee who know these laws very well. I do not see a change in the bill.

However, our amendment is the same exactly as the whole big farm bill on the idea of income tax returns, plain and simple. I do not think it is very fair to state or to imply, because no one has stated it, that it is any different.

Mr. ARMEY. Mr. Chairman, in all due respect, I think I am obliged, and please forgive me for having gotten myself diverted, but I am obligated and would yield to the chairman of the committee, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I am going to address this issue more at length at another point, but let me just say that I have just been told that under section 6103 of Internal Revenue, the Internal Revenue cannot release, not even to the Secretary, unless we change it. But I wanted to ask the gentleman, was that in National Affairs magazine, there has been a lot of rhetoric from the gentleman about all this issue.

In this July 16 issue, it says "Armey likes to apply what he calls unassignable demagogic coefficient to issue 'demagoguery beats data every time.'" Did the gentleman say that?

(On request of Mr. DE LA GARZA and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. DE LA GARZA. Mr. Chairman, what I want to know is, did the gentleman say that?

Mr. ARMEY. As long as the gentleman raises the issue, I was describing a condition. I was not describing a preference. We understand that, and I think probably it was, I think, not politic of me to come right and 'fess up to the fact where we understand that as a condition in this body. It is certainly not new in this legislation.

As I look at our current proposals, projects that I might undertake, I am acutely aware of the power of demagoguery.

Mr. SCHUMER. Mr. Chairman, if the gentleman will continue to yield, I hope we could keep the debate to the facts of this amendment. This amendment has been argued so far by both sides, and very fair, and in a very factual way. The gentleman has worked hard on this amendment. The gentleman's amendment has been argued on the floor in a very fair and gentlemanly way. I do not think there has been demagoguery on either side. I hope that would continue.

Mr. DE LA GARZA. If the gentleman will continue to yield, that is not the issue at all. The issue is that the gentleman and others have fought this amendment and this issue out in the news media, and there have been a lot of editorials. I just wanted to ask the gentleman if he brought in this issue of "demagoguery beats data every time." I probably agree with him, and will leave it at that.

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, I just want to make one point for a couple of minutes. There is one fundamental reason why this amendment is absolutely unworkable. I commend my friend from New York and my friend from Texas for offering it, and I commend the gentlemen for the work they have done.

Mr. ARMEY. Mr. Chairman, if I may reclaim my time, I feel it is only fair to remind the gentlemen they are talking about the Glickman amendment, and I agree with the gentlemen.

Mr. SLATTERY. Mr. Chairman, if the gentleman continues to yield, I want to talk about both of the amendments, but first on the Schumer and Armey amendment.

(On request of Mr. SLATTERY, and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, I would like to have the attention of my friend from New York [Mr. SCHUMER] on this point. That is, it has been observed that farming is a very rich occupation. In fact, some people have said that farming makes a Las Vegas crap shoot look like guaranteed income. The fact I am making, one year the farmer may earn $150,000, and the next year he may lose $200,000, and the problem we have with this amendment we are talking about is that in our part of the country where farmers have been literally through hell for the last 10 years, and now they are getting back on their feet, and to try to make up for the thousands and thousands of dollars they have lost in the last decade, and if they have one good year where they make $100,000 that year to make up the loss of the $150,000 in the two previous years, what we are saying to them with this amendment is, "Sorry folks, you are out of the program."

All I am saying is that is the one point that makes this whole concept absolutely totally unworkable.

□ 1710

All I am saying is that is the one point that makes this whole concept absolutely and totally unworkable.

Mr. ARMEY. Mr. Chairman, let me reclaim my time and respond.

I understand this. It has been said repeatedly that it is a risky business and we want to have a safety net for people involved in agriculture. But statistically the most high risk business one can enter in America today is the restaurant business, and nobody has provided a restaurant program for them.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I would say to the gentleman from Kansas that I know his concerns are very sincere and heartfelt, but our amendment is just not aimed at this person he is talking about.

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. If I can, I would like to finish my point.

What I say again is that only 20,000 farmers are affected. Hardly any of these, only a handful are what the gentleman would call family farmers. They are, rather large companies, gentlemen farmers, people who do not do farming for a living. I say again that no more than 4 percent of their income is farm income, so we are not talking about people the gentleman is addressing. We support help for those people, but that is not part of this amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from Texas [Mr. ARMEY] has expired.

(On request of Mr. SLATTERY, and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, in response to my friend, the gentleman from New York, I understand that his intentions may be good, but the reality of what I just described is absolutely accurate. When we are talking about a farmer in 1 year making $100,000 and being disqualified and the next year he loses $150,000, we are not allowing that farmer an opportunity to catch up in effect, and that is the fundamental flaw in the gentleman's amendment.

I would just observe that the $50,000 payment limitation that we are going to be tightening up is a much better way to get at the problem we are all trying to address.

Mr. ARMEY. Mr. Chairman, I thank the gentleman. I think the gentleman's concern is very real but not substantial in terms of the number of farmers affected.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from New York.

Mr. SCHUMER. There is another very important point. If somebody making $100,000 cannot make it on their own, then who in heck can make it in America in 1990?

Mr. ARMEY. Let me reclaim my time and point out again that for the people affected by this legislation, on the average only $4,000 of the $10,000 worth of income would have come from the farm, so it would be very hard for them to have lost $150,000.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I thank the gentleman for yielding.

There is one other point that should be made, I think. The gentleman from Kansas made some very good points about the various claims in agriculture, but the one other point I think we cannot lose sight of is that without

the big producers in the program, we do not have a program. Without them we do not have a program, and if the program is not there, it does not matter how small you are.

Mr. ARMEY. Mr. Chairman, again, as we ponted out, from our hard data analysis, if in fact every one of the 20,000 people who could conceivably be affected by this amendment were affected and dropped out of the program and planted fence row to fence row, which would be too irrational for somebody making that much money to behave, but if they did that, we are talking about a 2.5-percent maximum impact on the program. That is hardly going to destroy the program.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. ARMEY] has again expired.

Mr. HUCKABY. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. ARMEY] be allowed to proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is the objection to there request of the gentleman from Louisiana?

Mr. MARLENEE. Mr. Chairman, reserving the right to object, I will not object, but there are a number of us who have been waiting patiently to insert ourselves into this argument. I will not object, but I hope this will be the last one.

Mr. Chairman, I withdraw my reservation of objection.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for not objecting.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN pro tempore. The Chair will state that he will recognize all Members seeking recognition for purposes of debate.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it is terribly unfair to say that $100,000 of adjusted gross income is cash income in your pocket. It is just not true. It is not the same thing. A John Deere 77-20 combine costs $150,000 today. You finance it over 5 years. Just paying the principal is $30,000 a year. You do not get to write that off. That takes you to $70,000.

Mr. ARMEY. Mr. Chairman, if the gentleman will allow me to reclaim my time, the gentleman from Kansas [Mr. ROBERTS] had raised that point over the payment on the tractor, the payment on the interest for the tractor, the grease for the tractor, the oil for the tractor, the gas for the tractor, and the tires for the tractor. All of this would be covered on schedule F, and the results are plugged into his tax above adjusted gross income on line 19.

I do appreciate that, and that is why we went with adjusted income as opposed to gross income. If we went with gross sales, then you would have to endure all these expenses after gross sales, and the Lord knows where you would end up. But with adjusted gross income, you have all your expenses out before you get to that figure.

Mr. HUCKABY. Mr. Chairman, the gentleman is right. There are fallacies in both of these approaches. That is why both amendments should be rejected.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in visiting with one of my colleagues back in the Cloakroom, they told me, "My goodness, I didn't think this debate was going to last this long."

I said, "Well, it only affects the daily lives and pocketbooks of the people in my district, so I think perhaps we at least ought to take enough time to fully debate it."

I would say that I also worry about what lurks under the banner of reform and law of unintended effects. I would remind my colleagues of this: How many times have we legislated here only to come back and do the backstroke to try to fix what we have legislated or mandated?

There have been some comments by my good friend, the gentleman from New York [Mr. SCHUMER], with whom I will pass the basketball 17 more times than I have ever done before in the gym so he can shoot his famous jump shot and by my good friend, the gentleman from Texas [Mr. ARMEY]. I have many philosophical talks with Mr. ARMEY. There has been some talk about this: "Let's don't have demagoguery. Let's don't get personal here."

I will say to my friends that I understand they have been riding their reform surfboards on this crest of the wave issue. This whole asserted band of self-declared Secretaries of Agriculture has taken upon itself in the press—not here on the floor, but in the press—the task of maligning agriculture, maligning the chairman, maligning every member of the Agriculture Committee, and maligning virtually everybody concerned with agriculture. They have been on the TV and in the press more than Phil Donahue and Morton Downey, Jr., or perhaps anybody I could think of all combined.

So we have had a little blood pressure on this issue. It has been a grand show. It has been a marvelous show. I know the media narcotic is very, very heady stuff. One would think that agriculture is in such bad shape and our farm policy is so mismanaged that the lines standing in front of empty supermarkets were in New York, not in Moscow.

This presents a real dilemma for those of us on the once powerful House Agriculture Committee. What are we to do as members of the Agriculture Committee, one of the back rail troops that stands back here and does not come down to the floor very often, does not get into the business of lobbing some grenades back and forth during the 1-minutes. What are we to do? Well, we are going to have to shine the light of truth into the darkness. We are going to have to at least try to set the record straight. So bear with me. I apologize to my colleagues.

What this amendment does is exclude a whole class of farmers and investors from participating in the farm program. It says to those who are most productive and most successful that "the badge of your success is that you had an adjusted gross income of $100,000, and we are going to publicly brand you as unworthy and deny you any benefits from the farm program."

The real heart of this issue really boils down to this, I say to my colleagues: Why do we have a farm program? It is not, I say to the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], to help needy farmers. I know it helps some farmers, but the real purpose, as the chairman has pointed out and others have pointed out, is to assure the American consumer and all those people who are malnourished and hungry all around the world an adequate food supply. We have 1 billion new mouths to feed every year. There are 750 million people who are going to bed every night malnourished in the world. We cannot, it seems to me, put a monkey wrench into the food and fiber machine that really addresses that problem.

How on Earth do we control the supply of corn and rice and wheat and other basic food products when we exclude the very folks who are most successful in producing that food? This is not a welfare program. Mr. GREEN said it sticks in his craw greatly to pay people any program benefit when they earn over $100,000.

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Mr. Chairman, if we follow this logic, we should say to a successful trucking executive, "You make a hundred thousand dollars a year. Build your own highway."

It is like saying, Mr. ARMEY, "No defense contractor earning over $100,000 should be awarded any contract to build the B-2 or anything else over at the Pentagon."

It is like saying, "Anyone with a Ph.D. in economics who makes more than $100,000 teaching, or lecturing, or writing, or belly-aching about the

farm program could receive a Federal grant."

Mr. Chairman, I am not here to protect the rich, and I know it is very tempting around this place to bash the rich. That is the issue that we are dealing with. We are, in fact, bashing the rich, and, boy, do we do a good job of that in this place when we are trying to solve everybody's problems with our brains and the taxpayers' money.

I am not here to really protect the rich. They can do that themselves.

Let us look at the down side.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, I think the gentleman from Kansas [Mr. ROBERTS] is making a very important point, and that is that this is a contract between farmer and Government. As part of this contract, the farmer performs specific tasks and agrees to specific terms, including setting aside land meeting environmental standards, in return for payments received from the Government. This is not welfare or an income-based payment. If we remove farmers from eligibility for these contracts, that will seriously undermine our environmental efforts and it will have significant impact on market prices for family farmers.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from Kansas [Mr. ROBERTS] has expired.

Mr. TAUKE. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas have 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

Mr. OWENS of New York. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The time of the gentleman from Kansas [Mr. ROBERTS] has expired.

Mr. ROBERTS. Mr. Chairman, would the gentleman from New York [Mr. OWENS] reserve the right to object so that I could respond to him in terms of his objection? Would he at least do that just for about 15 seconds?

Mr. OWENS of New York. Mr. Chairman, reserving the right to object, I have been here for the entire course of this debate, and the arguments are repeating themselves again and again. There are some of us who would like to speak who do not want to say the same things that have been said over and over again, and I think it is only fair that we hear everybody.

Mr. ROBERTS. Mr. Chairman, in responding to the reservation of objection of the gentleman from New York [Mr. OWENS] if the gentleman will yield, I have probably 2 minutes left in my remarks. The gentleman from Iowa [Mr. TAUKE] asked that I yield to him, which I did, and I would say to the gentleman from New York [Mr. OWENS] what I did when we started this debate, that my colleagues very seldom see me down here on the floor of the House.

Mr. Chairman, this particular amendment affects the daily lives and pocketbooks of my people perhaps more than any other amendment that we have considered in the 10 years that I have been here, and I do have to say to the gentleman from New York [Mr. OWENS] that if I am restricted by an objection, I am going to have a little feeling about that.

Mr. OWENS of New York. Mr. Chairman, the important thing for the gentleman from Kansas [Mr. ROBERTS] to understand is that he yielded to someone who was speaking instead of him, and the Member who was speaking instead of him was offering the same arguments that have been offered four or five times already.

The CHAIRMAN pro tempore. Does the gentleman from New York [Mr. OWENS] insist on his reservation of objection?

Mr. OWENS of New York. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Kansas [Mr. ROBERTS] is recognized for 2 additional minutes.

Mr. ROBERTS. Mr. Chairman, I appreciate very much the spirit of cooperation, and I will try to sum up.

Mr. Chairman, the gentleman from Iowa [Mr. TAUKE] made a good point in regard to the environment. We have labored so hard in working out a partnership with our environmental partners in this bill to the extent that we are going to endanger all of that work if we drive the successful farmer and investor, yes, the successful investor, out of this program.

Mr. Chairman, I say to my colleagues, "When you drive him out of the program, you can bet your sweet green wetlands will go with him, and that's something we don't want to see."

Mr. Chairman, we made a lot of progress with our environmental responsibilities. What will happen to export programs when most of our production is outside the conventional marketing chain? What will happen to the AID and food for peace programs? What will happen to rural communities and rural credit relationships when there is no farm program for this very significant production?

Mr. Chairman, I would simply say, "You're not saving any money when you're voting for this program."

There has been a lot of talk about saving $4 billion. Let me say that the Secretary of Agriculture has informed OMB, and, by the way, we ought to have an amendment, if my friends would agree to it, the gentleman from Texas [Mr. ARMEY] and the gentleman from New York [Mr. SCHUMER]. Let OMB run this program. Let us take the funds out of OMB. There is a young man over there named Bob Grady, whose idea this was. Let him run the program, and let us not take it out of agriculture.

However, Mr. Chairman, I would simply say to my colleagues that we are not going to save any money. I say to them, "What you do is you drive the investor and the big producer out of the program and the people to which he rents or leases his program."

I ask the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], "Mr. SCHUMER, Mr. ARMEY, do you have any figures on the land involved by which these investors and big producers lease or rent their ground? The many farm families who participate in the program due to their wherewithal?"

The answer to that, Mr. Chairman, is, "No."

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. So we do not really have 25,000 or 20,000.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I think we have statistics on just about everything in this area that the gentleman from Kansas [Mr. ROBERTS] would ask. Of the people in the program, 4 percent of their income comes from farm income. Thirty-eight percent comes from wages and salaries. Twenty-eight percent——

Mr. ROBERTS. Reclaiming my time, Mr. Chairman, as the gentleman from New York [Mr. SCHUMER] did in the tax debate——

Mr. SCHUMER. Mr. Chairman, the gentleman from Kansas [Mr. ROBERTS] asked me a question rhetorically.

The CHAIRMAN pro tempore. The gentleman from Kansas has the time.

Mr. ROBERTS. Mr. Chairman, I am reclaiming my time, and I will be more than happy, if the gentleman from New York [Mr. SCHUMER] provides me additional time, to respond to him. I am asking how many people rent.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, 21 percent of the income comes from rents, royalties, and partnerships.

Mr. ROBERTS. Mr. Chairman, I always worry about what lurks under the banner of reform and the law of unintended effects. And, I would remind my colleagues that it is very important to prevent bad and counterproductive legislation from passing even if that legislation represents the latest crest of the wave reform issue.

And, oh how Mr. ARMEY and Mr. SCHUMER and others have been riding their reform surfboards on this latest wave—"Save the small family farmer and cut the budget by getting the fat cat farmers out of the farm program." This assorted band of well meaning self declared secretaries of agriculture have been on TV and in the press maligning these folks, and the Agriculture Committee and agriculture more than Phil Donahue, Morton Downy, and Geraldo Rivera combined.

Its really been a grand show. My friends and colleagues have had their diatribes in the Wall Street Journal, the Readers Digest, the New York Times on TV, on radio. Hey, I understand this narcotic of media attention, its heady stuff. You would think agriculture is in such bad shape and our farm policy so mismanaged that the lines standing in front of empty supermarkets were in New York, not Moscow.

And, this concerted attack represents a real dilemma for those of us who serve on the Agriculture Committee—what is a full-time aggie and one of the back rail troops who seldom comes to the floor do in the face of the greatest tirade of criticism and publicity since the S&L crisis. Well, in our own way, we are going to try and shine the light of common sense, truth into darkness—to set the record straight.

What this amendment does is to exclude a whole class of farmers and investors from participating in the farm program. It says to those who are the most productive and successful farmers in the world that the badge of your success—an adjusted gross income of $100,000—will both publicly brand you as unworthy and deny you benefits from the farm program.

The real heart of this issue boils down to the question, Why do we have farm programs? Mr. SCHUMER, Mr. ARMEY, and Mr. GREEN contend the farm program is to help needy farmers. And, the program does that to some extent. But, the larger purpose of the farm program is to assure the American consumer and many malnourished and hungry people around the world with a dependable high quality supply of food at reasonable prices.

How do we do that? Well, admittedly through a very complex program that is not very popular to everyone who has to put up with the paperwork and regulations, we do that by controlling supply and in doing that, providing stability in the supply of those products, that make up the consumer's market basket of food.

Now, how on Earth do we control the supply of corn, rice, wheat, and other basic food products when we exclude the very folks who are most successful in producing that food. The farm program is not a welfare program, it is a supply management program.

If we follow Mr. ARMEY's logic, we should say to a successful trucking executive, you make $100,000 a year, build your own highway.

It is like saying no defense contractor earning over $100,000 could be awarded any contract to build the B-2 or any thing else over at the Pentagon.

It is like saying anyone with a Ph.D. in economics and who makes more than $100,000, teaching, or lecturing or writing or bellyaching about the farm program, could receive a Federal grant.

Now, I know it's tempting around here to bash the rich. And depending upon your definition of "rich," we sure do that around here—this is the greatest income redistribution machine ever devised by those who wish to play Robin Hood and solve all of our alleged problems with their brains and the taxpayer's money. I am not here to protect the rich or the so-called fat cat farmer. They will take care of themselves.

But, I am here to protect the integrity and common sense and workability of the farm bill which carries benefits for millions in America and the world.

Lets look at the downside. We have made some real progress in regard to our environmental responsibilities—in the past several years—conservation plans for 140 million acres of erodible cropland—protection for marginal lands—34 million acres of highly erodible land into a conservation reserve program with untold wildlife benefits—5 million acres of wetlands protection—2.2 million acres of trees.

With the farm bill, we will provide protection of ground and surface water—greater food safety and a tremendous increase in funding and direction in behalf of sustainable agriculture.

My colleagues when the so-called rich farmers are driven out of the program you can bet your sweet green wetlands that the acreage those farmers own will go along with them.

Now, Mr. SCHUMER and Mr. ARMEY will point out that they are not talking about farmers, only 20,000 or 25,000 or whatever the lastest figure is who are fat cats. This is their bash the rich shake, rattle, and roll issue. What they fail to say is that these successful farmers, and yes investors, investors that make a great deal of money, account for a significant percentage of our national production. When that successful production is driven out of the farm program, what will happen to consumer costs which now account for only 10 percent of our disposable income.

What will happen to export programs when most of our production is outside of the coventional marketing chain?

What will happen to AID and Food for Peace Programs? What will happen to rural communities and rural credit relationships when there there is no farm program for this production.

My colleagues, we just had members of the Supreme Soviet and Politburo over here hosted by the chairman of the committee. After all of the small talk and greetings, the bottom line was this: The Soviets said their system does not work, they are in desparate straights, cannot feed their people, need our exports, but cannot pay. They need credit. In essence, they said, "Help."

This effort to end participation of our most successful farmers and investors in the farm program sounds a lot like the way the Poles and Russians organized their agriculture policy before the Berlin Wall came down.

You are not saving any money when you vote for this amendment. When our most successful farmers leave the program it will lead to overproduction, huge stockpiles of grain and market collapse and greater government exposure. It is already happening without this amendment. The price of wheat at the county elevator in Dodge City is off more than a dollar since harvest was concluded. That is a one-third cut in the farmers' income in the 3 months we've been talking about this farm bill. We have wheat on the ground in Kansas. How do we control that supply, prevent huge surpluses but still provide Mr. GREEN, Mr. SCHUMER, and Mr. ARMEY anywhere from 300 to 700 loaves of bread for every man, woman, and child in their districts. You pass this farm bill.

If Mr. ARMEY and Mr. SCHUMER had been in charge of our Revolutionary Army at Valley Forge in place of George Washington and received a message that the men were freezing—they would have doubtlessly said—quick tax the firewood and if anyone comes back with anything we can burn, kick them out of the army.

NEW COMMODITY PROGRAM PAYMENT LIMITS

(By Michael R. Dicks and Daryll E. Ray, Oklahoma State University)

Targeting commodity program benefits by tightening payment limitations or introducing income eligibility rules ("means Test") is an appealing idea but targeting also will 1) reduce the effectiveness of supply control and environmental programs and policies; 2) adversely and unevenly impact regions and farm enterprises; and 3) transfer the effects of unstable farm prices and incomes from taxpayers to consumers. Some major issues are summarized below:

Supply Control and Environmental Goals: Eligibility for commodity programs is a major tool to induce farmers to use production methods with less adverse environmental impacts and to reduce excess production through acreage diversion programs. Limiting the availability of commodity program benefits to farmers which control a relatively large share of agricultural resources and production will reduce the effectiveness of supply control and resource management programs.

Efficiency Penalty: Tightening of income eligibility levels would put large farms at a competitive disadvantage. For a program participant, a price drop is offset by a larger deficiency payment. If income eligibility rules prevent participation or reduce payments, low-cost, high-income producers are at greater risk of failure during tough times than higher cost, low-income producers.

Payment Limitations Bind at Exactly the Wrong Times: When prices are high and per unit payment rates and acreage set-asides are low, large farms can participate in farm programs without hitting the payment limitation. But in times of excess production, low prices and high set aside rates—times large farms could help considerably with supply reduction objectives, large farms may not participate because market income from full-production may exceed market income for a restricted quantity under the

program plus the fixed payment of $25,000, for example.

Livestock and Gross Income: Livestock operations can greatly skew gross income numbers. An extreme example makes the point: A wheat-stocker operator could receive $300,000 gross income from the sale of cattle in a "down" market for stockers purchased for $310,000 a few weeks earlier in an "up" market. Thus, with a gross income eligibility rule, he used up $300,000 of the gross income limit while his cash-grain neighbor has the full limit available for his wheat operation.

Consumers or Taxpayers, Which? The use of government payments to maintain excess capacity in agriculture is a form of progressive tax, insuring consumers a constant and cheap supply of food. Without this excess capacity to draw on, food supplies and prices would be highly volatile and consumers would risk periods of high prices. Large farms play a significant role in the use of excess capacity to buffer price instability.

Administrative Costs and Net Effectiveness: Enforcing tightened eligibility rules could be difficult given the creativity and propensity of the largest farm producers and their lawyers to circumvent restrictions. The producers that receive the largest payments and were the impetus for the new legislation could be unaffected but at a higher administrative cost to the government.

Targeting commodity program benefits to reduce government outlays and increase the effectiveness of benefits in providing income support has become an issue in the 1990 farm bill debate. The proposed tools for targeting include the use of payment limitations or income eligibility levels. Implementation of a national value for either of these policy tools will (1) impact the effectiveness of supply control and environmental programs and policies; (2) have varying levels of adverse impacts among regions and farm enterprises; and (3) transfer price and income stability from taxpayers to consumers.

Several U.S. congressman have recently taken issue with the large government "subsidies" received by commodity program participants. Representatives Dick Armey (R-Texas) and Charles Schumer (D-New York) have proposed a plan to "weed out wealthy recipients of farm subsidies". Senator Reid (D-Nevada) has proposed a similar measure in the Senate. The plan would reduce eligibility (to all farm program benefits) to farmers with adjusted gross incomes less than $100,000 per year. Other proposals would limit eligibility to farmers with less than $500,000 gross sales, persons with less than 50 percent of income from farming (Glickman D-Kansas) or reduce the payment limitation to as low as $10,000 per year. Targeting program benefits by setting income eligibility limits, referred to as a "Means Test", would require program participants to offer proof of income (presumably by providing ASCS personnel with income tax returns).

While setting income eligibility levels would be a novel approach in targeting program benefits, payment limitations on government program benefits were introduced in the Agricultural Act of 1970. This was the first attempt by Congress to target program benefits to "family farmers". The limit, under the 1970 Act was set at $55,000 per crop per year but was reduced to $20,000 under the Agriculture and Consumer Protection Act of 1973 and lifted to $50,000 per farm in the Agriculture and Food Act of 1981. Under the Food Security Act of 1985, the payment limitation was set as at $50,000 per farm for deficiency payments, $250,000 for Findley payments and $50,000 for CRP rental payments.

IMPACT ON SUPPLY CONTROL AND ENVIRONMENTAL PROGRAMS

Supply control and resource management objectives are currently tied to commodity program benefits. Limiting the availability of benefits will reduce the effectiveness of supply control and resource management programs and policies. Supply control objectives are attained by requiring farmers to hold a portion of their acreage out of production to be eligible to receive commodity program benefits. All commodity program benefits are tied to land retirement requirements. The Acreage Reduction Program (ARP) requires farmers to set-aside a portion of their acreage to receive a deficiency payment while the Paid Land Diversion (PLD) provides a direct payment per acre retired. Since the Food Security Act of 1985, eligibility to commodity program benefits has also been used to induce farmers to use production methods with less adverse environmental impacts. The Conservation Reserve Program (CRP) provides payments to farmers for retiring highly erodible, fragile or environmentally sensitive acreage, while Conservation Compliance (CC), Sodbuster, and Swampbuster require producers to protect fragile soils and wetlands as a condition to receiving commodity program benefits. Thus, taxpayers are paying farmers to maintain a certain level of excess capacity and reduce the level of negative production externalities.

IMPACTS OF PAYMENT TARGETS WILL VARY

The current set of commodity programs attempts to clear the market at an acceptable price to farmers while guaranteeing a cheap and adequate supply of food to consumers. The use of income eligibility levels in addition to the current set of policies would create a competitive disadvantage for larger farmers. For instance, the Findley amendment establishes a price below the basic loan rate to insure competitive exports. The Findley payment has a payment limit of $250,000 while the deficiency payment limit is $50,000. The increased marketings associated with the Findley amendment will put downward pressure on prices and enable higher cost producers within the income eligibility level to receive a higher price than low cost, high income producers. Under these circumstances the lower cost, high income producer would be subject to greater financial stress (increased likelihood of failure) than higher cost, low income producers. However, payment limits that restrict either absentee owners or high income producers will place the burden of supply control and environmental regulation on the lower income producer, the very producer the targeting scheme is attempting to aid.

Nearly 32 percent of U.S. crop sales are attributable to farms with gross sales exceeding $500,000. These farms represent 1.7 percent of all farms and receive just more than 10 percent of government payments. Assets of nearly $2.1 million are used by these large farms to generate an average $1.1 million in sales with $830,000 cash operating expenses. Returns to land and management averaged $270,000 (including government payments). These high income farmers operate an average 2,549 acres, half of which is rented. Eliminating these large farms from program eligibility will severely constrain the ability of current commodity programs in controlling supply or adverse environmental consequences from agricultural production.

A national payment limitation will tend to favor specific regions, enterprises, be less effective when market prices are high or yields are low and more effective when market prices are low or yields are high. Table 1 illustrates the maximum number of acres of wheat which could be farmed and receive a total $50,000 in deficiency payments under alternative program yields and deficiency payment rates. The total farm size would be greater than the acreage farmed because of the ARP set-aside requirement, and, actual yields are generally greater than program yield.

A wheat farm in southeastern Washington may typically have a program yield of 60 bushels per acre. This farm would reach the $50,000 payment limit by farming 833 acres if the deficiency payment rate was $1.00. However, a western Oklahoma farm with a program yield of 30 could farm 1667 acres before reaching the payment limit with a $1.00 deficiency payment rate. However, the Oklahoma wheat farm also producing beef could have gross sales in excess of $500,000 making it ineligible to receive commodity program benefits under income eligibility limits.

PAYMENT TARGETING WILL TRANSFER RISK TO CONSUMER

The use of government payments to maintain excess capacity in agriculture is a form of progressive tax, insuring consumers a constant and cheap supply of food. Without this excess capacity, food supplies and prices would be highly volatile and consumers would risk periods of high prices. Because the poor consumer uses a larger share of total income to purchase food, national policy which transfers risk from taxpayers to consumers is a form of regressive tax. Limiting commodity program benefits to farmers in a certain economic class will reduce the role of government in maintaining excess capacity and increase price instability.

KEY QUESTIONS

Some basic questions need to be addressed when considering new proposals for targeting commodity program benefits.

SUPPLY CONTROL/ENVIRONMENT

Will supply control and/or resource management continue to be important components of the 1990 farm bill?

During times of "tight" demand-supply balance, do consumers benefit from government programs that keep excess capacity in the form of diverted acres or stocks to be immediately available when needed?

Would high income farmers participate in supply control programs without program benefits? If not, can current supply control programs be effective with almost one-third of production being outside of programs (1986-88 programs required nearly 90 percent participation)?

Do high income farms engage in production activities which heavily utilize agrochemicals, more intensive cultivation practices or other environmentally adverse activities?

If not farm program benefits, what alternative "carrot" will be used to influence farmers cropping practices?

FARM PROGRAM PURPOSE

Can targeting payments make undercapitalized "poor" farming operations economically viable? Is making such operations viable a realistic social goal?

Is a purpose of farm programs to improve the stability in agriculture so long-term adjustment and technology adoption can take place in a more stable environment?

How would lenders view the stability and cash flow predictability of large farms if they were excluded from commodity program benefits?

Will the targeting proposals reduce government outlays, increase farm income, stabilize prices or reduce consumer food costs?

INSTITUTIONAL CAPACITY

Would these new payment restrictions be any more capable of eliminating large aggregate payments to a few operators?

Are the targeting proposals capable of being uniformly implemented in all 2100 agricultural counties?

Will the targets be adjusted in the future to redefine the "socially desirable" farm size?

TABLE 1.—NUMBER OF ACRES OF WHEAT ALLOWABLE WITH A $50,000 PAYMENT LIMITATION FOR ALTERNATIVE PROGRAM YIELDS AND DEFICIENCY PAYMENT RATES

[Deficiency payment rates per bushel—dollars per bushel]

Program yield—bushels per acre:	0.20	0.40	0.60	0.80	1.00	1.20	1.40	1.60	1.80	2.00
30	8,333	4,167	2,778	2,083	1,667	1,389	1,190	1,042	926	833
32	7,813	3,906	2,604	1,953	1,563	1,302	1,116	977	868	781
34	7,353	3,676	2,451	1,838	1,471	1,225	1,050	919	817	735
36	6,944	3,472	2,315	1,736	1,389	1,157	992	868	772	694
38	6,579	3,289	2,193	1,645	1,316	1,096	940	822	731	658
40	6,250	3,125	2,083	1,563	1,250	1,042	893	781	694	625
45	5,556	2,778	1,852	1,389	1,111	926	794	694	617	556
50	5,000	2,500	1,667	1,250	1,000	833	714	625	556	500
55	4,545	2,273	1,515	1,136	909	758	649	568	505	455
60	4,167	2,083	1,389	1,042	833	694	595	521	463	417

Mr. CARPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Kansas [Mr. GLICKMAN].

Mr. Chairman, as I listen to this debate, several thoughts come to mind. One of those is a vote that we will get to make in this Chamber within the next couple of weeks on raising the debt ceiling, raising the debt ceiling, not by a couple of dollars, but by probably a couple of a hundred billion dollars.

Mr. Chairman, as we approach the vote on the amendment of the gentleman from Kansas [Mr. GLICKMAN] and the amendments of the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], I hope we will remember the vote to come on the debt ceiling.

As I sat here listening to this debate, Mr. Chairman, I could not help but think about the budget summit that is going on not too far from where we are. I could not help but think about the recommendations that we are likely to hear as a result of any agreement that comes out of that budget summit.

Mr. Chairman, we are going to be asked to vote here in the next several weeks for taxes, for taxes, and probably a lot of taxes. We are going to be asked to vote here in the next several weeks for cuts in defense spending. We are going to be asked to vote to close military bases. We are going to be asked to shut down weapons systems, to close defense production facilities. We are going to be asked to literally vote to lay off hundreds of thousands of our Armed Forces personnel. We are going to be asked to vote on cuts that will cut to the bone GLS's, Government student loans, guaranteed student loans, that will cut Pell grants, that will cut Head Start programs, that will reduce our ability to meet our transportation needs to build roads, to build bridges. We are going to be asked to make cuts to the WIC Program, a program where only half the people who need to be served are served. We are going to be asked to make cuts to health care programs where we have 45 million Americans who have absolutely no health care in this country. We are going to be asked to cut programs for housing homeless people where we have 10 million Americans who have really no housing or inadequate housing. Those are the kinds of choices we are going to be asked to make in the next few weeks.

Today, Mr. Chairman, we are being asked to make a choice that I think is easy compared to those kinds of choices. We are going to be asked today to determine whether or not people whose adjusted gross income exceeds $100,000, if they should also be eligible for government subsidies.

I want to yield to the gentleman from New York [Mr. SCHUMER], if I can, to say my understanding is that most American families in this country, their annual income is something like, adjusted annual income, is roughly 30 to $35,000. This $100,000 figure, is this not roughly three times, not one time, not two, but three times what most American families earn?

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, these are people who are extremely rich. If they need a subsidy, then everybody needs a subsidy, and the point of the gentleman from Delaware [Mr. CARPER] is well taken.

Mr. Chairman, we are going to be cutting, cutting, cutting in a month. How we can justify paying people who make $20,000 a year, $30,000, $50,000, a hundred thousand dollars of Government money, is beyond me. It does not radically change the farm program, but it says to those at the very top, "You can make it on your own."

□ 1730

Mr. CARPER. We are going through the course of our debate this year on appropriation bills, and we vote for 2 percent across-the-board cuts, we vote for 5 percent across-the-board cuts, you name it, we vote for it, and while we always complain that when it comes to the entitlement programs they are out of control. They are beyond our control. All we can do is try to address the 13 appropriations bills.

Well, today we have an opportunity to address some of this so-called out-of-control spending.

The Congressional Budget Office has forecast and has projected that for each of the next 5 years a vote in favor of Schumer-Armey will cut outlays by $400 million a year. That is $2 billion in real money.

The Office of Management and Budget has forecast the savings are almost twice that amount, almost $4 billion. That is real money.

I hope that as we approach this debate, as we approach the vote on Glickman and on Armey-Schumer we will keep in mind not just the give and take of this day, but we will keep in mind the very difficult choices we are going to have to make 1, 2, 3, 4 weeks down the line.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first and foremost and most importantly, this amendment is a question of equity. One hour ago this body, this Chamber moved to lower loan rates and market prices. I assume that the gentleman from New York City [Mr. SCHUMER] who has a lot of farms in downtown Long Island, and the gentleman from Texas [Mr. ARMEY] who has an urban district, I assume that they voted in favor of lowering loan rates and market prices.

This Congress and this administration has embarked upon an all-out

effort in a deliberate act to drive down market and loan prices.

Why? So we can sell wheat and corn at a competitive price on the world market.

The administration wants to be assured they will not take over any stocks of grain, so they are going to drag down the market and loan prices, and then pay the producer to make up the difference with a target price or a deficiency payment. Drive down the price and then pay a subsidy; however, some are more equal than others and those who happen to exceed an arbitrary limit, decided upon by a gentleman from New York City or by a gentleman from an urban area in Texas, they do not qualify. Even though this Chamber and the U.S. Government destroys their market, they do not qualify.

A deliberate act, drive down market prices, pay a subsidy, but if you exceed that arbitrary limit, you do not qualify for those payments.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to my colleague, the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I continue to be amazed in the debate that we have people who project these arguments along the lines that this is an income maintenance program, that it is a welfare program. This is a contract that is reached between the Department of Agriculture and the farmer to participate in the programs. If the farmer carries out certain actions, then he receives certain benefits. If he is unwilling to do that, then he does not receive the benefits.

So the point should be that in fact if this is going to be the rule of thumb that is extended, then this should go to each and every company, whether they are with the Department of Defense, whether they produce chemicals, or whether they produce anything else. If you are going to have a contract with the U.S. Government, then you cannot have an adjusted gross income of more than $100,000. That is exactly the logic of the amendment under the Armey-Schumer proposal.

This is not an income maintenance program. That is the bottom line.

The fact of the matter is that unless we have the degree of participation necessary, this program does not work. If it does not work, it does not work. So if the feeling is such that regardless of whether or not a farmer is big or small that he should be denied participation in that program if he happens to be a big farmer, if that is the way you feel you probably ought to just oppose all programs.

Mr. MARLENEE. Regaining my time, Mr. Chairman, neither the Glickman amendment nor the Armey-Schumer amendment is equitable and we should dispose of both of them. We have within the program the $50,000 payment limitation, and to this point I have not heard anything about doing away with that $50,000 payment level limitation.

Does this, I ask the gentleman from New York [Mr. SCHUMER], supplant the $50,000 payment limitation? Is that what the gentleman is advocating, that we go to $100,000 adjusted gross?

Mr. SCHUMER. Mr. Chairman, will the gentleman from Skobey yield?

Mr. MARLENEE. Oh, I am happy to yield to the gentleman from New York. I am from a rural area way up on the northern Canadian border where it is colder than all blazes, and proud of being from Skobey.

Mr. SCHUMER. Mr. Chairman, I assure the gentleman he is a much bigger man in Skobey than I am in New York City, but I would say to the gentleman, this amendment is aimed not at the $50,000 payment limitation, not at anything except a very small group. I doubt there are very many of them in Skobey.

Mr. MARLENEE. Regaining my time, Mr. Chairman, does it supplant the $50,000 payment?

Mr. SCHUMER. It is for people of very high income who can get along on their own.

Mr. MARLENEE. Does it supplant the $50,000 payment limitation, does it replace it?

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, I do not know what the gentleman means by supplanting. It is one of the proposals.

Mr. MARLENEE. Does it replace the $50,000 limitation?

Mr. SCHUMER. It does not supplant, as the gentleman well knows.

Mr. MARLENEE. Then we have two limitations.

Mr. SCHUMER. It does not supplant it. This is simply aimed——

Mr. MARLENEE. It does not replace it.

Mr. SCHUMER. It does not replace it.

Mr. MARLENEE. Then what have we got another one for, if it does not replace it? We need one or the other. If we are going to have the $100,000 limitation, let us have the $100,000. If it is going to be $50,000, let us have $50,000.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, the gentleman has asked a question. I would appreciate the gentleman letting me answer it. Why does the gentleman not ask the gentleman from Pittsfield who introduced that amendment? I am introducing this amendment.

Mr. OWENS of New York. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the substitute amendment and in support of the Armey-Schumer amendment.

Mr. Chairman, I think I speak for a number of Representatives of urban areas and for a large number of the members of the Black Caucus when I say that on the Agricultural Subsidy Program we have kept the faith. We have kept the faith and we have cooperated. If you would check the voting record of a large number of the members of the New York City delegation and other big cities, you will find that year after year we voted for subsidies. We understand that wrapped up in the total package are a number of benefits, food stamps, commodity surplus, and a number of benefits that the urban areas receive. We understand that, but the problem here is that the excesses must be trimmed.

I appeal to the committee, I appeal to the people here in Congress to take steps now to trim the excesses, the abuses.

You know, we have the cheapest gasoline of any of the industrialized nations. We get the cheapest gasoline and we do not have subsidies for gasoline dealers. Oh, yes, we have oil depletion allowances. There is no pure capitalism, I know, but we do not have subsidies for them. We get cheap gasoline.

We have some of the cheapest widgets and gadgets in the world. Our consumers benefit from that.

Our consumers have a good supply of newsprint that is cheaper than any other nation. There are a number of things we have that are cheaper than the rest of the world and they do not have subsidies. Capitalism produces them.

As the gentleman indicated, we have a good supply of potatoes, and potatoes are not subsidized, and on and on it goes.

I am not arguing for the ending of all subsidies. I am not a pure capitalist. There are other people in this place who are, but I am not.

I think Government should intervene when it makes sense. Instead of socialism or capitalism, let us talk about pragmatism in economics. There are times when it is practical for the Government to intervene.

The gentleman mentioned contracts before. The Government intervened to have a contract for the farmers to do two things, to maintain their income for one. Do not say it is not an income maintenance program. That is part of the objective, to maintain income of farmers all across the country at a certain level, and also to make sure that consumers have a good supply of food.

When we reach the point where there are abuses, to the point where people cannot accept the limitation of $100,000 adjusted gross income, you know, we have lost our perspective. We are going to lose our control to the talk show hosts of America who are going to call us absurd and irresponsi-

ble for not beginning to rein in our own abuses, our own excesses.

Guaranteeing deposits of people in savings and loan associations made a lot of sense. It still makes a lot of sense, but look at the abuses and excesses we have tolerated because we refused to recognize reality and trim the abuses and get rid of the swindlers and the parasites. That is what you have here, swindlers and parasites taking advantage of the need of the Government to intervene for reasonable, commonsense purposes.

□ 1740

But common sense has gone out of the window. We have gotten locked into some religious dogma about any attempt to scale back the subsidies is an attack on the program. We must resist at all costs any attempt to be reasonable.

From an urban area, I say that we want reasonableness. The most risky job in America is to be an unskilled worker in an urban area where after 10 years of working all of your life you are suddenly out of work, and all the Government gives you is 26 weeks of unemployment insurance. There are a lot of risky things in our economy, a lot of people who deal with risk all the time, so it is hard to go back to my district and talk to my voters, talk to my constitutents about the need for farm relief. The drought relief bill that we passed two summers ago where the cutoff point was $2 million; a farmer who grossed up to $2 million was eligible for the drought relief program.

You did not require that they do anything to make up for that. The Government did not say that you have got to let the kids come out from the urban areas and play on your farms and touch the cows. They did not have to do anything; $2 million gross income and they were eligible for a drought relief program.

It started raining all over the country before we finished that bill, but we went ahead with it. I noticed the administration got most of the money out very rapidly.

So there are abuses. There are bitter pills that we cannot continue to ask our consumers in urban areas to swallow. The WIC Program ran out of money because of the rising price of food. It is not working, gentlemen. WIC depends on cereals and milk, and cereals and milk are two areas where we have subsidies.

Why were the prices of milk and cereals rising so rapidly that the WIC Program found that they ran out of money? Because the people found they had to pay higher prices.

Let us stop and think about what we are doing. We have an intervention by Government into the capitalist system as far as the farmers are concerned. It makes sense. It has worked for a long time, but the abuses are there. Let us correct the abuses. The parasites are there, and we should get rid of the parasites.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from New York [Mr. OWENS] has expired.

(At the request of Mr. DE LA GARZA and by unanimous consent, Mr. OWENS of New York was allowed to proceed for 2 additional minutes.)

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. OWENS of New York. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I sympathize with what the gentleman is telling us. I agree with most of what he has said, and there are some 200 indictments in the Federal courts of people in one form or another that have tried to evade the rules or regulations or the law of the program, and we are trying.

Second, the WIC, which is, I have always stated, probably the No. 1 program that I would like to have my money go to. But the capitalistic system is what happened. What happened was we had a freeze in Texas, and we had a freeze in Florida, and the price of orange juice shot up. It has now cost us $150 million or so.

We have got now to increase the cost of school lunch programs, and we have had to pump more money into WIC, but it was not because of these programs. It was the freeze in Texas and Florida that increased the price of orange juice.

We had complaints from similar arguments about the cost of the dairy program, and we reduced the cost of the dairy program, and we reduced the surplus that used to be on the news every night. We now do not have the powdered milk from that program.

Mr. OWENS of New York. Mr. Chairman, reclaiming my time, the information I got did mention orange juice in addition to cereal and milk, which are definitely in the subsidy program. I did not say specifically there was something wrong with the way we handled milk or cereal. I am saying the system obviously is not working if the most needy people in our society, children and pregnant mothers, found that the price of food was going up. We need to make some adjustments and take a look at our system and see how we can make it work to avoid that kind of situation.

The CHAIRMAN pro tempore. The time of the gentleman form New York [Mr. OWENS] has again expired.

(At the request of Mr. DE LA GARZA and by unanimous consent, Mr. OWENS of New York was allowed to proceed for 1 minute.)

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. OWENS of New York. I yield to the gentleman from Texas.

Mr. DE LA GARZA. That is the reason for the program, because there is no program for orange juice, and that is a capitalistic system, and that is what brought the price up. So we try and provide commodities for the elderly, Meals on Wheels, for school lunches, and all of that from the program with the system that we have for distribution.

I wanted to thank the gentleman for bringing us this viewpoint, but it is not a question of big and small, but city versus rural. It is a question of doing the right thing for the reasons that the gentleman wants the right thing to be done.

Mr. OWENS of New York. Reclaiming my time, it is a question of people who are earning an adjusted gross income of $100,000 or more not being in this program. It is only fair to have this as a safety net program, and that is a pretty generous safety net, $100,000 adjusted gross income.

For those out there in my district who might be listening, that means you have taken off a lot of your expenses already. That is your profit almost, adjusted gross income, that is almost the same as profit.

Let us be realistic about it.

Mr. EMERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Schumer-Armey amendment.

Mr. Chairman, this amendment would effectively unravel years of carefully constructed balance in the Federal agricultural policy which has been designed to provide, and Members should understand this, a reasonable supply of food and fiber for the American public, but also to have enough to share with the hungry of the world under Public Law 480.

The tragic consequences of this amendment would range from an extreme volatility in supplies and prices of agricultural commodities available to American consumers to a greatly increased Federal budget exposure in addition to severely disrupting foreign trade, leaving many proenvironmental farm goals in shambles and decay of the infrastructure of rural America due to a crippled farm economy.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. EMERSON. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

The point I was trying to make awhile back, and I hope this is not old information, because we have been going over this and over and over again. I tried to make this to the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY].

We have heard a lot about the 4 percent and heard a lot about the 20,000 to 25,000 people here who are rich or who can certainly afford this who are investors or whoever.

A lot of those people are landlords. My question was: Has anybody tried to make a determination that if you disenfranchise the landlord and if for economic reasons or simply because you really singled him out as unworthy and he decides he is not going to allow that tenant to enter his land in the program, we have also disenfranchised that small family farmer, many of them, the average producer whose daily livelihood really depends on the landlord's operation and his cooperation and his good farm management; now, many farmers in my district farm their own land, but then farm and rely on leased ground to make their operation really economically viable.

Many of them have multiple landlords to work with. If one of those landlords falls into the unworthy category of the gentleman from Texas [Mr. ARMEY] or the gentleman from New York [Mr. SCHUMER] or the gentleman from New York [Mr. OWENS], he wears a scarlet "B" on his bib overalls, and that stands for "big," and that landlord says, "No way will I participate in the Federal program. If I am out, then the land goes with me."

What does that do to that average, moderate-sized family farmer trying to make a living? Do we know how many farm families depend on the capital assets of these individuals? That was the question I was trying to raise.

I would make one other question of the sponsors of the bill: Why did we exclude dairy, that is, the dairy program? I certainly have the attention of the gentleman from Wisconsin. Why did we exclude dairy from this particular kind of cutoff? Could I ask that?

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. EMERSON. I am happy to yield to the gentleman from Texas.

Mr. ARMEY. I thank the gentleman for yielding.

Let me first say that I am tempted to say that the gentleman from Wisconsin is meaner than you, and that is why we excluded dairy. But that is not the reason. The reason is so much of dairy payments go through cooperatives, and we felt the tracking of that would make it too complex in its administration, and we left it out.

Let me return to the gentleman's point about the land, remembering, if you will, by IRS hard data, we know the average income of these 20,000 people who may be disqualified, taken from farming, is 4 percent. One of the things that would happen if the acreage they owned or wished to acquire were disqualified from programs, you would not have them inflating the price of land as we have seen happen all too often to the point that the small operator that was really farming his own land that wished to acquire land would not be able to afford to purchase his own land, and you would have a tendency to work against the chronic trend for the programs themselves to encourage concentration in agriculture.

□ 1750

Mr. ROBERTS. Mr. Chairman, will the gentleman yield further?

Mr. EMERSON. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I would just like to make the point again, I think the gentleman from New York [Mr. OWENS] made a very good point from an urban standpoint. This whole business of a small family farmer really bothers me. If you take a father and three-son operation in western Kansas with 5,000 acres, we did not have production of 5,000 acres last year. We lost over half of our wheat crop. You are going to bump against that gross income level.

Mr. Chairman, these people are producers. They are not hobby farmers, they are producers. They have produced about 600 loaves of bread for every man, woman, and child in this whole body, including the gentleman from New York [Mr. OWENS], and it got down to 200 loaves of bread when we had the drought. They are producers and they belong in the program.

Mr. Chairman, I would simply close by saying if you follow this ideology of the gentleman from New York [Mr. SCHUMER], and if the gentleman from Texas [Mr. ARMEY] were in charge of the Revolutionary Army instead of George Washington, and somebody came to the gentleman and said, "Sir, the men are freezing," you would doubtlessly say, "Tax the firewood."

Mr. EMERSON. Mr. Chairman, I rise today in strong opposition to the Schumer-Armey amendment. This amendment would effectively unravel years of carefully constructed Federal agricultural policy which has been designed to provide a reasonable supply of food and fibre to American at reasonable prices, and to have enough to share with the hungry of the world under Public Law 480. The tragic consequences of this amendment would range from an extreme volatility in supplies and prices of agricultural commodities available to American consumers, to a greatly increased Federal budget exposure, in addition to severely disrupting foreign trade, leaving many proenvironemntal farm goals in shambles, and decay of the infrastructure of rural America due to a crippled farm economy.

Current U.S. farm programs have been operating responsibly for a number of years now, due in large part to the Food Security Act of 1985. H.R. 3950 will largely extend the goals of the 1985 farm bill that allows American agriculture to provide the safest, most reliable, and least expensive food and fiber supply in the world. However, if adopted, the Armey amendment would effectively destroy the very foundation on which this farm and consumer success story has been built

This anti-farm amendment would make many agricultural producers ineligible to participate in farm programs. For the many members of this body that are not familiar with the long-term effect of such an action, I would like to explain how that relates to your constituents at the grocery checkout register. According to the U.S. Department of Agriculture, the top-earning 5 percent of U.S. farms receive 25 percent of Government farm payments. Most importantly, these same farms also account for nearly 40 percent of gross agricultural sales. Removing these farmers from the Government program would mean turmoil for commodity markets and spell economic chaos for the American consumer.

With fewer farmers eligible to participate in farm programs, the balance of supply and demand will be increasingly more difficult to maintain and the costs of such an unstable food and fiber market will be ultimately borne by consumers at the marketplace. With no restrictions on the amount of production that larger "excluded" farmers have to abide with, acreage reduction requirements will increase, deficiency payments will be larger and the end result is greater budget exposure than under the present program.

Over the last several years, American agriculture has worked hard to address many of the environmental concerns facing this Nation and its future generations. However, this amendment would only compound present problems and open the door for further environmental turmoil the likes of which this Nation's rural society has never seen.

Present farm program eligibility is tied to farming in compliance with various conservation and environmental goals. Unfortunately, taking our largest producers out of the program removes a needed incentive to continue complying with many conservation practices. There will be no specific means to promote proenvironmental production on nearly half of our farms and ranches when these same producers are denied the benefits of Federal farm programs.

As the ranking member of the House Select Committee on Hunger, I take the threat of an unreliable food supply very seriously. The world now looks to us for leadership in farm commodity export markets. The hungry nations of the world rely on the United States for a consistent and reliable source of food. Constant instability in our grain supply due to a monkey wrench in our Federal farm policy is not a comforting sign to our foreign allies.

Similarly, without the means to stabilize prices and production of nearly half of our domestic farm output, our position in world markets could easily topple. Many of my colleagues are well aware that agriculture remains one of the few bright spots in our constant trade imbalance. Let's not destroy one of the few areas helping to keep American export trade afloat. I recommend my colleagues defeat this ill-conceived amendment and give a vote of confidence to our Federal farm policy and the American consumer.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. STENHOLM. Mr. Chairman, essentially we are getting close to the end of the debate. I think it is important now to focus on a few of the main points of disagreement.

Mr. Chairman, I would submit that those Members who have suggested time and time again that we are discussing food policy, not a welfare program, ought to be looked at and listened to very carefully.

The gentleman from New York [Mr. OWENS] made his points a moment ago. I would ask the gentleman, as I would ask other Members of Congress from urban areas, how can it be that the policies of the Committee on Agriculture over the last 5 or 10 years, how can it be that we are such a failure in your eyes, in delivering food to your people, if it is a fact that we are providing the most abundant quality, the best quality, the safest food supply, at the lowest cost of any other country or agricultural system in the world?

I ask Members to ask themselves that question before they cast their vote, if that is a fact, and I believe it to be a fact, because no one has contradicted that in any of the arguments as yet today.

The question was brought by the gentleman from Delaware on the budget. This Member quarreled not with the cuts that we are going to have to make from the agricultural function of the budget. The debate on this amendment is whether this is the best way to do it or whether there are better ways to do it. I would submit if one is interested in continuing the food policy that has brought us where we are today, there are better ways to do it. The Committee on Agriculture, the gentleman from Louisiana [Mr. HUCKABY], and others, will bring some better ways to do it in just a moment. But you ask the question, and you get it answered.

As to the question of the size of the farmer, we have to understand that today 14 percent of the farmers in America are producing 70 percent of that which is produced. No amendment is going to change that. But an amendment like that that the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY] have brought to us today will fundamentally change the policy under which we are operating.

Mr. Chairman, here I would make a point: the gentleman from Texas [Mr. ARMEY] very honestly is out to destroy the farm program and has made no bones about it. He is very honest and clear in that, and his philosophy is pure. I happen to disagree with it, but he is honest.

The gentleman from New York [Mr. SCHUMER] does not bring that to the debate. The gentleman from New York has been very honest in saying he does not wish to destroy farm programs. He believes his amendment as is offered is a fundamentally positive step.

Mr. Chairman, I would argue it is not for the reasons I am giving right now. If you knock the big producers out of the farm program, you are not going to have one, not as we know it today. There will be one. It will change. Maybe it is time to make that fundamental change. I do not think so.

Again, I submit the basic fact, the American farmer under the rules on which we cause him to operate today is feeding America and the poorest of the poor, cheaper than any other country in the world. I resent it when the gentleman from Texas [Mr. ARMEY] wrote in another publication "Moscow on the Mississippi," and compared our farm policy to Moscow. We do not have food lines in America. If we are not feeding the poorest of the poor, it is because our distribution system of income to the poorest of the poor is at fault, not the farm program. We have an abundance of food.

Mr. Chairman, if it is the budget we are concerned with, this committee will make the trims and the changes.

Mr. Chairman, I would ask Members, in particular the gentleman from New York [Mr. SCHUMER] as the author of this amendment, one simple question: In the amendment that the gentleman offers, he says that a person shall not be eligible to receive directly or indirectly any payment, purchase, or loan, if that person has a certain adjusted gross income.

The basic question I ask of those that support the Schumer amendment is why do you just limit wheat, feed grain, cotton, honey, rice, oilseed, wool, and mohair? Why not cargo preference? Why not housing? Why not the B-2? Why not all of the other multitude of programs that we have in which this Congress votes payments, purchases, loans, directly or indirectly, on a regular basis?

I guess the gentleman from New York [Mr. SCHUMER] is truly out to do as the gentleman from Texas [Mr. ARMEY] is, and that is to destroy this policy, in the grand belief that the free market out there in the world is going to be better for America unilaterally?

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I would say to the gentleman from Texas [Mr. STENHOLM] that it is hardly an agricultural loan, that there are subsidies. Subsidies that are aimed at those who do not need subsidies, either because they are underserving, or, as in this case, because they simply have enough money to make it on their own.

I would simply say to the gentleman that we should be, and I know the gentleman in his way and many of us in our own ways in other areas, are trying to eliminate those subsidies, too. But as I do not have to tell the gentleman from Texas [Mr. STENHOLM], whose ethical principles are among the highest that I have met, that two wrongs do not make a right. That because there are other bad subsidies, does not mean that we should continue this one.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from Texas [Mr. STENHOLM] has expired.

(At the request of Mr. SLATTERY and by unanimous consent, Mr. STENHOLM was allowed to proceed for 2 additional minutes.)

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, the gentleman from Texas [Mr. STENHOLM] talked about the budget costs. Yesterday evening, as a member of the Committee on the Budget, I just sat down and reviewed for the last 20 some years the cost of the farm programs. Let me share with Members one very interesting fact.

In 1970 dollars the farm program costs in 1989 was $3.4 billion. In 1970, the American taxpayer paid $4.8 billion to fund these programs.

The cost in 1970 dollars for the 1989 farm bill was less than it was in 1970.

Mr. Chairman, I would just like to associate myself with the remarks of the gentleman from Texas [Mr. STENHOLM]. He has hit the nail right on the head, and as far as I am concerned, we have to look at the bottom line. The American consumers are getting an enormous good deal when it comes to the American farm programs. I would just suggest that we not undermine the fundamental principle that has held all this together for the last 20 years.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I thank the gentleman.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. STENHOLM] has again expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. STENHOLM was allowed to proceed for 30 additional seconds.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I am the author of the substitute amendment. I see the debate has been focused on the base Schumer-Armey amendment. I, of course, hope my amendment passes. But if it does not on a voice vote, I am not going to call for a rollcall vote. Because I think Members want to get to the underly-

ing issue, which is the amendment of the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY].

Mr. Chairman, I hope that is defeated. My amendment I thought dealt with the problem of bigness and size. The Schumer-Armey amendment will deal with the problem of the basic structure of American agriculture and it will hurt the stability of food supplies in this country. So my hope is if my amendment does go down, which I hope it does not, that we will defeat the Schumer-Armey amendment.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, let me just say quickly in concluding, this is a fundamental vote on farm policy. If you support Armey-Schumer, you are fundamentally changing the direction of farm policy. I have to ask Members, do you believe that fundamentally changing it is going to provide a better system than the one we have today? If the answer is yes, you vote with them.

Mr. ARMEY. Mr. Chairman, will the gentleman yield for a quick observation?

Mr. STENHOLM. I am happy to yield to the gentleman from Texas.

Mr. ARMEY. If the gentleman would yield, I would like to just quickly point out my adjusted gross income is $103,000. I have four boys in college. None of my boys are qualified for financial aid for their education.

Mr. STENHOLM. Mr. Chairman, if I may reclaim my time, that was not the point of the discussion.

Mr. LIGHTFOOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really want to make a couple of very quick points. In listening to the debate up in the office, some of it is rational. Some of it is irrational. Some of it is politically motivated. But I think all Members have honest intentions.

□ 1800

I spent 16 years as a farm editor before I failed the sanity test and got this job. Quite frankly, in that period of time I had an opportunity to work with a lot of farmers and a lot of consumers, and have worked this process from the outside as well as now from the inside.

What the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY] want to do, quite frankly, I think we would be hard pressed to find many farmers who would not like to get rid of having to deal with an ASCS office in one county that has a different opinion than the ASCS office in the next county, that would like to get away from all of the Government paperwork, that would like to get away from all of the restrictions that the Federal Government puts on them, and takes the decisionmaking process away from them and places it in the hands of some bureaucrat at USDA. They would love to do that.

But the basic problem with it is that in a world where we compete with the EC and other countries who do subsidizing that makes ours look like kindergarten play, there is absolutely no way that we can compete in a world market against those kind of countries without some Federal assistance on our end.

We heard much talk on the balance of trade. Look at those figures and see where the positive numbers are. They are in agricultural exports. That is the only reason this country has kept its head above water as long as we have, is because of agricultural exports. If the Armey and Schumer amendment passes, we will lose that advantage as well.

The second point which I think gets to the heart of some of this, and I know that the gentleman from New York [Mr. SCHUMER] is a champion of the downtrodden and the oppressed, and the poor, but in this country today the average American consumer spends about 10.8 percent of their income on what they eat. In the Soviet Union they spend around 30 percent, a little more than that in Japan, and we could go on and on and list other countries around the world. If this amendment passes, we will start to see prices escalate at the grocery store, and I will guarantee that the gentleman from New York and those who are pushing on this amendment now, who are particularly champions of the oppressed, the downtrodden, and the poor will be back in this House Chamber asking for subsidies so that the poor people can buy groceries, and then the subsidy will be paid to the grocery store. The bottom line is that it will cost 10, 20, 30 times more than what this particular farm program costs to the American taxpayer.

So I think although intentions are good, it is ill advised. We are the leading nation in the world in agricultural exports, and we need to stay there. We have I think one of the best bargains in the food that our consumers eat, and the only way that we can do it is with the system we have in place.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. LIGHTFOOT. I yield to my friend, the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I would like to point out one more thing that has not been brought out here. We are spending $27 billion a year for food aid programs and $19 billion of that is for food stamps, some also is for the WIC Program, and about one-third of that amount is the cost of the programs in this bill relating for production and reserves that stabilize the supplies and the prices of food. The amount we pay in the budget, $27 billion, for food aid for the needy, if we did not have the commodity programs, would in many years increase more than the total amount the commodity programs cost. We would have fluctuations in supplies and prices and we would be in one of those periods right now where the cost would not be $27 billion, it would probably be more like between $37 and $47 billion.

So the commodity programs are truly programs that are for the poor as well as for the producers. And if the cost of food aid had increased $37 to $47 billion this we would have found extremely difficult if not impossible to come up with that amount in extra money instead of the just $150 million more for orange juice.

Mr. LIGHTFOOT. I appreciate the gentleman's comments.

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been through a 10-year period of almost an orgy of greed and speculation on Wall Street, junk bonds, the lexicon of leveraged buyouts. It has been an interesting decade, and the economy and the country and the policymakers somehow seem to construct and put together things that have rewarded the people that are speculating and producing nothing but a paper economic base, and yet the people in the country that produce real, new wealth, especially the farmers that grow real crops year after year have been in a deep, abiding, lengthy recession.

One of the interesting things that I have noticed is a difference between what I read about in the paper on the op-ed pieces and what I find back home on the farms. You read the newspaper and what you see is a description of farmers who are making $100,000, $1 million, parking their Mercedes Benz at the airport as they jet to Mesa, AZ, for the winter. And then you go back home, and I can only speak for North Dakota, the wheat and feed grain area, you go back home and analyze what is happening on the farm. What we have is main streets are boarding up, small businesses are going broke, family farms are closing, farmers are leaving the farm in record numbers.

The fact is the policy is not working now. We have many different views on the floor of this House about how to fix it. I disagree with the committee in some areas. Congressman JOHNSON and I want to target higher support prices to the first increment of production to better help the family farmer. We have disagreements on that.

But the problem I have as I listen to this debate is that we have some people who come to the floor who know very little about agriculture, who describe to us a condition in farming that simply does not exist. In

North Dakota we do not have the $1 million outfits and the description of well-to-do farmers that I read about in the op-ed pieces that trumpet this new policy that you are giving us today. In most cases we have family farmers hanging on by their financial fingertips.

A couple of nights ago a friend of mine called. He is a young man who came back to North Dakota after getting his master's degree and working in a corporation to take over his dad's farm. He is a good farmer. But his cost of producing a bushel of wheat exceeds the target price that he gets for wheat. And no, he does not get the $4 target. That is what the law says, but you do not get the $4 target price back in Regent, ND. It is adjusted. He gets less than $3.50 a bushel target price. And the fact is his cost of production exceeds the price supports. You do not have to have advanced arithmetic to understand that when it costs more to produce something than you get for it that you are going to keep farming until you go broke, and that is what is happening in my part of the country.

We need better price supports. We need a better system. We do not need a fractured approach that uses a lot of hyperbole to describe conditions that do not exist on the farm today.

We have been using a lot of energy in the last few hours to deal with a problem that does not exist in North Dakota. By and large our problem in North Dakota is to construct a better price support system that works for family farmers.

So I would hope that we will support the Glickman substitute. I hope in the coming hours as we discuss the farm bill that all of us can agree that our mission here is to try to develop a policy that guides our farm program.

We have had a program that the people down at the USDA like. They think this is fine. They like lower prices. It is not what I believe in. I believe in fair prices, prices above the cost of production for a family farmer.

We ought to have a philosophy in our farm program that drives it, a philosophy that says that it is our intent, for social, for economic reasons in this country to maintain a network of family farmers. If that is our goal, and it is not now our goal but if it is, and it should be, then we will construct a system of price supports that does not cost all that much, but does save family farmers. With less than 1 percent of the Federal budget we can save family farmers in this country.

To some of my friends I would say this: You talk about cost; the farm price support program a few years ago cost nearly $27 billion. Now it is going to cost around $8 billion to $9 billion. Would we not be so lucky if our defense budget was on the same trend, if a number of the other areas of expenditure were to run the same trend line? Then we would not have the deficit problems we have today.

Has agriculture contributed to reducing the deficit? You better believe we have contributed. We are talking about one-third the price support protection in aggregate dollars expended from the Federal budget now than existed not too many years ago.

I stand to support the Glickman amendment. I hope we will pass the substitute.

But then I hope we will begin to discuss real serious price support protection for family-sized farmers in this country.

Mr. GRANDY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from North Dakota [Mr. DORGAN] has expired.

(On request of Mr. GRANDY and by unanimous consent Mr. DORGAN of North Dakota was allowed to proceed for 1 additional minute.)

Mr. DORGAN of North Dakota. I am happy to yield to the gentleman from Iowa.

Mr. GRANDY. Mr. Chairman, I rise not only to support what the gentleman says, and the gentleman knows that I do not always support him on various market philosophies and farming, but on one point he makes an excellent observation.

We are 1 percent of the budget, but we have also made 16 percent of the discretionary cuts over the last 5 years. There is not another discretionary program that has borne the cost of these budget cuts to the extent that agriculture has, and again we are asked to take a disproportionate share. Regardless of the Armey amendment, we will be cut, no matter what happens today. But what we should not be is penalized.

Mr. DORGAN of North Dakota. Let me say that we are less than 1 percent, we are three-fourths of 1 percent of the budget, and if we had 1 percent of the budget the chairman could bring a bill to the floor that gives price support protection that makes sense for family farmers. If we had 1 percent, literally 1 percent of the Federal budget, we could save most family farmers in this country.

□ 1810

Mr. ROBERT F. (BOB) SMITH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know we are growing tired of this issue. But I want to approach it possibly from a little different point of view.

Both Glickman and Armey are flawed. I want to speak basically to the Armey philosophy here. It is flawed because it strikes at the very heart of American values, and that is; growth. We have achieved greatness in America because we are competitive and because little folks want to become big guys and they have achieved that.

Well, it is absurd to say, for instance, "You can buy airplanes, but you can only buy them from little airplane companies. You can have a loan on a house, but it can only be a little house. You can have a dream, but it only must be a little dream."

Well, small farmers are driven by competition in America, and that competition produces an opportunity for them to buy out their neighbor, to become big farmers. I do not know of a farmer in America who does not want to buy out his neighbor. Many of them have, and many of them have become most efficient in doing so.

So we are here striking again at the very incentive that has made agriculture great in this country, feeding the world, you might say. There has been a great deal of talk about how much farmers make and $100,000 is a rich man's dream. I look around this House, and it appears to me that Congress makes about $100,000 a year, Congressmen make that much. I do not see any rich Congressmen here. You sure did not make it from your salary.

I see the kinds of cars you drive, I can tell you that you are not rich.

To say that farmers are rich who make $100,000 is a grand anomaly and wrong. There is nothing wrong with being a big farmer.

You heard my friend from Texas talk about the fact, and the fact is that 14 percent of the farmers in America produce 70 percent of the agricultural products in this country. That means some of the largest farmers in America produce most of the goods.

We are striking, again, at the heart of the farm program when you move those people out of the program.

We have heard from the Department of Agriculture that the Armey-Schumer amendment could cost more, not less, could cost more in its application in the future.

I think they are absolutely correct.

So the trend has served us well, it has fed our people, and it produces the highest quality food in the world at the cheapest prices in the world.

If you want to push big producers out of the agriculture program, you make two mistakes. First, you penalize those who are and those who wish to be bigger and better, and you create an agricultural policy that ignores 70 percent of the goods produced in this country.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Schumer amendment.

Mr. Chairman, the Schumer-Armey amendment is really about limitations.

It is about whether or not those who belly up to the Federal Treasury for a level of support for their activities, all of which is commendable, whether or not there is some limitation on their participation at the Treasury.

It is interesting that a number of comparisons have been drawn. The gentleman from Oregon just said if you want to buy a house, we do not say you have to buy a small house. Oh, yes, we do, if you want a Federal subsidy.

If you want an FHA loan, there is a limit upon which we will participate. If you are a veteran, there is a limit. You can have a larger house, you can do whatever you want, but there is a limit to which the Federal Government, the Treasury and the taxpayers, will participate.

Mr. SCHUMER is not saying that farmers who have $150,000 adjusted gross income are rich, because everybody recognizes here that they are not necessarily so. He is simply saying that that is the point at which we are going to ask that the Federal Treasury stop being your partner. We do that all the time.

We spend, somebody said—what is the cost of this program this year? Eight billion?

Eight billion dollars, and we do not want any limitations on the participation of this program. Then Mr. SMITH stood up and said $19 billion goes out to nutrition. Do you know there is a limitation on each and every one of those people about their participation?

If you are a young child and you are in the School Lunch Program, we have three of them: We have free for the poor, reduced for the middle-income, and paying for others, because we say there is a limitation on which the Federal Government will participate in that program.

If people need stamps, well, first of all, we do not give them the full allotment that it takes to meet a nutritional diet for a family of four. We only give them 80 percent. then we say if they are at a poverty level, they will get full participation; if they are at 125, or 145, or 150, we will start to phase that down.

If you go to work and you are poor, we say that if you earn a dollar, we are going to call back a dollar of Federal support from you. If you are single and you have children in child care, you go to work, the Federal Government will support you, but after a while the Federal Government is going to take back their dollars.

If you are on Social Security and you go to work because you need income, we give you your Social Security payment, but if you work and you earn too much, we take back $1, we take back 50 cents for that which you earn over the limit.

There are limits in American society, there are limits in American society that have been placed there by Members of the Congress because we believe there was a point after which individuals should be able to make it on their own.

Some people get student loans and some people get grants. For poor people we provide grants; for middle-income people we provide loans; and if you are rich or high income the loans are on your own.

That is a basic philosophy. I dare say it is a basic conservative philosophy of this Government. But somehow that is not going to apply to the agricultural community. We are not going to means-test this program, we are not going to look behind that farmer and that payment to determine if something else is going on.

Can this individual make it? Can this individual make it? Not to transfer the money saved to programs that I might like, but maybe to other farmers that need additional help, smaller farmers, poorer farmers, more productive farmers.

We operate that way in every other program of this Federal Government, but we do not want to operate that way here.

Mr. STENHOLM is right, this is about a basic debate on farm policy. You are quite correct.

We must choose.

As Mr. DORGAN said, we have come out of a decade where we have binged out on the lavish expenditure of taxpayers' money on those who were unjustified, people who used tax breaks, who used the Tax Code beyond all of our expectations.

We have made decisions about that in the last tax bill, we are making decisions about defense contractors, we are making a whole host of decisions. But we are not going to make that decision with respect to the farm program? I do not believe it. You may slip by this year, but this debate will become fundamental to the well-being of this program, to the success of this program.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from California [Mr. MILLER] has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. I do not believe that this is a wholesale attack on the American farmer. I would not be standing here if that were the case.

A few months ago, most of you voted with me. To do what? To limit the extent to which the Federal Government would support farmers who were receiving water subsidies. We did not say we would take them away. We said: After 1,000 acres of subsidy that is worth $350,000 to that farmer, before any of these other subsidies, that is the extent to which the Federal Government will continue to participate.

If you want to farm 5,000 or 10,000, you are on your own, you are on your own. This is not class warfare, it is about the recognition that down the hall, for the last 8 or 9 weeks, we have had a summit, we have had people going into a room trying to figure out how we can pay for our priorities.

□ 1820

They are going to come back and tell Members how we are not going to pay for the doctors on Medicare, we are going to change the payments, we are going to change the deductible, we are going to change the copayments. Why? Because they are going to try to convince Members there is a limit to which the Government can help those elderly people.

This apparently is a Brahmin class program. We do not have to undergo that same kind of scrutiny. We will cut the overall cost in the United States, but what about internally within the program on who gets to participate and who does not? Does the benefit go? We keep hiding behind the small farmers, but we now find we have some 2 percent of the land or 3 percent of the land or possibly 20,000 farmers who apparently have enough adjusted gross income that they do not need the full benefits of this program.

But the answer is, no changes. So what we are suggesting, if we go against the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], we are suggesting that that program will be treated differently, the participants in this program will be treated differently than everybody else, from the poorest of the poor in our society. The poorest of the poor in our society will have to do a means test to get a food stamp, to get a hot lunch, to get a vaccination, to get child care, to get an education, to get a student loan. Their grandparents will have to undergo a means test if they want to work at McDonald's to make ends meet, but the farmer making over $100,000, no means test. They can have the program. They can have the subsidy.

Come on, come on. If we are all going to be their partners, can we not share in the profits? No, we do not do that. I think this is about limitations. This is about a notion that the Government will help when a person needs it. The Government will travel with a person when they need to be traveled with. But at some point, we have to go it alone. At some point we have to go out there into the free market. God forbid, the free market that has been talked about so often here. Somebody is going to have to put their toe into that ice cold water of the free market. We are not going to

send the poor out there. We are not going to send the small farmer. We will suggest that a person has this kind of assets, this kind of adjusted income, maybe can go it without governmental help, not to say they are rich, but I think it is to say this is a very fair proposal. It is just. It has equity with respect to taxpayers that we all represent.

Mr. COLEMAN of Missouri. Mr. Chairman, I move to strike the last word. The gentleman from California has made some very interesting statements about limiting various programs and income eligibility. I want to make sure that the record reflects the fact that what he says about the programs are true. We are not talking about those programs, but all the programs that he mentioned are different from this farm program because when we may limit, for example, the amount of loan that FHA will subsidize, the taxpayers will subsidize on the size of the house, he uses as an example, it does not impact the cost of housing to other people who do not get that loan. However, in the farm program, the people who he wants to take out of the farm program have a direct impact on the people who are left in.

He talked about the free market. There is no free market to the extent that an individual farmer can control his own destiny. That is the difference, and that is why we have this program with the big guys and the little guys in it. The big guys impact the little guys. It is my little family-sized farmer, that if the big farmer leaves this program will see the prices decline that he gets for his commodity, because the big farmer will produce and produce and produce. Therefore, by limiting these people to come into the program from an income-adjusted standpoint has absolutely no impact upon trying to save money, which we have recognized, but it impacts the farmers that remain behind.

All the problems, food stamps and housing, that the gentleman from California [Mr. MILLER] talked about are completely different. We are talking about universal producers, and when some of those producers are taken out and are increasing their production, it drives down the price of commodities for everybody. That is the problem.

Of all persons, one of the cosponsors of this is an economist. He knows about supply and demand from Econ 101; he used to teach it. That is when we have a large supply of something and the demand stays the same, the price is going to go down. That is exactly what happens to the farmer's product, his commodity, his corn or wheat or whatever it is. Let Members not lose sight of what we are really talking about here. It is not to establish income eligibility levels here. We are talking about trying to keep together a comprehensive agricultural production system in this country that has an impact and an adjustment on each other. Take some out, it will impact those that remain behind.

Mr. DE LA GARZA. Mr. Chairman, because we must finish this legislation tonight, I would like to find out what Members desire to debate the Glickman amendment further, and I ask unanimous consent that we restrict the debate time to 10 minutes.

The CHAIRMAN pro tempore (Mr. ALEXANDER). Is there objection to the unanimous-consent request of the gentleman from Texas?

Mr. ARMEY. Mr. Chairman, reserving the right to object, I just want to be sure that I understand that we are limiting debate to 10 minutes, to be equally divided among the Members standing?

The CHAIRMAN pro tempore. That is the unanimous-consent request of the gentleman from Texas [Mr. DE LA GARZA].

Mr. ARMEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the unanimous-consent request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1½ minutes each.

The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I simply rise to urge the gentleman from Kansas [Mr. GLICKMAN] to proceed to a recorded vote on his amendment to cap payments to those producers who receive more than $1 million in income from program crops. I urge that amendment. It is similar to an amendment that I offered in committee. The gentleman from Kansas [Mr. GLICKMAN] supported me at that point. We were told when we offered that amendment in committee by the USDA's witness that it would not detrimentally affect our supply management efforts to exempt the largest farms from program benefits.

I believe that a recorded vote is important on this question. I think this is a preferable alternative to the one being proffered by the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY]. If the gentleman from Kansas [Mr. GLICKMAN] does not proceed to a recorded vote, it is my intention to come back after the Schumer-Armey amendment is defeated and offer a similar $1 million limitation. Again, we might as well get the recorded vote out of the way now.

□ 1830

(By unanimous consent, Mr. WILLIAMS yielded his time to Mr. LEHMAN of California.)

Mr. CHAIRMAN pro tempore (Mr. ALEXANDER). The Chair recognizes the gentleman from California [Mr. LEHMAN].

The LEHMAN of California. Mr. Chairman, I will be very brief. I just want to make a couple of comments in response to what has been said by some of the other speakers here.

I think that the proponents of this amendment cannot see the program for the farmers. I remember when I was growing up, my father grew peaches, and we would take our peaches down to the processing plant and sell them to the processor. He told us what we would get for the peaches. We did not negotiate with him; he told us what we would get. There was no free market. All the leverage is on one side, and that is why in its wisdom this Congress created a farm program to level out that playing field and to give the farmer a chance when he went in there.

As has been pointed out, there are no breadlines in this country. Our farm program is the envy of the world. Other nations erect barriers to keep our products out, that is how envious they are. If we start taking people out of the program, we will destroy the program and we will destroy that level playing field that the program was designed to create for everyone.

Mr. Chairman, I urge a no vote on the Schumer amendment.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I agree with many members of the Committee on Agriculture that the Glickman amendment is not very fair. It uses a much more swiss cheese-like standard, which is gross sales. It may catch middle-class farmers, and it may catch people who have high salaries, high expenses, and not much income.

Mr. Chairman, I urge that the Glickman amendment be defeated and that the Schumer-Armey amendment be voted on positively by this body.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Very quickly, Mr. Chairman, the Glickman amendment is a substitute for the Schumer-Armey amendment. It is a substitute that touches scarcely no one. It makes no change in outlays for the Treasury; it removes nobody from the subsidy roles; it makes no impact on acreage planted.

The Schumer-Armey alternative saves the Treasury $900 million a year, it takes 20,000 people out of participation, and it makes virtually no impact on participation in the program, 2.5

percent of the total acreage of the program.

Mr. Chairman, I urge a no vote on Glickman and a yes vote on Schumer-Armey.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA], the chairman of the committee to close debate.

Mr. DE LA GARZA. Mr. Chairman, the committee has brought us what I think is fair and equitable legislation, and I oppose both the amendments. I ask the Members to vote no on the Glickman amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Kansas [Mr. GLICKMAN] as a substitute for the amendment offered by the gentleman from New York [Mr. SCHUMER].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. GLICKMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 174, noes 251, not voting 7, as follows:

[Roll No. 265]

AYES—174

Ackerman	Frost	McCandless
Anderson	Gallegly	McCloskey
Andrews	Gephardt	McDermott
Anthony	Geren	McHugh
Applegate	Gillmor	Meyers
Baker	Gilman	Miller (CA)
Ballenger	Gingrich	Miller (OH)
Bartlett	Glickman	Mineta
Bateman	Goodling	Mollohan
Bentley	Gordon	Moody
Bereuter	Grandy	Moorhead
Bevill	Grant	Murtha
Bilirakis	Gray	Nagle
Bliley	Gunderson	Neal (NC)
Bonior	Hamilton	Oberstar
Bosco	Hansen	Owens (UT)
Boxer	Harris	Oxley
Brooks	Hastert	Panetta
Browder	Hayes (IL)	Paxon
Brown (CA)	Hefley	Pease
Bruce	Henry	Penny
Bryant	Hertel	Petri
Buechner	Hoagland	Pickett
Byron	Holloway	Pickle
Cardin	Houghton	Poshard
Chandler	Hoyer	Pursell
Chapman	Hunter	Quillen
Clement	Hutto	Rahall
Clinger	Hyde	Ravenel
Coble	Inhofe	Regula
Coleman (TX)	Ireland	Ridge
Cooper	Jacobs	Roe
Costello	James	Ros-Lehtinen
Courter	Jenkins	Rose
Coyne	Johnson (SD)	Rowland (GA)
Dannemeyer	Jones (GA)	Roybal
Darden	Kaptur	Sangmeister
Dellums	Kasich	Savage
DeWine	Kastenmeier	Sawyer
Dicks	Kennelly	Schaefer
Dixon	Lagomarsino	Schuette
Dorgan (ND)	Lancaster	Sharp
Dornan (CA)	Leach (IA)	Shaw
Durbin	Levine (CA)	Sikorski
Dymally	Lewis (CA)	Skaggs
Edwards (CA)	Lewis (FL)	Slattery
Evans	Lightfoot	Slaughter (NY)
Fascell	Livingston	Slaughter (VA)
Fazio	Lloyd	Staggers
Fish	Lowery (CA)	Stark
Ford (MI)	Madigan	Stearns
Ford (TN)	Martin (IL)	Sundquist
Swift	Traficant	Walgren
Tanner	Unsoeld	Waxman
Tauke	Valentine	Wheat
Thomas (CA)	Vander Jagt	Wilson
Thomas (WY)	Volkmer	Wise
Torres	Vucanovich	Wolpe

NOES—251

Alexander	Hefner	Ray
Annunzio	Herger	Rhodes
Archer	Hiler	Richardson
Armey	Hochbrueckner	Rinaldo
Aspin	Hopkins	Ritter
Atkins	Horton	Roberts
AuCoin	Hubbard	Robinson
Barnard	Huckaby	Rogers
Barton	Hughes	Rohrabacher
Bates	Johnson (CT)	Rostenkowski
Beilenson	Johnston	Roth
Bennett	Jones (NC)	Roukema
Berman	Jontz	Rowland (CT)
Bilbray	Kanjorski	Russo
Boehlert	Kennedy	Sabo
Boggs	Kildee	Saiki
Borski	Kleczka	Sarpalius
Boucher	Kolbe	Saxton
Brennan	Kolter	Scheuer
Broomfield	Kostmayer	Schiff
Brown (CO)	Kyl	Schneider
Bunning	LaFalce	Schroeder
Burton	Lantos	Schulze
Bustamante	Laughlin	Schumer
Callahan	Leath (TX)	Sensenbrenner
Campbell (CA)	Lehman (CA)	Serrano
Campbell (CO)	Lehman (FL)	Shays
Carper	Lent	Shumway
Clarke	Levin (MI)	Shuster
Clay	Lewis (GA)	Sisisky
Coleman (MO)	Lipinski	Skeen
Collins	Long	Skelton
Combest	Lowey (NY)	Smith (FL)
Condit	Luken, Thomas	Smith (IA)
Conte	Lukens, Donald	Smith (NE)
Conyers	Machtley	Smith (NJ)
Coughlin	Manton	Smith (TX)
Cox	Markey	Smith (VT)
Craig	Marlenee	Smith, Denny (OR)
Crane	Martin (NY)	Smith, Robert (NH)
Davis	Matsui	Smith, Robert (OR)
de la Garza	Mavroules	Snowe
DeFazio	Mazzoli	Solarz
DeLay	McCollum	Solomon
Derrick	McCrery	Spence
Dickinson	McCurdy	Spratt
Dingell	McDade	Stallings
Donnelly	McEwen	Stangeland
Douglas	McGrath	Stenholm
Downey	McMillan (NC)	Stokes
Dreier	McMillen (MD)	Studds
Duncan	McNulty	Stump
Dwyer	Mfume	Synar
Dyson	Michel	Tallon
Eckart	Miller (WA)	Tauzin
Edwards (OK)	Moakley	Taylor
Emerson	Molinari	Thomas (GA)
Engel	Montgomery	Torricelli
English	Morella	Towns
Erdreich	Morrison (CT)	Traxler
Espy	Morrison (WA)	Udall
Fawell	Murphy	Upton
Feighan	Myers	Vento
Fields	Natcher	Visclosky
Flippo	Neal (MA)	Walker
Foglietta	Nielson	Walsh
Frank	Nowak	Washington
Frenzel	Oakar	Watkins
Gallo	Obey	Weber
Gaydos	Olin	Weiss
Gejdenson	Ortiz	Weldon
Gekas	Owens (NY)	Whittaker
Gibbons	Packard	Whitten
Gonzalez	Pallone	Williams
Goss	Parker	Wolf
Gradison	Parris	Wyden
Green	Pashayan	Wylie
Guarini	Patterson	Yates
Hall (OH)	Payne (NJ)	Yatron
Hall (TX)	Payne (VA)	Young (AK)
Hammerschmidt	Pelosi	Young (FL)
Hancock	Perkins	
Hatcher	Porter	
Hawkins	Price	
Hayes (LA)	Rangel	

NOT VOTING—7

Carr	Flake	Nelson
Crockett	Martinez	
Early	Mrazek	

□ 1855

Messrs. LENT, VENTO, KENNEDY, FLIPPO, HALL of Texas, and UDALL, and Ms. PELOSI, and Mr. ANNUNZIO changed their vote from "aye" to "no."

Messrs. GRANDY, HASTERT, BEREUTER, ROWLAND of Georgia, BROOKS, BUECHNER, GEREN of Texas, McCLOSKEY, HOAGLAND and CLINGER, and Mrs. BENTLEY changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

LEGISLATIVE PROGRAM

(By unanimous consent, Mr. DE LA GARZA was allowed to proceed out of order.)

Mr. DE LA GARZA. Mr. Chairman, I take this time to inform the Members that working with the leadership we hope that we might conclude this amendment that is pending. We have several areas where we have some degree of compromise that we hope we might be able to offer tonight not requiring a vote of the Members and then rise and return at the call of the leadership either tomorrow or Friday, so that we would have basically one more vote this evening.

With that in mind, Mr. Chairman, I ask unanimous consent that on this amendment we limit debate to 10 minutes for the amendment and 10 minutes against the amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SCHUMER. Mr. Speaker, I ask for time on the amendment.

The CHAIRMAN pro tempore. The time remaining on the Schumer amendment is limited to 10 minutes on each side.

Mr. DE LA GARZA. Mr. Chairman, I ask unanimous consent that I might divide my 10 minutes with the gentleman from Illinois [Mr. MADIGAN].

The CHAIRMAN pro tempore. The Chair will divide the time between the two sides.

□ 1900

The CHAIRMAN pro tempore (Mr. ALEXANDER). The Chair will state the agreement.

There are 20 minutes of debate remaining on the Schumer amendment which will be divided equally to both sides. The gentleman from New York [Mr. SCHUMER] will get 10 minutes, and the gentleman from Texas [Mr. DE LA GARZA] will get 10 minutes.

PARLIAMENTARY INQUIRY

Mr. SCHUMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. SCHUMER. Mr. Chairman, does the sponsor of the amendment get to conclude?

The CHAIRMAN pro tempore. The gentleman from Texas [Mr. DE LA GARZA] gets to close debate.

Mr. SCHUMER. I thank the Chair.

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. MADIGAN] will receive 5 minutes, and the gentleman from Texas [Mr. DE LA GARZA] will receive 5 minutes.

The Chair recognizes the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the Schumer-Armey amendment.

This amendment will save the taxpayers nearly a billion dollars merely by eliminating income support payments to people whose incomes do not need supporting.

Currently, there is no income limit for receiving most farm payments. A wealthy farm operator, a corporate farm, even an investor who has never set foot on a farm in his life can receive huge checks from the Government. These checks can range as high as $50,000, $100,000, even $250,000, depending on the farm program involved.

This can hardly be described as a Draconian spending cut. Only 20,000 of the 800,000 people receiving income support for the USDA will be affected. Interestingly, those people get only a small percentage of their income from farm sources—on average, less than 4 percent. These are not full-time farmers at all, but in many cases, merely investors.

Mr. Chairman, we face many difficult decisions this year. Excessive spending must be reduced. Some have suggested that taxes must be raised. The need to reduce the deficit presents no easy answers.

I would say to my colleagues, however, that this should not be a tough decision to make. Wealthy people do not need income support. That is not what our farm programs are for.

Mr. Chairman, this is a year when we must make many difficult decisions to reduce excessive Government spending.

I urge my colleagues to vote for the Schumer-Armey amendment.

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

MR. ROHRABACHER. Mr. Chairman, I rise in strong support of the Armey-Schumer amendment.

It seems like every time we try to reform the system to cut special interests or to deal with the deficit problem in a serious way or attack some special interest, what we hear are howls of anguish that suggest that what we are really after is the little guy, that the little guy is the fellow who is going to hurt.

Today we hear that the urban poor in the grocery line will suffer. Yet, in the same debate we hear that our actions will drive down the price of commodities. You cannot have it both ways.

We hear that family farmers are hanging on by their fingernails. This amendment does not impact on the family farmer. This amendment is aimed at those wealthy individuals who are earning more than $100,000 a year.

We are told that this debate is about a system that is working. The question is: Can the system work better?

Marketing orders, quotas, allotments increase the price of food, and in the name of the family farmer and in the name of the system that is working, what we are doing is helping, is channeling much-needed Federal revenue to wealthy, affluent individuals.

It is time for this Congress to set priorities. We have a high level of deficit spending that is threatening the well-being of our country. People who are earning over $100,000 a year should not be drawing on these scarce dollars that are available to this Congress to deal with the problems that face America.

Whether for income support payments or any other form of Federal subsidy, it is not right in this time of high Federal deficit spending that we spend money on the rich. Perhaps even those who receive National Endowment for the Arts grants should not be receiving them if they earn over $100,000 a year.

The fact is there are many programs, many, many programs that are aimed at ordinary citizens that will not be put into practice if the recipient is earning over $100,000 a year.

I say it is time to support the Armey-Schumer amendment and bring some sanity back to this battle for the budget.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I rise in opposition to this ill-advised amendment.

Mr. Chairman, I oppose the amendment to deny program eligibility to farmers reporting at least $100,000 in adjusted gross income.

The amendment is potentially unfair to farm families because of the way it operates. Capital gains income, such as a farmer might have after selling land in order to make ends meet, is considered when determining adjusted gross income. Interest and dividend earnings from family savings are considered. Under this amendment, farm income from nonprogram crops will be counted in determining adjusted gross, as well wages earned off the farm by the farmer or the farmers' spouse. Essentially, this amendment may put the people who have been forced into selling assets or who have saved or taken off-farm employment into a position of being unable to participate in farm programs that set prices for their commodities.

This amendment is particularly unfair because it penalizes farmers who reach $100,000 in adjusted gross income during the tax year in which payments are made available. This could force farmers who signed up, reduced acreage, and who took other steps to qualify for the program out of eligibility because of events they could not have easily predicted when they signed up. We would be denying farm assistance to people who did everything the Government told them to do in the expectation that Government programs would be open to them.

Perhaps the most disturbing thing about this amendment is that it keeps farmers outside programs for 2 years. Farmers are not eligible in the tax year when they earn $100,000 in adjusted gross income. They are ineligible if they earned $100,000 in the preceding year. No matter how bad things may have become, this amendment keeps a farmer outside Government programs that are supposed to help stabilize farm economies. They is no basis for taking this approach.

The thing this amendment really does is signal the Europeans and the Japanese that we are ready to unilaterally make major changes in our farm support programs at a time when we have had to bludgeon them into negotiating about farm subsidies in the Uruguay Round. I have dealt with European and Japanese officials, as many of us have. The one clear impression they have about American trade negotiators is that we are ephemeral—we cannot sustain a drive, and they need only wait until our attention is diverted elsewhere in order to preserve the status quo. Those who think this amendment is a quick and easy way to save money ought to think about our trading partners' probable reaction. We have spent years and, regrettably, billions of dollars trying to get them to the bargaining table. Major changes in our programs while they remain recalcitrant will only make them more inflexible, perhaps denying U.S. agriculture the kind of new international trading regime it desperately needs.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am not a farmer, and I am not an investor in any farming. I have never received any money from any farming enterprise, and I do not expect that I ever will.

I am in favor of cuts in the agriculture budget just as everything else may be cut, and earlier in the day I offered an amendment to cut the Agriculture Committee bill. There are more cuts coming with reconciliation.

I am going to support those cuts which I anticipate will be in the neighborhood of $8 billion over the 5-year life of this bill.

I do not support the Schumer-Armey amendment, because I do not believe that there are any real savings from this amendment. The assumption of $2.5 billion in savings is a static

assumption based on the premise that no farmer will do anything differently than what they are doing now.

The gentlemen who are proponents of this amendment say it will affect only 4 percent of the farmers. The Department of Agriculture tells me it will affect 23 percent of the farmers. It will cause more land to come into production. There will be more surpluses. Those surpluses will drive down prices, and that will result in more budget exposure to the Treasury for payments to the remaining 76 percent of the farmers. Those are not my predictions. Those are the predictions of the U.S. Department of Agriculture, and they say that, in fact, the Schumer-Armey amendment over the 5-year life of the farm bill will cost money rather than saving money.

For that reason, I oppose it.

Mr. Chairman, I reserve the balance of my time.

□ 1910

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. RUSSO], the most valuable player of the Democratic baseball team last night.

The CHAIRMAN. The star of the Democratic baseball team is recognized for 2 minutes.

Mr. RUSSO. Mr. Chairman, I thank my good friend, the gentleman from New York [Mr. SCHUMER], for his wonderful comments.

Mr. Chairman, while the budget summit is going on, it is important that we send the proper message to our summiteers that we are really serious about cutting waste in the Federal budget. This is a specific area where we have to do it in a very pronounced way.

What does the Schumer-Armey amendment do? What it does is it would eliminate farm payments to individuals with incomes over $100,000 after their farming expenses have been paid, that is, an adjusted gross income of over $100,000.

What does that mean? That is nearly three times the 1987 average household income of $36,000. These are not poor farmers. These are not small farmers. These are not family farmers. These are rich, wealthy farmers who are doing well. We do not need to subsidize their wealth. We do enough through the Tax Code in subsidizing their wealth. And only 4 percent of their total income is farm income.

Mr. Chairman, we need to use the money for better things. This is not one of the areas that we have to spend $4 billion more of taxpayer dollars for.

Mr. Chairman, in 1991 we are going to save between $300 and $500 million. Between 1992 and 1995, we will save between $500 to $800 million a year. That is $4 billion that we can save the American taxpayer.

Mr. HUCKABY. Mr. Chairman, would the gentleman yield on that point?

Mr. RUSSO. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, USDA estimates that the savings over 5 years is less than $200 million cumulative.

Mr. RUSSO. Mr. Chairman, reclaiming my time, I can understand that. USDA has not been right on many of their figures before anyway, and I do not give much credence to it.

My point is our records indicate with over $100,000 adjusted gross income, that is not a small farmer. This would not deny farm payments to the small full-time family farmer. That is who we need to help. That is what this Schumer-Armey amendment does.

Mr. Chairman, let us support this amendment. Let us send a message to the budgeteers.

Mr. MADIGAN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I do that for the purpose of responding to the gentleman from Illinois [Mr. RUSSO]. The gentleman from Illinois has just stated that adjusted gross income means that all of the farmer's expenses have been paid. That is not true. The principal payments on a farmer's mortgage come after adjusted gross income; the principal payments on a farmer's equipment comes after adjusted gross income. A farmer might have $100,000 in adjusted gross income, and after he made those payments, have no money left whatsoever. That point needs to be made in this debate.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minutes to the gentleman from Indiana [Mr. JONTZ].

Mr. JONTZ. Mr. Chairman, what is wrong with this amendment is it tells thousands of our Nation's farmer's making decisions affecting millions of acres of land, forget about conservation, forget about the environment, forget about the requirements of the swampbuster program and the sodbuster program and conservation compliance and set-aside. Drain your wetlands, plow up your set-aside, plow from fence row to fence row, forget about the environmental benefits of the farm program.

Mr. Chairman, a proenvironment vote is a vote against the Schumer amendment.

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY], cosponsor of the amendment.

Mr. ARMEY. Mr. Chairman, I thank the gentleman from New York [Mr. SCHUMER] for yielding, and I ask the body to please vote for the Schumer-Armey amendment, crafted by the gentleman from New York [Mr. SCHUMER] and myself, with input from the legislative staff of the Department of Agriculture and the legislative staff of the Office of Management and Budget.

Mr. Chairman, we would cap participation in farm programs at $100,000 income. Beyond that point you do not participate. That affects 20,000 out of the 800,000 people who participate. Of those 20,000 people who would participate, and this is hard IRS data, only 4 percent of their income on the average comes from farming. One-third of their income comes from salaries. One-third of their income comes from capital gains. One-third of their income comes from rent and royalties.

Mr. Chairman, if in fact each and every one of these 20,000 people pulled out of the program, they could only impact 2.5 percent of the participating acreage in the program. None of that would come out of the Conservation Reserve Program, because this amendment does not affect participation in the Conservation Reserve Program.

Mr. Chairman, this is scored by OMB as saving $900 million a year. The Department of Agriculture scores it less. They have four points here of omission. Let me give you one example. Over $500 million in savings would come from partnerships, corporations, trusts, and taxable income of over $100,000. USDA left that out.

Mr. Chairman, USDA is not the official scorekeeper on these kinds of decisions. OMB says $900 million, no impact on conservation acres, no impact on the ability to manage these chronically surplus crops that are so well managed.

Mr. Chairman, let me say one thing: we are the best fed nation in the world because we have a good agricultural economy; not because the policies are so.

Mr. MADIGAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in opposition to the Armey-Schumer amendment. I commend the gentlemen for their intentions to reduce Federal spending toward balancing the budget. However, this amendment will not achieve budget savings but will do grave damage to our farm policies.

By arbitrarily denying program benefits to full time, commercial family farms, this amendment would discriminate against our most productive and efficient producers. This will greatly decrease the ability of American agriculture to compete in international markets in the future.

The practical effect of this amendment would be to force larger growers out of the program, thus subverting the supply/price stabilization objective of our farm programs. This likely would result in highly volatile prices for both farmers and consumers, and easily could result in higher not lower

Federal outlays for agriculture in the future.

In forcing some farmers out of the program, we also will be losing valuable environmental benefits of program participation, such as the prevention of soil erosion and conservation of wetlands.

I urge my colleagues to promote stable, efficient production in American agriculture by rejecting the Armey-Schumer amendment.

□ 1920

Mr. SCHUMER. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I strongly support the Schumer-Armey amendment, and as a person with a 100-percent environmental record, believe me, this does not do anything to the environment. It strengthens the environment.

The CHAIRMAN. The remaining time will be equally divided and the gentleman from Texas [Mr. DE LA GARZA] has the right to close debate.

Mr. MADIGAN. Mr. Chairman, I yield my remaining 1 minute to the gentleman from Texas [Mr. DE LA GARZA], chairman of the committee.

Mr. SCHUMER. Mr. Chairman, I yield myself the remaining 4 minutes.

Mr. Chairman, I thank my colleagues because I know this has been a lengthy debate on the arcane matter of farm policy. But it is an important issue, and I appreciate Members' patience.

Mr. Chairman, we speak at a crucial time here tonight. It is a time when our budget deficit is out of whack, and within a month we are going to be called on to make major cuts in programs we hold near and dear. We speak at a time when our farm programs, despite the prosperity of the farmer, in trouble are hundreds of thousands of family farmers, the people who till the soil, who work hard with their hands and are thrown out of work.

The number of farmers has dramatically decreased under this farm bill. And we speak at a time when most of America feels that the very well-to-do, the high end of the spectrum has gotten a great deal in the 1980's and the low and middle ends of the spectrum have gotten very little.

The Schumer-Armey amendment can address all three of those concerns without hurting the environment, as the gentleman from Massachusetts, [Mr. CONTE], said. The NRDC, the National Resources Defense Council, the toughest of the environmental groups, has a letter in Members' offices supporting this bill. The EPA says it helps the environment. Without the technical problems, every farmer will get to deduct all of his farm expenses like any other taxpayer under this bill and without sinking the farm program, because the amount of acreage that the people we are aiming at use is negligible. That is what this bill is about.

Now what does it do? The bill does something very simple. It says that the 20,000 farmers who are at the highest end of the spectrum, only 20,000, less than 2 percent of all farmers whose profit is $100,000 or more shall get on their own.

We know that all of our people have difficulty, our plumbers, our salesmen, our managers. They are not making $100,000. They do not get a subsidy from the Government. And these people are not the family farmer. In fact, ladies and gentleman, if Members will listen to just this one fact, of the 20,000 farmers our amendment aims at, their income from the farm is only 4 percent of their income. Yes, they are the large agricultural businesses that do not need subsidies. Yes, they are the investors and the multimillionaires who farm for a hobby. They do not need subsidies. Yes, they are investors who live far away and do not even till the soil. They do not need subsidies either. Our amendment simply says that that very high end, the people, the 20,000 farmers who make a profit, who are well to do, can get by without a subsidy.

Ladies and gentleman, perhaps at one time this country could afford to engage in such policy. Perhaps at one time we could afford to have 40 percent of the farm dollars go to the top 3 percent of the farmers, but that time is no longer. The Schumer-Armey amendment will fix the farm program, because we care about the family farmer. It will say money goes to the family farmer, money goes to the family working the soil, but money does not go to the well-to-do hobby farmers, the large agro-businesses and the investors who are now milking the Government for $700 million a year.

I urge a "yes" vote on the Schumer-Armey amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). For the purposes of closing debate, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 5 minutes.

Mr. DE LA GARZA. Mr. Chairman, we have had a long debate. Members have heard a lot of figures, a lot of facts, a lot of rhetoric, a lot of philosophy. But here is the basic bottom line.

We have a good program. This amendment is a meat ax approach to our program.

Here is what it costs, less than 1 percent, 0.6. This is what the whole program costs.

Here is what it gets us: 10.4 percent of disposable income per family contrasted with Canada 11.5, Denmark 16.4, Sweden 17.9.

What is the cost to the farmer? The cost to the farmer, that has not been discussed: $150,000 for a 5-row cotton picker, $150,000 for a large 8-row combine, $15,000 for a planter, $15,000 for a pickup, $75,000 for a 150-horsepower tractor. This is what it costs the farmer, big and small.

We are what we are because of our antecedents, Mr. Chairman.

Let me quote from an article from the Houston Post. In part it says: "A nation that sacrifices its farmers is a nation ruled by fools or enemies." It makes no distinction.

Can Members imagine a shoeshine boy from Mission, TX, being accused of protecting the rich and the greedy? Ridiculous. It is even insulting that I would be accused of protecting the greedy and the rich. It is that we have a good system and it works well, and I do not care about headlines, or rhetoric or editorials. I am here to do what is right for America, and what is right for America is, as this man said, if we rule out our farmers we are either being ruled on by fools or enemies.

Let me give the Members something else. The other day we talked about jobs, jobs, jobs. That is it. For every pound of sugar you do not raise, it comes from abroad. For every cotton bale you do not raise, it comes from abroad. For every 100 pounds of wool you do not raise, it comes from abroad. For every 100 pounds of mohair you do not raise, it comes from abroad. For every fruit and vegetable you do not raise, it comes from abroad. That is what we are talking about.

But finally, let me go back to this editorial. "If we give up our manufacturing base," and we already have, "if we give up our technological base," and we are about to, "if we give up our energy and strategic minerals independence, if we sell off our assets to foreign buyers, if we as a last stroke destroy our farmers," large and small, "what * * * will be left of the United States? A few banks and a large peasant population."

□ 1930

That is what is going to be left. That is the issue here, not about the rich or who gets $100,000. The issue is that we have a good system, it is working, and if we dismantle it with a meat ax approach, it is like sending a mechanic who works on diesels to do brain surgery.

That is what this amendment is all about. And the people who sponsor it in goodwill, I have no problem with, but we need the large and we need the small farmer. We need to protect the system, and basically it is for the best, rich and poor, needy and hungry.

You do not have food stamps, you do not have WIC, you do not have school lunch programs if you do not have the commodities. To have the commodities, you need the large and you need the small.

So we are talking about America, we are talking about protecting the interests of the people of the United States of America, and if you let your farmers down the drain, rich or poor, big or small, you would have what this gentleman has said, we will have left "nothing but a few international banks and a large population of peanuts."

Is that what you want to do? Vote "no" on the Schumer amendment.

Mr. BATES. Mr. Chairman, I rise in strong support of the amendment offered by the gentlemen from New York and Texas. Their work on this amendment to restrict Government subsidies to high-income farmers highlights the reservations that many of my colleagues and I have with this farm bill.

Simply put: How can we justify subsidizing farmers, whose net earnings each year are over $100,000. In 1987 alone, according to the USDA, 20,000 individuals with adjusted gross incomes of greater than $100,000, received some Government subsidy. For this select group, however, their farm income only constituted 4 percent of their total income. So our Government pays these farmers who aren't really even farmers.

Critics of this amendment charge that in the long run this program will hurt farmers because they will have to utilize more of their acreage, thereby driving up production and lowering prices. This is misleading because these farmers instead of expanding supply by continuing to grow program commodities, would in fact do the rational thing and grow nonprogram commodities; commodities that consumers want and are willing to pay market prices for.

It seems to me, and to my two colleagues, that if the USDA wasn't so busy telling these farmers and investors what to grow and how much to grow and then paying them for it, we would have farmers growing crops more efficiently on the basis of market forces and not according to a USDA bureaucrat.

I urge my colleagues to vote for the Schumer-Armey amendment and I thank the gentlemen for yielding.

Mr. TALLON. Mr. Chairman, I rise in opposition to this amendment to prohibit farmers who gross more than $100,000 from participating in farm programs.

What happens if the amendment by the gentleman from New York is agreed to.

Very simply, what would happen is that those small number of farmers who have a very large part of the overall production would dramatically increase their production in order to make up for the lost income.

What would that do?

It does not take a great math mind to understand if they increase their production, prices will go down and the result will be that subsidy payments to the other 99 percent of the farmers in American will go up.

This will not save the taxpayers money.

In fact, USDA estimates that if you eliminate that 1 percent from the farm program who produce almost 50 percent of our agricultural production, they are just going to increase their production, collapse prices, and increase subsidies for everyone else.

What would farmers do who are in this category who are targeted by this amendment. Very simply, they would break up their operations so they would not lose their farm program benefits. They would break up their operations so that they would still qualify and in fact, many of us believe you would find no savings at all.

So while I believe this amendment is well intentioned, I do not believe for 1 minute that it would accomplish what the authors seek to accomplish.

This amendment strikes at the very heart and soul of farm legislation. It threatens three of the most essential goals of farm legislation: Adequate supply of food and fiber; stable, reasonable prices for the consumer; and protection of the environment.

Forcing the larger producers out of the program and taking the largest chunk of farmland out of production will send prices and supplies into a tailspin, and reverse any gains we've made with regard to conservation and environmental protection.

We're throwing away our ability to ensure that the largest producers practice sound conservation. And we're shoving consumers to the front lines of the brutal, erratic swings in world agricultural markets and prices.

For decades this country has pursued a deliberate and sensible policy of managing the country's food supply through a Federal farm program. We do not have to imagine what life would be like without a responsible Federal farm program. We need only to look to the East. Look to the Soviet Union where people will wait in line for hours in hopes that they can buy a small portion of beef or bread. Look at East Germany. What did the first people pouring through the Berlin Wall want to buy? Oranges.

Consumers in America pay the lowest consumer price for food of any nation in world history. In short, we enjoy the widest variety of wholesome food available anywhere at the lowest consumer cost in the world.

Why do we want to mess with this sort of success?

Mr. FOGLIETTA. Mr. Chairman, I rise today in support of the Schumer-Armey amendment.

What we are doing today is talking about fairness. Tell me why it is fair that two-thirds of farm subsidies go to the richest 15 percent of farm operators. Tell me why 70 percent of the total of family farms get less than 10 percent of Federal payments. There is nothing fair in these numbers. Let's stop providing farm welfare to wealthy farmers.

While the details need to be worked out—the point needs to be made. Let's get the fat cat farmers off of the public dole.

The CHAIRMAN pro tempore [Mr. ALEXANDER]. All time on the amendment has expired.

The question is on the amendment offered by the gentleman from New York [Mr. SCHUMER].

The question was taken and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SCHUMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 159, noes 263, answered "present" 2, not voting 8, as follows:

[Roll No. 266]

AYES—159

Annunzio	Green	Payne (NJ)
Archer	Guarini	Pease
Armey	Hancock	Pelosi
Aspin	Hansen	Petri
Atkins	Hertel	Porter
Ballenger	Hochbrueckner	Price
Bates	Hughes	Rangel
Beilenson	Jacobs	Regula
Bennett	Johnson (CT)	Rinaldo
Berman	Johnston	Rohrabacher
Bilbray	Kanjorski	Ros-Lehtinen
Bliley	Kennedy	Rostenkowski
Bonior	Kennelly	Roth
Borski	Kleczka	Roukema
Boucher	Kostmayer	Rowland (CT)
Brennan	LaFalce	Russo
Broomfield	Lagomarsino	Sabo
Brown (CO)	Lantos	Savage
Buechner	Lehman (FL)	Saxton
Campbell (CA)	Lent	Scheuer
Cardin	Levin (MI)	Schneider
Carper	Levine (CA)	Schroeder
Clarke	Lipinski	Schulze
Coble	Livingston	Schumer
Conte	Lowey (NY)	Sensenbrenner
Coughlin	Machtley	Serrano
Courter	Manton	Shaw
Cox	Markey	Shays
Coyne	Mavroules	Shuster
Crane	Mazzoli	Smith (NJ)
Dannemeyer	McCollum	Smith, Robert (NH)
Dellums	McGrath	
Dickinson	McMillan (NC)	Snowe
Donnelly	McMillen (MD)	Solarz
Douglas	McNulty	Stark
Downey	Mfume	Stearns
Dreier	Miller (CA)	Studds
Duncan	Miller (OH)	Torricelli
Dwyer	Miller (WA)	Vento
Eckart	Molinari	Visclosky
Engel	Moody	Walgren
Fawell	Morella	Walker
Feighan	Morrison (CT)	Waxman
Foglietta	Mrazek	Weiss
Frank	Murphy	Weldon
Frenzel	Neal (MA)	Wise
Gallo	Nielson	Wolf
Gaydos	Nowak	Wyden
Gejdenson	Oakar	Wylie
Gibbons	Obey	Yates
Goodling	Owens (NY)	Yatron
Goss	Owens (UT)	Young (FL)
Gradison	Pallone	
Gray	Panetta	

NOES—263

Ackerman	Carr	Emerson
Alexander	Chandler	English
Anderson	Chapman	Erdreich
Andrews	Clay	Espy
Anthony	Clement	Evans
Applegate	Clinger	Fascell
AuCoin	Coleman (MO)	Fazio
Baker	Coleman (TX)	Fields
Barnard	Collins	Fish
Bartlett	Combest	Flippo
Barton	Condit	Ford (MI)
Bateman	Conyers	Frost
Bentley	Costello	Gallegly
Bereuter	Craig	Gekas
Bevill	Darden	Gephardt
Bilirakis	Davis	Geren
Boehlert	de la Garza	Gillmor
Boggs	DeFazio	Gilman
Bosco	DeLay	Gingrich
Boxer	Derrick	Glickman
Brooks	DeWine	Gonzalez
Browder	Dicks	Gordon
Brown (CA)	Dingell	Grandy
Bruce	Dixon	Grant
Bryant	Dorgan (ND)	Gunderson
Bunning	Dornan (CA)	Hall (OH)
Burton	Durbin	Hall (TX)
Bustamante	Dymally	Hamilton
Byron	Dyson	Hammerschmidt
Callahan	Edwards (CA)	Harris
Campbell (CO)	Edwards (OK)	Hastert

Hatcher	McDermott	Skaggs
Hawkins	McEwen	Skeen
Hayes (IL)	McHugh	Skelton
Hayes (LA)	Meyers	Slattery
Hefley	Michel	Slaughter (NY)
Hefner	Mineta	Slaughter (VA)
Henry	Moakley	Smith (FL)
Herger	Mollohan	Smith (IA)
Hiler	Montgomery	Smith (NE)
Hoagland	Moorhead	Smith (TX)
Holloway	Morrison (WA)	Smith (VT)
Hopkins	Murtha	Smith, Denny (OR)
Horton	Myers	
Houghton	Nagle	Smith, Robert (OR)
Hoyer	Natcher	
Hubbard	Neal (NC)	Solomon
Huckaby	Oberstar	Spence
Hunter	Olin	Spratt
Hutto	Ortiz	Staggers
Hyde	Oxley	Stallings
Inhofe	Packard	Stangeland
Ireland	Parker	Stenholm
James	Parris	Stokes
Jenkins	Pashayan	Sundquist
Johnson (SD)	Patterson	Swift
Jones (GA)	Paxon	Synar
Jones (NC)	Payne (VA)	Tallon
Jontz	Penny	Tanner
Kaptur	Perkins	Tauke
Kasich	Pickett	Tauzin
Kastenmeier	Pickle	Taylor
Kildee	Poshard	Thomas (CA)
Kolbe	Pursell	Thomas (GA)
Kyl	Quillen	Thomas (WY)
Lancaster	Rahall	Torres
Laughlin	Ravenel	Towns
Leach (IA)	Ray	Traficant
Leath (TX)	Rhodes	Traxler
Lehman (CA)	Richardson	Udall
Lewis (CA)	Ridge	Unsoeld
Lewis (FL)	Ritter	Upton
Lewis (GA)	Roberts	Valentine
Lightfoot	Robinson	Vander Jagt
Lloyd	Rogers	Volkmer
Long	Rose	Vucanovich
Lowery (CA)	Rowland (GA)	Walsh
Luken, Thomas	Roybal	Washington
Lukens, Donald	Saiki	Watkins
Madigan	Sangmeister	Weber
Marlenee	Sarpalius	Wheat
Martin (IL)	Sawyer	Whittaker
Martin (NY)	Schaefer	Whitten
Matsui	Schiff	Williams
McCandless	Schuette	Wilson
McCloskey	Sharp	Wolpe
McCrery	Shumway	Young (AK)
McCurdy	Sikorski	
McDade	Sisisky	

ANSWERED "PRESENT"—2

Cooper	Stump

NOT VOTING—8

Crockett	Ford (TN)	Nelson
Early	Kolter	Roe
Flake	Martinez	

□ 1950

Messrs. RAY, DEFAZIO, and SLAUGHTER of Virginia changed their vote from "aye" to "no."

Mr. ASPIN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title XI?

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I believe the farm bill before us today represents a continuation, generally, of the sound agricultural policies, we have been following over the past 5 years, and I thus intend to vote for the bill, barring the adoption of damaging amendments.

Having met with many farmers in my district over the past several months, both through my agricultural advisory committee and individually, I can report that they are generally of an optimistic frame of mind. Conditions on the farm in Illinois have improved considerably over what they were 5 years ago, and this is also borne out by nationwide statistics.

Farm income is up. Exports have increased by nearly 50 percent. And the cost of commodity payments to the Federal Government has dropped from $25 billion to approximately $8 billion.

This is ample indication that the market-oriented 1985 farm bill has been working. Thank goodness we did not adopt the mandatory supply management concepts being advocated by a number of Members back then.

Who knows where we would be today if we had adopted those concepts—we probably would have priced ourselves out of the world market.

Exports account for about 30 percent of farm income. It is thus no coincidence that overall farm income has risen along with exports over the past 5 years. The market-oriented approach we have been following has encouraged production to meet world demand, and the result has been progress on all fronts.

It is not hard to understand, then, why most farmers favor a continuation of existing policies, with perhaps some small adjustments.

The 1990 farm bill follows this basic course. To be sure, there are some shortcomings. With the budget problems we are facing the bill should be doing more to restrain costs. Nutrition programs, particularly, have helped to push the bill some $6.5 billion above the baseline and some $25 billion above the President's proposals, over the next 5 years. Any budget summit agreement we achieve will almost certainlly mandate some retrenchment in this regard.

Many of our farmers in Illinois have asked for greater planting flexibility. The bill provides for some increased flexibility, but could have gone further. We should encourage a situation where farmers can make more of their own planting decisions.

Overall, however, I believe this bill keeps us on the right track, and thus merits our support.

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: 1. In the matter proposed to be added by section 1121 of the bill as a new section 503(c)(1) of the Agricultural Act of 1949:

Strike "or" at the end of subparagraph (D); strike the period at the end of subparagraph (E) and insert "; or"; insert after subparagraph (E) the following:

"(F) any experimental crop, including annual herbaceous, or short-rotation woody crops, the production of which the Secretary determines necessary to meet demand or anticipated demand for ethanol or other biofuels production."

and, in paragraph (2), strike "(1)(D) and (E)" and insert "(1)(D), (E), and (F)".

In the amendment made by section 1001 to section 105A of the Agricultural Act of 1949, in subsection (f)(1)(B) of such section 105A, insert "(I) Except as provided by subclause (II), after "(ii)", strike the period and insert "; or", and insert at the end the following new subparagraph:

"(II) not less than 21.6 nor more than 22.8 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 11.6 percent.

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, at the end of section 505, insert the following new subsection:

"(e) OFFSETS.—In order to offset any cost of the use of the actual yield per harvested acre in establishing farm program payment yields for feed grains under subsection (a), the Secretary shall increase the uniform percentage reduction to the crop acreage base applied to each crop of feed grains under any acreage limitation program under this Act by an amount sufficient to result in a reduction of program costs equal to any costs associated with such use of actual yields.".

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(a), after "1985 crop years" insert the following: "(or, at the option of the producer, the actual yields for the 1986 through 1990 crop years in the case of feed grains)".

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(b)(1), after "1985" each place it appears insert the following: "(or 1990 in the case of feed grain producers who elect the 1986 through 1990 crop years)".

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(b)(2), after "1981 through 1985" insert the following: "(or 1986 through 1990 as appropriate)".

At the end of Title XI, insert the following:

SUBTITLE C—ENCOURAGING SURFACE WATER STORAGE

SEC. 1131. DEFINITIONS.

As used in this subtitle—

(1) the term "producer" means a producer of a program crop who, in the year the crop is produced, participates in the price support and acreage reduction program for such crop established by the Agricultural Act of 1949;

(2) the term "surface reservoir" means a reservoir, pond, or other facility constructed on a farm for the primary purpose of storing surface water for the irrigation of crops produced on the farm, for the watering of livestock, or for such agricultural purpose as the Secretary may by regulation allow;

(3) the term "program crop" means any crop of wheat, feed grains, upland cotton or rice; and

(4) the term "wetland" has the meaning given such term in section 1201(a)(16) of the Food Security Act of 1985.

SEC. 1132. SURFACE RESERVOIR ENCOURAGEMENT PROGRAM.

(a) IN GENERAL.—A producer may construct a surface reservoir on land which is part of a flexible acreage base for a farm, as determined by the Secretary pursuant to section 503 of the Agricultural Act of 1949.

(b) CONSERVATION USE.—Land on which a surface reservoir has been constructed pursuant to subsection (a) shall be considered to be devoted to conservation uses if the land was planted or considered planted to a program crop or an oilseed crop in at least 3 of the immediately preceding 5 years.

SEC. 1133. SPECIAL PROGRAM FOR AREAS OF SEVERE GROUNDWATER DEPLETION.

Not later than 18 months following the date of enactment of this Act, the Secretary shall devise and implement a program for providing further incentives for reservoir construction in counties designated by the Secretary, after consultation with the U.S. Geologic Survey, as areas of severe groundwater depletion.

SEC. 1134. LIMITATIONS.

This subtitle shall not apply in the case of any producer unless—

(a) the surface reservoir constructed by the producer under this subtitle is in compliance with an established conservation plan approved by the Soil Conservation Service;

(b) the Soil Conservation Service certifies that the producer has not converted any wetland not previously designated as prior converted wetland or farmed wetland for the purpose of constructing the reservoir;

(c) the producer has demonstrated to the satisfaction of the Secretary that water needs which would be met by the water in the surface reservoir have been met on the same farm by groundwater in at least three of the five years preceding enactment of this act.

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, these en bloc amendments include an amendment by the gentleman from Arkansas [Mr. ALEXANDER], as modified by the gentleman from Arkansas [Mr. ANTHONY], an amendment by the gentleman from Indiana [Mr. JONTZ], and another one by the gentleman from Arkansas [Mr. ALEXANDER]. These amendments have been agreed to by all the parties.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I appreciate the committee's efforts and the work of the staff on making these amendments to this bill, and I enjoyed working with my colleague, the gentleman from Arkansas [Mr. ANTHONY].

Mr. Chairman, I would like to thank the chairman of the committee, the ranking minority member, Mr. MADIGAN, and their staffs for working with Mr. ANTHONY and myself to work out our differences on the two Alexander-Anthony amendments to title XI.

These amendments, in modified fashion, have been included in the chairman's en bloc amendment to title XI.

The first amendment would simply add certain nonprogram crops which can be used as feedstocks for ethanol or other biofuels to the list of crops which can be planted on flexible crop acreage at the Secretary's discretion.

Currently, corn is the exclusive feedstock for ethanol produced in the United States. Corn, of course, is a program crop, and the committee provided for program crop plantings on flexible acreage in the bill it reported.

However, with the increased demand for ethanol that may come about because of the Clean Air Act amendments and renewed fears about imported oil, there may be a demand for new, more exotic alcohol feedstocks by the time the new farm bill expires in 1995.

The Department of Energy's Oak Ridge National Laboratory in Tennessee has already conducted research into a number of these crops, and the Secretaries of Energy and Agriculture are expected to sign in the near future a memorandum of understanding providing for cooperation between the two Departments in biofuels experiments.

If these exotic energy crops prove promising, farmers will need a farm program with the flexibility to allow them to try the new crops out. The amendment adopted tonight will provide that needed flexibility.

The second amendment, which we have worked on with staff on both sides of the aisle much of today, would take a first step toward solving the problem of ground water depletion that threatens American agriculture.

One of the most important things farmers can do to conserve ground water in places such as east Arkansas, where the water table is falling, is build reservoirs. These reservoirs capture winter and spring rainfall and surface runoff, which the farmer can use instead of ground water.

The amendment as modified would provide that if a farmer builds a reservoir on his base acreage, the acreage devoted to the reservoir would count as conserving use acreage.

This means that farmers who are now using ground water for irrigation or watering livestock could, depending on their circumstances, be able to either count acreage devoted to reservoirs as set-aside acreage, or enroll in the 0/92 or 50/92 programs and count acreage devoted to reservoirs as acreage not planted under those programs.

Furthermore, the amendment would direct the Secretary of Agriculture to develop and implement a program to provide further incentives for reservoir construction in counties which he classifies as areas of severe ground water depletion. The Secretary would be required to consult with the U.S. Geologic Survey before making such a determination.

The old saying has it that "you never miss the water till the well runs dry." This amendment would do something to help keep the wells from running dry.

I thank the committee for its accommodation on these amendments.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Arkansas.

Mr. ANTHONY. Mr. Chairman, I thank the gentleman from Texas [Mr. DE LA GARZA] for yielding, and I would also like to thank him for working with the gentleman from Arkansas [Mr. ALEXANDER] and myself on this very important water conservation amendment.

Mr. ANTHONY. Mr. Chairman, a decade ago, this Congress grappled with problems of a limited and dwindling resource. At that time, this country was mired in what was referred to as the energy crisis. When you take a hard look at agricultural losses over the past 10 years and the even more frightening aspect of failing ground water supplies, it becomes quickly apparent that endangered water resources could make the energy crisis of the past pale by comparison to a true water crisis.

The alluvial aquifer of eastern Arkansas is an example of ground water depletion that threatens an entire rural economy. Over the past many years, agricultural production, rural residences and communities, and industry have tapped this underground resource to the extent that the water table has fallen to levels that make access to the resource difficult and costly. In addition, the aquifer is not only failing in quantity but quality as well. Similar patterns have been repeated all across this country.

The State of Arkansas, like many other States, has implemented plans to better manage ground water resources. Without doubt, incentives should be provided for historical ground water users to shift to excess surface water as their primary supply of water use. My colleague from Arkansas, Mr. ALEXANDER, and myself offer an amendment to this major farm legislation to provide such an incentive.

Our amendment provides farmers who participate in Federal farm programs an option to help satisfy acreage reduction program requirements by taking land out of production and into surface water storage. Any land so used must have a history of production in program or oilseed crops and must maintain the water storage use to keep the credit. Our amendment does not make the program permanent, but ties it to the 5-year life of this farm bill. Similar language is contained in the farm bill now before the U.S. Senate.

We have made certain changes to our amendment to ensure that any benefit resulting from our amendment is tied to environmental protection. Since there must be a history of ground water use for irrigation, the surface water must be used to replace ground water as the source. It does not allow new land to be put into irrigation. Therefore, it does not increase production—with the likely result of increasing deficiency payments—because the land had to be under irrigation to begin with.

Our amendment also maintains historic application of set-aside objectives by denying additional economic use of the land. Our amendment will not allow any use of stored water other than irrigation of crops—already under irrigation—or stock ponds—if ground water is currently being used as the source—unless the Secretary of Agriculture finds that other uses are appropriate.

Our amendment cannot be viewed as a farm giveaway since it gives away nothing. It merely allows the farmer limited freedom to better manage one of his most important farm

resources. Acreage reduction programs are designed to keep program cropland out of production; our amendment continues that policy.

The true beneficiary of this amendment is the environment. Farmers are sensitive to water quality and water quantity concerns. They do not want to see aquifers fail any more than anyone in this Chamber. This amendment simply provides them an incentive to protect fragile ground water supplies.

Haunting photographs of Oklahoma, Kansas, Arkansas, and other Central States taken during the Dust Bowl days of the 1930's remind us of the devastation of nature when resources are neglected. We respectfully ask this body to help provide a cost-free management tool to our Nation's farmers as we enter the environmentally sensitive decade of the 1990's to help prevent the ecological and economical chaos that will result if we do not today recognize the true value of the resource.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I thank the gentleman from Texas [Mr. DE LA GARZA] for yielding.

For those of my colleagues who wondered what happened to the Armey amendment on the peanut program, I just wanted to mention that the peanut program was ruled out of order on a point of order. I am going to pursue a consideration of whatever parliamentary alternatives I can and try to get it back in before the bill is retired. If I cannot do so, I will be filing a motion to recommit that will effect that, and I will try to get my colleagues a vote on that amendment in the best possible way. If not, we will pick it up 5 years from now, if that is what it takes.

Mr. DE LA GARZA. Mr. Chairman, I now revert to the unanimous-consent request that had deferred titles V and VI, and I would ask unanimous consent that title V be open at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will designate title V.

The text of title V is as follows:

TITLE V—WOOL AND MOHAIR

SEC. 501. EXTENSION OF PRICE SUPPORT PROGRAM.

Section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) is amended by—

(1) striking "1990" in subsection (a) and inserting "1995"; and

(2) striking "1990" in subsection (b) and inserting "1995".

SEC. 502. PROMOTION PROGRAM.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking "at least two-thirds" whenever it appears and inserting "a majority" and by striking "two-thirds" wherever it appears and inserting "a majority".

SEC. 503. PAYMENT LIMITATION.

Section 704 of the National Wool Act of 1954 (7 U.S.C. 1783) is amended by—

(1) inserting immediately after the section designation "(a) USE OF PAYMENTS.—"; and

(2) adding at the end the following new subsection:

"(b) PAYMENT LIMITATION.—The total amount of payments that any one producer is entitled to receive under this Act for any marketing year that begins after the date of enactment of this sentence not exceed $250,000.".

The CHAIRMAN. Are there any amendments to title V?

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the wool and mohair title as established in H.R. 3950.

The wool/mohair title of H.R. 3950 is aimed at maintaining the viability of the production of wool and mohair at no net cost to the taxpayer. The wool program continues to provide producers with a stable income and consumers with a reliable supply of quality products. In addition, the positive contributions of this program to the economy of rural America should not be understated. More than 125,000 families in all 50 States raise sheep and goats. It is clear that wool and mohair production is a vital and essential income source for many American farmers and, as a result, is important to rural economies. Finally, because the operation of the wool program rewards higher quality wool and mohair, it is an example of how government and market forces can operate together to strengthen the quality of a product.

Under the wool program, incentive payments paid to producers are at no net cost to the taxpayer. All payments are linked to tariffs that are assessed on raw wool and wool products imported into the United States. The law as enacted in 1954 states that the amount of incentive payments paid to producers may never exceed 70 percent of the total dollars collected in the same year on wool tariffs. In fact, in 1989, gross receipts collected from assessments totaled over $440 million, of which only $115 million or 26 percent was paid to producers, resulting in a contribution of over $325 million to the U.S. Treasury.

Because of current Federal budget difficulties, the Agriculture Committee imposed a cap to limit the total amount of payments a wool and/or mohair producer could receive in any marketing year. This payment limitation places the wool and mohair program on level with the other commodity programs. Other than this payment limitation, the title is a straight extension of the 1985 farm bill.

I urge your support for this program which serves many purposes including revitalizing rural American economies, stabilizing producer income, contributing to higher quality wool and mohair products, and assuring consumers of a stable domestic supply of wool and mohair products.

I urge my colleagues to support the wool/mohair title as established in H.R. 3950.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DE LA GARZA: On page 132, strike lines 14 through 17 and insert the following:

"(b) PAYMENT LIMITATION.—(1) IN GENERAL.—The total amount of payments that any one producer shall be entitled to receive under this Act for any marketing years shall not exceed—

"(1) $200,000 in the 1991 marketing year;

"(2) $167,000 in the 1992 marketing year;

"(3) $133,000 in the 1993 marketing year; and

"(4) $100,000, beginning with marketing year 1994.

"(2) ENFORCEMENT.—For purposes of determining who is a producer referred to in paragraph (1), sections 10001 (5), 1001A, and 1001B, of the Food Security Act of 1985 (7 U.S.C. 1308(5), 1308-1, and 1308-2, respectively) shall apply in the same manner as such sanctions apply for purposes of determining who is a person under such sections.".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There is no objection.

Mr. DE LA GARZA. Mr. Chairman, this is the amendment that the gentleman from Texas [Mr. STENHOLM] has explained.

Does the gentleman from Texas need more time at this point?

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, this is the amendment that I referred to earlier in my remarks concerning the amendment of the gentleman from Texas [Mr. ARMEY] and the gentleman from New York [Mr. SCHUMER].

Mr. Chairman, I pointed out at that point in time the gentleman from Texas [Mr. ARMEY] had one game plan, and the gentleman from New York [Mr. SCHUMER] had another, and we have been working with Mr. SCHUMER and others who are sincere in wanting to make our programs work and to work out some of these rough spots, as they perceive them, regarding the amount of payments.

Mr. Chairman, I would remind my colleagues that the wool and mohair program had no limitation, no limitation whatsoever this year. The Committee on Agriculture decided this year, and in the bill that was present-

ed we decided that a 250,000 limit would be made in order, that with all of the amendments that we have already discussed and the ones that are pending, it seems that a reasonable compromise would be, concerning the wool and mohair, to treat wool and mohair exactly like every other commodity: cotton, wheat, feed grains, others in which we have payments, and the gentleman from Louisiana [Mr. HUCKABY] will have an amendment at the appropriate time that will deal with improvement in that area.

Mr. Chairman, in this case basically what we are doing is we are saying that from the 1991 year it is $200,000, and it reverts back to $100,000 in 3 years and then is frozen at that level, which is the exact level that I hope we are going to be agreeing on in future amendments regarding all of the other crops.

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Mr. MADIGAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Texas [Mr. STENHOLM] to advise me as to whether or not the ranking member of the subcommittee on our side has been apprised of the agreement that has been reached and has that ranking member acquiesced to this change?

Mr. STENHOLM. It is my understanding, Mr. Chairman, that he has been.

Mr. MADIGAN. Mr. Chairman, I yield further to the gentleman from Texas to advise me as to whether or not he is going to request unanimous consent to correct grammatical errors that appear in this amendment that is being offered?

Mr. STENHOLM. I will so do.

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thank the chairman, and first let me say that on the previous amendment I think the debate was a full and open and fair one and I want to thank my colleagues for the good debate that was out there. They participated in a very fair and good way. I just want to say thank you. I think the debate helped things along in the House, I say to the chairman and all my colleagues.

On this amendment, Mr. Chairman, we have reached an agreement. It is an agreement that does limit the wool and mohair program downward over a period of years. We try to be mindful of the fact that there has to be a transition, and that the program does have a purpose.

I am supportive of that amendment and will not offer my amendment, which was a substitute.

I want to sincerely thank both the gentleman from Texas [Mr. STENHOLM] and the gentleman from Louisiana [Mr. HUCKABY] for participating. We have negotiated long and hard on this and each side had to give a little, but I think the product, as in the best of legislative compromises that emerges, is one that we can all be proud of.

I am fully supportive of this amendment. I think it makes some progress without causing undue hardship. I would hope we would adopt this amendment quickly.

Mr. DE LA GARZA. Mr. Chairman, to conclude on my amendment, I appreciate all who have worked on this endeavor. It is a good compromise amendment and I urge its passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment was agreed to.

Mr. WOLPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to offer an amendment to title XI that was directed at the glaring contradiction in current law to a reclamation policy that provides a select group of agricultural interests low cost federally subsidized irrigation water to grow crops that are already in surplus, and a farm policy that pays huge amounts in commodity payments to limit production and support sagging prices for these same crops.

My amendment very simply would bring irrigation subsidies within the existing $50,000 deficiency payment cap and the $250,000 program payment cap of the current farm law.

Analysts at the USDA have indicated the savings that would be achieved by that would be from $10 million to $15 million each year, or $50 million to $75 million over the 5-year life of the farm bill, and this I am told is a conservative estimate.

But I am told that an objection would lie against the amendment on this bill this evening, so I will not press this point.

In addition, the gentleman from Washington [Mr. MORRISON] and the gentleman from California [Mr. BROWN] have correctly noted that the remedy proposed in my amendment would not discriminate in its impact between small and large farm operations.

I take this time, however, Mr. Chairman, to underscore the need to address this "double subsidy" issue. Current law makes no sense. It wastes tax dollars. It provides unwarranted incentives to grow surplus crops. It discourages the efficient use of our precious water supplies, and it puts farmers in the Midwest and other parts of the country that do not have the luxury of subsidized irrigated water at a competitive disadvantage.

In addition to receiving water at prices far below economic value, farmers that are served by the Bureau of Reclamation enjoy tremendous advantages over their dry land competitors in our Nation's farm belt.

Irrigation increases per acre yields. Irrigated yields for wheat, for instance, are twice the dry land yields. Irrigation yields of cotton are 90 percent higher. Not surprisingly, irrigated areas constitute 13.7 percent of all harvested cropland, but 27.8 percent of the value of harvested production.

I recall what happened during the drought of 1988 which crippled the Midwest. It devastated grain and livestock producers throughout our region, where just 2 percent of agricultural land is irrigated. The drought, however, was a boon to farmers in a few Western States who—with the Federal Government's generous assistance—irrigate a majority of their commercial cropland. Stored water supplies enabled them to maintain normal production and benefit from higher prices occasioned by drought induced shortages. In fact, cash receipts in California rose by 9.1 percent in 1988.

Let me tell you, farmers in my State of Michigan and throughout the Northeast and Midwest find great difficulty in understanding why they should be competing on such an uneven field with farmers who have an unlimited supply of cheap irrigation water.

So it is my hope, Mr. Chairman, that the committees of jurisdiction in the weeks ahead will revisit this issue of reclamation policy as it impacts both upon our water resources efforts in this country and also as it impacts upon the agricultural policy that we are trying to pursue on a national basis.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I am pleased to yield to my distinguished colleague and good friend, the gentleman from California [Mr. BROWN].

Mr. BROWN. Mr. Chairman, I have discussed this matter with the gentleman. I find that I have a number of various agreements with him.

I think that our policies of subsidized water in the West for irrigation purposes do need to be re-examined. There are some inequities involved.

The original rationale for the programs going back a 100 years involves situations which have drastically changed over that period of time. I believe it would be beneficial for the House to consider looking at these policies and enacting any necessary modifications.

I do believe that this is properly within the jurisdiction of the Interior Committee. I know that they are interested in that and I hope they will pursue the issue.

I commend the gentleman for bringing the matter up and for following the course that he is following now.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for his observations.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I am pleased to yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I thank the gentleman for yielding to me.

I commend my friend and colleague for raising this important issue.

The gentleman from California [Mr. MILLER] who I have worked with on this issue and the gentleman from Washington [Mr. MORRISON], I think have given us some guidance on how to perfect this.

I think it is an important principle that we have to address here. The process is a complicated one. We do not want to do unintentional injury to people who work hard to earn a living, but we also have to have a rational farm policy that also rationally uses water, an important economic and environmental issue.

I grew up on a dairy farm. I have the greatest respect for the hard work that farmers put in on a regular basis.

I commend the gentleman from Michigan [Mr. WOLPE] for raising this issue, but also for making sure that we do not unintentionally hurt people in the process.

I just want to commend him and the gentleman from California [Mr. MILLER] and the gentleman from Washington [Mr. MORRISON] for their efforts.

Mr. WOLPE. Mr. Chairman, let me thank the gentleman for his contribution and also his leadership in offering the original amendment that has begun that policy review and the redirection of our national policy.

Mr. MORRISON of Washington. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Washington.

Mr. MORRISON of Washington. Mr. Chairman, I thank the gentleman for yielding to me, and also thank the gentleman for his consideration of some facts and arguments that we brought to him leading to his withdrawing this amendment. It is an issue that will be before us and I look forward to working with the leadership reflected here from the Interior Committee and the gentleman for his thoughtfulness. We will work with the gentleman.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, let me also join and say that the gentleman raises a very serious and important subject.

I think clearly, as the gentleman from Washington [Mr. MORRISON] and others have said and we have discussed earlier today, that this is one that is going to have to take a great deal of consideration and work to make sure that the objectives that we seek in terms of limiting multiple subsidies to single entities, that we not also deprive those financial supports to the farmers that in fact need those financial supports to maintain their farms, their places of employment in the production of food and fiber.

We on the Interior Committee have looked at this at the urging of the gentleman from Michigan, the gentleman from Connecticut and others, and we will continue to do that. We will take this amendment and give it our fullest consideration within the Policy Committee.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for that assurance, and look foward to working with him on this question.

Mr. SMITH on Texas. Mr. Chairman, I support the wool and mohair title as written by the Agriculture Committee. We have heard the facts about the program: that it is financed through a tariff, not the taxpayer; that it is a program designed to encourage production; that it is not a welfare program.

The wool and mohair program is not one that rewards people for not producing sheep, or pays people to slaughter their animals. It is a program that gives ranchers across the country an incentive to produce a high-quality product that will be used here in the United States.

This program does not favor existing producers to the exclusion of people hoping to start a small family operation or shift to production of wool and mohair.

The wool and mohair producers rely solely on the wool and mohair program. They do not have marketing loan programs, export enhancement programs or commodity storage programs like other commodities.

Imposing a $50,000 payment limit would be telling producers that they shouldn't be too efficient, they shouldn't expand their operation too much, they shouldn't do too good a job of competing with foreign producers who do have export enhancement programs and who do have commodity storage programs.

I will support changing the wool and mohair program when American producers can compete on a level playing field with producers in Australia and South Africa.

But until our negotiators in Geneva bring home a GATT agreement that creates a fair world market, I will vote to help American producers.

Mr. DE LA GARZA. Mr. Chairman, I renew my unanimous-consent request that title VI be deferred and that the remainder of title XI be deferred for further consideration and that at this time we move to title XII.

The CHAIRMAN. First, are there other amendments to title V?

The Clerk will designate title VI.

Mr. DE LA GARZA. Mr. Chairman, it is title XII.

The CHAIRMAN. Does the gentleman prefer to keep title VI in abeyance and go to title XII?

Mr. DE LA GARZA. Mr. Chairman, I wish to keep title VI and the remainder of title XI in abeyance and proceed to title XII.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk will designate title XII.

The text of title XII is as follows:

TITLE XII—TRADE

Subtitle A—Public Law 480, Food for Progress

SEC. 1201. AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

Unless otherwise expressly provided, whenever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691, 1701 et seq.).

SEC. 1202. EXTENSION OF AUTHORITIES.

(a) PRIVATE ENTERPRISE PROMOTION.—Section 108(g) (7 U.S.C. 1708(g)) is amended by striking "1986 through 1990" and inserting "1991 through 1995".

(b) MINIMUM QUANTITY OF AGRICULTURAL COMMODITIES DISTRIBUTED UNDER TITLE II.—Section 201(b) (7 U.S.C. 1721(b)) is amended by striking "ending September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990," and inserting "1991 through 1995".

(c) EXTENSION OF AUTHORITY TO ENTER INTO AGREEMENTS.—Section 409 (7 U.S.C. 1736c) is amended by—

(1) striking "1990" in the first sentence and inserting "1995"; and

(2) striking "and the Food Security Act of 1985" in the second sentence and inserting ", the Food Security Act of 1985, and the Food and Agricultural Resources Act of 1990".

SEC. 1203. AMENDMENT TO SECTION 3.

Section 3 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. OVERALL FOOD AID LEVEL.

"It is the sense of Congress that the President should increase the level of food aid provided by the United States and encourage other donor governments to increase the level of food aid they provide, to reflect the findings of the National Research Council of the National Academy of Sciences that it will be necessary to double the present food aid level of approximately 10 million metric tons per year in order to meet the projected world food aid needs during 1991 through 2000. It is further the sense of Congress that the President should encourage other developed countries to increase their contributions toward combatting hunger and malnutrition in developing countries by expanding international food and agricultural assistance programs.".

SEC. 1204. AMENDMENTS TO TITLE I.

(a) AMENDMENT OF SECTION 101.—Section 101 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. AGREEMENTS FOR THE SALE OR DONATION OF AGRICULTURAL COMMODITIES.

"(a) AUTHORITY.—In order to carry out the policies and accomplish the objectives set forth in section 2, the President is authorized to negotiate and carry out agreements with friendly countries providing for the sale of agricultural commodities—

"(1) for dollars on credit terms; or

"(2) for foreign currencies for use under sections 104 or 108.

The President is also authorized to negotiate and carry out agreements with friendly least developed countries that meet the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference providing for the donation of agricultural commodities to such countries.

"(b) MINIMUM LEVEL FOR SALES FOR FOREIGN CURRENCIES.—For each of the fiscal years 1991 through 1995, sales for foreign currencies for use under section 108 under agreements entered into under this title should be made at an annual level of not less than 10 percent of the aggregate value of all sales of agricultural commodities under this title.

"(c) DEFINITION.—As used in this section, the term 'least developed country' means a country that meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance or that is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population.".

(b) TECHNICAL AND CONFORMING CHANGES TO SECTION 103.—Section 103 (7 U.S.C. 1703) is amended—

(1) in subsection (b) by striking "subsections (a), (b), (e) and (h) of section 104, in section 108, and in title III" and inserting "sections 104 and 108";

(2) in subsection (m)—

(A) by striking "as provided in section 108" and inserting "for foreign currency payments for use under section 108",

(B) by striking "(1)", and

(C) by striking ", and (2)" and all that follows through the end and inserting a semicolon;

(3) by amending subsection (p) to read as follows:

"(p) give priority to financing the sale of food and fiber commodities in the allocation of funds made available under this title; and"; and

(4) by striking subsection (q) and redesignating subsection (r) as subsection (q).

(c) REVISION OF SECTION 104.—Section 104 (7 U.S.C. 1704) is amended to read as follows:

"SEC. 104. USES OF FOREIGN CURRENCY.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the President may use, or enter into agreements with foreign countries or international organizations to use, the foreign currencies, including principal and interest from loan repayments, that accrue in connection with agreements for credit sales or sales for foreign currencies as provided in section 103(b) as follows:

"(1) For payment of United States obligations (including obligations entered into pursuant to other legislation).

"(2) For carrying out programs of United States government agencies to—

"(A)(i) Help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 percent of the total sales made each year under this title shall be set aside in the amount and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph. The Secretary of Agriculture may release such amounts of the foreign currencies so set aside as the Secretary determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of 30 days following the date on which notice of such proposed release is transmitted by the President to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Foreign Relations of the Senate, if transmitted while Congress is in session, or 60 days following the date of transmittal if transmitted while Congress is not in session.

"(ii) Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 percent) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries that are, or offer reasonable potential of becoming, dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph.

"(iii) In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable.

"(iv) The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities.

"(B) Finance with up to 2 percent of the total sales proceeds received each year in each country collaborative agricultural research of mutual benefit to the United States and the recipient country, including under title XII of the Foreign Assistance Act of 1961, and activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, and the International Education Act of 1966.

"(C) Collect, collate, translate, abstract and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against human diseases, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation.

"(D) Acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter and furnish such buildings and facilities.

"(E) Finance under the direction of the Librarian of Congress and the Director of the National Agricultural Library, in consultation with the National Science Foundation and other interested agencies, (i) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, and (ii) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate.

"(3) For use by such agencies as the President may designate for—

"(A) loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development, market research, and trade expansion in such countries, including promotion of private investment advice and technical support, and

"(B) loans to domestic or foreign firms (including cooperatives) for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products. No such loans shall be made for the manufacture of any product intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans.

"(4) To promote multilateral trade and agricultural and other economic development, under procedures, established by the President, by loans or by use in any other manner that the President may determine to be in the national interest of the United States; particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Agency for International Development. No such funds may be utilized to promote religious activities.

"(5) For financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency that the President determines is qualified to administer such activities. Not less than 5 percent of the total sales proceeds received each year shall, if requested by the foreign country, be used for voluntary programs to control population growth. None of the funds made available to carry out this paragraph may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

"(6) For paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests.

"(b) 1953 ACT.—Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsection (a), and in the case of currencies to be used for the purposes specified in paragraph (2)(B) of subsection (a) the Appropriation Act may specifically authorize the use of such currencies and shall not re-

quire the appropriation of dollars for the purchase of such currencies.

"(c) LAYOVER REQUIREMENT.—No agreement or proposal to grant any foreign currencies under this section shall be entered into or carried out until the expiration of 30 days following the date on which such agreement or proposal is transmitted by the President to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate, if transmitted while Congress is in session, or 60 days following the date of transmittal if transmitted while Congress is not in session.

"(d) INTEREST ON LOANS.—Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances designate a different rate.

"(e) EXCEPTION.—(1) EXCESS AMOUNTS.—Subsections (c) and (d) shall not apply in the case of any country where the foreign currencies or credits owned by the United States and available for use by it in such country are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such country for the two fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to subsection (b), to the acquisition of sites, buildings, and grounds under subsection (a)(2)(D) and to assist such country in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures.

"(2) REPORT TO CONGRESS.—Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any country, the President shall advise the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Foreign Relations of the Senate of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effect of such use.

"(f) SPECIAL ACCOUNT; REIMBURSEMENT TO COMMODITY CREDIT CORPORATION.—Foreign currencies received pursuant to this Act shall be deposited in a special account to the credit of the United States and shall be used only pursuant to sections 104 and 108, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. The President shall utilize foreign currencies received pursuant to this Act in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.".

(c) DELETION.—Sections 105 (7 U.S.C. 1705), 110 (7 U.S.C. 1710), and 113 (7 U.S.C. 1713) are deleted.

(d) TECHNICAL AND CONFORMING CHANGES TO SECTION 106.—Section 106 (7 U.S.C. 1706) is amended—

(1) in subsection (a)(1)—

(A) by striking "section 122(b)" and inserting "chapter 1 of part 1",

(B) by inserting before the period at the end of the second sentence ", and other payment terms shall be no less favorable to the United States than those for development loans made under chapter 1 of part 1 of the Foreign Assistance Act of 1961", and

(C) by striking the third sentence;

(2) by amending subsection (a)(2) to read as follows:

"(2) The President may, on a case-by-case basis, taking into account the financial resources of a country and commitment to undertake policy reforms to promote economic growth, waive payment of such aggregate amounts of principal and interest payable under sales agreements for dollars on credit terms entered into under the authority of this title with respect to any relatively least developed country (as determined on the basis of criteria comparable to those used for the United Nations Development Program list of 'least developed countries') or any other country in Sub-Saharan Africa, if—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility or enhanced structural adjustment facility with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market oriented, and long term economic development.

The aggregate amount of principal and interest waived under this paragraph may not exceed the amount approved for such purposes in an Act appropriating funds to carry out this Act.";

(3) by amending subsection (b)(1) to read as follows:

"(1) Agreements under this title for the sale for dollars on credit terms or donation of agricultural commodities shall include requirements that an amount equal to the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the grant or sales agreement or any amendment thereto. In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes that directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries and to carry out programs in accordance with sections 109 and 406(a)(1).";

(4) by striking subsections (b)(2) and (3) and redesignating paragraph (4) as paragraph (2); and

(5) by amending the last sentence of subsection (b)(2)(B) (as so redesignated) to read "Such proceeds shall not be used to finance the production for export of agricultural commodities or the products thereof that will compete, as determined by the President, in world markets with similar agricultural commodities or the products thereof produced in the United States, where such competition will cause substantial injury to United States producers.".

(e) AMENDMENTS TO SECTION 108.—Section 108 (7 U.S.C. 1708) is amended—

(1) in subsection (a)(1) by adding at the end "Agreements for sales for foreign currency in a developing country for use under this section may not be entered into to the extent that such agreements would generate currency in amounts that cannot be productively used and absorbed in the private sector of such country.";

(2) in subsection (c)—

(A) in paragraph (1) by striking "A financial" and inserting "Except where it would be inconsistent with the objectives of this section, a financial",

(B) in paragraph (2) by striking subparagraph (A) and the subparagraph designation for subparagraph (B), and

(C) in paragraph (3)(B)—

(i) by inserting after "not be" the word "substantially", and

(ii) by striking ", in whole or in part,";

(D) in paragraph (4)(B)—

(i) by striking "101(a)(3)" and inserting "101(a)(2)", and

(ii) by striking "defray the startup costs of becoming a" and inserting "such";

(E) by amending paragraph (5) to read as follows:

"(5) No currency made available under this section may be used to finance the production for export of agricultural commodities or the products thereof that will compete, as determined by the President, in world markets with similar agricultural commodities or the products thereof produced in the United States, where such competition will cause substantial injury to United States producers."; and

(F) by adding at the end a new paragraph to read as follows:

"(8) When entering into a loan agreement under this section, the President may agree to reduce the repayment obligation of a financial intermediary in an amount not to exceed 80 percent of the principal losses suffered by the financial intermediary in connection with loans made by it with funds borrowed under this section and used in accordance with the requirements of this section and the loan agreement.";

(3) in subsection (d)(2), by amending subparagraph (D) to read as follows:

"(D) be used in furtherance of the policies of this section to promote joint or cooperative ventures between private firms or individuals in the developing countries and United States firms, individuals, and organizations, including without limitation cooperatives, private voluntary organizations, and land grant colleges and universities.";

(4) in subsection (f)—

(A) by inserting after "technical assistance" the words ", or technical assistance to financial intermediaries,", and

(B) by striking the last sentence; and

(5) by striking subsection (g) and redesignating subsections (h) and (i) as subsections (g) and (h), respectively.

(f) AMENDMENT TO SECTION 109.—Section 109 (7 U.S.C. 1709) is amended—

(1) by amending the section designation and subsection (a) to read as follows:

"SEC. 109. SELF-HELP MEASURES.

"(a) To be eligible to enter into agreements for the grant or sale of United States agricultural commodities under this title, the proposed recipient country must undertake self-help measures for economic development purposes in order to improve food security and agricultural development, allevi-

ate poverty, and promote broad-based economically and environmentally sustainable growth through such activities as the following:

"(1) fostering increased agricultural production (with emphasis on small farms), processing, forestry management, land and water management;

"(2) fostering the availability of agricultural inputs necessary for agricultural growth;

"(3) improving marketing, storage, transportation and distribution systems;

"(4) promoting and developing credit policies for private-sector agricultural development;

"(5) promoting increased access to food supplies through the encouragement of policies and programs designed to increase employment and incomes within the country;

"(6) promoting free and open markets;

"(7) establishing and maintaining government policies to ensure adequate incentives to producers;

"(8) establishing and expanding institutions for basic and applied agricultural research and use of such research through development of extension services;

"(9) carrying out voluntary family planning, including increased access to voluntary family planning services;

"(10) carrying out programs promoting improved health and self-sustaining primary health care systems;

"(11) supporting programs to improve the health of the poor, focusing on the special health needs of children and mothers; and

"(12) preservation of biological diversity.

In negotiating the terms of an agreement under this title, the President shall take into consideration the overall development strategy of the recipient country and any other United States development activities in that country.";

(2) by redesignating subsections (c) and (d) as subsections (b) and (c) respectively;

(3) in subsection (c) (as so redesignated)—

(A) in paragraph (1)—

(i) by striking "maximum", and

(ii) by striking "be the major beneficiaries of" and inserting "benefit from";

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(C) by adding a new paragraph (3) to read as follows:

"(3) An agreement with the recipient country under this title shall, to the extent practicable, be entered into not later than November 30 of the first fiscal year in which such commodities are to be shipped under the agreement.".

(g) TECHNICAL AND CONFORMING CHANGES TO SECTION 112.—Section 112 (7 U.S.C. 1712) is amended—

(1) in subsection (b) by striking "International Relations" and inserting "Foreign Affairs"; and

(2) by striking subsection (d).

(h) REPORT BY COMMODITY OR OCEAN TRANSPORTATION SUPPLIER.—Section 115(b) (7 U.S.C. 1715) is amended—

(1) by striking "International Relations" and inserting "Foreign Affairs", and

(2) in the last sentence by inserting after "for a period of" the words "not more than".

SEC. 1205. AMENDMENTS TO TITLE II.

(a) AMENDMENT TO SECTION 201.—Section 201 (7 U.S.C. 1721) is amended—

(1) in subsection (a)—

(A) by striking "The President" and inserting "Notwithstanding the provisions of any other Act, the President", and

(B) by inserting after "furnish agricultural commodities" the words "under this title"; and

(2) in subsection (c)(2) by striking "fortified or processed" both places it occurs and inserting "fortified, processed, or bagged" in both such places.

(b) NONPROFIT VOLUNTARY AGENCIES ADMINISTRATIVE COSTS.—Section 207(c) (7 U.S.C. 1726a(c)) is amended by adding a new subsection to read as follows:

"(d)(1) Not less than $10,000,000 and not more than $13,500,000 of the amounts made available in each fiscal year to nonprofit voluntary organizations and cooperatives under this title shall be made available by the President to such organizations and cooperatives to assist in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) In order to receive funds made available under paragraph (1), a nonprofit voluntary organization or cooperative must submit a request, to be approved by the President, for such funds when submitting a proposal to the President for an agreement under this title.

"(3) Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to countries of the world (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).".

(c) FOOD AID ADVISORY GROUP.—Title II is amended by adding at the end the following new section:

"SEC. 209. FOOD AID ADVISORY GROUP.

"The President shall establish a Food Aid Advisory Group composed of the Administrator of the Agency for International Development and the Secretary of Agriculture, or their designees, and representatives of nonprofit voluntary agencies and cooperatives to provide advice on the implementation of programs under this title.".

SEC. 1206. REPEAL OF TITLE III.

Title III is hereby repealed.

SEC. 1207. AMENDMENTS TO TITLE IV.

(a) AMENDMENT TO SECTION 401.—Section 401 (7 U.S.C. 1731) is amended—

(1) in subsection (a)—

(A) by inserting after "Secretary of Agriculture shall" the following: ", prior to the beginning of each fiscal year,", and

(B) by striking ", and the commodities and quantities thereof which may be included in the negotiations with each country" and inserting ". The Secretary of Agriculture may, during the fiscal year, modify such determination to include additional quantities or commodities available for such disposition";

(2) by designating subsection (b) as subsection (b)(1) and adding the following new paragraph:

"(2) In making agricultural commodities available under title I, the President shall consider—

"(A) the time of harvest of any competing commodities in the recipient country; and

"(B) such other concerns determined to be appropriate by the President."; and

(3) adding a new subsection to read as follows:

"(c) In implementing this Act, the Secretary of Agriculture shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide food assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multiyear agreements entered into under this Act.".

(b) INGREDIENTS OF TITLE II COMMODITIES.—Section 402 (7 U.S.C. 1732) is amended by inserting after "or product thereof" the following: "(including all ingredients contained therein, if available, and provided under title II)".

(c) FARMER-TO-FARMER PROGRAM.—Section 406 (7 U.S.C. 1736) is amended to read as follows:

"SEC. 406. FARMER-TO-FARMER PROGRAM.

"(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

"(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of such farmers;

"(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and non-profit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

"(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a person-to-person basis, to such countries while enhancing the democratic process by supporting private and public agriculturally-related organizations who request and support technical assistance activities through cash and in-kind services;

"(4) enter into contracts, cooperative agreements, or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness or non-profit farm organizations, to the extent practicable, to carry out this section;

"(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

"(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

"(b) DEFINITIONS.—As used in this section—

"(1) EMERGING DEMOCRACIES.—The term 'emerging democracy' means a country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building and the cultural values, institutions, and organizations of democratic pluralism.

"(2) MIDDLE INCOME COUNTRY.—The term 'middle income country' means a country that has developed economically to the point where it does not qualify for bilateral foreign assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs.

"(c) MINIMUM FUNDING.—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.".

(d) AMENDMENT OF SECTION 407.—Section 407 (7 U.S.C. 1736a) is amended to read as follows:

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) AVOIDANCE OF CONFLICTS OF INTEREST.—No person may act as an agent, broker, consultant, or other representative of—

"(1) the Federal Government,

"(2) an importer, or

"(3) an importing country

in connection with commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(b) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this Act unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(c) LIMITATION ON COMMISSIONS.—No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this Act may be paid in excess of an amount determined appropriate by the President.".

(e) REPORTING REQUIREMENTS.—Section 408 (7 U.S.C. 1736b) is amended by—

(1) amending subsection (a) to read as follows:

"(a) The President shall submit a statement to Congress not later than June 1 of each fiscal year specifying the agreements signed under this Act for that fiscal year. Such statement shall also specify for each country with which there is an agreement under this Act for that fiscal year, the amount that country requested and is receiving under the Food for Progress Act of 1985, section 416 of the Agricultural Act of 1949, title I of this Act, and title II of this Act. With respect to title II, the statement shall indicate for each country—

"(1) the quantity provided through the World Food Program, nonprofit voluntary agencies or cooperatives (identified by name), or government-to-government agreements;

"(2) the type and quantity of each commodity provided; and

"(3) the quantity provided for each program category.";

(2) redesignating subsection (e) as subsection (g); and

(3) inserting after subsection (d) the following:

"(e) The President shall, no later than the end of the fiscal year, submit a statement to Congress on the number of requests submitted and the number of requests approved under section 207 for that fiscal year for the generation of foreign currency proceeds, the amount of foreign currency proceeds generated, and a summary of the uses of such proceeds.

"(f) On World Food Day, October 16 of each year, the President shall submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report, prepared with the assistance of the Secretary of Agriculture and the Administrator of the Agency for International Development, assessing progress towards food security in each country receiving United States government food assistance.".

(f) MULTIYEAR AVAILABILITY.—Section 413 (7 U.S.C. 1736g) is amended to read as follows:

"SEC. 413. MULTIYEAR AGREEMENTS.

"Commodities provided under this Act shall be made available on a multiyear basis, subject to the requirements of section 401 and the availability of appropriations, unless—

"(1) the past performance of the country in meeting program objectives does not warrant a multiyear agreement;

"(2) it is anticipated that the need of the country for food aid does not extend beyond one year; or

"(3) other circumstances, as determined by the President, indicate there is only a need for a one-year agreement.".

SEC. 1208. PROGRAM REGULATIONS.

(a) IN GENERAL.—The President shall provide for the issuance of regulations to revise the existing regulations to implement the Agricultural Trade Development and Assistance Act of 1954, including all provisions necessary or appropriate to implement the amendments made by this subtitle.

(b) DEADLINES.—The regulations specified in subsection (a) shall be issued in proposed form no later than 6 months after the date of enactment of this Act and in final form no later than 1 year after the date of enactment of this Act.

(c) REQUIREMENTS.—The regulations issued under this section to implement title II of the Agricultural Trade Development and Assistance Act of 1954 shall, in addition to such other provisions as the President determines appropriate—

(1) simplify procedures for participation in the programs established under that title;

(2) reduce paperwork requirements under such programs;

(3) establish reasonable and realistic accountability standards to be applied to nonprofit voluntary organizations and cooperatives participating in the programs established under that title, taking into consideration the problems associated with carrying out programs in developing countries; and

(4) provide flexibility for carrying out programs under that title.

SEC. 1209. FOOD FOR PROGRESS.

Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by—

(1) in subsection (g) striking "1990" and inserting "1995";

(2) in subsection (h)—

(A) by inserting "(1)" immediately after the subsection designation, and

(B) by adding the following new paragraphs:

"(2) No person may act as an agent, broker, consultant, or other representative of—

"(A) the Federal Government,

"(B) an importer, or

"(C) an importing country

in connection with commodities provided under this section during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(3) No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this section unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(4) No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this section may be paid in excess of an amount determined appropriate by the President."; and

(3) in subsection (l) striking "1990" and inserting "1995".

SEC. 1210. AMENDMENT TO SECTION 416.

Section 416(b) of the Agricultural Act of 1949 is amended by adding the following new paragraph:

"(12)(A) No person may act as an agent, broker, consultant, or other representative of—

"(i) the Federal Government,

"(ii) an importer, or

"(iii) an importing country

in connection with commodities provided under this subsection during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subparagraph the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(B) No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this subsection unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(C) No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this subsection may be paid in excess of an amount determined appropriate by the President.".

Subtitle B—Export Promotion

SEC. 1211. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

Titles I through IV of the Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) are amended to read as follows:

"TITLE I—GENERAL PROVISIONS

"SEC. 101. DEFINITIONS.

"As used in this Act—

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber and any product thereof.

"(2) DEVELOPING COUNTRIES.—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) UNFAIR TRADE PRACTICE.—(A) Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974.

"(5) UNITED STATES.—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(6) UNITED STATES AGRICULTURAL COMMODITY.—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) that all the agricultural components are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if such component—

"(I) is an added, de minimis component,

"(II) is not commercially produced in the United States, and

"(III) there is no acceptable substitute that is entirely produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 102. CERTIFICATION OF COMPLIANCE.

"The Secretary shall obtain certification with respect to commodities provided, or for which financing or credit guarantees are provided, under any commercial export promotion program of the Department of Agriculture or Commodity Credit Corporation—

"(1) from countries, or importers in countries, that were the intended destination of agricultural commodities under such program that such commodities were received in that country; and

"(2) from the seller or exporter of record of such commodities that there were no corrupt bonuses, extra sales services, or other items than those so provided, financed or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"SEC. 103. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) monitor the progress of each proposal, specifying in a central system—

"(A) the origin of the proposal;

"(B) arguments supporting the proposal;

"(C) arguments against the proposal;

"(D) recommended action at the various stages of consideration; and

"(E) the disposition of the proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) in the event any audit discloses noncompliance with program objectives or requirements, determine promptly whether in light of such noncompliance to suspend or debar the noncomplying party from further participation in one or more of the programs under this title, affording the alleged noncomplying party opportunity for an agency hearing.

"(b) ACCESSIBILITY OF INFORMATION.—Information pertaining to a particular proposal shall be retrievable within the central system by country, commodity, proposal, and other appropriate categories, including participating financing institutions.

"(c) INDEPENDENT STUDY OF WAYS TO IMPROVE IMPLEMENTATION OF SYSTEM AND IMPROVE MANAGEMENT.—The Secretary shall contract with an appropriate management consulting firm to obtain from that firm detailed recommendations on how to improve the implementation of this section and, generally, the management information systems of the Department of Agriculture and Commodity Credit Corporation with respect to such agencies' commercial export promotion programs.

"SEC. 104. POLICY.

"The Congress finds that the agricultural export policy of the United States should provide for increased emphasis on sales abroad of United States processed, value-added agricultural products due to the multiple benefits from such sales to United States producers, processors, exporters and the national workforce.

"SEC. 105. DEVELOPMENT OF AGRICULTURAL TRADE POLICY.

"(a) MARKETING GOALS.—The Secretary shall develop general United States agricultural export marketing goals, including increasing exports of United States processed, value-added agricultural products, and ensure that the commercial export promotion programs of the Department of Agriculture and Commodity Credit Corporation have a coordinated strategy to achieve those goals.

"(b) REPORT.—The Secretary, not later than November 15 of each of the fiscal years 1992 through 1995, shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate regarding—

"(1) the actions the Secretary has taken the previous year to increase exports of United States processed, value added agricultural products and the problems encountered in achieving such goal;

"(2) the Secretary's plans for the coming year to increase exports of United States processed, value-added agricultural products; and

"(3) the Secretary's recommendations, if any, for further legislation needed to obtain the optimum national objectives with respect to the policy stated in section 104.

"SEC. 106. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) USE OF PROGRAMS.—(1) IN GENERAL.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) COMMODITIES SPECIFIED.—Paragraph (1) shall apply in the case of articles for which the United States has—

"(A) instituted any dispute settlement proceeding under any international trade agreement, and

"(B) such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) CONSULTATIONS REQUIRED.—For any article described in subsection (a)(2) the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 107. PRESERVATION OF TRADITIONAL MARKETS.

"The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for agricultural commodities.

"SEC. 108. INDEPENDENCE OF AUTHORITIES.

"Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"SEC. 109. PROGRAM EXPENDITURES.

"Expenditures for programs under this Act shall be considered to be expenditures for export promotion and not expenditures for any price support program.

"TITLE II—SPECIFIC EXPORT PROMOTION PROGRAMS

"SEC. 201. EXPORT ENHANCEMENT PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purchasers at no cost either

directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred;

"(C) in the case of livestock and livestock products, develop a methodology to determine the world price and gather and analyze appropriate price and cost of production information in foreign countries for the purpose of price discovery and to aid sales in foreign markets, and publish such information periodically; and

"(D) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of 5 U.S.C. 552, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from Congress.

"(4) DIVERSION OF CARGO.—(A) IN GENERAL.—The Secretary shall ensure that commodities exported under the program established under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(B) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under the program established under this section fail to arrive at the specified destination country, except as provided under subparagraph (A)—

"(i) any person receiving, or who otherwise would receive, a bonus under this section in connection with such commodities shall be liable for the amount of such bonus and shall be ineligible for participation in the program established under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(ii) if such failure is attributable in whole or in part to the specified destination country, no bonus is made available for exports to such country for a period of 1 year or more.

"(C) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this paragraph shall be ineligible to participate in the program established under this section for a period of up to 5 years. The Secretary shall provide that no bonus is made available under the program established under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this paragraph for a period of at least one year.

"(D) OTHER REMEDIES UNAFFECTED.—The remedies provided under this paragraph are in addition to any remedy available under any other provision of law.

"(5) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(6) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to a United States exporter, user, or processor, or foreign purchaser, under the program established under this section, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

"(7) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(c) PRIORITY IN THE CASE OF DAIRY CATTLE.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include in connection with the purchase of the livestock appropriate herd management training, veterinary services, nutritional training and other technical assistance necessary for the adaption of the livestock to foreign environments.

"(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require exporters, users, or processors who receive bonuses under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter, user, or processor relating to the program transaction for the 5-year period following the completion of the program transaction.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require exporters, users, or processors participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(f) FUNDING LEVELS.—(1) IN GENERAL.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(2) LIMITATION.—Not more than 10 percent of the funds and commodities made available for a fiscal year to carry out the program established under this section may be made available to promote the export of agricultural commodities described in section 101(6)(B)(ii).

"SEC. 202. MARKET PROMOTION PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

"(b) TYPE OF ASSISTANCE.—Assistance under this section shall be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) REQUIREMENTS FOR PARTICIPATION.—(1) IN GENERAL.—To be eligible for assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) PRIORITY BASIS FOR EXPORT ASSISTANCE.—The Secretary shall provide assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization shall be—

"(1) an organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organizations would significantly contribute to United States export market development.

"(e) APPROVED MARKETING PLAN.—(1) IN GENERAL.—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising and other export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) REQUIREMENTS.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) AMENDMENTS.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) BRANDED PROMOTION.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

"(f) OTHER TERMS AND CONDITIONS.—(1) MULTIYEAR BASIS.—The Secretary may provide assistance under this section on a multiyear basis, subject to annual review for compliance with the approved marketing plan by the Secretary.

"(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

"(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

"(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

"(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

"(D) the unfair trade practice that was the basis of the provision of assistance has been stopped and marketing assistance is no longer required to offset its effect; or

"(E) the Secretary determines that termination of assistance in a particular instance is in the best interest of the program.

"(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

"(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

"(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

"(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation not later than 15 months after the initial provision of funds to the recipient.

"(4) AVAILABILITY OF RECORDS.—(A) IN GENERAL.—An eligible trade organization that received assistance under this section shall maintain all records concerning the use of assistance under this program for a period of 5 years after completion of the program transaction and shall permit the Secretary to have full and complete access to the financial records of the organization relating to the use of assistance under this program while such organization is a participant in the program and for a period of 5 years thereafter.

"(B) NON-PROGRAM TRANSACTIONS.—The Secretary may require eligible trade organizations participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(5) LEVEL OF MARKETING ASSISTANCE.—(A) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program and the level of cost-sharing required of such organization.

"(B) LIMITATION.—Assistance provided under this section to private organizations for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost shall be consistent and such cost shall be documented.

"(g) PROGRAM LEVEL.—The Commodity Credit Corporation shall make available assistance under this section at a level not less than $200,000,000 for each of the fiscal years 1991 through 1995.

"(h) REGIONAL TRADE CENTER SET-ASIDE.—(1) IN GENERAL.—The Secretary shall establish as an objective reserving an amount of assistance provided under this section for the benefit of applicants whose applications have been forwarded to the Secretary by the 4 regional non-profit export trade associations established by a number of States in cooperation with the Foreign Agricultural Service, Department of Agriculture, and for the benefit of the National Association of State Departments of Agriculture for purposes such as the conduct of export promotion trade fairs and other export promotional activities.

"(2) DESIRED LEVEL OF SET-ASIDE.—The desired amounts of such assistance should be provided at levels no less than the following schedule of set-aside funding:

"(A) 10 percent in fiscal year 1991,

"(B) 11 percent in fiscal year 1992,

"(C) 12 percent in fiscal year 1993,

"(D) 13 percent in fiscal year 1994, and

"(E) 14 percent in fiscal year 1995

as the Secretary may determine will best effectuate the goals of this section.

"SEC. 203. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 201, operated by the Secretary or the Commodity Credit Corporation during the years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sale of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE III—TRADE REPORTING

"SEC. 301. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—(1) IN GENERAL.—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities the Secretary may designate produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination; if known.

"(2) CONFIDENTIALITY AND COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) IMMEDIATE REPORTING.—All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) MONTHLY REPORTING PERMITTED.—The Secretary may, with respect to any commodity or type or class thereof during any period in which he determines that there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements, and that total supplies of such commodity in the exporting countries are estimated to be in surplus, and that anticipated exports will not result in excessive drain on domestic supplies, and that to require the reports to be made will unduly hamper export sales, provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

"(b) REPORT ON ORIGIN OF COMMODITIES.—(1) IN GENERAL.—The Secretary shall require each person making a commercial export of any agricultural commodity or product thereof (hereinafter in this section referred to as a 'good') that is determined by the Secretary to be of commercial significance, before or upon that exportation, to report the quantity of such good so exported, and the percentage of the agricultural components produced in the United States and percentage produced in a foreign country by value and weight, and shall also report such percentages by crop year and type, if necessary or appropriate to determine the identity of the United States and foreign agricultural components of the good exported.

"(2) EXEMPTION.—A person shall not be required to report any information under paragraph (1) that cannot be obtained from records maintained in the ordinary course of business.

"(3) CODES.—The Secretary may establish codes to identify the type and characteristics of each commodity for the purposes of reports under paragraph (1).

"(4) COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but may be compiled by the Secretary and published in compilation form on a quarterly basis.

"(c) CONFIDENTIALITY.—The individually identifiable information contained in reports under this section shall be kept confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Whoever being an officer or employee in the Department knowingly discloses, except as required by court order, to the public information made confidential by this subsection shall be fined under title 18, United States Code, or imprisoned not more than one year, or both. Nothing in this section shall be construed to authorize the withholding of information from Congress.

"(d) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned not more than one year, or both.

"(e) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity or the products thereof under an export sales contract (1) entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity or products thereof, (2) the terms of which require delivery of the commodity or products thereof within 270 days after the date of the suspension of trade is imposed, except that the President may prohibit or curtail the export of any commodity or the products thereof during a period for which the President has declared a national emergency or for which Congress has declared war.

"TITLE IV—REPORTS

"SEC. 401. NONGOVERNMENTAL SUBSIDIES.

"(a) IN GENERAL.—The Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate specifying any nongovernmental subsidies provided in any foreign country. In compiling such report, the Secretary shall give priority to specifying those nongovernmental subsidies provided to livestock and commodities for which there is a price support program or marketing agreement or order in effect in the United States.

"(b) DEADLINES.—The Secretary shall submit the report specified in subsection (a)

no later than 180 days after the date of enactment of the Food and Agricultural Resources Act of 1990, and shall submit additional reports at 1 year intervals for each of the next 5 years after the submission of the first report.".

SEC. 1212. AMENDMENTS RELATING TO EXPORT CREDIT PROGRAMS.

(a) GUARANTEES FOR WOOD.—Section 4(b)(1) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(1)) is amended by adding at the end the following new sentence: "In making available any assistance under this paragraph with respect to wood and processed wood products, the Commodity Credit Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products.".

(b) CRITERIA FOR USE OF AUTHORITY.—Section 4(b)(2) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(2)) is amended by inserting "directly benefit United States agricultural producers and will" after "that the sale will".

(c) PROGRAM LEVEL.—Section 4(b)(10) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(10)) is amended by—

(1) striking beginning with "available—" through the end and inserting "available not less than $500,000,000 for each of fiscal years 1991 through 1995.".

(d) CREDIT GUARANTEES.—Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end the following:

"(e) RESTRICTION.—The Corporation shall not make credit guarantees available for exports to any country the Secretary determines cannot adequately service the debt associated with the guarantee.

"(f) FRAUD.—If the Corporation finds that any exporter or assignee has engaged in fraud or in any scheme, trick or device to misuse or misappropriate any credit guarantee made available under this section, the relevant export credit guarantee issued under this section is no longer valid.

"(g) DIVERSION OF CARGO.—(1) IN GENERAL.—The Secretary shall ensure that commodities exported under any program under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(2) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under any program under this section fail to arrive at the specified destination country, except as provided under paragraph (1)—

"(A) any person receiving a credit guarantee under this section in connection with such commodities shall be liable for the amount of any amounts paid under such guarantee and shall be ineligible for participation in any program under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(B) if such failure is attributable in whole or in part to the specified destination country, no credit or guarantee is made available under any program under this section for exports to such country for a period of 1 year or more.

"(3) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this subsection shall be ineligible to participate in any program under this section for a period of up to 5 years. The Secretary shall provide that no credit or guarantee is made available under any program under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this subsection for a period of at least one year.

"(4) OTHER REMEDIES UNAFFECTED.—The remedies provided under this subsection are in addition to any remedy available under any other provision of law.

"(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require exporters under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter relating to the program transaction for the 5-year period following the completion of the program transaction.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require exporters participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.".

(e) USE OF PROGRAM.—Section 4(b)(5) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(5)) is amended by inserting ", foreign policy," after "foreign aid".

(f) SHORT-TERM EXPORT CREDIT GUARANTEES.—Section 1125 of the Food Security Act of 1985 (7 U.S.C. 1736t) is amended by—

(1) in subsection (b) striking "1990" and inserting "1995";

(2) in subsection (d)—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end the following new paragraph:

"(2) In making available any guarantees under subsection (b) with respect to wood and processed wood products, the Commodity Credit Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products."; and

(3) adding the following new subsections:

"(e) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall guarantee under any program conducted under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not guarantee under this section the value of any foreign agricultural component.

"(f) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require exporters under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter relating to the program transaction for the 5-year period following the completion of the program transaction.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require exporters participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.".

SEC. 1213. MARKET DEVELOPMENT TASK FORCE.

(a) ESTABLISHMENT.—The Secretary shall establish a task force, to be known as the "Market Development Task Force" (hereinafter referred to in this section as the "Task Force"), to develop foreign market development strategy, coordinate and disseminate information, and provide advice and education to entities, concerning agricultural export markets and domestic trade programs.

(b) COMPOSITION.—The Task Force shall be composed of 11 members, of which—

(1) one member shall be the Administrator of the Foreign Agricultural Service, or such Administrator's designee;

(2) one member shall be the Secretary of Commerce, or such Secretary's designee;

(3) one member shall be the United States Trade Representative, or such Representative's designee;

(4) one member shall be the Administrator of the Small Business Administration, or such Administrator's designee;

(5) one member shall be the Administrator of the Extension Service, or such Administrator's designee;

(6) one member shall be the Administrator of the Agricultural Stabilization and Conservation Service, or such Administrator's designee;

(7) one member shall be a representative of the National Association of State Departments of Agriculture (NASDA); and

(8) one member shall be the special assistant to the President appointed under section 1113 of the Food Security Act of 1985 (7 U.S.C. 1736-1), or such assistant's designee.

(c) CHAIRPERSON.—The Administrator of the Foreign Agricultural Service shall serve as the Chairperson of the Task Force.

(d) VACANCIES.—A vacancy occurring on the Task Force in a member described in subsection (b)(7) or (b)(8) shall be filled in the same manner in which the original appointment was made.

(e) EQUIPMENT AND STAFF.—(1) PERSONNEL.—The Secretary shall make available to the Task Force office facilities and equipment necessary to enable the Task Force to effectively carry out its functions.

(2) STAFF.—The members of the Task Force identified in paragraphs (1) through (6) of subsection (b) shall make available to the Task Force such personnel, and the Secretary may employ such additional staff, as are necessary to enable the Task Force to effectively carry out its functions.

(f) FUNCTIONS.—The Task Force shall—

(1) develop a strategy that demonstrates ways in which the Federal Government can support the export of processed products;

(2) coordinate the information available concerning—

(A) the locations of existing and potential agricultural export markets;

(B) the types of commodities and products desirable in such markets;

(C) the existence of trade barriers applicable to such markets;

(D) the existence of Federal trade program opportunities that are available to domestic exporters; and

(E) any other information related to such markets;

(3) disseminate the information described in paragraph (1);

(4) annually produce, publish and disseminate throughout the United States through the Extension Service and through regional trade organizations, a catalog containing information available through the Federal Government concerning such markets;

(5) act as an advisor and consult with State governments to promote the establishment and use of such markets; and

(6) perform any other functions determined appropriate by the Task Force.

(g) CONSULTATION WITH PARTICIPANTS IN PROGRAMS.—The Task Force shall consult with participants in agricultural trade programs, including regional trade organizations, in carrying out the functions of the Task Force.

(h) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, proposed regulations necessary to establish and administer the Task Force.

(i) RELATIONSHIP TO USTR FUNCTIONS.—The functions and responsibilities of the Task Force may not conflict with, or supersede, any authority of the United States Trade Representative to determine the existence of trade barriers or unfair trade practices under the Trade Act of 1974, or to develop or coordinate the trade policy of the United States.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(k) TERMINATION.—The Task Force shall cease to exist 5 years after the date of the enactment of this section.

Subtitle C—Agricultural Trade with and Fellowships for Emerging Democracies and Middle-Income Countries

SEC. 1221. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) GUARANTEES TO BE MADE AVAILABLE.—The Commodity Credit Corporation, for each of fiscal years 1991 through 1995—

(1) shall make available not less than $225,000,000 of export credit guarantees for exports to emerging democracies under the program described in section 1125(b) of the Food Security Act of 1985 (7 U.S.C. 1736t(b)), in addition to the amounts required under that section;

(2) shall make available $50,000,000 to guarantee financing, on terms of not less than 3 years nor more than 10 years, for the establishment or improvement of facilities by United States persons in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities if the Secretary of Agriculture determines that such guarantees will promote the export of United States agricultural commodities; and

(3) is encouraged to make available guarantees under section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)), in addition to the amounts otherwise available under that section, for exports to emerging democracies.

The Commodity Credit Corporation shall give priority under paragraph (2) to opportunities or projects identified under subsection (b).

(b) SHARING UNITED STATES AGRICULTURAL EXPERTISE.—(1) IN GENERAL.—(A) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereafter referred to in this section as "the Secretary"), in order to develop, maintain or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food system needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) EXTENT OF PROGRAM.—The Secretary shall implement this subsection with respect to at least 3 such countries in each fiscal year.

(2) EXPERTS FROM THE UNITED STATES.—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of United States agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) REPORTS TO SECRETARY.—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may require.

(6) REPORT TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture, Nutrition and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) ADVISORY COMMITTEE.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food system of the United States.

(8) USE OF CCC.—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this subsection of not more than $10,000,000 in any fiscal year.

(c) EMERGING DEMOCRACY.—As used in this section, the term "emerging democracy" means any country that, as determined by the President, has made a significant beginning in transforming the system of government of the country from a non-representative type of government to a representative democracy and is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

SEC. 1222. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE-INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program for middle-income countries and emerging democracies to provide fellowships to persons from eligible countries who specialize in agriculture for study in the United States.

(b) ELIGIBLE COUNTRIES.—Countries that meet the following requirements shall be eligible to participate in the program established under this section:

(1) A middle-income country means a country that—

(A) has developed economically to the point where it no longer qualifies for bilateral foreign assistance programs from the United States because its per capita income level exceeds the eligibility requirements of such programs; or

(B) has never qualified for bilateral foreign assistance programs from the United States, but with respect to which an ongoing relationship with the United States, including technical assistance and training, would provide mutual benefits to such country and the United States.

(2) An emerging democracy means a country that has recently begun the transformation of its system of government from a nonrepresentative type of government to a representative democracy and is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided in order to allow the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify program candidates from both the public and private sectors of those countries.

(e) PROGRAM IMPLEMENTATION.—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the program objectives.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary to provide funding to carry out the program established under this section, except that the amount of such funds shall not exceed—

(1) for eligible countries that meet the requirements of subsection (b)(1), $3,000,000;

(2) for eligible countries that meet the requirements of subsection (b)(2), $2,000,000; and

(3) for eligible countries that meet the requirements of subsection (b)(3), $5,000,000.

(g) COMPLEMENTARY FUNDS.—When the Secretary of Agriculture determines that it is advisable in furtherance of program purposes, the Secretary may accept money, funds, property, and services of every kind

by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

Subtitle D—Studies and Reports

SEC. 1231. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the potential effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress no later than May 31, 1991.

SEC. 1232. REPORT ON WOOD EXPORT PROMOTION.

Not later than 180 days after the date of enactment of this Act, and annually thereafter through fiscal year 1995, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report concerning the promotion and participation of wood and processed wood products in the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, section 1125 of the Food Security Act of 1985, and section 4 of the Food for Peace Act of 1966.

SEC. 1233. ROSE AND FLOWER STUDY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1234. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities of the current agricultural transportation situation, focusing especially on rail transportation capabilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance Certificates of Transportation.

(b) In preparing the assessment required by this section, the Secretary shall consult with rail, truck, and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives (such as freight containers that could be carried aboard flatbed trucks, flatbed rail cars, river barges, and ocean-going container vessels) to covered rail hopper cars for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network that would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential loads of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) REPORT.—Within 240 days following enactment of this Act, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate the results and recommendations of such assessment.

(d) For the purpose of preparing the assessment and report required by this section, the Secretary is authorized to expend such sums as may be necessary in order to complete a thorough assessment and report as required by this section from any unobligated funds appropriated to the Department of Agriculture, and may, without the necessity of advertising for bids, contract with any appropriate private sector businesses that have expertise and experience in transporting agricultural commodities, or with experience in operating a computerized network of load and equipment matching between shippers and carriers if the work or consultation performed under such contract is deemed necessary by the Secretary in order to fully comply with the scope of the assessment, and complete the report, required by this section.

SEC. 1235. RED TART CHERRY STUDY.

(a) STUDY.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall, in consultation with the United States International Trade Commission, complete a study to determine—

(1) the competitive factors affecting the domestic red tart cherry industry, including competition from imports;

(2) the effect that the European Community's restriction on imported red tart cherries has had, and may continue to have, on world trade of red tart cherries;

(3) the extent to which unfair trade practices and barriers to trade by other competing countries are impeding the marketing abroad of domestically produced red tart cherries; and

(4) the extent to which imported red tart cherry concentrate has been sold, and is being sold, in the United States at prices below the world market price.

(b) REPORT.—The Secretary shall submit a report containing the results of the study conducted under subsection (a) to the Congress.

(c) SENSE OF CONGRESS.—It is the sense of Congress, that the Secretary of Agriculture should use all available remedies, programs and policies to assist the domestic red tart cherry industry to maintain and enhance its ability to compete in the domestic and world market for red tart cherries.

SEC. 1236. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) REQUIREMENT OF REPORT.—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

Subtitle E—Effective Dates and Conforming Changes

SEC. 1241. EFFECTIVE DATES.

(a) The amendments made by subtitle A shall be effective beginning for fiscal year 1991.

(b) The provisions of section 103 of the Agricultural Trade Act of 1978 (as amended by section 1211) shall apply to proposals pending or received on or after the date of enactment of this Act.

(c) The Secretary shall promulgate regulations to implement section 301 of the Agricultural Trade Act of 1978 (as amended by this title) no later than 180 days after the date of enactment of this Act.

SEC. 1242. CONFORMING CHANGES.

(a) REPEAL OF EXPORT SALES REPORTING.—Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is hereby repealed.

(b) REPEAL OF OBSOLETE LAWS.—Effective October 1, 1991, sections 1124 and 1127 of the Food Security Act of 1985 (7 U.S.C. 1736s and 1736v) are repealed.

(c) REPEAL OF SENSE OF CONGRESS.—Section 1165 of the Food Security Act of 1985 is repealed.

Mr. GLICKMAN. Mr. Chairman, I would like to express my support to title XII of H.R. 3950, the Food and Agricultural Resources Act of 1990. In constructing this title, I would like to thank the chairman, Mr. DE LA GARZA, Mr. MADIGAN, and Mr. BROWN of California for their support and hard work.

If you look at the hard facts about what the Export Enhancement Program, the Marketing Assistance Program—formerly TEA—and the Credit Guarantee Programs have accomplished since their enactment in the 1985 Food Security Act, you too will be convinced of their overall effectiveness in combating unfair trade practices of other countries. In world markets inundated by subsidies, these programs, at such little cost, have put this country on equal competitive footing. We cannot abandon any of these programs until the Europeans and others abandon their trade distorting policies.

Over the past year, however, several General Accounting Office and USDA's Office of Inspector General's audits on these programs brought to surface several inadequacies with the way the U.S. Department of Agriculture has been administering them. In response, several of my colleagues and I agreed that changes had to be made in order to preserve the good will that these programs have always received in Congress and the countryside.

With the help of Chairman DE LA GARZA, Mr. BROWN, and Mr. ROSE, we have included in this trade title a number of administrative reforms for the EEP, MAP—formerly TEA—and GSM programs. Since GAO and OIG reports pointed out similar problems associated with each program, the committee incorporated management guidelines for all and more specific guidelines for the management of each.

Another important item in this title is the expansion of the long- and short-term credit

guarantee programs for emerging democracies. After visiting Eastern bloc countries last year, I came to the conclusion these countries need lines of credit to finance not only food purchases, but infrastructural projects to develop their agricultural systems, which are in desperate shape. Once these systems become more advanced in processing and transporting food, the more consumers will consume on the world market, which means American farmers will profit. Guaranteeing credit for infrastructural development and food purchases, which this title does, will sell more U.S. commodities and help U.S. agribusiness get its foot in the Eastern European door.

Also, I would like to lend my support to the Public Law 480 section of this title. For nearly a half a century, this program has helped feed hungry people all over the world. U.S. farmers should feel proud that they can produce such an abundance of food that it can be given to the needy not only in this country, but overseas, as well.

Finally, in June my Subcommittee on Wheat, Soybeans, and Feed Grains held a hearing to review current Public Law 480 law that prohibits AID from implementing countrywide agricultural programs in countries heavily reliant on the revenues generated from producing drugs. The reasoning behind the law is that the commodities produced under these programs may end up competing with U.S. commodities on world markets. But if agricultural development is implemented countrywide, AID contends that the people growing drugs in secluded and undeveloped areas will move to the more economically active areas. Mr. William Bennett, the drug czar, also agrees with AID and has made this concept a part of his Andean Drug Initiative.

This country right now is fighting the toughest war ever—the war on drugs. Drugs are killing and debilitating millions of people every year. Everywhere in this country, drugs are threatening our children and our future. If the agricultural community can contribute in the war against drugs, then I think we owe it to our country. I am pleased that Mr. KOSTMAYER, in the Foreign Affairs Committee business meeting on trade, added a provision to allow AID to implement countrywide development projects in those countries reliant on drug production.

After talking to the American Ambassador in Bolivia, I am convinced, as he is, that overall agricultural development coupled with heavy law enforcement in Bolivia, the second largest producer of coca—raw cocaine—will eventually help curb coca production. If it can work in one country, then it is worth trying in others.

I strongly support this provision and complement Mr. KOSTMAYER for his action.

Mr. BROWN of California. Mr. Chairman, title XII contains reauthorization of our agricultural export and food aid programs. I would like to thank Chairman DE LA GARZA for his diligence in working with my subcommittee on this Title, and also thank the Committee on Foreign Affairs for their input, particularly in regard to the Food For Peace Program.

As chairman of the subcommittee with oversight over the agricultural export programs I can confidently say that this title contains important improvements to our food aid programs and commercial export programs.

We have worked out a compromise agreement with the Committee on Foreign Affairs which would revamp the Food For Peace Program. This program, to be offered as a substitute amendment by Mr. GEJDENSON, will increase food donations and allow debt forgiveness for the neediest countries. The program also ensures that economic development is the underlying objective of all of our food aid programs, in recognition that economic development and policy reform are preconditions to develop future export markets for our commodities. We have maintained provisions to safeguard against the potential detrimental effects that U.S. commodities can have on agricultural production in the recipient countries. We have also provided increased support for newly emerging democracies, and reauthorized the Food For Progress Program which provides donated commodities to countries that encourage private enterprise and agricultural reform. I support the changes to the food aid programs and believe that this bill will further the continued cooperation between the agencies which carry out these programs.

Since the 1985 farm bill our agricultural export programs have been successful in recapturing world market share that the United States lost during the early 1980's. Agricultural exports help our farmers and enhance our general economic performance by creating millions of off farm jobs through associated services in financing, storage, packaging, processing, merchandising, and transportation. Agricultural exports contribute to a positive trade balance of more than $17 billion and thus play a major role in reducing the national trade deficit. Since our farmers can produce more than the country can consume during the same year, exporting the residual supplies is critical in keeping agriculture a healthy industry.

Over the past 2 years extensive oversight hearings by three Agriculture subcommittees have detailed a number of administrative weaknesses which have led to some abuses of our export programs. We have responded to these problems by adding new provisions to strengthen program administration and operation in this title. These additional program requirements will deter future program abuse while allowing for responsible export assistance in those markets where the United States is at a disadvantage. New provisions in this title will allow the Secretary of Agriculture to certify and periodically audit all USDA export programs and establish a marketing strategy for carrying out all export programs, including the increased export of high value products. We have included tighter eligibility criteria to make sure that only U.S. grown commodities go out under the export credit guarantees. In addition, we have authorized additional credit guarantees for the emerging democracies of Eastern Europe.

This title will also require stronger oversight of the Targeted Export Assistance—TEA—Program, renamed the Marketing Promotion Program. This program is virtually important to export high value agricultural products which have been affected by unfair trade practices in foreign markets. We have added new provisions to require all participants in the program to meet specified cost-share levels, including a minimum 50 pecent cost-share requirement for branded advertising. The program will also require participants to keep detailed records of how the assistance is used and requires the Secretary to audit and evaluate the effectiveness of the assistance in achieving the market expansion goals. The Secretary of Agriculture is required to terminate the marketing assistance if evaluations show that there are no longer unfair trade practices directed at the commodity or if the assistance is no longer needed to maintain the markets. Agricultural trade organizations and cooperatives from all parts of the country benefit from this program. Priority funding is directed to nonprofit organizations and at markets where U.S. producers face unfair trade practices.

All told, this title includes tighter eligibility criteria and improved management and oversight requirements which will make for much stronger export programs. Let's continue the success story of U.S. agricultural exports by approving the reauthorization of these programs.

AMENDMENT OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. GEJDENSON: Strike out title XII—Trade (Page 313, line 3, through page 397, line 22) and insert in lieu thereof the following:

TITLE XII—AGRICULTURAL TRADE AND ASSISTANCE

Subtitle A—Public Law 480 And Related Programs

SEC. 1201. SHORT TITLE.

This subtitle may be cited as the "Mickey Leland Food for Peace Act".

SEC. 1202. AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

Unless otherwise expressly provided, whenever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 and following).

SEC. 1203. EXTENSION OF AUTHORITIES.

Section 409 (7 U.S.C. 1736c) is amended—

(1) by striking "1990" in the first sentence and inserting "1995"; and

(2) by striking "and the Food Security Act of 1985" in the second sentence and inserting ", the Food Security Act of 1985, and the Food and Agricultural Resources Act of 1990".

SEC. 1204. AMENDMENT TO SECTION 2.

Section 2 (7 U.S.C. 1691) is amended to read as follows:

"SEC. 2. UNITED STATES POLICY.

"It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities, and local currencies accruing under this Act, to—

"(1) combat world hunger and malnutrition and their causes;

"(2) promote broad-based, equitable, and sustainable development, including agricultural development;

"(3) expand international trade;

"(4) develop and expand export markets for United States agricultural commodities; and

"(5) foster and encourage the development of private enterprise and democratic participation in developing countries.".

SEC. 1205. AMENDMENT TO SECTION 3.

Section 3 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. OVERALL FOOD AID LEVEL.

"It is the sense of the Congress that the President should increase the level of food aid provided by the United States, and should encourage other donor governments to increase the level of food aid they provide, to reflect the findings of the National Research Council of the National Academy of Sciences that it will be necessary to double the present food aid level of approximately 10 million metric tons per year in order to meet the projected world food aid needs during 1991 through 2000. It is further the sense of the Congress that the President should encourage other developed countries to increase their contributions toward combatting hunger and malnutrition in developing countries by expanding international food and agricultural assistance programs.".

SEC. 1206. AMENDMENTS TO TITLE I.

(a) AMENDMENT TO SECTION 101.—Section 101 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. SALES PROGRAM.

"(a) GENERAL AUTHORITY.—To carry out the policies set forth in section 2, the President may negotiate and carry out agreements with developing countries to provide for the sale of agricultural commodities to such countries—

"(1) for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and

"(2) on such other terms and conditions as the President may require be included in such agreements, consistent with the requirements of this Act.

"(b) DEFINITION OF DEVELOPING COUNTRY.—For purposes of this section, the term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(c) PRIORITIES IN ALLOCATIONS OF ASSISTANCE.—In determining whether and to what extent agricultural commodities will be made available to developing countries under this section, the President shall give priority to countries that—

"(1) demonstrate the greatest need for food, and

"(2) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities.".

(b) AMENDMENTS TO SECTION 103.—Section 103 (7 U.S.C. 1703) is amended—

(1) by striking subsections (a), (b), (d), (h), (i), (j), (p), (q), and (r);

(2) by redesignating subsections (c), (e), (f), (g), (k), (l), (m), (n), and (o) as paragraphs (1) through (9), respectively;

(3) in paragraph (7), as so redesignated—

(A) by striking "except as provided in section 108,";

(B) by striking "(1)"; and

(C) by striking ", and (2)" and all that follows through "conversion;" and inserting a semicolon;

(4) by inserting "and" at the end of paragraph (9), as so redesignated; and

(5) by inserting after that paragraph the following:

"(10) give priority to financing the sale of food and fiber commodities in the allocation of funds made available under this title.".

(c) AMENDMENT TO SECTION 104.—Section 104 (7 U.S.C. 1704) is amended to read as follows:

"SEC. 104. USE OF LOCAL CURRENCY PAYMENTS.

"(a) IN GENERAL.—Agreements under section 101 may provide that the President shall use payments made in local currencies by the recipient country in accordance with this section.

"(b) ACTIVITIES.—The proceeds from the payments referred to in subsection (a) may be used in the recipient country for the following:

"(1) TRADE DEVELOPMENT.—To carry out programs to help develop markets for United States agricultural commodities on a mutually beneficial basis in the recipient country.

"(2) AGRICULTURAL BUSINESS DEVELOPMENT LOANS.—To make loans to United States business entities (including cooperatives) and branches, subsidiaries, or affiliates of such entities for agricultural business development and agricultural trade expansion in such recipient countries.

"(3) AGRICULTURAL FACILITIES LOANS.—To make loans to domestic or foreign entities (including cooperatives) for the establishment of facilities for aiding in the utilization or distribution of, or otherwise increasing the consumption of and markets for, United States agricultural products.

"(4) TRADE PROMOTION.—To promote agricultural trade development, under procedures established by the President, by making loans or through other activities (including trade fairs) that the President determines to be appropriate.

"(5) PRIVATE SECTOR AGRICULTURAL TRADE DEVELOPMENT.—To conduct private sector agricultural trade development activities in the recipient country, as determined appropriate by the President.

"(6) AGRICULTURAL DEVELOPMENT.—To support—

"(A) increased agricultural production, including availability of agricultural inputs, with emphasis on small farms, processing, forestry management, and land and water management;

"(B) credit policies for private-sector agriculture development; and

"(C) establishment and expansion of institutions for basic and applied agricultural research and the use of such research through development of extension services.

"(7) RESEARCH.—To conduct research in agriculture, forestry, and aquaculture, including collaborative research which is mutually beneficial to the United States and the recipient country.

"(8) ACQUISITION OF BUILDINGS FOR UNITED STATES GOVERNMENT USE.—To acquire (by purchase, lease, rental, or otherwise) sites and buildings and grounds abroad for United States Government use (including offices, residence quarters, and community and other facilities), and to construct, repair, alter, and furnish such buildings and facilities.

"(9) ACQUISITION OF MATERIALS FOR LIBRARIES.—To finance under the direction of the Librarian of Congress and the Director of the National Agricultural Library, in consultation with the National Science Foundation and other interested agencies—

"(A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine their technical, scientific, cultural, or educational significance to the United States, and

"(B) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate.

"(10) SCIENTIFIC ACTIVITIES.—To collect, collate, translate, abstract, and disseminate scientific and technological information, conduct research and support scientific activities overseas, including programs and projects of scientific cooperation between the United States and other countries, such as coordinated research against human diseases, and to promote and support programs of medical and scientific research.

"(11) PEST CONTROL PROGRAMS.—To pay the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests.

"(c) SPECIAL ACCOUNT.—Local currencies received by the President under section 101 shall be deposited in an interest-bearing account to the credit of the United States. Amounts in such accounts shall be used by the President as provided in this section.

"(d) FISCAL REQUIREMENTS REGARDING USE OF LOCAL CURRENCIES.—

"(1) EXEMPTION.—Section 1306 of title 31, United States Code, shall not apply to local currencies used by the President under paragraphs (1) through (7) of subsection (b).

"(2) USE OF CURRENCIES BY OTHER AGENCIES.—Any department or agency of the United States Government that uses any currencies from a special account established pursuant to subsection (c) for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"(e) REDUCTION IN BALANCE OF PAYMENTS DEFICIT.—The President shall utilize local currencies received pursuant to this Act is such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.

"(f) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the President determines that local currencies deposited in a special account pursuant to subsection (c) are not needed for any of the activities described in subsection (b), the President may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).".

(d) REPEAL OF SECTION 105; DEBT FORGIVENESS AND DEBT-FOR-NATURE SWAP AUTHORITIES.—Title I is amended by striking section 105 (7 U.S.C. 1705) and inserting the following:

"SEC. 105. DEBT FORGIVENESS.

"(a) AUTHORITY.—The President, taking into account the financial resources of a country, may waive payments of principal and interest that that country would otherwise be required to make to the Commodity Credit Corporation under dollar sales agreements under this title if—

"(1) that country is a least developed country (as defined in section 301(b)) or has a per capita external debt in excess of $1500; and

"(2) either—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility, enhanced structural adjustment facility, or similar supervised arrangement with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program, facility, or arrangement is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long term economic development.

"(b) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(c) LIMITATION ON NEW CREDIT ASSISTANCE.—If the authority of this section is used to waive payments otherwise required to be made by a country pursuant to this title, the President may not provide any new credit assistance for that country under this title during the 2-year period beginning on the date such waiver authority is exercised, unless the President provides to the Congress, before the assistance is provided, a written justification for the provision of such new credit assistance.

"(d) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990.

"SEC. 105A. DEBT-FOR-NATURE SWAPS FOR LATIN AMERICA AND THE CARIBBEAN.

"(a) DEBT CONVERSION.—To the extent provided for in an agreement meeting the requirements of subsection (b), the President may release an eligible country from all or a part of its obligation to make principal and interest payments that would otherwise be required to be made to the Commodity Credit Corporation under dollar sales agreements under this title.

"(b) DEBT-FOR-NATURE SWAP AGREEMENT.—The agreement referred to in subsection (a) is an agreement between the United States Government and the government of the eligible country which includes the following requirements:

"(1) ISSUANCE OF BOND.—The government of the eligible country shall be required to issue, and deposit in a trust, a long-term bond or other obligation requiring that government to make periodic payments to the trust. Such obligation shall be nonredeemable.

"(2) TRUST.—The agreement shall provide for the establishment of a trust, which shall hold the bond or other obligation. The trust shall be managed by a board of trustees as specified in the agreement

"(3) USE OF FUNDS FOR ENVIRONMENTAL PURPOSES.—Amounts paid to the trust shall be made available by the trustee, in accordance with the agreement, to—

"(A) indigenous nongovernmental environmental, conservation, or development organizations,

"(B) the government of the eligible country, or

"(C) other appropriate entities,

for use in protecting, preserving, or restoring, and ensuring the appropriate and sustainable use of, environmentally critical land, habitat, or other natural resources in the eligible country.

"(c) CRITERIA FOR SELECTING COUNTRIES.—In determining the eligible countries with respect to which the authority of this section will be exercised, the President shall take into account—

"(1) the needs for financial resources for use in protecting, preserving, or restoring environmentally critical areas and resources in an eligible country; and

"(2) the commitment of the government of that country to protecting, preserving, and restoring, those areas and resources.

"(d) ELIGIBLE COUNTRIES.—For purposes of this section, the term 'eligible country' means a country in Latin America or the Caribbean that the President determines—

"(1) has adopted a strong economic reform program consistent with the policies of the International Monetary Fund and the International Bank for Reconstruction and Development and the International Development Association and that protects the poor and other vulnerable groups;

"(2) is pursuing comprehensive investment reforms with the Inter-American Development Bank or is otherwise implementing an open investment regime; and

"(3) has concluded, if appropriate, a financing package with commercial banks including debt and debt service reduction.

"(e) CONSULTATION REQUIREMENTS.—The President shall consult with nongovernmental organizations having expertise with respect to environmental or conservation matters—

"(1) in identifying countries with respect to which the authority of this section should be exercised because of their environmental situation;

"(2) during the negotiation of an agreement pursuant to subsection (b) with respect to the debt restructing arrangement pursuant to subsection (b)(1), the establishment of the trust pursuant to subsection (b)(2), and the uses of funds pursuant to subsection (b)(3); and

"(3) with respect to whether funds paid to the trust are being used for the intended purposes.

"(f) ANNUAL REPORTS.—Each year, the President shall submit to the Congress a report which describes the debt-for-nature swap agreements entered into under this section during the preceding fiscal year.

"(g) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(h) RELATION TO SECTION 105.—This section should not be construed to limit the authority of the President to provide debt forgiveness under section 105 of this Act for eligible countries (as defined in this section).

"(i) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990.".

(e) AMENDMENT TO SECTION 106.—Section 106 (7 U.S.C 1706) is amended to read as follows:

"SEC. 106. TERMS AND CONDITIONS OF SALES.

"(a) PAYMENT.—

"(1) DOLLARS.—Except as provided in paragraph (2), agreements under section 101 shall require that payment for agricultural commodities be made in dollars.

"(2) LOCAL CURRENCIES.—(A) The President may permit a recipient country to make payment under an agreement under section 101 in the local currency of such country in order to use the proceeds from such payments to carry out activities under section 104.

"(B) Payments in local currency shall be at rates of exchange that are no less favorable than the highest exchange rate legally obtainable in the country and that are no less favorable than the highest exchange rate obtainable by any other country.

"(b) INTEREST.—An agreement under section 101 shall provide that interest shall accrue on the payment deferred under such agreement at such rate as is determined appropriate by the President, but not in excess of 50 percent of the cost of borrowing to the United States Government as of the time the agreement is entered into.

"(c) DURATION.—Payments required under an agreement under section 101 may be made in reasonable annual amounts over the period specified in the agreement, which may not be less than 10 nor more than 40 years after the date of the last delivery of agricultural commodities under such agreement. The date for the beginning of such annual payment may be deferred for not more than 2 years after the date of such last delivery, and interest shall be computed from the date of such last delivery.

"(d) DELIVERY.—Delivery of agricultural commodities pursuant to an agreement under this title shall be made for not more than 10 years following the date of the agreement and subject to the availability of the commodities at the time delivery is to be made.

"(e) USE OF SALES PROCEEDS FOR ECONOMIC DEVELOPMENT PURPOSES.—Agreements under this title for the sale of agricultural commodities for dollars on credit terms may include requirements that an amount equal to the proceeds from the sale of the commodities in the recipient country be used for such economic development purposes as are agreed upon in the agreement or any amendment thereto. Such purposes may include promotion of specific policy reforms and private sector development. In negotiating such agreements, the President shall emphasize the use of such proceeds for purposes that directly improve the lives of the poorest of the people of the recipient country and their capacity to participate in the development of their country and to carry out programs in accordance with sections 109 and 406(a)(1).".

(f) AMENDMENT TO SECTION 107.—Section 107 (7 U.S.C. 1707) is amended in subsection (d) by striking "103(a), 103(d), 103(e), 103(f), 103(j), 103(k)" and inserting "103(2), 103(3), 103(5)".

(g) REPEAL OF SECTION 108.—Section 108 (7 U.S.C. 1708) is repealed.

(h) AMENDMENTS TO SECTION 109.—

(1) REQUIREMENT FOR SELF-HELP MEASURES.—Section 109 (7 U.S.C. 1709) is amended by amending subsection (a) to read as follow:

"(a) To be eligible to enter into an agreement under title I or title III, the proposed recipient country must undertake self-help measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development through such activities as—

"(1) fostering increased agricultural production (with emphasis on the production by small farms of food for local consumption) and processing, forestry management, and land and water management;

"(2) fostering the availability of agricultural inputs necessary for agricultural growth;

"(3) improving marketing, storage, and transportation systems;

"(4) promoting and developing credit policies for private sector agricultural development;

"(5) promoting free and open markets for food and agricultural producers;

"(6) establishing and maintaining government policies to ensure adequate incentives to producers of food and agricultural products;

"(7) establishing and expanding institutions for basic and applied agricultural research and the use of such research through development of extension services and agricultural education institutions; and

"(8) preservation of biological diversity.".

(2) DESCRIPTION OF SELF-HELP MEASURES.—Subsection (d)(1) of that section is amended by striking "maximum".

(3) ADDITIONALITY REQUIREMENT.—Subsection (d)(2) of that section is repealed.

(4) REDESIGNATIONS.—Subsection (c) of that section is redesignated as subsection (b), subsection (d)(1) of that section is redesignated as subsection (c), and subsection (d)(3) of that section is redesignated as subsection (e).

(5) APPLICATION OF PROVISIONS TO NEW TITLE III PROGRAM.—Subsection (b) of that section, subsection (c) of that section, and subsection (d) of that section (as so redesignated by paragraph (4) of this subsection) are amended by inserting after "this title" each place it appears "or title III".

(i) REPEAL OF SECTION 110.—Section 110 (7 U.S.C. 1710) is repealed.

(j) AMENDMENTS TO SECTION 112.—Section 112 (7 U.S.C. 1712) is amended—

(1) in subsection (a) by striking "to finance the sale of agricultural commodities to" and inserting "or title III with";

(2) in subsection (b) by striking "International Relations" and inserting "Foreign Affairs"; and

(3) by striking subsection (d).

(k) AMENDMENT TO SECTION 113.—Section 113 (7 U.S.C. 1713) is amended to read as follows:

"SEC. 113. DEADLINE FOR AGREEMENTS UNDER TITLES I AND III.

"An agreement under this title or title III shall, to the extent practicable, be entered into not later than—

"(1) November 30 of the first fiscal year in which agricultural commodities are to be shipped under the agreement, or

"(2) 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement,

whichever is later.".

(l) AMENDMENTS TO SECTION 115.—Section 115 (7 U.S.C. 1715) is amended—

(1) in subsection (a) by striking the first two sentences; and

(2) in subsection (b)—

(A) in the next to the last sentence by striking "International Relations" and inserting "Foreign Affairs", and

(B) in the last sentence by inserting "not more than" after "for a period of".

SEC. 1207. AMENDMENTS TO TITLE II.

(a) AMENDMENTS TO SECTION 201.—Section 201 (7 U.S.C. 1721) is amended—

(1) in subsection (a)—

(A) by striking "The President" and inserting "IN GENERAL.—Notwithstanding the provisions of any other Act, the President"; and

(B) by inserting "under this title" after "furnish agricultural commodities";

(2) by amending subsection (b) to read as follows:

"(b) MINIMUM LEVELS.—

"(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the President shall make agricultural commodities available for food distribution under this title in an amount that—

"(A) for fiscal year 1991, is not less than 1,925,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,950,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,975,000 metric tons;

"(D) for fiscal year 1994, is not less than 2,000,000 metric tons; and

"(E) for fiscal year 1995, is not less than 2,025,000 metric tons.

"(2) MINIMUM NONEMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the President shall make agricultural commodities available for nonemergency food distribution through private voluntary organizations, cooperatives, the World Food Program, and other intergovernmental organizations in an amount that—

"(A) for fiscal year 1991, is not less than 1,450,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,475,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,500,000 metric tons;

"(D) for fiscal year 1994, is not less than 1,525,000 metric tons; and

"(E) for fiscal year 1995, is not less than 1,550,000 metric tons.

"(3) EXCEPTION.—The President may waive the requirements of paragraphs (1) and (2) for any fiscal year if the President determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency or that insufficient funds are available for that fiscal year to meet those requirements. In making a waiver under this paragraph, the President shall prepare and submit to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver."; and

(3) in subsection (c)(2) by striking "fortified or processed" both places it appears and inserting "fortified, processed, or bagged".

(b) AMENDMENTS TO SECTION 202.—Section 202 (7 U.S.C. 1722) is amended—

(1) by striking "nonprofit voluntary agencies" each place it appears and inserting "private voluntary organizations,";

(2) by striking "nonprofit voluntary agency" each place it appears and inserting "private voluntary organization";

(3) in subsection (a) by striking "friendly";

(4) in subsection (b)(4) by striking "those agencies" and inserting "those organizations"; and

(5) in subsection (c) by striking "(c)(1)" and all that follows through "(3) In carrying out a multiyear agreement pursuant to this subsection," and insert "(c) In carrying out a multiyear agreement under this title,".

(c) REPEAL OF SECTION 206.—Section 206 (7 U.S.C. 1726) is repealed.

(d) AMENDMENTS TO SECTION 207.—Section 207 (7 U.S.C. 1726a) is amended—

(1) by striking "nonprofit voluntary agency" each place it appears and inserting "private voluntary organization"; and

(2) by adding at the end the following:

"(d)(1) Not less than $10,000,000 and not more than $13,500,000 of the amounts made available in each fiscal year to private voluntary organizations and cooperatives under this title shall be made available by the President to such organizations and cooperatives to assist in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) In order to receive funds made available under paragraph (1), a private voluntary organization or cooperative must submit a request for such funds (which must be approved by the President) when submitting a proposal to the President for an agreement under this title. Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to foreign countries (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).

"(e) Upon the request of a private voluntary organization or cooperative, the President may provide assistance to that organization or cooperative with respect to the sale of agricultural commodities made available to it under this title.".

(e) AMENDMENT TO SECTION 208.—Section 208 (7 U.S.C. 1726b) is amended to read as follows:

"SEC. 208. ADMINISTRATION.

"(a) PROPOSALS.—

"(1) TIME FOR DECISION.—Not later than 45 days after the receipt by the President of a proposal submitted—

"(A) by a private voluntary organization or cooperative, with the concurrence of the appropriate United States field mission, for commodities; or

"(B) by a United States field mission to make commodities available to a private voluntary organization or cooperative;

under this title, a decision shall be made concerning such proposal.

"(2) DENIALS.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for the denial and the conditions that must be met for the proposal to be approved.

"(b) NOTICE AND COMMENT.—Not less than 30 days prior to the issuance of a final guideline to carry out this title, the President—

"(1) shall provide notice of the proposed guideline (including notice of its availability for review and comment) to private voluntary organizations and cooperatives that participate in programs under this title and to other interested persons; and

"(2) shall make the proposed guideline available, on request, to such organizations, cooperatives, and other persons.

The President shall take any comments received into consideration prior to the issuance of the final guideline.

"(c) REGULATIONS, GUIDELINES, AND HANDBOOKS.—

"(1) IN GENERAL.—The President shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or imple-

mentation of programs established under this title.

"(2) REQUIREMENTS.—The President shall develop regulations with the intent of—

"(A) simplifying procedures for participation in the programs established under this title;

"(B) reducing paperwork requirements under such programs;

"(C) establishing reasonable and realistic accountability standards to be applied to eligible organizations participating in such programs, taking into consideration the problems associated with carrying out programs in developing countries; and

"(D) providing flexibility for carrying out such programs.

"(3) HANDBOOKS.—Handbooks developed by the President to assist in carrying out programs under this title shall be designed to foster the development of programs under this title by eligible organizations.

"(d) DEADLINE FOR SUBMISSION OF COMMODITY ORDERS.—Not later than 15 days after receipt of a call forward from a United States field mission for agricultural commodities that meet the requirements of this title, the order for the purchase or the supply, from inventory, of such commodities shall be transmitted to the Commodity Credit Corporation.".

(f) FOOD AID ADVISORY GROUP.—Title II is amended by adding at the end the following new section:

"SEC. 209. FOOD AID ADVISORY GROUP.

"(a) ESTABLISHMENT.—The President shall establish a Food Aid Advisory Group to meet regularly and provide advice on the implementation of programs under this title.

"(b) MEMBERSHIP.—The Food Aid Advisory Group shall be composed of—

"(1) the Administrator of the Agency for International Development;

"(2) the Inspector General of the Agency for International Development;

"(3) the Administrator of the Foreign Agricultural Service;

"(4) the Administrator of the Agricultural Stabilization and Conservation Service;

"(5) representatives of each private voluntary organization and cooperative participating in a program under this title or receiving planning assistance funds to establish programs under this title; and

"(6) representatives from African, Asian and Latin American indigenous nongovernmental organizations determined appropriate by the President.

"(c) CHAIRPERSON.—The Administrator of the Agency for International Development shall be the chairperson of the Food Aid Advisory Group.

"(d) CONSULTATIONS.—In preparing regulations, handbooks, or guidelines in implementation of this title, and in preparing any significant revisions of any such regulations, handbooks, or guidelines, the President—

"(1) shall provide such proposals to the Food Aid Advisory Group for review and comment, and

"(2) shall consult and, when appropriate, meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to their issuance.

"(e) TERMINATION.—The Food Aid Advisory Group shall terminate on December 31, 1995.".

(g) SAFEGUARDING USUAL MARKETINGS.—Title II is further amended by adding at the end the following new section:

"SEC. 210. SAFEGUARDING USUAL MARKETINGS.

"In exercising the authorities conferred by this title, the President shall take reasonable precautions to safeguard usual marketings of the United States and to assure that agricultural commodities provided under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with recipient countries.".

SEC. 1208. AMENDMENT TO TITLE III.

Title III (7 U.S.C. 1727-1727g) is amended to read as follows:

"TITLE III

"SEC. 301. FOOD FOR DEVELOPMENT.

"(a) GENERAL AUTHORITY—To carry out the policies set forth in section 2, the President may negotiate and carry out agreements with least developed countries to provide commodities to such countries on a grant basis.

"(b) LEAST DEVELOPED COUNTRIES.—

"(1) DEFINITION.—As used in this section, the term 'least developed country' means a country that—

"(A) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance, or

"(B) is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population.

"(2) INDICATORS OF FOOD DEFICIT COUNTRIES.—In determining whether a country is a least developed country under the criteria in paragraph (1)(B), the President should take into consideration whether that country meets all of the following indicators of national food deficit and malnutrition (using the best available information):

"(A) CALORIE CONSUMPTION.—The daily per capita calorie consumption of the country is less than 2,300 calories.

"(B) FOOD SECURITY REQUIREMENTS.—The country cannot meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings.

"(C) CHILD MORTALITY RATE.—The mortality rate of children under five years of age in the country is in excess of 100 per 1,000 births.

"(c) PRIORITIES IN ALLOCATION OF ASSISTANCE.—In determining whether and to what extent agricultural commodities shall be made available to least developed countries under this section, the President shall give priority to countries that—

"(1) demonstrate the greatest need for food;

"(2) demonstrate the capacity to use food assistance effectively;

"(3) have demonstrated a commitment to policies to promote food security, including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk; and

"(4) have a long term plan for broad-based, equitable, and sustainable development.

"(d) DIRECT USES OR SALES OF COMMODITIES.—Agricultural commodities provided to a least developed country under this section—

"(1) may be used in such country for—

"(A) direct feeding programs, including programs that include activities that deal directly with the special health needs of children and mothers consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund), or

"(B) the development of emergency food reserves; or

"(2) may be sold in such country by the government of the country or the President (or their designees) as provided in the agreement, with the proceeds of such sale used in accordance with subsection (f).

"(e) ACCOUNTING FOR LOCAL CURRENCY PROCEEDS.—

"(1) SEPARATE ACCOUNTS.—Except as provided in paragraph (2), all of the proceeds of sales of agricultural commodities pursuant to subsection (d)(2) shall be deposited into a separate account in the recipient country.

"(2) ACCOUNTING FOR LOCAL CURRENCIES TO BE USED FOR POLICY REFORM.—The President may waive the requirement of paragraph (1) with respect to local currency proceeds that are to be used to promote policy reforms pursuant to subsection (f)(1)(A) if the President determines that those currencies will otherwise be adequately accounted for in accordance with procedures approved by the President.

"(3) OWNERSHIP AND PROGRAMMING OF LOCAL CURRENCIES.—The proceeds of sales pursuant to subsection (d)(2) shall be the property of the recipient country or the United States, as specified in the applicable agreement. Such proceeds shall be utilized for the benefit of the recipient country, shall be jointly programmed by the President and the government of the recipient country, and shall be disbursed in such country in accordance with local currency agreements between the President and that government.

"(f) USE OF LOCAL CURRENCY PROCEEDS.—

"(1) IN GENERAL.—Except as provided in paragraph (5), the local currency proceeds of sales pursuant to subsection (d)(2) shall be used in the recipient country for specific economic development purposes, including—

"(A) the promotion of specific policy reforms to improve food security and agricultural development within the country and to promote broad-based, equitable, and sustainable development;

"(B) the establishment of development programs, projects, and activities that promote food security, alleviate hunger, improve nutrition, promote family planning, and promote maternal and child health care, oral rehydration therapy, and other child survival objectives consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund);

"(C) the promotion of increased access to food supplies through the encouragement of specific policies and programs designed to increase employment and incomes within the country;

"(D) the promotion of free and open markets through specific policies and programs;

"(E) support for United States private voluntary organizations and cooperatives and encouragement of the development and utilization of indigenous nongovernmental organizations;

"(F) the purchase of agricultural commodities (including transportation and processing costs) produced in the country—

"(i) to meet urgent or extraordinary relief requirements in the country or in neighboring countries, or

"(ii) to develop emergency food reserves;

"(G) the purchase of goods and services (other than agricultural commodities and related services) to meet urgent or extraordinary relief requirements;

"(H) the payment, to the extent practicable, of the costs of carrying out the program authorized in section 406;

"(I) private sector development activities designed to further the policies set forth in

section 2, including loans to financial intermediaries for use in making loans to private individuals, cooperatives, corporations, or other entities;

"(J) activities of the Peace Corps that relate to agricultural production;

"(K) the development of rural infrastructure such as roads, irrigation systems, and electrification to enhance agricultural production;

"(L) research on malnutrition and its causes, as well as research relating to the identification and application of policies and strategies for targeting resources made available under this section to address the problem of malnutrition; and

"(M) support for research (including collaborative research which is mutually beneficial to the United States and the recipient country), education, and extension activities in agricultural sciences.

Section 1306 of title 31, United States Code, shall not apply to the use under this paragraph of local currency proceeds that are owned by the United States.

"(2) SUPPORT OF PRIVATE INDIGENOUS NONGOVERNMENTAL ORGANIZATIONS.—To the extent practicable, not less than 10 percent of the proceeds of sales in each country pursuant to subsection (d)(2) shall be used to support the development and utilization of indigenous nongovernmental organizations and cooperatives that are active in rural development, agricultural education, sustainable agricultural production, other measures to assist the poorest people, and environmental protection projects within such country.

"(3) CONSULTATION WITH FOREIGN AGRICULTURAL SERVICE OFFICERS.—The President shall ensure that members of the Foreign Agricultural Service, who are assigned to a country in which local currencies are to be used under this subsection, are consulted with respect to the uses of those currencies in that country.

"(4) INVESTMENT OF LOCAL CURRENCIES BY NONGOVERNMENTAL ORGANIZATIONS.—A nongovernmental organization may invest local currencies that accrue to that organization as a result of assistance under paragraph (1), and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization without further appropriation by the Congress.

"(5) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the President determines that local currencies deposited in a special account pursuant to subsection (e)(1) are not needed for any of the activities described in subparagraphs (A) through (M) of paragraph (1) of this subsection or for any other specific economic development purpose in the recipient country, the President may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

"(g) GENERAL REQUIREMENTS.—In exercising the authorities conferred by this title, the President shall—

"(1) take reasonable precautions to safeguard usual marketings of the United States and to assure that agricultural commodities provided under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with recipient countries;

"(2) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;

"(3) obtain commitments from recipient countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities provided under this title, without specific approval of the President;

"(4) obtain commitments from recipient countries to publicize widely to their people, by public media and other means, that the commodities are being provided on a grant basis through the friendship of the American people as food for peace;

"(5) take maximum precautions to assure that donations under this title shall not displace any sales of United States agricultural commodities that would otherwise be made; and

"(6) take steps to assure that the United States obtains a fair share of any increase in commercial purchases of agricultural commodities by the recipient country and that commercial supplies are available to meet demands developed through programs carried out under this Act.".

SEC. 1209. AMENDMENTS TO TITLE IV.

(a) AMENDMENTS TO SECTION 401.—

(1) AVAILABILITY DETERMINATIONS.—Section 401 (7 U.S.C. 1731) is amended in subsection (a)—

(A) by inserting ", prior to the beginning of each fiscal year" after "Secretary of Agriculture shall";

(B) by striking ", and the commodities and quantities thereof which may be included in the negotiations with each country"; and

(C) by inserting after the first sentence the following: "The Secretary may, during the fiscal year, modify such determination if the Secretary provides to the Congress prior notice of that modification (including a statement of the reasons for the modification).".

(2) TIMING OF SHIPMENT OF COMMODITIES.—Section 401 (b) is amended by adding at the end the following: "In evaluating the timing of shipments of agricultural commodities to be provided under this Act, the President shall consider the time of harvest of any competing commodities in the recipient country.".

(3) STABLE LEVEL OF COMMODITIES.—Section 401 is amended by adding at the end the following:

"(c) STABLE LEVEL OF COMMODITIES.—In implementing this Act, the Secretary shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multiyear agreements under this Act.".

(b) AMENDMENTS TO SECTION 402.—Section 402 (7 U.S.C. 1732) is amended—

(1) by inserting "(a) AGRICULTURAL COMMODITIES.—" before "The term" in the first sentence;

(2) by inserting "and title III" after "title II" in the proviso;

(3) by inserting before the last sentence the following: "For purposes of title II, a product of agricultural commodities shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States if that ingredient is produced and is commercially available in the United States."; and

(4) by striking the last sentence; and

(5) by adding at the end the following:

"(b) ADMINISTRATOR.—The term 'Administrator' as used in this Act means the Administrator of the Agency for International Development, unless otherwise specified in this Act.

"(c) COOPERATIVE.—The term 'cooperative' as used in this Act means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"(d) FOOD SECURITY.—The term 'food security' as used in this Act means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(e) INDIGENOUS NONGOVERNMENTAL ORGANIZATION.—The term 'indigenous nongovernmental organization' as used in this Act means a foreign organization working at the local level to solve development problems in the foreign country in which it is located, except that the term does not include an organization that is primarily an agent or instrumentality of the foreign government.

"(f) PRIVATE VOLUNTARY ORGANIZATION.—The term "private voluntary organization" means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).

"(g) SECRETARY.—The term 'Secretary' as used in this Act means the Secretary of Agriculture, unless otherwise specified in this Act.".

(c) AMENDMENTS TO SECTION 403.—Section 403 (7 U.S.C. 1733) is amended—

(1) in subsection (a) by striking ", to the extent the Commodity Credit Corporation is not reimbursed under section 104(j) and 105,";

(2) in subsection (c) by inserting "(other than subsection (d) of this section)" after "this Act"; and

(3) by adding at the end the following:

"(d) ALLOCATION OF FUNDS BETWEEN TITLE I PROGRAM AND TITLE III PROGRAM.—For any fiscal year—

"(1) the amount of funds made available to carry out title I may not be greater than twice the amount made available to carry out title III, and

"(2) the amount of funds made available to carry out title III may not be greater than twice the amount made available to carry out title I,

taking into account amounts transferred between titles of this Act.".

(d) COORDINATION WITH DEVELOPMENT ASSISTANCE STRATEGY.—Section 404 of that Act (7 U.S.C. 1734) is amended by adding at the end the following:

"(c) To the maximum extent possible, assistance for a foreign country under this Act shall be coordinated and integrated with United States development assistance objectives and programs for that country and with the overall development strategy of that country. Special emphasis should be

placed on, and funds devoted to, activities that will increase the nutritional impact of programs of assistance under this Act, and child survival programs and projects, in least developed countries by improving the design and implementation of such programs and projects.".

(e) FARMER-TO-FARMER PROGRAM.—Section 406 (7 U.S.C. 1736) is amended to read as follows:

"SEC. 406. FARMER-TO-FARMER PROGRAM.

"(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

"(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of farmers;

"(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and nonprofit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

"(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a people-to-people basis, to such countries while enhancing the democratic process by supporting private and public, agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

"(4) to the extent practicable, enter into contracts or other cooperative agreements with or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available pursuant to subsection (c) or has otherwise been provided in advance in appropriation Acts);

"(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

"(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

"(b) DEFINITIONS.—The following definitions apply for purposes of this section:

"(1) DEVELOPING COUNTRY.—The term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(2) EMERGING DEMOCRACY.—The term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(3) MIDDLE INCOME COUNTRY.—The term 'middle income country' means a country that has developed economically to the point where it does not qualify for bilateral development assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs.

"(c) MINIMUM FUNDING.—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.".

(f) REPEAL OF SECTION 407; ADMINISTRATIVE PROVISIONS.—Section 407 (7 U.S.C. 1736a) is amended to read as follows:

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) AVOIDANCE OF CONFLICT OF INTEREST.—A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(b) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this Act unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(c) LIMITATION ON COMMISSIONS.—No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this Act may be paid in excess of an amount determined appropriate by the President.".

(g) AMENDMENTS TO SECTION 408.—

(1) ANNUAL REPORT.—Section 408 (7 U.S.C. 1736b) is amended by amending subsection (a) to read as follows:

"(a) ANNUAL REPORTS.—

"(1) IN GENERAL.—The President shall prepare an annual report concerning the programs and activities implemented under this Act for the preceding fiscal year.

"(2) CONTENTS.—Each report shall include—

"(A) the levels and recipients of food and other assistance provided under this Act;

"(B) the countries in which projects or activities are implemented under this Act;

"(C) a general description of the projects or activities implemented under this Act; and

"(D) a statement of the amount of each agricultural commodity made available pursuant to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985.

"(3) SUBMISSION.—The President shall submit such report no later than January 15 of each year to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.".

(2) OTHER REPORTS.—Section 408 is further amended by redesignating subsections (d) and (e) as subsections (h) and (i), respectively, and by inserting the following new subsections after subsection (c):

"(d) QUARTERLY REPORTS ON ANTICIPATED AGREEMENTS.—Prior to each quarter of a fiscal year, the President shall submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of the agreements that the President anticipates will be entered into under this Act with respect to each foreign country during the remainder of that fiscal year.

"(e) CURRENT YEAR REPORTS.—The President shall submit a statement to Congress not later than June 1 of each fiscal year specifying the agreements signed under this Act for that fiscal year. Such statement shall also specify for each country with which there is an agreement under this Act for that fiscal year, the amount that country requested and is receiving under the Food for Progress Act of 1985, section 416(b) of the Agricultural Act of 1949, title I of this Act, title II of this Act, and title III of this Act. With respect to title II, the statement shall indicate for each country—

"(1) the quantity provided through the World Food Program, private voluntary organizations, or cooperatives (identified by name), or government-to-government agreements;

"(2) the type and quantity of each commodity provided; and

"(3) the quantity provided for each program category.

"(f) TITLE II FOREIGN CURRENCY PROCEED REPORTS.—The President shall, no later than the end of the fiscal year, submit a statement to Congress on the number of requests submitted and the number of requests approved under section 207 for that fiscal year for the generation of foreign currency proceeds, the amount of foreign currency proceeds generated, and a summary of the uses of such proceeds.

"(g) WORLD FOOD DAY REPORT.—On World Food Day, October 16 of each year, the President shall submit to the Congress a report, prepared with the assistance of the Secretary and the Administrator, assessing progress towards food security in each country receiving United States Government food assistance. Special emphasis should be given in such report to the nutritional status of the poorest populations in such countries.".

(h) AMENDMENT TO SECTION 409.—Section 409 (7 U.S.C. 1736c) is amended by striking "to finance sales under title I and no program of assistance under title II" and inserting "under this Act".

(i) REPEAL OF SECTION 411.—Section 411 (7 U.S.C. 1736e) is repealed.

(j) MULTIYEAR AVAILABILITY.—Section 413 (7 U.S.C. 1736g) is amended to read as follows:

"SEC. 413. MULTIYEAR AGREEMENTS.

"Agricultural commodities provided under this Act shall be made available on a mul-

tiyear basis, subject to the requirements of section 401 and the availability of appropriations, unless—

"(1) the past performance of the country in meeting program objectives does not warrant a multiyear agreement;

"(2) it is anticipated that the need of the country for assistance does not extend beyond one year; or

"(3) other circumstances, as determined by the President, indicate there is only a need for a one-year agreement.".

(k) DISTRIBUTION OF ASSISTANCE.—Title IV is further amended by adding at the end the following:

"SEC. 414. DISTRIBUTION OF ASSISTANCE.

"(a) NONDISCRIMINATORY DISTRIBUTION.—The President shall attempt to ensure that agricultural commodities made available under title II and title III are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(b) MILITARY DISTRIBUTION.—

"(1) PROHIBITION.—Except as provided in paragraph (2), the President shall not enter into any agreement to provide agricultural commodities under title II or title III that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(2) EXCEPTION.—Notwithstanding paragraph (1), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(A) nonmilitary channels are not available,

"(B) such action is consistent with subsection (a), and

"(C) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(3) REPORTS TO CONGRESS.—The President shall report any authorization under paragraph (2) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(c) SAFE PASSAGE.—When entering into agreements under title II and title III which involve areas experiencing protracted warfare or civil strife, the President shall, to the extent practicable, encourage—

"(1) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(2) the creation of safe zones for medical and humanitarian treatment and evacuation.".

(l) LIMITATION ON USE OF LOCAL CURRENCY FOR AGRICULTURAL PRODUCTION.—Title IV is further amended by adding at the end the following:

"SEC. 415. LIMITATION ON USE OF LOCAL CURRENCY FOR AGRICULTURAL PRODUCTION.

"Local currencies that are made available for use under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete, as determined by the President, in world markets with similar agricultural commodities (or products thereof) produced in the United States if such competition would cause substantial injury to United States producers, except that this section does not prohibit the use of such currencies for crop substitution or other alternative development activities undertaken in furtherance of narcotics control objectives.".

(m) LIMITATION ON USE OF LOCAL CURRENCY FOR ABORTIONS.—Title IV is further amended by adding at the end the following:

"SEC. 416. LIMITATION ON USE OF LOCAL CURRENCY FOR ABORTIONS.

"Local currencies that are made available for use under this Act may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.".

(n) RESPONSIBILITIES FOR ADMINISTERING ACT.—

(1) ALLOCATION OF RESPONSIBILITIES.—Title IV is further amended by adding at the end the following:

"SEC. 417. RESPONSIBILITIES FOR ADMINISTERING ACT.

"(a) DESIGNATION OF AGENCY PRIMARILY RESPONSIBLE FOR IMPLEMENTATION OF PRESIDENTIAL AUTHORITY.—

"(1) TITLE I PROGRAM.—The President shall designate the Secretary as the official with primary responsibility for administering the authority granted to the President by title I, except that the requirement of this paragraph does not apply with respect to sections 105 and 105A or (to the extent they apply to title III) sections 109 and 112.

"(2) TITLE II AND TITLE III PROGRAMS.—(A) The President shall designate the Administrator as the official with primary responsibility for administering the authority granted to the President by title II and title III and (to the extent they apply to title III) sections 109 and 112.

"(b) COOPERATION BETWEEN AGENCIES.—

"(1) USDA.—The Secretary shall be responsible for ensuring that the Department of Agriculture, in carrying out its responsibilities under title I, cooperates fully with the Agency for International Development with respect to the latter's areas of expertise.

"(2) AID.—The Administrator shall be responsible for ensuring that the Agency for International Development, in carrying out its responsibilities under title II and title III, cooperates fully with the Department of Agriculture with respect to the latter's areas of expertise.

"(c) REVIEW OF PROPOSED AGREEMENTS.—

"(1) TITLE I PROGRAMS.—Before negotiating an agreement (or an amendment to an agreement) under title I, the Secretary shall consult with the Administrator to ensure that the proposed agreement will not be inconsistent with United States development assistance objectives and programs for the recipient country and with the overall development strategy of that country.

"(2) TITLE II AND TITLE III PROGRAMS.—Before negotiating an agreement (or an amendment to an agreement) under title II or title III, the Administrator shall submit to the Secretary the proposal which is the basis for those negotiations. The Secretary shall have up to 30 days in which to review the proposed agreement (or amendment) with regard to matters in the areas of the Secretary's expertise and to provide the Secretary's views on the proposed agreement (or amendment) to the Administrator. The Administrator may waive the requirement of this paragraph with respect to an agreement (or amendment to an agreement) under title II if the Administrator determines, after consultation with the Secretary, that an emergency exists that requires such waiver.

"(d) CONSULTATION WITH SECRETARY OF STATE.—

(1) TITLE I PROGRAMS.—The Secretary shall consult with the Secretary of State to ensure that agreements under title I are not inconsistent with United States foreign policy.

"(2) TITLE II AND TITLE III PROGRAMS.—The Administrator shall consult with the Secretary of State to ensure that agreements under title II and title III are not inconsistent with United States foreign policy.

"(e) SAFEGUARDING USUAL MARKETINGS.—Prior to the beginning of each fiscal year, the Secretary shall determine, for each foreign country that is an anticipated recipient of agricultural commodities under this Act during that fiscal year, the maximum quantities of agricultural commodities that can be made available during that fiscal year under this Act consistent with the requirements of section 103(1), section 210, and section 301(g)(1). During the fiscal year, the Secretary may increase such maximum quantity with respect to a country because of changed circumstances and may determine such maximum quantities with respect to additional countries.

"(e) ACQUISITION OF COMMODITIES FOR TITLE II AND TITLE III PROGRAMS.—

"(1) USE OF COMMODITY CREDIT CORPORATION.—Subject to the approval of the Secretary, the Commodity Credit Corporation shall acquire and make available to the Administrator such agricultural commodities (that have been determined to be available under section 401(a)) as the Administrator may request to carry out agreements under title II and title III.

"(2) DIRECT ACQUISITION.—If the Administrator is unable to obtain agricultural commodities through the Commodity Credit Corporation pursuant to paragraph (1), the Administrator may use funds made available to carry out title II or title III (as the case may be) for the acquisition of agricultural commodities (that have been determined to be available under section 401(a)) for use in carrying out agreements under that title.".

(2) CONFORMING AMENDMENT.—Section 201(a) (7 U.S.C. 1721(a)) is amended by striking the last sentence.

SEC. 1210. FOOD FOR PEACE OFFICERS.

The Administrator of the Agency for International Development shall increase the number and the expertise of the personnel of the Agency for International Development at the agency's headquarters and its missions abroad who carry out the programs authorized by title II and title III of the Agricultural Trade Development and Assistance Act of 1954.

SEC. 1211. REVISION OF REGULATIONS.

(a) IN GENERAL.—The President shall provide for the issuance of regulations to revise the existing regulations to implement the Agricultural Trade Development and Assistance Act of 1954, including all provisions necessary or appropriate to implement the amendments made by this subtitle.

(b) DEADLINES.—The regulations specified in subsection (a) shall be issued in proposed form no later than 6 months after the date of enactment of this Act and in final form no later than one year after the date of enactment of this Act.

SEC. 1212. INDEPENDENT EVALUATION OF PUBLIC LAW 480 PROGRAMS.

(a) REQUIREMENT FOR PERIODIC GAO EVALUATIONS.—Not later than 2 years after the date of enactment of this Act and 2 years thereafter, the Comptroller General of the

United States shall evaluate the assistance provided under the Agricultural Trade Development and Assistance Act of 1954 as follows:

(1) SELECTION OF COUNTRIES.—The Comptroller General shall select—

(A) 5 countries that receive assistance under title I,

(B) 5 countries that receive assistance under title II, and

(C) 5 countries that receive assistance under title III.

The countries selected shall be countries that are representative of the countries that receive such assistance in each of the three following regions: Africa, Asia/Near East, and Latin America.

(2) TITLE I PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(A), the Comptroller General shall evaluate the uses of the local currencies deposited in a special account pursuant to section 104 with respect to—

(A) their impact on agricultural trade development, and

(B) the financial management of those currencies, including the personnel requirements for managing those currencies.

(3) TITLE II PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(B), the Comptroller General shall evaluate the uses of the assistance provided under that title, including an evaluation of—

(A) the impact of such assistance on enhancing food security (including nutrition),

(B) the uses for economic development of any local currencies proceeds generated by such assistance, and

(C) the financial management of those local currencies, including the personnel requirements for managing those currencies.

(4) TITLE III PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(C), the Comptroller General shall evaluate—

(A) the uses of the agricultural commodities provided under section 301(d)(1) with respect to their impact on enhancing food security (including nutrition); and

(B) the uses of local currencies pursuant to section 301(f) with respect to—

(i) their impact on enhancing food security (including nutrition), and

(ii) the financial management of those currencies, including the personnel requirements for managing those currencies.

(b) REPORTS TO CONGRESS.—The Comptroller General shall submit a report on each evaluation conducted pursuant to subsection (a) to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1213. AMENDMENT TO SECTION 416(b) OF 1949 ACT.

Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended by adding at the end the following:

"(13) A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this subsection during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(14) No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this subsection unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(15) No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this subsection may be paid in excess of an amount determined appropriate by the President.

"(16) The President shall attempt to ensure that agricultural commodities made available under this subsection are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(17)(A) Except as provided in subparagraph (B), the President shall not enter into any agreement to provide agricultural commodities under this subsection that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(B) Notwithstanding subparagraph (A), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(i) nonmilitary channels are not available,

"(ii) such action is consistent with paragraph (16), and

"(iii) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(C) The President shall report any authorization under subparagraph (B) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(18) When entering into agreements under this subsection which involve areas experiencing protracted warfare or civil strife, the President shall, to the extent practicable, encourage—

"(A) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(B) the creation of safe zones for medical and humanitarian treatment and evacuation.".

SEC. 1214. FOOD FOR PROGRESS.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) by striking "countries that" and inserting "developing countries, and countries that are emerging democracies, that", and

(B) by striking "developing countries" and inserting "the governments of such countries, or with private voluntary organizations, nonprofit agricultural organizations, or cooperatives,";

(2) in subsection (d) by striking "with countries";

(3) in subsection (e)(3)—

(A) by striking "to a developing country", and

(B) by striking "by a developing country";

(4) in subsection (e)(4) by striking "to a developing country" both places it appears;

(5) in subsection (f)(1) by striking "to developing countries";

(6) in subsection (g) by striking "1990" and inserting "1995";

(7) in subsection (j) by striking "entered into with a country", and by inserting "with respect to a country" after "effect";

(8) in subsection (k) by striking "recipient countries" and inserting "the recipient";

(9) in subsection (l) by striking "1990" and inserting "1995"; and

(10) by adding at the end the following:

"(m) A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this section during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(n) No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this section unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(o) No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this section may be paid in excess of an amount determined appropriate by the President.

"(p) The President shall attempt to ensure that agricultural commodities made available on a grant basis under this section are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(r)(1) Except as provided in paragraph (2), the President shall not enter into any agreement to provide agricultural commodities on a grant basis under this subsection that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(2) Notwithstanding paragraph (1), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(A) nonmilitary channels are not available,

"(B) such action is consistent with subsection (p), and

"(C) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(3) The President shall report any authorization under paragraph (2) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(s) When entering into grant agreements under this section which involve areas experiencing protracted warfare or civil strife,

the President shall, to the extent practicable, encourage—

"(1) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(2) the creation of safe zones for medical and humanitarian treatment and evacuation.

"(u) As used in this section—

"(1) the term 'cooperative' means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership;

"(2) the term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(3) the term 'nonprofit agricultural organization' means a not-for-profit organization of agribusinesses, a not-for-profit farm association, a not-for-profit cooperator organization, or a similar not-for-profit organization; and

"(4) the term 'private voluntary organization' means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).".

SEC. 1215. EXTENSION OF FOOD SECURITY WHEAT RESERVE.

Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking "1990" both places it appears and inserting "1995".

Subtitle B—Export Promotion

SEC. 1221. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

(a) GENERAL PROVISIONS.—Titles I through IV of the Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) are amended to read as follows:

"TITLE I—GENERAL PROVISIONS

"SEC. 101. DEFINITIONS.

"As used in this Act—

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber, and any product thereof.

"(2) DEVELOPING COUNTRY.—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) UNFAIR TRADE PRACTICE.—(A) Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy, or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement to which the United States is a party; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974.

"(5) UNITED STATES.—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(6) UNITED STATES AGRICULTURAL COMMODITY.—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) a product all of the agricultural components of which are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if—

"(I) such component is an added, de minimis component,

"(II) such component is not commercially produced in the United States, and

"(III) there is no acceptable substitute for such component that is entirely produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code, in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 102. CERTIFICATION OF COMPLIANCE.

"The Secretary shall obtain certification with respect to commodities provided, or for which financing or credit guarantees are provided, under any commercial export promotion program of the Department of Agriculture or Commodity Credit Corporation—

"(1) from countries, or importers in countries, that were the intended destination of agricultural commodities under such program, that such commodities were received in that country; and

"(2) from the seller or exporter of record of such commodities, that there were no corrupt bonuses, extra sales services, or other items than those so provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"SEC. 103. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) monitor the progress of each proposal, specifying in a central system—

"(A) the origin of the proposal;

"(B) arguments supporting the proposal;

"(C) arguments against the proposal;

"(D) recommended action at the various stages of consideration; and

"(E) the disposition of the proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) in the event any audit discloses noncompliance with program objectives or requirements, determine promptly whether in light of such noncompliance to suspend or debar the noncomplying party from further participation in 1 or more of the programs under this title, affording the alleged noncomplying party opportunity for an agency hearing.

"(b) ACCESSIBILITY OF INFORMATION.—Information pertaining to a particular proposal shall be retrievable within the central system by country, commodity, proposal, and other appropriate categories, including participating financing institutions.

"(c) INDEPENDENT STUDY OF WAYS TO IMPROVE IMPLEMENTATION OF SYSTEM AND IMPROVE MANAGEMENT.—The Secretary shall contract with an appropriate management consulting firm to obtain from that firm detailed recommendations on how to improve the implementation of this section and, generally, the management information systems of the Department of Agriculture and the Commodity Credit Corporation with respect to the commercial export promotion programs of such department and agency.

"SEC. 104. POLICY.

"The Congress finds that the agricultural export policy of the United States should provide for increased emphasis on sales abroad of United States processed, value-added agricultural products due to the multiple benefits from such sales to United States producers, processors, and exporters, and the national workforce.

"SEC. 105. DEVELOPMENT OF AGRICULTURAL TRADE STRATEGY.

"(a) IN GENERAL.—

"(1) DEVELOPMENT OF MULTIYEAR STRATEGY.—The Secretary shall develop, for the 3-fiscal year period beginning with fiscal year 1992, and for each 3-fiscal year period occurring thereafter, a long-term agricultural trade strategy for the United States to guide the Secretary in the implementation of United States Government programs designed to promote the export of United States agricultural commodities. In preparing such a strategy, the Secretary shall consult with the United States Trade Representative to ensure that the strategy is coordinated with the annual national trade policy agenda under section 163 of the Trade Act of 1974.

"(2) GOALS.—The long-term agricultural trade strategy established under paragraph (1) shall be designed to ensure—

"(A) the efficient, coordinated use of United States Government programs designed to promote the export of United States agricultural commodities;

"(B) the improvement in the commercial potential of markets in developing countries for United States agricultural commodities;

"(C) the growth of exports of United States agricultural commodities; and

"(D) the maintenance of traditional markets for United States agricultural commodities.

"(b) CONTENTS.—In the long-term agricultural trade strategy developed under subsection (a), the Secretary shall include—

"(1) findings with respect to trends in the comparative position of the United States and other countries in the export of agricultural commodities, organized by major commodity group and including a comparative analysis of the cost of production of such commodities;

"(2) the agricultural trade goals for all agricultural commodities, expressed in both physical volume and monetary value, over not less than the 3-year period for which the strategy is developed;

"(3) the agricultural trade goals for each agricultural commodity, expressed in both physical volume and monetary value, over not less than such 3-year period;

"(4) the agricultural trade goals for high-value, processed agricultural commodities, expressed in both physical volume and monetary value, over not less than such 3-year period;

"(5) multiyear plans for the implementation and coordination of United States export assistance programs and foreign food assistance programs to meet all such agricultural trade goals;

"(6) findings and recommendations with respect to the movement of United States agricultural commodities in nonmarket economies;

"(7) recommended long-term strategies for growth in agricultural trade and exports, taking into account United States competitiveness and trade negotiations, and considering the effects of exchange rate fluctuations and unfair trading practices on the competitiveness and availability of exports of United States agricultural commodities;

"(8) strategies designed to make the United States a primary and dependable supplier of agricultural commodities on the world market;

"(9) an analysis of the differences in the markets of developed and developing countries (including the debt load of particular countries), and a strategy to increase exports of United States agricultural commodities to such markets; and

"(10) an estimate of the expected impact of United States Government programs designed to promote the export of United States agricultural commodities on earnings or market share, in the priority markets identified under subsection (d), of exports of United States agricultural commodities.

"(c) DESIGNATION OF GROWTH MARKETS.—The Secretary shall establish, for inclusion in the long-term agricultural trade strategy developed under subsection (a), a list of not less than 15 countries (or groups of countries) that are most likely to emerge as growth markets for United States agricultural commodities during the 3- and 6-fiscal year periods beginning with the first fiscal year for which the strategy is developed.

"(d) DESIGNATION OF PRIORITY MARKETS.—The Secretary shall designate countries identified on the list developed under subsection (c) as priority markets for United States Government programs designed to promote the export of United States agricultural commodities (other than those programs designed to provide food assistance and those programs under the Export Enhancement Program under section 201).

"(e) ESTABLISHMENT OF MARKET PLANS.—The Secretary shall develop individual market plans for each country (or group of countries) designated as a priority market under subsection (d). Each such market plan shall set forth—

"(1) specific plans to assist exports of United States agricultural commodities to and market development in the specific country or group of countries through United States Government programs designed to promote the export of United States agricultural commodities; and

"(2) the agricultural trade goals for the United States for that specific country or group of countries over at least the 3-year period for which the agricultural trade strategy under this section is developed.

"(f) CONFIDENTIALITY.—The Secretary may designate any portion of the agricultural trade strategy prepared under this section as confidential and not to be released to the general public if—

"(i) the Secretary determines that the release of the information involved would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(ii) any of such information is determined to be confidential business information.

Nothing in this section shall be construed to authorize the withholding of information from the Congress.

"SEC. 106. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) USE OF PROGRAMS.—

"(1) IN GENERAL.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) COMMODITIES SPECIFIED.—Paragraph (1) shall apply in the case of articles for which the United States has instituted, under any international trade agreement, any dispute settlement proceeding based on an unfair trade practice if such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) CONSULTATIONS REQUIRED.—For any article described in subsection (a)(2), the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 107. PRESERVATION OF TRADITIONAL MARKETS.

"The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for United States agricultural commodities.

"SEC. 108. INDEPENDENCE OF AUTHORITIES.

"Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"SEC. 109. PROGRAM EXPENDITURES.

"Expenditures for programs under this Act shall be considered to be expenditures for export promotion and not expenditures for any price support program.

"TITLE II—SPECIFIC EXPORT PROMOTION PROGRAMS

"SEC. 201. EXPORT ENHANCEMENT PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—

"(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purchasers at no cost either directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred;

"(C) in the case of livestock and livestock products, develop a methodology to determine the world price and gather and analyze appropriate price and cost of production information in foreign countries for the purpose of price discovery and to aid sales in foreign markets, and publish such information periodically; and

"(D) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of section 552 of title 5, United States Code, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from the Congress.

"(4) DIVERSION OF CARGO.—

"(A) IN GENERAL.—The Secretary shall ensure that commodities exported under the program established under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(B) ENFORCEMENT.—The Secretary shall provide that if commodities exported under the program established under this section fail to arrive at the specified destination country, except as provided under subparagraph (A)—

"(i) any person receiving, or who otherwise would receive, a bonus under this section in connection with such commodities shall be liable for the amount of such bonus and shall be ineligible for participation in the program established under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(ii) if such failure is attributable in whole or in part to the specified destination country, no bonus is made available for exports to such country for a period of at least 1 year.

"(C) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this paragraph shall

be ineligible to participate in the program established under this section for a period of up to 5 years. The Secretary shall provide that no bonus is made available, for a period of at least 1 year, under the program established under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this paragraph.

"(D) OTHER REMEDIES UNAFFECTED.—The remedies provided under this paragraph are in addition to any remedy available under any other provision of law.

"(5) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(6) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to a United States exporter, user, or processor, or foreign purchaser, under the program established under this section, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

"(7) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(c) PRIORITY IN THE CASE OF LIVESTOCK.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include, in connection with the purchase of the livestock, appropriate herd management training, veterinary services, nutritional training, and other technical assistance necessary for the adaptation of the livestock to foreign environments.

"(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) RECORDS.—

"(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require, by rule, each exporter, user, or processor who receives a bonus under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters, users, or processors participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.

"(f) FUNDING LEVELS.—

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(2) LIMITATION.—Not more than 10 percent of the funds and commodities made available for a fiscal year to carry out the program established under this section may be made available to promote the export of agricultural commodities described in section 101(6)(B)(ii).

"(g) IN GENERAL.—It is not the purpose of the program established under this section to affect adversely the exports of agricultural commodities of countries, as determined by the Secretary, that are not engaged in unfairly subsidizing their exports of agricultural commodities. The program shall be implemented in a manner necessary to minimize external and unintended effects damaging to the earnings of such countries from exports of agricultural commodities.

"SEC. 202. MARKET PROMOTION PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

"(b) TYPE OF ASSISTANCE.—Assistance under this section shall be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) REQUIREMENTS FOR PARTICIPATION.—

"(1) IN GENERAL.—To be eligible for assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) PRIORITY BASIS FOR EXPORT ASSISTANCE.—The Secretary shall provide assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization shall be—

"(1) an organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

"(e) APPROVED MARKETING PLAN.—

"(1) IN GENERAL.—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising and other export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) REQUIREMENTS.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) AMENDMENTS.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) BRANDED PROMOTION.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

"(f) OTHER TERMS AND CONDITIONS.—

"(1) MULTIYEAR BASIS.—The Secretary may provide assistance under this section on a multiyear basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

"(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

"(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

"(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

"(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

"(D) the unfair trade practice that was the basis of the provision of assistance has been stopped and marketing assistance is no longer required to offset its effect; or

"(E) the Secretary determines that termination of assistance in a particular instance is in the best interest of the program.

"(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

"(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

"(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

"(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation of expenditures of a recipient not later than 15 months after the initial provision of funds to the recipient.

"(4) AVAILABILITY OF RECORDS.—

"(A) IN GENERAL.—In the administration of the program established by this section, the Secretary shall require, by rule, each eligi-

ble trade organization that receives assistance under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(B) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, eligible trade organizations participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(C) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this paragraph shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this subparagraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this paragraph shall be construed to authorize the withholding of information from the Congress.

"(D) CONDUCT OF RULEMAKING.—Final rules under subparagraphs (A) and (B) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.

"(5) LEVEL OF MARKETING ASSISTANCE.—

"(A) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program and the level of cost-sharing required of such organization.

"(B) LIMITATION.—Assistance provided under this section to private organizations for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost shall be consistent and such cost shall be documented.

"(g) PROGRAM LEVEL.—The Commodity Credit Corporation shall make available assistance under this section at a level not less than $325,000,000 for each of the fiscal years 1991 through 1995.

"(h) REGIONAL TRADE CENTER SET-ASIDE.—

"(1) IN GENERAL.—The Secretary shall establish as an objective the reservation of an amount of assistance provided under this section for the benefit of applicants whose applications have been forwarded to the Secretary by the 4 regional nonprofit export trade associations that have been established by a number of States in cooperation with the Foreign Agricultural Service of the Department of Agriculture, and for the benefit of the National Association of State Departments of Agriculture, for purposes such as the conduct of export promotion trade fairs and other export promotional activities.

"(2) DESIRED LEVEL OF SET-ASIDE.—The desired amounts of such assistance should be provided at levels no less than—

"(A) 10 percent in fiscal year 1991,

"(B) 11 percent in fiscal year 1992,

"(C) 12 percent in fiscal year 1993,

"(D) 13 percent in fiscal year 1994, and

"(E) 14 percent in fiscal year 1995,

as the Secretary may determine will best effectuate the goals of this section.

"SEC. 203. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 201, operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sales of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE III—TRADE REPORTING

"SEC. 301. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—

"(1) IN GENERAL.—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities that the Secretary may designate as produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination, if known.

"(2) CONFIDENTIALITY AND COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) IMMEDIATE REPORTING.—All exporters of agricultural commodities produced in the United States shall, upon request of the Secretary, immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) MONTHLY REPORTING PERMITTED.—The Secretary may, with respect to any commodity or type or class thereof during any period in which the Secretary determines that—

"(A) there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements,

"(B) total supplies of such commodity in the exporting countries are estimated to be in surplus,

"(C) anticipated exports will not result in excessive drain on domestic supplies, and

"(D) to require the reports to be made will unduly hamper export sales,

provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

"(b) REPORT ON ORIGIN OF COMMODITIES.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary shall require each person making a commercial export of any agricultural commodity or product thereof (hereinafter in this section referred to as a 'good') that is determined by the Secretary to be of commercial significance, before or upon that exportation, to report the quantity of such good so exported, and the percentage of the agricultural components produced in the United States and percentage produced in a foreign country by value and weight, and shall also report such percentages by crop year and type, if necessary or appropriate to determine the identity of the United States and foreign agricultural components of the good exported.

"(2) EXEMPTION.—A person shall not be required to report any information under paragraph (1) that cannot be obtained from records maintained in the ordinary course of business.

"(3) REPORTS FOR HIGH-VALUE PROCESSED PRODUCTS.—With respect to exports of any good that is a high value, complex, processed product (as determined by the Secretary), a report under paragraph (1) need only be made for exports of that good over a period of not more than 1 year, and the information required under paragraph (1) may be aggregated for the period covered by the report.

"(4) CODES.—The Secretary may establish codes to identify the type and characteristics of each commodity for the purposes of reports under paragraph (1).

"(5) COMPILATION OF REPORTS.—Individual reports under this subsection shall remain confidential in accordance with subsection (c) but may be compiled by the Secretary and published in compilation form on a quarterly basis.

"(c) CONFIDENTIALITY.—The individually identifiable information contained in reports under this section shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this subsection shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this section shall be construed to authorize the withholding of information from the Congress.

"(d) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

"(e) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity under an export sales contract—

"(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

"(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity during a period for which the President has declared a national emergency or for which the Congress has declared war.

"TITLE IV—REPORTS

"SEC. 401. NONGOVERNMENTAL SUBSIDIES.

"(a) IN GENERAL.—The Secretary shall submit a report to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate specifying any nongovernmental agricultural subsidies provided in any foreign country. In compiling such report, the Secretary shall give priority to specifying those nongovernmental subsidies provided to livestock and commodities for which there is a price support program

or marketing agreement or order in effect in the United States.

"(b) DEADLINES.—The Secretary shall submit the report specified in subsection (a) no later than 180 days after the date of enactment of the Food and Agricultural Resources Act of 1990, and shall submit additional reports at 1 year intervals for each of the next 5 years after the submission of the first report.

"SEC. 402. LONG-TERM AGRICULTURAL TRADE STRATEGY REPORT.

"(a) IN GENERAL.—The Secretary of Agriculture shall every 3 years prepare a long-term agricultural trade strategy report on the long-term agricultural trade strategy developed by the Secretary under section 105. The first such report shall be submitted under subsection (e) before the beginning of fiscal year 1992. Each subsequent report shall be submitted under subsection (e) before the beginning of each third fiscal year occurring after fiscal year 1992.

"(b) CONTENTS.—

"(1) IN GENERAL.—Each report prepared under subsection (a) shall describe in detail each aspect of the long-term agricultural trade strategy prepared under section 105.

"(2) REVIEW OF IMPLEMENTATION.—In each report submitted after the first report, the Secretary shall—

"(A) review the agricultural trade performance of the United States during the fiscal years ending since submission of the preceding report, in light of the long-term agricultural trade strategy and trade goals developed by the Secretary for such fiscal-year period under this Act;

"(B) determine whether and to what extent individual market plans developed under section 105(e) were successfully implemented during such fiscal-year period;

"(C) determine whether the use of any United States Government programs designed to promote exports of United States agricultural commodities resulted in such agricultural exports or increased agricultural exports or market share in the priority markets during such fiscal-year period; and

"(D) conduct a country-by-country analysis of expenditures made under United States Government programs designed to promote exports of United States agricultural commodities and the export performance of the United States in such market during such fiscal-year period.

"(c) CONSULTATION.—In preparing each report under subsection (a), the Secretary shall consult with the United States Trade Representative to ensure that the report is coordinated with the annual national trade policy agenda included in the annual report for the relevant fiscal year prepared under section 163 of the Trade Act of 1974.

"(d) UPDATE.—The Secretary shall prepare an annual update to the report required under subsection (a) that shall contain a description of any revisions to the long-term agricultural trade strategy made by the Secretary, any changes in law that are required to meet the goals of the long-term agricultural trade strategy, and such other information as may be specified in this section or determined appropriate by the Secretary.

"(e) TREATMENT AS ANNUAL BUDGET SUBMISSION.—The long-term agricultural trade strategy report under subsection (a) shall be submitted with the annual budget submission of the President to the Congress for fiscal year 1992 and for each third fiscal year thereafter. The annual updates under subsection (d) of each such report shall be submitted, respectively, with the annual budget submission of the President to the Congress for the 2 fiscal years after submission of such report. Any provision of the long-term agricultural trade strategy report or annual update that relates to recommended levels of spending on international activities of the Department of Agriculture shall be treated as the annual budget submission of the President to the Congress for such activities for the fiscal year beginning in the year in which the report is submitted, and shall be submitted together with the budget request for other programs of the Department of Agriculture for such fiscal year.

"(f) AVAILABILITY OF REPORT.—

"(1) SUBMISSION TO CONGRESS.—The Secretary shall submit each report required under subsection (a) (and the updates to such report under subsection (d)) to the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

"(2) AVAILABILITY TO PUBLIC.—Except as provided in paragraph (3), the Secretary may make the report required under subsection (a) available to the general public, including the department of agriculture of any State.

"(3) CONFIDENTIALITY.—The Secretary may designate portions of the report required under subsection (a) or any update prepared under subsection (d) as confidential and not to be released to the general public if—

"(A) the Secretary determines that the release of such information would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(B) any of such information is determined to be confidential business information.".

(b) CONFORMING AMENDMENTS.—(1) Section 1113(c)(9) of the Food Security Act of 1985 (7 U.S.C. 1736-1(c)(9)) is amended—

(A) in subparagraph (A) by adding "and" after the semicolon;

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 4201 of the Agricultural Competitiveness and Trade Act of 1988, and the item relating to section 4201 in the table of contents for the Omnibus Trade and Competitiveness Act of 1988, are repealed.

SEC. 1222. AMENDMENTS RELATING TO EXPORT CREDIT PROGRAMS.

(a) GUARANTEES FOR WOOD AND FISH.—Section 4(b)(1) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(1)) is amended by adding at the end the following new sentence: "In making available any assistance under this paragraph with respect to wood and processed wood products or fish and processed fish products, the Secretary of Agriculture shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products.".

(b) CRITERIA FOR USE OF AUTHORITY.—Section 4(b)(2) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(2)) is amended by inserting "directly benefit United States agricultural producers and will" after "that the sale will".

(c) PROGRAM LEVEL.—Section 4(b)(10) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(10)) is amended by striking "available—" and all that follows through the end of the paragraph and inserting "available not less than $500,000,000 for each of fiscal years 1991 through 1995.".

(d) CREDIT GUARANTEES.—Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end the following:

"(e) RESTRICTION.—The Corporation shall not make credit guarantees available to any country which the Secretary determines cannot adequately service the debt associated with the guarantee.

"(f) FRAUD.—If the Corporation finds that any exporter or assignee has engaged in fraud or in any scheme, trick, or device to misuse or misappropriate any credit guarantee made available under this section, the relevant export credit guarantee issued under this section is no longer valid.

"(g) DIVERSION OF CARGO.—

"(1) IN GENERAL.—The Secretary shall ensure that commodities exported under any program under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(2) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under any program under this section fail to arrive at the specified destination country, except as provided under paragraph (1)—

"(A) any person receiving a credit guarantee under this section in connection with such commodities shall be liable for the amount of any amounts paid under such guarantee and shall be ineligible for participation in any program under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(B) if such failure is attributable in whole or in part to the specified destination country, no credit or guarantee is made available under any program under this section for exports to such country for a period of at least 1 year.

"(3) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this subsection shall be ineligible to participate in any program under this section for a period of up to 5 years. The Secretary shall provide that, for a period of at least 1 year, no credit or guarantee is made available under any program under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this subsection.

"(4) OTHER REMEDIES UNAFFECTED.—The remedies provided under this subsection are in addition to any remedy available under any other provision of law.

"(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) RECORDS.—

"(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require, by rule, each exporter under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other

records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.".

(e) USE OF PROGRAM.—Section 4(b)(5) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(5)) is amended by inserting ", foreign policy," after "foreign aid".

(f) SHORT-TERM EXPORT CREDIT GUARANTEES.—Section 1125 of the Food Security Act of 1985 (7 U.S.C. 1736t) is amended—

(1) in subsection (b) by striking "1990" and inserting "1995";

(2) in subsection (d)—

(A) by inserting "(1)" after "(d)"; and

(B) by adding at the end the following:

"(2) In making available any guarantees under subsection (b) with respect to wood and processed wood products or fish and processed fish products, the Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products."; and

(3) by adding at the end the following new subsections:

"(e) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall guarantee under any program conducted under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not guarantee under this section the value of any foreign agricultural component.

"(f) RECORDS.—

"(1) IN GENERAL.—In the administration of the program described in this section, the Secretary shall require, by rule, each exporter under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.".

SEC. 1223. MARKET DEVELOPMENT TASK FORCE.

(a) ESTABLISHMENT.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall establish a task force, to be known as the "Market Development Task Force" (hereinafter in this section referred to as the "Task Force"), to help develop the long-term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978, and to coordinate and disseminate information, and provide advice and education to entities, concerning agricultural export markets and domestic agricultural trade programs.

(b) COMPOSITION.—The Task Force shall be composed of 12 members, of which—

(1) 1 member shall be the Administrator of the Foreign Agricultural Service, or such Administrator's designee;

(2) 1 member shall be the Secretary of Commerce, or such Secretary's designee;

(3) 1 member shall be the United States Trade Representative, or such Representative's designee;

(4) 1 member shall be the Administrator of the Small Business Administration, or such Administrator's designee;

(5) 1 member shall be the Administrator of the Extension Service, or such Administrator's designee;

(6) 1 member shall be the Administrator of the Agricultural Stabilization and Conservation Service, or such Administrator's designee;

(7) 1 member shall be a representative of the National Association of State Departments of Agriculture (NASDA);

(8) 1 member shall be the special assistant to the President appointed under section 1113 of the Food Security Act of 1985 (7 U.S.C. 1736-1), or such assistant's designee; and

(9) 4 members shall be from the private sector who represent different interests in the agriculture sector of the United States economy.

(c) CHAIRPERSON.—The Administrator of the Foreign Agricultural Service shall serve as the Chairperson of the Task Force.

(d) VACANCIES.—A vacancy occurring on the Task Force among the members described in subsections (b)(7) and (b)(9) shall be filled in the same manner in which the original appointment was made.

(e) EQUIPMENT AND STAFF.—

(1) PERSONNEL.—The Secretary shall make available to the Task Force office facilities and equipment necessary to enable the Task Force to effectively carry out its functions.

(2) STAFF.—The members of the Task Force identified in paragraphs (1) through (6) of subsection (b) shall make available to the Task Force such personnel, and the Secretary shall employ such additional staff, as are necessary to enable the Task Force to effectively carry out its functions.

(f) FUNCTIONS.—The Task Force shall—

(1) participate in—

(A) the development of the long-term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978, placing particular emphasis on developing a strategy through which the Federal Government can support the export of value-added or high-value United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978); and

(B) the preparation of the report to the Congress on the long-term agricultural trade strategy and the annual revisions to that strategy required by section 402 of the Agricultural Trade Act of 1978;

(2) coordinate the information available concerning—

(A) the locations of existing and potential export markets for United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978);

(B) the types of commodities and products desirable in such markets;

(C) the existence of trade barriers applicable to such markets;

(D) the existence of Federal trade program opportunities that are available to domestic exporters; and

(E) any other information related to such markets;

(3) disseminate information relating to the long term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978;

(4) annually produce, publish, and disseminate throughout the United States through the Extension Service and through regional trade organizations, a catalog containing information available through the Federal Government concerning such markets;

(5) act as an advisor to and consult with State governments to promote the establishment and use of such markets; and

(6) perform any other functions determined appropriate by the Task Force.

(g) CONSULTATION WITH PARTICIPANTS IN PROGRAMS.—The Task Force shall consult with participants in agricultural trade programs, including regional trade organizations, in carrying out the functions of the Task Force.

(h) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, proposed regulations necessary to establish and administer the Task Force.

(i) RELATIONSHIP TO USTR FUNCTIONS.—The functions and responsibilities of the Task Force may not conflict with, or supercede, any authority of the United States Trade Representative to determine the existence of trade barriers or unfair trade practices under the Trade Act of 1974, or to develop or coordinate the trade policy of the United States.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(k) TERMINATION.—The Task Force shall cease to exist 5 years after the date of enactment of this Act.

Subtitle C—Agricultural Trade With and Fellowships for Emerging Democracies and Middle-Income Countries

SEC. 1231. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) GUARANTEES TO BE MADE AVAILABLE.—(1) The Commodity Credit Corporation, for each of fiscal years 1991 through 1995—

(A) shall make available not less than $225,000,000 of export credit guarantees for exports to emerging democracies under the program described in section 1125(b) of the Food Security Act of 1985 (7 U.S.C.

1736t(b)), in addition to the amounts required under that section;

(B) shall make available $50,000,000 to guarantee financing, on terms of not less than 3 years nor more than 10 years, for the establishment or improvement by United States persons of facilities in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978); and

(C) is encouraged to make available guarantees under section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)), in addition to the amounts otherwise available under that section, for exports to emerging democracies.

The Commodity Credit Corporation shall give priority under subparagraph (B) to opportunities or projects identified under subsection (b).

(2) Before the authority under paragraph (1)(B) is exercised, the Secretary of Agriculture shall consult with exporters of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that facilities in an emerging democracy for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

(b) SHARING UNITED STATES AGRICULTURAL EXPERTISE.—

(1) IN GENERAL.—

(A) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary"), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) EXTENT OF PROGRAM.—The Secretary shall implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

(2) EXPERTS FROM THE UNITED STATES.—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) REPORTS TO SECRETARY.—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may designate.

(6) REPORT TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) ADVISORY COMMITTEE.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food and rural business systems of the United States.

(8) USE OF CCC.—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this subsection of not more than $10,000,000 in any fiscal year.

(c) FOREIGN DEBT BURDENS.—(1) In carrying out the program described in subsection (a), the Secretary of Agriculture shall ensure that the credits for which repayment is guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by excessively adding to the foreign debt burdens of such countries.

(2) Not later than 6 months after the effective date of this title, and not later than the end of each 6-month period occurring thereafter, the Secretary of Agriculture, in consultation with other appropriate Federal departments, shall prepare and transmit to the Speaker of the House of Representatives, the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report to assist the Congress in assessing the extent to which credits for which repayment is guaranteed under subsection (a) meet the requirements of paragraph (1). The report shall include—

(A) the amount and allocation, by country, of credit guarantees issued under subsection (a);

(B) the aggregate foreign debt burdens of countries receiving commodities or facilities under such credit guarantees, expressed in terms of debt on account of agricultural commodities or products thereof, or facilities for which guarantees may be made under subsection (a)(1)(B), and all other debt;

(C) the activities of creditor governments and private creditors to reschedule or reduce payments due on existing debt owed to such creditors by a country in cases where such country has been unable to fully meet its debt obligations; and

(D) an analysis of—

(i) the economic effects of the foreign debt burden of each recipient country, and in particular the economic effects on each recipient country of the credits for which repayment is guaranteed under subsection (a); and

(ii) the relationship between any negative economic effects on any recipient country caused by its overall foreign debt burden and debt incurred under subsection (a) and such country's political stability.

(d) EMERGING DEMOCRACY.—As used in this section, the term "emerging democracy" means any country that, as determined by the President, is taking steps toward—

(1) political pluralism, based on progress toward free and fair elections and a multiparty political system;

(2) economic reform, based on progress toward a market-oriented economy;

(3) respect for internationally recognized human rights; and

(4) a willingness to build a friendly relationship with the United States.

SEC. 1232. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE-INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program for middle-income countries and emerging democracies to provide fellowships to persons from eligible countries who specialize in agriculture for study in the United States.

(b) ELIGIBLE COUNTRIES.—

(1) IN GENERAL.—Any country that is a middle income country or is an emerging democracy as defined in section 1231(d) shall be eligible to participate in the program established under this section.

(2) MIDDLE INCOME COUNTRY.—For purposes of this section, a "middle income country" means a country that—

(A) has developed economically to the point where it no longer qualifies for bilateral foreign assistance programs from the United States because its per capita income level exceeds the eligibility requirements of such programs; or

(B) has never qualified for bilateral foreign assistance programs from the United States, but an ongoing relationship between the country and the United States, including technical assistance and training, would provide mutual benefits to that country and the United States.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided in order to allow the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify candidates, from both the public and private sectors of those countries, for the program established under this section.

(e) PROGRAM IMPLEMENTATION.—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the objectives of the program established under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary to provide funding to carry out the program established under this section, except that the amount of such funds shall not exceed—

(1) for middle income countries described in subsection (b)(2)(A), $3,000,000;

(2) for middle income countries described in subsection (b)(2)(B), $2,000,000; and

(3) for emerging democracies, $5,000,000.

(g) COMPLEMENTARY FUNDS.—When the Secretary of Agriculture determines that it is advisable in furtherance of the purposes of the program established under this section, the Secretary may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

Subtitle D—Studies, Reports, and Other Provisions

SEC. 1241. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress not later than May 31, 1991.

SEC. 1242. REPORT ON WOOD AND FISH EXPORT PROMOTION.

Not later than 180 days after the date of enactment of this Act, and annually thereafter for a period of 5 years, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report concerning the promotion and participation of wood and processed wood products, and fish and processed fish products, in the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, section 1125 of the Food Security Act of 1985, and section 4 of the Food for Peace Act of 1966.

SEC. 1243. ROSE AND FLOWER STUDY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued in April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress, together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1244. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) ASSESSMENT.—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities, of the current agricultural transportation situation, focusing especially on rail transportation capabilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance certificates of transportation.

(b) ADDITIONAL REQUIREMENTS.—In preparing the assessment required by this section, the Secretary shall consult with rail, truck, and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives (such as freight containers which could be carried aboard flatbed trucks, flatbed rail cars, river barges, and oceangoing container vessels) to covered rail hopper cars for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network which would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential loads of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) REPORT.—Within 240 days after the date of enactment of this Act, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives the results of the assessment conducted under this section, and any recommendations the Secretary may have as a result of such assessment.

(d) EXPENDITURES.—For the purpose of preparing the assessment and report required by this section, the Secretary of Agriculture is authorized to expend such sums as may be necessary from any unobligated funds appropriated to the Department of Agriculture, and may, without the necessity of advertising for bids, contract with any appropriate private sector businesses which have expertise and experience in transporting agricultural commodities, or with experience in operating a computerized network of load and equipment matching between shippers and carriers, if the work or consultation performed under such contract is deemed necessary by the Secretary to fully comply with the scope of the assessment, and complete the report, required by this section.

SEC. 1245. RED TART CHERRY STUDY.

(a) STUDY.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall, in consultation with the United States International Trade Commission, complete a study to determine—

(1) the competitive factors affecting the domestic red tart cherry industry, including competition from imports;

(2) the effect that the European Community's restriction on imported red tart cherries has had, and may continue to have, on world trade of red tart cherries;

(3) the extent to which unfair trade practices and barriers to trade by other competing countries are impeding the marketing abroad of domestically produced red tart cherries; and

(4) the extent to which imported red tart cherry concentrate has been sold, and is being sold, in the United States at prices below the world market price.

(b) REPORT TO CONGRESS.—The Secretary shall submit a report containing the results of the study conducted under subsection (a) to the Congress.

(c) SENSE OF CONGRESS.—It is the sense of the Congress that the Secretary of Agriculture should use all available remedies, programs, and policies within the Secretary's jurisdiction to assist the domestic red tart cherry industry to maintain and enhance its ability to compete in the domestic and world market for red tart cherries.

SEC. 1246. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) REQUIREMENT OF REPORT.—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

SEC. 1247. AGRICULTURAL EXPORTS TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—The Congress finds that—

(1) the European Community has established a system, as part of its Europe 1992 economic integration plan, to set product standards and requirements, including those related to agricultural commodities and products thereof, and that system has not been transparent insofar as the European Community has refused reasonable requests to allow United States Government or industry experts to observe meetings of European standards-setting institutions;

(2) the European Community is also currently writing the rules by which United States exporters of agricultural commodities and products thereof will be able to show compliance with European Community product standards and requirements, and has refused to guarantee that such United States exporters will be able to show compliance with European Community product standards and requirements by using United States laboratories or through self-certification;

(3) the United States maintains an open, transparent system to set standards and requirements for agricultural commodities and products thereof, and many reciprocal arrangements currently in place allow European Community exporters of agricultural commodities and products thereof to show compliance with United States product standards and requirements by using European Community laboratories or through self-certification;

(4) the value of United States exports of agricultural commodities and products thereof to the European Community in 1989 was $6,600,000,000, constituting 17 percent of all United States exports of agricultural commodities and products thereof; and

(5) the product standards and testing policies of the European Community are consequently unfair and discriminatory, and have great potential to reduce significantly exports from the United States of agricultural commodities and products thereof.

(b) STATEMENTS OF POLICY.—

(1) The Congress denounces the European Community's nontransparent process of setting standards and requirements for agricultural commodities and products thereof, and the Congress further denounces the refusal by the European Community to guarantee that United States exporters of such commodities and products will be able to show compliance with European Community standards and requirements by using United States laboratories or through self-certification.

(2) The Congress deplores the adverse consequences of the standards and testing policies of the European Community on the bilateral agricultural trade relationship between the United States and the European Community.

(3) The Congress urges the President to use all available means to bring about significant and far-reaching changes in the standards and testing policies of the European Community in order to protect and maintain United States access to the European Community market for agricultural commodities and products thereof.

SEC. 1248. LANGUAGE PROFICIENCY AND EVALUATION OF FOREIGN AGRICULTURAL SERVICE OFFICERS.

(a) ASSESSMENT OF FOREIGN LANGUAGE COMPETENCE.—The Foreign Agricultural Service shall revise its evaluation reports for its Foreign Service officers so as to require in a separate entry an assessment of the officer's effectiveness in using, in his or her work, a foreign language or foreign languages tested at the General Professional Speaking Proficiency level or above, in cases where the supervisor is capable of making such an assessment.

(b) PRECEDENCE IN PROMOTION.—The Director of Personnel of the Foreign Agricultural Service shall instruct promotion panels to take account of language ability and, all criteria for promotion otherwise being equal, to give precedence in promotions to officers who have achieved at least the General Professional Speaking Proficiency level in 1 or more foreign languages over officers who lack that level of proficiency.

(c) REPORT TO CONGRESS.—Within 6 months after the effective date of this title, the Administrator of the Foreign Agricultural Service shall submit a report to the Committee on Foreign Affairs, the Committee on Agriculture, and the Committee on Post Office and Civil Service of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, which—

(1) details the extent to which, in the 3 years before the effective date of this title, Foreign Service officers of the Foreign Agricultural Service achieved General Professional Speaking Proficiency level in the primary foreign language of the host countries in which they served before arriving in such countries or within 1 year after such arrival; and

(2) makes specific, new proposals to the Congress on how to ensure that at least 75 percent of Foreign Service officers of the Foreign Agricultural Service have achieved General Professional Speaking Proficiency level in the primary foreign language of the host countries in which they serve before arriving in such countries or within 1 year after such arrival.

SEC. 1249. PROHIBITION OF USE OF PROGRAMS WITH RESPECT TO THE EXPORT OF CERTAIN COMMODITIES AND PRODUCTS.

No program authorized or extended by this title shall be used to assist or encourage the export of tobacco in its raw or processed form.

SUBTITLE E—FOREIGN AFFAIRS PROVISION

SEC. 1261. USE OF ECONOMIC ASSISTANCE FUNDS FOR AGRICULTURAL AND INDUSTRIAL ALTERNATIVES TO NARCOTICS PRODUCTION IN MAJOR COCA PRODUCING COUNTRIES.

(a) WAIVER OF CERTAIN RESTRICTIONS.—For the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived, the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(2))) to promote the production, processing, or the marketing of products which can be economically produced in such country, notwithstanding the provisions of law described in subsection (b) of this section.

(b) DESCRIPTION OF RESTRICTIONS WAIVED.—The provisions of law made inapplicable by subsection (a) are any other provisions of law that would otherwise restrict the use of economic assistance funds with respect to the production, processing, or marketing of agricultural commodities (or the products thereof) or other products, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

(c) DEFINITION OF ECONOMIC ASSISTANCE.—As used in this section, the term "economic assistance" means assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) and assistance under chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund).

Subtitle F—Effective Dates and Conforming Changes

SEC. 1271. EFFECTIVE DATES.

(a) IN GENERAL.—Subject to subsection (b), this title and the amendments made by this title shall take effect on October 1, 1990, and shall be effective only for fiscal year 1991 and thereafter.

(b) SECTION 103 OF 1978 AGRICULTURAL TRADE ACT.—The provisions of section 103 of the Agricultural Trade Act of 1978 (as amended by section 1221 of this Act) shall apply to proposals pending or received on or after the date of enactment of this Act.

(c) SECTION 301 REGULATIONS.—The Secretary shall promulgate regulations to implement section 301 of the Agricultural Trade Act of 1978 (as amended by this title) no later than 180 days after the date of enactment of this Act.

SEC. 1272. CONFORMING CHANGES.

(a) REPEAL OF EXPORT SALES REPORTING.—Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is repealed, effective upon the effective date of regulations promulgated under section 1271(c) of this Act.

(b) REPEAL OF OBSOLETE LAWS.—Sections 1124 and 1127 of the Food Security Act of 1985 (7 U.S.C. 1736s and 1736v) are repealed.

(c) REPEAL OF SENSE OF CONGRESS.—Section 1165 of the Food Security Act of 1985 is repealed.

Strike all of section 1109 that precedes proposed new subparagraph (B) of subsection (b)(2) of section 302 of the Food Security Wheat Reserve Act of 1980 (page 277, line 3 through line 13) and insert the following:

SEC. 1109. REPLENISHMENT OF THE FOOD SECURITY WHEAT RESERVE.

Section 302(b)(2) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(b)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by striking "(A)" and "(B)" and inserting "(i)" and "(ii)", respectively; and

(3) by adding at the end the following new subparagraph:

In section 1109, in proposed new subparagraph (B) of subsection (b)(2) of section 302 of the Food Security Wheat Reserve Act of 1980, strike "(A)" (page 277, line 17) and insert "(i)" and strike "(B)" (page 277, line 20) and insert "(ii)"; and strike "; and" at the end of proposed new subparagraph (B) (page 278, line 5) and all that follows through the end of section 1109 (page 278, line 7) and insert a period.

Conform the table of contents of the bill.

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PARLIAMENTARY INQUIRY

Mr. GEJDENSON (during the reading). Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GEJDENSON. We have some confusion. This is the language that is as a result of the Committee on Rules suggestion for an agreement between Agriculture and Foreign Affairs that we adopt to replace this title XII. It is our intention, once offered, to replace title XII, to accept two friendly amendments, and then leave it open for the amendments of controversy for tomorrow.

Is that procedurally possible, I ask as a parliamentary question?

The CHAIRMAN. As long as the Chair does not put the question on the Gejdenson amendment and the Committee rises, discussion and amendments hereto, amendments offered to the Gejdenson amendment, can, indeed, be offered.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I am happy to yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, our interest is that we might conclude any agreements that we have up to this point. It is not our intention to preclude any other amendments to title XII, and if we can consider this amendment with the understanding that we would not cut off any other amendments to title XII, and that we might have a unanimous-consent request to again bring up title XI and title XII at the next meeting for consideration of this legislation.

Mr. MADIGAN. Mr. Chairman, reserving the right to object, if a unanimous-consent request is pending, I am going to have to reserve the right to object. I do not have any idea what is going on here, and I am not sure that anyone else does.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The gentleman will suspend.

The Chair is entertaining a parliamentary inquiry. The Chair would suggest to the gentleman from Connecticut and the gentleman from Texas and the gentleman from Illinois that it would, indeed, be in order for the gentleman from Connecticut and the gentleman from Texas to introduce the amendment that the gentleman from Connecticut wishes to debate, and to have it completed and read. Then it would be in order, the gentleman should know, to have unanimous consent to set that aside and move to other amendments in title XII if, indeed, that is the wish of the gentleman from Texas and the gentleman from Illinois.

PARLIAMENTARY INQUIRY

Mr. MADIGAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MADIGAN. If we are going to set it aside, why is it necessary to have it introduced and read tonight?

The CHAIRMAN. The gentleman has already offered his amendment, and it is being read at this particular point.

Does the gentleman have a parliamentary inquiry?

Mr. GEJDENSON. Mr. Chairman, taking the Chair's time if I could for one moment, our intention is to accept several noncontroversial amendments where there is agreement on both sides.

Mr. MADIGAN. To the amendment?

Mr. GEJDENSON. To the amendment. Then put it aside so we do not take up the time of the House tomorrow leaving that time for amendments of controversy.

I believe the gentleman from Nebraska [Mr. BEREUTER] has an amendment that is generally agreed upon, and I believe that the gentleman from Illinois [Mr. DURBIN] has an amendment.

Mr. MADIGAN. Further reserving the right to object, we think that is a very orderly procedure, but we think it would have been very nice if somebody would have let us know what you were doing over there.

Mr. GEJDENSON. We apologize for not getting that information over to your side. We thought it had been transmitted to that side.

Mr. DE LA GARZA. Mr. Chairman, if the gentleman would yield, he includes himself in the apology to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I withdraw my reservation of objection.

Mr. Chairman, the gentleman from Illinois accepts the apology.

The CHAIRMAN. The gentleman from Illinois accepts the apology.

The Clerk will read.

The Clerk continued with the reading of the amendment.

The GEJDENSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, the amendment before the House reflects a compromise reached between the Committee on Foreign Affairs and the Committee on Agriculture on Food for Peace and Agricultural Export Promotion Programs.

I am offering this amendment on the behalf of the chairmen of those two committees and I am pleased to say that it constitutes a meaningful reform of the Food for Peace Act as well as an extension of the export promotion programs for another 5 years.

With respect to Food for Peace, we have succeeded in narrowing the number of agencies running the program from six to two and we have clearly delineated the lines responsibility between USDA and AID. There has been, as many of my colleagues are aware, a great deal of frustration with the way Food for Peace has been managed. Five, sometimes six agencies have been involved in the interagency process known as the DCC. At least 20 people meet on a weekly basis to go over each and every food agreement. The waste in personnel hours is mindboggling. Moreover, since the DCC operates on basis of 100 percent consensus, each of the six agencies has an effective veto over every food aid agreement, a power that is regularly exercised in the DCC. The end result of all of this interagency bureaucratic haggling is delay after delay in getting food out to needy people.

The reform of Public Law 480 that the House has before it today will obviate the need for an interagency process by establishing clear lines of authority between the two agencies that currently run the food aid programs: AID and USDA. In this legislation the Secretary of Agriculture will have the primary responsibility for title I concessional credit sales while the Administrator of AID will have primary responsibility for titles II and III grant food aid. With this specific delegation of authorities the DCC should no longer be necessary.

Another important reform made by this legislation is in the policy statement governing Food for Peace Programs. Our legislation replaces the confusing and often conflicting goals in current law with a policy statement that makes food security the overriding objective of all food aid. This means that all other policy objectives, including economic development, trade expansion, and democratic participation shall be focused on enhancing food security. It is our express intent that food aid, whether in the form of concessional sales or grants, not be directed toward countries that do not need assistance in improving their food security.

In particular, food aid should not be used as a reward for good behavior and should not be handed out as a last resort when all other sources of foreign aid are depleted. Clearly, since the United States has a limited supply of food aid to give, it must be given to those countries most in need. And to more specifically guide USDA and AID in the allocation of this assistance, the reform legislation establishes new country eligibility criteria for all Public Law 480 programs.

With respect to title I, the legislation requires that sales agreements be concluded with those developing countries that have the greatest need for food and that have the demonstrated potential to become commercial markets for U.S. agricultural commodities. USDA is authorized to make the determination of countries eligible for title I. It is a task that USDA is fully capable of undertaking, just as it has in recent years in carrying out similar provisions in the 1978 Agricultural Trade Act and the 1988 Omnibus Trade and Competitiveness Act.

For title II, eligibility will continue to be based on a need for emergency food assistance, as it is in current law eligibility for receipt of food aid under the new Title III Grant Program will be based on food deficit indicators. AID is expected to give priority to countries that have the greatest need for food and that have demonstrated a commitment to policies to increase food security.

This reform legislation also specifies the uses of local currencies in a way that current law does not. Local currencies that are collected as repayment on title I concessional credit sales must be deposited in a special account and then spent by USDA on market development activities outlined in section 104 of the legislation. Agricultural development activities are also authorized under this section, but it should be noted that it is not the authors' intent that USDA programs in this regard overlap or duplicate agricultural development already being undertaken by AID. AID is our country's overseas development administration and shall remain so. USDA may assist and share its expertise and its title I local currencies with AID in the area of agricultural development, but it should not seek to supplant the agency.

Title II contains only limited authorization for in-country resale of donated commodities by PVO's and cooperatives. Any local currencies that are generated by such monetization are to be spent on storage, transportation,

and local hire costs directly associated with the distribution of the food.

Local currencies that are generated from the resale of title III commodities are also to be deposited in a special account and then jointly programmed by AID and the recipient country for economic development activities that are specified in section 301.

Title IV of the amendment contains a number of provisions applicable to the entire act, including revisions of the Secretary of Agriculture's docket authority. Section 401, for example, makes modifications to the Secretary's docket authority by requiring an annual determination of commodity availability to be made prior to the beginning of the fiscal year. Presently, docket determinations often come so late in the fiscal year that food shipments are delayed for months. This new requirement is expected to reduce the delays in getting food programs started.

Additionally, a reference in the docket to "commodities and quantities thereof which may be included in the negotiations with each country" was stricken with the purpose of ending USDA's practice of using the docket to micromanage Food for Peace Programs by making country-by-country docket determinations. While I recognize that the purpose of the docket authority is to safeguard the supply of commodities for domestic needs and for normal commercial exports, I believe that the docket authority has also been used as a means for USDA to second guess AID on the merits of particular food aid agreements to particular countries. The deletion of negotiations with each country is meant to halt this type of intrusion, while still protecting domestic concerns.

The Secretary is permitted to modify the docket determination during the fiscal year, but is required to provide Congress with prior notification together with the reasons for the modification in the docket. The executive branch may be assured that any modifications to the docket will be closely examined by Congress to determine that the reasons for the change are truly domestic in nature. It is our hope that once made, the docket will not need to fluctuate over the course of a single year. Repeated changes in the types and quantities of commodities available for Public Law 480 programs has an extremely disruptive effect on our country's efforts to carry out feeding programs and economic development activities overseas.

The amendment before us today also has a provision on usual marketing requirements that will also have to be carefully monitored as it too seeks to balance legitimate domestic interests with the need for stability in Food for Peace Programs. This provision, section 417(e), permits the Secretary of Agriculture to safeguard usual marketings on an aggregate annual basis for Public Law 480 countries. Again, it is not our intention to allow the Secretary to delay, disrupt or to prevent food and aid agreements on the basis of anything other than legitimate domestic concerns.

Title IV has a new section on interagency cooperation—section 417(b)—that is designed to allow USDA and AID to review each other's programs, to ensure that they will not conflict. Comments and objections are to be limited to each agency's areas of expertise. AID, for example, shall be consulted on proposed title I agreements to ensure that those agreements will not conflict with AID's development assistance and objectives for that country. USDA, for its part, will be given up to 30 days to review proposed title II and title III agreements with respect to USDA's areas of expertise. The Secretary, for example, shall seek to ensure that grants of food aid do not discourage or compete with U.S. commercial agricultural sales or that food aid does not unduly disrupt world prices for those commodities. However, comments by the Secretary regarding the effect of food aid on development or on the merits of a proposed use of local currencies in a title II or III program would not be warranted. It is our expectation that the full 30-day review period would be consumed on very few occasions.

Other provisions in title IV also affect the entire act. Multiyear programming—section 413—for example, is made mandatory for all Public Law 480 programs unless extraordinary circumstances exist making it unworkable. Earlier efforts by Congress, notably in 1985, to strongly encourage the executive branch to program commodities on a multi-year basis were not entirely successful and single year programming is still common in Public Law 480. But single year programming creates too much uncertainty in food aid programs. It is the intent of the author's of this legislation that single year programming become the exception rather than the norm.

Likewise, the use of military forces to distribute food aid should be the exception rather than the rule. The possibility of abuse and discriminatory distribution is too high when there is military involvement. Congress can be expected to closely review any waivers of this restriction.

The two committees have worked long and hard to craft this reform of Food for Peace and I think the outcome is a solid piece of legislation that we can all support. I think that the Agriculture Committee is happy with the way we have sought to protect their domestic interests and the Foreign Affairs Committee is satisfied that food aid under this legislation will be a more effective overseas development tool in the future.

Mr. DE LA GARZA. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, all of the interested parties, the majority, minority of both committees were to the fullest extent consulted, and we recommend the approval of the amendment.

Mr. Chairman, the Committee on Agriculture made significant improvements in the operations of our food aid—subtitle A—and trade promotion—subtitle B—programs in title XII of H.R. 3950. The Foreign Affairs Committee, which received sequential referral of the bill, accepted many of the Agriculture Committee provisions in subtitle A and virtually all of subtitle B. However, because the Foreign Affairs Committee made additional changes to subtitle A this necessitated a compromise amendment.

While I prefer the Agriculture Committee's approach to Public Law 480, I nonetheless respect the opinions of my friends at the Foreign Affairs Committee and am pleased that Chairman FASCELL and subcommittee Chairman GEJDENSON and I were able to come to a satisfactory conclusion in this matter. I thank them for their usual fine cooperation. Subcommittee Chairman GEJDENSON has worked very diligently in an effort to improve the Public Law 480 program, and he is to be commended for his dedication to this effort.

The Public Law 480 Food for Peace Program has been successful in benefiting millions of people in developing countries over the last 35 years. It has remained important to the U.S. agricultural community not only as an expression of humanitarian concern for problems of world hunger, food security, and market development purposes, but also as an important stimulus to economic development in Third World countries.

The program has not been without its problems, however, most of which have been centered in bureaucratic morass within our Federal agencies. While it is entirely possible that some of the problems can never be eliminated, the compromise is designed to reduce interagency delays and improve program operations significantly through provision of clear directives such as agency responsibility, deadlines for country agreements, multiyear availability of commodities, and timing of shipments.

The U.S. Department of Agriculture will have primary responsibility for administering title I, the concessional sales program. The Secretary of Agriculture decides whether sales will be made for dollars on credit terms or for local currencies, and local currency proceeds from sales in the recipient country can be used for trade and agriculture development purposes.

Because title I is a concessional sales program with the goal of long-term market development and development of the recipient country's agricultural sector, the compromise amendment includes self-help provisions. These requirements can be met through economic policy reform in the recipient country as outlined in the compromise amendment.

Title I also contains a debt foregiveness provision for least developed countries if the

countries are undergoing structural adjustments or pursuing economic policy reforms that would provide democratic, market-oriented and long-term economic development. Debt for nature swaps for Latin America and the Caribbean is also contained in the compromise.

The compromise amendment provides for increases in the title II minimum and submininum availability of commodities if sufficient funding is provided for such increases, and dollar funding for private voluntary organizations and cooperatives, which was contained in both the Agriculture and Foreign Affairs bills, is retained.

The compromise provides a new Title III: Food for Development Government-to-Government Grant Assistance Program, and the agency with primary responsibility for administration of this program is the Agency for International Development. Countries eligible for grant assistance are those that meet the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference or those considered a food deficit country and characterized by high levels of malnutrition among a majority of its population. Self-help measures outlined in title I are also applicable to title III.

Under title III, local currency proceeds from the sale of agricultural commodities in the recipient countries are to be used for economic development purposes to enhance food security. Proceeds can be used for the purchase of agricultural commodities produced in the recipient country to meet relief requirements or develop emergency food reserves. However, with regard to the establishment of any food reserves, the Agency for International Development, taking into account the expertise of the U.S. Department of Agriculture, should evaluate very carefully, on a country-by-country basis, the effects of such reserves on the prices of agricultural commodities in the recipient country and the country's ability to maintain sufficient safeguards and provide adequate storage of such reserves.

The Department of Agriculture has responsibility for U.S. domestic commodity supply decisions, including assessing the food supply of this country and ensuring that domestic needs, domestic price levels, commercial exports and adequate carryover needs are met. Thus, the compromise amendment maintains the Secretary's authority over the availability of commodities for all our food aid programs.

However, because of past problems with the annual determinations on the types and quantities of available agricultural commodities for the Public Law 480 Program—commonly referred to as the docket—the compromise amendment incorporates a number of changes to the docket. First, the Secretary of Agriculture is required to announce the docket prior to the beginning of each fiscal year. Second, the Secretary is provided authority to modify the docket if he first provides information to the Congress. This provision gives the Secretary flexibility after his initial announcement to either increase or decrease the amount of commodities or to add a new commodity or withdraw a commodity to the docket if, based on the expertise of the Department of Agriculture, there is valid reason for such action. For example, the Secretary could increase commodity levels in a drought year when data collection at time of harvest indicates damage to a particular crop is not as severe as forecasted.

Also, the compromise provides that the President must consider time of harvest in the recipient country when timing shipments of agricultural commodities, and he is required, to the extent practicable, to maintain a stable level of requested commodities and seek to make such commodities available to fulfill multiyear agreements.

The compromise amendment retains provisions contained in both the Agriculture and Foreign Affairs bills regarding agents and brokers involved in the purchasing and transporting of food aid through the Public Law 480 Program, the Section 416 Program, and the Food for Progress Program.

Provisions prohibiting discrimination in the distribution of food aid in the recipient countries are included as well as a provision to prohibit distribution of food aid by recipient country military personnel except under exceptional circumstances.

Local currencies from sales of commodities under the program are prohibited from use in the production of commodities for export that would compete in world markets with similar U.S. commodities and cause substantial injury to U.S. producers, but an exception is provided for crop substitution or other alternative development activities undertaken for narcotics control objectives.

As specified above, the compromise provides that the Secretary of Agriculture is primarily responsible for administering title I and the Administrator of the Agency for International Development, for administering titles II and III. The compromise calls for full cooperation between the two officials with respect to each agency's expertise. The Secretary must consult with the Administrator on agricultural development projects only to ensure that any title I agreement is not inconsistent with U.S. development assistance objectives for the recipient country and the overall development strategy of the country. Conversely, the Administrator of AID must allow the Secretary of Agriculture to comment on proposed agreements only with regard to the expertise of the USDA. Since the type of information provided by the Secretary may not be readily available, he is allowed up to 30 days to review the proposed agreement. However, this time period is not meant to provide a delay in action by the Secretary, and it is anticipated that in almost all cases comment can be provided well within the specified time.

The Secretary's review of an AID proposal will not involve the specifics of a proposed project but will involve the department's expertise in assessing usual marketing requirements, whether there are commercial and concessional sales in the recipient country and if so the effect of the proposed project, effect on discentives to agricultural production, acceptability of the commodity to be supplied—for example, class of wheat—and so forth.

The consultation between the two agencies will also serve to avoid any overlapping agricultural projects being conducted under either title I or title III.

The compromise provides that, of the funds made available for implementation of titles I and III, funding for one title cannot be greater than twice the amount made available to carry out the other title. Although transfer authority is provided among titles of Public Law 480, such a transfer cannot take place if funding for either title I or title III falls below that stipulated above.

To determine the effectiveness of the Public Law 480 program and the revisions made to the program by the compromise amendment, the General Accounting Office is required to provide the Congress with independent evaluations of the program within 2 years after the date of enactment of this act and 2 years thereafter.

The Food for Progress Program is maintained in the compromise amendment with eligibility not only for developing countries but also for emerging democracies. In addition to being able to enter into agreements with governments of these countries, the President is authorized to enter into agreements with private voluntary organizations, nonprofit agricultural organizations or cooperatives.

With regard to subtitle B, the compromise amendment retains all the trade language approved by the Committee on Agriculture and accepted by the Foreign Affairs Committee. These provisions include 5-year authorizations for U.S. Department of Agriculture export trade programs, improvements in program administration and accountability, and new efforts to assist emerging democracies. The compromise also includes provisions of the Foreign Affairs Committee bill which provide for a long-term agriculture trade strategy, increase in foreign language proficiency in the U.S. Department of Agriculture's Foreign Agricultural Service, equity to fish products in export promotion programs, and a provision mandating that the Secretary of Agriculture ensure that guaranteed loans to emerging democracies do not negatively affect the political and economic situation in the countries.

AMENDMENT OFFERED BY MR. DURBIN TO THE AMENDMENT OFFERED BY MR. GEJDENSON

Mr. DURBIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. DURBIN to the amendment offered by Mr. GEJDENSON: Strike section 1249 and insert the following:

SEC. 1249. PROHIBITION ON USE OF PROGRAMS WITH RESPECT TO THE EXPORT OF CERTAIN COMMODITIES AND PRODUCTS.

No program authorized or extended by this title or the amendments made by this title shall be used—

(1) for the specific purpose of assisting or encouraging the export, advertising, or promotion of cigarettes, snuff, chewing tobacco products, pipe tobacco, cigars, or little cigars; or

(2) for the purpose of encouraging importing countries to alter policies relating to the advertising, labeling, importation, or distribution of any product described in paragraph (1).

Mr. DURBIN. Mr. Chairman, this farm bill has considered many important issues today. It has been a long day of debate and consideration, and I will not prolong it. I will try to make

my comments as brief and concise as possible.

Among the agricultural commodities which we have considered is one of great controversy in our Nation and around the world, and that commodity, of course, is tobacco.

There is a fundamental policy inconsistency in the United States between our health and our trade policy. While our health policy discourages the use of tobacco and encourages Americans to consider those health consequences, our trade policy, even under the programs considered in this legislation, promotes the export of tobacco overseas.

The original amendment which I offered would have, in effect, eliminated all subsidies for tobacco exports overseas. I have come to learn that those are primarily for leaf tobacco rather than processed tobacco. After some consideration and consultation with the gentleman from North Carolina and others, this amendment has been offered in its stead.

What this amendment attempts to do is to address the question of our export subsidies for tobacco from a different perspective, trying to make certain that we have a consistent health and trade policy when it comes to this commodity. The reason for this new amendment, I think, is that inconsistency and contradiction which has been found time and again.

What this amendment says, in a clear statement, is that the export subsidy programs for tobacco cannot be used for processed tobacco, and we enumerate the various forms and, second, that none of the export subsidies for tobacco can be used in contravention of the health policy of importing nations.

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We have had some embarrassing episodes where some nations have complained that the U.S. Trade Representative and other agencies of this Government has been forcing American tobacco into their market in contravention of their own health policies.

What we are attempting to do with this amendment is to make it clear that under the export trade programs included in this bill, that that cannot happen in the future. That is the reason why I offered this amendment.

Mr. Chairman, at this point I would like to yield to the cosponsor of the amendment, the gentleman from Massachusetts [Mr. ATKINS].

Mr. ATKINS. Mr. Chairman, this amendment makes a very pertinent statement in terms of U.S. trade policy. It assures on the one hand fairness to American farmers, and on the other hand it assures that our trade policies do not do things abroad that would contradict the basic health principles that we have established in this country.

Mr. Chairman, I think this is an important amendment. It is one that I am very pleased to have worked out with all the parties. I hope it passes.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, I want to sincerely thank the gentleman from Illinois [Mr. DURBIN] and the gentleman from Massachusetts [Mr. ATKINS] for working closely with us, to explain to us their concerns and place the word in the bill as they have described them. I have no objection to the amendment, and I recommend that it pass.

Mr. DURBIN. Mr. Chairman, I thank the gentleman from North Carolina [Mr. ROSE].

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, do I understand the amendment of the gentleman from Illinois [Mr. DURBIN] now to not apply to leaf tobacco, raw leaf tobacco, but only to processed tobacco in the form of a manufactured product?

Mr. DURBIN. Mr. Chairman, reclaiming my time, that is correct.

Mr. ROGERS. And it it does not apply to leaf tobacco?

Mr. DURBIN. It does not.

Mr. ROTH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have looked at the Durbin amendment and we accept the amendment. I would like to say that the amendment being offered as a substitute has strong bipartisan support between the Committee on Foreign Affairs and the Committee on Agriculture. The compromise we put together in this amendment will make our Nation's food aid programs more efficient in the delivery of food to hungry people, more effective in meeting the multiple objectives of our food aid policies, and more accountable to the American people.

Mr. Chairman, basically that is what we have been searching for. The amendment focuses our Nation's food aid program on those truly in need and helps to alleviate some of the ongoing nutrition problems in the developing world.

It seeks to fine-tune our food aid machine and make it more efficient, not only in providing food, but also in creating incentives for development programs that will provide long-term solutions to the problems dealing with hunger.

Mr. Chairman, this compromise will also help the U.S. competitiveness in international trade by promoting U.S. agricultural exports and developing new markets for American agricultural products.

I urge my colleagues to support the bipartisan effort to improve the effectiveness and efficiency of American programs to feed the hungry people around the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN] to the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON].

The amendment to the amendment was agreed to.

The CHAIRMAN. Are there further amendments to the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON], as amended?

AMENDMENT OFFERED BY MR. BEREUTER TO THE AMENDMENT OFFERED BY MR. GEJDENSON, AS AMENDED

Mr. BEREUTER. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER to the amendment offered by Mr. GEJDENSON, as amended:

In section 1206(d)—

(1) in the subsection heading, strike out "DEBT-FOR-NATURE" (page 10, line 5, and 6) and insert in lieu thereof "DEBT";

(2) at the end of proposed section 105A, strike out the closing quotation marks and the second period (page 15, line 12); and

(3) after proposed section 105A (page 15, after line 12) insert the following:

"SEC. 105B. DEBT-FOR-DEVELOPMENT AND AGRICULTURAL SWAPS FOR LATIN AMERICAN AND THE CARIBBEAN.

"(a) DEBT CONVERSION.—To the extent provided for in an agreement meeting the requirements of subsection (b), the President may reduce the debt obligations of an eligible country owed to the Commodity Credit Corporation under sales agreements under this title.

"(b) DEBT REDUCTION AGREEMENT.—The agreement referred to in subsection (a) is an agreement between the United States Government and the government of the eligible country which includes the following requirements:

"(1) REPAYMENT OF INTEREST IN LOCAL CURRENCY.—Interest payments due on the principal remaining following the reduction of debt obligations under subsection (a) shall be made in local currency at an agreed rate.

"(2) TRUST.—A trust shall be established by the United States Government to receive the interest payments described in paragraph (1).

"(3) USE OF FUNDS FOR AGRICULTURAL DEVELOPMENT AND POVERTY REDUCTION PURPOSES.—Amounts paid to the trust shall be made available by the trustee (in accordance with the agreement) to indigenous charitable, educational, scientific, cooperative, or other appropriate nongovernmental organizations, or to other appropriate entities, for use in—

"(A) projects for the development of, research on, and the study of agriculture-related activities, and projects for the control or eradication of animal and plant pests and diseases in the eligible country, and

"(B) increasing educational opportunities or improving the nutrition, health, or income-producing abilities of the poorer of the eligible country.

"(c) CRITERIA FOR SELECTING COUNTRIES.—In determining the countries with respect to which the authority of this section will be exercised, the President shall take into account—

"(1) the needs for financial resources for use in the activities referred to in subsection (b)(3);

"(2) the commitment of the government of that country to the long-term viability of activities undertaken through debt-for-development and agricultural swaps under this section; and

"(3) the commitment of the government of that country measurably to increase access to educational opportunity, improve agricultural productivity, and improve the nutrition, health, and income-producing abilities of the poor.

"(d) ELIGIBLE COUNTRIES.—For purposes of this section, the term 'eligible country' means a country in Latin American or the Caribbean that the President determines—

"(1) is operating under a heavy debt burden;

"(2) has adopted a strong economic reform program in conjunction with multilateral agencies such as the International Monetary Fund, the International Bank for Reconstruction and Development and the International Development Association, and the Inter-American Development Bank; and

"(3) as appropriate, has concluded a financing package with commercial banks including debt and debt service reduction.

"(e) CONSULTATION REQUIREMENTS.—The President should consult with international organizations, domestic or foreign nongovernmental organizations, and colleges and universities, that have expertise with respect to agriculture and development matters—

"(1) in identifying countries and projects with respect to which the authority of this section should be exercised,

"(2) in identifying countries and projects that are in particular need of immediate assistance in order to support and promote the control or eradication of animal and plant pests and diseases that are imminent threat to agriculture within the Western Hemisphere;

"(3) during the negotiation of an agreement pursuant to subsection (b) with respect to the uses of funds pursuant to subsection (b)(3); and

"(4) with respect to whether funds paid to the trust are being used for the intended purpose.

"(f) ANNUAL REPORTS.—Each year, the President shall submit to the Congress a report which describes the agreements entered into under this section during the preceding fiscal year.

"(g) APPROPRIATIONS ACTION REQUIRED.—The authority of subsection (a) may exercised only to such extent or in such amounts as are provided in advance in Acts appropriating funds to carry out this Act.

"(h) RELATION TO SECTION 105.—This section should not be construed to limit the authority of the President to provide debt forgiveness under section 105 of this Act for eligible countries (as defined in this section).

"(i) APPLICABILITY—The authority of this section applies only with respect to sales agreements entered into before the date of enactment of the Food and Agricultural Resources Act of 1990.".

Mr. BEREUTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment, as amended, be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Chairman, this amendment has been worked out with the chairman of the Agriculture Committee. I especially appreciate his interest and leadership on this matter. My amendment takes into account his proposed initiatives on debt for agricultural development. The amendment deals with the subject of debt for development and agriculture swaps. This amendment parallels the section in the Gejdenson amendment giving discretionary authority to the President to provide debt reduction on Public Law 480 debt to countries in Latin America and the Caribbean in exchange for environmental protection activities. It is important to grant a similar authority to the President to do swap agreements that will help development and agriculture, particularly in programs that help the nutrition of the poorest people and the development of local agriculture and combatting plant and animal pests and diseases in this hemisphere. Both the language in the bill and this amendment limit such debt reduction authority to use in countries that are also undertaking serious economic reform measures.

I feel it is important to supplement the important provisions in the legislation dealing with debt-for-nature swaps because it is recognized by environmental and development groups that the welfare of natural resources and of people, particularly poor people, are intimately intertwined. In this legislation, which is concerned especially with food assistance, we need to take the broad view of development if we are going to make real progress against environmental degradation and hunger. Our President should be authorized to agree on debt reduction swaps for past Public Law 480 debts to countries in Latin America and the Caribbean for whatever projects he deems will best promote and preserve the future health of the environment, agriculture, nutrition, and people of those countries.

Mr. Chairman, I would like to say that this amendment is endorsed by a wide variety of groups: the national cooperatives, the agricultural cooperatives involved in international affairs, an organization called InterAction, which is a coalition of 115 major U.S. private voluntary organizations, including CARE, Save the Children, the land grant colleges and universities of the country, the World Council on Credit Unions, the National Rural Electric Cooperative Association.

Mr. Chairman, USDA has reviewed this and has no objection. State and Treasury have reviewed this for technical correctness and offer no position on it.

Mr. Chairman, I encourage Members to support the amendment to the amendment as amended.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I am happy to inform the gentleman from Nebraska [Mr. BEREUTER] that from the work done by staff and our perusal of the amendment, we will be happy to accept it on behalf of the Committee on Agriculture.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I am pleased to yield to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, let me say, as often is the case, the gentleman from Nebraska [Mr. BEREUTER] has made a very positive addition to the amendment. Both the gentleman from Nebraska and the gentleman from Wisconsin [Mr. ROTH] are excellent members of the committee. Oftentimes our constituents back home see us fighting in partisan battles. I would just like to say that in our committee, working together with the gentleman from Wisconsin [Mr. ROTH] and the gentleman from Nebraska [Mr. BEREUTER] has been a real pleasure. Both gentlemen have made a tremendous contribution to this legislation. I would like to thank both of them and support the amendment by the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, reclaiming my time, I thank the gentleman from Connecticut [Mr. GEJDENSON] for his kind words.

Mr. Chairman, I would end by expressing my appreciation to both the minority and majority staff on the Committee on Agriculture for assisting us on this effort.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have already had it indicated by both sides that this is a bipartisan agreement. It is a compromise. The amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to title XII of the farm bill represents a compromise between the Committee on Agriculture and the Committee on Foreign Affairs, more especially in regard to Public Law 480, the Food for Peace Program. There is bipartisan support for this compromise.

However, Mr. Chairman, I would like to note the following for the record:

The administration has expressed its strong objection to various congressional efforts to bypass presidential authority and establish the executive branch structure for administering the

Public Law 480 program. The administration believes it imperative that the authority to direct, manage, and delegate responsibilities for food aid programs be maintained by the President. The amendment offered by the gentleman from Connecticut [Mr. GEDJENSON] is an improvement, in this regard, over the language reported by the Foreign Affairs Committee. It grants authority for administering the Public Law 480 program to the President who, in turn, must designate officials with "primary" responsibility for each title. I view this language, in sum, as an unnecessary and undesirable intrusion into executive prerogative. Nonetheless, I read the language as clearly granting the authority to the President, who in turn, maintains significant flexibility in delegating that authority.

The amendment states it is U.S. policy to use our abundant agricultural productivity to promote the foreign policy of the United States. He must ensure that as this legislation is considered by Congress, the President is provided adequate flexibility to do just that.

Mr. Chairman, I have a full explanation of the Public Law 480 program, the Food for Peace Program.

The primary program used by the United States to provide food to developing countries is the Food for Peace Program, also known as Public Law 480. The United States is the world's largest food aid donor, providing over one-half of all types of food aid. Almost 36 years ago the Food for Peace legislation was enacted to provide for urgent humanitarian needs through the effective use of the agriculture commodities of the United States. Donations of food make a life or death difference for victims of natural disasters, civil wars, or poor local production. Since 1954, the United States has donated more than $10 billion in food to over 110 countries—and millions of people have been helped. Concessional sales of almost $30 billion of agricultural commodities have also been provided, to promote economic growth and development.

The overall growth and development of countries is one of the major goals of Public Law 480; the ultimate hope is to feed people and allow them to strengthen their countries so that they may eventually become our economic and political partners. Countries may start out as recipients of food aid, but eventually become trading partners such as Brazil, Chile, Korea, and Spain. It is my hope that we do not lose sight of this objective through what may be perceived as short-term goals, which ultimately become long term problems. The flexibility of Public Law 480 to allow the progression of a country from a recipient to a trading partner must be maintained.

Public Law 480 was established with a multitude of goals in mind: to provide U.S. agricultural commodities to combat hunger and malnutrition and encourage economic development in developing countries; to increase the consumption of U.S. commodities in foreign countries; and, to improve the foreign relations of the United States. As with any program with established goals, balances must be achieved among the multiple purposes of the program. Each goal is a shared goal—those interested in the development of a country must be interested in feeding poor people and promoting the agricultural base of the country. No one goal is mutually exclusive. This may not be a perfect process; but it is one that we must promote if we are to continue the wide basis of support we have in this country for food assistance to foreign countries. To abandon it, I believe, is to abandon the developing countries we want to help.

I am often asked why we in the United States allow situations such and those that exist in the world to continue. We have an abundance of food here. I respond that it is not a matter of our letting things happen; it is a matter of natural disasters, circumstances of the country in need and civil wars that enter into the picture and hamper our ability to deliver food. We are a generous country and certainly we can improve upon the situations presented to us.

Nevertheless we must keep in mind that the solutions to the problems of world hunger are not easy ones and that we must always recognize what can be done and the role of the United States to improve the situations in other countries and the lives of their people.

Public Law 480 is one means by which we can accomplish this.

The amendment offered by Mr. GEJDENSON to title XII of H.R. 3950 represents a compromise between the Committee on Agriculture and the Committee on Foreign Affairs concerning Public Law 480, the Food for Peace Program.

Both title XII reported by the Committee on Agriculture and the title reported by the Committee on Foreign Affairs improved the existing Public Law 480, the Food for Peace Program in the following manner:

Additional grant authority is provided to assist countries with food deficit and significant malnutrition.

Debt forgiveness authority is provided for those countries with economic restructuring problems.

$10 million to $13.5 million is provided for administrative expenses of private voluntary organizations overseas who may have curtailed activities in Africa or could not participate in Africa because of lack of funds.

Announcement of commodity availabilities and quantities are required at the beginning of each fiscal year.

Consideration must be given to the time of harvest of competing commodities in the recipient country when making commodities available.

Agreements with recipient countries must be signed by November 30 of each year, except in extenuating circumstances.

A stable level of commodities must be provided.

Multiyear agreements are provided.

Expansion of the farmer-to-farmer program is provided.

All of the above elements are retained and the compromise offered by Mr. GEJDENSON also provides:

Title XII of H.R. 3950 will be named the Mickey Leland Food for Peace Act.

Three titles will govern provision of food to developing countries. Title I provides for concessional sales and agricultural development; title II provides for grants for famine relief and other assistance; and the new title III provides grants for development.

USDA is given primary responsibility for title I and aid is given primary responsibility for titles II and III. Each agency is required to ensure full cooperation with the other agency with respect to that other agency's area of expertise.

USDA continues its authority over the Commodity Credit Corporation and over all determinations of commodity availability

Increases in commodities are provided for the title II grant program, subject to availability of funding.

The Food for Progress Act is amended to restate the availability of assistance for emerging democracies.

Economic assistance funds can be used for agricultural alternatives to drug production.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am happy to yield to my friend the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, the gentleman from Kansas [Mr. ROBERTS] is making some legislative history here. It is true that this is a compromise that still upsets a few people in the executive branch, but we have an arrangement now where we have a consensual kind of decisionmaking process that seems not to be responsive to opportunities when they come along.

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And yes, the gentleman is quite right, it does retain the President's total authority to delegate responsibility to AID or USDA or whoever and whatever agencies he might choose. But it does move away, as I think the gentleman would agree, from the current consensual decisionmaking process sometimes involving five or six agencies, and that is our intent.

Mr. ROBERTS. I thank the gentleman for his clarification, and more especially for his contribution to this compromise bill.

Again I thank the gentleman and yield back the balance of my time.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I certainly do not want to object in any way to the language which is being put before us this evening. But I do want to take this time to make a few observations, because I see some problems developing with respect to the entire debt question, debt forgiveness authority and the lack of coordination in arriving at a rational national policy on the subject.

We have had the effort made by the gentleman from Connecticut [Mr. GEJDENSON] and others. We have had the effort made by the gentleman

from Nebraska [Mr. BEREUTER]. There are very few Members of this House for whom I have more respect than the gentleman from Nebraska.

But we also have in H.R. 5153, the Banking Committee bill, a number of approaches which are at variance with the approaches being laid out here this evening. In addition, my own Foreign Operations Appropriations Subcommittee has also provided authority to the President with respect to recognizing the uncollectibility of large portions of Polish debt. The administration on June 10 announced a Latin American and Caribbean debt forgiveness proposal that will require legislation. The budget summit has a credit task force which is dealing with this issue looking at how new loan programs ought to be scored, how debt rescheduling and restructuring and forgiveness ought to be accounted in the budget.

Clearly there are many proposals which relate to the problem. My only point at this time is that I think that these proposals need to be much better coordinated. I am concerned for instance, about the suggestion or the concept of per capita external debt relief for countries who have debt in excess of $1,500 per capita. I question whether or not that is really an accurate gauging of creditworthiness of a country or the ability of a country to pay its foreign debts. It just seems to me that there are other measurements which can be used, which have a far greater relationship to reality than that.

I am not going to object to the specific language before us, but I do think that there are a number of problems associated with it, and I do think that sometime before we reach a final resolution we are going to have to have a pulling together of all of these threads, because otherwise we are going to wind up with a very ad hoc policy which makes not very much sense.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as chairman of the subcommittee of the Agriculture Committee that deals with the subject matter of this title, I feel that the CONGRESSIONAL RECORD would be seriously deficient if it did not include some well chosen remarks from me.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, title XII, agricultural trade and assistance, contains two provisions that I offered. They are the expansion of the Farmer-to-Farmer Program and the Middle Income Country Fellowship Program. These are two extremely worthwhile programs and I am pleased that they are a part of the farm bill.

I know the gentleman from Nebraska, Mr. BEREUTER, is also vitally interested in these programs, especially the Farmer-to-Farmer Program. The Farmer-to-Farmer Program is broadened so that middle income countries and emerging democracies are now included and the funding is doubled. The Farmer-to-Farmer Program sends American volunteers to help farmers in developing countries—and will be able to send them to middle income countries and emerging democracies. The purpose of the program is to increase agricultural production through the adoption of U.S. practices and techniques. This hands-on technical assistance is beneficial to countries and to American agriculture.

Under the support for Eastern European Democracy Act the Farmer-to-Farmer Program is operating in Poland to assist in the development of private agriculture. The provision of this bill will enable that work to continue in Poland and to expand to other Eastern European countries.

The Middle Income Country Fellowship Program is a good match with the Farmer-to-Farmer Program. The fellowship program provides training opportunities and study tours for people involved in agriculture from middle income countries. The program provides training opportunities aimed at increasing trade and market development between the United States and countries involved in the fellowship program. These countries include Singapore, Poland, South Korea, and many others. I have firsthand knowledge of the value of this program and am pleased to see it included in the bill before us today.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman very much for yielding and want to commend him for the additional work he has done on the Farmer-to-Farmer Program, particularly as it relates to the reemerging democracies in Eastern and central Europe and the changes that he has made as a result of the effort of the Agriculture Committee. I think they are highly appropriate, and I commend him for it.

Mr. Chairman. When traveling in Central America several years ago, the members saw the opportunity to send the best American farmers to provide hands-on training and technical assistance to help poor farmers to bootstrap their way to prosperity. In these war-torn countries, these farmers and campesinos needed agricultural development to increase their income and economic development to make stable democracies possible.

Today, that idea is a reality in the Farmer-to-Farmer Program in H.R. 3950 which the members sponsored 5 years ago in the farm bill. It is both helping farmers and strengthening democracy in developing countries.

American farmers have the expertise in the entire range of agricultural activities all the way from the farm to the marketplace. I was sure that if asked, American farmers would be willing to share their experience and donate their time and talent as volunteers. That has come true.

The Farmer-to-Farmer Program is one of the most successful assistance efforts and certainly among the least costly. This has been attested to in numerous evaluations and from firsthand reports from returning volunteers.

The program is administered by volunteers in Overseas Cooperative Assistance [VOCA] which has sent 800 volunteers to 87 developing countries to provide short-term technical assistance. The program received the Presidential End Hunger Award in 1989. At the White House ceremony, President George Bush cited VOCA as having the "vision, initiative, and leadership in the effort to achieve a world without hunger."

Why is the Farmer-to-Farmer Program successful?

First, the quality of assistance is excellent. VOCA typically only sends very experienced farmers and agriculturalists who usually have decades of firsthand experience to provide local farmers.

Second, projects are carefully screened to assure that short-term technical advice can make a critical difference.

Third, receiving organizations must request the assistance, express their willingness to adopt the recommendations and share the costs of the volunteer.

Fourth, volunteers directly reach those who need and want the information, advice and training in the field.

Fifth, it is a volunteer program where our farmers are motivated to provide impartial advice and to help without any monetary considerations.

Permit me to thank my colleague EDWARD MADIGAN, the ranking member of the House Agriculture Committee. My amendment 5 years ago took a dormant provision in the Food for Peace Act and provided only one tenth of 1 percent of Public Law 480 funding to initiate the Committees, my colleague and the Members have sponored a revision of the basic legislation to reflect how it is currently being successfully implemented.

The Congress has chosen to expand the coverage of the program to include middle income countries and Eastern European democracies which are important to U.S. agricultural markets. However, in expanding the program, we have not lost sight of its primary importance to the really poor countries. Funding has been increased to 0.2 percent of Public Law 480 in order to maintain current programs and allow for expansion. We should slacken our efforts to address dire hunger in order to meet new needs for agricultural expertise in Eastern Europe.

This Member strongly encourages his colleagues to support the Farmer-to-Farmer Program in title XII of H.R. 3950.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON], as amended.

The amendment to the amendment, as amended, was agreed to.

Mr. DE LA GARZA. Mr. Chairman, I continue again my unanimous-consent request that title VI be deferred for further consideration and that titles XI and XII remain open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PANETTA. Mr. Chairman, I rise today to speak in support of H.R. 3950, the Food and Agricultural Resources Act of 1990. Let me begin by saying that I believe that the House Agriculture Committee has done an outstanding job on the 1990 farm bill. The success of the 1985 farm bill will be continued under the measure reported by the House Agriculture Committee.

The American consumer will be guaranteed an affordable, wholesome, and safe food supply. In addition, people all over the world who depend on U.S. agricultural products will continue to have access to these products. Our U.S. farmers will continue to be able to operate their farms and to receive good prices for their crops. Agricultural research will continue to improve agricultural techniques. This bill marks a significant step toward preserving our natural resources for future generations. And finally, the bill provides the most significant changes to the food stamp and other nutrition programs administered by USDA to come before the House in nearly a decade.

I would like to take just a moment to discuss the nutrition title of the bill, which is of particular importance to me. Title XVII contains my legislation, H.R. 4110, the Mickey Leland Memorial Domestic Hunger Relief Act. This is a very special piece of legislation which was named in honor of our late colleague, Mickey Leland. The title addresses the continuing problem of domestic hunger. I am pleased that this title has been a bipartisan effort, thanks to the efforts of BILL EMERSON, the ranking Republican on the Domestic Marketing, Consumer Relations, and Nutrition Subcommittee. CHARLIE HATCHER, Chairman of the Subcommittee.

Recent date indicate that 2 to 5 million children do not have adequate food and that millions more may be at risk of hunger. The U.S. Public Health Service has reported that the Surgeon General's goal of eliminating growth retardation of infants and children caused by inadequate diet cannot be met under present circumstances. Recent research show that hungry children have significantly impaired abilities to learn and are more likely to suffer from health problems. Clearly, proper nutrition for all of our Nation's children must be a top national priority.

The centerpiece of the bill is a pair of provisions designed to alleviate hunger among the homeless and near-homeless. HUD and Census Bureau data show that 45 percent of all poor renters spend at least 70 percent of their incomes on shelter costs. Households that are forced to devote this much of their income to shelter costs will almost by definition be at severe risk of hunger. Moreover, the high cost of shelter for low-income Americans is forcing more and more of them to double-up in housing. Unfortunately, current food stamp rules do not properly recognize the needs of these households.

The nutrition title of the farm bill would allow households with children to deduct high shelter costs in the same way that elderly and disable households do at present. Under current law, households may deduct shelter expenses that exceed 50 percent of their incomes, but only up to $177 a month. The cap does not apply to elderly and disabled households.

In addition, this legislation would simplify the current food stamp household definition. It would require that persons purchasing and preparing food together apply for food stamps as a single household. Adults who buy and cook food on their own could do so as separate households from their relatives. The bill would still require parents and their minor children to be in the same household. The current household definition discourages low-income people from doubling-up in the homes of relatives. This is extremely counterproductive at a time of rising homelessness.

The bill also addresses many other real issues facing families and individuals who need nutrition assistance. I know that some of my colleagues are cncerned about the cost associated with the changes proposed in the Mickey Leland Act. I, along with my colleagues who have been working on this legislation, remain committed to our commitment to ensure that this initiative is paid for in the budget resolution and the Gramm-Rudman targets. For this reason, the bill as being considered today meets the House passed budget resolution numbers and the final bill will conform with the cost provided for in the budget summit agreement when it is reached.

Clearly our Nation is facing a severe budget deficit, but we need to set spending priorities for our Federal dollars. I believe that no greater priority exists than feeding our Nation's children. This bill will provide more assistance, so that families will not have to choose between eating and paying the rent. I urge my colleagues to support the nutrition provisions as reported by the House Agriculture Committee.

I am also pleased that H.R. 3950 contains a provision providing for the establishment of a Mushroom Research and Promotion Program. This program would be industry funded and would provide a much needed coordinated research program for the mushroom industry. I believe that this program will lead to increased growth in the mushroom industry through greater consumer acceptance and improved growing methods.

I will also be joining my colleagues MIKE SYNAR and DAN GLICKMAN in offering an amendment to ban the export of certain pesticides. This amendment represents a compromise that was reached between the sponsors of this measure and others with interest in this issue. I believe that it addresses a very real concern about the use of pesticides that are illegal for use in the United States and that come back into our country on foods imported from abroad. This circle of poison must be controlled. The amendment to be offered by myself and Representatives SYNAR and GLICKMAN addresses this very real problem.

I urge my colleagues to support H.R. 3950 as reported by the House Agriculture Committee. This bill represents the continued success of American agriculture and the abundant food supply that Americans and many people all over the world rely on for the food needs.

Mr. HALL of Ohio. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to title XII of H.R. 3950. This amendment, which reflects a compromise between the Committees on Agriculture and Foreign Affairs, improves our food aid programs under subtitle A. The gentleman from Florida, chairman of the Committee on Foreign Affairs [Mr. FASCELL], and the gentleman from Texas, chairman of the Committee on Agriculture [Mr. DE LA GARZA], are to be complimented for their attention to the needs of the poorest people in the poorest countries of the world. On the Foreign Affairs Committee, the gentleman from Connecticut [Mr. GEJDENSON], chairman of the Subcommittee on International Economic Policies and Trade, and the ranking minority member of that subcommittee, the gentleman from Nebraska [Mr. BEREUTER] have done exemplary work. I am particularly pleased that the gentleman from Nebraska [Mr. BEREUTER], whose work has been critical to the success of this reform effort, is also a distinguished member of the Select Committee on Hunger.

As a member of the Select Committee on Hunger since its inception in 1984, and now as its chairman, I pay special attention to the use of American food to feed people in need and promote food security in poor countries around the world. I have traveled to evaluate our food aid programs in countries in Asia, Africa, and Latin America. Through my personal observations and Hunger Committee hearings on Public Law 480, it became clear to me that some of our food aid programs are very effective, but, sadly, others no longer work well.

In particular, I saw too many instances of American food given to countries that have done political favors for us, regardless of their food needs. This illegitimate use of food aid, unfortunately, is much too common in our programs across the developing world.

The present compromise should go a long way to stopping this inappropriate use of our food. This compromise states clearly, in section 2 of subtitle A, that the purpose of food aid is "to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities, and local currencies generated by the sale of such commodities * * *." The critical concept of food security is defined in the bill as "access by all people at all times to sufficient food and nutrition for a healthy and productive life." These are the correct standards to guide our food aid programs.

The second major problem with our food aid programs has been a lack of accountability. Title I has had no clear "chief," and so there has been much too much bureaucratic infighting among the executive branch agencies and departments and offices over the details of these programs. By making it clear that USDA has the primary responsibility for title I market development programs and that AID has primary responsibility for title III food and food security programs, this unnecessary infighting

will be brought to an end. I pledge that the Select Committee on Hunger will study with great care the implementation of these programs to ensure that the wisdom in this compromise is executed by the responsible officials in the executive branch.

I urge all Members to support this amendment, and the entire Food and Agriculture Resources Act of 1990.

Mr. MILLER of California. Mr. Chairman, few bills considered by this House have disturbed me more than the one we are currently considering.

The current Federal agriculture program is overly expensive, poorly administered, and difficult to justify.

The runaway spending and subsidies in the Federal farm program are costing the American taxpayer an estimated $40 billion this year. There are only 320,000 full-time farmers in the United States, and their average net income was $168,000 in 1988.

Taxpayers are therefore spending about $100,000 per farmer to subsidize the income of people making $168,000 a year. That's about 200 times the average assistance given to food stamp recipients.

I support farmers and rural America. However, in these days of skyrocketing deficit and Federal costs, I find it hard to justify spending this kind of money, year after year, on the farm program.

From 1972 to 1986, according to the General Accounting Office, farm spending has been 78 percent higher than originally predicted.

Perhaps these extraordinarily high costs could be justified if they fixed the farm mess; but they don't. Year after year, costs escalate and farm problems remain unresolved. We are paying to sustain the farm crisis, not to remedy it.

This year alone the Federal Government will spend over $8 billion in direct payments to farmers, in addition to $6 billion in price support loans—which have been defaulted on as much as 90 percent in recent years.

This year we will spend half a billion dollars to sell Americans crops overseas—at a loss.

More than $1 billion will go to the Food for Peace Program that destabilizes foreign agriculture by dumping our surplus on overseas markets.

The Agriculture Department is also dispersing $200 million a year under the Targeted Export Assistance Program to underwrite foreign advertising by U.S. companies like Gallo and McDonalds.

Add to this marketing orders—that are nothing more than federally sanctioned price-fixing agreements—FHA loans and loan guarantees, $3 billion; crop insurance, $1.2 billion; agricultural research, $1 billion; conservation and set-aside assistance, $3.3 billion; and one of my personal favorites, water subsidies, including hundreds of millions to farmers who are using the subsidies to grow price-supported surplus crops, and you have a classic program in which the profits are privatized and the losses are socialized.

That isn't traditional farming, and it isn't free enterprise.

It's bad farm policy, and it's bad fiscal policy for the U.S. taxpayer.

At the recent economic summit, President Bush vigorously called for an end to agricultural subsidies. Today, we have an opportunity to make good on that promise by imposing some fiscal controls and budgetary reality on a program that is not only expensive, but a wholesale failure as well.

I know that farmers argue that without these Federal supports food shortages and trade deficits will follow. Most of that rhetoric is nonsense. Some farmers will go out of business, just like some automobile companies, aircraft manufacturers, and fast food restaurants have gone out of business. That is the nature of our economic system.

The time has come to end operating our agricultural program like a socialist program awash in taxpayer subsidies. Bankrolling waste, inefficiency, and duplication has to stop.

There may be some pain and readjustment, but at least it won't cost us $40 billion a year—money we don't have and cannot afford to squander.

If that means some farmers go out of business, or that some must pay for formerly free services, or that food companies have to pay their own costs to promote exports, then that is the cost of getting this program back to reality.

I, for one, am fed up with those who rail against "wasteful spending" and "government involvement" for children, working families, the sick, and the disabled.

If this were the Food Stamp Program and not the farm program, many of those who are lobbying hard for this bill would instead be demanding massive cutbacks and investigations in light of these abuses and cost overruns.

Because this is the farm program, we are told that our obligation is to throw more and more money at problems that do not change and finance solutions that have utterly failed.

If all our promises to control the budget and reduce the deficit are anything more than hot air, then let's show it here by slashing the costs of this outrageously costly and ineffective program.

Mr. HOCHBRUECKNER. Mr. Chairman, I rise in strong support of the 1990 farm bill, H.R. 3950, and I would like to call to the attention of the House one particular provision on the bill, section 1384, which concerns composting. This provision is identical to the Composting Research Act of 1990 (H.R. 4490), which I introduced on April 4.

As members know, the United States faces a serious and worsening garbage disposal crisis. Americans generate over 160 million tons of trash each year. Only about 11 percent of this garbage is being recycled, while 76 percent is entombed in landfills and 13 percent is incinerated. Since 1978, 70 percent of all U.S. landfills—14,000 facilities—have been closed. In my own district, all landfills must close permanently this December under a New York State law intended to protect our groundwater. More and more jurisdictions in this Nation are running out of places to hide their waste, and they have seen little leadership from Washington in addressing the problem.

One important strategy in addressing the waste disposal crisis is composting, which reduces waste to a mulch-type material through natural decomposition. Composting is an ancient technology that holds great promise for modern society. When one considers the contribution of yard waste, food waste, and nonrecyclable paper, between 30 and 60 percent of the solid waste stream is potentially compostable. Other compostable materials include food processing wastes, municipal sewage sludges, animal manures, and dead poultry. The latter two groups can cause serious water quality problems for farmers if they are not managed properly. This is why composting can be so important to the agricultural community.

Composting of agricultural wastes can help prevent contamination of water supplies and lessen waste removal burdens on farmers. Following recovery and reuse of valuable elements such as starches, fats, and oils, composting can transform crop and and livestock wastes into a useful soil additive. Application of finished compost can help to stabilize and enrich soil, suppress plant diseases, and reduce the use of chemical fertilizers.

By composting organic materials rather than letting them decompose slowly inside landfills, there will be a reduction in methane gas releases. This has important benefits in combatting the greenhouse effect.

I believe that the USDA is uniquely qualified to evaluate agricultural composting methods and uses for compost. The agency studied composting during the 1970's, but its research was discontinued under the Reagan administration. The legislation we are considering today would have USDA revisit this subject and help to identify markets for compost and facilitate on-farm composting.

Section 1384 of the 1990 farm bill establishes a Compost Task Force, whose 15 members shall be selected from the following groups: officials from States with laws on composting; representatives of livestock, forestry, fishing, nursery, horticulture, vineyard, and orchard interests; landscapers and builders; the composting industry; microbiological scientists; food and fiber processors; food service industries; public interest groups; and manufacturers of consumer product packaging.

The legislation directs the USDA, in consultation with the Compost Task Force, to research potential uses for compost and identify domestic and international markets. The agency's research must include evaluation of the application of compost derived from various wastes on soil, plants, and food and fiber crops.

The USDA is also directed by the legislation to assemble a catalogue of laws, regulations, and programs adopted by State and local governments, and by foreign countries, that establish standards for compost quality, set definitions for processing, handling, or using compost, or otherwise affect the production or use of compost. This catalog will be of use to the Congress in evaluating the need for any further legislation at the Federal level.

The legislation also directs the USDA to initiate extension efforts including seminars, demonstration projects, and dissemination of materials, to inform the agricultural community about the desirability and safety of compost, about on-farm composting techniques, and

about procedures for applying finished compost. It also requires USDA to consider designating composting as a farm conservation practice eligible for cost-sharing.

Finally, the Department is directed to initiate interagency agreements to identify opportunities for applying compost on Federal lands.

I would like to express my great appreciation to Congressman GEORGE BROWN, the chairman of the Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture, for his introduction of the composting legislation at the subcommittee level. I would also like to recognize the efforts of Dr. Kathy Hudson and Mr. William Stiles of the subcommittee staff. Their many hours of work have allowed us to take a significant step toward protecting the environment and helping farmers to better manage agricultural wastes.

Mr. HAMILTON. Mr. Chairman, today, I would like to bring to the attention of my colleagues a small but significant provision in H.R. 3950 which exemplifies the best America has to offer the developing world. I am referring to the Farmer-to-Farmer Program which was initiated in the 1985 farm bill. The program is continued and expanded to include Eastern European democracies in H.R. 3950.

The purpose of the Farmer-to-Farmer Program is to increase farm production and raise the standard of living of the rural people in developing countries through providing experienced, senior volunteers for short-term technical assistance. This nongovernmental program provides people-to-people, self-help at very little cost to the American public.

The Farmer-to-Farmer Program is administered by Volunteers in Overseas Cooperative Assistance [VOCA] which recruits American farmers and agriculturalists to work hand-in-hand with farmers and farmer organizations overseas. VOCA taps volunteers from land grant universities, private agribusiness and nonprofit farm organizations. In providing for the transfer of this broad array of agricultural knowledge, the program encourages the democratic process by supporting agricultural organizations and cooperatives to strengthen local farmer control over their own livelihood. The requesting organizations which want to understand and implement American agricultural practices must share the costs of a volunteer through their own cash and in-kind services.

Through the Farmer-to-Farmer provision and support from the U.S. Agency for International Development, our farmers can offer our know-how and "can do" spirit. Since 1970, VOCA has sent 800 U.S. farmers to 87 developing countries. In recognition of its outstanding achievements, VOCA received the 1989 Presidential End Hunger Award.

From my district, Mr. and Mrs. Robert Fischer of Corydon went to assist a small scale farmer's credit program in Ghana. I discussed his assignment at the 20th anniversary celebration of VOCA at which more than 200 volunteers participated.

Under H.R. 3950, the Farmer-to-Farmer Program is expanded to send farmer volunteers to emerging democracies in Eastern Europe and middle income countries which do not qualify for United States bilateral foreign assistance programs.

Under the Support for Eastern Europe Democracy Act (Public Law 101–179), VOCA has already initiated a Farmer-to-Farmer Program in Poland. Twenty-three volunteers have provided Polish farmers with advice in the transition of their agricultural economy to a market-oriented system. Another 100 volunteers will be providing assistance over the next 18 months. While 80 percent of Polish agriculture remains in private farm holdings, all of the supplies, marketing and processing of agricultural commodities has been controlled by government enterprises. VOCA is helping Polish farmers take over these enterprises as well as creating new member-controlled cooperatives.

The provision in title XII of H.R. 3950 will continue these efforts in Poland and expand the program to eligible Eastern European democracies. In contrast to Poland, agriculture was collectivized in other Eastern European countries. VOCA volunteers will help turn these collectives back to private farmers, for example, through the creation of genuine, farmer-owned cooperatives. In these countries, there is even a greater need to assist farmers in the transition to individual ownership and private cooperatives, while maintaining sufficient scales of production to make farming profitable.

To initiate this new program, the provision provides that two-tenths of 1 percent of the amounts provided for the Food for Peace Program in fiscal years 1991 through 1995 shall be provided for the Farmer-to-Farmer Program. Within this total, not less than one-tenth of 1 percent shall be provided to developing countries to maintain the current programs. The additional tenth of a percent shall be provided to assist farmers in emerging democracies in Eastern Europe as well as middle income countries. Both Eastern Europe and middle income countries represent future markets for American agriculture. Through better understanding and the adoption of U.S. agricultural know-how, our agriculture is strengthened through sending volunteer farmers to open up these new markets.

I encourage my colleagues to support the farmer-to-farmer provision in H.R. 3950.

Mr. JONES of North Carolina. Mr. Chairman, I rise at this point in the debate of H.R. 3950, the 1990 farm bill, to express my disapproval of amendments being offered which would have a disastrous effect on the tobacco industry. Of specific concern to me is the Machtley amendment which would basically do away with the current tobacco program.

The tobacco industry has been a mainstay in my congressional district for centuries. Without tobacco as a money crop, North Carolina could never have become such a successful State economically. Accordingly, without the present tobacco program, North Carolina would have lost numerous farmers who depend on tobacco as a reliable and stable money crop.

The tobacco program must be considered a successful commodity program. As a result of the No Net Cost Tobacco Act of 1982, the program has proved little economic burden on the Federal Government. Farmers who participate in the program pay an assessment to ensure no losses to the tobacco program occur. Before each season, the U.S. Department of Agriculture calculates the sum needed to cover any potential losses. This estimated sum is then collected from participating farmers. In short, the farmers participating in the tobacco program are paying for the program through yearly assessments. Tobacco farmers were the first farmers to personally insure against any losses to their commodity price support program.

I am not here today to debate the moral or health aspects of using tobacco products. I am here to fight for a program that is financially critical to my State. Tobacco is a legal product and it is up to the individual to decide whether or not to use tobacco products—the program itself does not encourage individuals to use these products. The tobacco growers do not decide who uses tobacco products either. However, it is up to the farmer to decide how best to provide for his or her family and to improve on or maintain an adequate standard of living. In eastern North Carolina, tobacco has proven to be a stable, reliable, and durable crop that grows well in the climate. I cannot overemphasize the importance of the industry to my State. However, maybe the following figures will help my colleagues here in the House of Representatives understand the importance of tobacco to North Carolina.

These figures were gathered from the U.S. Departments of Agriculture, Commerce, Labor, and Treasury and audited by Price Waterhouse for the Tobacco Institute.

Total value of leaf grown in N.C. in 1989	$890,000,000
Total amount earned by 49,622 tobacco growers in N.C. in 1989	253,000,000
Total amount earned by employees of the 2,962 warehouses in N.C. in 1989	33,944,000
Total amount earned by 24,256 employees of cigarette manufacturing facilities in N.C. in 1989	1,024,858,000
Total amount earned by 15,256 jobs in related industries (cardboard supplies, packaging, wrapping, etc.) in N.C. in 1989	412,000,000
Total amount earned by 5,098 employees involved in the retailing of tobacco products in N.C. in 1989	56,000,000
In 1986, the tobacco in N.C. accounted for the following taxes:	
Federal taxes	1,390,684,000
North Carolina State taxes	142,889,000

It is important to note that the tobacco program is no longer a specific title within the farm bill. Therefore, I question why the commodity is even being discussed and debated at this time. For those Members of the House of Representatives who are on a moral crusade against tobacco, now is not the appropriate time to bring your moral arguments to the floor. Now is the time to support the Agriculture Committee in passing a farm bill, not engage in rhetoric against a legal product.

Mr. Chairman, I hope I have made my point clear to my colleagues who are considering supporting either the Machtley, Durbin, or any other amendments which would adversely

effect the tobacco program. It is vital to tobacco producing States that the program remain strong and intact for the future. If the tobacco program is erased or hurt, the economic fallout in tobacco producing States could be astronomical. The tobacco program has proven to be a reliable and cost effective program that helps tobacco farmers survive. I urge my colleagues to support the tobacco program and cast the appropriate votes to ensure the program remains intact.

Mr. ANTHONY. Mr. Chairman, I rise today in general support of H.R. 3950. Recent events around the world should remind us of our responsibility to protect our infrastructure of agricultural production and to protect those men and women who work to provide this Nation and much of the world with necessary supplies of food and fiber.

I represent an area rich in agricultural resources. From the fertile Mississippi Delta of southeast Arkansas to the Red River Valley in the southwest part of the State and through all the timber and pasture lands in between, the health of the agricultural economy is directly related to the economy and well-being of the entire region.

I know that everyone in this Chamber has concerns related to the budget impact of this legislation. I believe that the Agriculture Committee has done an excellent job of balancing budget considerations against the necessary objectives of providing income support to our producers, price support for our commodities, and special attention to environmental protection.

During the debate of this farm bill, we will hear calls to restructure the payment mechanisms. We will hear about means tests and other procedures to redirect Federal participation in the farm sector. I would like to make just a few remarks concerning those efforts.

Federal farm programs seek to maintain stability of farm production and consumer prices. During an earlier period of our history, agricultural production was subject to wild swings of production and wild periods of boom and bust. When the rural economies collapsed because of distorted markets, the economy of the entire Nation collapsed with them. The Great Depression reached every pocket of our country, but was first sown on the rocky ground of an unstable farm system.

The Federal answer, those 50 plus years ago, was to design a program to encourage producers' participation in voluntary efforts to match targeted production with projected demand. Although not an exact science, these Federal programs have been largely responsible for keeping our people fed during the crisis of world war and unpredictable natural disasters. Even with the tremendous losses due to the droughts of the past 2 years, grocery store prices have remained relatively stable. As we have seen in recent months, similar problems in other parts of the world have resulted in toppled governments.

Federal farm programs are not an absolute guarantee of protection to the farmer. The last 10 years have witnessed the worst economic problems in farm country since the Great Depression. However, the total desolation of the rural economy did not occur and the great migrations of rural populations to urban centers was prevented. I assure each one of you, that is something we must forever avoid.

Yet, today, we hear from certain Members of this body who suggest we put at risk the very Federal programs that protected urban centers from critical food shortages and surpluses of rural refugees. It is easy to tell voters that you are going to cut farm programs when those voters do not live on farms. But if we allow the farms to fail, and the infrastructure to disassemble, then what are we going to tell those voters when they ask why they are without food and their children are hungry. Federal farm programs do work.

Certain Members of this body appear to suggest that Federal farm programs are a large part of the Federal deficit. They argue that if we would cut farm spending then we would have enough money to cure the rest of the Nation's ills. The truth is that farm spending represents less than 1 percent of the Federal budget. Less than 1 percent of the budget is used to protect an industry relied on by 100 percent of the population.

What if we curtail farm spending? What if we curtail program participation of the so-called large producers? What if we destroy the incentives for farmers to enroll the majority of American farmland into Federal stabilization programs? Do you want to be responsible for going back to the boom and bust days of an earlier time? Do you want to put at risk the food security of our Nation? Do you want to put in question the ability of our Nation's leaders to ensure that our people are not in want of fiber for our products and food for our families?

The media has reported cases of farm program abuse. As responsible stewards of the national trust, we must not allow the abuses of a few to wreck the food and fiber structure of an entire nation. I am sure that we would not do that any more than we would stop building Federal highways because of a few contractors engaged in kickback schemes or Federal housing projects because a few ineligible families took advantage of the programs.

For these reasons, I believe that this Congress will not turn back the clock of reason in Federal farm policy. If there are abuses in the system, our job is to penalize those who prey on the good intentions of our public servants and public programs. In 1987, this Congress worked hard to correct flaws in farm program law to curtail the likelihood of abuse. We must not, at this time, turn our back on this country's farmers. We must keep in place the incentives to keep them enrolled in Federal farm programs.

This farm bill is not just about payments to farmers. This farm bill is about the environment. I applaud the work of the committee on the development of a conservation title that clarifies and enhances the work done in 1985. In Arkansas, and in many other parts of the country, landowners and farmers in particular are concerned about wetland regulations. I feel that the committee has done an admirable job of working with environmental and conservation interests to provide a proper balance of wetland protection and landowner protection.

I am further encouraged by steps taken to enhance Federal efforts to prevent further degradation of highly erodible soils and related impairments to water quality. The Conservation Reserve Program has proven to be a successful means by which to encourage conservation of resources. Although we must be cautious not to impair rural economies by curtailing large scale production, the Conservation Reserve Program, as continued by the committee, does provide a well balanced means of resource conservation and levels of production.

Yes, this farm bill is about the environment. That is another important reason that we must not discourage participation in Federal farm programs. Farm programs serve as a contract between the farmer and the Government. The farmer promises to maintain certain land use practices and to hand over to the Government certain management decisionmaking in return for income and price support protection. If the terms of that contract are not favorable to the farmer, he will not enter into it. We cannot expect him to. If the farmer does not participate, the contract is never executed and the benefit to the Government—which means to the American people—is never realized. I truly do not believe that is in the best interest of the environment or any of us.

As a member of the House Ways and Means Subcommittee on Trade, I am very aware of the importance American agriculture plays in our balance of trade formula. H.R. 3950 continues important programs to enhance our role in world economies and an expansion of the marketing loan concept will help assure that foreign competitors cannot use our price support programs as a shield against our own producers' ability to compete for a proper market share of world trade.

H.R. 3950 also contains a strong research title. As our farmers must become more and more aware of environmental concerns, it is vitally important that they be armed with appropriate technology and information in order to make prudent management decisions. Continued research is also important to protect our producers and rural communities from disease and pests that infect livestock and decimate crops.

In Arkansas, and across the entire southern tier of States, the red imported fire ant is reason for alarming concern. I am therefore pleased that the research title of H.R. 3590 contains language to combat exotic pests such as the fire ant. Economic losses will continue unless this pest is contained and controlled. What is worse, loss of life—especially among the young and old—is at risk as long as these pests continue to spread. That condition is totally unacceptable.

I wish to thank Chairman DE LA GARZA and the entire membership of the House Agriculture Committee for their work on this important legislation. I hope that the full Congress will protect this legislation from being torn by amendments that will strip our farmers of the ability to produce the commodities we need to continue the standards of living to which we have all become accustomed.

Mr. McDADE. Mr. Chairman, I rise today in support of a provision of H.R. 3950, the Food and Agricultural Resources Act, which deals with the establishment of trusts to protect milk

producers from large losses due to the bankruptcy or mismanagement of a dairy handler.

I can personally testify on the importance of this type of measure. In my congressional district in northeastern Pennsylvania, dairymen were stuck with multithousand dollar IOU's when the Scheps Cheese Dairy went into bankruptcy in the mid-1980's.

I introduced legislation, the Milk Producers Payment Act, in the 98th, 99th, and 100th Congresses in order to protect the financial interests of dairy producers. The legislation would have established, at no cost to the taxpayer, a mechanism to reduce the amount of exposure of the dairyman. Had my legislation, which is supported by major farm groups in Pennsylvania, been in place prior to this bankruptcy, individual losses to dairymen would have been significantly lower.

The milk producers trust provision in the 5-year farm bill before us today was offered in committee by my colleague, Mr. GUNDERSON of Wisconsin. Like my legislation, this provision would establish a statutory trust for the benefit of unpaid milk producers, and it would require producers of milk to have their payment claims satisfied from a handler's assets before any secured interest is satisfied.

I was proud to join Mr. GUNDERSON as an original cosponsor of legislation, H.R. 4813, introduced on May 15 of this year as a response to the growing nationwide problem of dairy bankruptices. The legislation would amend the Packers and Stockyards Act to provide that milk purchased by handlers from milk producers, and the proceeds and products of such milk, be held in trust by the handlers for the benefit of such producers until full payment is received.

Mr. Chairman, the Gunderson-McDade provision is an important contribution to the soundness of the farm bill. I urge the support of my colleagues, those from urban and suburban areas as well as those who represent farm districts. Our hard-working dairymen have provided this Nation with abundant and affordable supply of dairy products, and I believe we owe it to them to protect them from the financial devastation that can result from the bankruptcy of a milk handler.

Mr. DICKINSON. Mr. Chairman, I rise in support of H.R. 3950, the Food and Agriculture Resources Act of 1990, and want to thank the able leadership of the House Agriculture Committee for crafting what I believe to be a fair and comprehensive farm bill.

Specifically, let me reiterate my strong support for title 8 which reauthorizes the current peanut program for the next 5 years. Mr. Chairman, the district I represent in southeast Alabama is the second largest peanut producing region in the Nation. Together with Georgia and north Florida, the Southeastern United States grows 65 percent of the Nation's edible peanut supply.

In the past few weeks, we have heard a lot of talk about consumers paying high prices just to support the peanut program. I have even been amused to see recent articles telling us how many farmers are getting rich off the program. Let me assure you that those farmers, wherever they may be, are certainly not in my district. I am confident that I speak for my colleagues from other peanut producing regions as well.

As a model for successful supply-management, the peanut program has proven to be an excellent return investment for the taxpayer and the consumer. Peanut farmers in the Southeast, Texas-Oklahoma and Virginia-Carolina regions have been able to have a chance at receiving a fair share for their efforts. The plain truth is that the peanut program ensures a quality product on the domestic market while remaining competitive on the world market.

There is a famous saying that there are lies and then statistics. Allow me to put to rest some of the misconceptions about the peanut program that have been raised in the media:

American consumers are getting a good bargain from the peanut program. In the United States, an 18-ounce jar of peanut butter sells for $2.03. In Canada, our next door neighbor, it sells for $2.88. In Japan and South Korea, it sells for around $4.70.

Peanut farmers are not getting rich off the program. On a jar of peanut butter, the farmer receives roughly 46 cents. For a candy bar, he receives 1 cent!

Contrary to rising costs, the farmers price support for peanuts has declined over a 10 year period when you account for inflation.

These are just a few examples of facts to counter the rhetoric we have heard in the past few weeks.

To reject the peanut program while it is working would not only affect consumer prices, it would deprive 45,000 U.S. farmers of their main source of income. Since 1977, this bipartisan program has eliminated the Government's need to purchase costly surpluses. Producers from the three main regions pool their profits to offset any losses that may exist. This makes the peanut programs' annual expenditures less than one-tenth of 1 percent for the U.S. Department of Agriculture. How many programs do we vote on in Congress which have that kind of successful track record?

With subsidized competition from abroad, the vitality of our peanut industry is essential for the well being of America's agricultural economy. Over the past two decades, the peanut program has been adjusted to ensure the possibility of a fair return for growers, manufacturers, and consumers alike. Because the program is successful, our Nation continues to enjoy a first-rate product that has one of the best export records for all major commodities. Let us not change horses in midstream on a program that works well.

I urge my colleagues to approve title 8 as reported by the Agriculture Committee, and hope we will agree to stay the course with policies that have put American agriculture back on the road to a solid recovery.

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in support of title II of the farm bill, as reported by the Agriculture Committee, and in opposition to efforts to hurt the sugar producers of this country.

Sugar is the No. 1 cash crop in the State of Wyoming. The sugar and corn sweetener industry generates over 5,500 jobs, and generates $225 million in economic activity each year. Over 530 farmers produce on more than 56,000 acres of land. More than 1,100 workers are employed by the 3 processing facilities in the State, generating $10 million in payroll taxes.

I understand the position taken by some in this Chamber that the sugar programs is somehow not economically sound or in the best interests of this country. I would agree with them that if we had a perfect, free-market world, these supports would not be necessary. But this isn't a perfect world, and our trading partners grant extensive supports to their agricultural communities, and we have a responsibility to guarantee the success of our sugar industry.

The Agriculture Committee has decided to take the existng sugar program and extend it for another 5 years. By law, the program is to operate at no cost to the American taxpayer. Opponents of the program have argued that there is no such thing as a "free lunch," and that the taxpayer does pick up the cost at the market through increased prices. In fact, the cost of raw sugar and sugar sweeteners accounts for very little of the final cost of the products on the shelves in the markets.

The program, as it currently exists, also results in the use of more than 570 million bushels of corn annually for sweeteners. This means the reduced need for the Government to acquire surplus corn, and saves the taxpayer $500–$700 million each year in deficiency payments.

The sugar program is not a perfect program. I can think of very few in this country that could be considered perfect. But it is a vitally important one to the agriculture community. The opponents of this program are, for the most part, opposed to some aspect of every title of this bill. They never seem to make the connection with the cost of funding these programs with the relatively low cost and abundant supply of groceries in our supermarkets.

The agriculture community, together with Messrs. DE LA GARZA and MADIGAN and the Agriculture Committee, have gotten together to work out a bill that represents and protects the farmers of this country. The sugar provision recognizes the importance of this crop to this country, the current economic condition of the industry, and the concerns of the taxpayers. We should support the committee's efforts and this bill.

Mr. SCHUETTE. Mr. Chairman, I strongly oppose the payment limits or means testing for program eligibility as proposed by the Armey-Schumer amendments. These amendments attempt to arbitrarily establish $100,000 adjusted gross income for the taxable year as the level at which producers will be ineligible for the programs. The U.S. Agricultural Alliance, an alliance representing a diverse group of agriculture organizations, stated that this "amendment would destroy the effectiveness of U.S. farm programs and the economy leading to negative impacts on American society."

The negative impacts would be numerous if this amendment were adopted. With fewer farmers eligible to participate, the balance of supply and demand will be more difficult to maintain. The result will even go deeper in disrupting sound farm policy. To accommodate lower prices and higher stock levels the acreage reduction requirements will increase and deficiency payments will be larger. This

amendment will result in a higher cost, less effective farm program.

The environment will sustain a set-back. The conservation provisions in the Food Security Act of 1985 are tied to the current farm program. Making farmers ineligible for farm program benefits removes the incentive to continue conservation practices. Soil erosion will once again escalate to astronomical portions, wetlands will be converted to cropland and highly erodible land will be broken-out and cropped if this amendment is adopted.

As the larger producer increases production to offset lower grain prices, the supply of grain will fluctuate dramatically. This production volatility will cause the United States to become an unreliable supplier of farm exports to the world. Meeting humanitarian food needs will not be met and the security of world food will be undermined.

Mr. Chairman, any further limits on the program payments as offered by Armey-Schumer would severely disrupt the national economy. Agricultural spending would not be reduced by $900 million as the authors have made in the past, but would actually increase spending. Farmers benefit from this supply control system and beyond that consumers receive the safest, most reliable and lowest cost food and fiber supply in the world.

Mr. DE LA GARZA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. OBEY) having assumed the chair, Mr. BONIOR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3950) entitled the "Food and Agricultural Resources Act of 1990," had come to no resolution thereon.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on today's consideration of H.R. 3950.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON FORESTS, FAMILY FARMS AND ENERGY OF THE COMMITTEE ON AGRICULTURE TO SIT ON THURSDAY, JULY 26 AND FRIDAY, JULY 27, 1990 DURING THE 5-MINUTE RULE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Forests, Family Farms and Energy of the Committee on Agriculture be permitted to sit on Thursday, July 26, and Friday, July 27, 1990, while the House is in session during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 2040

H.R. 5353, SAVINGS AND LOAN REFORM ACT

The SPEAKER pro tempore (Mr. OBEY). Under a previous order of the House, the gentleman from New Hampshire [Mr. DOUGLAS] is recognized for 5 minutes.

Mr. DOUGLAS. Mr. Speaker, this morning I had the opportunity to discuss briefly in a 1-minute the introduction of H.R. 5353, which is the Savings and Loan Reform Act, that creates a lot of criminal provisions and a number of tightening amendments to prevent the kind of mess that we have had with prosecuting savings and loan violators.

One of the key parts of that bill, however, is the creation of the special counsel appointed by the President, with the advice and consent of the Senate, who will have duties to supervise and coordinate the antifraud efforts at the Justice Department.

This prosecutor will also ensure that Federal law involving civil enforcement and asset retrieval will be enforced to the fullest.

Now, as this was going through the Committee on the Judiciary in a different form, in the form of an amendment to the crime bill, I got to thinking, "Gee, this is the very committee in which half of the Democrats on that committee had already signed a letter urging a special prosecutor to investigate the President's son. They obviously would want the same even-handed approach to getting records in the Jim Wright case and the Keating Five case and the St Germain case out on the table and over into the hands of the special counsel," in this case.

So in the Judiciary Committee I offered an amendment, and it was a very simple amendment. It merely said that there would be a fourth duty given to this special prosecutor, known as the special counsel under what has now been marked up and approved by the Subcommittee on Financial Institutions, Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs. It has been approved by the full Judiciary Committee. It has been introduced here as H.R. 5353, and it reads as follows:

* * * that the special counsel will request from the House Committee on Official Standards as well as the Senate Select Committee on Ethics all transcripts, documents, files or other information relating to ethical violations by any Senator or Representative relating to financial institutions to determine if criminal violations were committed and said committees are ordered to turn over such records or documents.

Very simple. The prosecutor, the special counsel, must ask, and our committee and the Senate committee must turn the records over.

I thought that was in keeping with full disclosure so that even folks in this building, people who formerly served here who might have had transcripts; in the case of the former Speaker of this House, the special counsel's report, Mr. Phelan revealed there were 24 individuals whose depositions were taken. Now, those are excellent transcripts. Maybe there is no criminal involvement in any of those 24 transcripts. But if I were the special counsel and if I had to look at this savings and loan mess, I would want that information.

So I figured the Committee on the Judiciary would want that information because obviously we would not want to be in a position where any of our Members could be accused of hypocrisy.

So I offered my amendment, and it was, in fact, defeated on a rollcall vote in committee.

Mr. Speaker, I offer that rollcall vote for insertion in the RECORD.

ROLLCALL VOTE OF THE COMMITTEE ON THE JUDICIARY

Mr. Kastenmeier, nay.
Mr. Edwards, nay.
Mr. Conyers, nay.
Mr. Mazzoli, nay.
Mr. Hughes, nay.
Mr. Synar, nay.
Mrs. Schroeder, nay.
Mr. Glickman, nay.
Mr. Frank, present.
Mr. Crockett, nay.
Mr. Schumer, nay.
Mr. Morrison, nay.
Mr. Feighan, nay.
Mr. Smith of Florida, nay.
Mr. Berman, nay.
Mr. Boucher, nay.
Mr. Staggers, nay.
Mr. Bryant, nay.
Mr. Levine, nay.
Mr. Sangmeister, nay.
Mr. Washington, nay.
Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye.
Mr. Sensenbrenner, aye.
Mr. McCollum, aye.
Mr. Gekas, aye.
Mr. DeWine, aye.
Mr. Dannemeyer, aye.
Mr. Coble, aye.
Mr. Slaughter, aye.
Mr. Smith of Texas, aye.
Mr. Douglas, aye.
Mr. James, nay.
Mr. Campbell, aye.
Mr. Brooks, Chairman, nay.

Total votes, 13 ayes, 22 nays, and 1 present.

I then offered another amendment.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. I think the record should reflect, and I was in the committee, that what the gentleman proposed was that any request, any request, reasonable, unreasonable, justi-

fied, unjustified, from this special counsel that we created in the Schumer bill, the savings and loan enforcement bill, that went to the House Ethics Committee for a document, any request for documents would be turned over. It did not matter what the substantive nature of it was, did not matter what type of documents they were.

So the reason why the gentleman's amendment was voted down is it gave absolutely no discretion to the House Ethics Committee to determine whether a request was valid or not, whether it would cause trouble or not.

Clearly, the gentleman being the good lawyer that he is, knows it would create serious constitutional problems with respect to the separation of powers.

Mr. DOUGLAS. Reclaiming my time, the gentleman is right, he voted against it. In fact, the rollcall will reveal that not a single member of his party voted for my amendment.

Mr. GLICKMAN. That is because those people who voted "no" have respect for the separation-of-powers clause of the Constitution, which the gentleman did not.

Mr. DOUGLAS. If I may reclaim my time. That was a totally specious argument. This is a bill enacted by the House, hopefully, and the Senate, hopefully, that would become the law of the land.

SEC. 42. APPOINTMENT RESPONSIBILITIES AND COMPENSATION OF THE SPECIAL COUNSEL.

(a) APPOINTMENT.—The Special Counsel shall be appointed by the President, by and with the advice and consent of the Senate.

(b) RESPONSIBILITIES.—The Special Counsel shall—

(1) supervise and coordinate investigations and prosecutions within the Department of Justice of fraud and other criminal activity in and against the financial services industry;

(2) ensure that Federal law relating to civil enforcement, asset seizure and forfeiture, money laundering, and racketeering are used to the fullest extent authorized to recover the proceeds of unlawful activities from persons who have committed crimes in and against the financial services industry; and

(3) ensure that adequate resources are made available for the investigation and prosecution of fraud and other criminal activity in and against the financial services industry.

AMENDMENT TO SCHUMER AMENDMENT TO H.R. 5269 OFFERED BY MR. DOUGLAS OF NEW HAMPSHIRE

On page 36 after line 23 insert the following:

"(4) request from the House Committee on Official Conduct as well as the Senate Select Committee on Ethics all transcripts, documents, files or other information relating to ethical violations by any Senator or Representative relating to financial institutions to determine if criminal violations were committed; and said committees are ordered to turn over such records or documents."

Mr. DOUGLAS. Mr. Speaker, may I request, in light of the gentleman's questions, 2 additional minutes? I ask unanimous consent for 2 additional minutes because I did yield to two questions and was willing to do so, but they were rather long.

The SPEAKER pro tempore. The Chair will continue to call the 5-minute special orders in the order previously announced. Other Members would be able to yield to the gentleman, but we are required to call according to the previously announced schedule.

ANNUNZIO OPPOSES ADDITIONAL FLIGHTS AT O'HARE AIRPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, there is a move in the Congress to add to the noise pollution emanating from O'Hare International Airport in Chicago. The legislation, known as the Airline Competition Equity Act of 1990, would, among other things, increase traffic at the four most busiest airports in the United States, including O'Hare. In opposing the legislation, the Transportation Department testified recently that changes in current rules would significantly affect congestion, delays, safety, and noise at the airports, in addition to the environment.

I, too, am opposed to changing the FAA's high density traffic airports rule now currently in force at O'Hare. The other airports covered by the measure are Kennedy International and La Guardia in New York and National in Washington, DC.

Mr. Speaker, since 1969, the Federal Aviation Administration has limited the number of scheduled passenger jet flights at the four heavily used airports to prevent excessive delays. The limits have changed over the years and now vary from 37 flights per hour at National to an average of 120 per hour at O'Hare.

According to Jeffrey Shane, an Assistant Secretary of Transportation, the justification for the rule today is largely the same as in 1969: the capacity of these airports, measured primarily by calculation of engineered performance standards, will not support additional operations without an increase in airport noise, an unacceptable level of delays, and an adverse impact on the flying public. He also testified that the rule provides a systematic way of constraining air traffic demand to the capacity of the subject airports by limiting the number of landing and takeoff slots during certain time periods and their distribution by hourly or half-hourly period to the available capacity for each airport.

The bill would eliminate the slot limits over 18 months, and during that time, would add more slots for new entrants and prohibit airlines from buying and selling slots.

Under the legislation, the number of operations at each of the four airports would increase by up to 5 percent within several months and could require the removal of all operational limits within 18 months. The Federal Aviation Administration believes this increase would immediately and noticeably worsen air traffic delays at O'Hare, La Guardia, and Kennedy. For the record, La Guardia is first, O'Hare is second, and Kennedy is fourth on the list as the worst airports for operating delays among all major U.S. airports; 30 percent of the air traffic delay at all U.S. airports occurs at these three airports even though they account for only 4 percent of total system operations. O'Hare alone accounts for over 16 percent of all air traffic delays nationally, although delays at O'Hare, following efforts by the FAA, have decreased by 15 percent for the last 6 months of this year. Shane told the committee that we should not lose the ground we have gained by eliminating the rule or increasing the number of slots without believing that we are equipped to handle the resulting increases in traffic. He also said that each of these airports is a key facility in the national airspace system. As an example, he said, if departures are delayed at O'Hare, those flights will arrive late at destination airports, delaying connecting flights and continuing flights out of those airports.

Mr. Speaker, even a 5-percent increase in operations at these airports, including O'Hare, will exacerbate the already high level of delays and generate additional delays and flight cancellations at other major airports by the ripple effect of the original delays cascading through the system, according to Shane.

The Transportation Department's simulations indicate that even under ideal weather conditions, a 5-percent increase in operations would generate increases in delays of 13 to 18 percent. Poor weather would raise the delay increase to 37 percent.

It is also important to recognize that the removal or easing of the high-density rule would increase airport noise at the airports, including O'Hare which is located in my district. Shane said the high-density rule effectively places an upper limit on aircraft noise at the affected airports by limiting the total number of aircraft operations. He said, in Chicago, aircraft noise and the number of operations at O'Hare are highly sensitive issues.

Mr. Speaker, I wholeheartedly support that statement and can say, with no hesitation, it is right on the mark with my constituents.

Shane also told the committee that the Federal Aviation Administration would need to comply with the National Environmental Policy Act with respect to the environmental impacts of altering the high-density rule. He said the need to assess both noise and air quality impacts can be anticipated from increasing the number of flights. A 5-percent increase in air carrier operations could have a significant environmental impact.

According to newspaper reports, this legislation would be especially helpful to airlines in the West which want to get a bigger share of the Washington and New York markets. I am for competition, but not at the expense of those who live in the area of O'Hare. And this legislation would have an extremely damaging impact on the residential area around O'Hare Airport. That is why I oppose it.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present I would have voted "aye" on rollcall No. 262, No. 264 and "nay" on rollcall No. 263, No. 265, and No. 266.

H.R. 5353, SAVINGS AND LOAN REFORM ACT—CONTINUED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Speaker, I yield to the gentleman from New Hampshire.

Mr. DOUGLAS. As I was saying, the rollcall will reveal that not a single Democrat, not a single one, voted for my amendment, and I would point out that all but one Republican on the committee voted for it.

I think the reason is very clear. The separation of powers argument, as I think the gentleman from Pennyslvania knows, is totally specious. If the House is saying to Members of the House and the Senate, if the bill goes to the President's desk, we as the legislative branch are directing our ethics committees to turn these files over, we should not have anything to hide. Any request, all requests, any files, that is. As the gentleman from Kansas knows, it is impossible for a special counsel to know what is in the files. The files are sealed.

Mr. WALKER. Reclaiming my time, the reason why I have somewhat of a problem with this idea of the separation of powers issue always coming into play whenever Congress stands to be investigated by the Justice Department is because we constantly investigate the executive branch up here.

We subpoena their records into our committees. We go down and issue subpoenas to literally rummage through their files. I have served on the Committee on Government Operations subcommittee where we ask the agency involved to allow us to come down and rummage through their files to see whether or not we can find anything.

Now, under the separation of powers, if that were in fact a real way in which we operate, we would not be doing those kinds of things. The fact is we do it all the time.

But whenever Congress appears to be in jeopardy of the Justice Department looking at things that may have taken place on Capitol Hill that were illegal, we all of a sudden find separation of powers.

We ought not allow any Justice Department investigators to take a look at our internal files.

We do not even cover ourselves under the Freedom of Information Act. We say flatly that does not apply to us.

Mr. Speaker, I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Speaker, we all want to get at the savings and loan scam, the scandal. It is a disgrace. All of us want to get it investigated.

I think the gentleman ought to be aware of what the gentleman's amendment was.

The gentleman's amendment was any request, for any information, any documents contained by the House Ethics Committee, relevant, not relevant, valid, not valid, would be available to the Justice Department.

Mr. WALKER. Let me say to the gentleman I have been a part of committee actions where we have made exactly that kind of request of the executive department.

Mr. GLICKMAN. Except the doctrine of executive privilege does protect the President and the things that he does.

Mr. WALKER. On many occasions in this House we have abandoned executive privilege and said that the President has no right to claim executive privilege on documents. We have upheld that in committees of the House and held people in contempt for having claimed executive privilege.

Mr. GLICKMAN. On other occasions the courts have upheld the doctine of executive privilege.

Mr. WALKER. No. I will say to the gentleman, I will say that on many occasions the courts have said, "We won't touch that because that does involve the separation of powers issue. So it is a political issue between the bodies involved, so therefore we don't want to get into it."

Mr. GLICKMAN. That is my point.

Mr. WALKER. That is what has protected—protected the Congress on many occasions, when the executive branch really wanted documents from Capitol Hill and where we have denied them the courts have said, "We won't touch that." So thereby what we have done is protected Congress' ability to hold secret things that they think may be damaging to it. We do that all the time.

Yet on the other hand we will leap into the executive department's executive privileges without any hesitation at all in many of our committee actions.

□ 2050

Mr. DOUGLAS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Hampshire.

Mr. DOUGLAS. Is there not a distinction, then, between if the Presient or an executive branch official asks for these files, such as the Jim Wright file, versus Congress in a law saying "We authorize you ask, and we will tell our committee to give." That does not violate the separation of powers. It is Congress doing it to itself. It is not an order for another branch. Does the gentleman feel that that is the distinction that makes this amendment proper?

Mr. WALKER. It seems to me we have the right to say we are willing to have ourselves investigated as a part of all this.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I do not have any objection to having ourselves investigated. The gentleman is the ranking member of the Committee on Science, Space, and Technology and a very valuable member. If somebody, no matter who, went on a fishing expedition and told the committee to turn over all documents, records, personnel records, legislative records, to the Justice Department without the committee even meeting and talking about this, if it was relevant to some investigation, the committee would say no and the gentlemen would say no.

Mr. WALKER. Let me say I think the gentleman's amendment, though, referred specifically to the acts that special prosecutor was involved in. The gentleman was specifying a particular mandate for the special prosecutor, and all he was saying was that this special prosecutor would have the right to request files that might be important to his case here on Capitol Hill.

REPEAL THE GRAMM-RUDMAN-HOLLINGS ACT

The SPEAKER pro tempore (Mr. COSTELLO). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I am reintroducing a bill today that would repeal the Gramm-Rudman-Hollings Act. I have opposed this ill-advised law since it was first proposed—it is a dangerous and irresponsible farce, conceived in a spate of political expedience, and perfected in an atmosphere of panic and coercion. It has caused the current budget stalemate because it assumes that if you cut spending, you will balance the budget. Well, we have cut spending, and the budget is far from balanced. As long as the administration and others remain opposed to the reality that significant tax increases are needed in addition to spending cuts, the stalemate will continue. It is time to return to true fiscal accountability and to repeal the Gramm-Rudman budget obfuscation law.

There have been many bizarre and irrational effects of this law—it requires activities that are self-supporting and profitable to be cut, even though the result actually has been to increase the deficit; while it protects certain entitlements, it reduces administrative resources necessary to implement those entitlements;

although it treats some retirees generously, it denies fair treatment to others. Our experience with Gramm-Rudman over the past few years confirms the fears of those of us who opposed it. It has not brought us closer to a balanced budget, but has only created secrecy in government and budget by misrepresentation—where reason and full disclosure of the true nature of the Government's assets and liabilities have been replaced by gimmickry and "cooked books."

The Gramm-Rudman Act was a bad idea because it established a system where appropriations acts are undone by acts that are less than laws, acts that themselves are of dubious constitutionality. Further, it was passed by Congress and enacted into law without public hearings being held, which is a complete subversion of the American Government process. It is bad policy because it does not distinguish in any way between activities that are worthwhile, essential, and even basic to Government function, as opposed to activities that may be of less value, virtue or soundness; it replaces judgment with rigid formulations; it undermines even such basic functions as law enforcement and tax compliance, because cuts it requires can be made in no other way. It is bad policy because it undermines and undercuts the whole of the defense establishment, without regard to national security or any other consideration. This year, particularly, since the issuance of the January 29 hit list for the Department of Defense, we are seeing more than ever the devastating effects on national security of the Gramm-Rudman Act, where cuts are being made helter-skelter without open debate and reasoned basis for action—compromising our national security. Gramm-Rudman repeals the process of reason, judgment, and responsibility, and replaces them with a rigid, unreasoned, and unyielding economic fantasy—a fantasy that assumes the long discredited fairy tale of voodoo economics is true after all. This leads me to believe that the bill was drafted in bad faith because it promises what cannot be delivered, at least on the terms its authors and supporters claimed—a fact that they knew but denied.

The last two administrations have changed their budget estimates to hide the impact of Gramm-Rudman. We have seen that the arithmetic does not work, while the administrations steadfastly denied this basic reality. The administrations continued to deny both their own responsibility and to refuse to provide leadership, even to their own partisans. The Budget Office has redoubled its usual smoke and mirrors effort to disguise the failures of the administrations' fiscal programs, and rationalize away the real cause—which is voodoo economics.

Following the first cuts under the act, Congress set out to exempt various programs from potential across-the-board sequestration. Such actions may have served to correct some particularly bizarre or inequitable results. However, they have provided no solution to Gramm-Rudman's unreasoning rigidity, because ultimately the burden of cutting the deficit falls even more heavily on the remaining nonexempt programs, regardless of their merit.

Even without problems regarding the allocation of cuts, slavish adherence to Gramm-Rudman's compulsory deficit ceilings is unwise, if not impossible. During the fall of 1986, Congress and the administration nominally followed the act's fall-back procedures to comply with Gramm-Rudman's fiscal year 1987 deficit of nearly $170 billion—and even then it was necessary to utilize several nonrecurrent sources of revenue, such as Federal asset sales and a 1-year revenue hike resulting from the enactment of the Tax Reform Act of 1986, to reach the deficit level that was achieved. Later on, even such outspoken proponents of deficit reduction as former Federal Reserve Board Chairman Paul Volcker and the current Federal Reserve Board Chairman Alan Greenspan expressed concern that Gramm-Rudman's deficit targets may be unreachable and foolish.

We in Congress cannot evade our responsibility to establish a responsible and workable national policy. Neither can the President, but Gramm-Rudman seeks to do that by substituting dogma for thought, formula for policy, and providing mass suicide for all who are blind enough to embrace it. This law does not serve the American people; it undermines their most basic needs, from health to highways, law enforcement to urgent scientific research, from education to air traffic control. This law does not create responsibility, it abdicates responsibility. It ought to be repealed.

The Federal budget plays a critical role in the country's social, military, and economic health, serving as a kind of balance wheel. When inflation threatens, the budget should be close to balanced; but when recession occurs, Federal spending can help stimulate the economy. Gramm-Rudman has badly warped that balance wheel. It is time to repeal Gramm-Rudman and return to rational, if difficult, methods of establishing a responsible Federal budget. It is time to repeal that law and restore the procedural flexibility that is essential to the development of a responsible Federal budget. That is what my bill will do.

THROWING STILL MORE AWAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, last week I told you of a hearing which I chaired on the 7th of last month which delved into the issue of the Japanese patent system. Through the testimony of representatives from Therma Systems & Fusion Systems Corp., it was demonstrated that Japan's patent process is not a means of protection for inventors. Rather, it serves as a data base where the elite of Japan's mega-corporations siphon off the talents of others for future competitive advantage.

Recall Therma Systems, who, after a concerted and initially successful penetration of the Japanese market, found itself cut off from the market that they had developed. The apparent reason for this cutoff was that the Japanese company that first assisted in Therma Systems market entry, AIM, part of the giant Mitsui Sogo Sosha—trading company—was simultaneously furnishing another of Mitsui's companies with the information necessary to engineer a virtually identical product.

The end result, not surprisingly, was the termination of the business relationship.

I also related the story of Fusion Systems and its experiences with sashimi patents. Ms. Nancy Chasen, the witness who testified on behalf of this company spoke about the frustrations that occur when one tries to disturb the natural order of big business domination in Japan. Simply having a better product or being a pioneer in your given field is no guarantee of success. In Japan, you also must be willing to sacrifice large amounts of time and effort defending your product from a deluge of patents. These patents either encircle technology or copy it outright, while at the same time maintaining that they were the result of independent research and development.

Americans should know that outside competition does not translate well into Japanese.

Today I would like to finish my summary of this hearing by presenting portions of the testimony from two other corporate representatives who appeared at this June 7 session—Mr. R. Terren Dunlap of Go-Video Inc. and Ken Cole, the vice president for government relations of Allied-Signal Inc. Both firms also have experienced significant difficulty with many of the Japan's business practices.

Go-Video, Inc., has come face to face with Japan's industrial monster. As some may remember, I have spoken about Go-Video on previous occasions. A recap of its story is very useful, however, in examining the environment that exists for American companies which challenge Japan on what it perceives as its turf. In the case of Go-Video, the industry is electronics. America is fortunate that this independent producer has had the tenacity to take on Japan's giants and the courage to speak publicly about trade frustrations. As a guest of the committee hearing on the seventh, Mr. R. Terren Dunlap, Go-Video's chief executive officer, related the story of his company to many eager listeners. Let me read some excerpts from his testimony.

The U.S. electronics industry is in trouble. BIG trouble.

In the past decade Americans have purchased 80 million VCRs, and for the past five years have been snapping them up at the rate of one million per month, or 33,000 per day. Thirty-three thousand VCRs per day . . . and not one of them designed, engineered, or manufactured in the United States. Not one! Not even any VCR components. Yet this is one product—the VCR—is

responsible for $5 billion of the U.S. trade deficit every year.

Did you know that VCR technology was invented in the United States? It's a fact! In the 1960s, DuPont invented Mylar polyester film, what we call videocassette tape . . . then Ampex developed the videotape recorder. But in 1975, VCR technology was completely taken over and exploited by Japanese manufacturers. . . .

Whatever happened to all the American consumer electronics companies, companies that made products you and your families grew up with? Remember Admiral? Ceased manufacturing. And Emerson? Ceased manufacturing. Quasar? Sold out to a Japanese company, Matsushita. Magnavox? Sold out to another Japanese company, Phillips, Sylvania and Philco? Sold to the same company, Phillips. And here's one for you, RCA . . . sold to GE in '86, then in '87 it and GE Consumer Electronics were sold to Thomson of France. [Phillips is European.]

And who's doing the manufacturing these days? Japanese companies every one, that's who! Toshiba and Hitachi for Sears. Matsushita for Penneys. Sanyo for Fisher. Are there ANY major manufacturers of VCRs, TVs, radios, fax machines, telephones and cameras in the U.S.? No. Almost 100% are foreign made, virtually ALL Japanese. . . .

It's a fact that not one single videocassette recorded is currently manufactured in the U.S. How did this happen? Through an open arms policy of free exchange of technology and ideas, American inventors gave Japanese companies such as Sony and JVC access to the videotape recorder. Now they own it!

The good news is, Go-Video, a publicly owned American company, has developed an invention that will revolutionize private television communications, can provide thousands of jobs in the U.S., and put America back into the billion-dollar consumer electronics market. Go-Video, based in Scottsdale, Arizona, has been granted a U.S. patent on a dual-deck videocassette recording system. The applications for business, education, government and home entertainment are astounding.

The bad news is, Go-Video has had to run a terrible gauntlet to get our product, the VCR-2*, to market.

This is the VCR-2*, the first significant American-designed and engineered consumer electronics invention over the past 15 years. The plot to stop the dual-deck VCR is a case study in Japanese domination of an industry through illegal activities. The so-called "Japanese Miracle" has been accomplished over and over by the reformation of the Japan pre-war zaibatsu, which secure advanced technology from American companies under the guise of cooperation—then eliminate all competition through patent pooling, dumping, and complete disregard for antitrust laws in both countries. Time does not permit my detailing all the schemes that the zaibatsu have employed over the past seven years to block the introduction of the dual-deck VCR, but let me give you a brief history.

In 1984, after exhaustive research and development, we filed for patents in the U.S. and Japan on the dual-deck system. At that time we learned that no VCRs were made in the U.S. and that all companies are dependent upon the zaibatsu for manufacturing. Invited by NEC, we went to Tokyo to meet with company executives in January of 1985. We believed it was a "good faith" business meeting, but later discovered from news reports that NEC apparently had other intents and purposes. As members of the Electronics Industry Association of Japan, they had entered a "voluntary restraint agreement" not to manufacture or sell component parts, and, collectively, to boycott our dual-deck, VCR, the VCR-2*, and prevent it from being offered for sale in our own country. Thus ringleaders of the E.I.A.J.—NEC, Sony, Panasonic, Sanyo, JVC, and Sharp—effectively denied Americans the "choice" of what VCR features they could purchase. The "Samurai Six" simply siad "No" to dual-deck VCRs for American consumers.

Yes, in trying to introduce a new electronics product to the American marketplace, Go-Video learned first-hand the insidious threat of the Japanese cartels, and thanks to ever-increasing publicity in national publications like Time, Newsweek, the Wall Street Journal, the Washington Post and many others, more and more Americans are waking up to just how dangerous and pervasive the threat really is. But important as public awareness is, only you, the Congress—by cracking down on the illegal Japanese cartels—can squash the threat.

You see, the American electronics industry, like others around the world, has fallen prey to such Japanese cartel practices as price-fixing, patent and technology pooling and other illegal trade practices. The cartel meets regularly to decide collectively what products American consumers will be allowed to have. ALLOWED to have. In these secret meetings, they and they alone choose which companies in Japan will make those products for American households. Your households, and those of your constituents. Their intent is to eliminate all competition (a basic American freedom!), to destroy our pride and independence, to control our freedom of choice and to eradicate American industry's pioneering spirit. . . .

□ 2100

That is the end of Mr. Dunlop's statement. I might add, Mr. Speaker, that Go-Video has fought heroically, but the fight is not yet won. What is plain to see, however, is that the Government of Japan, has, in collusion with its large business interests, done whatever it can to ensure success for Japan. Mr. Speaker, this Government should adopt a similar attitude. Japan is aware of what it at stake. We, for the most part, remain unaware. America must step forward and call these tactics of delay, multiple patenting and economic extortion to account.

This final company whose testimony was received that day was Allied-Signal. Many of us are familiar with the battles that Allied-Signal has fought. In February I recounted to you the story of Allied-Signal as it launched its fight against unfair trade practices in Japan. I would like to share with you just a few of the statements that were offered by the company's vice president for government relations, Mr. Ken W. Cole.

His remarks place this entire issue in the proper perspective. When speaking specifically about the Allied-Signal product that is so much in question, metglas, he states very succinctly,

Unless Japanese markets are opened to Metglas alloys now, a familiar pattern will have been established that will be impossible to break. We must establish the rules now or, for American companies that invest to compete in the global market with advanced technologies, the game will be over before it ever began.

These remarks need not apply to Allied-Signal or to amorphous metal alloys such as Metglas. They are universal in application. This country must compete, and succeed if there is to be a meaningful future for all Americans. As a nation we must achieve a consensus in industrial policy and move forward to develop effective means of meeting the challenges from abroad that threaten America's economic well-being. We can, and must, meet these challenges.

The theme that rings true in all of these issues is corporate courage.

The world of international business as we know, is often ruthless. Companies are engaged in a struggle for market share and as anyone involved in this struggle will tell you, the stakes are high, not only in terms of financial costs, but in human terms as well. Across the world, millions of jobs are dependent on the success or failure of international ventures. Understanding all of this, whistleblowers like Allied-Signal or any of the others should be commended for their efforts to bring the cloak and dagger world of business in Japan to light.

I might point out at this juncture that, if Japan had allowed the filing of the patent of Metglas when it was filed in all of the other countries around the world, that the Japanese consumers would have saved a total of some $675 million a year on their electrical bills, and Japan would not have had to have built 2,750 megawatt nuclear powerplants, but their consumers continue to get ripped off because of that country's apparent desire to control everything. I also want to point out that it is about time, now that the time is expired, the deadline has expired of the Special Trade Representative's office of this country, giving Japan time to take some action to purchase the amorphous metals alloy or not to hold down Allied Signal over there anymore. We will have to check on that later this week.

On many occasions, I have reminded this body of indiscretions in Japan's business practices. Therefore, in the context of the structural barriers in Japan that I have been discussing, I would like to highlight a very recent squabble between the Mid-Atlantic Toyota Distributors, Inc. and Toyota Motor Sales USA Inc., which, although not specifically related to the issue of intellectual properties, is a classic example of questionable business practices which have been artfully exposed.

I might note that Mid-Atlantic is a Maryland company located in the district of the gentleman from Maryland

[Mr. MCMILLEN], and this action that we are going to discuss here also relates how this country allows a foreign company like Toyota to come in here and to vertically integrate in what we would consider an antitrust violation while we do not allow American companies to do the same.

□ 2110

Toyota has become an everyday fixture in American life. But it was not always this way. Many of us remember when Toyota vehicles were simply an afterthought in the minds of automotive enthusiasts. What was the key that freed Toyota from the land of the second rate vehicles? It was the work of American distributors who, through their long hours and hard work brought Toyota into the mainstream of automobile sales.

Toyota's reward for this dedication; a systematic effort to eliminate these distributors from its sales network. For Mid-Atlantic, this day of reckoning has arrived. As part of an agreement in 1987, Toyota is moving to Japanize its United States operations. I would like to submit an article today which explains this situation in great detail and points to the injustices which are being performed.

Mr. Speaker, I would like to submit an article today which explains the situation in great detail and point to the injustices which are being performed.

This article notes, and I will just read a little part of it, that Mid-Atlantic wants to take its battle against the California based Toyota Motor Sales to the Halls of Congress; however, Toyota forced this company to sign an agreement 2 years ago which said that they cannot do that. The Glen Burnie, MD, company says that Toyota is violating the Maryland company's first amendment rights.

The suit seeks to nullify a so-called gag clause in a 1987 distributorship agreement between the two companies that bars MAT, that is the Mid-Atlantic Co., the American company, from attempting to obtain, directly or indirectly, any political or legislative actions—Federal, State, or local—contrary to any business objectives of Toyota.

It says,

In effect, Toyota has taken the alarming step of forbidding American citizens from informing elected representatives about Toyota, said Birch Bayh, a former U.S. senator from Indiana who is now a partner with the Washington law firm of Rivkin, Radler, Dunne & Bayh and represents MAT.

I would specifically emphasize what I believe to be the unconstitutionality of Toyota's activities. It is very clear that Toyota wishes to do nothing other than eliminate the American stake in their operations. Is it too much for them to accept that Americans might be receiving even a small percentage of the billions in Toyota sales in this country every year?

I am particularly concerned by the so-called gag order which takes away Mid-Atlantic's right to seek assistance from the legislators which represent them. What this agreement reminds me of is a hostage being forced to sign a list of admitting to crimes that were not committed while a terrorist holds a gun to his head. Let us all look at this case with great interest and hope for a positive outcome. America should not accept this form of extortion.

Mr. Speaker, corporate courage will become more evident in the future. The pioneers of this courage are those who, in the face of serious consequences have the will to bring the stories of their frustrations to light. These companies, Therma-Systems, Go-Video, Allied-Signal, Fusion-Systems, and Mid-Atlantic Toyota Distributors, have hit upon a vital consideration for all American business that works in or with Japan; that all the competitive ability in the world is sometimes no match for the inherent biases of a given system of government working hand in hand with business and controlling what they do.

Those of us in the U.S. Government have an obligation to repay the sacrifices that these firms are willing to make. We must not let these sacrifices go unremembered. This Government really must come together on trade and economic policy. We must stand up for America's economic interests. We must ensure that future generations may glimpse the light of prosperity that we have enjoyed for so long.

Mr. Speaker, I will Include this entire news article on Toyota, as follows:

[From the Baltimore (MD) Sun, July 6, 1990]

MARYLAND IMPORTER SAYS TOYOTA VIOLATES ITS RIGHTS

(By Ted Shelsby)

Mid-Atlantic Toyota Distributors Inc., a big distributor of imported cars, wants to take its battle against being taken over by California-based Toyota Motor Sales U.S.A. Inc. to the halls of Congress.

MAT, as the Glen Burnie company is commonly called, announced yesterday that it had filed suit in U.S. District Court in Los Angeles charging Toyota with violating MAT's First Amendment rights in its attempt to take over the Glen Burnie company.

The suit seeks to nullify a so-called gag clause in a 1987 distributorship agreement between the two companies that bars MAT from attempting to obtain, directly or indirectly, any political or legislative actions—federal, state or local—contrary to any business objectives of Toyota.

"In effect, Toyota has taken the alarming step of forbidding American citizens from informing elected representatives about Toyota," said Birch Bayh, a former U.S. senator from Indiana who is now a partner with the Washington law firm of Rivkin, Radler, Dunne & Bayh and represents MAT.

MAT's lawyers contend that Toyota coerced MAT into signing the 1987 agreement.

Among other things, the agreement called on MAT to take good-faith efforts to counter the negative impact of political and legislative activities at the time, including House Bill 1399, which proposed requiring that all Japanese automakers distribute their cars through U.S. distributors such as MAT.

That bill was defeated, said Paul F. Strain, another attorney representing MAT, when the Maryland company withdrew its support for the legislation.

The MAT suit is the second in as many weeks for the company, which was started about 20 years ago by its current chairman, Frederick R. Weisman, MAT also went to Baltimore federal court last week in an effort to stop the takeover.

Mr. Strain said he, other lawyers and MAT officials are limited by the 1987 agreement's gag order in discussing any strategy to fight Toyota's takeover bid. "All I can say is that when we win the right to go to Congress and tell them what has been happening, we plan to do it effectively," he said.

Mr. Strain, who is with Venable, Baetjer & Howard, said MAT was in the position of having to sign the 1987 agreement or face the risk of shutting down.

He explained that the company was faced at the time with an existing agreement that was to expire in six months, "and if it was not renewed, they [MAT] would be finished."

Mindy Geller, a spokeswoman for Toyota Motor Sales U.S.A., which has its headquarters in Torrance, Calif., said yesterday afternoon that she was not aware of MAT's latest legal action and that she could not comment.

The new lawsuit came on the same day that Toyota released a short statement saying MAT had confirmed in writing that it would cooperate and work with Toyota in implementing its acquisition of the Glen Burnie concern.

In the release, Toyota said it expects to complete its acquisition of MAT by Oct. 1.

MAT's legal action against the giant Japanese car manufacturer comes as leaders from Japan and six other industrialized nations convene in Houston for an economic summit at which they will discuss trade and other issues.

In last week's legal action, MAT sought to stop the takeover and charged Toyota with willingly, intentionally and deliberately defrauding it of profits to which it was entitled. MAT also charged Toyota with fraud and false sales-reporting practices and is seeking damages of more than $400 million. Earlier this week, that suit was moved to a federal court in Los Angeles.

MAT distributes cars to dealers in Maryland, Delaware, Virginia, Pennsylvania, West Virginia and the District of Columbia.

It identifies itself as one of Maryland's 10 largest companies. The privately owned company posted sales of more than $1.2 billion last year and has about 500 workers.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and

extend their remarks and include extraneous material:)

Mr. DOUGLAS, for 5 minutes, today.

Mr. WALKER, for 5 minutes, today.

(The following Members (at the request of Mr. STENHOLM) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROWN of California prior to the introduction of the Gejdenson amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:

Mr. CLINGER.

Mr. PORTER in four instances.

Mr. ROS-LEHTINEN in two instances.

Mr. MCCOLLUM.

Mr. ARCHER.

Mr. STANGELAND.

Mr. SUNDQUIST.

Mr. WYLIE.

Mr. MILLER of Washington.

(The following Members (at the request of Mr. STENHOLM) and to include extraneous matter:)

Mr. MCNULTY.

Mr. HAMILTON.

Mr. MCHUGH.

Mr. HALL of Ohio.

Mr. MONTGOMERY.

Mr. MRAZEK.

Mr. PALLONE.

Mr. KANJORSKI.

Mr. MORRISON of Connecticut.

Mr. TRAFICANT.

Mr. FROST.

Mr. NELSON of Florida.

Mr. ROSTENKOWSKI in three instances.

Mr. MATSUI.

Mr. BATES.

Mr. THOMAS A. LUKEN.

Mr. FASCELL.

Mr. SKELTON.

Ms. PELOSI.

Mr. TALLON.

Ms. OAKAR.

Mr. BARNARD.

Mr. TORRES.

Mr. CARDIN.

Mr. NOWAK.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2606. An act for the relief of Conwell F. Robinson and Gerald R. Robinson; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2843. An act to establish the Tumacacori National Historical Park in the State of Arizona.

ADJOURNMENT

Mrs. BENTLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 9 o'clock and 16 minutes p.m.), the House adjourned until tomorrow, Thursday, July 26, 1990, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first and second quarters of 1990, as well as the calendar year 1989 report for a miscellaneous group of the the U.S. House of Representatives, in connection with foreign travel pursuant to Public Law 95-384, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Charles Hilty	1/25	1/28	Hong Kong	4,919.70	630.00						630.00
	1/28	2/3	India	11,519.20	680.00						680.00
	2/3	2/5	Sri Lanka		162.70						162.70
	2/5	2/7	Hong Kong	3,280.60	420.00						420.00
Staff delegation other expenses									46.76		46.76
Commercial transportation							3,453.47				3,453.47
Anita R. Brown	1/27	1/28	Hong Kong	1,640.10	210.00						210.00
	1/28	2/1	India	6,945.40	410.00						410.00
	2/1	2/4	India		320.00						320.00
	2/4	2/7	Indonesia	916.655	507.00						507.00
	2/7	2/8	Hong Kong	1,640.10	210.00						210.00
Commercial transportation							3,549.00				3,549.00
Hon. Edward R. Madigan	1/3	1/7	Singapore	1,242.06	657.00						657.00
Codel Madigan	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							3,231.54				3,231.54
Hon. Robert F. Smith	1/3	1/7	Singapore	1,242.06	657.00						657.00
	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							2,735.26				2,735.26
Diane Liesman	1/3	1/7	Singapore	1,242.06	657.00						657.00
	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							3,232.00				3,232.00
Jacqueline Parke	1/3	1/7	Singapore	1,242.06	657.00						657.00
	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							3,232.54				3,232.54
Codel Madigan other expenditures			Hong Kong			14,132	1,809.24				1,809.24
Hon. E de la Garza	1/14	1/17	Mexico		304.00						304.00
Military transportation							1,094.71				1,094.71
Marshall Livingston	1/14	1/17	Mexico		304.00						304.00
Military transportation							1,094.71				1,904.71
Xavier Equihua	1/14	1/17	Mexico		304.00						304.00
Military transportation							1,094.71				1,094.71
Hon. E. Thomas Coleman	1/5	1/11	United Kingdon		1,156.00						1,156.00
	1/11	1/13	Czechoslovakia		392.00						392.00
	1/13	1/17	Austria		748.00						748.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1990—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Military transportation							5,055.38				5,055.38
Hon. Tom Lewis	1/12	1/14	Switzerland		616.25						616.25
Commercial transportation							2,647.00				2,647.00
Daniel Brinza	1/12	1/14	Switzerland		616.25						616.25
Commercial transportation							2,420.00				2,420.00
Committee total					15,858.20		34,649.56		46.76		50,554.52

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

E de la GARZA, Chairman, June 29, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Mark Constantine	3/31	4/4	Montreal, Canada		508.00		202.40				710.40
Gary Parker	3/31	4/4	Montreal, Canada		[3] 508.00		202.40				689.57
Robert Browne	4/30	5/5	New Delhi, India		765.00		3,524.00				4,289.00
Steve Horblitt	5/20	5/24	Port au Prince, Haiti		505.00		461.00				966.00
Gary Parker	5/24	6/2	Abidjan, Ivory Coast		[4] 1,971.00		2,410.00				4,392.00
Robert Browne	5/25	6/1	Abidjan, Ivory Coast		1,533.00		2,859.00				3,286.00
Dennis Kane	5/29	6/2	Abidjan, Ivory Coast		876.00		2,410.00				4,161.00
Committee total					6,425.17		12,068.80				18,493.97

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Per diem returned, $20.83.
[4] Per diem returned, $220.

HENRY B. GONZALEZ, Chairman, July 10, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Paul E. Kanjorski	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
W. Robert Hall	4/7	4/14	West Germany	2,324.23	1,368.00		139.29				1,507.29
Commercial transportation							592.00				592.00
Karen M. Feather	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
Alex Rogers	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
Jeff Schaffner	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
Kristin Gilbert	4/7	4/13	West Germany	1,996.33	1,175.00		139.29				1,314.29
Commercial transportation							602.00				602.00
Committee total					9,727.00		4,157.74				13,884.74

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

WILLIAM D. FORD, Chairman, July 5, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Archer	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
Commercial transportation							245.00				245.00
Military Transportation							2,133.24				2,133.24
Hon. Thomas Downey	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Commercial transportation							398.00				398.00
Military transportation							465.32				465.32
Hon. Bill Frenzel	4/5	4/6	Canada		89.95						89.95
	4/6	4/11	United Kingdom		1,115.00						1,115.00
	4/11	4/13	Greece		528.00		84.64		178.16		790.80
	4/13	4/17	Marrakesh		588.00						588.00
Military transportation							3,485.31				3,485.31
Hon. Barbara Kennelly	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Raymond McGrath	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Jim Moody	4/9	4/11	Yugoslavia		275.00						275.00
	4/12	4/13	Bulgaria		402.00						402.00
Commercial transportation							2,672.00				2,672.00
Hon. Jim Moody	4/4	4/6	Turkey		366.00						366.00
Commercial transportation							675.00				675.00
Hon. Dan Rostenkowski	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Dan Rostenkowski	4/8	4/9	Switzerland	321.30	275.00						275.00
	4/9	4/13	Poland		693.58						693.58
	4/13	4/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Hon. Marty Russo	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Richard Schulze	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Fortney H. Stark	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,462.84				2,462.84
Commercial transportation							736.80				736.80
Hon. Guy Vander Jagt	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Charles M. Brain	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Meredith Broadbent	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
James Clark	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Virginia Fletcher	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Virginia Fletcher	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Robert J. Leonard	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Janice Mays	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Charles Mellody	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Charles Mellody	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Thomas Sneeringer	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
George Weise	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
George Weise	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Mary Jane Wignot	4/1	4/7	Switzerland	1,940.80	1,290.00		2,501.80				3,791.80
Committee total					51,830.18		152,370.91		7,742.81		211,943.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN ROSTENKOWSKI, Chairman, July 18, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, U.S. EUROPEAN PARLIAMENT INTERPARLIMENTARY EXCHANGE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. William Clinger	9/22	9/24	Los Angeles		360.00		692.16		24.30		1,076.46
Hon. Dr. James D. Ford (chaplain)	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Bill Frenzel	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Sam Gibbons (cochairman)	9/22	9/24	Los Angeles		180.00		692.16				872.16
Hon. Benjamin A. Gilman (cochairman)	9/22	9/24	Los Angeles		180.00		692.16		19.80		891.96
Hon. Robert J. Lagomarsino	9/22	9/24	Los Angeles		360.00		692.16		10.75		1,062.91
Hon. Tom Lantos (chairman)	9/22	9/24	Los Angeles		180.00		692.16		14.70		886.96
Hon. Bob McEwen	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Donald Pease	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Thomas C. Sawyer	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Bill Richardson	9/22	9/24	Los Angeles		360.00		692.16		15.16		1,067.32
Hon. William Thomas	9/22	9/24	Los Angeles		120.00		692.16				812.16
Hon. Esteban E. Torres	9/22	9/24	Los Angeles		360.00		692.16		82.51		1,134.67
Hon. Guy Vander Jagt	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Julie Armstrong	9/22	9/24	Los Angeles		360.00		692.16		26.51		1,078.67
Hon. Robert K. Boyer	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Elizabeth Daoust	5/2	5/5	Los Angeles		614.51		[3] 472.80				1,087.31
	8/4	8/5	Chatauqua		46.00		[3] 199.00				245.00
	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Michael Ennis	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Beth Ford	9/22	9/24	Los Angeles		360.00		692.16		13.72		1,065.88
Frank Phifer	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Katherine Wilkens	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Russell Wilson	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Interpretation expenses									5,750.09		5,750.09
Ground transportation									5,603.48		5,603.48
Official delegation function									29,185.39		29,185.39
Official delegation expenses, 32d meeting (Paris, Jan. 6–10, 1989).									457.59		457.59
Committee total					7,800.51		15,227.52		41,204.00		64,903.83

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial.

TOM LANTOS, Chairman, Apr. 26, 1990.

EXECUTIVE COMMUNICATIONS, ETC.

3620. Under clause 2 of rule XXIV, a letter from the Administrator, General Services Administration, transmitting a copy of a construction prospectus for the Federal Bureau of Investigation, Washington Field Office in Washington, DC, pursuant to 40 U.S.C. 606(a), was taken from the Speakers table and referred to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Select Committee on Children, Youth, and Families. Children's Well-Being: An International Comparison. (Rept. 101-628.) Referred to the Committees on Education and Labor and Foreign Affairs and ordered to be printed.

Mr. HALL of Ohio: Committee on Rules. H. Res. 441, a resolution waiving certain

points of order during consideration of the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes (Rept. 101-629). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. H.J. Res. 7. Joint resolution to repeal an obsolete joint rule of Congress (section 132 of the Legislative Reorganization Act of 1946, as amended) relating to sine die adjournment of Congress (Rept. 101-630). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

H.R. 4115. A bill to authorize appropriations for certain ocean and coastal programs of the National Oceanic and Atmospheric Administration; referral to the Committee on Science, Space, and Technology extended for a period ending not later than August 31, 1990.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BENTLEY (for herself, Mr. GAYDOS, Mr. TORRICELLI, and Mr. HUNTER):

H.R. 5361. A bill to remedy the serious injury to the U.S. shipbuilding and repair industry caused by subsidized foreign ships; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. CHANDLER (for himself and Mr. ARCHER):

H.R. 5362. A bill to amend the Internal Revenue Code of 1986 to simplify the application of the tax laws with respect to employee benefit plans, and for other purposes; to the Committee on Ways and Means.

By Mr. COLEMAN of Texas (for himself and Mr. BUSTAMANTE):

H.R. 5363. A bill to establish an organizational unit within the Department of State to plan, develop, finance, and implement programs that address health and environmental problems along the border of the United States and Mexico; jointly, to the Committees on Energy and Commerce and Foreign Affairs.

By Mr. EDWARDS of Oklahoma:

H.R. 5364. A bill to amend the Internal Revenue Code of 1986 to provide for a maximum long-term capital gains rate of 15 percent and indexing of certain capital assets, and for other purposes; to the Committee on Ways and Means.

By Mr. GEKAS:

H.R. 5365. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to cap sequestration at $50,000,000,000 for fiscal year 1991 and $30,000,000,000 for each of fiscal years 1992 through 1995; to the Committee on Government Operations.

By Mr. GONZALEZ:

H.R. 5366. A bill to repeal the Balanced Budget and Emergency Deficit Control Act of 1985; jointly, to the Committees on Government Operations and Rules.

By Mr. HOUGHTON:

H.R. 5367. A bill to provide for the renegotiation of certain leases of the Seneca Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OXLEY:

H.R. 5368. A bill to increase the protection of crime victims; to the Committee on the Judiciary.

By Mr. SCHULZE (for himself, Mr. ANTHONY, Mrs. BOGGS, and Mr. MURTHA):

H.R. 5369. A bill to amend the Internal Revenue Code of 1986 to provide a fixed rate of interest on the postponed estate tax attributable to a reversionary or remainder interest in property included in the estate; to the Committee on Ways and Means.

By Mr. STANGELAND:

H.R. 5370. A bill to provide an environmental mission for the U.S. Army Corps of Engineers, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BROOMFIELD (for himself, Mr. HYDE, Mr. COURTER, Mr. MCCOLLUM, and Mr. DEWINE):

H.R. 5371. A bill to amend title 28, United States Code, with respect to the termination of the office of an independent counsel; to the Committee on the Judiciary.

By Mr. THOMAS A. LUKEN (for himself and Mr. SIKORSKI):

H.R. 5372. A bill to amend the Toxic Substances Control Act to reduce the levels of lead in the environment, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MATSUI:

H.R. 5373. A bill to amend the Internal Revenue Code of 1986 to clarify portions of the Code relating to church pension and welfare benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. PENNY:

H.R. 5374. A bill to provide unpaid leave to certain employees and for other purposes; jointly, to the Committees on Education and Labor and House Administration.

By Mr. SCHUMER:

H.R. 5375. A bill to amend the Petroleum Marketing Practices Act to provide consumers with additional information concerning the octane rating of gasoline; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 84: Mr. SAXTON.

H.R. 118: Mr. GEKAS.

H.R. 446: Mr. OBERSTAR, Mr. BILBRAY, Mr. HANSEN, and Mr. ARMEY.

H.R. 1470: Mr. CONDIT.

H.R. 1674: Mrs. JOHNSON of Connecticut, Mr. BUSTAMANTE, Mr. GOODLING, Mr. RITTER, Mr. COYNE, Mr. SMITH of Vermont, Mrs. LOWEY of New York, Mr. KANJORSKI, Mr. CLINGER, Mr. YATRON, Mr. MAVROULES, and Mr. COUGHLIN.

H.R. 1693: Mr. PALLONE.

H.R. 1875: Mrs. PATTERSON.

H.R. 2545: Mr. SMITH of New Jersey.

H.R. 2816: Mr. BARNARD.

H.R. 2926: Mr. SHARP.

H.R. 3004: Mr. CONDIT, Mr. HENRY, and Mr. VANDER JAGT.

H.R. 3080: Mr. RITTER.

H.R. 3333: Mr. GILLMOR.

H.R. 3732: Mr. SERRANO, Ms. MOLINARI, Mr. SPRATT, Mr. BOSCO, Mr. BOUCHER, Mr. GEJDENSON, Mr. GOODLING, Mr. DICKS, Mr. LEWIS of Georgia, and Mr. ACKERMAN.

H.R. 3933: Mr. GOODLING.

H.R. 3999: Mrs. BOXER and Mr. MORRISON of Connecticut.

H.R. 4059: Mrs. MEYERS of Kansas.

H.R. 4083: Mr. GOODLING.

H.R. 4121: Mr. MADIGAN, Mr. COLEMAN of Missouri, and Mr. PURSELL.

H.R. 4149: Mr. MRAZEK, Mr. SCHAEFER, and Mr. DONALD E. LUKENS.

H.R. 4226: Mr. MCCRERY, Mr. HERGER, Mr. DELAY, Mr. PACKARD, Mr. GUNDERSON, Mr. REGULA, Mr. BAKER, Mr. BLILEY, Mr. BUECHNER, Mr. MCEWEN, and Mr. MCMILLAN of North Carolina.

H.R. 4250: Mr. BUSTAMANTE and Mr. BILIRAKIS.

H.R. 4431: Mr. MCGRATH.

H.R. 4548: Mr. LEWIS of Georgia.

H.R. 4571: Mr. PACKARD.

H.R. 4774: Mr. BATES.

H.R. 4801: Mr. NOWAK.

H.R. 4840: Mr. BEILENSON, Mr. ERDREICH, Mr. NEAL of Massachusetts, Mr. JONES of Georgia, Mr. PALLONE, and Mr. SAWYER.

H.R. 4875: Mr. GOSS, and Mr. SMITH of Florida.

H.R. 4880: Mr. FISH and Mr. SHAW.

H.R. 4914: Mr. BEILENSON, Mr. HANSEN, and Mr. NIELSON of Utah.

H.R. 4915: Mr. BUECHNER and Mr. EMERSON.

H.R. 4942: Mr. JOHNSON of South Dakota and Mr. OWENS of Utah.

H.R. 4958: Mr. FRANK and Mr. LEWIS of Georgia.

H.R. 4994: Mr. POSHARD.

H.R. 5028: Mr. HERGER, Mr. SHUMWAY, and Mr. OWENS of Utah.

H.R. 5050: Mr. VISCLOSKY, Mr. MYERS of Indiana, Mr. MARTINEZ, Mr. BROWN of California, Mr. BEVILL, Mr. HERGER, Mr. GILLMOR, Mr. MCCRERY, Mr. SHAYS, Mr. ROGERS, Mr. REGULA, Mr. APPLEGATE, Mr. GOSS, Mr. FRENZEL, Mr. HOLLOWAY, Mr. WALSH, and Mr. STUMP.

H.R. 5053: Mr. NOWAK, Mr. SIKORSKI, Mr. HUBBARD, Mr. BARNARD, Mr. ENGLISH, Mr. FAZIO, Mr. STOKES, Mr. ROTH, Mr. LEWIS of Georgia, Mr. TORRICELLI, and Mr. GONZALEZ.

H.R. 5086: Mr. PERKINS and Mrs. LLOYD.

H.R. 5108: Mr. BEVILL, Mr. COOPER, Mr. FLIPPO, and Mr. MCEWEN.

H.R. 5185: Mr. STOKES, Mr. SAVAGE, and Mr. LEWIS of Georgia.

H.R. 5188: Mr. MARTINEZ.

H.R. 5201: Mr. SOLOMON, Mr. BRYANT, Mr. VALENTINE, and Mr. JOHNSON of South Dakota.

H.R. 5259: Mr. RANGEL, Mr. FAUNTROY, and Mr. HORTON.

H.R. 5266: Mr. BERMAN, Mr. COLEMAN of Texas, Mr. LAUGHLIN, Mr. MCCLOSKEY, Ms. SCHNEIDER, and Mr. CARR.

H.R. 5284: Mr. ROGERS, Mr. SHUMWAY, and Mr. GILLMOR.

H.R. 5328: Mr. MANTON, Mr. GEREN of Texas, Mr. BEILENSON, and Mr. HUCKABY.

H.R. 5338: Mr. COSTELLO, Mr. OWENS of New York, and Mr. FROST.

H.R. 5351: Mr. BROWN of Colorado.

H.J. Res. 431: Mr. GALLO, Mr. WEISS, Mr. JOHNSTON of Florida, and Mr. PASHAYAN.

H.J. Res. 459: Mr. ARCHER, Mr. PORTER, Mr. MACHTLEY, Mr. DIXON, Mr. HYDE, Mr. TORRICELLI, Mr. RUSSO, and Mr. BEVILL.

H.J. Res. 509: Mr. SABO, Mr. NAGLE, Mr. YATES, and Mr. ROWLAND of Connecticut.

H.J. Res. 515: Mr. PRICE, Mrs. MARTIN of Illinois, Mr. CLAY, Mr. POSHARD, Mr. CARR, Mr. OWENS of Utah, Mr. GINGRICH, Mr.

BRUCE, Mr. HASTERT, Mr. YATRON, Mr. COSTELLO, Mr. STUDDS, Mr. NELSON of Florida, Mr. HUTTO, Mr. HAYES of Illinois, Mr. ATKINS, Mr. JONES of Georgia, Mr. SOLARZ, Mr. HEFNER, Mr. LEVINE of California, Mr. DORGAN of North Dakota, Mr. VISCLOSKY, Mr. FRANK, Mr. OBERSTAR, Mr. SABO, Mr. VOLKMER, Mr. TORRICELLI, Mr. ACKERMAN, Mr. MCHUGH, Mr. SYNAR, Mr. DICKS, Mr. ECKART, Mr. WAXMAN, Mr. PARKER, Mr. MARTINEZ, Mr. MILLER of Washington, Mr. PEASE, Mr. DONNELLY, Mr. SERRANO, Mr. ANDERSON, Mr. SISISKY, Mrs. LOWEY of New York, Ms. LONG, Mr. GEPHARDT, Mr. RAHALL, and Mr. HAMILTON.

H.J. Res. 524: Mr. MCDADE and Mrs. MEYERS of Kansas.

H.J. Res. 551: Mr. MCGRATH, Mr. LEHMAN of Florida, and Mrs. JOHNSON of Connecticut.

H.J. Res. 557: Mr. SKELTON, Mr. ROE, Mr. RICHARDSON, Mr. SKAGGS, Mr. KASTENMEIER, Mr. KLECZKA, Mr. FROST, Mr. LEVIN of Michigan, Mr. LANTOS, Mr. WELDON, Mr. WOLPE, Mr. GEREN, Mr. SCHEUER, Mr. FAUNTROY, Mr. HYDE, Mr. QUILLEN, Mr. RAVENEL, Mr. TALLON, Ms. PELOSI, Mr. DWYER of New Jersey, Mr. SLATTERY, Mr. DORGAN of North Dakota, Mr. HUBBARD, Mr. PAXON, Mr. COSTELLO, Mr. FLAKE, Mr. LEHMAN of Florida, Mr. BUNNING, Mr. HOCHBRUECKNER, Mr. FRENZEL, Mr. PALLONE, Mr. DE LA GARZA, Mr. BOUCHER, Mr. COYNE, Mr. EMERSON, Mr. SHUMWAY, Mr. TAUZIN, and Mr. SPENCE.

H.J. Res. 565: Mr. WALSH, Mr. QUILLEN, Mr. FUSTER, Mr. MINETA, Mr. JONTZ, Mr. TANNER, Mr. GALLO, Mr. ROWLAND of Georgia, Mr. THOMAS of Georgia, Mr. GEJDENSON, Mr. ROBERT F. SMITH, Mrs. LLOYD, Ms. OAKAR, Mr. BLILEY, Mr. JONES of North Carolina, Mr. ROE, Mr. BARTLETT, Mrs. MARTIN of Illinois, Mr. DARDEN, Mr. HASTERT, Mr. LOWERY of California, Ms. PELOSI, Mr. COBLE, Mr. MADIGAN, Mr. STANGELAND, Mr. PETRI, and Mr. NIELSON of Utah.

H.J. Res. 585: Mr. KLECZKA, Mr. DOUGLAS, Mr. GILMAN, Mr. SANGMEISTER, Mr. SABO, Mrs. VUCANOVICH, Mr. ACKERMAN, Mr. ANDERSON, Mr. COSTELLO, Mr. CONYERS, Mr. GAYDOS, Mr. HALL of Texas, Mr. JONES of North Carolina, Mr. DONALD E. LUKENS, Mrs. MARTIN of Illinois, Mr. MAZZOLI, Mr. MFUME, Mr. NATCHER, Mr. PANETTA, Mr. PRICE, and Mr. SAWYER.

H.J. Res. 612: Mr. RAHALL, Mr. HAMILTON, Mr. CLEMENT, and Mr. RINALDO.

H.J. Res. 616: Mr. KAPTUR, Mr. MCNULTY, Mr. PRICE, Mr. STALLINGS, Mr. CALLAHAN, Mrs. COLLINS, and Mr. KASICH.

H.J. Res. 626: Mr. GREEN, Mr. HORTON, Mr. RITTER, Mr. CONYERS, Mr. WYDEN, and Mr. MILLER of Washington.

H. Con. Res. 293: Mr. MCNULTY.

H. Con. Res. 316: Mr. ROWLAND of Georgia.

H. Con. Res. 330: Mr. INHOFE, Mr. KYL, and Mrs. MEYERS of Kansas.

H. Res. 390: Mr. SWIFT.

SENATE—*Wednesday, July 25, 1990*

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The Senate will be led in prayer by the Senate Chaplain, the Reverend Dr. Richard C. Halverson.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Let love be genuine. Abhor that which is evil; cleave to that which is good. Be kindly affectioned one to another with brotherly love; in honour preferring one another.—Romans 12:9-10.

Gracious Father in Heaven, help us appreciate the power of love which transcends all that divides and fragments. Let genuine love prevail in the Senate. Infuse the Senators with the vision of the immense potential when 100 powerful leaders unite. As they seek consensus in controversial issues, help them to avoid using their power in ways that fragment and diffuse their corporate potential. Prevent their diversity from becoming anarchy, reducing this distinguished body into a situation in which the whole is less than the sum of its parts. Help them to appreciate how their power is multiplied exponentially when united. Despite the reality of political differences, help them to be what our Founding Fathers envisioned, the most powerful legislative body in history.

We pray in the name of the righteous one, Jesus, the Prince of Peace. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time has been reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. There will be a period for the transaction of morning business to extend until the hour of 9:30 a.m., during which Senator PRYOR and Senator NUNN will each be permitted to speak for not to exceed 15 minutes each.

In accordance with the order, the Chair recognizes the Senator from Arkansas [Mr. PRYOR] for not to exceed 15 minutes.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

DRUG MANUFACTURERS: MAKING PROFITS ON BACKS OF POOR

Mr. PRYOR. Mr. President, for years I have been astounded about the skyrocketing cost of prescription drug prices. We all know the enormous burdens that prescription drug price increases place on our constituents and particularly the poor and the elderly of America. Many of us also are aware of the incredible drain prescription drug costs have had on State Medicaid programs.

When I became chairman of the Senate Special Committee on Aging last year I was able to analyze interest and concern about prescription drug prices into an 18-month committee investigation. What I found was shocking. Prescription drug prices, increasing at over three times the general inflation rate during the last decade, have forced many Medicaid programs in the States into relying on wholly unacceptable second-class cost containment strategies. These have included requiring Medicaid recipients to pay higher copayments, dropping whole categories of drugs from coverage and slashing physician and pharmacy reimbursement.

Much to dismay I also learned that Medicaid, our $3.5 billion taxpayer funded for the poor, pays the top dollar for prescription drugs. Hospital and HMO's and even Government agencies that spend much less on health care, such as the Department of Veteran Affairs and Department of Defense, are able to purchase the very same drug from the very same manufacturers for as much as 40 to 70 percent less.

Mr. President, I have documented these and many other findings in two previous floor statements and to Aging Committee hearings and staff reports. Using this information, my staff and I have been consulted for months with representatives of low-income groups, States, physicians, and pharmacists. All this work culminated with the introduction of S. 2605, the Pharmaceutical Access and Prudent Purchasing Act of 1990 which was introduced on May 10.

The goal of this legislation is very simple and has always been twofold, to assure and in many cases improve access to needed medications and provide the Medicaid Program the savings it deserves by virtue of its size and the population it serves.

The drug manufacturers, through their excessive charges and exorbitant profits, have forced too many State Medicaid programs into cuts that make them second-class health care systems.

S. 2605 addresses this situation by mandating that all Medicaid recipients have access to the medications their physicians feel necessary. Under no circumstances could a pharmacist dispense any drug other than the one that the physician prescribed without the physician specifically authorizing it.

The second goal of S. 2605, of cost saving, is achieved through a business-like approach of negotiating over the value of drugs. The very same system is being used by hospitals and HMO's throughout the country. In using this negotiation method S. 2605 will save at least $1.5 billion over 5 years.

My bill accomplishes both of these goals and the drug companies know it. This is why they are so afraid today and are allocating what to any one of us would be incredible sums of money to fight S. 2605.

To the manufacturers, of course, it is just another tiny sliver of their huge profits.

Now, Mr. President, I knew that I faced a monumental task in taking on the pharmaceutical manufacturers in this country. Some called it a David versus Goliath type of match, but most were betting on Goliath. I thought the drug companies were going to pull out all the stops, and they have not disappointed me.

Even before the bill had been drafted, letters and press releases initiated from the pharmaceutical manufacturers were being sent to every mailbox and fax machine that they could think of to send a warning about this upcoming legislation. Suddenly a newsletter extremely critical of the yet-to-be-introduced Pryor bill arrived from a group called the American Legislative Exchange Committee [ALEC].

The fact that any representative of State legislators would send out any communication—pro or con—prior to the time of the bill in the U.S. Senate even having been introduced, much less assigned a number, surprised me and many others in this body. It further surprised me because I assumed a group of State legislators would support efforts to reduce State Medicaid

expenditures. So we did a little checking, Mr. President.

We obtained a list of the members of ALEC's private health advisory board. There are 12 members on this particular board. Guess how many are representatives of drug manufacturers? Not 1 or 2, or 5 or 6, or 7 or 8, but 10 out of the 12 sit on this board; including one vice president of a pharmaceutical manufacturers association.

But that was just the beginning. The day after the bill was introduced the PMA, the pharmaceutical manufacturers, printed ghost busters like anti-S. 2605 buttons to be distributed around the country. In fact I have one right here with me. I got to the point that I could not wait to find out how the manufacturers were going to spend their lobbying money next.

In an attempt to make their point to Members of Congress and their staffs, the drug manufacturers repeatedly placed expensive advertisements in the Washington Post and Roll Call. In fact, I have copies of their entire series here with me today. I would like to know how much this advertising campaign alone cost. When added to all the expensive PR, lobbying firms and lawyers PMA and the drug manufacturers have hired, it is easy to understand why I sometimes feel they are spending more money against my bill than the enactment of S. 2605 would actually cost them.

During this time, they also paid visits to all the groups representing the families and victims of various diseases warning them about the Pryor bill. Did they say this legislation would, in some States, actually improve access to needed drugs? No, of course not. Instead, they attempted to scare these people into thinking that the companies would stop investing in research and development if they could not charge top dollar to Medicaid.

How the drug manufacturers could make that argument with a straight face is beyond me. Earlier this year, a respected Wall Street investment analyst concluded that the impact of S. 2605 on the industry would be "not only manageable," but "trivial." A few weeks later the same firm said that "if it passed, the impact of PRYOR's bill would be immaterial for the industry."

The R&D argument must have been particularly difficult to make after the world's largest drug company offered to give its lowest price to the Medicaid Program this spring. Would any major company do that if it had a negative impact on their R&D budget? Of course not.

Following the Merck announcement and the Wall Street analysis, it became much more difficult to make the R&D argument with Members of Congress and their staffs who knew better. But did the drug manufacturers stop targeting groups that represented the families and victims of various diseases who did not have access to the same information? Of course not. And they are still at it.

For all the talk of R&D, I wonder if the drug lobbyists today that swarm these Halls mention that the five largest drug companies in this country spent about 350 percent more on marketing and advertising than they did on R&D in 1988? I have my doubts that they acknowledged that the poor and sick served by the Medicaid Program are underwriting these costs to a much greater extent than are hospitals, HMO's, and the Department of Defense.

Beyond paying for exorbitant prescription drug prices, I also wonder if the drug industry's representatives ever admit that taxpayers are paying for a great deal of the companies R&D through lavish tax credits worth million of dollars. Lastly, I wonder if the lobbyists ever explained to our colleagues how the drug industry can give millions of dollars in discounts to non-Medicaid programs and still manage to invest in R&D.

In one of their latest ploys, the manufacturers are now trying to drive a wedge between minority groups and me by characterizing my proposal as a second-class medicine. Nothing could be further from the truth. This approach is not only untruthful, but insulting. Mr. President, I will stake my record on minority health care issues against any drug manufacturer's any day.

Mr. President, the only ones providing second-class treatment are the drug companies by continuing to charge Medicaid the highest price possible for drugs. It is time we achieved a first-class deal for the Medicaid Program.

My plan will dismantle the second-class program that has developed as a result of double-digit prescription drug inflation, and it will significantly improve Medicaid beneficiary access to prescription drugs. If that were not the case, my initiative would not be strongly supported by numerous major national groups representing the poor and elderly, including AARP, the National Council of Senior Citizens, Families USA, and 20 members of the Leadership Council of Aging Organizations. Mr. President, I ask unanimous consent that the growing list of organizations supporting S. 2605 be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS THAT SUPPORT THE PHARMACEUTICAL ACCESS AND PRUDENT PURCHASING ACT OF 1990 (S. 2605)

American Association of Homes for the Aging.
American Association of Retired Persons.
American Association for International Aging.
American Nephrology Nurses Association.
American Pharmaceutical Association.
American Society on Aging.
Catholic Golden Age.
Families USA.
Food Marketing Institute.
National Association for Families Caring for their Elders, Inc.
National Association of Area Agencies on Aging.
National Association of Boards of Pharmacy.
National Association of Chain Drug Stores.
National Association of Foster Grandparents Program Directors.
National Association of Nutrition and Aging Service Programs.
National Association of Older American Volunteer Program Directors.
National Association of Retail Druggists.
National Association of Retired Federal Employees.
National Association of RSVP Directors.
National Association of Senior Companion Project Directors.
National Association of State Units on Aging.
National Council on Aging.
National Council of Senior Citizens.
National Hispanic Council on Aging.
National Pacific/Asian Resource Center on Aging.

Mr. PRYOR. Mr. President, in addition to the lobbying of States, organizations representing families and victims of specific diseases, and representatives of minorities and the poor, the drug companies are now asking their own employees to write in to oppose S. 2605. Unfortunately for them, this effort may backfire as two employees wrote to say they support our efforts. One employee said:

Senator Pryor, I personally agree with you.

Another employee wrote in to say:

Without a doubt, our brands are inflated in price due to national promotional spending. As long as our government is funding the Medicaid program from our taxpayer dollars, I see no reason why the extra dollars should be spent on increasing one company's net profits.

Mr. President, I ask unanimous consent that this letter and the letters from Johnson & Johnson to their employees be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PERSONAL PRODUCTS,
Milltown, NJ, July 9, 1990.

HON. DAVID PRYOR,
U.S. Senate, Washington, DC.

DEAR DAVID: I would like to applaud your decision in introducing the Pharmaceutical Access and Prudent Purchasing Act of 1990 (S-2605). I work for the leading pharmaceutical company, (Johnson & Johnson) and know without a doubt that our brands are inflated in retail prices due to national ad and promotional spending. Not on performance of the product. In fact, I use private label brands and have noticed no difference in recovery rate using our brands.

The bottom line is that Medicaid patients should receive less expensive pharmaceutical products wherever available in any given therapeutic class setting.

Why? As long as our government is funding the Medicaid program from our taxpayers, I see no reason why the extra dollars should be spent on increasing some corporation's net profits! Your legislation provides a savings without reducing the aid availability!

Feel free to use this letter in efforts of passing this legislation. I only wish to remain anonymous since I work for the leading pharmaceutical corporation, Johnson & Johnson.

Sincerely,

———— ————.

JOHNSON & JOHNSON

New Brunswick, NJ, July 9, 1990.

DEAR JOHNSON & JOHNSON ASSOCIATE: On May 10, 1990 Senator David Pryor (D-AR) introduced the Pharmaceutical Access and Prudent Purchasing Act of 1990 (S-2605). This legislation would effectively mandate a system of second class medicine for our nation's poorest citizens. The Bush Administration has included a similar proposal as part of its deficit reduction package presented in the Budget Summit on June 20, 1990.

These proposals would require that Medicaid patients receive the cheapest pharmaceutical product(s) available in a given therapeutic class. In essence, they would establish restrictive formularies* under which the cheapest, not necessarily the most appropriate drugs would be reimbursed under Medicaid.

The legislation and Administration's proposal are ill-considered on at least two major counts:

1. It would subordinate good medical practice to strictly economic concerns.

2. In so doing, it would likely incur additional expenses resulting from less than totally effective drug therapies. These expenses could include additional hospitalization, surgery, psychiatric, and long-term care.

In addition, it is important to remember that pharmaceutical products often provide an extremely cost-effective mode of treatment when compared to available alternatives; they represent excellent value for the health care dollar. Today, the cost for pharmaceutical products is 6% of the nation's health care expenditure. This is down from 12% twenty years ago.

If after reading this material you agree with this position, then it is important that you let your U.S. Senator know of your opposition. To this end I am asking that you write to him/her within the next week or 10 days.

Attached are:

1. An excellent point paper produced by the Pharmaceutical Manufacturers Association.

2. A list of U.S. Senators.

3. A sample format.

4. A return postcard.

Please make your letter concise and to the point. The letter should identify in the first sentence that you are writing with regard to S-2605 and the Administration's similar deficit reduction proposal.

In order that we may measure the volume of our response, it would be appreciated if you would sign and return the prepaid postcard. Thank you for your assistance in getting our message to the U.S. Senate.

Cordially,

FRANK H. BARKER.

*Restrictive formularies are lists of drugs approved for payment under Medicaid. If a drug is not put on this list, the patient may not be reimbursed for its use without a special authorization.

Mr. PRYOR. Mr. President, after witnessing first hand the type of resources the drug industry has at its disposal to attempt to kill a bill, one starts to wonder if they have more money than they know what to do with. Recent reports indicate that the drug industry's pockets are deeper than ever.

In an April Fortune magazine report, the pharmaceutical industry's profits continue to lead the way for all industries in every profit margin measure possible—return on sales, return on assets, and return on stockholders' equity. In fact, the profits keep growing and growing. Just last week, the New York Times reported that for the period ending June 30, the profits of four major drug companies were again in double-digits.

The drug manufacturers are doing great. The poor make the rich richer.

Mr. President, despite the well-oiled and financed PMA propaganda machine, the drug companies now find themselves over a barrel. Why? Because others more influential than I have joined me in concluding it makes good policy and economic sense for the drug manufacturers to shoulder some of the burden of cost containment.

On June 20, President Bush offered a proposal somewhat similar to S. 2605 in his recommendations to the budget summit to reduce the deficit. His proposal would save almost $2 billion over 5 years by requiring the drug companies to negotiate over the price of drugs used by Federal Government programs.

Although I was deeply concerned by my understanding of some elements of the administration's original proposal, I am confident—based on conversations with representatives of the White House—the final package will address these concerns. There is now no question in my mind that the proposal we develop will produce savings while ensuring Medicaid recipients access to needed drugs.

Because they were certain that all their work against S. 2605 had paid off, the drug manufacturers were caught off guard by this development. The drug manufacturing industry is now starting to realize that a deficit reduction proposal that targets them rather than the usual targets of beneficiaries and health care providers looks very attractive to Members of Congress.

Now that the proposal is on the budget summit table, I believe most of us would view it blatantly unfair to pass a deficit reduction agreement that contains significant cuts in entitlements and raises taxes, if at the same time, it dropped the proposal to ask the drug manufacturers to do their fair share. We simply could not morally or politically justify cutting back on Medicare's beneficiaries, hospitals, doctors and other health care providers, while letting the drug companies get away again, scot free.

Beyond fearing the political and economic realities of the budget summit, the drug companies are afraid of the part of my proposal that forces them to bargain over the value of drugs. They know that private insurers would want to do the same thing. I always have found it ironic that such a probusiness industry fears the everyday business practice of negotiating over the value of a product.

Mr. President, I want to be viewed as someone who knows that during the development of any significant piece of legislation, there comes a time for the rhetoric to end and the serious discussions to begin. That time has come. We are starting to see the stone wall of resistance fall between the manufacturers and those of us attempting to assure that the taxpayer-funded multibillion dollar Medicaid Program gets a fair deal.

Last week two major drug companies came to me with their own preliminary alternative plans. They both stated they felt that much of the industry could live with these proposals. Rather than bargaining over the value of drugs, their proposals advocate giving discounts in return for having all their drugs on the formulary.

These two industry's alternative proposals represent an encouraging and constructive sign. I commend both companies for spending great amounts of time and energy in developing them. However, both proposals lack a stick big enough to assure Medicaid the discounts it deserves. For example, if all companies chose not to give discounts, the Medicaid Program and its recipients would continue to be held hostage to high drug prices. We would have gone through this process and not made one step forward; this would be totally unacceptable.

As I outlined at the beginning of my statement, we should all have a two-part litmus test for any acceptable Medicaid prescription drug reform proposal: it must assure access to needed medications and it must, of course, guarantee significant cost reductions. Unfortunately, unlike S. 2605, the two alternative industry-wide plans do not contain sufficient guarantees to assure the litmus test is passed.

One way to improve the two alternative proposals is to incorporate substantial enough penalties that assure drug manufacturer compliance. I have proposed using my method of negotiating over the value of drugs only if the discounts are not provided. This approach seems totally fair to me since so many companies now are

saying they could give discounts in return for being on a State formulary.

Mr. President, hopefully, good sense and realism will ultimately prevail. The drug companies have had it too good for too long. Now, they, too, must become a part of reducing health care costs for the poorest of the poor.

The PRESIDENT pro tempore. Under the order, the Senator from Georgia [Mr. NUNN] is recognized for not to exceed 15 minutes.

Mr. NUNN. Would my colleague like to finish his remarks for another minute? I will be glad to yield 1 minute.

Mr. PRYOR. Mr. President, I thank the distinguished Senator from Georgia. I know he has very timely remarks. I have completed my remarks. I thank my friend.

THINK SMARTER, NOT RICHER

Mr. NUNN. Mr. President, yesterday I delivered some preliminary remarks about the defense authorization bill that the Armed Services Committee has reported to the Senate and which we expect to take up shortly in the Senate. In my remarks yesterday, I outlined the important manpower and personnel initiatives. This morning I want to highlight a second major theme of the bill, and that is, "think smarter, not richer."

To my knowledge, that expression was first coined by former Ambassador David Abshire when he was the U.S. Ambassador to NATO. Many of the problems we are experiencing today come from the early 1980's when the military services were thinking "richer." Consistently the services and the Department of Defense in the Reagan administration started more programs than could reasonably be afforded. It was clear to some of us at the time that we were going to have a massive bow wave problem in procurement in which the bills would come due for the new starts, but budget levels would not accommodate them. The Department of Defense, however, masked that bow wave with unrealistic outyear budget projections that had soaring funding levels projected for the foreseeable future.

Even before the threat change, we could not afford all the programs that were launched in the early 1980's because of the fiscal constraints we faced. Even if Brezhnev were still in power and Gorbachev had not come to power, and even if the Warsaw Pact was still a cohesive force, the defense budget would still be under seige today.

Fortunately, the threat has been reduced as our fiscal problems have come home to roost. Now we have to adjust the defense budget to both the changed threat and also the budget constraints. The committee adopted three broad elements in its effort to think smarter, not richer.

FLY BEFORE BUY

The first of these three elements is the longstanding idea of fly before buy. David Packard, when he was Deputy Secretary of Defense in the early 1970's, adopted the fly before buy concept. The idea is simple: build a representative prototype and fly it to determine if it works as advertised and is affordable. If it meets those standards, then the system would be permitted to go into production.

In the 1980's, the Department of Defense virtually abandoned this principle. The services feared the pace of Soviet weapons developments and felt an urgency to field technologically superior weapons to counter numerically superior Soviet-Warsaw Pact forces. This resulted in excessive concurrency—starting procurement in most major weapon systems before all the bugs were worked out in development. Excessive concurrency led to many costly mistakes.

The B-1 bomber is a classic example. All 100 B-1 bombers were under construction in some form before initial operational test and evaluation was started. The sad results are testimony as to how not to do business. The taxpayers will have to spend nearly $1 billion for fixes required for the B-1 which, if they work—and we are not assured of that yet—will not even meet the originally advertised capabilities.

The reduction of the Soviet-Warsaw Pact threat means we do not have to rush to buy a weapon system before we know it will work. We now have time to get it right the first time.

The Armed Services Committee applied this fly before buy principle to a number of programs requested in the fiscal year 1991 budget request. The Defense authorization bill we have reported to the Senate makes the following recommendations:

B-2 bomber: The committee recommends that only two aircraft be procured in fiscal year 1991 so that additional testing can be completed before the B-2 is slated to go into low-rate initial production. This recommendation saved $888 million. In addition, the committee required the B-2 to pass through a number of testing gates before any new money could be obligated.

Light helicopter: The Army has been conducting a so-called paper competition for this new light scout and attack helicopter. The Army was proposing to initiate full scale development in fiscal year 1991 of the winning design. The committee deferred full scale development, reduced the fiscal year 1991 budget request by $150 million, and recommended that the Army build a prototype of the winning design and test it before we initiate full-scale development.

A-12 attack aircraft: The Navy's A-12 is a new-design attack aircraft that will replace the old A-6. Because this is a highly classified program, we cannot discuss all the details in a public session. In brief, however, the program is suffering serious technical difficulties and is behind schedule. The committee felt that these problems were so serious that we could not recommend any production aircraft in fiscal year 1991. Future production will depend on solutions to the technical problems.

SSN-21 submarine: The Navy's new attack submarine—the SSN-21 *Seawolf*—is also suffering technical difficulties and has excessive concurrency. The committee recommends that we defer production in fiscal year 1991 to permit progress on the lead ship. In its place, the committee recommends that the Navy procure two SSN-688 submarines. Taken together, these actions resulted in a net savings of $1.5 billion in fiscal year 1991.

C-17: Technical problems and delays in the C-17 program were such that the Air Force could not obligate funds to procure aircraft unless they violated their own acquisition strategy. The committee recommends such funds as are required to sustain the production capability of the program, but that no aircraft be authorized and appropriated in fiscal year 1991. This resulted in savings totaling $1.8 billion.

Rail garrison MX: Excessive concurrency in the rail garrison MX program led the committee to recommend deferral of production funds for the trains requested for the program in fiscal year 1991, saving $1.3 billion this year.

Contrary to some newspaper reports this was a recommendation made by both majority and minority staff, and it was not challenged by anyone in the committee. No one asked for a vote on it so I assume it was unanimous.

Advanced tactical fighter: The Air Force proposed to initiate full scale development of its new advanced tactical fighter [ATF]. The committee found, however, that the Department of Defense did not adequately examine all alternatives when it conducted the major aircraft review. The committee is recommending that full scale development be deferred until a more comprehensive evaluation is conducted. This generated a savings of $177 million in fiscal year 1991. This time will also permit greater testing of the winning ATF design to better understand the value of the ATF itself.

Advanced medium range air-to-air missile: The Air Force's advanced medium range air-to-air missile [AMRAAM], while performing well in its tests, suffers from serious reliability shortcomings. The committee felt that it could not recommend full rate production of the AMRAAM missile

until reliability problems are fixed. Holding production to last year's level saved $500 million.

Airborne self-protection Jammer: The committee removed $113 million, which is all production funds for the Airborne Self-Protection Jammer Program. The program will not have completed operational testing in time to obligate production funds in fiscal year 1991. The committee did recommend authorization of nonrecurring costs for this program while testing is conducted.

These are the major instances where the committee recommends we limit investment in programs until we demonstrate the hardware will work as advertised. All together, the committee recommended reductions of nearly $8 billion by adopting this fly before by strategy.

EMPHASIZE PRODUCT IMPROVEMENTS OVER NEW STARTS

The second element of the "think smarter, not richer" strategy is to emphasize product improvements over new strat programs. In many instances, it is possible to upgrade existing systems for substantially less than required to build a new program and, with a reduced threat, to meet a substantial portion of the requirements.

The bill we are reporting recommends the following major efforts to improve existing programs.

F-15XX aircraft: The Air Force has proposed to build an expensive new advanced tactical fighter [ATF] to replace the F-15. Yet the existing F-15 can be upgraded at one-fourth to one-third the cost of the ATF. The committee included sufficient funds to protect an option to proceed with an upgraded F-15 as an alternative to the ATF, and directed the Department of Defense to evaluate this option.

Whether this is feasible or not will be determined by the Air Force, but we think they should examine this alternative.

The same can be said with respect to the AH-64 and OH-58 helicopters: The Army is proposing to proceed with a $4 billion development effort to build a new light helicopter. The committee recommends that $18 million be made available to identify improvements to the existing AH-64 and OH-58 helicopters as an alternative to the light helicopter program.

M1 tank: The Army is proposing to launch a major new program to develop a next generation tank. The committee directed the Army not to proceed with the lead element of that new tank, and instead directed the Army to initiate an upgrade program for older model M1 tanks. Installing a larger cannon and improved electronics on the first generation M1 tanks will boost their combat effectiveness by 250 percent.

Phoenix missile: The Navy had already developed an improved guidance set for its Phoenix air-to-air missile, but when they terminated the Phoenix missile they had no way to take advantage of the improved guidance set. The committee directed the Navy to initiate a retrofit program so that early model Phoenix missiles can have state-of-the-art accuracy and range.

C-130J aircraft: The Air Force has no plans to modernize its aging fleet of C-130 transport aircraft. The Military Airlift Command had initiated efforts for an upgraded C-130, called the "J" model, but did not have funds to start it. The committee recommends that the Air Force initiate the J program this year.

All of these existing systems have substantial growth potential, and can be updated at a fraction of the cost it would take to develop an entirely new replacment capability.

We know this approach is not feasible in all cases, but we believe the military services should take a close look at each of these examples, as well as others.

RETIRE OBSOLETE FORCE STRUCTURE

The third element of the "think smarter, not richer" approach involves older weapon systems. The military services received a great deal of new and modernized equipment and weapon systems during the 1980's. Yet, there are still substantial numbers of units that are forced to operate older, high-maintenance, single-purpose and in some instances tactically obsolete combat systems. While some of these systems have continuing usefulness, many offer questionable capability at a very high cost.

The committee decided that the following list of older combat systems should be carefully examined to determine whether or not they should be eliminated or retired earlier than planned. Mr. President, I ask unanimous consent to print in the RECORD a list of older weapon systems that should be evaluated and considered for retirement.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ARMY SYSTEMS

OH-58 helicopters.
UH-1 helicopters.
CH-54 helicopters.
M-60 tanks.
M901 Improved TOW vehicles.
8 inch howitzers.
Vulcan air defense guns.
OV-1 surveillance aircraft.

NAVY/MARINE CORPS SYSTEMS

F-4 aircraft.
A-4 aircraft.
KA-6 tankers.
OA-4 observation aircraft.
A-7 strike aircraft.
RF-4 reconnaissance aircraft.
OV-10 observation aircraft.
CH-53A model helicopters.
Nuclear guided missile cruisers.
P-3B model patrol aircraft.
SH-3H helicopters.

AIR FORCE SYSTEMS

F-4 fighter aircraft.
RF-4 reconnaissance aircraft.
OA-37B observation aircraft.
OV-10 observation aircraft.
C-22 transports.
C-140 transports.
HH-1 helicopters.
CH-3 helicopters.
B-52 bombers.
Minuteman II missiles.

Mr. NUNN. Mr. President, while many of these systems could be retired, the committee believes that only the military services can decide which systems offer the least amount of capability and cannot be justified in the future restricted funding environment. In determining which systems should be retained and which should be retired, the Department of Defense should examine them in light of the following key questions:

Is the mission essential or merely marginal?

Is the system still responsive to the projected threat?

Does the system need to be updated to meet the projected threat and are such modifications feasible and cost effective?

If the system is deactivated, how will the mission be accomplished?

As active force structure is reduced, will more modern replacements become available?

Is a replacement system or approach more or less cost effective than continuing to operate the older systems?

With regard to strategic systems, will the system have to be eliminated under the terms of arms control treaties?

Each system will have to be evaluated on a case-by-case basis. Nevertheless, the committee is convinced that the Department of Defense should accelerate the retirement of obsolete forces in fiscal year 1991. We anticipated that many of these systems are no longer needed. The committee did not try to micromanage this list of systems, but we did eliminate nearly $300 million of modification funds and operating funds requested for these older weapons in the fiscal year 1991 budget. We expect to save much more in the future after the services have concluded their review.

CONCLUSION

Mr. President, the committee used these three approaches extensively during markup of the authorization bill, and over $8 billion was cut from the budget request. Frankly, this is the approach that should have been used for the last number of years when defense budgets were increasing or held relatively steady. But while we should have bought smarter in the past, it is essential that we do so today.

Mr. President, I yield the floor and yield back such time as I may have.

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. KERREY].

Mr. KERREY. Mr. President, to comment quickly, I had to wait until the Senator from Georgia was finished. As a consequence, again, I find that he is the only source of information that I have found to be terribly useful in evaluating what we ought to be doing with our defenses.

Mr. President, I ask unanimous consent to speak in morning business for a period of 5 minutes.

EXTENSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Senator from Nebraska is recognized for not to exceed 5 minutes and the period for the transaction of morning business is extended for an additional 5 minutes.

ILLITERACY

Mr. KERREY. Mr. President, I ask unanimous consent that an article that was in the Atlantic Monthly, August 1990 issue be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MISSISSIPPI: LITERATE AT LAST

In the little brick town hall in Bolton, Mississippi, a dignified elderly black man in wire-rim spectacles, denim overalls, and bright-red basketball sneakers sat curled in concentration over a booklet of fifth-grade math problems. While the sunset reddened the horizon and the town's ancient cotton gin clattered through the twilight, Bryant Mack, Jr., age sixty-two, was finally learning to read and write and do arithmetic.

"See, my daddy didn't have no learning," he said shyly. "He didn't think it was important. I was one of twelve children. We all had to work in the cotton fields. Only time we went to school was when it rained. There were no real schools for black kids back then, anyway. Truth is, I didn't have a childhood. I know I'm not alone in that."

Not by a long shot. By now the figures are familiar: there are said to be 20 million to 40 million adults nationwide who cannot read and write and add well enough to perform ordinary tasks like passing a driver's-license test, reading a warning label on a medicine bottle, and—Bryant Mack's goal—balancing a checkbook. What is not so well known is that a disproportionate number of America's functional illiterates, black and white, live in the South, where there economic situation is deteriorating rapidly. In Alabama, Florida, Georgia, Mississippi, and the Carolinas the average earnings of male high school dropouts aged twenty to thirty-four plummeted 35.5 percent from 1973 to 1985.

Cotton hasn't been king for several generations, and the days when southern states could attract sweatshop industries with cheap wages, strong backs, and low taxes are over. Employment in the textile and apparel-manufacturing industries has dropped because of automation and competition from low-wage labor in Third World countries. The road to economic growth nowadays is paved with a high level of reading comprehension and sophisticated technical skills.

In the era of the information economy and flexible production, the old Dixie politics of exclusion—keeping blacks uneducated and poor whites ignorant—seem as irrelevant as Stalinist dogma must now seem in the Soviet Union. Mississippi's young governor, Ray Mabus, a Democrat who is believed to have been elected with 90 percent of Mississippi's black vote, has arrived at a difficult crossroads, where the utilitarian needs of industry for skilled labor intersect the legacy of segregation: illiteracy, poverty, and despair. How well Mabus and other politicians negotiate that intersection could determine whether the Democratic Party has a chance of winning back the once solidly Democratic South—or whether the Republicans can win the black votes they seek by recognizing a human issue that has a relatively small price tag and big potential in terms of its economic multiplier effect.

Mississippi under the Mabus administration has launched the most ambitious initiative in the nation to combat adult illiteracy. Having come through in 1988 on his campaign promise to give teachers their biggest pay raise in the state's history, Governor Mabus and his wife, Julie, a former high school math teacher who tirelessly preaches the new gospel of education for economic development, have vowed that nine out of ten Mississippians will be functionally literate by the year 2000, a monumental task that amounts to a holy war on illiteracy. Mabus has staked his political future on a comprehensive education-reform program, including a proposed $13.5 million worth of new state funds to be earmarked for adult-literacy programs over the next three years.

When education fervor swept the United States after Russia's launching of Sputnik, the deep South was preoccupied with school desegregation and the civil-rights movement. The Mississippi legislature repealed legislation that made schooling compulsory, and encouraged white flight from the public schools by allowing the schools to deteriorate. By 1982, when Governor William Winter finally got an education-reform law through the Mississippi legislature, on this third try (the law made school attendance mandatory to age sixteen and established kindergartens statewide for the first time), the Mississippi school system was a wreck. Each year approximately 6,000 children didn't even start school. The state's high school students had among the lowest achievement-test scores and among the highest dropout rates in the country. But it wasn't only support for integrated education that was lacking. "The ideal of universal education was itself absent in Mississippi," Winter, now a lawyer in Jackson, the state capital, told me recently.

The anti-intellectualism of the rural South often attached more importance to football and cheerleading than to learning to read local authors like Eudora Welty and William Faulkner. Some fathers quit their jobs, and sons left school, on the first day of hunting season; a vestigial frontier mentality held that "too much book learnin' ruins your shootin' eye." And it is often said in Bible Belt churches that "Satan can quote Scripture"—even if the deacons can't. In Mississippi 714,000 adults—46 percent of the state's adult population—lack high school diplomas. Roughly 400,000 adult Mississippians have less than nine years of schooling, a level that is often used as a definition of functional illiteracy.

Certainly this definition makes for a conservative estimate of illiteracy, given that Mississippi high schools share the national tendency to graduate anyone who occupies a desk long enough. "I went through twelve years of school and two years of community college without ever learning to read, and passed with flying colors," Treaise Williams, a twenty-five-year-old woman in Jackson, told me. "I found out early that if I was always the teacher's pet, they wouldn't fail me. I always listened real good to what the teachers said. When you can't read, you figure out all kinds of ways round your handicap. A lot of times illiterates are intelligent, but they been made to feel dumb."

Williams was spunky enough to find her way to a program in "life coping skills," where she works one night a week developing the reading skills she will need to pass a cosmetology licensing exam, her hope for economic improvement. But such success stories are rare. For the vast majority of miseducated adults, made to "feel dumb" all their lives and to hide their shameful "handicap," adult-literacy programs up till now have also been failures.

In the south such programs reach only about one in thirty of the undereducated population. A recent study by the Sunbelt Institute, a think tank convened by southern congressmen and governors, concluded that the federal Adult Education Act of 1966, which makes block grants for state literacy endeavors, "has never been funded at a level sufficient to provide much more than a token response to the nation's literacy needs." New federal literacy legislation, introduced by Senator Paul Simon of Illinois, and Representative Thomas Sawyer, of Ohio, has thus far failed to win support from the Bush Administration.

Once federal funding trickles through state bureaucracies to the local level, it usually disappears into programs that have never been made to develop standards or evaluate results. Few programs, for example, take account of what motivates illiterate adults to enroll in the first place, although countries like Brazil and Nicaragua have been most successful in cutting their illiteracy rates by relying on the educator Paulo Freire's method of teaching reading with what the nonreaders actually want to be able to understand—such as a tractor manual for a farmer. Even fewer American literacy programs address the shame, sense of failure, and everyday problems that most poor nonreaders must overcome before obtaining help. Elloris Cooper, the supervisor of adult reading programs for Mississippi's Hinds Community College, says, "There's a whole constellation of things poor people face that make potential adult learners hard to reach, hard to recruit, and even harder to keep in programs, beginning with transportation to classes and child care for young mothers."

Nationwide more than half the adults who enter literacy-training programs simply abandon the effort after a few sessions of instruction, without having improved their reading skills. In Mississippi only 10 percent of adults stay with literacy classes long enough to complete two workbooks of the standard Laubach method of reading. This brings them, at best, to a fourth-grade reading level after a hundred hours of classes, at a typical cost of $3,500 per student.

In rural areas the difficulty of reaching and keeping students is compounded by the problem of finding competent tutors. The much-publicized effort of Barbara Bush to enlist volunteer literacy teachers ignores the facts that the highest illiterarcy rates often occur where the fewest volunteers are

available, and that little national effort has been made either to mobilize young people in a literacy corps or to professionalize the teaching of adults to read. "In one community we service, only six percent of the population have graduated from high school," says Betty Jo Dulaney, the literacy coordinator in Tunica County. The county is Mississippi's poorest; more than half the population there lives below the poverty line. "There's no industry here, so anyone with job skills or gumption takes the first bus out. Now, where am I supposed to find reading tutors?"

Nonreaders are ineligible to enter most job-training programs. For many, then, succeeding in an adult-literacy class is the last chance to lead a productive life. Isiah Charleston is an electric-utility technician who has been active in literacy and community-development projects for the past fifteen years in the backwoods of Warren County, outside Vicksburg. Ride the dirt roads with him and you descend into a social maelstrom, where teenage pregnancies, incest, and alcoholism are common, and apathy has become a way of life. Charleston fights back tears when he assesses the lost generation of rural black youth which has followed formal desegregation. "After having dropped out of school in the eighth or ninth grade, our young people get into a pattern of quitting," he told me. "They quit school, the quit literacy programs—finally they just quit trying to improve themselves altogether. They lack what my teachers used to call stick-to-itiveness. Only way Mississippi's going to get up off the bottom is if we give these kids something to stay in school for, something to work toward in their lives."

Mississippi's literacy initiative focuses on the concept of context. "First, we are looking at the whole system of literacy programs and making fundamental structural changes," Julie Mabus told me in an interview at the governor's mansion. "The old way of teaching adults to read—in a vacuum, without taking into account their own immediate hopes and aims—is just no good."

To direct the program overhaul, the Mabus administration created a new Office for Literacy and chose a nationally recognized literacy expert, Karl Haigler, the head of the Adult Literacy Initiative at the U.S. Department of Education, to run it. Haigler had worked under William Bennett to cowrite the federal manual on designing effective work-force literacy programs whose curricula are based on specific job contexts and the real-life needs of workers. Haigler's arrival in Mississippi, in 1988, presaged a wholesale redirection of the state's effort. The state intends to concentrate on parents and adults needing job-related basic-skills training. It also intends to enlist the business community as the political backbone of a long-term, high-profile literacy campaign.

"We're getting rid of the 'grade-level' thinking that says a person is literate when he or she obtains a high-school equivalency diploma," Haigler told me. "Literacy is better defined as a continuum of skills, ranging from simple decoding of written matter to high levels of critical thinking and problem-solving. Programs need to be redesigned to meet a whole array of actual social needs, from the assembly-line worker who needs to read charts and manuals to the person whose greatest desire is to read her Bible."

Thus an innovative mobile unit, mounted on a tractor trailer donated by the Frito-Lay Company and outfitted with computers and educational software under various grants, was dispatched to Iuka, in the northeast corner of the state. The town had an unemployment rate of 23 percent. Construction started this spring on a NASA plant in Iuka that will manufacture rockets for the space shuttle. The idea is to provide on-site, job-specific, walk-in reading help to those applying for the 1,800 construction jobs. The state plans to have additional mobile units available for short-term spot literacy missions in a few years. Also, the Office for Literacy has been instrumental in making available to businesses and communities "literacy audits," to assess their particular reading needs, and suggesting local resources available to meet them, such as a nearby community college or military base.

In order for literacy programs to qualify for a portion of the $2 million in federal funds that Governor Mabus set aside last year for adult literacy training, they must develop an individual education plan for every learner. The plans—an innovation in literacy work borrowed from the special-education field—are designed by students together with their tutors, and are meant to ensure a high level of commitment by tailoring the curriculum to the student's goals. Now, for example, the teenage mother who hopes to break a generational cycle of ignorance by learning to read stories to her child won't find herself in a literacy class struggling through a ninth-grade social-studies textbook.

Such reforms make the state's literacy programs more effective and accountable, Haigler argues, without bureaucratization. "We're looking for diversity and local initiative to drive this campaign forward," he told me. "We're not going to have the bureaucrats come in and dictate literacy policy."

Another area in which Mississippi is breaking ground is in the use of computer technology to teach reading. After an initial flurry of interest from software developers when the national literacy crisis hit the headlines, the industry turned hesitant in the face of a flat, small, and penniless market for literacy programming. Nevertheless, Julie Mabus looked at the small pool of volunteer tutors available in Mississippi and decided that one-on-one volunteer tutoring alone would not solve the problem.

The emphasis on technology has helped rally the Mississippi business community behind the Mabus initiative, and a variety of high-tech literacy-training programs have been launched. In a joint venture with Peavey Electronics, one of the state's largest manufacturers, Mississippi became one of the first states to use a civilian version of the Army's computer-based Job Skills Education Program, used to train military recruits.

Although the emphasis on high technology has drawn attention from foundations and industry, and brought new outside funding to Mississippi, it has some literacy activists worried. Liberals are worried that narrowly focused, business-oriented reading instruction will fail to achieve literacy's primary civic mission of preparing underprivileged citizens to participate in the democratic process. Other critics simply think that the pressure to be technologically innovative is warping priorities. "You can't bring down the thunder every time you write a funding proposal," says Ronnie Blackwell, who heads the Hattiesburg Education Literacy Project. "We don't need fantastic new software, we need okay software that illiterates can actually use. With all the talk about literacy technology and the funding for it, the grass-roots programs where people actually learn to read are really suffering. Our staff—the people who do the one-on-one teaching—haven't been paid in six weeks. We need long-term funding or we're all going to sink."

In the event, Mississippi's illiteracy problem is likely to get worse in the short run. And literacy trainers admit that even with all the effort and funding the state is marshaling for its initiative they are barely scratching the surface of the problem. Children, they point out, are quitting school every day. If the state is to make progress against illiteracy, it must stem the tide of school dropouts and teenage pregnancies. Thirty percent of the babies born in the Delta are born to teenage mothers.

Perhaps the most significant initiative is Governor Mabus's attempt to prevent teenages from dropping out. Mabus has proposed to cut the school-dropout rate in half by providing schools with funds to identify youths at risk of dropping out and to design alternative programs that will keep them in school. The governor has also called for a new "family literacy" program, modeled on the award-winning Kenan Family Literacy Project, in Kentucky, and others. In these programs young welfare mothers can obtain reading help together with their preschool offspring. Mississippi's new programs, however, are to be paid for by Governor Mabus's education-reform package, which has been threatened in the legislature for reasons related to funding, as the "read my lips, no new taxes" mentality takes hold at the state level.

The literacy initiative is bringing Mississippi unaccustomed positive national prominence. The program reforms and technological innovations will be studied as models and inspiration elsewhere. Yet the odds may be against the Mabuses in their war on illiteracy. Their commitment may not be sufficient to make up for years of purposeful educational neglect, and few states, let alone the poorest in the nation, have the resources to reverse the trends of illiteracy and underdevelopment. "There is a national interest involved here," William Winter, the former governor, told me. "We cannot just isolate sections of the country like the Mississippi Delta and leave them to their own devices. We don't live in separate enclaves. Unless we have a national commitment to sustain an adequate standard of education, health care, and child welfare, the level of performance of the country as a whole ultimately suffers."—Jonathan Maslow.

Mr. KERREY. Mr. President, like many of my colleagues, I occasionally read something that moves me. This particular article was in the August edition of the Atlantic Monthly magazine describing a literacy program in the State of Mississippi. It is a moving article. It describes Governor Mabus' attempt through a $13.5 million 3-year State initiative.

For those of us who have been Governors, $13.5 million is a relatively large amount of money for a brand new program. We get used to larger sums around here. But $13 million for a 3-year program is quite a bit. Mississippi, indeed, has a tremendous problem with adult illiteracy. Male dropouts, this article reported, from the

ages of 20 to 34, has dropped 35.5 percent from 1973 to 1985.

Governor Mabus and others who have studied the problem in Mississippi, as I have said, concluded the road to economic growth is paved with a high level of reading comprehension and sophisticated technical skills. They are struggling in Mississippi with adult illiteracy. They have reported in excess of 100,000 individuals are suffering from the burden of illiteracy.

They identify, and I think quite appropriately say, there is a considerable amount of personal shame; there is a sense of failure that is associated with illiteracy to make it difficult to overcome the problem. They have worked to establish individual programs, programs that are centered upon the family, that attempt to not just bring the individual who is suffering from illiteracy into a group program, but an attempt to individualize the training so as to get the entire family involved in this particular problem.

I am sure that all of us have seen similar situations to this where States or local communities are working to solve a problem. Mississippi is struggling to pay for this one. The article reported that the State legislature was sympathetic to the Governor's request but perhaps this particular program might not be able to be continued to be funded.

I wrote Governor Mabus a letter saying I was moved and offering my help. As I finished the letter, I tried to compare this, Mr. President, to another problem that we are trying to address, that in particular we are trying to address with the President's leadership, to identify the problem, one of the first problems he identified when he came to the office, and that is the savings and loan problem. I said to Governor Mabus in my letter that to put his $13.5 million, $4 million a year, approximately, program into perspective, we will be spending $120 billion, it is estimated, over the next 3 years for principal and interest on the savings and loan from the taxpayers to solve the problem that the President has identified for us. That is about $40 billion a year. For those of us who still have trouble with that large amount, that is $3.5 billion a month.

Again, if the amount is too big, that is $110 million a day, or approximately $5 million an hour.

So I said to the Governor of Mississippi, it is unfortunate that we are not able to identify illiteracy in Mississippi as a problem comparable to the problem we see in our savings and loan and perhaps give them an hour's worth of the proceeds that are being collected to pay for the savings and loan. Imagine what we can do, I said to the Governor, if we can give Mississippi's effort to illiteracy a day's worth of the resources that we are collecting.

It seems to me, Mr. President, that this is probably not a unique situation. I heard the distinguished occupant of the Chair talking about the need for roads in West Virginia. There are many needs in this Nation that are simply not being addressed as a consequence of the drain of resources that are being pulled out every single day; $5 million an hour, $5 million every single hour, 24 hours a day, 7 days a week, 52 weeks a year; $5 million an hour being pulled out and being used for this problem that the President has identified.

I urge my colleagues to look at this particular article. I urge my colleagues as well to consider what we can be doing if we directed some of our resources toward this particular problem. I yield the floor.

The PRESIDENT pro tempore. The Senator's time has expired.

Ms. MIKULSKI addressed the Chair.

The PRESIDENT pro tempore. The Senator from Maryland.

EXTENSION OF MORNING BUSINESS

Ms. MIKULSKI. Mr. President, I ask unanimous consent to speak 5 minutes as in morning business.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. The Senator from Maryland [Ms. MIKULSKI] is recognized for 5 minutes and morning business will be extended accordingly.

Ms. MIKULSKI. I thank the Chair.

RESEARCH AND TREATMENT OF BREAST CANCER

Ms. MIKULSKI. I know the Senate wants to move to the farm bill, but I wanted to take this opportunity to express my sincere wishes for a speedy recovery to Mrs. Marilyn Quayle, who over the weekend had cancer surgery. I know that certainly all of the Senators and in fact all the American people wish Mrs. Quayle a speedy and complete recovery.

Mrs. Quayle has been a pioneer in focusing our attention on the intense need for research and treatment for breast cancer and in fact led an effort called "Race for Cure" in which she participated, a voluntary community effort a few weeks ago. The great irony is that while Mrs. Quayle urged us all to race for a cure, she also in the last few days had to enter into a race for her own life.

Mr. President, Mrs. Quayle suffered from some type of cervical cancer. It was detected early because of a test pioneered many years ago called a pap smear. This is an essential test for all women and of course enables us to have early detection of this dread disease.

Mr. President, while Mrs. Quayle was undergoing her own ordeal, the first lady of Baltimore, Dr. Patricia Schmoke, also had to be hospitalized for a very quick surgery for a mastectomy because this 37-year-old physician, an ophthalmologist, a wife and mother, the wife of the mayor of Baltimore, was found to have breast cancer. Because her aunt also had it, it was felt that because she is in this first line of family propensity and she had to move to probably the most radical of all surgeries.

Mr. President, here we have the Vice President's spouse, the mayor's wife, wonderful women in their late thirties and early forties, accomplished as a lawyer and a physician, who have been hit by this dread disease.

Mr. President, these women are not unique. Every day throughout this country women are dying of cancer. The great tragedy is that we have no national program to help them.

Mr. President, I wish to bring to the Senate's attention a couple of points. First of all, God willing, Mrs. Quayle will survive this dread disease and Dr. Schmoke will survive her dreaded ordeal, and they will be able to do it because of early detection. But not every woman has access to the pap smear and the mammogram that can result in the saving of life. They are denied access not because we are in a primitive country without available medical technology or the means to be able to provide it. We are denying access to women because they cannot afford it. There are many women in this country who cannot afford a pap smear, and there are many more women who cannot afford the cost of a mammogram which can cost $125 to $200. Most at risk are postmenopausal women, particularly the elderly. Then, even if you have access to health care or these important laboratory tests, they are not always safe.

Senator BROCK ADAMS, BILL COHEN, Senator CARL LEVIN of Michigan, and myself introduced legislation to clean up the clinical labs. Mr. President, you supported that. That legislation was signed into law by the President of the United States in October of 1988. Now, almost a year and a half later, NCFA still has not published the regulations to clean up the clinical labs and over 40 percent of the laboratories give a false negative, meaning the woman gets the results back from her test thinking she is safe and home free only to find out that the laboratory did not do the test properly. There are very skimpy resources to deal with cleaning up those labs.

Mr. President, HCFA is there. But at the same time people say, well, sure we are going to clean up the clinical labs but then we need more research. We budgeted $77 million for breast cancer over there at NIH. But guess

what? Only $17 million of this was spent on the origins of the disease. In 1987, there is a dismal record at the National Institutes of Health where they did not even spend money on women's research. This is a scandal, and I will talk more about it. I do not want to take time this morning, but I want to bring the attention of the United States to the fact that we are shortchanging the women in this country and we have to do something about it.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Under the order, morning business is closed.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The PRESIDENT pro tempore. The Senate will resume consideration of S. 2830, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultrual export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Conrad amendment No. 2330, to modify the repayment requirements for advance deficiency payments for certain producers.

Gorton amendment No. 2344, to provide for an apple import marketing order.

The PRESIDENT pro tempore. Under the order, the Senator from Montana [Mr. BAUCUS] will be recognized to offer an amendment on cost production on which there shall be 1 hour and 15 minutes of debate to be equally divided and controlled in the usual form with no second-degree amendments in order—in the usual form meaning that if the manager of the bill supports the amendment offered by Mr. BAUCUS, then the time in opposition to the amendment will be controlled by the minority leader or his designee.

Mr. BAUCUS is recognized to call up his amendment.

AMENDMENT NO. 2353

(Purpose: To modify the method of calculating the support price for milk and deficiency payments for wheat, feed grains, upland cotton, and rice)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. KERREY, Mr. DASCHLE, Mr. CONRAD, Mr. KOHL, Mr. BENTSEN, Mr. BURDICK, Mr. HARKIN, and Mr. FOWLER, proposes an amendment numbered 2353.

Mr. BAUCUS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 19, strike lines 14 through 17 and insert the following:

"(b) RATE.—

"(1) IN GENERAL.—During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported at a rate that is not less than the support price for milk (or any price between the support price and the reduced support price, at the option of the Secretary), as established under this subsection.

"(2) SUPPORT PRICES.—The support price for milk shall be

"(A) for the 1991 calendar year, an amount equal to $10.10 per hundredweight for milk containing 3.67 percent milkfat, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(B) for each of the 1991 through 1995 calendar years, an amount equal to the support price for the preceding calendar year, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(3) REDUCED SUPPORT PRICES.—The reduced support price for milk shall be—

"(A) for the 1991 calendar year, an amount equal to $10.10 per hundredweight for milk containing 3.67 percent milkfat, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced support price for a calendar year may not be less than the reduced support price for the preceding calendar year; and

"(B) for each of the 1991 through 1995 calendar years, an amount equal to the support price for the preceding calendar year, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced support price for a calendar year may not be less than the reduced support price for the preceding calendar year.

Beginning on page 20, strike line 22 and all that follows through page 23, line 23.

On page 23, line 24, strike "(e)" and insert "(d)".

On page 24, line 4, strike "(f)(1)" and insert "(e)(1)".

On page 26, line 14, strike "(f)" and insert "(e)".

On page 74, strike lines 9 through 22 and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for wheat shall be

"(I) for the 1991 crop, an amount equal to $4.00 per bushel, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for wheat shall be—

"(I) for the 1991 crop, an amount equal to $4.00 per bushel, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

Beginning on page 122, strike line 8 and all that follows through page 123, line 20, and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced

established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for corn, oats, grain sorghums, and barley shall be—

"(I) for the 1991 crop, an amount equal to $2.75 per bushel for corn, $1.55 per bushel of oats, $2.61 per bushel for grain sorghums, and $2.36 per bushel for barley, adjusted (for each type of feed grain) to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for corn, oats, grain sorghums, and barley shall be—

"(I) for the 1991 crop, an amount equal to $2.75 per bushel for corn, $1.55 per bushel of oats, $2.61 per bushel for grain sorghums, and $2.36 per bushel for barley, adjusted (for each type of feed grain) to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

Beginning on page 178, strike line 12 and all that follows through page 179, line 2, and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for upland cotton shall be—

"(I) for the 1991 crop, an amount equal to $0.729 per pound, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for upland cotton shall be—

"(I) for the 1991 crop, an amount equal to $0.729 per pound, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

On page 223, strike line 15 and all that follows through page 224, line 4, and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for rice shall be

"(I) for the 1991 crop, an amount equal to $10.71 per hundredweight, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for rice shall be—

"(I) for the 1991 crop, an amount equal to $10.71 per hundredweight, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

The PRESIDENT pro tempore. How much time would the Senator like to allot himself?

Mr. BAUCUS. Mr. President, I yield myself 10 minutes.

The PRESIDENT pro tempore. The Senator is recognized for 10 minutes.

Mr. BAUCUS. Mr. President, I rise today to offer an amendment to the 1990 farm bill which is critical to maintaining the family farm as we know it today. This farm bill, is essentially a hold-the-line bill. It makes a few positive changes but essentially it is an extension of the 1985 farm bill.

I voted for the 1985 farm bill, and I believed that it was the right bill in 1985. But we are now in 1990 and we need to consider some real changes.

Essentially, the bill before us freezes target prices, the price farmers get for their crops. No matter what happens with inflation or other economic trends, farmers will get the same price for their crop in 1995, 5 years from now, as they will receive in 1990. Such a freeze will devastate rural America.

Just last April, the Congressional Budget Office released a report which described the outlook for agriculture over the next 5 years. The CBO concluded that if we only maintain current policies—that is all, just maintain current policies—net farm income will fall 21 percent between 1990 and 1995. The report goes on to predict that this decline in income could force 500,000 farmers into bankruptcy. That means that one in every four farms will be disappearing over the next 5 years unless we take steps to boost their farm income.

Mr. President, if CBO is right, the farm bill we are debating today will do just that. It will devastate one-quarter of American farmers in the next 5 years.

I would like to draw your attention to the chart to my left. This chart illustrates CBO's estimate of farm income for each of the next 5 years under the Agriculture Committee's bill. You will notice that the Congressional Budget Office projects that farm income will decline each year over the next 5 years. Next year farm income will be held fairly stable at $36.4 billion, but by 1995 farm income will be down more than $8 billion. In 1995, CBO projects that farm income will be only $28.3 billion. That is why I voted against the Agriculture Committee's bill. It doesn't do enough to bolster farm income.

I hope that Members take a close look at my chart before they cast their vote on my amendment. If they do, I think they will realize that it is critical to the survival of American farmers.

THE FARM PROGRAM

Now, some Members of this body have tried to portray farm programs as major government giveaways. They have tried to convince the American public that farmers are getting rich off of taxpayer dollars.

According to CBO, the fact of the matter is that the average real net farm income per farm in 1988 was only $16,364.

Farmers getting rich—$16,634 is only a few thousand dollars above the poverty line. So let us put that argument to rest. The average farmer is not getting rich off of the American taxpayer. Instead, he is barely able to make ends meet. He is providing food in abundant quantities to feed America and is making a very low income in return. In fact, the biggest beneficiaries of our farm programs are the American taxpayers and consumers. Let me repeat. The biggest beneficiaries of our American farm programs today are not the farmers. Beneficiaries are the American taxpayers and American consumers.

Americans spend a lower percentage of their income on food than any other country. In addition, the food that they purchase is higher in quality than the food available anywhere else in the world.

FARM INCOME

We have heard over and over again that farm income is on the rise. We heard it yesterday. We will hear it again today.

We have heard that farmers are doing better today than they have in many years past.

It is true that things are better than they were in the mid-1980's when farmers faced a wave of foreclosures, that is true. But in the just passed decade, the 1980's, farm income, in real terms, was the lowest it has ever been since we started keeping records in 1910.

According to the USDA, net farm income in 1910 was $51 billion. In the 1930's it was $31 billion. In the 1950's, farmers made about $48 billion. In the 1970's they made $41 billion. But during the 1980's it was only $29 billion.

And part of the reason that figures for recent years look as good as they do is that livestock producers have thankfully had several good years.

If we look only at field crops, farmers are only a little better off than they were in 1984.

And as the previous chart from CBO illustrated, farm income will likely be on a steady slide in the 1990's, if this bill passes without my amendment.

THE FARM SQUEEZE

The reason that farm income is declining is that target prices have been declining while farmers costs continue to rise.

Target prices on program crops have decreased every year since 1987. For example, the target price for wheat has declined from $4.38 per bushel to $4.

The target price for corn has declined from $3.03 per bushel to $2.75.

And the target price for cotton has slid from 81 cents per pound to 72.9 cents.

At the same time, according to statistics compiled by the Food and Agricultural Policy Research Institute at the University of Missouri, the cost of production of wheat rose from $56 per acre in 1986 to $65 per acre in 1989.

The cost of producing oats over that same period rose from $50 per acre to $60.

Barley costs rose from $58 to $66.

By 1995, unless we adjust target prices to reflect inflation, farm income will have decreased in real terms by 21.5 percent, and costs will have increased by that same amount.

THE CPI-U AMENDMENT

The amendment I am offering today is a modest attempt to allow farmers to keep pace with inflation.

The amendment indexes target prices or their equivalent for major commodities—including wheat, feed grains, cotton, rice, and dairy—to the Consumer Price Index.

The amendment would allow the Secretary of Agriculture to deduct as much as 4.3 percent from the inflation adjusted target price.

Thus, since inflation is expected to run at an average of 4.3 percent over the next 5 years, the amendment would have no net cost.

Let me repeat, this amendment would have no additional budgetary impact whatsoever.

The amendment merely provides farmers with a measure of inflation protection should inflation exceed expected rates.

Further, if there were unexpected savings elsewhere in the farm budget—as their have been 2 of the last 3 years—the Secretary of Agriculture could allow target price increases. That would be his discretion.

Personally, I wish this amendment did more. I favor legislation I introduced earlier this year that would have provided farmers with a full cost of production increase.

And if the budgetary situation that we faced were different, I would offer the original legislation as an amendment to this bill.

As we enter the final debate on the budget later this year we may consider an increase in spending on agricultural programs. Should this effort succeed, more money may be available to fund increases.

But let me once again repeat. As it stands now this amendment would have no budgetary impact.

CONCLUSION

Mr. President, some will oppose this amendment arguing that things are now going pretty well in the Farm Belt. In fact, the administration took this position during the markup of the farm bill in the Agriculture Committee.

But things are not going well in Glasgow, MT, in Mandan, ND, in Sioux Falls, SD, and in North Platte, NE. They are not going well at all.

In those farm communities, the agricultural recession of the mid-1980's has scarcely abated.

In fact, this year alone in Montana, 188 farms have been foreclosed on.

In addition, 4,204 loans made by the Farm Credit System and Farmer's Home Administration loans are currently in default.

I wonder how many more farm foreclosures and loan delinquencies it will take to convince the administration that we need to act now to help these farmers and increase income.

The PRESIDENT pro tempore. The 10 minutes allotted to the Senator by himself have expired.

Mr. BAUCUS. Mr. President, I yield myself an additional 2 minutes.

The PRESIDENT pro tempore. The Senator is recognized for 2 minutes.

Mr. BAUCUS. Mr. President, farm program spending has come down more than 50 percent in the last 3 years. That makes farm spending the fastest shrinking item in the Federal budget. In addition, we currently spend less than 1 percent of the Federal budget on farm programs.

Surely, we can find enough Federal dollars to at least take modest steps like the one I am proposing to protect farm income. If not, we will see an economic hemorrhage in the Farm Belt over the next 5 years.

That is why so many groups, including the National Farmers Union, the National Farmers Organization, the National Association of Wheat Growers, the National Association of Corn Growers, American Agriculture Movement, and many others support the concept of linking target prices to some increases in the cost of production.

Mr. President, I ask unanimous consent that letters of endorsement from a number of these groups be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN AGRICULTURE MOVEMENT, INC.,
Washington, DC, July 17, 1990.

Hon. MAX S. BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: The American Agriculture Movement has long been a proponent of indexing farm support levels to increases in production cost. AAM endorses you effort to amend the Senate Farm Bill to index target prices to the Consumer Price Index as adjusted.

AAM appreciates your concerns on the preservation of farm income. We stand ready to help you or your staff along these lines.

Sincerely,

DAVID SENTER,
National Director.

NATIONAL FARMERS ORGANIZATION,
Washington, DC, July 18, 1990.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: Our producer members are quite deeply concerned that the general thrust of the 1990 farm bill tends to continue the low price policies of the 1985 Act for another five years with only very modest improvements in the price support levels for grain.

Nevertheless, recognizing the sad state of our national budget and the Treasury deficit, we appreciate all that you are trying to do in this legislation. Our costs of production will continue to rise if we can believe all indications forecast in the general economy for the next few years.

It is, therefore, quite important that the Senate adopt your amendment that would index the target price levels for grain to the CPIU. As we understand the proposal, it would be budget neutral because you grant the Secretary authority to reduce any increase generated by this provision by 4.3 percent, the anticipated inflation rate. Such a provision wisely protects our producers against run-away inflation that would, in turn, endanger the food supply for all our people.

We hope that you amendment will be adopted in the United States Senate when the bill is on the floor.

Sincerely,

CHARLES L. FRAZIER.

NATIONAL FARMERS UNION,
July 19, 1990.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: National Farmers Union is in strong support of your amendment to adjust target prices by indexing them to the consumer price index. The approach of excluding the anticipated rate of inflation of 4.3 percent shows that the agricutlural community is willing to bear its fair share of budget cuts.

This amendment will ensure that family farmers will be able to survive large production increases over which they have no control while at the same time encouraging productivity at the point that farmers are in control.

National Farmers Union believes that this approach is essential if the farm bill is to provide for family farmers a safety net that we all can support.

Sincerely,

LELAND SWENSON,
President.

MONTANA GRAIN
GROWERS ASSOCIATION,
Great Falls, MT, July 18, 1990.

Sen. MAX BAUCUS,
Washington, DC.

DEAR SENATOR BAUCUS: As you know, the Montana Grain Growers Association has been an ardent supporter of the concepts of the 1985 Food Security Act. We believe that the concept of income protection through target prices, coupled with loan rates at market clearing levels and an aggressive export program is the way to continue a strong agricultural sector.

In 1985, we thought that if we "bought our way out" from under the then burdensome supply situation, economic forces would dictate that market prices would stabilize above cost of production. But we have just gone through a winter where grain stocks approached all-time lows and yet prices are below levels that a majority of producers can live with. We think this is in no small part due to the fact that prices are skewed by the fact that we don't have free and fair trade around the world. This may or may not be rectified in the current GATT round.

Moreover, there are events taking place in Eastern Europe that we think will benefit U.S. agriculture, but the outcome is really not clear there and furthermore, our own economic climate is far from resolved.

With all this in mind, we think that current legislation should not repeat the few mistakes of 1985 act. One of those mistakes was not to provide a mechanism whereby producers' incomes were somewhat insulated from changes in the economic climate. We were at least somewhat arbitrary in reducing target price protection under the '85 act and we didn't put in place an extensive research program to help U.S. farmers lower their cost of production to help offset that reduction in income protection. So farmers were caught in a cost/price squeeze whereby they needed to become more efficient by the combination of target price reductions and inflation. This amounted to needing to become roughly 10 percent more efficient each year, just to stay even.

Farmer income, as you know is sensitive to inflation and interest rates. We believe that getting the budget deficit under control is critical and therefore we don't want to be myopic or parochial in our requests.

Therefore, we think that your legislation to index target prices to the CPI less 4.3 percent (the probable inflation rate) would be a good compromise. This would give us some built-in protection should our fiscal policy apple cart get upset in the next 5 years, but as we understand it be budget neutral, should inflation be kept at the projected rate.

Thank you again for your efforts, and if we can be of any help during this critical legislative period for agriculture, please don't hesitate to call.

Sincerely,

CHUCK MERJA.

MONTANA FARMERS UNION,
Great Falls, MT, July 19, 1990.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: Montana Farmers Union agrees with you that it is time to stop the steady decline of net farm income. We strongly support your amendment to adjust target prices by indexing them to the Consumer Price Index.

We appreciate the numerous constraints placed upon lawmakers by the administration's budget and the federal deficit position. We applaud your amendment in that while it helps protect producers against rising costs it is also budget neutral.

This approach guards taxpayer interests while supporting family farmers and the economy. Montana Farmers Union supports your effort.

Sincerely,

BUD DANIELS,
President.

Mr. BAUCUS. Let me summarize by again pointing out the two charts that are behind me. These are the substance, of my argument.

The chart on my left, shows that farm income is going to decline by about 21 percent in the next 5 years if the present bill, without my amendment, is enacted. This, according to

CBO, will result in 500,000 farmers, one-quarter of those nationwide, going out of business.

The chart on my right shows what cost of production increases will be over the next 10 years as estimated by the Food and Agricultural Policy Institute. This chart shows that over the next 10 years, the cost of production for wheat will increase about 60 percent from today—60 percent.

Yet, the bill before us reduces farm income in real terms by 21 percent. I repeat, this bill absent my amendment is going to reduce farm income by 21 percent during the period when cost of production is going to substantially increase. That is why CBO predicts that 500,000 farmers are going to go out of business if we do not take some corrective action.

I want to emphasize this amendment I am offering is budget neutral. The cost of production will be indexed but the Secretary has discretion to lower it by 4.3 percent which is the exact inflationary estimate that CBO and OMB have made.

I cannot understand for the life of me why we cannot at least give some modest incremental help to some farmers so that fewer than 500,000 farmers bite the dust over the next 5 years.

Mr. President, I reserve the remainder of my time.

Mr. KOHL addressed the Chair.

The PRESIDENT pro tempore. Who yields time?

Mr. BAUCUS. Mr. President, I yield 4 minutes to the Senator from Wisconsin.

Mr. KOHL. Thank you very much.

The PRESIDENT pro tempore. The Senator from Wisconsin [Mr. KOHL] is recognized for 4 minutes.

Mr. KOHL. Mr. President, I want to speak briefly in support of the amendment offered by my friend from Montana, Senator BAUCUS. Mr. President, I appreciate the fact that the farm bill before us is a carefully crafted compromise. I want to commend members of the committee, Democrats and Republicans alike, for their hard work and their effort in keeping it a true bipartisan effort.

However difficult it will be for me to support this bill, I expect that in the end I will. It will be difficult because the bill essentially freezes target prices and the dairy price support over the next 5 years. Given that production costs have risen steadily in the recent years, this freeze will result in a net income loss for many farmers in my home State of Wisconsin.

This is why I support this amendment. The amendment offered by the Senator from Montana is a modest attempt to ensure that farm income keeps pace with the cost of production. It is not all that I would want, particularly in the dairy program, but I am a realist. It is clear to me that I would lose if I offered an amendment to increase the dairy price support, just as my colleagues in the House who offered a dairy amendment yesterday lost. But I am not willing to abandon my effort to see that Wisconsin farmers are assured a dairy price support that at least reflects increases in production costs over the next 5 years.

Over the last 5 years, dairy farmers have suffered under a program that has reduced the support price from milk consistently each year. In 1986 the dairy price support was $11.60 per hundredweight. In 1987 it fell to $11.10. This year the support is at $10.10. That is a drop of $1.50 in price support over the past 5 years. Yet costs of production for dairy farmers increased dramatically in that same time period. Total feed costs have increased by 24 percent. Total variable expenses have increased by 12 percent. But total cash receipts have only risen by 6 percent. This means that the value of production, less cash expenses and capital replacement, actually declined by 33 percent since 1985.

Mr. President, I cannot in good faith tell my dairy producers in Wisconsin that a $10.10 price support freeze for the next 5 years is a great deal when their costs of production are increasing and the value of their production is yearly declining.

I realize that this amendment will not offer dairy farmers a significant increase in the dairy price support. At best, it allows the dairy price support to be indexed according to inflation. At worst, it puts the onus on the Secretary of Agriculture to decide that a cost of production adjustment for target prices and dairy price support is unnecessary. Even at its worst, this amendment is a step above what we have in the current bill.

There is ample precedent in other Federal programs to make Federal payments commensurate with inflation rates. We offer cost-of-living increases under Social Security. We offer cost-of-living adjustments for wages of Federal employees. Absent statutory increases in target prices and price supports, we ought to at least offer cost-of-production increases for farmers.

I hope that my colleagues will agree with the need to establish this type of link between program payments and inflation rates and will give their support to this amendment.

Thank you, Mr. President. I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. The Chair inquires of the manager of the bill as to whether or not he opposes the amendment.

Mr. LEAHY. The manager of the bill is reviewing this amendment with a more and more jaundiced eye. I may be able to give the answer in a few minutes.

The PRESIDENT pro tempore. The Chair thanks the manager of the bill. Temporarily, then, at least, the Chair will assume that the manager is going to oppose the amendment. Just for the sake of allotted time in such a situation, the time in opposition to the amendment will be controlled by the minority leader or his designee.

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. The Senator from Indiana [Mr. LUGAR] is recognized.

Mr. LUGAR. I thank the Chair. Mr. President, I yield myself as much time as I shall require.

The PRESIDENT pro tempore. The Senator is recognized for such time as he may require.

Mr. LUGAR. Mr. President, indeed we are debating today about the future of the family farm, and I contend that defeat of the Baucus amendment is critical to the continuation of that farm. I might demonstrate during the course of these remarks why that is the case, why a freeze in target prices and a continuation of general policy of the 1985 farm bill is a superior course for farmers.

Let me begin, Mr. President, by making this statement. Target prices today bear little relationship to market prices. We cannot anticipate they will bear any particular relationship in the future.

Mr. President, just to be explicit about that situation, the fact is that only three times in the last 17 years has the price of corn at the market exceeded the 1990 target price. In 14 years the market price has been substantially less than the 1990 target price. In the case of cotton, in only 1 year has the market price of cotton exceeded the 1990 cotton target price. In the case of wheat, in only 1 year in 17 has there been an excess price for wheat at the market compared to this year's target price. In short, Mr. President, the target prices have been set with very little relationship to where we can reasonably expect the market to be.

Mr. President, we can set target prices at any point we wish to I suspect, in this a legislation body. But probably there ought to be some relationship to the real world. I am pointing out that in the past there has been little such relationship. Target prices clearly are on a track all by themselves, and the market has been somewhere else, throughout the past 17 years, save three times in the case of corn.

Let me just make a second point, Mr. President. That is, farm income does not decline because target prices do. From 1986 to 1990—and this is the stretch of the 5-year farm bill we are

now concluding—net farm income rose an average of 8 percent a year, target prices fell an average of 2 percent a year; income up 8 percent, target prices down 2 percent, over the course of 5 years.

It was not just a case of 1 year or a vagary of the averages. That is the trend, Mr. President.

The assertion of those wanting higher target prices consistently is that somehow by raising the target prices, farm income goes up. I am contending, as a matter of fact, that lowering target prices 2 percent annually resulted in income going up 8 percent.

As a matter of fact, I do not think there is any relationship whatsoever. I do not contend that lowering target price necessarily raises income. I am just saying that farm income is on an entirely different track as are market prices, from target prices. The audacious assumption that somehow in this body by setting target prices we somehow affect farm income is false.

There really is no visible relationship.

Now even more devastating, I believe, to the case of the Senator from Montana, is this assertion, Mr. President. Production costs, the costs that farmers have in producing their crop, bear very little relationship even to the cost of living, generally.

Between 1980 and 1990, and I choose those dates deliberately to cover the whole decade, through two farm bills, all the period of the eighties that the Senator from Montana has characterized as so devastating to agriculture, the CPI went up an average of 4.62 percent a year. But the cost of production for the program crops increased by only 1.74 percent over that same 10-year period of time.

In some years, production costs for agriculture in the four program crops fell. There was no year in which the CPI [the Consumer Price Index] fell. It went up every single one of the 10 years. The Senator's amendment is fatally flawed because it is tied to this CPI, and as I point out there is no relationship between the costs of farmers and the CPI. That should not be a mystery. The CPI covers everything in our entire society. But this bill deals with farmers, not with a theory concocted by any one of us as we try to conjure up some way that farm income might be boosted.

Mr. President, I simply push on with that general overall thought by making at least one further assertion, and that is the 1990 target prices, the ones that are frozen in the farm bill that we have in front of us exceed total economic costs; that is all economic costs, not just the inputs, but rent, management, everything.

The current target price exceeds total economic costs by $10 to $52 per acre for wheat, corn, and rice. And this is 90 percent of the total economic cost for cotton. That is at the current levels. We freeze those current levels for 5 years.

So at these levels, the average, not the superior manager in farmland in this country, but the average manager of farmland, makes money at a total economic cost in terms of the actual outlays of money. The gap between target price and those outlays is very large indeed.

I pointed out earlier that there appears to be no relationship between market prices and the reality of the target prices. The relationships do not follow at all. I have taken time tediously to go through this, because the assertion is made again and again that we here in the Senate can produce income; we raise target prices, we save farms.

The Senator from Montana has stated that without adoption of his amendment, 500,000 farms may fail. Furthermore, he says that the average farm income in the past year was just $16,000.

Mr. President, we have been back over these statistics many times in the last 5 days. Let me reiterate them.

There are 2.5 million farms, more or less, in the country; everyone is considered a farm who sells $1,000 worth of farm products; everybody. There is no particular reason to suspect that someone selling $1,000 worth of farm products would make even the average $16,000, but everything is lumped into this average. This is the way we get to the $16,000.

The facts of life are that for the 300,000 of those farms that have sales of $100,000 or more, agriculture has been fairly lucrative throughout this period of time, reasonably lucrative. But for purposes of these sorts of arguments, inevitably proponents of higher target prices lump in the other; 1.4 to 1.5 million farms to average out their income.

Mr. President, this is not only an invalid concept; it has no relationship once again to real agriculture in the country today. A $16,000 average per farm is meaningless because it covers those who even sold $1,000 worth a year. As a matter of fact, a lot of farms are nominal-income hobby farms, extra income for factory workers, people who have a little plot here and there.

We are still, despite the assertion of the proponents of the amendment that this amendment creates vast new budget exposures, getting vast new spending. I contend, Mr. President, that no Senator can vote for this amendment that covers 5 years of the unknown without having a charge lodged against him or her that that person was prepared to spend a lot of money.

Indeed, perhaps the Senator from Montana is disappointed we cannot spend more money, that Senators are restrained from spending money even though, as I demonstrated, there is no relationship between the amount of money that they propose to spend and net farm income. The huge expenditures of 5 years ago, under this farm bill, about $26 billion, has been reduced to $8 billion. But farm income went up throughout this period of time by 8 percent a year.

The Senator from Montana claims that somehow agriculture has suffered because the Federal outlays are down from $26 billion to $8 billion. In fact, agriculture has prospered at an annual income increase of 8 percent a year. You cannot reconcile such assertions, and Senators will have to finally come to a conclusion with regard to the efficacy of more spending.

But even while we are coming to that conclusion, as I tried to point out last evening when we had a very similar debate on another attempt to raise target prices—and I characterized it as a very serious issue then; I do now—the problem with the Senator's amendment is that it goes into predictions of the unknown, and therefore Senators will have to do the same thing.

But it is not farfetched, Mr. President, to assume that in 1 year of the next 5, the rate of inflation in this country will be greater than 4.3 percent. And at that moment that inflation is higher than 4.3 percent, the Senator's amendment costs roughly $2.2 billion over 5 years for every 1 percent above 4.3 percent.

Mr. President, I appreciate in both major parties, Republican and Democratic Parties, there are economists who for the sake, I presume, of furthering their own arguments and forecasts at any one time, predict inflation at 4.3 or declining. And indeed, earlier in the year, the current administration predicted a current inflation rate of 4.3 percent.

I gather this is one source for the amendment of the Senator from Montana. But of course that current administration has now changed that forecast to 4.8. And there are many people taking a look around the world. They state that 1 year ago we did not know that the two Germanys were going to come together. We did not know Helmut Kohl would redeem the entire East German currency 1 for 1, even though the East German currency was actually worth about one-sixth of the value. The Germans claim that they will not have inflation, but their interest rates are going up.

The Japanese 1 year ago had abnormally low interest rates, but for a variety of reasons and changes in their economy, Japanese interest rates are going up. As a matter of fact, inflation is going up worldwide.

We are not immune from that. We are not in a vacuum in this country,

and the inflationary pressures here remain very tough. Mr. Greenspan, in his testimony before committees of this body has pointed out that he has fixed upon trying to stop inflation. But he says he does so because if we have greater inflation, we shall surely have recession; one follows after another in his judgment. But he sees inflation still as a very tough push.

All I am saying is to characterize this amendment over a 5-year period of time, to forecast inflation in any of the 5 years as not higher than 4.3 percent, is extraordinarily optimistic, and I think entirely unreal. And at that point when you are having 1 percent inflation in any one year, you have a budget exposure of $2.2 billion.

If, in fact, inflation should average 5.3 percent instead of 4.3 percent over 5 years, the cost of the Baucus amendment is many billions of dollars.

Mr. President, that is a lot of money, and that might not be the end of it. A lot of the problems of agriculture occurred because in the latter part of the 1970's and the early part of the 1980's, inflation in this country went in double digits. Imagine the cost of the Baucus amendment if despite the attempts, the very best attempts of the Democratic Party and Republican Party statesmen, somehow, maybe because of events abroad in Germany or Japan or flareups of trouble in the Middle East, that inflation went to double digits. The cost of the Baucus amendment alone will begin to rival the cost of the entire farm bill for that particular year.

Mr. President, no responsible Senator can vote for an amendment that has that kind of exposure, even if that Senator has a sentimental feeling that, somehow or other, if you throw cash at the problem, it may hit the family farmer, and it may lead to less of a burden for that farmer. If even the basic premise were valid, Mr. President, that throwing cash would hit the family farmer and income would go up because of any relationship between this amendment and income, then such sentiments perhaps are to be given some due.

My assertion, Mr. President, is there is almost no relationship whatsoever, aside from assertions by persons such as ourselves who want to be helpful and assume that, through a target-priced mechanism, some good may occur.

Mr. President, I have gone carefully through what I believe are the specific objections to this particular amendment, simply taken by itself. It is not the first time that the Agriculture Committee has visited this amendment, although it may be the first exposure of other Senators. The Baucus amendment arose during the Agriculture Committee deliberation. It was perceived then and now as a target-price increase. However the Senator wishes to characterize the situation, it was voted down by the committee not because all Senators lacked sympathy for the distinguished Senator from Montana or the plight that he perceived. It was voted down in part because it was invalid in terms of the economic involvement, and it was voted down, second, because a majority of the committee had come to a general agreement that we ought not to increase target prices, loan rates, set-asides, and that we wanted to proceed on a bipartisan farm bill.

I took the occasion last night in the debate on the amendment of the distinguished Senator from South Dakota [Mr. DASCHLE] to point out that, at least in the likely chain of events, we were slated to have at least two target price increase amendments. We had two such attempts in committee, as I recall.

Mr. President, I mentioned that I stood with the distinguished chairman of the committee behind the thought of pressing on to a conclusion of this farm bill, and I still take that stance. I appreciated the leadership of the chairman last evening. It is not an easy task, with an amendment offered by a Member of his own party, a distinguished Member of this body, a man from a State deeply troubled by loss of farm income. The distinguished Senator from Vermont [Mr. LEAHY] indicated that he and I stood together to make certain that we finally have the benefits of a very constructive and, we believe, historic farm bill. I believe that that is still the case, and I hope the Senator will be able to support some of my argumentation or at least my final results for opposing this amendment.

Mr. President, I simply suggest that we are at a critical threshold. It may be too optimistic, but I foresee that, in the event this amendment is defeated, we are in prospects of moving along the trail with some accelerated conclusion of the farm bill. I perceive this as potentially the last major obstacle in the agreements that we have had with regard to target prices, loan rates, and set-asides. Maybe other Senators will rise to do it again, but I hope not. This appears to me to be the last challenge of that broad coalition that has brought the farm bill to the floor. I appeal to my colleagues for their support, and I ask that Senators vote against this amendment.

Mr. LEAHY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Vermont [Mr. LEAHY] is recognized. As manager of the bill, Mr. LEAHY has informed the Chair that he, the manager, does indeed oppose the amendment. Therefore, under the agreement, the manager of the bill, Mr. LEAHY, will control the time in opposition thereto. He has 18 minutes remaining.

Mr. LEAHY. Mr. President I yield myself such time as I may need of that 18 minutes.

Mr. President, as the distinguished Senator from Indiana said, it is not easy to oppose a member of one's own party and from States that have grave farm problems. As chairman of this committee, I feel I have a responsibility to all the Senate and to the country in forming a farm bill. Since I have been a Member of the Senate, this is the fourth farm bill I have been involved in, the first one as chairman of the committee. I do not take that responsibility lightly to the Senate, to my committee, or to my colleagues, both Republican and Democrat.

I agree with the Senator from Indiana when he says that we are on the threshold of passing a historic farm bill. It is a very, very progressive one, born in a time of shrinking budgets and difficult fiscal restraints. But we have forged a bipartisan coalition to meet those fiscal restraints and those budgetary considerations. Moreover, when we started this piece of legislation, we did it knowing that we may well shape farm policy and food policy in this country well into the next century. This is a bill which addresses the problems of rural America. It has the first forestry title certainly in the years since I have been here. It is progressive in the areas of organic farming and the environment, conservation reserve, and encourages easing the use of pesticides.

Mr. President, it is a bill the U.S. Senate can be proud of. Each one of us, has a constituency in rural America. Every single Senator is concerned with the forests of this country. Every single Senator has to be concerned about how his or her constituents feed themselves and clothe themselves. We are the only major power in the world that is able to feed itself and has food left over. Our national security depends on it. This bill was crafted and difficult compromises were reached.

The Senator from Vermont had to give up areas that he would have liked. I had to do that even though I am chairman of the committee. The distinguished Senator from Indiana, one of the senior Members of the Senate and one of the most respected Members of the Senate, also had to go back to his constituents and say there were things that he had to give up. And that is not an easy thing to do. We did this knowing that it is our responsibility to bring to the U.S. Senate a piece of legislation that all Senators can be proud to support. If this legislation is enacted into law closely resembling what we have passed here, we can say to the President of the United States, "You can sign this bill, and the people of this country will benefit by the work done by the U.S. Senate."

Mr. President, I must say that it is always painful to have to say no to colleagues, especially friends whom I respect as much as I do the Senator from Montana. He is a good friend, and a hard-working and diligent Senator, who at another time might have a proposal that could merit the support of this body. All of us must sacrifice to get this bill through.

It is because of that that I will oppose the amendment, and I hope it will be defeated. I hope major amendments, that would change the bill are defeated because, if they are, Mr. President, I think that we could finish this bill today. Those of us who must carry this bill through conference have weeks and weeks of very difficult work ahead of us, part of that through uncharted waters. We do not know what the budget summit is going to do, but I have given my word to this body that what they do will be taken into consideration during conference. But whatever comes out of that budget summit is going to also make it more difficult for us.

Mr. President, I urge the consideration and help of our colleagues in letting us bring this bill up relatively unscathed. It is a good piece of legislation.

This farm bill is a historic piece of legislation; the most progressive farm bill that I have seen out of this body. We have had some good farm legislation but I believe this is the best. We should keep it the way it is.

I reserve the remainder of my time.

The PRESIDENT pro tempore. Who yields time? The Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, might I inquire of the Chair how much time is remaining on each side?

The PRESIDENT pro tempore. The Senator has 20 minutes and 26 seconds; the opposition has 11 minutes and 46 seconds.

Mr. BAUCUS. Mr. President, I yield myself 5 minutes.

The PRESIDENT pro tempore. The Senator is recognized for 5 minutes.

Mr. BAUCUS. Mr. President, the point made by the Senator from Indiana is essentially that net farm income has been higher in the last 5 years, during a time when target prices have come down. He wonders, therefore, what is the point of this amendment? He asks how can the sponsors of this amendment reconcile those facts with the asserted need for the amendment.

Mr. President, the reconciliation is very simple. First, the income figures of the last several years include livestock farm income. The figures are aggregates. They include all farm income—not only crop income, but also livestock income. We all know that cattle prices have been quite high in the last several years. So, when the income of cattlemen is averaged in with the income of farmers, of course the total is going to be higher. But farmers themselves are not doing well. As I stated before, in this year alone in Montana, 188 farms have been foreclosed on and there are about 4,000 farm loans that are now delinquent.

Second, if we take even the last 5 years of farm income and compare that with any other decade since we have been recording farm income figures, the total farm income, including livestock income, is still lower than any other decade in American history with the exception of the 1930's.

So I must say, Mr. President, we are not doing too well even though the figures may look, on the surface, as though we are doing pretty well for the last 5 years.

But, the still is not the main point.

The main point is this: The Senator from Indiana is talking about the past. My amendment addresses the future. The CBO analysis addresses the future. And FAPRI analysis, which shows costs of production increasing for wheat in the next 20 years, addresses the future. We need to address the future, not the past. If we look to the future, we will find that unless we adopt my amendment, there is a good possibility that one-quarter of American farmers will be gone in the next 5 years. One-quarter of American farmers. We must not allow that to happen.

In addition, the Senator from Indiana points out that there are different-sized farmers, big ones and little ones. I agree with him. But I ask him, if income declines by 21 percent over the next 5 years, who does he think that will affect the most? The smaller farmer or the larger farmer?

I suggest to the Senator from Indiana that the small- and average-sized farmers will be hit hardest. That is the future we are debating about today.

One other point here is critical. We Americans have to remember that we do not live only within the confines of our north-south-east-west borders. We have a world marketplace. The market price for wheat and other crops is largely determined by what happens in the rest of the world. We have to remember that other countries subsidize their crops much more than we subsidize ours.

Let us look at the figures. Mr. President, I yield myself another 3 minutes.

The PRESIDENT pro tempore. The Senator is recognized for another 3 minutes.

Mr. BAUCUS. If we look at all the European Community price support programs, we will find that the European Community subsidizes its farmers to the extent of about $100 billion per year. Japan subsidizes its farmers by about $60 billion; and America by only $30 million.

The European Community subsidizes its farmers over three times more than we subsidize ours.

Here we are on the eve of the GATT negotiations, cutting farm income, weakening our bargaining position before we even go into those negotiations with other countries.

Mr. President, I am addressing this point mainly for folks in the cities, not to farmers, but folks who live in the cities. Urban people should support this amendment because they are Americans. This is an American amendment. This is an amendment that says we are going to at least hold the line for American farmers as we go in to negotiate with other countries.

Under this bill we are cutting farm income before we go into negotiations. My amendment says that we should at least hold the line. It signals to our American negotiators in the GATT that they should negotiate the best agreement they can. We should be negotiating not from a position of weakness, but from a position of strength. The Agriculture Committee bill before us right now tells our GATT negotiators to go negotiate from a position of weakness. We are cutting the heart out of our negotiating position with this bill before us.

If we pass my amendment we are at least holding the line when we go to negotiate.

So I say to the folks who live in the cities, New York, Los Angeles, people who are not farmers—you are Americans. I would think you would at least want America to have an equal footing when we negotiate with our trading partners in the GATT round.

Finally, Mr. President, I want to emphasize one more time that this amendment is budget neutral. This amendment does not cost anything. It has no budget exposure.

For these reasons, Mr. President, I strongly urge that we adopt my amendment and provide farmers with a safety net against the inflationary costs of doing business.

Mr. President, I yield the floor. Mr. President, how much time does the sponsor of the amendment have remaining?

The PRESIDENT pro tempore. The remaining time of the sponsor is 12 minutes, 20 seconds.

Mr. BAUCUS. Mr. President, I yield 4 minutes to the Senator from North Dakota.

The PRESIDENT pro tempore. The Senator from North Dakota is recognized for 4 minutes.

Mr. CONRAD. Mr. President, first I want to compliment the Senator from Montana for his leadership on this subject. He fought very hard in the committee. He has fought very hard on the floor. I think he is exactly right to do so.

Mr. President, I will be very brief in reviewing arguments that I made previously. But first I would like to direct the attention of my colleagues, and

others who might be watching, to this chart that shows consumer spending on food in developed countries with a gross national product basically like ours. These are countries that have the same sort of economies as we do. I think it is very instructive.

These countries have a similar gross national product on a per capita basis to us: Italy, Switzerland, Iceland, Norway, Finland, Japan, Sweden, Austria, France, West Germany, Denmark, Canada—and the United States. This chart shows the consumer spending on food. The source is USDA.

This chart is quite revealing because what it discloses is the United States has the lowest cost of food as a percentage of disposable income of any of the developed countries. In fact, Italy spends 21.5 percent of their disposable income on food. Japan—we talk at lot about our competitiveness vis-a-vis Japan—consumers there spent 18.8 percent of their income on food. West Germany, another key competitor, 16.8 percent of their disposable income on food. The United States, the very cheapest food in the world at 10.4 percent of disposable income.

Mr. President, even if we add the entire cost of the farm program, Americans spend less than any other nation on a disposable income basis on food. Even with the whole farm program added in, our cost goes from 10.4 to 10.7 percent. The country that is closest to us is Canada at 11.5. And then we jump up quite dramatically to Denmark at 16.4 percent.

Mr. President, I say to my colleagues, let me direct attention to the next chart as to what happened to farm income in this country over the last decade because I think it is also important to understand the historical basis on which we argue today for the amendment of the Senator from Montana.

This chart shows the average by decade for net farm income expressed in 1982 dollars. So we are comparing apples to apples and oranges to oranges. This chart reveals that in the decade of the 1980's, we had the lowest 10-year period for farm income in our Nation's history. On average, $28.8 billion. No other 10-year period has had as low a net farm income since we started keeping records back in the 1910's. That is the sobering reality that agriculture faces.

What does the future hold? According to the Congressional Budget Office—and the Senator from Montana has a chart that tells what the future holds—even more reductions in farm income, and as farm income declines, the number of farms decline.

The PRESIDENT pro tempore. The 4 minutes have expired.

Mr. CONRAD. I ask for 1 more minute.

Mr. BAUCUS. I yield 1 addtional minute to the Senator from North Dakota.

The PRESIDENT pro tempore. The Senator is recognized for 1 additional minute.

Mr. CONRAD. Mr. President, when we talk about farm income, it is not a dry statistic. We are talking about the lives of hundreds of thousands of farm families dotted across the rural landscape, people who are being forced from the land. The Congressional Budget Office says that if we make no adjustment, if we freeze prices where they are while all of the costs that farmers experience are rising, we will lose literally hundreds of thousands of farmers in the next 5 years. That is why the amendment of the Senator from Montana is so important and why I support it so strongly. I yield the floor.

The PRESIDENT pro tempore. Who yields time? The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield, on behalf of the distinguished Senator from Vermont, 3 minutes to the distinguished Senator from Illinois in opposition.

The PRESIDENT pro tempore. The Senator from Illinois [Mr. SIMON] is recognized for 3 minutes.

Mr. SIMON. Mr. President, I say to my colleagues, the statistics that have been given to you by my colleagues from North Dakota and Montana are accurate. Not only in terms of the percentage of what we spend on food accurate in the chart that Senator CONRAD just showed us, but we eat better than any people on the face of the Earth. The only thing that is wrong with this amendment is that the solution is wrong. In fact, it is dangerously wrong.

Indexation is appealing, and we have indexed a number of things. But let me say to my colleagues, if we ever have real inflation in this country, the fact that we have indexation in whatever areas we have it, will make getting control of that inflation much, much harder. Arthur Burns and Paul Volcker warned us against indexing our income tax rates. We paid no attention to them. We went ahead and indexed our income tax rates. We have indexed a great many things.

What has happened has happened. I am not suggesting that we can change everything we have indexed, but we ought to halt where we are.

I have spoken on this floor several times on behalf of the minimum wage, but I oppose indexing the minimum wage because any indexation is in and of itself inflationary. That is the reality. The day is going to come in all likelihood—I do not know whether it is 1 year from now, or 10 years from now, or 20 years from now—when this Nation is going to have an inflation problem. We will have compounded all of our inflation problems with the indexation that we have.

If the Senator from Montana wants to come in with a specific target on milk, on wheat, on corn, on soybeans, on other products, and give us specific targets that take into account cost of production and give us specific dollar and cents amounts, I will probably go for that amendment because I am a strong believer that we have to help the family farmer more.

May I have 30 seconds more?

Mr. LUGAR. I yield 30 seconds to the Senator.

Mr. SIMON. The reality is that the siren call, the attractiveness of indexation is dangerous, dangerous, dangerous. My colleagues are going to hear me speak on this on a great many things. Just yesterday I spoke on the floor with the Senator from Rhode Island about Pell grants and higher education and what can be done. I said I will oppose indexation of Pell grants as strongly as I support them. This amendment ought to be defeated.

The PRESIDENT pro tempore. Who yields time?

Mr. LUGAR. Mr. President, I yield 3½ minutes to myself in opposition.

The PRESIDENT pro tempore. The Senator from Indiana is recognized for 3½ minutes.

Mr. LUGAR. Mr. President, in support of the comments of the distinguished Senator from Illinois about indexation, let me point out that in the midsession review estimates of the U.S. Department of Agriculture, note is already taken that the 4.3-percent prediction for inflation this year has been over taken by the facts. Inflation now is apparently 4.8 percent. That alone means that the amendment of the Senator from Montana is a cost of $1.1 billion over a period of time at the 4.8 level.

This is a costly amendment. There is a really money involved here. The Senator from Illinois, I think, states it more eloquently. None of us know in 5 years of time what the inflation rate will be, but if it goes up one-half of 1 percent, hundreds of millions of dollars will be spent, and that is money, real money.

Let me just talk about some other kinds of money, Mr. President. The assertion has been made again and again that even if farm income went up—and it did—that means little. In the last 5 years, real farm income for all farms went up 30 percent. The Senator from North Dakota points to a chart for the entire eighties, but that includes the first half of the 1990's. In the second half there was better income. It was up 30 percent, not down as his charts shows.

I point out, Mr. President, that target prices were falling during that 5-year period of time, supporting my assertion there is not a relationship,

even if one were so disposed, to throw money at the problem in this way. But the Senator from Montana makes the curious assertion that even if income went up in the last 5 years, it did so because livestock prices went up.

Mr. President, most farmers in Montana have livestock. Most farmers in Indiana have livestock. I point out that livestock, unlike wheat, corn, rice, and cotton has no target price. It has no Government support.

What a great argument, Mr. President, for using simply the market place without all the contrivances of target prices, set-asides, and all the rest. In fact, Mr. President, a case might be made that corn, wheat, cotton, and rice would be better off if we had never gotten into the target price and loan rate business at all. I do not make that assertion today, but I do suggest that thank goodness there are other areas of agriculture that are unregulated and without the contrivances we are discussing. In fact, 64 percent of all farmers in America receive no target prices at all and, thus, are beyond this entire argument.

Finally, Mr. President, let me just say that this amendment, because, in my judgment, it will lead to higher Government expenses, has been characterized by the Senator from Montana as a pro-America amendment.

But I am not certain our bargaining position in GATT is helped by this amendment. As a matter of fact, if target prices lead to higher costs, we will surely have more set-asides. The countries of Europe will rejoice that we have taken once again our productive land out and that we are less competitive than before.

I do not want to get into a patriotic argument with the Senator from Montana as to whether this is a pro-America amendment or an anti-America amendment. I would say that is irrelevant as a matter of fact. It is not very good economics and in my judgment would not enhance the strategic bargaining position of our country one whit.

For these reasons, Mr. President, I ask Senators to consider defeat of the Baucus amendment.

The PRESIDENT pro tempore. Who yields time?

The opponents have 4 minutes and 11 seconds. The proponents have 6 minutes and 47 seconds.

Mr. BAUCUS. Mr. President, I yield myself 3 minutes.

The PRESIDENT pro tempore. The Senator from Montana is recognized for 3 minutes.

Mr. BAUCUS. Mr. President I would like to add that this amendment is also sponsored by Senator DASCHLE, Senator CONRAD, Senator KOHL, Senator BENTSEN, Senator BURDICK, Senator HARKIN, and Senator FOWLER.

Mr. BURDICK. Mr. President, I wish to express my strong support for the amendment offered by my colleague and good friend from the State of Montana, Senator BAUCUS. I am pleased to cosponsor this amendment, which is of vital importance to those farmers who participate in our farm programs.

Under the 1985 farm bill, farmers have seen target prices decline steadily, while input costs have continued to increase steadily. Fertilizer costs didn't decline during this period. Machinery costs did not stay constant or decline. No one expects these costs to decline or to be frozen during the next several years. Yet, under the committee bill, farmers are faced with frozen target prices and higher input costs.

I believe that farmers should have some protection from these increased costs and Senator BAUCUS, through his amendment, offers that protection.

Some Members of this body would lead you to believe that our farm economy has recovered from the severe depression of the 1980's. You also get this same story from the Bush administration and from the media. I don't know where they are getting their information. I can tell you that farmers in North Dakota do not agree.

My State has suffered an extreme drought for the last 2 years. Some parts of the State have been dry longer than that. In fact, today sections of North Dakota are as dry, or drier, than during the 1988 and 1989 droughts.

As a result, many North Dakota farmers are barely hanging on. I don't know how many more we will lose due to the continuing drought or how many we will lose if we freeze target prices for 5 years, but I can tell you that neither of these situations will result in a healthier farm economy in my State.

One indication of the severity of this situation is the fact that few young people are choosing farming as an occupation. The young people in my State that I talk to do not want to be farmers. They see that farming is a hard, dangerous occupation and that it is a struggle to make a living in farming. Young people also see that the Government is supporting agriculture less and less each year. To them, farming just does not offer sufficient reward for the effort.

You may ask why am I so concerned about the lack of young people taking up farming. A look at some numbers will give you a pretty good indication. According to the 1987 agricultural census conducted by USDA, more than 40 percent of North Dakota farmers are 55 or older. These farmers will retire in the next several years. The same census indicates that less than 3 percent of North Dakota farmers are under 25 and around 6 percent are between 25 and 34 years old. As you can see, we just do not have enough young people going into farming to sustain North Dakota agriculture.

Another troublesome set of numbers is the number of farms North Dakota lost during the 1980's. Between 1981, when the Reagan administration began, and 1987, North Dakota went from 38,500 farms to just 32,500 farms. At the same time, the amount of land in farming remained fairly constant. However, the average size of a farm went from 1,073 to 1,252 acres.

The value of those acres did not hold constant, however. In 1981, the average value per acre was $436. In 1987, the average value was $282. You do not have to perform any math to see the precipitous drop suffered by North Dakota farmers. If young people will not take up farming, how do we ensure that this country will have enough farmers to support a viable agricultural sector? It is not by forcing commodity prices lower and lower.

I do not pretend for a moment that, by adopting this amendment, we can reverse this decline in the number of young people and established farmers leaving the land. However, maybe we can stem the tide somewhat if we give farmers the hope that they won't be left entirely to the vagaries of the economy. I ask that my colleagues join me and support the amendment of the Senator from Montana [Mr. BAUCUS].

Mr. HARKIN. Mr. President, this amendment simply says that if the rate of inflation exceeds 4.3 percent in a year, farmers are ensured of an increase for the next year in their commodity target prices and in the support price for milk.

We have heard a lot of discussion about the levels of farm income in recent years and the prospects for farm income on into the 1990's. Unfortunately, those who contend that we now have record levels of farm income conveniently fail to adjust those figures for inflation.

I agree that commodity target prices are not the only determinant of overall farm income. But for producers of program commodities that figure is of critical importance. When commodity prices are below the target price, as they have been at virtually all times in recent years, a cut in the target price means a cut in income for farmers.

Inflation and increases in the cost of production have the same effect on real farm income as a cut in the target price of commodities.

This amendment simply provides some protection for the incomes of farm families against high levels of inflation. If we simply freeze target prices without any opportunity for adjustment to account for inflation, I am afraid we are putting our farmers in a dangerous position.

With 5 percent annual inflation, the $2.75 a bushel target price we now

have on corn would be worth only about $2.15 by 1995 in today's dollars.

The 4.3 percent deductible in the amendment reflects the CBO projection for inflation over the 5-year life of the farm bill. OMB is projecting ever lower rates of inflation. By using this deductible we do not show any increased budget outlays through this provision. Our Senate budget resolution only gives us the baseline to work with, this amendment does not take the cost of the bill above the baseline.

I certainly would like to do more than this amendment does to protect farm families against inflation. In legislation I joined in introducing earlier this year we would have provided for full target price indexing for inflation. I think that is only fair. I see no reason why farm families should not have protection against inflation, as do other sectors of our economy. The limitations of the Federal budget are obviously a big factor on this point, but agriculture spending has declined markedly in recent years, leaving current levels of agriculture spending, as a share of Federal outlays, quite low by historical standards.

This amendment is a commonsense approach. The amendment provides our farmers some protection against inflation, but does not go beyond what the budget permits. It is a hedge against inflation.

Is this a budget gimmick? No. Again, what we are doing is to fashion protection for farmers using the budget that we have been given.

This approach is within the budget rules and procedures. Agriculture should not be held to any more stringent budget and accounting rules than any other programs.

Mr. President, I urge my colleagues to support this amendment.

Mr. BAUCUS. Mr. President, the Senator from Indiana mentioned midterm reviews have been revised to 4.8 percent.

Mr. President, I suggest that the amendment before us should reflect the very best estimates we have available to us. As the amendment is currently drafted, the target price would increase according to the CPI-U and the Secretary would have discretion to lower that increase by 4.3 percent; that is, there would be an inflation deflater by the amount of 4.3 percent.

Mr. President, I send a modification of my amendment to the desk to replace the figure of 4.3 percent with 4.8 percent to reflect the best information available to us at this time.

The PRESIDENT pro tempore. The Senator will send his modification to the desk.

The Chair would advise the Senator from Montana that inasmuch as there has been action taken on the amendment by way of a time agreement limiting time, then the modification would require unanimous consent.

Mr. BAUCUS. Mr. President, I so make that request.

The PRESIDENT pro tempore. Is there objection to the Senator's request?

The Chair hears none, and the amendment of the Senator from Montana will be so modified.

The modification is as follows:

In all places in the amendment at which "4.3%" appears substitute "4.8%".

Mr. BAUCUS. Mr. President, we have had a good debate on this amendment.

As we move toward a vote, I want to remind my colleagues of a few key points in relation to this amendment.

First, I hope all of my colleagues keep in mind the CBO study on the farm economy that was released in April. I believe it is the most authoritative economic analysis of the farm economy.

According to CBO's analysis, a freeze on target prices—which the bill we are considering establishes—would force 500,000 farmers off of the land between now and 1995.

That means that we would lose one in every four farms between now and 1995—an unprecedented exodus from rural America.

We simply must act to prevent this prediction from becoming a reality.

Second, I would like all of my colleagues to remember that this amendment has no budgetary impact.

Although it does index target prices to increases in the cost of production, it allows the Secretary of Agriculture to deduct as much as 4.8 percent from the target price.

Since inflation is estimated to run at 4.8 percent over the next 5 years, the amendment is scored at no net cost.

The amendment merely provides farmers with a measure of protection if inflation grows faster than expected and—if we are able to find savings elsewhere—provides the option of raising target prices.

Finally, I would remind all of my colleagues that the concept of increasing target prices to reflect rising production costs is endorsed by most leading farm groups, including the National Farmer's Union, the National Farm Organization, the National Association of Wheat Growers, the National Association of Corn Growers, and the American Agriculture Movement.

CONCLUSION

Mr. President, this is not a debate between rural Senators and urban Senators.

It is not a debate between Democrats and Republicans.

We all have an interest in preserving a strong farm economy.

Farms are the backbone of rural America.

And the entire country—not just farmers—has benefited from the farm policy we have pursued over the last 40 years.

American consumers spend less of their income on food than consumers in any other nation.

The American food supply is the envy of the world.

But if we fail to make the needed investments in our farm community all that we have gained could disappear.

Mr. President, I urge all of my colleagues to cast a vote for American farmers and support this amendment.

I reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator reserves 47 seconds of his time.

Who yields time?

If no Senator yields time, time will be equally charged against both sides.

Mr. BAUCUS. Mr. President, after consultation with the manager of the bill, it is probably most appropriate we yield back all time.

Mr. LEAHY. I yield back our time.

The PRESIDENT pro tempore. All time has been yielded back.

Mr. BAUCUS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDENT pro tempore. Is the demand sustained?

The demand is not sustained.

Mr. LEAHY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LEAHY. Mr. President, am I correct in my understanding that all time has been yielded back on the Baucus amendment?

The PRESIDENT pro tempore. The Senator is correct.

Mr. LEAHY. Is it also correct that while the yeas and nays have not been ordered, at any time prior to the time of the vote, under the unanimous-consent order yesterday, or at some appropriate time prior to the vote scheduled, by asking unanimous consent it would still be in order to request the yeas and nays?

The PRESIDENT pro tempore. The Senator is correct. At the appropriate time, it would be in order.

Mr. LEAHY. Or at any other time prior to that by asking unanimous consent?

The PRESIDENT pro tempore. By asking unanimous consent it would be in order to order the yeas and nays.

Mr. LEAHY. Mr. President, now under the previously entered unanimous-consent order, what is the order for the Senate?

The PRESIDENT pro tempore. The previous order requires that upon the completion of the debate on the Baucus amendment the Senator from Delaware [Mr. ROTH] will be recognized to offer an amendment on the peanut programs on which there shall be 2 hours of debate, and upon the

completion of the debate thereon the vote would occur on the Baucus amendment before the vote on the Roth amendment or in relation thereto.

Mr. LEAHY. Mr. President, is now the time for Senator ROTH to bring up his amendment?

The PRESIDENT pro tempore. It is time for Mr. ROTH to bring up his amendment. The Chair presumes that he is temporarily busily engaged in a conversation in the Cloakroom and consequently cannot be recognized.

Mr. LEAHY. Mr. President, like Hotspur, I will put in the call. We will see what the vasty deep yields up.

The PRESIDENT pro tempore. Is the Senator referring to a call for the quorum?

Mr. LEAHY. No. A call from Senator ROTH.

Mr. President, if I might for just a moment, I ask unanimous consent that it be in order to at this point ask for the yeas and nays on the Baucus amendment.

The PRESIDENT pro tempore. The Senator is not required to ask unanimous consent at this point.

Mr. LEAHY. I ask for the yeas and nays on the Baucus amendment.

The PRESIDENT pro tempore. Is the demand sustained? The demand is sustained.

The yeas and nays were ordered.

Mr. LEAHY. I thank the Chair.

Mr. FOWLER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Georgia [Mr. FOWLER] is recognized.

Mr. FOWLER. Mr. President, begging the indulgence of the Chair and the Members, I was off the floor necessarily when the Chair reiterated the unanimous-consent request. It is my understanding that the vote on the Baucus amendment and the vote on the Roth amendment will occur at 12:45 regardless of the time that we begin debate on the Roth amendment.

The PRESIDENT pro tempore. The unanimous-consent order, as printed in the calendar of business, does not so show that a vote will occur at a specified time.

Mr. FOWLER. I thank the Chair.

The PRESIDENT pro tempore. Under the order, the Senator from Delaware [Mr. ROTH] is recognized at this time. The Senator is not on the floor. What is the desire of the Senate?

Mr. LUGAR. Mr. President, I am advised that the distinguished Senator from Delaware is on the way to the floor. He had an important markup over which he had some responsibility. But he is en route. I anticipate his arrival imminently, and therefore I suggest the absence of a quorum.

The PRESIDENT pro tempore. The time on the amendment will not begin running, as the Chair interprets the order, until the Senator from Delaware [Mr. ROTH] is recognized to offer it. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I come to the floor for the purpose of asking the Chair——

The PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

Does the time begin to run before the amendment is called up? I cannot imagine it does.

The PRESIDENT pro tempore. The Senator from North Carolina is correct in not imagining that it does. Under the order, Mr. ROTH will be recognized to offer an amendment. There will be 2 hours of debate on the amendment once it is offered.

Mr. HELMS. So the back-to-back votes then would be pushed back a little bit pending the arrival of Mr. ROTH?

The PRESIDENT pro tempore. It would be accordingly pushed back.

Mr. HELMS. I thank the Chair. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, parliamentary inquiry. How much time is allotted to the Roth amendment.

The PRESIDENT pro tempore. What is the Senator's question?

Mr. LEAHY. How much time in the unanimous-consent agreement was allotted for the consideration of the Roth amendment?

The PRESIDENT pro tempore. Two hours to be equally divided.

Mr. LEAHY. I ask unanimous consent, Mr. President, that the 2 hours begin as of now, and that it be equally divided, the running of the clock, against both sides, until such time as either side seeks recognition and then operates under their own time.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. HELMS. Mr. President, reserving the right to object, let me think about this a second.

The PRESIDENT pro tempore. The Senator reserves the right to object.

Mr. HELMS. I do object for the moment.

The PRESIDENT pro tempore. Objection is heard.

What is the will of the Senate?

Mr. LEAHY. Mr. President, I renew my unanimous-consent request.

The PRESIDENT pro tempore. Will the Senator restate it.

Mr. LEAHY. I ask unanimous consent that the time of the Roth amendment begin now; that it run equally against both sides, until such time as either the proponents or opponents of the amendment seek time under their allotment.

The PRESIDENT pro tempore. Is there objection to the request?

The Chair hears no objection. Accordingly, the amendment by Mr. ROTH will be deemed to have been offered, and the time thereon under the order will thus begin running, with the time of 2 hours to be equally charged against both sides.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time of the quorum call also run under the normal fashion against both sides.

The PRESIDENT pro tempore. Without objection, the time consumed by the quorum will be equally charged against both sides.

The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I yield myself such time as I may require.

The PRESIDENT pro tempore. The Senator will be recognized for such time as he may require.

AMENDMENT NO. 2354

(Purpose: To repeal the existing quota and price support program for peanuts and to authorize the Secretary of Agriculture to support the price of peanuts at a level to be determined by the Secretary)

Mr. ROTH. Mr. President, on behalf of myself, Mr. METZENBAUM, Mr. PELL, Mr. REID, Mr. MOYNIHAN, Mr. CHAFEE, Mr. HEINZ, Mr. KERRY of Massachusetts, and Mr. GORTON, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. METZENBAUM, Mr. PELL, Mr. REID, Mr. MOYNIHAN, Mr. CHAFEE, Mr. HEINZ, Mr. KERRY of Massachusetts, and Mr. GORTON, proposes an amendment numbered 2354.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 253, strike line 1 and all that follows through page 303, line 16, and insert the following new title:

TITLE VII—PEANUTS

SEC. 701. REPEAL OF EXISTING PEANUT PROGRAM.

(a) MARKETING QUOTAS.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359) is repealed.

(b) PRICE SUPPORT LEVELS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(1) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts";

(2) in section 408(c) (7 U.S.C. 1428(c)), by striking "peanuts,"; and

(3) by repealing sections 108, 108A, and 108B (7 U.S.C. 1445c, 1445c-1, and 1445c-2).

SEC. 702. PRICE SUPPORT PROGRAM.

The Agricultural Act of 1949 (as amended by section 701(b)(3) of this Act) is further amended by inserting after section 107F (7 U.S.C. 1445b-5) the following new section:

"SEC. 108. PRICE SUPPORT PROGRAM FOR PEANUTS.

"(a) IN GENERAL.—Except as otherwise provided in this section, the prices of the 1991 and subsequent crops of peanuts shall be supported at such level as the Secretary determines to be appropriate.

"(b) FACTORS.—In making the determination, the Secretary shall take into consideration—

"(1) the factors specified in paragraphs (1) through (8) of section 401(b);

"(2) the cost of production;

"(3) any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the crop year for which the level of support is being determined;

"(4) the demand for peanuts for domestic edible use, peanut oil, and meal;

"(5) expected prices of other vegetable oils and protein meals; and

"(6) the demand for peanuts in foreign markets.

"(c) LIMITATION.—The level of price support determined by the Secretary for a crop of peanuts shall not result in a net loss to the Federal government in excess of the average net loss to the Federal government from supporting the 1987, 1988, and 1989 crops of peanuts.".

Mr. LEAHY. Mr. President, will the Senator from Delaware yield for a unanimous-consent request?

Mr. ROTH. Yes.

Mr. LEAHY. I ask unanimous consent that the time in opposition be under the control of the Senator from Georgia, Mr. FOWLER.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. It is so ordered.

The Senator from Delaware.

Mr. ROTH. Mr. President, at a time when the world is fast becoming a global marketplace—a time when competitiveness is not only a political buzz word, but a necessity if America is to maintain its leadership into the 21st century—it is our responsibility and our opportunity to promote productive measures to keep our economy on the cutting edge.

This is true in all sectors of our society—home, community, business, and agriculture. Archaic laws that may have seemed appropriate decades ago must be reevaluated and replaced by laws that meet the needs and demands of our society today. As a nation, with stiff competition from abroad, we can no longer afford to support laws that protect special interest groups at the expense of the American consumer—our families, homes, and schools—and the American business community—our farmers, manufacturers, and marketowners.

One of these disadvantageous laws currently involves peanut farming and represents the antithesis of the direction we must take toward a more competitive posture abroad and to provide more equitable economic opportunities at home. Excuse the pun, but in a nutshell, the current law works like this:

Its foundation is an inequitable—quota governed—price support system which pays a high of $631 per ton for quota peanuts that are allowed to be sold domestically and a lower price per ton for nonquota peanuts which can only be used for export.

These quotas are held by a handful of landlords—50 percent of which do not even farm, but serve as modern day feudal barons—and are essentially restricted to seven States.

These controls are so strict that the seven States, which are protected by the quotas, grow 98 percent of our domestic peanuts. With few exceptions, these quotas must remain—be sold and inherited—in the counties of their origin. This means that hardworking farmers in States like Delaware, Tennessee, and California are restricted from competing in the domestic market, and largely limited to growing for export only.

The price support for exported peanuts is set well below the world market price as the current law stipulates that the sale or disposal of additional peanuts cannot cost the Government money. The price support for domestic peanuts is well above the world market price. I imagine a part of the reason is because 50 percent of the quota farmers are paying rent to the landlords—rent that runs hundreds of dollars per acre. Since only quota holders can sell to the domestic market, this assures that the domestic market price for peanuts will be at least that of the Government price support. This creates an artificial economy that costs our consumers hundreds of millions of dollars each year. The increased burden on the consumer goes to pay the landlord who does nothing more than hold the quota and I emphasize "nothing more than hold the quota"—a gift from the Government over 50 years ago. And it costs our economy jobs as, to relieve this burden, our consumers are buying less expensive peanut products, like peanut butter, from foreign countries.

It is hard to believe in this age of enlightenment that there are laws on the books that protect feudalism, laws that disallow all but seven States to grow 98 percent of our domestic peanut crop, American laws that penalize American consumers while benefitting foreign countries.

It is hard to believe that as far as peanuts go, we have laws that discourage courageous young farmers to buy and plant seed—as if our farmers did not have enough problems. It is hard to believe that the quota laws set over 50 years ago—laws that have thwarted America's peanut production—are still on the books. These laws give quota holders guaranteed price supports 40-percent higher than other farmers who cannot buy or lease quotas and consequently can grow edible peanuts only for export. These laws allow quota holders to charge the consumer without having to work the land.

In the Dark Ages these people were called feudal lords. Today they may as well be called peanut lords because, like I said, some 50 percent of them do not even farm, but grow wealthy for nothing more than having inherited a gift from the Government—a quota that says you are one of the fortunate few who can grow peanuts for the American market. You are one of the fortunate few who will be subsidized at the consumer's expense. You are one of the fortunate few who lives in one of only seven States where the Government allows 98 percent of the domestic peanuts to be grown and where quotas protect you and you do not have to worry about competition from Delaware or one of many other States that could compete effectively in the peanut market.

From a very practical standpoint, these laws are anticonsumer, antifamily, antifarmer, and anticompetitive. In fact, the cost to the consumer was estimated at $369 million in 1989 alone—about 40 cents on every 18-ounce jar of peanut butter—40 cents more than the foreign price for the same American commodity. Is it any wonder why American consumers are turning in greater numbers to imported peanut butter? Since 1986, peanut butter imports have increased 300 percent. Four years ago, the United States imported less than a million pounds of peanut butter. While the importation of bulk peanuts is limited to 1.7 million pounds, peanut butter is not limited at all.

Consequently, by 1989, we were importing more than 3.1 million pounds. In other words, within 3 years American imports of peanut butter increased 300 percent. Over the same period, domestic peanut butter production increased from 680 million pounds to 830 million pounds, an increase of only 22 percent, and most of it came from increased Government participation in the school lunch and needy persons programs. Clearly, our laws are pricing our own products out of the market. Not a wise thing to do in this era of in-

creasing competition, and, of course, it means lost job opportunities for American workers.

Clearly, Mr. President, it is time for all of this to change. It is time we take a look at the laws. It is time that we serve the consumer, the peanut farmers, and the agricultural community. It is time we break the back of the peanut lord lobby and create a climate of equity based on free market principles. It is time something be done about the false economy we have created for a few lucky folks in seven lucky States that grow 98 percent of our domestic peanut crop. Ten additional States have small quotas that amount to 2 percent of the domestic growth. However, it is time other farmers in other States be given the opportunity to compete in a free market—to sell their peanuts here at home. It is time that the over-generous and costly price-support system that benefits farmers of domestic peanuts at the expense of other farmers and at the expense of the consumer be brought to an end.

That is why I am introducing this amendment today—an amendment that will break one of the last vestiges of feudalism in the United States: the peanut quota system. Quite simply, my amendment will eliminate the peanut quota system. Yet it will protect peanut farmers' incomes when the Secretary of Agriculture sets the peanut price support level each year. In doing so, the Secretary must consider the cost of production in his determination.

This simple change in the law, Mr. President, along with taking the authority over the peanut program from Congress and placing it where it belongs—in the hands of the Secretary of Agriculture—would restore equity to our peanut farmers. It would bring down the costs of peanuts and peanut products for our consumers. It would stimulate jobs in the agricultural and manufacturing sectors related to peanuts. This amendment is so constructive in its approach to the archaic laws that govern peanuts that even the Atlanta Constitution, in the heart of peanut country, endorses it.

My amendment breaks the fingers of the feudal fist. It opens the peanut market to anyone wishing to participate. It corrects the inequities in the price support system that penalizes our consumers and taxpayers. It allows peanut production for domestic use to occur anywhere in America, not only in the South, where the peanut lord lobby has managed to keep it for over half a century. It allows my great State of Delaware to throw its hat into the ring—to compete with the best of them in Georgia and Virginia—and in so doing to increase America's peanut crop and cut prices for our consumers. And frankly, as far as I am concerned, this is what is most important—my amendment returns competition and other free market principles to this commodity. And nothing could be better for our families, the consumers.

One example of the benefits is illustrated by comparing peanuts to soybeans. In 1930, America harvested 1.1 million acres of each crop—peanuts and soybeans. Last year, with the antiquated quota system and consumer-financed price supports, our peanut crop had risen to only 1.4 million acres, whereas by 1980, the free-market oriented soybean crop had already increased to over 68 million acres. Is there any question that the current system needs to go? Is there any question that it needs to be replaced by consumer oriented laws that will not force Americans to pay more for American peanuts than it does for our foreign competitors to buy American peanuts?

The current law is not working, Mr. President. The peanut lord lobby promised it would. But it is not. It is feudalistic. It is costly. It is centralized. It is unfair. And it is counterproductive to the competitive posture America must assume if we are to keep our place as first among equals in the emerging global economy. I urge all of my colleagues to do for peanuts what we did for soybeans—to base the economy on market principles rather than consumer-subsidized ancestry-oriented quotas.

Mr. President, I ask unanimous consent that the July 23, 1990, editorial in the Atlanta Constitution be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Atlanta Constitution, July 23, 1990]

TOWARD A CHEAPER, FAIRER FARM PROGRAM

When the U.S. House of Representatives takes up the farm bill today, it ought to embrace a set of amendments proposed by a coalition of reformers on both sides of the partisan aisle.

First, crop-subsidy payments should be limited to individuals with adjusted gross incomes of less than $100,000 per year. Many subsidy-holders with incomes over $100,000 are not farmers but investors. This is welfare for the rich.

In addition, there is a need to close loopholes that enable farm owners to avoid the $50,000 limit on individual subsidy payments. As things stand, trust and dummy corporations now funnel millions of dollars in subsidies to some individuals.

These two general amendments would save the federal government upwards of $4 billion over the next five years. In addition, reformers want to do away with special programs for a number of commodities, not the least of which is peanuts.

Georgia produces some 40 percent of the nation's peanuts, the same as it did half a century ago. The reason is that, back then, the federal government set up a national peanut-quota system according to where peanuts were grown. Ever since, the feds have controlled the numbers of peanuts produced for America's domestic market.

Today, the quotas are tied to specific counties. Without a quota card, a farmer can grow peanuts only for export or to supply the domestic market with peanut oil and meal. Imports of cheaper foreign peanuts are, needless to say, held almost to zero. No other food crop is so tightly controlled.

The defenders of the quota system point out that the few million dollars the federal government spends on administering the program is a small cost to taxpayers. But America's taxpayers are also America's consumers, and for them the cost is as much as 40 cents on every $1.79 jar of peanut butter.

With as many as 50,000 peanut-related jobs in a $2 billion state industry, it's understandable that Georgia legislators would be fighting hard to preserve the quotas. There are people of modest means who have come to depend on the income they get from renting out their quotas. Perhaps a way can be found to help them.

But the peanut program is about as diametrically opposed to free-market principles as can be imagined. It's an ugly mote in our eye as we push our allies to stop subsidizing their own farm products.

Doing away with the peanut program will not destroy the Georgia peanut industry. Indeed, it could help it expand by allowing more peanuts to be grown. Isn't that what free enterprise is all about?

Mr. ROTH. Mr. President, I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. FOWLER. Mr. President, on behalf of those who are in opposition of the amendment, I yield 20 minutes to the distinghished Senator from Alabama [Mr. HEFLIN].

The PRESIDENT pro tempore. The Senator from Alabama [Mr. HEFLIN], is recognized for 20 minutes.

Mr. HEFLIN. Mr. President, first let me address the issue of cost. There is no target price for peanuts as there is for many other commodities. There are only loan rates which are designed for putting the peanuts into the loan and keeping them there until the market price gets better and you can make a choice as to when you want to sell.

As a result of the peanut program, the peanut program has cost virtually nothing as it is operating. In 1990, the CCC, that is the one who handles the loan, estimated the whole program will cost $4 million; in 1989, $5 million;

in 1988, $7 million. The CCC is able to sell and recoup.

Then we have a situation of where there are penalties and fines that bring in revenue. For all practical purposes, this is probably the only program in the entire farm legislation that operates at virtually no cost to the Government.

We have asked the Congressional Budget Office, CBO, to look at the Roth amendment and give us cost evaluations. They tell us that the first year after the Roth amendment is adopted, it will cost the taxpayers $110 million.

When you get to fooling with a very fine-tuned program that is designed to be no cost to the Government, if gets all messed up. Now there can be some later recouping, but actually when you look at it, the Roth amendment is going to cost the taxpayers substantial money and it will cost the taxpayers more money in the last 5 years of the peanut program when it goes in.

It has a provision that it shall be operated on the basis of costs that have existed in the past. But CBO is very practical and they know that those farmers who have peanuts in loan, when you adopt the Roth amendment, which allows the Secretary to set the loan rate on a formula that will destory the peanut program, they are going to sell it to the Government because they can get a better price. Now that is the first thing.

The next thing has been so misleading and is almost downright ridiculous, is that the Roth amendment is going to result in savings to the consumer. This peanut outfit that is publishing this and wants to make a result of this, the Peanut Butter and Nut Processors Association, had an ad in the Washington Post in which they were saying this is going to save the consumers 40 cents on an 18-once jar of peanut butter.

Well, let us look at this. According to all studies in an 18-ounce jar of peanut butter, the amount of money that is paid to the farmer is 46 cents. The cost of advertising, marketing, packaging, displaying, doing all other things—and really in peanut butter 90 percent of it is peanut—that would mean if you are going to save, by the Roth amendment, 40 cents, then that means the farmer gets 6 cents. That is over a 600-percent reduction in what the farmer gets.

Today peanuts are being priced somewhere in the neighborhood of 31.54 cents a pound. That would mean then the farmer would get 5.30 cents a pound, or on a ton, where the price is slightly above $631, which is the loan rate, it would be reduced to $105 a ton, a 600 percent reduction according to their ridiculous calculations. The cost of production is between $400 and $500, and sometimes $500 a ton.

There will be no peanuts if the Roth amendment is adopted. That is the most ridiculous thing to advertise and say that it would result in a 40-cent savings to the consumer.

Now let us also look at some other things. We had a study made by a renowned farm economist at Purdue University in a State that does not produce any peanuts. This renowed farm economist, Dr. Marshall A. Martin, goes into the issue of what goes into peanut butter and salted peanuts. And by the way, salted peanuts is 99 percent peanuts. He goes into this.

He looks at generic brands. He says, you have a difference—and it varies as to localities, and certainly convenient stores charge more than others—you have differences of price that exist on an 18-ounce jar of peanut butter. In some places it will sell for $3.19 for 18 ounces; in some places you can buy a generic brand for $1.33. The difference is $1.76.

The average price in Chicago is $2.09 for an 18-ounce jar of peanuts; the generic brand sells for $1.26. Now there is not much difference in generic brands and national brand names; most of it is advertising, packaging and other things.

But let me quote here a little bit from Dr. Martin in his study in regards to this:

> A wide range of peanut butter prices existed within each of the six cities, with Chicago's prices varying the most. Prices for 18-ounce jars of national brand peanut butter in that city ranged from $1.69 to $3.19 (difference of $1.50).

And this was taken before the last years figures.

> In the five cities which reported prices of generic peanut butter, the prices for genetic peanut butter averaged 83 cents (37 percent) per jar lower than prices of national brands. Such differences between generic and the branded products tend to reflect higher advertising costs for national brands, possible formulation differences, and other differences associated with product differentiation.
>
> The price differences noted above are large relative to farm product costs, which average about 46 cents for the farmer stock peanuts (priced at the 1989 quota loan rate) in an 18-once jar of peanut butter.
>
> This, in the extreme case, if the entire cost of the farmer stock peanuts had been deducted from the price of the $2.49 jar of peanut butter sold in Chicago, the price of that product still would be $0.78 higher (62 percent) than the price of the lowest priced generic brand sold in that same city ($1.25). Similarly, subtracting the 46 cent farm product cost from the average price of the national brands of peanut butter sold in all six cities would reduce that price to $1.76 per 18-ounce jar, which would still be 35 cents (25 percent) per 18-ounce jar above the average price of generic peanut butter marketed in those cities.
>
> Specifically, in the market environment described above, lowering farm prices of peanuts via moderate reductions in the peanut price supports would likely result in small, if any, reductions in consumers prices for peanut products given the offsetting effects of other wholesale and retail market factors.

Let me address this matter pertaining to a loan. This changes the formula. It takes away from the Congress and gives to the Secretary of Agriculture discretion. No other product, wheat, corn, rice, soybeans, or anything else, has a loan rate in effect which is not established by Congress. So you pass it on and give it to the Secretary. You can imagine what various Secretaries might try to do, relative to trying to help the farmers. I found not too many Secretaries of Agriculture, really, when it gets down to it, are interested in the farmers.

They talk about the feudal system; that new farmers cannot grow. The 1981 act changed this. We had fine tuning in 1985. It has been designed to bring new farmers into the growing market and many, many we find have actually come. There are now 5,121 new farmers in peanuts. They qualify by growing 2 out of the last 3 years, and they qualify for a quota.

You say that means they have to grow 2 out of 3. Well, what do you have to grow and how many years to qualify for the wheat program? You have to grow 4 years before you can get qualified for the wheat program. The same is true in the corn program and similar periods of time exist for all commodities, relative to this.

Let me quote, again from Dr. Martin, this distinguished farm economist, on the effects of selected changes in the peanut program included in 1977, 1981, and in the 1985 Agriculture Act.

> Under the 1981 Food and Agriculture Act which suspended acreage allotments for peanut growers, persons desiring to enter the peanut production are allowed to do so. Producers of peanuts on nonquota farms are permitted to contract with handlers for export sales of additional peanuts or participate in grower association pools to obtain prices equal to or higher than the loan rate for additional farms.

Then he shows various tables, showing how much is in each of the States and how it is spread in various other places. They can grow peanuts in Delaware if they want to, if they have the right soil to grow peanuts.

Dr. Martin then says:

> This change, enacted in the '85 legislation, provides an effective, systematic procedure for entry for the first time in history of new farms into the quota system. The '85 law requires that nonquota farms, on which peanuts were produced in at least 2 of the 3 immediately-preceding years, share in any increase in the national poundage quota, therefore becoming new quota farms.

Under the bill that has come out of the committee, the poundage quota is increased, meaning there will be more and more new farmers.

Looking at the other commodities, we have seen, actually a decline in the number of farms. We are seeing an in-

crease in peanuts, and it stands differently from most other farm programs. There has been a decline in wheat farmers, in cotton farmers, in corn farmers during a similar period of time.

I will mention a few other things. How much time do I have remaining?

The PRESIDENT pro tempore. The Senator has about 5 minutes left.

Mr. HEFLIN. About 5 minutes. All right. I would like to mention the fact that the peanut program is very important to the economy in the regions where they grow. There are warehouse men, shellers, blanchers, manufacturers who all are directly involved in the peanut industry and who constitute a major economic force in my State and other peanut producing States. There are also the indirect participants in the peanut industry: country banks, farm equipment dealers, fertilizer suppliers, pesticide suppliers, seed dealers and many other members in the agribusiness community who have a stake. They all stand to lose and they all stand to lose in a horrible manner because the Roth amendment would bring bankruptcy to the regions that are growing peanuts if it were to be adopted.

The peanut producers have endeavored to work things out with the manufacturing groups. For the first time they reached an agreement with the primary manufacture, the American Peanut Products Manufacturers, Inc. They were able to work it out. They made concessions and the American Peanut Products Manufacturers, which has Planters, Smucker's, Procter & Gamble, Mars, Tom's Foods, Hershey Foods, and Kroger Co., Tara Foods—they have agreed on a compromise bill.

One group, this one group, the Peanut Butter and Nut Processors Association, would not even talk. The peanut producers were willing to try to work out agreements but one group would not even talk.

So they said: All right, we will advertise in all of the newspapers. We will get our public relations people ginned-up and they will send material to all of these newspapers to write editorials about it. They give them half-truths, distortions, and of course various editorial writers have a deadline to meet and they look over something and they just about rubber stamp or parrot whatever has been said in that regard.

That is the unfortunate situation. There are a lot of misunderstandings relative to the peanut program. It has worked well. It works well for the consumer.

By the way, I want to show some of the figures. They talk about world price and what we would do. Let us look at what the price of peanut butter is on an 18-ounce jar in other countries. The average price in the United States of peanut butter—that is taking in generic and national brands—is $2.03. But the equivalent prices of an 18-ounce peanut butter jar in a foreign country is different. West Germany, $3.60; Italy, $4.14; Japan, $4.68; South Korea, $4.86; Taiwan, $3.96. There are other prices. I will introduce those in the RECORD later.

The competitor of the United States in regards to the world market on peanuts is China, the People's Republic of China.

I do not know whether you have ever eaten any Chinese peanuts but I want to tell you, they taste different. They have a lot of differences in regard to them.

When you get down to it, there is not much basic difference in the taste between a national brand and a generic brand of peanut butter. Ninety-seven percent of it is peanut butter. Some brands may add a little more sugar, some may add a little more oil. There are some differences.

Of course, I have that group that I read, they are for us. They are supporting us. The facts show when you get down to it, basically, instead of the peanut lords, as my friend, Senator ROTH, would reply, we have some greedy nut merchants that are after the money, and that is what all of this is about. The reasonable people involved in making peanut butter and using it realize that you have to have a fine-tuned, balanced program, and we made concessions from the producers' viewpoint and these manufacturers have made concessions.

We have put together a good program and I urge the Senate to adopt it. I will introduce into the RECORD some exhibits at a later time.

The PRESIDENT pro tempore. The Senator's time has expired.

Who yields time?

Mr. FOWLER. Mr. President, I yield 10 minutes to the distinguished Senator from North Carolina [Mr. HELMS].

The PRESIDENT pro tempore. The Senator from North Carolina [Mr. HELMS] is recognized for 10 minutes.

Mr. HELMS. Mr. President, I thank the able Senator from Georgia. I, of course, thank the Chair.

Let me tell you what this is all about, Mr. President. I have friends among the peanut packers and the peanut butter manufacturers, and all of that. We have a fine company in my State. There are people who would like to see the peanut program destroyed but what they really want is to take money from the peanut farmers so that they can pay for the television advertising for peanut butter and that sort of thing. The consumers will pay the same price for peanut butter and other peanut products.

Take a look at television. How many peanut butter commercials do you see targeting children? That is what it is all about. They're not looking to the future, as Senator HEFLIN has indicated, or what is going to happen to peanut production in this country.

We hear mockery of the expression "If it ain't broke, don't fix it." But that is exactly the case. They pretend that it's broke and they want to fix it, even if it breaks the backs of the farmers. These people who are opposing the peanut program know what they're doing. So, obviously, I support the peanut farmers in my State and the others.

I oppose strenuously the amendment offered by my friend, the able Senator from Delaware, who normally, when he comes on this floor with legislation, presents proposals that make a little more sense than this one. This one makes no sense.

First of all, the peanut program is of vital importance to North Carolina farmers. I acknowledge that at the outset. I am proud of it. I am also interested in peanut farmers in the other States of this Union.

Second, I do not know whether anybody has mentioned this lately or not—this peanut program provides consumers with an abundant supply of peanuts and a vast array of wholesome peanut products.

Third, for 20,000 farm families in this country, the peanut program prevents the boom-or-bust situation that is so devastating to other crops, giving peanut farmers a solid and reliable income and keeping them in the business.

Now, all of this business about lords, of people profiting, whom are they talking about? They are certainly not talking about the farmers who grow peanuts. There are no "lords" among the peanut farmers in North Carolina.

There is no closed shop in growing peanuts. Look at the statistical information. Five years ago there were about 15,000 farm families engaged in the production of peanuts. Today there are 20,000. So how do sponsors of this amendment explain the one-third increase in the number of farm families growing peanuts?

They can't because they are wrong, philosophically they are wrong, and their purpose is wrong because they want it all; they want more profit for themselves so that they can pay it over to the television networks and the newpapers like the Atlanta Constitution, all of which would be delighted to sell more TV commericals and more newspaper ads for somebody's peanut butter.

Those critical of this program always trot out the same old, tired argument year after year. Every time there is a farm bill, here they come, Gund ho. They pick out some Senator and say, "Look, you can make a name for yourself by offering this amendment." Some Senator will grab it and away he goes. And every Senator who

has ever offered it has made a mistake.

But Senators who want to take a close look at this program will understand that all of these shop-worn arguments are fictitious. Senator HEFLIN was exactly right. They always say that the peanut program is feudalism, and that it is closed to new producers. Not so. My regret is that I think they know it is not so when they say it. But they never explain, as I said earlier, why more than 5,000 new peanut producers have entered the program since 1985.

Then they always come up and say, "Oh, this program is inequitable because other commodities have taken cuts in support prices while peanuts have received increases." But they never, to my knowledge, mention that the peanut program cost less than $4 million in 1989, less than one-tenth of 1 percent of Government outlays for farm programs. If opponents want equity, perhaps we should divide the CCC outlays equally among the various commodities rather than attacking this one program which costs the taxpayers virtually nothing. If somebody wants to talk about knocking out all subsidies, let them propose an amendment and see how far they get on that.

Last but not least, the tired, old arguments come forth. The opponents engage in great lamentations. Oh, they are so sad and they are so upset about how much consumers have to pay for peanut products. But does anybody in his right mind, Mr. President, really believe that the consumer will get any advantage if this program is destroyed?

A farmer receives, as Senator HEFLIN says, 46 cents for the peanuts that go into that $2.45 jar of peanut butter. The brand name peanut butter will sell at about $2.45 while generic peanut butter of the same size and same quality, buy the way, will sell for about $1.65. The rest of it, you see, goes to the television networks and to the Atlanta Journal and other newspapers that come forth in great wrath and say they have to stop this.

They are going to get more and more advertising income because peanut butter manufacturers are going to buy more television time and more newspaper space. That is where the money is going. That is what is at stake in this thing.

If saving money were the real issue, Mr. President, consumers would choose the generic brand every time and save nearly $600 million. No, they pay for that cute little label. They pay for that place on the display counter, the packaging.

The peanut price support for 1990 is $631.47 per ton. That is right. That happens to be 32 cents per pound. Remember that, Senators. Particularly remember it the next time you visit the supermarket to buy some peanut butter. You will see that this money does not go to the peanut farmer. It goes to everybody else in the assembly line including the television networks and the newspaper publishers.

It is also important to note that peanuts, unlike other program crops, are perishable, and cannot be stored longer than just a few months outside of cold storage.

So by eliminating the peanut program we will place producers at the mercy of those who have the storage facilities because the processors could then merely not buy any peanuts until the farmer is flat on his back and risks losing his entire crop.

Look back to 1981. A drought devastated peanut crops around the country. What did we do? We began importing peanuts from our No. 1 competitor, the Communists in China. United States producers paid $1,100 per ton to the Communist Chinese because they had us over the barrel. Suppose there is no peanut program. China would love that because they could really stick it to the American consumers, and you had better believe they will.

So obviously by eliminating the domestic peanut program a lot of farmers will stop growing peanuts because they cannot make a living at it. Then what happens to the American consumer about whom so much lamentation is heard on this floor regularly every time a farm bill comes up?

Finally, Mr. President, I confess a measure of surprise at this amendment because the language reported by the Senate Agriculture Committee, would you believe it, has the support of the entire peanut industry, including the processors, the producers, and the manufacturers.

Representatives spent nearly 18 months negotiating this compromise which if left intact would result in a more market-oriented approach, improved peanut quality, greater stability, and the opportunity to expand markets for peanut crops.

I thank the Chair. I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. ROTH. Mr. President, I yield 20 minutes to the distinguished Senator from Ohio.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM] is recognized for 20 minutes.

Mr. METZENBAUM. I thank the Senator from Delaware and I am happy to rise with the Senator from Delaware in cosponsoring this amendment to reform our Nation's peanut program. We are jointed in this effort by Senators REID, PELL, HEINZ, CHAFEE, GORTON, MOYNIHAN, and KERRY of Massachusetts.

This amendment is a pro-consumer amendment. It is a pro-farm amendment. And as far as this Senator is concerned the provisions contained in this amendment are long overdue. The amendment is simple. It eliminates the peanut quota system which was established in its original form by the Agriculture Act of 1949, and it authorizes the Secretary of Agriculture to set peanut price supports at levels consistent with the legitimate needs of peanut farmers and the peanut market.

Mr. President, let me discuss this whole subject with you in a broader perspective. What we are talking about in this bill, particularly in connection with this matter, has to do with quotas, quotas as to how much you can produce and how much you can sell.

If there is no quota for sale, you can only produce peanuts in this country for export. You cannot sell them and when you do, you get about half the price.

What an unbelievable circumstance it is that those who describe themselves as the most conservative Members of the U.S. Senate, those who speak out most loudly and talk about the free enterprise system, peoples' right to be in business, and to have an opportunity to open their little businesses, they now say, "Yes, but you cannot grow peanuts."

How can you possibly reconcile the right of an individual, an individual farmer to grow peanuts on his or her piece of land to be limited as to what price they can get, whether they can sell them in this country, and believe that is the American way?

How could those who come out to this floor and beat their chests about what a great rating they have with the American Conservative Union, how can they stand before us and defend the right to limit peanut sales and peanut production based on quotas?

If there is anything that is a contradiction in terms, to me it is to see Members of this body opposing the free market system, opposing the right to grow, and the right to sell. That is what this amendment is all about. That is what this amendment is all about.

We will talk some about dollars. But when all is said and done there is one issue and one issue alone before us; that is—and there is too much of it in this whole agriculture bale—the limitation and the restrictions with respect to the right of the American people, the American farmer to grow what he or she wants, and to sell what he or she wants in a free economy.

Maybe they have restrictions in the Soviet Union, but even they are opening up. While they are opening up, we are tying our hands, tying the hands of the American farmer with quotas, and saying it cannot be sold in this country unless you have a quota.

This is one of several amendments to the 1990 farm bill which has attempt-

ed to revise some very old and dare I say very entrenched aspects of American farm policy.

This is not an attack on the farm community. Neither is it an attack on peanut farmers. Farmers have just come through the worst decade for American agriculture since the 1930's. I, for one, would have no part of an antifarm amendment.

Anyone from a State with as much agriculture as Ohio knows all too well of the suffering brought on by the depressed land values and adverse weather of the 1980's. But this has also been a bad decade for other parts of the country. Cities and towns have suffered a wide range of cutbacks over the past 10 years.

Farmers may indeed have been hit by bad weather, depressed land values, and subsidized foreign competition. But residents of American cities have also felt the pinch. Urban development action grants—gone. Revenue sharing—gone. Most of the Federal housing programs—gone; just a few of the items American cities will have to do without in the 1990's, and an impoverished American educational system as well.

Mr. President, in offering this amendment it is not my intention to pit the farmers against the city dwellers. I am proud that I represent a large number of farmers in my constituency, and I am concerned about their financial wellbeing. But why cannot they grow more peanuts if that is what they want to do?

I think that is the American way. Why cannot they grow peanuts on the farms in Ohio or the farms in any other State in this country, and sell those peanuts at whatever the market price will bring?

I offer this amendment because it is fair. I offer this amendment because it is equitable, and because it is right. With less and less money to go around, the Federal Government is going to have to improve its record with regard to fair apportionment of national resources.

If we do not improve, the American people, whether they live on a farm or in an apartment building, are not going to let us off easily. Reform in the peanut program is the right thing to do. It is the American thing to do.

The longstanding combination of production quotas and price supports is a blatant Government giveway to those lucky growers whose families happened to have been growing peanuts back in 1949, or those to whom those quotas have been sold. Big growers have also amassed quota allotments over the years through land and poundage purchases, an option never really available to that small-time peanut farmer.

Federal regulations for peanut production are unfair, to say the least. Supporters of the peanut program argue that its cost to the taxpayers is so small—about $4 million per year—that fairness is a nonissue.

Of course, if we look a little bit deeper into the workings of the program, its hefty hidden costs quickly become apparent. The money that the Government does not pay peanut growers in higher price supports is instead paid to peanut growers by consumers who are overcharged for peanut products.

The use of production quotas may save Americans some money on their annual tax bill, but the charge is simply shifted over to our grocery bills. On an 18-ounce jar of peanut butter costing on average $1.79, I have been told, and the Atlanta Constitution editorial uses the same figure, that 40 cents, slightly more than one-fifth of the total price, is a direct result of the peanut quota system.

The quota imposes extra charges on consumers in other ways. The Department of Agriculture tells us that roughly one-half of peanut quota holders do not actually plant any or all of their peanut quota. They rent their allotment. They rent their allotment to other farmers, or to agribusiness corporations, who want to grow peanuts but are not fortunate enough to hold quotas of their own.

Where do you think the quota rental fees come from, out of the sky? From some pot of money that is out there somewhere? I will tell you where they come from. They come from the consumers. Renting out quotas creates an additional costly factor of production in the peanut industry which, of course, is passed on to peanut consumers.

Many of those consumers find peanut butter, for example, a major staple of their regular diet. There is no secret about it. It is an accepted fact that many of the poorest in this country eat peanut butter as pretty much of a staple of their lunches, oftentimes of their breakfast or dinner. As a matter of fact, just thinking as I stand here, when I went to college, and that is many years ago, I did not have two nickels to rub together. I remember that a staple of my lunches at that time was peanut butter and jelly sandwiches. Sometimes that was our dinner, as well.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. METZENBAUM. I ask for another 10 minutes.

Mr. ROTH. I yield 5 minutes.

The PRESIDENT pro tempore. The Senator must stand to address the Chair.

Mr. ROTH. I am happy to yield 5 minutes to the distinguished Senator from Ohio.

The PRESIDENT pro tempore. The Senator from Ohio is recognized for 5 additional minutes.

Mr. METZENBAUM. I want to return to the issue of fairness for a moment. This is not the first instance in which consumers have had to pay extra for agricultural products as a result of Government production restrictions.

I am generally opposed to this type of market manipulation, which comes at the expense of those least able to afford it. Maybe in a limited number of cases, such action may be necessary, but the key issue for me is, who benefits?

If corn prices have had to be propped up by a few pennies per bushel in order to save financially crippled family farmers, I have been willing to accept this. If a particular American farm product has been devastated by unfairly subsidized foreign competition, perhaps some protection of the farmers at the expense of consumers can be tolerated.

I am not blind to the fact that one part of American society can lend a helpful economic hand to another part. But that is not the situation with peanuts. It has never been the situation with regard to peanuts. The question I put to the Senate with regard to the peanut program is, who benefits?

The peanut quota costs American consumers an unnecessary $369 million per year, by some estimates, but who benefits from the consumers' loss? Financially desperate family farmers? Come on; no way. Small-time growers ravaged by foreign competition? Not so. An industry struggling to get back on its feet? Not the case here.

The beneficiaries of the peanut program are the entrenched, old-time peanut growing families, their assignees, and agribusinesses in specified States and counties.

This program is structured to benefit those who can plunk down big money to buy up quotas in the few States and counties which are favored by the regulations. The elimination of the quota may hurt the peanut fat cats, and may hurt them badly, but in the long run, it will not hurt the small peanut farmer.

As a matter of fact, in terms of agronomy, all or part of 24 States can grow peanuts, but in terms of peanut program regulations, only 7 of those States are major peanut producers. Nine of those 24 States could produce more peanuts than they do now in the absence of quota restrictions; but 8 of those States are barred from producing any peanuts at all because they have no peanut allotment.

Mr. President, the small farmer who wants to become a peanut farmer, that is the one we ought to concern ourselves about. But he or she cannot get a piece of the action under the law as it presently is. And this amendment will help the small family farmer; it will help the American consumer. The

time has come to bring some fairness to the peanut trade in this country.

I ask unanimous consent that two letters endorsing this amendment be printed in the RECORD, one from a Consumers Union, and the other signed by Public Citizen, a leading consumer advocacy organization.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONSUMERS UNION,
July 17, 1990.

Hon. HOWARD METZENBAUM,
U.S. Senate, Washington, DC.

DEAR SENATOR METZENBAUM: One of the primary reasons Consumers Union publishes Consumer Reports magazine is to help American consumers get the most for their food dollars in an era when family budgets are squeezed by high food costs.

One contributor to these rising costs is the so-called "Peanut Quota". Peanuts, in whole and various processed forms, represent one of the most nutritious and popular foods in this country. Peanut butter is a particularly important source of protein in the diet of America's children. Unfortunately, the prices of peanuts and peanut products are higher than they should be because of the "Peanut Quota".

The "Peanut Quota" is sometimes cited as an example of successful "supply management" that costs the American taxpayer little. This assertion is incorrect. The costs of the federal government of peanut price supports may be low, but the costs to American consumers are high—possible as much as a half a billion dollars annually is reflected in inflated prices for peanut products. In addition, the purpose of the quota is to guarantee income for those holding peanut quota licenses and not necessarily for peanut farmers.

The status quo is unfair to consumers, and unfair to real peanut farmers.

Consumers Union has always opposed quota schemes that artificially inflated the prices of consumer goods. We are pleased that you and Senator Roth are planning an effort to eliminate the "Peanut Quota" from the 1990 Farm Bill, and you have our wholehearted endorsement.

Sincerely,

M. KRISTEN RAND,
Counsel.

PUBLIC CITIZEN,
July 20, 1990.

Hon. SENATOR METZENBAUM,
140 Russell Senate Building, Washington, DC.

DEAR SENATOR METZENBAUM: I am writing on behalf of Public Citizen, a national consumer advocacy organization, which is dedicated to reforming the marketplace to eliminate unfair economic practices with disadvantage consumers. The Roth-Metzenbaum Amendment to the 1990 Farm Bill would repeal inexcusable economic practices in current peanut programs.

By placing ceilings on the amount of peanuts available for domestic use, the current peanut program artificially reduces the supply of peanuts available to the consumers, resulting in unnecessarily inflated prices for the past forty years. Moreover, the program guarantees farmers a minimum price for their peanuts without regard to any market factors. This price support program may cost American consumers as much as one-half billion per year. In addition, the current peanut program restricts the guaranteed income to only those holding peanut quota licenses and not necessarily to those persons actually farming peanuts.

The Roth-Metzenbaum Amendment to the 1990 Farm Bill would eliminate ceilings in domestic supply, enabling the availability of peanuts to more closely reflect consumer demand. It would also open up the domestic market to peanut farmers now forced to market abroad

The "peanut quota" demonstrates a clear case of abuse which results in inflated prices for the consumer. We wholeheartedly endorse the Roth-Metzenbaum Amendment.

Sincerely,

ANNE W. BLOOM,
Congress Watch.

Mr. METZENBAUM. I ask unanimous consent that three articles be printed in the RECORD: One, "Bipartisan Support Is On the Rise in Congress To Bring Perestroika to U.S. Agriculture Policy." And, "Peanut Quota System Comes Under Attack for Distorting Market," May 1, 1990. Both are from the Wall Street Journal; and a May 12, 1990, New York Times editorial entitled "Nuts to the Peanut Law."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 11, 1990]

BIPARTISAN SUPPORT IS ON THE RISE IN CONGRESS TO BRING PERESTROIKA TO U.S. AGRICULTURE POLICY

(By Bruce Ingersoll)

WASHINGTON.—Since 1955, the nation's dwindling number of sheepherders have been paid nearly $2 billion in subsidies, primarily to ensure the military a ready supply of wool in case of war.

Trouble is, wool hasn't been listed as a strategic material since 1960. Nonetheless one sheepherder alone—the meatpacking giant Monfort Inc.—has been collecting as much as $478,000 a year in price-support payments for shearing wool from lambs.

To a growing number of lawmakers, such payments as these exemplify the excesses of a national farm policy they believe has gone dreadfully awry. Few members of Congress are more unhappy with government farm programs than conservative Republican Rep. Dick Armey of Texas and liberal Democratic Rep. Charles Schumer of New York. Though political odd fellows, they have begun building a political coalition in the House to inject what Rep. Armey calls "perestorika" into U.S. agriculture.

The wool and mohair program, as they see it, ranks as are of Washington's more pointless endeavors. Says Rep. Schumer: "It's a subsidy in search of a rationale." And if they have their way, it's a subsidy in danger of a heavy shearing.

BUILDING SUPPORT

Quietly and steadly, Reps. Schumer and Armey have been recruiting colleagues, tapping into bipartisan concern about rising food prices and growing impatience with perceived inequities and inefficiencies in the commodity programs. At the same time, they are enlisting the support of consumer advocates, who object to many farm-price supports as "hidden taxes" on supermarket shoppers, and they are reaching out to environmentalists, who fault the farm programs for rewarding overuse of pesticides and other harmful farming practices.

Once everybody is aboard, the coalition intends to weigh in on the farm-bill debate, which has long been dominated by the Agriculture Committee and a phalanx of lobbyists for commodity groups. "The vast majority of my constituents are buying their groceries at the grocery store, not tilling the soil," says Mr. Armey, son of a North Dakota farmer. "The farm bill [should] be debated by not only people on the supply side of the market, but by people on the demand side as well."

Mr. Schumer, a Harvard-educated lawyer, and Mr. Armey, a free-market economist, make a formidable pair. Both are Budget Committee members, respected as inside players adept at legislative accommodation. Mr. Armey has mellowed greatly since his freshman days as a free-market firebrand. On the farm front, he hopes to repeat his success in brokering an agreement on closing military bases.

The two men cast themselves as farm-program reformers, not hit men. "We aren't trying to kill them," says Rep. Schumer. "We're trying to fix them."

Biggest 1986 wool payments [1]

Monfort Inc., Greeley, CO	$478,757
Triple E Livestock Co., Brawley, CA	340,997
Swift Packing Co., San Angelo, TX	299,984
Joe A. Auza, Sr., Casa Grande, AZ	298,799
Godby Sheep Co., Eaton, CO	283,324
Bill J. Cole, San Angelo, TX	265,897
Diamond A Cattle Co., Roswell, NM	231,240
Coffman Ranch, Powder River, WY	224,141
Harper Livestock Co., Eaton, CO.	219,600
I&M Sheep Co., Oildale, CA	218,024

[1] Latest computerized data available from U.S. Department of Agriculture.

Their timing seems right. For one thing, the Farm Belt has recovered from the drought of 1988 and economic doldrums of the mid-1980s. Equally important, adds Rep. Armey, "We have gotton four or five years away from those emotional movies [about farm foreclosures]."

What's more, demographic trends are working in the would-be reformers' favor. The strength of the farm bloc has been waning as the rural population declined. Only 46 of 435 congressional districts are now truly agrarian, according to an Agriculture Department study. At the same time, the longstanding accommodations between rural members and big-city members, who need rural votes for food stamps and social programs, appear to be fraying of late.

Says John White, former chairman of the Democratic National Committee: "The reality is that there's a greater possibility to change programs than ever before."

Given federal budget constraints, squabbles among commodity groups over their respective slices of a shrinking subsidy pie may further weaken some of the old alliances. A few cracks already are showing in the farm bloc.

"A corn-state guy came up to me the other day and said the peanut program is the worst," Mr. Armey says. "He tried to point me off in that direction."

He and Mr. Schumer are sounding out like-minded members of the Senate about joining forces. But the chances of success there aren't nearly as bright, if only because every member represents at least some farm interests. Ultimately, everything may depend on how serious the Bush administra-

tion is about holding down farm outlays and making agriculture more market-oriented.

The Bush administration, in sending Congress a bundle of 1990 farm-bill proposals, urged a $1.5 billion cutback in commodity subsidies next year and singled out several programs for overhauling. Two prime targets: wool-mohair and peanuts. The price supports for both have been going up since 1985, while corn, wheat and other crops have been taking cuts. The administration favors revamping both programs to put wool-mohair and peanuts on a par with other crops.

The peanut program is regarded by many as particularly egregious. Because of its high price supports and tight lid on peanut production and imports, American consumers have to pay higher prices for U.S. peanuts than foreigners do.

WOOL PRODUCTION PLUMMETING

As for the wool and mohair program, it has been operating in obscurity ever since Congress decided in 1954 that the slide in U.S. wool production had to be halted, mainly because the Pentagon needed woolen uniforms. A new General Accounting Office report shows that wool production has continued to plummet despite years of incentive payments to sheep-herders and ranchers. Last year, the government paid $3.04 for each additional pound of wool produced, $1.66 more than the average market price.

"What's particularly galling," says Mr. Schumer, "is most of them are raising sheep for meat purposes." A spokesman for Monfort, a ConAgra Inc. subsidiary, says that Monfort shares its wool payments—in 1988, they totaled $425,000—with ranchers who raise lambs for its slaughterhouses.

The GAO report strongly questions the need for further payments in an age of synthetic fibers, and reminds Congress of a legislative lapse: It never decided why mohair production should be subsidized at all, or why individual Angora goat ranchers should be paid as much as $300,000 a year in mohair subsidies. And in an unusual letter to Congress, the agency lists numerous "opportunities for change" in farm law, including elimination of wool-mohair price supports.

One of the coalition's legislative planks would outlaw payments of any kind to farmers with incomes of $100,000 a year or more. Says Rep. Armey: "There's no reason we should be subsidizing individuals who earn more than three times the average annual income of a family of four."

The coalition won't make any concerted move until the 1990 farm bill reaches the House floor, probably early this summer. In the meantime, the strategy is to have a bipartisan team working on each commodity. New York Democratic Rep. Thomas Downey and Ohio Republican Rep. Willis Gradison already are pushing their bill to overhaul the sugar price-support program.

Says Massachusetts Democratic Rep. Barney Frank: "Some of the guys on the Agriculture Committee believe they face their toughest year ever."

[From the Wall Street Journal, May 1, 1990]

SHELL GAME: PEANUT QUOTA SYSTEM COMES UNDER ATTACK FOR DISTORTING MARKET

(By Bruce Ingersoll)

ALBANY, GA.—Here in south Georgia, some of the best investments are made for peanuts.

Atlanta shopping-center developer John Varner rambles around the countryside in a pickup, buying up swatches of timberland and crop land. Total acquisitions: 40,000 acres. "He's the Donald Trump of farming around here," says one farmer, adding: "No, he's more like a Howard Hughes. He's very reclusive."

But it is what came with much of the land that made it so appealing: peanut quotas that amount to a government license to sell millions of pounds of peanuts a year in the U.S. market. Says Mr. Varner: "It's an added asset."

Peanut production is nearly a no-lose proposition. Even as the U.S. faults Japan for protectionism, it maintains a federal program that limits the number of farmers who can sell peanuts in the U.S. and all but forbids peanut imports. What's more, the government not only guarantees that the quota owners will recoup their production costs each year, it sees to it that the minimum selling price for their so-called quota peanuts is about 50% higher than the world market.

PEANUTS, RELATIVELY SPEAKING

The program costs the federal Treasury about $4 million a year. But critics say the government isn't the only one that has to shell out.

Who else pays? Every mother feeding her children peanut-butter sandwiches, say peanut processors, and every baseball fan munching on ballpark peanuts. One processor estimate has consumers paying an extra $369 million a year—a hidden subsidy to quota holders. The Agriculture Department, using different assumptions, comes up with $190 million a year. Take away the subsidy, processors assert, and consumers could save as much as 40 cents on an 18-ounce jar of peanut butter priced at $1.79. Of course, much depends on whether cost savings would ever get passed on to the consumer.

CHALLENGED SUBSIDIES

But political forces now are building to challenge the 41-year-old peanut program, to the dismay of goober growers. The Bush administration is pressing Congress to limit the subsidies, and a coalition of conservative Republicans and big-city Democrats intends to challenge the program when the 1990 farm bill reaches the floor this spring. Some peanut processors want to end this quota system altogether. They object to bureaucrats allotting production quotas each year—farm by farm, county by county, state by state—thoughout the Peanut Belt, which stretches from tidewater Virginia to the New Mexico plateau.

"It's a blatant case of feudalism," asserts James Hintlian, an Everett, Mass., processor. "It spawns and protects privilege."

Not so, assert quota holders. It is a well-conceived program that stabilizes the economy of peanut-growing areas, maintains "the integrity of the family farm" and assures consumers an ample supply of nutritious peanut products at fair prices, says James Earl Mobley, the chairman of a national peanut-growers group.

No place is more threatened by the political assault than Early County, GA., which leads the nation in peanut quotas with an allocation of 73 million pounds. Planting peanuts has been a way of life in the county since the 1920s, when cotton farmers, devastated by the boll weevil, took the advice of botanist George Washington Carver and tried the lowly legume.

Quota holders, many of them heirs to farmers who got peanut allotments four decades ago, tend to regard the peanut program as an entitlement, almost as their birthright. "Why anyone should attack it, I don't know," says Guy Maddox, with an unlit Dutch Master between his lips. "The consuming public wants them cheaper, but it's out of the question. I think the people here are entitled to make a living."

Peanuts have been good to 88-year-old Mr. Maddox, who, by his own reckoning, is worth $4.5 million. He has a staff of servants, a white-columned mansion and control of the biggest bank in Blakely, the seat of government in Early County. He used to own a big peanut mill in town, but these days he sticks to banking. He rents the family quota of 874,000 pounds of peanuts to two grandsons for $70,000 a year.

More than a third of the nation's 44,000 quota owners don't get their hands dirty farming; they rent their quotas to farmers who do. Many owners are so-called allotment lords living in distant cities, such as Greenwich, Conn., and West Palm Beach, Fla. Says Gilbert Cooley, a Spokane, Wash., businessman whose wife inherited a peanut quota on about 35 acres in Oklahoma: "Oil wells would be better, but it isn't too bad."

BIG QUOTAS, AND BIGGER

The fact isn't lost on investors, either. Miss Brown's Busy Bee restaurant on the edge of Blakely is ofen abuzz with talk of the big money moving in. Fred Wenzel, an Anheuser-Busch Cos. director and the chairman of St. Louis apparel maker Kellwood Co., bought the Kolomoki Plantation a few years ago. That brought him a 1.2 million-pound peanut quota. Growing peanuts "looks like a better investment than any other crop you can raise," Mr. Wenzel says.

But Mr. Varner makes him look like small potatoes. The shopping center developer says he and his partner, Earl Bass, own 12 to 13 million pounds of quotas (worth $4 million according to agribusiness experts). Mr. Varner's showplace: Wildfair Plantation, a quail-hunting preserve south of Albany, Ga.

He commutes by private jet from Atlanta to oversee his rural empire out of a hangar at the Albany airport, his privacy protected by tight airport security and an uncommunicative staff. Many perceive him as a city-slicker bent on cornering the peanut market. The spectacle of 15 Varner-Bass mechanized peanut pickers rumbling from one farm to another, followed by a mighty fleet of trucks, can be intimidating.

"People tell me it looks like a panzer division." says the 39-year-old Mr. Varner, who denies having monopolistic intentions: "If some other commodity makes more sense, I'm going to grow it. Peanuts just happen to be the best way to maximize investment."

While the peanut program has prevented peanut gluts and propped up quota-holders' income, critics say the success has come at the cost of stifled industry growth, market distortions and higher costs to consumers.

U.S. peanut consumption remains flat at 2.2 billion pounds a year, with the industry barely making enough gains in sales to offset market-share losses to cheaper snacks like pretzels. In the meantime, unfettered California almond growers and Hawaii macadamia nut growers are expanding to meet demand.

"We're captives of the program," complains Larry Pryor, the top purchasing agent for snack food maker Lance Inc., in Charlotte, N.C. "We can only buy what's produced for quota, and we can't really import peanuts." Only 1.7 million pounds of imports—a tiny fraction of U.S. consumption—are allowed in each year. "That might

keep Skippy running for one afternoon," says James Mack, lobbyist for the Peanut Butter and Nut Processors Association. "It's a virtual embargo."

The peanut program benefits only peanut farmers who have a "green card"—government-issued proof of quota—to flash at peanut buyers and shellers. "That's their ticket to happiness," says Mr. Hintlian, the processor. It entitles the quota holders to the perks of the peanut program, and it guarantees them a so-called support price for their crop that is four times higher than the minimum given to farmers without quotas.

ADJUSTABLE FLOOR

Under current law, card-carrying farmers qualify for a support price of $$631.47 a ton, more than enough to cover their average costs of production and ensure a profit of $100 to $200 a ton. If they can't get higher prices, the government will buy their quota peanuts at that floor price. If their production costs rise, the government raises the floor price the next year.

As for the quota-less farmers, they are free to grow so-called additional peanuts, but only for the lower-priced export market for edible peanuts or the domestic market for peanut oil and meal. The result: Foreigners can buy U.S. peanuts a lot more cheaply than American consumers can.

If the growers of additional peanuts fail to sell their crop, they must turn it over to the government at $149.75 per ton—too little for most quota-less farmers to make a go of it. So, too, must quota holders who produce peanuts in excess of their quotas.

The government has what amounts to a peanut-police to keep people from diverting additional peanuts from their overseas destinations and passing them off on the U.S. market as more expensive quota peanuts. In Blakely, Ga., Lamar Lindsey of Opp, Ala., an inspector for a marketing association deputized to supervise the peanut program, is on the beat, hovering over the bagging and shipping of 300 tons of government-owned additionals at the Birdsong Inc., mill.

"If any of these peanuts move, the government wants to know about it," the burly Mr. Lindsey shouts over the roar of forklifts. "I've got to make sure they don't put additional peanuts on a load of quota peanuts."

STATES THAT LOSE OUT

Critics contend that Congress, in repeatedly reauthorizing the peanut program over the years, has legitimized cartels. The right to grow peanuts for the U.S. market is still limited to just those states and counties that were growing peanuts in 1949, when allotments were passed out. Thus, farmers in Maryland and Kansas don't grow peanuts today because none of their fathers and grandfathers grew them in the 1940s. And it is still against the rules for a farmer in Georgia's Early County to sell his quota to a farmer in the next county.

The law has thus entrenched Georgia, Alabama, and Texas as the dominant producers. About 15,000 Georgia farmers control 1.3 billion pounds of quota, or 41 percent of the national allotment. In contrast, only two California farmers have quotas.

While the Bush administration isn't intent on doing away with the quota system, it does favor eliminating all restrictions on the sale and transfer of quotas. The administration also wants a 20 percent cut in peanut support prices to bring them more into line with other subsidized commodity prices.

The proposals have members of Congress from the Peanut Belt fuming. At a recent hearing, several lawmakers wondered why the administration would, as Republican Rep. William Dickinson of Alabama put it, "want to fool around with a true success story." Democratic Rep. Charles Rose of North Carolina, chairman of the tobacco and peanuts subcommittee, surmised that there must be some Marxist policy-making "beavers" in the Agriculture Department trying to figure how to "screw it up."

For these lawmakers and their constituents, few issues are more important or emotional than protecting the status quo in peanuts. Thomas "Gene" Miller, a Republican Party leader who used to grow peanuts in Lumpkin, Ga., joined a 1981 effort to kill the peanut program outright. For his audacity, he says, he was "semi-ostracized" by his neighbors, and a suspicious fire burned his barn.

Peanuts are a cash crop a farmer can count on—and bank on. The peanut quota is collateral a farmer can get a loan with. The quota enhances land values and enriches the tax base in rural counties. It gives farmers a sense of financial security.

Says Rep. Bill Grant, a Florida Democrat who spent 20 years in banking before his election: "I foreclosed on a lot of poor farmers growing corn and soybeans and just about everything else, but . . . I never foreclosed on a peanut farm, never, never did."

[From the New York Times, June 12, 1990]

NUTS TO THE PEANUT LAW

The nation's system for regulating peanuts is, well, nuts. The laws don't allow farmers to grow and sell peanuts to fellow Americans unless they own a Federal license, very few of which have been issued since the early 1940's. That keeps peanut production low and prices high. Americans pay 50 percent more for home-grown peanuts than do foreigners.

The system also makes it impossible for most farmers to enrich their soil by planting peanuts along with their other crops. George Washington Carver, the scientist who taught the world how nutritious peanuts could be for both people and soil, would doubtless applaud Representative Dick Armey's proposal to abolish the system.

The licenses, or "poundage quotas," were begun during the Depression in order to create an artificial peanut scarcity and drive up prices. At the time, agriculture sales and prices were spiraling downward. What Congress seems not to have noticed is that the Depression ended 50 years ago, eliminating the need to fork over welfare to a small elite who inherited the original licenses.

Mr. Armey's bill would abolish the licenses and regulate peanuts like most other crops. That would guarantee lower prices for consumers and more freedom for farmers. The losers would be those who inherited, or bought, the licenses that were originally given to Depression-era peanut farmers. Half of these current owners don't grow peanuts and might not know the difference between a peanut and a pine nut. They nevertheless collect enormous fees by renting their license to farmers who do.

Mr. Armey would include peanuts among the crops that Congress routinely protects from competition. An even better policy would be to scrap protectionist laws. Studies show that they drive up consumer prices primarily for the benefit of large, wealthy farmers. But Mr. Armey's bill is good enough, and politically feasible.

A feudalistic system that takes money out of the pockets of parents seeking nutritious food for their children to enrich an unproductive elite deserves no public support. Mr. Armey's proposal is a worthy correction.

Mr. METZENBAUM. I want to say that as I was speaking, I had indicated that Ohio farmers might want to grow peanuts, but the fact is they cannot grow peanuts by reason of the weather conditions. I was speaking figuratively about the fact that there ought to be a free market for all farmers, and not specifically with respect to Ohio farmers trying to get into the peanut growing business.

Mr. President, I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. HEFLIN. Mr. President, we are waiting for several people to come and speak in behalf of it. In the meantime, I would like to yield myself, since Senator FOWLER is not on the floor, 5 additional minutes.

The PRESIDENT pro tempore. The Senator from Alabama [Mr. HEFLIN] is recognized for 5 minutes.

Mr. HEFLIN. Mr. President, I would like to respond to some of the statements that have been made that it is a fact that you cannot grow peanuts anywhere. Well, as Senator METZENBAUM pointed out, there are weather conditions and there are types of soil. Some people, do not know it, but peanuts grow under the ground. They do not grow on trees and do not grow on bushes. They are also perishable, and there are a lot of factors to consider. But anybody that wants to, if he thinks his soil is right, can grow peanuts anywhere in the United States. He has a market for them. He can sell them to that market and, if he grows peanuts for 2 out of the 3 years, he then qualifies under the program, which has a quota, and I pointed out wheat farmers have to grow 5 years.

What has been the result of this? This was cured by working out legislation back in 1977, 1981, and 1985. We have had 5,121 farmers who qualify under the peanut program. That is out of a total of 45,000 peanut farmers. No other commodity can show an increase in the program similar to what peanut growing has brought about. I think it is clear that we know that.

They talk about renters and quotas. Renters are covered under this new bill, and when they rent, they get a share of the program benefits.

Mr. President, it has come to my attention that there are two errors in the Senate report on title VII of the bill. Title VII provides the production adjustment and price support program for the 1991 through 1995 crops of peanuts.

The first error is a simple misstatement with respect to the minimum annual national poundage quota on page 121 of the report. The report says that the minimum national poundage quota of 1,350,000 tons is re-

tained. This is not correct. The report should state that: The minimum national poundage quota has been increased from 1,100,000 tons to 1,350,000 tons.

The second error in the report is on page 125 of the report in the discussion at the top of the page on the mechanism which will be used to protect farmers' interests as differentials are adjusted to help eliminate kernels from the market. It is intended that any changes made in the differentials must be such that the farmers are provided price support protection at a level at least equal to the established 1990 price support levels before improvements in quality are made.

This can be accomplished, as the report points out, by using USDA's 5-year average base grade and grade differentials for price support values at the 1990 level to establish the floor or baseline. However, the report may be construed as suggesting that grade differentials used in the future be the same as the grade differentials of the 5-year average used as a baseline. This is not the intention of the bill. The bill intends that the grade differentials may be changed in the future to accomplish the desired increase in quality so long as these changes are made in a way that maintains or increases the average price to producers. The quality improvement program is to be administered in a way that will maintain an average price to producers at least equal to the price that would have been received had there been no such program.

Mr. President, title VII of S. 2830, as reported by the Senate Agriculture Committee, will strengthen and improve the peanut program. The legislation incorporates, virtually without change, the peanut provisions contained in S. 2361, a bill Senator FOWLER and I introduced last March, plus certain amendments that were agreed to by the committee during its markup of the farm bill.

The peanut program plays a critical role in maintaining the stability of small family farms in several regions of the United States. At the same time, the peanut program also provides American consumers with adequate supplies of excellent quality peanuts at very reasonable prices. In short, our country's peanut program has been a success.

The current peanut program operates at virtually no cost to the taxpayer, and S. 2830 will ensure the continuation of that important feature of the program.

The peanut provisions of S. 2830 were drafted with much thought and care by the members of the Senate Agriculture Committee. The legislation has the support of a diverse group of associations. Peanut producers from Virginia, the Carolinas, Georgia, Alabama, Florida, Texas, Oklahoma, and New Mexico support the bill. Of particular note is the fact that many peanut processors, candy makers, peanut butter manufacturers, and other peanut users also give it their support.

Our objective in drafting the legislation was to build upon the success of the present program and make improvements for the benefit of peanut producers, consumers, and the peanut industry.

The report of the Senate Agriculture Committee on S. 2830 contains a detailed description of the changes that the legislation would make in the current program. The report also sets out the committee's intention with respect to the construction to be given to several provisions of the legislation.

I would like to comment briefly on some of the changes.

First, the legislation provides that the minimum national poundage quota for peanuts will be increased from 1.1 million tons to 1.350 million tons. This appears to be a reasonable adjustment in view of the 42-percent increase in the national poundage quota since 1985. The Secretary of Agriculture would continue to be required to establish the actual national level each year at a level estimated to equal domestic consumption and related uses.

Under a new provision, starting with the 1991 crop, the Secretary will be required to adjust the national poundage quota if necessary to ensure an adequate supply. At the same time, no additional program costs are to be incurred and the integrity of the peanut program is to be protected.

Second, the legislation will permit the Secretary to make reasonable quota allocations to State experiment stations and the Agricultural Research Service for experimental and research programs for peanuts. Revenue from quota marketings from research production will be helpful in maintaining adequate research programs. Such research production currently only returns the additional loan rate of about $149 per ton, which is far below the cost of production.

Third, the legislation provides that State quota increases will be allocated to farms in proportion to farm production history. The 1985 law provided for the State quota increases to be "allocated equally" among eligible quota farms. The term "equally" resulted in widespread confusion. Following months of controversy, the Department of Agriculture adopted a rule that State quota increases would be allocated to farms within the State in proportion to farm production history—both quota and additional—for the 3 immediately preceding crop years. This system is working well and has been well accepted by producers.

Fourth, the legislation provides for special quota allocations to farms in certain Texas counties from any increases in State quota allocations during the 1990 farm bill years. By virtue of an agreement among the State's producers, counties in which producers have demonstrated a willingness to assist in the expansion of export markets will receive extra quota pounds, but only within the State's share of the national poundage quota. Under this provision, quota farms in those counties will receive, in addition to their proportional quota allocations, one-third of any State quota increases granted during the period 1991 through 1995.

Fifth, the legislation provides for special quota allocations to certain Texas counties from the State nonproduction pool. The same counties qualifying for special quota allocations from any increases in the quota for Texas will be permitted to share annually from 1991 through 1995 in the quota pounds accumulating from the failure of quota farms to produce for any 2 of the 3 immediately preceding years. Under conditions stipulated in this provision, qualifying farms in eligible counties will share in the annual allocation of all the quota pounds so reduced in State, except that part of the 25 percent designated for new farms.

Sixth, the legislation provides for a change in the eligibility requirements for the transferring farm in regard to fall transfers of farm quota. This provision will require that the transferring farm must have planted not less than 90 percent of the farm's basic quota. Currently, the law is interpreted by the Department of Agriculture as requiring the planting of the entire farm quota, including any quota undermarketings due the farm. At planting time, the farmer always knows the amount of the basic quota, but the farmer may not know the pounds of undermarketed quota to be added. As a result the farmer may underplant the effective or full farm quota. If that occurs, the farm does not qualify for fall transfer of quota. This clarification will result in a fair and reasonable eligibility requirement.

Seventh, the legislation provides for the transfer of quota from one farm to another under the same ownership or operation without any reduction of quota on the transferring farm. This transfer provision permits rotation of the peanut crop with other crops to and from farms under the same operation, primarily to reduce plant disease and enhance quality. Under the 1985 law, the Department's regulations permitted such transfers, but reduced the quota base on the transferring farm. S. 2830 calls for preservation of quota involved in such transfers and, therefore, is consistent with the original intent of such owner-operator transfers.

Eighth, the legislation provides special export credits to handlers of additional peanuts who also manufacture peanut products from domestic edible peanuts. The Secretary would be required to issue regulations permitting such handlers to export the peanut products and receive credit for fulfillment of export obligations for the peanut content of the products. Against such credits, a handler could thereafter apply equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. Peanuts so acquired for the domestic edible market must be of the same crop year as the peanuts used in the manufacture of the exported products.

Ninth, the committee expects that manufacturer handlers may, under some circumstances, transfer lots of additional peanuts to other manufacturer handlers. Any additional administrative costs resulting from those transfers are expected to be recovered by the association as costs which are added to the sale price of additional peanuts sold from CCC stocks by the area association. It is not intended that those costs be any new assessment against a handler or other party.

Tenth, the legislation provides that additional peanuts contracted by handlers may be bought back for the domestic edible market only if an order is issued by the President to suspend the peanut import quota under section 22 of the Agricultural Adjustment Act. Producers do not wish to have contracted additional peanuts bought back as a matter of course and used domestically due to program loss risks. Such a practice can be justified only as a last resort to prevent the need to import foreign produced peanuts. The last substantial program loss resulted from an unrestricted buy back of contracted additional peanuts from the 1984 crop.

The provisions of the legislation relating to the establishment of the national average quota price support rates are of particular interest to peanut producers and users of peanuts. Under current law, the price support rate for quota peanuts is the price support level for the preceding year, adjusted to reflect any increase in the average cost of producing peanuts, excluding changes in the cost of land. However, any increase from one crop to the next may not exceed 6 percent.

Under S. 2830, for the 1991 crop, the support rate will be the same as the support rate for the 1990 crop, adjusted to reflect any increase during 1990 in the cost of peanut production, excluding any change in the cost of land. However, the support rate for the 1991 crop could not exceed by more than 8 percent the support rate for the 1990 crop.

For the 1992 and 1994 crops, the support rate will be the same as the support rate for the immediately preceding crop without any adjustment for changes in the cost of peanut production.

For the 1993 and 1995 crops, the support rate will be the same as the support rate for the immediately preceding crop, adjusted to reflect any increase, during the two calendar years immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land. However, the total of any increases in the cost of peanut production for each of the 2 preceding years could not exceed an average of 4 percent.

Finally, I would like to note the fact that S. 2830 contains provisions designed to improve the quality of U.S. peanuts. With respect to peanuts placed under price support loan, the Secretary of Agriculture is encouraged to incorporate, to the extent practicable, in peanut inspection and grading procedures objective methods and technologies shown to improve peanut quality.

Mr. President, title VII of S. 2830 will make improvements in the current peanut program. At the same time, the legislation will maintain a fair price for U.S. peanut farmers, continue a program that operates at a very minimal cost to the taxpayer, and assure American consumers of a reliable supply of one of our Nation's quality farm products. I urge all my colleagues to support the legislation.

Mr. President, I ask unanimous consent that a letter from the American Peanut Products Manufacturers, Inc., signed by David Bacon, its chairman, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN PEANUT
PRODUCT MANUFACTURERS, INC.,
Washington, DC, July 13, 1990.

Hon. HOWELL HEFLIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HEFLIN: On behalf of the American Peanut Product Manufacturers, Inc., I wish to thank you for the successful efforts you and Senator Fowler made in bringing all segments of the peanut industry, growers, processors, and manufacturers, together on a compromise that all segments can support.

We believe that this compromise is a significant improvement over earlier versions of legislation approved by the House and Senate Agriculture Committees. In addition to concessions on the price escalator, the bill contains several amendments that will make the program more market-oriented and improve peanut quality. We are confident that the compromise will lead to greater stability and an expanding market for peanut products.

Based on our agreement with all the grower groups that they will support the peanut compromise throughout the legislative process, we endorse the compromise that is included in S. 2830. The following is a list of our member companies:

Planters Life Savers Company.
The J.M. Smucker Company.
Procter & Gamble.
Mars, Incorporated.
Tom's Foods, Incorporated.
Hershey Foods Corporation.
Tara Foods.
The Kroger Company.

Once again, thank you for your support.

Sincerely,

DAVID BACON,
APPMI Chairman.

Mr. HEFLIN. Mr. President, the peanut program as it exists today is a model program for American agriculture and for the American people. It provides positive benefits for both consumers and producers of peanuts, and it does so at virtually no cost to the taxpayers.

The peanut program is a unique two-tier mechanism. Under this system, a higher loan rate applies for quota peanuts grown to supply the domestic food market. A lower loan rate applies for nonquota peanuts—called additional peanuts—grown for the export market or for crushing for oil and meal. Neither the quota nor additional loan programs result in any significant cost to the taxpayers.

This two-tier program was first enacted in the farm bill of 1977. It was continued and improved upon by Congress in the 1981 and 1985 acts. It is continued with further modification, improvement, and fine tuning—mostly of a technical nature—as title VII of the Food, Agriculture, Conservation, and Trade Act of 1990 and recommended favorably to the Senate by the Committee on Agriculture, Nutrition, and Forestry.

It is important to note, Mr. President, that the peanut title of S. 2830 represents a compromise that is supported for the first time, by all grower groups and the major peanut product manufacturers. The title strengthens the quality provisions of the present law and brings greater market orientation and administrative flexibility to the program.

Mr. President, the peanut program is the lifeblood of thousands upon thousands of primarily family size farms in the nine principal peanut producing States, stretching in a great arch of the Sunbelt, from Virginia to Texas and New Mexico. There are, according to USDA, some 45,000 peanut farms in the United States.

But the farm family that produces peanuts is just one component—albeit the basic component—of the peanut industry in this country. There are the warehouseman, the sheller, the blancher, and the manufacturer, who are all directly involved in the peanut industry, and who constitute a major economic force in my State of Alabama and in the other peanut produc-

ing States. There are also the indirect participants in the peanut industry—county banks, farm equipment dealers, fertilizer and pesticide suppliers, seed dealers, and many other members of the agribusiness community who have a stake in the peanut program. All stand to lose, starting with the farmer, if the the peanut program as recommended by the Agriculture Committee is crippled or destroyed. And the loser would include the American consumer as well.

Mr. President, the peanut program as it has evolved since 1977, provides a stable, orderly, viable peanut industry from the farmer to the consumer. At every step of the way, quality controls and standards are rigidly applied that assure consumers of the highest quality peanut products that human skill and modern technology can provide. As I stated previously, the quality features of the peanut program will be further enhanced under S. 2830.

The growing of peanuts is a highly specialized agricultural undertaking, requiring great skill on the part of the producer, and costly equipment that cannot be used for the production of any other crop. I should also point out for the benefit of Members of the Senate who may not be familiar with this commodity, that peanuts are a perishable crop. If not properly handled, especially at harvest time, the edible quality is destroyed. The crop is sensitive and subject to disease and insect damage. Peanut farming is a complex and risky business.

Therefore, Mr. President, because of the special nature of the peanut crop, I believe it is reasonable and proper to ask, that peanut farmers be afforded a reasonable price for their product and fair return from their farming operations. This is a part—but only a part—of what the peanut program provides.

The farm support price for quota peanuts—those going for the domestic food market—for the 1990 crop averages 31.5 cents per pound—farmer stock basis. The quota support rate is based on the cost of producing domestic edible peanuts and has increased only 1.23 cents per pound during the 5-year life of the 1985 farm bill—just about 4 percent and most of that was this year.

When inflation is taken into account, the support rate for quota peanuts has actually declined over the past 4 or 5 years. For example, the real quota support rate—adjusted for inflation—in 1989 was only 25 cents per pound, based on 1970 dollars. Thus, over the life of the 1985 act, the support rate received by the producer for his quota peanuts has actually declined. The real quota support rate at the close of the 1980's was essentially the same as it was at the beginning of the decade.

The situation has been even worse for additional peanuts, those grown primarily for the export market. The support price for is set annually by the Secretary with the mandate that it is at no cost to Government. That support rate has remained level at about 7.15 cents per pound during the 5 years of the 1985 act. Even without adjustment for inflation, this figure represents a reduction from previous years. In recent terms, the additional support rate fell 40 percent during the 1980's.

Mr. President, how does the peanut program benefit consumers? Very simply and directly. The peanut program assures an adequate, constant supply of nutritionally rich peanuts that, when processed into products such as peanut butter, are readily available and at reasonable prices for consumers. Indeed, peanut butter represents an inexpensive, protein rich food, one of the best food buys in America today.

The peanut program with its price support mechanism prevents wild cyclical swings in production and prices of peanuts at the farm level. And this in turn keeps production constant and predictable and supplies and prices stable for consumers.

The peanut program also helps keep the peanut production base dispersed in three distinct geographic regions of the country—the Virginia-Carolina area, the Southeast, and the Southwest. Without the program, there would likely be even greater concentration of peanut production in the Southeast area, which already accounts for two-thirds of the U.S. crop.

While such a concentration might well benefit my State and region, it would not necessarily be good for the industry or for consumers, since it would put the U.S. peanut crop at greater risk from adverse weather conditions and other variations of nature. As it is, there have been only two occasions when crop failures in all three regions resulted in a significant reduction in the national supply in almost half a century—in 1954 and 1980 due to severe beltwide droughts in those years.

Mr. President, the current peanut program is one of the least costly of all farm commodity programs. Not only is it virtually without cost to the taxpayers, but it actually makes the Government money in some years through the collection of inspection fees and penalties. The reduction in the annual cost of the program to taxpayers has resulted from changes that were made in the 1985 legislation and that are continued in S. 2830. During the period 1986-89 the annual net price support expenditures by the Commodity Credit Corporation for peanuts amounted to about 5 cents each for every man, woman, and child in the Nation. During this same period the cost of the peanut program was less than one-tenth of 1 percent of total net CCC expenditures for price support programs for all commodities.

The annual cost of the program is now running at about $5 million—that is million—and most of this cost is for disaster relief for growers who suffer unusual losses in their quota production.

The virtual no-program-cost feature of the peanut program is the result of a provision added to the 1985 law with the support of growers that allows any CCC loan losses in one production region to be offset by cooperative loan pool profits in other regions. In other words, in order to prevent costs to the taxpayers in the operation of the peanut program, growers are willing to forgo pool profits or dividends of peanuts placed under the loan they would otherwise receive as income.

Indeed, this has happened in the past 2 crop years. Losses that occurred in CCC loan operations in the Southwest area have been offset from profits that the loan program made in handling farmers' peanuts in the Southeastern and Virginia-Carolina areas in the amount of some $15 million.

While operating at virtually no cost to the Government, peanuts have helped the Nation's balance of trade through exports amounting to some $140 million a year, farm value. Each year, about one-fifth of the American peanut crop is exported, and the United States is the first, or second—in competition with the People's Republic of China—largest world supplier of edible grade peanuts. The lead shifts back and forth. Because of their recognized superior quality, U.S. peanuts generally command a premium in the international market.

Mr. President, in view of all the positive benefits of the peanut program to producers, consumers, and taxpayers, it is difficult for me to understand some of the attacks and criticisms that are emanating from the media and other sources.

Even if we didn't have calendars, we could tell when it's farm bill time, by the chorus of criticism that one reads and hears about some of these terrible farm programs, such as sugar and peanuts. During the years that I have been here, I have noticed a sort of wolf pack phenomena among certain elements of the news media. Once the Wall Street Journal or the New York Times or some other paper exposes one of these farm programs, all the others quickly follow.

Even though I have come to expect the media attacks on the peanut program, I never cease to marvel at the ridiculousness of some of the charges. Let me cite some of the charges that have been made, first in the media,

and then picked up and repeated by some Members of Congress.

First, there is the implication that all peanut farmers are big farmers. One press account reported on one alleged peanut farmer who was so big that he jetted around like Donald Trump, buying peanut farms like the Japanese buy up our office towers and other real estate developments.

Well, what are the facts? According to USDA, the average peanut farmer in this country grows 70 acres of peanuts. Sixty percent of the 45,000 peanut growers in the United States produce fewer than 50 acres. Most peanut farmers in my State, and elsewhere in the country, are family farms. Almost all of them grow other crops in addition to peanuts. The very large peanut farmers that some of the media likes to spotlight, are rare indeed.

Second, there are sometimes references to something called the "peanut subsidy." I believe I have shown, Mr. President, that there is no Government subsidy for peanut farmers, because there is no cost in the program for price support operations. If disaster relief is to be classified as a Government subsidy, then there is indeed a great deal of subsidization going on in this country, and not just for farmers. Earthquake, hurricane, flood, and other disaster victims as well as farmers, are being subsidized.

The only peanut subsidy that I know about, is that peanut farmers pay for themselves in order to avoid any Government cost in the price support program under the pool arrangement I have described.

Third, we are told a farmer needs a Federal license to grow peanuts, and that new farmers are prohibited from growing peanuts. This is a reference to the quota system that is based on production history, and is not dissimilar to the production bases that exist in the so-called target price program crops, such as corn and wheat.

However, any farmer in any State can grow peanuts for the export and crushing markets. A farmer who produces additional or nonquota peanuts for 2 out of 3 years also becomes eligible to receive a quota for his farm.

In fact, Mr. President, during the 5 years of the 1985 act, when the national poundage quota has increased by 460,000 tons, 5,120 new quota peanut farms have been established throughout the peanut belt. This is the number of farms that grew additional peanuts for 2 out of 3 years, thus establishing a production history and becoming full-fledged quota farms. Not one of those 5,120 new peanut farmers had to obtain a Federal "license."

S. 2830 will continue to allow any farmer who wishes to grow peanuts, to do so. No doubt, many will take advantage of the opportunity and will, in due course, become quota farmers.

Fourth, there are charges that the current peanut program increases the price of peanut products to U.S. consumers, and suggestions that, if we would only dismantle the peanut program, or reduce the farm price support level, the price of peanut butter and other peanut products magically would be reduced. Such is the stuff of fairy tales.

The farmer's share of the price of an 18-ounce jar of peanut butter is about 46 cents. At my neighborhood Safeway here in Washington, the national brands of peanut butter retail for an average of $2.83 cents for an 18-ounce jar. Safeway's own brand sells for $2.69. Does anyone honestly believe the cunsumer price of peanut butter would be reduced if the price support for peanuts were significantly reduced, or even abolished, for that matter?

The fact is that the Consumer's Price Index for peanut butter during the 1980's has increased one-third faster than the increase in the support price for quota peanuts. Nor is the trend likely to change.

In a recent study of the peanut program, Dr. Marshall I. Martin, associate professor of agricultural economics at Purdue University, and director of the Center for Agricultural Policy and Technology Assessment at that illustrious institution, examined the relationship of the prices farmers receive for peanuts and the retail cost of peanut butter and other peanut products. Dr. Martin concluded that "* * * lowering farm prices of peanuts via moderate reductions in the peanut price supports would likely result in small, if any, reductions in consumer prices for peanut products given the offsetting effects of wholesale and retail market factors."

Finally, it is said that the two-tier peanut program subsidizes foreign consumers by providing them cheaper U.S. peanuts and peanut products made from U.S. additional peanuts, than are available to consumers here at home.

Again, let us examine the facts. It is true that the American farmer is paid less for additional peanuts for export than he normally receives for peanuts for the domestic market. However, when the costs involved in exporting the peanuts are added, the prices of U.S. peanuts at the point of foreign delivery are often dramatically higher than the farm support price for peanuts marketed for domestic consumption.

For example, at Rotterdam, a world marketing center for peanuts, prices of raw, unprocessed United States peanuts delivered there have averaged 13 percent higher than the U.S. farm price support over the past 5 years. You can be assured that the peanut products themselves, after being manufactured, packaged, promoted, and marketed, will be considerably higher than comparable products in the United States.

Even in Canada, where shipping and other export costs are not great as in the case of Rotterdam, peanut products made from United States additional peanuts are priced about the same as in this country. According to testimony before the Tobacco and Peanuts Subcommittee of the House by a United States peanut butter trade association, "* * * at retail in Canada, peanut butter sells for almost exactly the same price as the same brand sells for in the United States, with salted peanuts costing more, and dry roasted peanuts costing considerably more."

Mr. President, I hope Members of the Senate will not be misled by the distortions, half-truths, and outright false statements that have been made about the peanut program—a program that means so much to the peanut farmers in my State and other peanut-producing States. I hope they will consider, instead, the many proven benefits of the program to producers, consumers, and taxpayers alike.

I urge my colleagues to support the peanut title of the farm bill that the Agriculture Committee has brought to the Senate, and to oppose any amendments that would disrupt a program that is working so well, for so many.

Mr. President, I ask unanimous consent that the study made by Dr. Marshall A. Martin, of Purdue University, entitled "Some Economic Effects of the U.S. Peanut Program on Consumers, Government Cost, Exports, Processors/Manufacturers and Growers," dated February 1990, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOME ECONOMIC EFFECTS OF THE U.S. PEANUT PROGRAM ON CONSUMERS, GOVERNMENT COST, EXPORTS, PROCESSORS/MANUFACTURERS, AND GROWERS, FEBRUARY, 1990

ABOUT THE AUTHORS

Marshall A. Martin is Associate Professor of Agricultural Economics and Director of the Center for Agricultural Policy and Technology Assessment at Purdue University. Previously, he was Director and Professor at the Instituto Rural de Montero in Bolivia and has been a consultant to the U.S. Chamber of Commerce-Mexico Business Committee, World Bank, Ford Foundation, and USAID. He was a Visiting Professor at the University of Sao Paulo, Brazil (1974-75) and Visiting Scholar at the University of Chicago (1983). He is a member of the Agricultural Advisory Committee for the Chicago District Federal Reserve Bank. He has published more than 150 papers on agricultural policy. He has a B.S. in Agricultural Economics from Iowa State University, and a M.S. and a Ph.D. in Agricultural Economics from Purdue University.

[Charts not reproducible in the RECORD:]

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EXECUTIVE SUMMARY

The United States has a unique peanut program involving a two-tier price support system with a national marketing poundage quota. This study examines some of the economic effects of the U.S. peanut program with the objective of providing information that will be useful to policymakers in the Congress, Executive Branch, and private sector during deliberations on the 1990 Farm Bill. In carrying out the study, a comprehensive approach was taken which recognized the impacts of recent U.S. macroeconomic policies on the agricultural sector, including peanuts. The major findings and conclusions of the study appear below:

I. Relationship of U.S. macroeconomic policies to farm programs

The 1990 Farm Bill will be written in the context of an economic situation in agriculture that has improved substantially since the farm financial stress that was occurring when the 1985 Food Security Act was written. Since the mid-1980s agricultural exports and net farm income have increased, real interest rates have declined, and fewer U.S. farmers are classified as marginally solvent or financially vulnerable (down from 19 percent in 1984 to 14 percent in 1988).

Although financial conditions in the U.S. agricultural sector have improved since the mid-1980s, macroeconomic policies pursued by the United States (relatively tight monetary policy plus large, persistent federal deficits) continue to contribute to high real interest rates. Thus, farmers can be expected to seek farm programs which partially offset the adverse impact of U.S. macroeconomic policies. Peanut growers can argue credibly that current U.S. peanut programs should not be changed substantially since federal budget expenditures for the peanut program are relatively low.

II. Background on the U.S. Peanut Program

U.S. average peanut yields have increased from 900 pounds per acre in 1950 to about 2,700 pounds per acre in the mid-1980s. Peanut growers have experienced a gradual increase in the nominal quota loan rate over the past 30 years. However, the real quota loan rate (adjusted to remove inflation), which ranged from 34 to 37 cents per pound in the 1960s and early 1970s, had fallen to about 25 cents per pound by 1989.

A two-tier pricing system was established for peanuts under the 1977 Food and Agriculture Act and retained under the 1981 and 1985 Acts. As part of this pricing system, a higher loan rate was established for quota peanuts channeled into domestic edible uses, and a lower non-quota loan rate was established for "additional" peanuts sold for export or crushing. Under this system, supply and demand forces determine the prices for additional peanuts with price supports coming into use for the additionals only occasionally.

Acreage allotments for peanuts were suspended by the 1981 Act but national marketing poundage quotas were retained. Under the 1985 Act the national poundage quota has been increased gradually from 1.1 million tons in 1984 to 1.56 million tons in 1990, in response to growth in domestic edible use. After allocating the national poundage quota increases to individual states based on their 1985 allocations, individual farm quota increases have been granted to quota farms as well as to nonquota farms that produced additional peanuts in two of the preceding three years.

Under the 1985 Act, 4,151 nonquota farms which had produced additionals in two of the three preceding years became quota farmers. Changes enacted in the 1985 legislation provided an effective, systematic procedure for entry of new farms into the quota program.

In 1987, the number of nonquota farms and acres planted to peanuts on these farms represented three and five percent, respectively, of quota farms and quota acreage.

The "buy-back" feature of the U.S. peanut program facilitates needed adjustments in the domestic peanut market. The "buy-back" provides a reserve of additional peanuts that can be channeled into the domestic market when needed or to a higher demand region.

Losses in one association pool must be offset by pool profits in another area. This 1985 program provision was developed by peanut growers as another tool to keep federal peanut program costs low.

III. Commodity Credit Corporation expenditures on the U.S. Peanut Program

Because of the supply control features of the program, gradual growth in domestic edible use, and low loan rates for additional (nonquota) peanuts, federal budget (CCC) expenditures for the U.S. peanut program have remained low, about 5 cents per capita annually during the period 1986–89.

Under the 1985 Act, during fiscal 1986–89, the net CCC expenditures of $53 million for the peanut price support program equaled less than 0.1 percent of total net CCC expenditures for all commodities. Of this, $32 million was due to a special one-time occurrence in 1986 which is now prohibited by the 1985 Act. Net CCC expenditures averaged only $7 million per year for the years 1987–89, largely for disaster payments.

Average annual net CCC expenditures per peanut farm during the period 1987–89 were only $370.

Low CCC expenditures for the peanut program are noteworthy given the widespread concern about continued large federal budget deficits.

IV. Effects of the U.S. Peanut Program on producer (wholesale) and consumer prices

In the competitive U.S. economy, the consistently higher farm prices provided domestic peanut growers through the national poundage quota, quota loan rate, and import restrictions ultimately are reflected in wholesale and consumer prices for peanut products. However, many other factors besides the peanut program influence peanut product prices.

The Consumer Price Indexes for peanut butter and for candy and chewing gum both increased more rapidly than the quota loan rate for peanuts during the last half of the 1980s. This indicates that factors in addition to quota loan rates contributed to higher prices for peanut products.

Valued at the 1988 quota loan rate, peanuts only represent 1 to 3 percent of the retail price of candy bars such as Snickers and Mr. Goodbar.

Retail prices for 18-ounce jars of national brand and generic peanut butter varied widely in the five cities for which data were collected in December 1989. As shown below, the price for national brands averaged about 22 percent higher than the price for generic products.

City	Average price for national brand	Average price for generic product	Difference
Chicago	$2.09	$.126	$0.83
Denver	2.16	2.01	.15
San Francisco	2.30	1.96	.34
Dallas	2.30	1.90	.40
New York	2.36	2.07	.29
Average	2.24	1.84	.40

The price differences for peanut butter noted above are relatively large relative compared to the 46 cent cost of farmer stock peanuts contained in an 18-ounce jar of peanut butter. For example, in the case of Chicago with the lowest generic price, if the entire cost of the farmer stock peanuts were deducted from the $2.09 national brand price, the national brand price would still be 37 cents (29 percent) higher than the generic product. For New York, the city with the highest priced national and generic products, deduction of the full farmer stock would reduce the national brand to $1.90, only 17 cents (8 percent) below the price of the generic product.

In the market environment described above for candy bars and peanut butter, moderate reductions in the quota loan rate for peanuts could be offset by other market factors for peanut products at the wholesale and retail levels. Consequently, moderate reductions in peanut price supports are likely to result in small, if any, reductions in consumer prices for peanut products.

SOME ECONOMIC EFFECTS OF THE U.S. PEANUT PROGRAM

This study examines some of the economic effects of the U.S. peanut program with the objective of providing information that can be used by policy makers during deliberations on the 1990 Farm Bill. In carrying out the study, a comprehensive approach was taken which recognized the impacts of recent U.S. macroeconomic policies on the agricultural sector, including peanut growers. Specific topics covered in the report are as follows:

Relationship of U.S. macroeconomic policies to U.S. farm programs, including the peanut program. U.S. macroeconomic policies provide the backdrop against which farm program changes will be considered in 1990.

Background information on the U.S. peanut program, including analysis of the effects of selected program changes included in the 1977, 1981 and 1985 Agricultural Acts.

Commodity Credit Corporation (CCC) expenditures on the U.S. programs for peanuts and other commodities.

Effects of the peanut program on producer and consumer prices.

I. Relationship of U.S. macroeconomic policies to farm programs

Agriculture is a capital-intensive, interest-sensitive sector of the U.S. economy. Thus, it is influenced by the macroeconomic policies pursued by the United States. These policies contributed to high interest rates and a strong dollar in the early 1980s which in turn led to weak U.S. exports and a general farm depression. Real net farm income and land values fell. However, by the end of the decade, nominal and real interest rates had declined modestly and the dollar was weaker. Consequently, agricultural exports and real net farm income have recovered and land values have stabilized.

Farming uses three times as much physical capital per unit of production (GNP basis) as the average for the total U.S. economy [Council of Economic Advisers, 1984, p. 116]. Therefore, it is not surprising that interest costs of farmers increased sharply when real long-term rates, which averaged at negative levels during 1978–80, increased to about 8 percent during 1982–85 (Figure 1). By the late 1980s real long-term interest rates had declined modestly to about 6 percent. Increases in interest costs for peanut producers who make large capital outlays for specialized equipment are illustrative; the interest costs for the average U.S. peanut producer rose from $45 per planted acre in 1980 to $107 per planted acre in 1981, but gradually fell over the decade to $53 in 1987 [McElroy, *et al.*].

Relatively high real interest rates during the 1980s reflect, among other things, the effects of the Federal Reserve's Quantitative Accord of 1979, tight money policies on the part of the Federal Reserve Bank, and the federal deficits. The effects of the large, persistent federal deficits, which began in 1982 and are the hallmark of present macroeconomic policies, are pervasive. The federal deficit, which had averaged about $60 billion annually in the late 1970s, rose to over $200 billion annually in the mid-1980s, and hovered around $150 billion annually at the close of the decade [Council of Economic Advisers, 1989]. The large deficits helped to fuel an economic boom, however, beginning in the mid-1980s.

The backdrop against which the 1985 farm program was written was one of financial stress in the farm sector, high real interest rates, a strong U.S. dollar, and declining agricultural exports. The 1990 Farm Bill will be written in the context of a substantially improved economic situation in the U.S. agricultural sector.

The financial health of the U.S. farm economy improved during the late 1980s. U.S. farm debt was reduced about 30 percent from $193 billion in 1983 to $138 billion in 1989. Also, the average national farm debt-to-asset ratio has fallen from 23 percent in 1985 to 18 percent in 1989 [*Agricultural Outlook*]. Real long-term interest rates have fallen about 2 percentage points since the mid-1980s (Figure 1). A USDA study reported that 19 percent of all U.S. farms in 1984 were marginally solvent or financially vulnerable. By 1988 only 14 percent were reported as marginally solvent or financially vulnerable [*Agricultural Income and Finance*].

On a trade-weighted basis the U.S. dollar has fallen about 25 percent since 1985. U.S. agricultural exports have grown dramatically since 1986 as a consequence of a weaker U.S. dollar, lower U.S. loan rates (mainly for cereal grains), selective use of export subsidies (especially for wheat), and a stronger world economy. The low point of the decade for agricultural exports was 1986 when the export value fell to $26.3 billion and the volume to 110 million metric tons. From 1986 to 1989 the value of U.S. agricultural exports increased over 50 percent to $40 billion and the volume increased about 35 percent to 148 m.m.t. [*Outlook for U.S. Agricultural Exports*].

II. Background on the U.S. Peanut Program

Like the price support programs for many other commodities, the U.S. peanut program originated in the 1930s. During much of its history, the peanut program has included acreage allotments and/or marketing quotas which have limited supplies, and raised or added stability to farm prices. Import restrictions authorized under Section 22 of the Agricultural Adjustment Act of 1933, as amended, have been employed since 1953 to prevent peanut imports from interfering with the peanut price support program [Hacklander and Gardiner].

The peanut program underwent numerous transformations during and immediately after WWII, but then remained essentially unchanged from 1950 to 1977. The USDA, operating through a nonrecourse loan program run by the Commodity Credit Corporation (CCC) and area grower associations, supported peanut prices at 75 to 90 percent of parity during 1950–77. During the 1970s, however, peanut support prices were maintained at the 75 percent of parity minimum. As noted later, substantial changes were made in the peanut program in recent farm bills beginning with the changes incorporated in the 1977 Food and Agriculture Act.

Changes in Real Loan Rates

Reflecting the effects of technological advances, acreage allotments, poundage marketing quotas, and other risk-reducing components of the peanut program, U.S. average peanut yields increased from about 900 pounds per acre in 1950 to about 2,700 pounds per acre in the mid-1980s. Of course, substantial deviations from these average yields occurred in the mid-1980s when growing conditions were excellent, as in 1984 (almost 2,900 pounds per acre), or were poor, as in the drought years of 1980, 1987, and 1988 (about 2,400 pounds per acre) [Schaub and Wendland]. With some exceptions, this pattern of yield change is similar to the patterns witnessed for other U.S. crops.

Government support prices also have influenced yields and production. Peanut growers have experienced a gradual increase in the quota loan rate over the past 30 years. The nominal USDA quota loan rate for peanuts has increased from about 14 cents per pound in the early 1970s to 30.79 cents per pound in 1989 (Figure 2). The real quota loan rate (adjusted to remove inflation) ranged from 34 to 37 cents per pound during the 1960s and early 1970s. Inflation in the 1980s, however, reduced the real quota loan rate to about 25 cents per pound in 1989. Most of the decline in the real quota loan rate occurred in the late 1970s when the U.S. experienced double digit inflation. The real quota loan rate at the close of the 1980s was essentially the same as it was at the beginning of the decade.

A nonquota (additionals) loan rate was initiated under the 1977 Food and Agriculture Act (Figure 2). It was initially established at 12.50 cents per pound but had fallen to 7.49 cents per pound by the late 1980s. In real terms the nonquota loan rate fell 40 percent during the 1980s.

Changes in the Peanut Program Incorporated in the 1977, 1981, and 1985 Agricultural Acts

Increases in CCC expenditures for the peanut program during 1975 and 1976 and a build-up of peanut stocks provided part of the impetus for changes in the peanut program in the 1977 Food and Agriculture Act. In the revised peanut program developed in 1977, acreage allotments were retained but the following major changes were adopted [Hacklander and Gardiner]:

A farm-level poundage quota was established.

A two-tier price support system was established under which the higher loan rate applied to quota peanuts used for domestic edible consumption and seed, and a lower loan rate applied to additional peanuts usually sold for export or for crushing into oil and meal. Support prices for additional peanuts were set with the objective of eliminating government costs associated with supporting the prices of such peanuts. This meant that the forces of supply and demand would largely determine the prices for additional peanuts.

Price supports were unhooked from parity.

Unrestricted transfers of acreage allotments within counties were allowed. Under the previous law, transfers of acreage allotments within counties were permitted only if the Secretary of Agriculture approved such transfers.

Certain "right to grow" issues were raised regarding the peanut program when the 1981 Food and Agriculture Act was being considered. Partly because of this development, acreage allotments for peanuts were suspended in the 1981 amendments to the peanut program; however, poundage quotas for the crop were retained. Support prices for additional peanuts again were set to avoid any cost to the government [McArthur, *et al.*]. Annual increases in the quota loan rate (not to exceed 6 percent per year) were authorized beginning in 1982 to reflect increases in production costs, excluding increases in land costs.

Loan rates established during the 1977, 1981, and 1985 Agricultural Acts for quota and nonquota (additional) peanuts and the minimum export price for CCC nonquota peanuts in cents per pound, are shown in Table 1. During the 1980s, the quota loan rate rose in nominal terms but fell in real terms. The additional loan rate and CCC minimum sales price for additional peanuts sold for export have fallen in both nominal and real terms during the 1980s (Figure 2).

TABLE 1.—LOAN RATES, MINIMUM CCC EXPORT PRICE AND NATIONAL MARKETING POUNDAGE QUOTA, 1978–90

Year	Cents per pound			National marketing poundage quota (million tons)
	Quota loan rate	Additional loan rate	CCC export price	
1978	21.00	12.50	20.00	1.68
1979	21.00	15.00	20.00	1.60
1980	22.75	12.50	21.75	1.52
1981	22.75	12.50	21.75	1.44
1982	27.50	10.00	23.70	1.20
1983	27.50	9.25	20.00	1.17
1984	27.50	9.25	21.25	1.13
1985	27.95	7.40	21.25	1.10
1986	30.37	7.49	20.00	1.36
1987	30.37	7.49	20.00	1.36
1988	30.76	7.49	20.00	1.40
1989	30.79	7.49	20.00	1.44
1990				1.56

Source: Schaub and Wendland.

A reduction in the aggregate poundage quota for U.S. peanuts, which was begun under the 1977 Food and Agriculture Act, was continued under the 1981 Act. However, under the 1985 Food Security Act the poundage quota has been increased gradually in response to growth in domestic use of edible peanuts (Table 1). For 1990 the national marketing poundage quota has been increased to 1.56 million tons, midway between the 1979 and 1980 levels and 42 percent larger than the low level of 1985.

Under the 1981 Food and Agriculture Act, reductions in the size of the national poundage quotas were to be allocated in the following sequence:

First, to farms that had insufficient tillable acres to produce the quota amounts.

Secondly, to farms that had not had quota production during two of the last three years.

Thirdly, to farms that leased their quota to others.

Fourthly, to farms that produced peanuts for their own quota.

The objective of these changes was to concentrate quotas in the hands of growers who produced peanuts on their own farms.

The 1985 Act specified that the national quota must reflect estimated domestic edible, seed, and related uses of peanuts. A minimum national poundage quota of 1.1 million tons was established for the 1986 through 1990 marketing years. The Secretary of Agriculture, based on expected changes in dometic use, increased the poundage quota for each of the years 1986 through 1990 with the exception of 1987 (Table 1). The 1986 national quota was allocated among the peanut producing states based on their 1985 allocations. Individual farm quota increases were then granted to quota farms in 1986 as well as to nonquota peanut farms that had produced peanuts in two of the three preceding years. As a result of this procedure, the number of farms producing quota peanuts has continually increased as the farms producing additional peanuts have qualified for quota allocation.

Effects of Selected Changes in the Peanut Program Included in the 1977, 1981, and 1985 Agricultural Acts

Under the 1981 Food and Agriculture Act, which suspended acreage allotments for peanut growers, persons desiring to enter peanut production were allowed to do so. Producers of peanuts on non-quota farms were permitted to contract with handlers for export sales of additional peanuts, or participate in grower association pools to obtain prices equal to or higher than the loan rate for additional peanuts.

TABLE 2.—NUMBER OF PEANUT FARMS CHANGING STATUS FROM NONQUOTA TO QUOTA FARM, BY STATE, 1986–89 [1]

State	Number of new quota farms				
	1986	1987 [2]	1988	1989	1986–89
Georgia	351	0	454	521	1,326
Texas	447	193	136	162	938
Alabama	215	0	289	161	665
Florida	84	0	173	187	444
Oklahoma	135	91	49	36	311
North Carolina	78	0	155	57	290
South Carolina	38	0	16	5	59
New Mexico	21	0	8	4	33
Arkansas	18	0	5	5	28
Virginia	22	0	1	1	24
Mississippi	16	5	1	0	22
Arizona	10	0	0	0	10
California	1	0	0	0	1
Total	1,436	289	1,287	1,139	4,151

[1] Includes farms allocated quota for the first time as a result of either: 1) an increase in the national quota (1986, 1988, and 1989); or 2) a redistribution of quota forfeited by previous owner due to nonproduction, i.e., quota from the state nonproduction pool.

[2] Allocations in 1987 were strictly due to redistribution of quota from the state nonproduction pool.

Source: Kume.

New Quota Farms

The USDA data in Table 2 describe the number of farms that have had quota allocations made to them for the first time, giving an approximation of the number of new quota producers under the 1985 Act. This change enacted in the 1985 legislation provides an effective, systematic procedure for entry, for the first time in history, of new farms into the quota program. The 1985 law requires that nonquota farms on which peanuts were produced in at least 2 of the 3 immediately preceding years share in any increase in the national poundage quota, thereby becoming new quota farms. A second provision in the 1985 law requires that at least 25 percent of the total farm poundage quotas lost through failure to meet "considered produced" requirements within a state be allocated to farms for which no farm poundage quota was established for the immediately preceding year's crop, but which are otherwise eligible to receive quota allocations. In addition, 25 percent of the farm quotas voluntarily and permanently released within a state must be reallocated in the same manner. Because of these provisions, increases in quota allocations for new farms have occurred in some parts of the peanut belt.

Under the 1985 Act, 4,151 peanut-producing nonquota farms have become quota farms. Two-thirds of the new quota farms are in three states: Georgia, Texas and Alabama. In fact, these three states, plus Florida, account for about 80 percent of the new quota farms established under the 1985 Act. The cumulative poundage allocated to these new quota farms under the 1985 Act was 11,433 tons, 0.8 percent of the 1989 national poundage quota. While 4,151 new quota farms began quota peanut production under the flexible provisions in the 1985 Act, the production on these farms represents a small but growing fraction of total U.S. peanut production which has averaged 3.86 billion pounds annually under the 1985 Act.

Nonquota Farms

The data in Table 3 provide a picture of the amount and existence of nonquota farms and acreage. Nationwide, acreage planted on farms having no quota (nonquota farms) as a percent of quota acreage has remained steady at 3.8 percent in 1984 and 3.1 percent in 1987. These figures suggest that annual production on such nonquota farms in recent years has been roughly 3 to 4 percent of quota production (see footnote [1] on Table 3). In 1984 the ratio of nonquota to quota planted acreage was highest in Arkansas, Mississippi, Florida, Texas, and South Carolina, while the highest acreage ratios in 1987 were found in Florida, South Carolina, North Carolina, Arkansas, and New Mexico. The number of nonquota farms in 1987 was highest in Georgia, Texas, Florida, and Alabama.

Table 3.—Number of Nonquota Farms and Acres Planted to Peanuts on Nonquota Farms, 1984 and 1987 [1]

State	Acres planted on nonquota farms		Acres planted on nonquota farms as a percentage of acres planted on quota farms		Number of nonquota farms 1987	Nonquota farms as a percentage of quota farms 1987
	1984	1987	1984	1987		
Alabama	3,023	3,463	1.4	1.6	208	2.9
Arizona	NA	0	0	0	0	0
Arkansas	1,633	277	47.0	8.6	10	16.4
California	NA	0	0	0	0	0
Florida	9,169	8,358	13.3	10.7	244	9.4
Georgia	11,062	16,921	1.8	2.8	1,000	6.7
Louisiana	NA	33	0	3.0	78	780.0
Mississippi	819	154	16.7	2.7	16	24.2
New Mexico	NA	935	0	8.4	12	8.5
North Carolina	1,086	450	.7	.3	94	1.2
Oklahoma	3,673	2,592	4.0	2.7	97	5.0
South Carolina	1,169	1,073	9.0	10.6	76	30.2
Texas	20,830	11,864	10.0	5.0	275	6.7
Virginia	39	57	(2)	(2)	22	.6
Other	[3]	4,534	32.6			
Total	57,037	46,177	3.8	3.1	2,132	5.0

[1] The data in this table reflect the planting of additional peanuts only on nonquota farms. Thus, the number of quota farms which produce some additional peanuts and the acres planted to additionals on these quota farms are not included.

[2] Indicates less than a tenth of a percent.

[3] Data for some states marked NA, in 1984, were aggregated into an "Other" category.

Source: Kume.

The above information of course shows nothing about the selling arrangements of, or prices received by, nonquota farmers. A study of Georgia growers by Carley and Fletcher reveals the following points for 1987 and 1988:

Nonquota farmers were able to forward contract their peanuts for prices that exceeded the loan rate for additionals. Carley and Fletcher reported that the early contract prices for additional peanuts for export in 1987 and 1988 ranged from $250 to $400 per ton. However, in 1987 nonquota farmers received about $600 per ton for their uncontracted additionals that were put under CCC loan at harvest time. The majority of this payment ($459 per ton) was profit from the CCC cooperative pool for additionals. Pool profits were much lower in 1988 resulting in similar prices received for contracted and uncontracted additionals. Both prices, however, were about double the additionals' support price.

By participating in grower association pools, some new producers have realized returns on domestic edible sales close to the quota loan support price. Thus, these producers obtained the equivalent of the quota price without incurring the cost of buying or leasing quotas.

No new producers have entered peanut production in the United States with the objective of producing "additionals" exclusively for the crushing market since the $150 per ton support price for the period 1986–89 for peanuts in this market would not cover production costs.

High production costs, especially those associated with obtaining the service of the specialized machinery required for peanut production, would limit the number of new peanut producers in the absence of marketing quotas.

The "Buy-Back" Arrangement

Under the present peanut program, a "buy-back" arrangement exists. If additional peanuts are not contracted for export or domestic crushing use by July 31, they must be delivered to cooperative pools operated in the three peanut production areas. The peanuts may then be sold by the cooperatives for export, for crushing into oil and meal, or, if demand is sufficiently strong, for domestic edible peanuts. The nonquota peanuts may be sold legally on the domestic market at or above the price support level for quota peanuts. The purchase by handlers of noncontracted additional peanuts at harvest time for the quota price plus handling costs from area growers' associations is referred to as the "buy-back." When a "buy-back" occurs, the growers involved are issued a check reflecting a price equal to the additionals loan rate by the grower association for their peanuts. As part of the accounting and settlement procedure, funds equal to the difference between the additional loan rate and the quota loan rate multiplied by the amount of peanuts involved in the "buy-back" are retained by the CCC. Then, if the grower association has a financial gain after offsetting any losses arising from the sale of loan quota peanuts crushed for oil and meal, any net earnings are returned to growers.

The "buy-back" arrangement provides a reserve or "cushion" for domestic consumption by allowing additional peanuts to be channeled into the domestic edible market when necessary. Also, if the demand for

peanuts from a particular production area becomes strong relative to the demand in other areas, the "buy-back" arrangement causes farm prices and production in the high-demand area to rise. Therefore, when operated as described above, the "buyback" arrangement can facilitate needed market adjustments.

Association Pools

Major changes in the 1985 Food Security Act have placed a different perspective on grower earning opportunities in marketing additional peanuts through association pools. The first change directly affects all pool participants within the same area (Southwest, Southeast, and Virginia-Carolina) by switching from area-type to area pools. Under the previous area-type pool concept there were separate pools within an area for each type (Spanish, Runner, Virginia, Valencia) peanuts produced in the area. Now there is only one pool for all types within the same quality segregation (segregation 1, 2 and 3) and category (quota or additional). The significant impact resulting from the change from area-type to area pools is that profits or losses applicable to one type are now subject to being adjusted according to how other types in the pool fare.

The second major change in pool accounting mandated by the 1985 Act is cross area compliance of pools. After losses within an area have been offset to the maximum degree possible, but losses still remain in the area quota pool, cross area compliance is performed. Losses in one area pool shall be offset by pool profits in another area. For example, for 1988, pool profits from both the Southeastern and Virginia-Carolina areas were used to offset quota pool losses in the Southwest that were only partially offset after applying all Southwest additional pool profits. To the extent that such losses are covered from pool gains in another production area, the CCC is protected from financial liability. This 1985 program modification was agreed to by growers as another tool to reduce program costs.

III. Commodity Credit Corporation expenditures on the U.S. Peanut Program

Growers obtain economic benefits from the U.S. peanut program through supply control measures which raise farm prices, and through the price support loan program operated by the CCC and grower associations. Despite the 42 percent increase in the national poundage quotas from 1985 to 1990, the supply control features and the relatively low loan rates adopted for additional peanuts have kept the federal budget (CCC) expenditures for the peanut program low relative to other commodity programs. Recent net CCC expenditures for operation of the price support loan progam for peanuts may be summarized as follows:

During the period 1986-89, annual CCC net price support expenditures for peanuts were about 5 cents per capita [Agricultural Outlook; Council of Economic Advisers, 1989].

Under the 1985 Act, during fiscal 1986-89, the net CCC expenditures of $53 million for the peanut price support program equaled less than 0.1 percent of total net CCC expenditures for all commodities [Agricultural Outlook] (Table 4). Of this, $32 million was due to a one-time special occurrence in fiscal 1986, which is now prohibited by the 1985 Act. Net CCC expenditures averaged $7 million per year for the years 1987-89, largely for disaster payments.

Net CCC expenditures for the peanut price support program totaled only $19 million ($4.75 million per year) during the four-year life of the 1981 Act, compared to net CCC expenditures of $43.2 million ($10.8 million per year) for the program during 1978-81 [Agricultural Outlook]. Thus, amendments adopted in the 1981 Act were effective for reducing CCC expenditures for the peanut program.

TABLE 4.—NET CCC EXPENDITURES BY COMMODITY, U.S. FISCAL YEARS 1986-88 AND 1989

Commodity	Fiscal year—			
	1986 to 1988		1989 [1]	
	Amount (millions)	Percent	Amount (millions)	Percent
Feed grains	$35,231	58	$4,169	31
Wheat	6,954	11	84	1
Rice	1,981	3	692	5
Upland cotton	4,594	8	1,723	13
Tobacco	−546	−1	−481	−4
Dairy	4,798	8	658	5
Soybeans	−555	−1	−19	(2)
Peanuts	47	(2)	6	(2)
Other	445	(2)	161	1
Other costs	7,761	13	6,491	48
Total	60,710	100	13,484	100

[1] Estimate.
[2] Less than 0.2 percent.
Source: Agricultural Outlook, December 1989.

Net CCC expenditures for peanut price supports during fiscal 1970-77 averaged about $2,800 per year per farm [Schaub and Wendland]. The average CCC expenditure per farm for peanut price supports was about $340 per year during 1978-85.[1] The average CCC expenditure per peanut farm under the 1985 Act for the period 1986-89 was about $700. However, excluding the exceptional $32 million CCC cost in fiscal 1986, the average net CCC expenditure per peanut farm under the 1985 Act for the period was $370.

Net CCC expenditures for peanut price supports were relatively low during the period 1978-89, both as a percentage of CCC net expenditures for all commodities and when measured on the basis of annual expenditures per peanut farm. That continued low CCC expenditures for the peanut program are expected to occur is noteworthy given the widespread concern about current federal budget deficits.

IV. Effects of the U.S. Peanut Program on producer (wholesale) and consumer prices

The U.S. peanut program employs a domestic marketing poundage quota, a quota loan rate, and a limit on peanut imports to support higher prices for peanut growers. In the competitive U.S. economy, the consistently higher farm prices provided for domestic growers by the program ultimately are reflected in producer (wholesale) and consumer prices for peanut program are difficult to determine because of the many factors that influence peanut product prices. Similarly, the amounts, if any, by which producer and consumer prices for peanut products would fall, if loan rates were lowered and/or quotas were abolished, also are difficult to determine. These points are examined below after a few background statistics are presented.

[1] The estimates of yearly average expenditures per farm for the period 1970-77 were computed using the 1978 Census of Agriculture total of 27,815 to represent the average number of peanut farms in the U.S. For the period 1980-85 the 1982 Census of Agriculture total of 23,011 peanut farms was used. For the period 1986-89, the 1987 Census of Agriculture total number of peanut farms was 18,905.

Utilization of Peanuts

The primary outlet for the U.S. peanut crop during 1980-87 was domestic food uses (51 percent, Table 5). The next largest outlet was exports, about 20 percent. Domestic crush accounted for 15 percent, while the remaining 14 percent went for seed, feed, and other uses.

TABLE 5.—UTILIZATION OF PEANUTS, IN-SHELL BASIS, 1980-87

Outlet	Average annual use, 1980-87 in-shell basis, millions of pounds	Percent of total
Food	1,870	51
Crush	530	15
Exports	714	20
Seed, feed and other	525	14
Total	3,639	100

Source: Schaub and Wendland.

Edible peanuts in the United States during the 1980s were used mainly for peanut butter (45 percent), followed by salted peanuts (21 percent), and peanut candy (20 percent). The rest (14 percent) were used for sandwich snacks or in-shell consumption (Table 6).

TABLE 6.—UTILIZATION OF PEANUTS, FOOD PRODUCT BASIS, 1980-87

Food Product	Average annual use, 1980-87 shelled basis, millions of pounds	Percent of total
Peanut butter	671	45
Salted peanuts	315	21
Peanut candy	291	20
Sandwich snacks	28	2
Other	24	2
Cleaned in-shell	145	10
Total	1,474	100

Source: Schaub and Wendland.

Figures 3 and 4 relate recent changes in the quota loan rate for peanuts to changes in the prices of peanut butter and candy. These products were chosen since they represent the major uses for edible U.S. peanuts.

Figure 3 shows the sharp increase in the Consumer Price Index (CPI) for peanut butter that occurred in 1981 following the 1980 drought that reduced peanut production by 42 percent from 1979 levels. Peanut imports totalling 401 million pounds were permitted in 1980 but, despite the imports, total supplies for the year were still 27 percent below those for 1979. Reflecting the lower 1980 supplies, the CPI for peanut butter increased sharply in 1981 although the quota loan rate remained unchanged from 1980 to 1981. Some producers, of course, also received market prices higher than the quota loan rate in 1980 for their drought-reduced supplies of peanuts. The quota loan rate for peanuts increased by about one-third during the 1980s. Most of the increase occurred under the 1981 Act. Under the 1985 Act there was a one-time increase in the quota loan rate of 8.7 percent in 1986, but the loan rate has increased only 1.4 percent since then. The Consumer Price Index for candy and chewing gum (Figure 4) trended upward during the 1980s at about the same rate as the CPI for food. The average annual increase for both indexes was about 4.5 percent. The sharp price increases early in the decade for confectionery prod-

ucts reflect the effects of sharply higher sugar prices, higher prices for containers, utilities, labor, transportation, as well as higher peanut prices after the 1980 drought. During the 1980s, candy, confectionery products, and food prices all increased more rapidly than the quota peanut loan rate. Increased peanut prices normally exert a relatively small influence on candy prices since peanuts comprise only 8 percent of the cost of ingredients for candy production, ranking behind sugar, chocolate coatings, cocoa butter, cocoa beans, and dairy products in terms of importance as an ingredient cost item (Table 7).

The percentages by which the peanut product indexes and the quota loan rate for peanuts appearing in Figures 3 and 4 increased during the 1980s are as follows:

Index	Percentage increase
CPI for peanut butter	47
CPI for candy and chewing gum	39
Quota loan rate for peanuts	35

TABLE 7.—COST OF INGREDIENTS IN THE U.S. CONFECTIONERY INDUSTRY, 1987

Ingredient	Cost in millions of dollars	Percent of total
Cocoa beans	279.2	10.2
Sugar	473.8	17.4
Corn syrup	106.3	3.9
Cocoa butter	331.2	12.1
Chocolate coatings	378.1	13.9
Cocoa powder coatings	36.2	1.3
Milk products	323.4	11.9
Fats and oils	44.9	1.6
Shelled peanuts	207.9	7.6
Coconut meat	13.6	.5
Almond kernels	84.9	3.1
Other nuts	46.5	1.7
Other edible materials	219.2	8.0
Materials, not specified	183.4	6.7
Total	2,727.5	100.0

Source: Business Trend Analysts, page 295.

Thus, prices for peanut butter and candy rose during the 1980s faster than the rate of increase in the quota loan rate. Among other things, this comparison underscores the point that factors in addition to higher quota loan rates contributed to higher prices for manufactured peanut products. This point is made tangible in regard to candy with the following example relating to two well-known candy bars: [2]

An average Snicker's bar in 1988 retailed for 21.9 cents per ounce and contained 0.142 ounces of peanuts per ounce (0.3 cents worth at the farm level if peanuts are valued at the 1988 quota loan rate).

An average Mr. Goodbar candy bar in 1988 retailed for 21.1 cents per ounce, and contained 0.285 ounces of peanuts per ounce (0.5 cents worth at the farm level if peanuts are valued at the 1988 quota loan rate).

Peanut ingredient costs at the farm level equaled only about 1.0 percent and 2.4 percent of the retail price for the Snicker's and Mr. Goodbar candy bars, respectively. Thus, if peanuts had zero cost at the farm and the full cost of peanuts was subtracted from the retail prices, the prices of the two candy bars could only fall about 1 to 3 percent. Changes in farm product costs resulting from a reduction in the quota loan rate of 3 to 4 cents per pound would not likely produce any reduction in the retail price of the candy bars since it might not pay to change prices to reflect a reduction in farm product costs of this magnitude.

Additional evidence relating to the tenuous connection between farm product costs as measured by the quota loan rate and consumer prices for peanut butter appears in Table 8. The data in Table 8 show the retail prices for 18-ounce jars of peanut butter for six cities during mid-December, 1989. The price data were collected by an independent market research company (QED Research, Inc. in Walnut Creek, CA) from 6 supermarkets in each city for five national brands, various private labels, as well as several generic brands of peanut butter.

A wide range of peanut butter prices existed within each of the six cities, with Chicago's prices varying the most. Prices for 18-ounce jars of national brand peanut butter in that city ranged from $1.69 to $3.19 (difference of $1.50). In the five cities which reported prices of generic peanut butter, the prices for generic peanut butter averaged 83 cents (37 percent) per jar lower than prices of national brands. Such differences between generic and the branded products tend to reflect higher advertising costs for national brands, possible formulation differences, and other differences associated with product differentiation.

TABLE 8.—RETAIL PRICES FOR 18-OUNCE JARS OF SMOOTH PEANUT BUTTER IN 6 U.S. CITIES, DECEMBER 1989

Market and price statistics	Price for national brands	Price for private label products	Price for generic products
Chicago, IL.:			
Range	1.69–3.19	1.37–2.03	1.25–1.33
Mean	2.09	1.72	1.26
Atlanta, GA.:			
Range	1.59–2.57	1.19–2.25	.....
Mean	2.11	1.71	.....
Denver, CO.:			
Range	1.69–2.59	1.49–3.09	.....
Mean	2.16	2.01	1.22
San Francisco, CA.:			
Range	1.95–2.55	1.65–2.25	1.73–1.75
Mean	2.30	1.96	1.74
Dallas, TX.:			
Range	1.89–2.63	1.49–2.45	1.49–1.89
Mean	2.30	1.90	1.69
New York, NY.:			
Range	1.79–2.69	1.19–2.89	1.09–1.19
Mean	2.36	2.07	1.14

Source: Prices were obtained by QED Research, Inc. of Walnut Creek, CA, from an average sample of 6 stores in each city.

The price differences noted above are larger relative to farm product costs, which average about 46 cents for the farmer stock peanuts (priced at the 1989 quota loan rate) in an 18-ounce jar of peanut butter.[3] Thus, in the extreme case, if the entire cost of the farmer stock peanuts had been deducted from the price of the $2.49 jar of peanut butter sold in Chicago, the price of that product still would be $0.78 higher (62 percent) than the price of the lowest priced generic brand sold in that same city ($1.25). Similarly, subtracting the 46 cent farm product cost from the average price of the national brands of peanut butter sold in all six cities would reduce that price to $1.76 per 18-ounce jar, which would still be 35 cents (25 percent) per 18-ounce jar above the average price of generic peanut butter marketed in those cities.

This arithmetic can be applied to assess the effects of lowering the quota loan rate on peanuts or eliminating the national marketing poundage quota. Specifically, in the market environment described above, lowering farm prices of peanuts via moderate reductions in the peanut price supports would likely result in small, if any, reductions in consumer prices for peanut products given the offsetting effects of other wholesale and retail market factors.

[2] The figures on the composition of the candy bars described in the examples were provided by Sani-Pure Food Laboratories of Saddle Brook, New Jersey from samples provided to them in November 1984. Data on prices for candy bars were reported by Business Trend Analysts. The price of a 10 ounce Snickers Snack Bar in 1988 was $2.19 and an 8 ounce Mr. Goodbar was $1.69.

[3] Assumes that 18 ounces of shelled peanuts are needed to produce an 18 ounce jar of peanut butter. A conversion coefficient of 1.33 multiplied by the 18 ounces of shelled penauts, gives the amount needed of raw, unshelled peanuts from the farmer [Carley and Fletcher, p. 14].

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National Peanut Growers Groups:
Alabama Peanuts Producers Association.
Florida Peanut Producers Association.
GFA Peanut Association.
Georgia Peanut Commission.
New Mexico Peanut Growers Association.
North Carolina Peanut Growers Association.
Oklahoma Peanut Growers Association.

Peanuts Growers Cooperative Marketing Association.
South Carolina Peanut Board.
Southwestern Peanut Growers Association.
Texas Peanut Growers Association.
Virginia Peanut Growers Association.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. HEFLIN. I yield myself, since I am floor manager at this time, another minute.

The PRESIDENT pro tempore. The Senator is recognized for 1 additional minute.

Mr. HEFLIN. Mr. President, today, peanut growers, peanut processors, and major peanut manufacturers stand together asking you to vote for title VII of S. 2830, because provisions provide for the production of a reliable supply of safe, nutritious peanuts to American consumers at one of the lowest prices in the world, and at virtually no cost to the American taxpayer.

PEANUT PRICES

American consumers pay less for peanut butter than the vast majority of foreign consumers. In the United States, the average price of an 18-ounce jar of peanut butter is $2.03. Here are the equivalent prices of 18 ounces of peanut butter in the following countries:

West Germany	$3.60
Italy	4.14
United Kingdom	1.98
Japan	4.68
South Korea	4.86
Taiwan	3.96
Canada	2.88

Under the present program, peanuts exported to Rotterdam, a world peanut pricing center, from the United States have averaged 13 percent higher prices than the United States farm price support over the past 5 years.

Would the retail price of peanut butter and other peanut products be reduced if the price support were reduced? Not likely. A study by a noted agricultural economist at Purdue University has concluded that lowering farm price supports for peanuts "* * * would likely result in small, if any, reductions in consumer prices for peanut products given the offsetting effects of other wholesale and retail market facts," Marshall L. Martin, associate professor of Agricultural Economics and Director of the Center for Agricultural Policy and Technology Assessment, Purdue University.

Since 1978, the Consumer Price Index [CPI] for food items has risen 74 percent, and the CPI for peanut butter has increased 47 percent. During this same period, the farm price support for quota peanuts has increased only 35 percent.

The peanut farmer currently receives about 46 cents of the price of an 18-ounce jar of peanut butter retailing at an average price of $2.03. Over the past 10 years, the price to consumers for both peanut butter and candy have risen faster than the farmer's price support for peanuts. When adjusted for inflation, the farmer's price support for peanuts has actually fallen during the past 10 years.

Any U.S. farmer in any State can grow peanuts under the present peanut program. A farmer participates in the peanut program based on production history as is the case with all other program crops. Since 1989, 5,120 new growers have entered the peanut program.

There are some 45,000 peanut farmers in the United States, producing an average of 70 acres. Peanuts are the mainstay of thousands of family farms and rural communities throughout the peanut belt. The very large producers spotlighted in some media reports are rare.

The cost of the peanut price support program to U.S. taxpayers is minimal—about $4 million annually. Over the past 4 years, government expenditures for the peanut program accounted for less than one-tenth of 1 percent of all commodity program expenditures.

The PRESIDENT pro tempore. Who yields time?

The Senator's time has expired.

Mr. HEFLIN. I yield.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HEFLIN. Under the unanimous-consent agreement is the vote set for a specific time?

The PRESIDENT pro tempore. It is not.

Mr. HEFLIN. And does the 2-hour time limit run during the quorum call?

The PRESIDENT pro tempore. It does.

Mr. HEFLIN. Mr. President, I urge all Senators who are interested in making remarks to report to the floor immediately.

Mr. President, I yield myself such time as I may need to deliver a few more remarks.

The PRESIDENT pro tempore. The Senator from Alabama [Mr. HEFLIN] is recognized for such time as he may require.

Mr. HEFLIN. Mr. President, during the years that I have been here I have noticed a sort of wolf pack phenomena among certain elements of the news media about the peanut program. Some of our leading newspapers attempt to expose several of what they call "the farm programs" and then all the others quickly seem to follow. Even though I have come to expect the media attacks on the peanut program, I never cease to marvel at the ridiculousness of some of the charges. Let me cite some of the charges that have been made first in the media and then picked up and repeated by some Members of Congress.

First, there is the implication that all peanut farmers are big farmers. One press account reported on one alleged peanut farmer who was so big that he jetted around like Donald Trump buying peanut farmers like the Japanese buy up our office towers and other real estate developments.

What are the facts? According to the USDA, the average peanut farmer in this country grosses 70 acres of peanuts. Sixty percent of the 45,000 peanut growers in the United States produce fewer than 50 acres. Most peanut farmers in my State and elsewhere in the country are family farmers. Almost all of them grow other crops in addition to peanuts. The very large peanut farmers that some of the media like to spotlight are rare indeed.

Second, they are sometimes referred to in the media something that they call "the peanut subsidy." I believe I have shown that there is no Government subsidy for peanut farmers, there is no target price, no deficiency payment, no other programs and payment plans that exist in other crops because there is no cost in the program for price support operations. If disaster relief is to be classified as a government subsidy, then there is indeed a great deal of subsidization going on in this country, but not just for the farmers.

Earthquakes, hurricanes, floods, and other disaster victims, as well as farmers are then, if that is the way they want to classify it, they are being subsidized. I do not think we have ever felt that someone who suffers a disaster ought to be classified as being subsidized.

The only peanut subsidy that I know about is that which peanut farmers pay for themselves in order to avoid any Government costs in the price support program under the pool arrangement that I have described. We are told that a farmer needs a Federal license to grow peanuts and that new farmers are prohibited from growing peanuts.

This is a reference to the quota system that is based on production history. It is not dissimilar to the production basis that existed in the so-called target price program crops such as cotton and wheat.

However, any farmer in my State can grow peanuts for export in the

crushing market, and that is a big market. They can grow it in any State, as I have pointed out before. And, as I pointed out before, a farmer who produces additional or nonquota peanuts for 2 out of the 3 years also becomes eligible to receive a quota for his farm. In fact, Mr. President, during the 5 years of the 1985 act when the national poundage quota was increased by 460 tons, over 5,000 new peanut farmers have been established under the program throughout the peanut belt.

Mr. President, I understand that Senator NUNN is here and desires to speak. I yield him however much time would he like.

Mr. NUNN. I would say to the Senator from Alabama probably 6 or 7 minutes.

Mr. HEFLIN. I will yield the Senator 8 minutes.

Mr. NUNN. I will talk slowly then.

The PRESIDENT pro tempore. There will be order in the galleries and Senators will please address other Senators through the Chair and in the third person.

How much time does the distinguished Senator yield?

Mr. HEFLIN. The Senator from Alabama would like to yield to the Senator from Georgia, through the Chair, 8 minutes.

The PRESIDENT pro tempore. The Senator from Georgia [Mr. NUNN] is recognized for 8 minutes.

Mr. NUNN. Mr. President, I rise today to express my strong support for the peanut title of S. 2830, as reported out of the Senate Agriculture Committee.

Our current peanut program has worked well for farmers, taxpayers, and consumers, and the provisions we consider today basically extend the program for another 5 years.

Peanut producers almost universally support the program, which has given them stable prices for domestic sales through a system of self-managed production controls.

Some critics of the program have claimed that it keeps new producers out of the market. I would say in reponse, anyone can qualify for a production quota for domestic sale of edible peanuts by producing for a period of 2 years either peanuts for export or peanuts crushed for oil, the so-called additional peanuts that fall outside marketing quotas. Since 1985, the last time the program was reauthorized, 5,120 new farms have obtained domestic market quotas.

The peanut program is also uniquely benign for the Federal taxpayer. The 1985 farm bill created a self-financing method for peanuts called national cross-compliance, which basically requires farmers to use their profits to indemnify the Government for losses incurred by peanut sales pools. No other commodity program carries this kind of requirement.

In fact, the peanut program operates at a minimal cost to the Federal Government. According to the Congressional Research Service, Commodity Credit Corporation [CCC] outlays have steadily declined since 1985, when the program was last revised, and are projected to total only $3.3 million in fiscal year 1991. From the point of view of the taxpayer, the peanut program is perhaps the most cost-effective agricultural stablization effort of all, and certainly an infinitesimal contributor to Federal spending; $3.3 million is what we are talking about here for fiscal 1991.

Consumers have also benefited from a program which ensures a reliable supply of high quality and nutritious peanuts and peanut products at stable prices. Over the years, prices for peanut products have risen at a much slower rate than other food items, and peanuts continue to be one of the least expensive sources of protein. Since 1978, the cost of peanut butter, to cite one major product, has fallen significantly after adjustment for inflation.

Opponents of the peanut program have been circulating some highly dubious figures about the alleged cost to consumers. Without substantiation, they claim that an 18-ounce jar of peanut butter would cost 40 cents a jar less if the peanut program were scrapped. Since the total price farmers can command on the peanuts contained in that hypothetical jar amount to only 46 cents, it is hard to believe the program contributes 40 cents of additional cost. It is interesting to note that the retail price of peanut butter varies among brands by as much as 58 percent—for that 18-ounce jar, by 83 cents. If the consumer is being soaked, I do not believe it is by the peanut farmer.

Georgia presently produces almost one-half of the peanuts grown in the United States. The total impact of peanuts on the Georgia economy is $2 billion each year. More than 50,000 Georgians work in jobs related to the peanut industry.

Because most of the peanut production in Georgia is concentrated in the southern region of the State, many Georgia counties are very dependent on the economic well-being of the peanut industry. These tend to be communities with low per capita income and limited natural resources, and many also have high minority populations.

Last year, the Senate passed a rural development bill which expressed our strong concern about the economic vitality of our rural communities. Elimination of the peanut program would quite literally devastate the most economically vulnerable regions in rural Georgia, at an incalculable fiscal and human cost. The Senate should pause and think long and hard in considering the damage to real people before taking any action on the peanut program based on abstract claims or symbolic benefits.

Some have characterized the argument in favor of continuing the peanut program as "It ain't broke—so don't fix it." In conclusion, Mr. President, I would rephrase that argument to say, "It's working well, so don't break it."

Mr. President, I thank the Senator and the floor manager for yielding time and I yield back whatever time I have remaining.

The PRESIDENT pro tempore. Who yields time?

Mr. ROTH. Mr. President, I yield 3 minutes to the Senator from New Mexico [Mr. DOMENICI].

The PRESIDENT pro tempore. The Senator from New Mexico [Mr. DOMENICI] is recognized for 3 minutes.

Mr. DOMENICI. Mr. President, I am pleased to join this morning with my friend, Senator NUNN, who has just spoken defending this program. I have the greatest respect for those who are opposed to it, but let me suggest that we have a $55 billion farm bill before us and the peanut program costs absolutely zero.

I would think that a program that works as well as this one, that costs the Federal Government absolutely nothing, ought to receive high praise. We have been worried about and talking about how much are we going to add to the deficit of the United States by this farm bill. We are going to add absolutely zero with this program. And if we gut the program, we are not going to subtract anything from the farm bill.

Is this program working? Well, Mr. President, let me suggest that the commitment was made in 1980 to get this program down to zero cost, and indeed it has steadily gone down, such that it had gone from $27 million in 1980 to $7 million in 1988 and now it is zero. We spend no taxpayers' dollars on this.

Some would say, in keeping these small farmers on the farm producing this product, that two things have happened that they do not like. Some say perhaps the price of peanuts are too high. Mr. President, we are the world's second largest exporter of peanuts, second only to China. We have a program furnishing the American people with a high-protein product at a cheap price, and the same product is exported worldwide, and we are the second leading exporter.

I cannot believe that there are those who would say the program is not working. In case you happen to like one of the candy bars that has a lot of peanuts in it—let me suggest if you like Snickers, which is loaded with peanuts—you ought to know how reasonable peanut prices are. One cent of the price of a Snickers bar is the pea-

nuts that are in that candy bar. If you are buying a large jar of peanut butter, $2.24 on average, 46 cents of it is for peanuts. The rest of it goes to somebody else.

Mr. President, I have concluded that this program ought to be left alone. When you have something that works as well as this one, in a farm bill where you are trying to make things work in the agriculture community, help small towns and small farmers, you ought to leave this program alone. It works precisely to the benefit of those interests.

Last, but not least, many new farmers are being added every year. In my State, a very small producer of peanuts, literally scores of new farmers are added. They grow peanuts for 2 years and then they are permitted to enter the program. I think it is working. We ought to leave it alone.

Mr. FOWLER. Mr. President, I am pleased to yield 3 minutes of my time to the distinguished Senator from Oklahoma [Mr. BOREN].

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. BOREN] is recognized for 3 minutes.

Mr. BOREN. Mr. President, I thank my distinguished colleague from Georgia. I want to associate myself with the remarks I just heard given by the Senator from New Mexico. We have serious problems in this country, problems that cry out for solution. We should be spending our time solving those problems and not trying to disrupt a program that is working. We have something that is now working, something that is not a problem, and we should not disrupt the current peanut production in this country by changing it, by throwing a tried and proven program out the window and causing serious disruption in the agricultural sector.

As the Senator from New Mexico has just pointed out, this is a program that has had minimal cost to the taxpayers for many, many years. In fact for some years this is a program that has returned dollars back to the taxpayers; 1983, for example, is a year when that happened.

It is a program that is being fine-tuned and improved in each succeeding year. We have had a program in place for a long time in which farmers now have made major investments in reliance upon this program. The processors themselves are well served with a reliable source of supply. A great majority of the processors and manufacturers of peanut products in this country support a continuation of the program as it is. In my own State of Oklahoma, for example, in the 1940's and in the aftermath of World War II, the Federal Government itself came in and urged people to become participants in the peanut program. Farmers changed from other areas of production into the peanut program. Whole communities have grown up—and I think of communities in my State like Anadarko, OK—where peanuts are the backbone of the economy of that community. Processing and other related operations have grown up around this production encouraged by the Government itself.

This would be a terrible mistake now to step back, disrupt a program that has worked for a long time, turn our backs on those we encouraged to get into this industry, into peanut production in the first place, and to change a program that is working.

We have enough programs that are high cost items for the taxpayers of this country that need to be looked into, that need to be addressed and changed. Let us not tamper with a program that has worked for a long, long time and has given us a reliable source of production, and a program which has not cost the taxpayers money but has worked without massive taxpayer direct assistance.

Mr. President, I simply associate myself again with the comments previously made by the distinguished Senator from Alabama [Mr. HEFLIN], who is the leading expert on the peanut program in the U.S. Senate, and comments made by both of my colleagues from Georgia, who are knowledgeable about this program. This program is essential to the economic well-being of many people in agriculture across this country. It is essential for the economic well-being of large numbers of people in my State who have experienced broad problems in agriculture in general. This is a system that is working. Let us not make the mistake of changing it.

The PRESIDENT pro tempore. The Senator from Delaware [Mr. ROTH].

Mr. ROTH. I am happy to yield 2 minutes to the distinguished Senator from Rhode Island.

The PRESIDENT pro tempore. The Senator from Rhode Island is recognized for 2 minutes.

Mr. CHAFEE. Thank you, Mr. President. I thank the distinguished senior Senator from Delaware.

Mr. President, I support the amendment offered by my colleagues from Delaware and Ohio. This amendment will help address the inequities of the current program.

The peanut program, it seems to me, stands head and shoulders above other farm programs in terms of its bizarre structure. First of all, no one can grow peanuts without owning, either by inheriting, or buying, or at least renting, the right to do so. To grow peanuts you must have a Federal peanut growing license. That system was initiated in the early 1940's, and it exists today.

How do you get a license? First of all you must, if you do not own one, you must be lucky enough to find somebody whose grandfather was growing peanuts in 1941 and who, therefore, has retained the right to grow peanuts today. Then you must buy a portion of those rights.

Buying part of somebody else's quota is no small sum. An average price is about $200 per ton of peanuts grown. That is a substantial cost of production for a prospective peanut farmer, and that cost comes before any peanut farming actually is started.

Thus, we have situations where certain people have an artificial birthright to grow peanuts, based solely on the fact their forebears happened to be doing so 50 years ago. These individuals do not have to grow peanuts to benefit from their birthright. All they need to do is to rent out their right, their peanut license, to somebody else who has to then do the work.

Mr. President, there is more to the peanut program than simply the quota system. The peanut program has a high support price. In fact, it is interesting to note that while support prices for the major program crops have declined in the past 5 years, the peanut support price has increased 13 percent over that same period of 5 years.

This price support program has two tiers: peanuts for domestic production are kept at high prices, and peanuts for export are sold at market prices.

Mr. ROTH. Mr. President, I yield the Senator 1 more minute.

The PRESIDENT pro tempore. The Senator may proceed for 1 more minute.

Mr. CHAFEE. Mr. President, the American consumers, and this is the strongest thing I have heard of, pay more for their own peanuts than foreign consumers do. The resulting costs to consumers in the United States is conservatively estimated to be $190 million per year. Industry associations have placed the consumer cost at up to $369 million per year. Considering that peanuts go into such all-American foods as peanut butter that every child eats, that is a large cost for our consumers.

Mr. President, this is a good amendment and I believe it deserves everyone's support.

Mr. MOYNIHAN. Mr. President, I am most enthusiastic to join my distinguished colleagues Senators ROTH and METZENBAUM as a cosponsor of this amendment to repeal the quota and price support program for peanuts.

Since the early 1940's, only farmers who possess a Federal license have been permitted to grow and sell peanuts. This system is archaic and costly. Peanut production is artificially low and peanut prices high. The U.S. Department of Agriculture estimates that consumers pay a total of $190 million more for peanuts than they would without the peanut program. Farmers are not allowed to sell peanuts without a quota. This program does not help farmers; it re-

stricts them. It is bad economics; dumb policy.

In 1981 an amendment to eliminate this program was agreed to the House, lost in the Senate, and was eliminated in conference. A similar amendment was proposed in 1985 and was defeated.

Mr. President, it is long past time to end the U.S. peanut program. This program benefits a small number who inherited or bought the original licenses, at the expense of every American consumer and peanut farmers themselves. I urge my colleagues to support this amendment.

I yield the floor.

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished senior Senator from Pennsylvania.

Mr. FOWLER. If the Senator from Pennsylvania will withhold for one moment?

The PRESIDENT pro tempore. The Senator from Pennsylvania, Mr. Heinz is recognized for 10 minutes.

Mr. HEINZ. I would withhold, without losing my time.

Mr. FOWLER. Mr. President, may I just inquire how much time remains on either side?

The PRESIDENT pro tempore. On the Senator's side, 4 minutes and 21 seconds. On the side of the Senator from Delaware, 2 minutes and 2 seconds.

Mr. HEINZ. Mr. President, I thank the Senator from Delaware [Mr. ROTH] for yielding.

Mr. President, I rise in support of the amendment of the Senator from Delaware. This, the Roth amendment, proposes to treat peanuts exactly as every other commodity. It represents long overdue reform in the commodity program, peanuts, that is costing American consumers and farmers anything but.

The peanut commodity program does not allow farmers to grow peanuts to sell to Americans unless they own a Federal license. Let me repeat that because it sounds like something that Soviet President Gorbachev is trying to get rid of as part of his perestroika program. The fact is that this is an American—not Soviet—farm program. Unless you own a Federal license, you cannot grow peanuts on your farm to sell to domestic food processors.

There is a story that George Washington Carver, the preeminent scientist and advocate of the virtues of the peanut, would serve a seven-course meal, from soup to nuts, consisting entirely of peanut products in order to impress upon his visitors the versatility of this unique legume. How disappointing it would be to him to find the peanut's potential enslaved to a system that protects the privileges of the few.

Mr. President, farm programs are complicated and I do not intend to oversimplify the situation with regard to peanuts. A U.S. farmer can plant peanuts without a license if he wants. Such nonlicensed peanuts are called additionals. The farmer can sell additionals to foreigners overseas, but even those rights are curtailed. Only licensed peanuts can be sold in Mexico and Canada. Therefore, licensed peanut growers have exclusive rights to the North American market. Moreover, under the Federal price support program, licensed peanuts enjoy a price support of $631 a ton while additionals are only supported at $149 a ton.

What we have, Mr. President, is a guaranteed market and a guaranteed profit for a select few. How that cuts against the American grain. As I said a moment ago, that is not peanuts either. Proponents of the status quo argue that the costs of the peanut program are small for the taxpayer.

Well, that may be true. The cost of the peanut program does not show up on the Government's books but it does show up in the consumer's pocket. It costs relatively little to administer the program. There is no direct subsidies to the privileged licensee. Yet there is a hidden subsidy that is paid by Americans not as taxpayers but as consumers.

Domestic peanut purchasers pay about 60 cents per pound of shelled nuts. The world market price for American peanuts grown for export, sometimes in the same field, is 36 cents per pound. The 24 cent difference is the price that American consumers pay on each pound of peanuts they buy. For the average American family shopping in the supermarket, an 18-ounce jar of peanut butter he currently sells for about $1.89.

If the peanut crop were treated like other commodities, that same jar of peanut butter would cost some 40 cents less. That is not peanuts either, Mr. President, and indeed, overall, it has been estimated that the American consumers as a whole are paying an additional $535 million a year for peanuts and peanut products that they should not have to pay.

Some would say that getting rid of this program is going to hurt the American farmer. Mr. President, I disagree with that strongly and, indeed, former Secretary of Agriculture John Block put this matter in some perspective in 1984—and I will quote him briefly here because he said that:

> In 1930, we harvested 1.1 million acres of peanuts and soybeans. With peanuts, we have since had rigid controls, prices above market clearing levels and little regard for world markets. Soybeans went in another direction. There were no production controls, minimal price supports, total exposure to world markets.
>
> Here's what happened. By 1980, the U.S. harvested about 1.4 million acres of peanuts.
>
> A small increase over the 1.1 million acres.
>
> However, we harvested about 68 million acres of soybeans. The farmer's value of production for peanuts was about $500 million in 1980. The value of soybean production reached 13.5 billion.

Throughout I have quoted former Secretary Block.

Mr. President, soybeans are now ubiquitous. The ability of American farmers to produce as many soybeans as the market wants has freed the marketplace to find new uses for them. Meanwhile, peanuts, shackled to an outdated system, have not achieved their full potential.

The basic national poundage quota stands at around 2.8 billion pounds. American farms produce about a billion more pounds of so-called additional peanuts, mostly, by the way, on the same farms that produce quota peanuts. That is all. That is it.

Those figures have been stable for the last decade, but prices have risen. As a consequence, the potential for the peanut is artificially limited. According to the Department of Agriculture, "Over the last decades, peanuts have become less and less competitive in the oil and meal markets. The edible market is the only market that supports peanuts at the support price."

Mr. President, we are going to hear, if we have not already, that this amendment will hurt the family farmer. Proponents of the status quo will say that peanut growers will not be able to survive in a more competitive marketplace.

We have heard those same arguments about other commodities like corn and wheat which were once part of a similar system.

The fact is that the peanut commodity program is a tremendous anchronism. During the Great Depression, in order to stabilize an agricultural economy that was in severe distress, the Federal Government launched a program of allotments for all commodities. It represented a drastic short-term solution to a truly catastrophic event: Farm prices were low and spiraling downward, production exceeded domestic demand, and overseas markets, were practically nonexistent. So such mandatory supply controls were, indeed, a common feature of agriculture at the time. But they have been abandoned, and properly so, for virtually every other food crop more than 20 years ago.

Originally, the quota licenses were given to anybody who was growing peanuts when the program began. Federal officials simply measured each farmer's peanut acreage and gave him a license to continue producing at a specific amount and no more. After that, few new licenses were issued. The fortunate few who had them were allowed to pass them on to their dependents who, in turn, were allowed to sell or rent them to the others who

wanted to grow peanuts provided only, in most cases, that the planted acreage remained in the original county.

Later the Government added a poundage quota for each license. This had the effect, essentially, of enhancing the value of the license to the holder, allowing, as it did, the opportunity to harvest more peanuts but tying the increased production to the original licensee.

The poundage quota was the Government's response to farm productivity increases. In the mid-1950's, for example, yields averaged about 1,000 pounds per acre; in the seventies, more than 2,400 pounds per acre.

So rather than let the market work to find new uses for peanuts, the Government stepped in at the urging of peanut producers to protect this feudal system of allotments and controls in the marketplace. As the prices for domestic peanuts escalated under rigidly controlled production, the Government sharply limited the amount of foreign peanuts allowed in to the United States, again enhancing the value of the license to the holders.

Mr. President, this is 1990. It is not a half-century ago. Farm prices are stable. Would agricultural markets are vast and becoming more open and competitive. Every other commodity has escaped from the feudal system of poundage quotas but not peanuts. It is time to free the peanut from bondage. It is time for perestroika for peanuts.

Today, the Federal Government provides 59,100 owners of land in 10 States exclusive allotments on which peanuts can be legally grown. In one State alone, Georgia, about 15,000 owners control 1.3 billion pounds of quota, 41 percent of the national allotment.

Let us focus on the farmer for the moment. About half the license holders lease their allotment. They are not farmers anymore. They have real farmers pay them for the privilege of growing peanuts. A young farmer getting into the business has to pony up for the right to grow a crop on his own land—even if their farms because of soil, climate, and market demands are suited to grow peanuts. And if the young farmer finds a willing party, it's not certain that he can grow peanuts even then. The reason is that new growers are not eligible for the quota price support unless they grow peanuts in the traditional peanut growing counties. In fact according to the Department of Agriculture, only a small number of new growers have entered the marketplace.

The people who own licenses and farm their own property won't be hurt by the changes we are proposing. First, because raising peanuts requires specialized and expensive equipment. Second, growing peanuts requires specialized knowledge. Current farmers have the equipment and the knowledge to compete effectively. They have nothing to fear from lifting production limits and special privileges. Indeed, they stand to gain the most from an expanded marketplace as the growers of wheat, corn, soybeans, and other commodities learned long ago. I also happen to share the optimism of George Washington Carver about the innovative use of this versatile legume.

In sum, the current peanut program is very good for one group of people—those holding the licenses. It is not good for the consumer, or for the farmer who wants to grow peanuts but cannot get the license for it or does not own land in one of the traditional peanut counties. It is time for a bit of perestroika for the peanut. And I urge my colleagues' support for this amendment.

The PRESIDENT pro tempore. Who yields time?

Mr. FOWLER. Mr. President, I yield 2 minutes to the distinguished Senator from Virginia [Mr. WARNER].

The PRESIDENT pro tempore. The Senator from Virginia [Mr. WARNER] is recognized for 2 minutes.

Mr. WARNER. Mr. President, I rise today in opposition to amendment No. 2354 offered by the distinguished senior Senator from Delaware. This amendment would abolish the current peanut quota system which guarantees a dependable supply of peanuts for the consumer and manufacturers.

The peanut has a long and distinguished history in the Commonwealth of Virginia, in Southern States in general, and indeed throughout the United States. The first commercial peanut crop in Virginia was gown in Sussex County in 1884.

Prior to the War Between the States, the consumption of peanuts was limited primarily to those living in the South. Among the many changes brought forth by the war was a change in the status of the peanut. Union soldiers found peanuts to their liking and took them home.

The call "hot-roasted peanuts" was first heard in the late 1800's at P.T. Barnum's circus. The desire for peanuts spread as circus wagons traveled across the Nation.

The peanut became a significant agricultural crop in the early 1900's when the boll weevil destroyed the South's cotton crop. Following the suggestion of Dr. George Washington Carver, the noted black scientist, peanuts were used by some to substitute for cotton as a money crop of the South.

Mr. President, perhaps it is appropriate that we have embarked upon debate of the peanut title of the farm bill on this hot day in July—as the boys of summer are gearing up in their drive for baseball's coveted pennants, and millions of Americans are enjoying an ample supply of Virginia-type peanuts in ball parks throughout the country.

Virginia-type peanuts are a favorite at ball parks because they have a thicker hull than most other varieties. This allows them to remain intact and stand up to rough handling at the ball games and during transportation. They taste good, too. It is this Senator's hope that the peanut title as reported by the Senate Committee on Agriculture, likewise, has a tough enough hull to be transported intact through final passage by the Senate.

There are many misconceptions concerning the peanut program which have appeared in recent newspaper editorials and have been reiterated here on the floor. I would like to take time to clear up some of these misconceptions for my colleagues who are following this important debate.

Critics of the peanut program say that you have to have a Federal license to grow peanuts and that no one ever receives a license except the descendants of farm families who have been growing peanuts since the peanut program began in the 1930's. This simply is not correct. The 1985 law provided a systematic procedure for entry of new farms into the quota program.

Beginning in 1986, all farms which can establish a 2-year history of producing additional, or nonquota peanuts, become eligible to receive poundage quota and sell those quota peanuts in the domestic market.

Further, there are many instances where peanuts grown as additionals have actually been sold in the domestic market, and what this means is that first-time peanut growers may already sell to the domestic market without waiting to obtain poundage quotas. Since 1985, more than 5,120 new quota farms have been established in this country.

These same critics would have you believe that what the peanut price support program amounts to is a direct grant of money to peanut farmers. Again, this is not correct. It is a program of supply management controls and price stabilization approved by a referendum of peanut producers in the United States. It is a two-tiered price support system whereby quota peanuts are supported at a predetermined rate and additionals are supported at a lesser rate.

There is no direct grant of money to peanut farmers. The Government does not buy, store, sell, or take possession of any peanuts—nor does it grant money to be parceled out to producers under the price support program.

The peanut price support program is designed to provide high quality, edible peanuts for the domestic peanut market through a quota system. The national poundage quota level is set each year by the Secretary

of Agriculture to provide sufficient quantities of peanuts for domestic edible, seed, and related uses.

Since 1985, program costs associated with edible quality peanuts have been eliminated through a mechanism known as national cross compliance. National cross compliance requires peanut farmers, in every major peanut growing region of the country, to subsidize any losses incurred with respect to peanuts grown for domestic consumption by taking profits from peanut sales pools.

Peanut farmers are the only farmers whose profits are used to eliminate losses in a price support program. No other commodity program has this kind of requirement.

We are all familiar with the argument that if the peanut program were eliminated, the consumer would experience great savings on peanut products such as candy bars and peanut butter. There is no evidence that if there were a reduction in prices a savings would be passed on to the consumer.

Prices for peanut butter and candy rose during the 1980's faster than the increase in the quota loan rate, which underscores the point that many factors in addition to the quota loan rate contribute to higher prices for manufactured peanut products. Increased peanut prices exert a very small influence on candy prices since peanuts comprise only 8 percent of the cost of ingredients for making candy, less than sugar, chocolate coatings, cocoa butter, cocoa beans, and dairy products.

On average, a Snickers bar in 1988 retailed for 21.9 cents per ounce and contained a third of a penny's worth of peanuts at the 1988 quota loan rate. A Mr. Goodbar in 1988 retailed for 21.1 cents per ounce and contained half a penny's worth of peanuts at the 1988 loan rate. Peanut ingredient costs at the farm level equaled only about 1 percent and 2.4 percent respectively of the retail price for the Snickers and Mr. Goodbar candy. If the peanuts had a zero cost at the farm and the full cost of the peanuts was subtracted from the retail price, the prices of the two candy bars could fall at most by 1 to 3 percent. I doubt that a small price decrease such as this would ever reach the consumer.

With respect to peanut butter, the most popular and widely consumed of all peanut products, the average retail price for an 18 ounce jar of national brand peanut butter in December 1989 in supermarkets in five cities was $2.24. The farm value of the peanuts used in an 18 ounce jar of peanut butter is 46 cents. Peanut ingredient costs at the farm level comprise only about 19 percent of the retail price for the jar of peanut butter. Thus a 20-percent reduction in the peanut cost at the farm level would mean the overall production costs could fall by 3 to 4 percent, again probably not to be passed on to the consumer.

Mr. President, the peanut program is the mainstay of thousands of family farms throughout the Nation's peanut growing areas and there is much at stake for the 3,000 peanut producers in the Commonwealth of Virginia in the peanut title of the 1990 farm bill. Should the Senator from Delaware's amendment—or other proposals which would cut the support price for peanuts from its current level to $500—be enacted into law, it would cost the Virginia economy alone nearly $17 million.

In addition to the initial economic harm this amendment would inflict upon the Commonwealth, it would seriously threaten the family farm concept—the life blood of Virginia agriculture, particularly—on the peanut farms. Mr. President, the average size of a farm in Virginia is 100 to 200 acres in size, and farms engaged in peanut production average less than 50 acres per farm. Passage of the Senator from Delaware's amendment would certainly push many of these farm families off the land.

Finally, Mr. President, I would like to recognize Senators HEFLIN, HELMS, and FOWLER for the leadership they have provided in drafting the peanut title. They have dedicated countless hours to this worthy legislation. Legislation which is strongly supported by growers and manufacturers alike.

Mr. President, I would like to also recognize the hard work and valuable counsel provided to me from Mr. Del Cotton and Mr. Russell Schools of the Virginia Peanut Growers' Association.

I hope that my fellow colleagues will join me in voting against the Senator from Delaware's amendment No. 2354 and vote in favor of the peanut title as approved by the Senate Committee on Agriculture.

Mr. President, if I may address the Chair, it will be the intention of the Senator from Virginia, on behalf of the Senator from Georgia [Mr. FOWLER] and the Senator from Alabama [Mr. HEFLIN] to make a motion to table at the conclusion of the remarks by others.

Mr. FOWLER. Mr. President, I thank my friend from Virginia. If I had more time, I would have willingly yielded it. But I thank him for his usual customary courtesy.

I yield 1 minute to the Senator from North Carolina [Mr. SANFORD].

The PRESIDING OFFICER (Mr. ROBB). The Senator from North Carolina.

Mr. SANFORD. Mr. President, I rise today in opposition to the amendment offered by the distinguished Senator from Delaware. The Roth amendment would eliminate the current quota and price support system and allow the Secretary of Agriculture to set the price for peanuts.

The United States is the world's largest producer of peanuts, and North Carolina is one of the largest producers of the Virginia peanut.

As consumers, we are accustomed to a steady, wholesome supply of peanuts and peanut products at reasonable prices. The supply and price of peanuts have been affected by Federal programs for more than 50 years.

The current peanut program is a two-price poundage quota system authorized by the Food Security Act of 1985. As in the 1981 farm bill, acreage allotments for peanuts was suspended in the 1985 act; hence, peanut production is technically unrestricted. However, only those producers with a share of the national marketing quota—their farm quota—may sell peanuts for domestic food and related uses.

The Food Security Act of 1985 apportioned the 1986 national quota among States based on their 1985 allocations. Individual farm quotas were then granted to farms that had quotas in 1985. Growers can acquire quotas in two other ways. They may buy or lease another owner's quota, or they can establish a history of producing and marketing additional peanuts.

According to the 1987 Census of Agriculture, 18,905 farms harvested peanuts. The harvested acreage per farm was about 76 acres in 1987, so you can see that family farmers depend on the peanut program.

It is imperative to note that annual net Commodity Credit Corporation farm-related expenditures for the peanut program averaged $30 million in the 1960's, $61 million in the 1970's, and $10 million during 1982-87. Under the current program, the costs to taxpayers is minimal because quotas are now set to equal expected domestic food and related demand. Furthermore, the loan rate for additional peanuts is substantially below the market price. It is also below the current crush value. This means that few peanuts should go under loan and that CCC should be able to dispose of acquired peanuts at no loss.

Farmers strongly support the Federal peanut program even though it restricts their activities by limiting the quantity of peanuts that may be marketed for domestic food, seed, and related uses.

Program benefits accrue to quota holders whether or not they produce peanuts, because farm quotas can be rented to other growers. Quota rents vary widely among States, but they average about $150 per ton in the Southeast.

Most commodity programs support the price of agricultural products through a system of nonrecourse loans and deficiency payments that are un-

derwritten by U.S. taxpayers. With peanuts, however, very little support is derived from Government outlays.

The program is accessible, and cost efficient. It is successful and it works. For these reasons, I must oppose this amendment.

Mr. President, this is one program that is working and not costing the Federal Government any money. We know the old saying, "If it ain't broke, don't fix it." This does not need fixing.

I heard with some amusement the talk about the farmers getting too much money. Farmers are not getting too much money. Certainly, the producers, the people that distribute the 57 varieties and more that package the food are making the profit.

The farmers are entitled to get together and to have this kind of cooperative effort sponsored by the Government that lets them set fair prices. That has been the boon of farming, and that is what we want to keep.

Thank you Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. FOWLER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 49 seconds.

Mr. FOWLER. I yield 49 seconds to my friend from Alabama, [Mr. SHELBY].

Mr. SHELBY. Thank you.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I rise in support of the peanut program as reported by the Senate Committee on Agriculture. My colleagues, Senators HEFLIN and FOWLER, have drafted legislation that will strengthen and improve the peanut program. To change the committee-approved peanut title would cause hardship for peanut growers and their employees. We must remember that a lot of people depend upon the peanut industry for their livelihood.

Peanut producers are not large conglomerates. Your typical peanut producer is a family farmer. This is the case in my State of Alabama. The peanut program as passed by the Senate Agriculture Committee is profamily farmer. To change this title would adversely affect many hard working men and women unfairly and unjustly.

Twenty thousand families are engaged in peanut farming in the United States. The majority harvest less than 100 acres per year. Everyone who is familiar with the peanut program recognizes that the program is running well. Changes have been made in the bill to address concerns of both producers and processors. Most everyone familiar with the peanut program agrees that the peanut title, as passed by the Senate Committee on Agriculture, should not be altered.

It is a fact, Mr. President, that the peanut program is important to my State of Alabama. We are the second largest peanut producing State in the Union. Our peanuts, along with the other peanut-growing States, are the highest quality peanuts in the world. Although the United States accounts for only about 9 percent of world peanut production, our share of the world market is 27 percent. And our export markets are expanding. The reason for this growth, our low and stable prices, and our assured and abundant supplies are the direct result of an effective peanut program.

To attempt to change a program that is working is not in the best interests of the American consumers. A vote against the peanut program is a vote against the small family farmer. A vote against the peanut program is a vote against a program that is effective and efficient.

I urge my colleagues to vote to table the amendment of the Senator from Delaware.

Mr. President, I want to join the distinguished Senator from Georgia, my senior colleague from Alabama, my friend from North Carolina, [Mr. SANFORD], the Senator from Virginia [Mr. WARNER], and others in support of the peanut program. It is predictable. It works. We know it has a history and it is a good history. We should stay with the Agriculture Committee's findings here today and support the Agriculture Committee.

Thank you, Mr. President.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. All time controlled by the Senator from Georgia has now expired.

The Chair recognizes the Senator from Delaware [Mr. ROTH].

Mr. ROTH. I am happy to yield the floor for a minute to the distinguished Senator from Georgia.

Mr. FOWLER. Mr. President, I thank my friend from Delaware for his extraordinary courtesy.

I offered to send my colleague some of my old tapes to spare them of hearing me at all. But I want to thank Senator ROTH for his courtesy of giving me this 4 minutes, and to thank all of my colleagues who have participated in this debate.

Mr. President, every once in awhile we get well-intentioned amendments that have no foundation in fact. This is one of those amendments. It is almost embarrassing to the Senator from New Mexico. Mr. DOMENICI, and Mr. WARNER and others, who have left the budget summit where we are trying to cut out $300 billion in spending, to come and fight for a program that is not costing the taxpayers any money. That is a fact. It is documented by the facts.

I say with great respect to my friend from Delaware, my friend from Ohio, this amendment, according to the Congressional Budget Office, will cost the taxpayers $55 million—cost, not save.

Since he is on my side of the aisle, even though he is not here, I say to my friend from Ohio, a cosponsor of this amendment, to try to jerk a tear or two about the cost of his peanut butter and jelly sandwich, paid for by the taxpayers of the United States of America, when in the summit right now we are looking at the steel subsidies, $7 billion in steel subsidies, paid for by the taxpayers of the United States of America—he comes over here and says give me my peanut butter and jelly sandwich.

There is no accounting for what some people in Ohio and Pennsylvania will pay for peanut butter. You can get it for $2.08 right out here at the Giant Food store, but if you want to show off in your cocktail parties when you have your peanut butter and jelly hors d'oeuvers, like they serve up in Yankeeland, you can pay $3.80 or $4.20 or $4.60, or you can even get it up in Canada—"extra crunch squirrel" is what this is called. I do not even know what is in it. I am scared to ask.

Down in my part of the country, we have rattlesnake roundups. We try to help people in this country. We catch all the rattlesnakes. Senator PRYOR has been there. We milk them, we give the venom to the hospitals so that these Yankees who do not know how to stay away from snakes, if they get bit, can save their lives.

Then because we have people in Ohio, in Pennsylvania, the pickle perestroika champions, sometimes cowhide is not good enough for their leather. They want fancy snake skins from Georgia, North Carolina, for their belts and their shoes. Then you know what they do with the rest of the meat of the rattlesnake? They go up to Ohio, and over there to Pennsylvania—maybe some is sold by my friend from Pennsylvania—where people actually buy 8-ounce tins of rattlesnake marinated in sherry and port wine, at $35 an ounce.

The next thing that we will know, to protect those rattlesnake eaters in Ohio and Pennsylvania, somebody will come in here with an amendment and say, "Snake pate is too much; we got to find a way to cut the cost because our people want to eat the rattlesnake at $35 an ounce."

Mr. President, this amendment, although well-intentioned—everybody wants to cut the deficit, everybody wants to pay less for peanut butter and every commodity in the stores. The farmer, the peanut farmer, only gets out of an American jar of peanut butter 46 cents. Only 46 cents.

Mr. ROTH. I reserve the remainder of my time.

Mr. FOWLER. I thank my friend very much for his courtesy, and I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH] is recognized.

Mr. ROTH. Mr. President, I think it is a fair statement to say that the so-called peanut program is bad for the farmer, it is bad for the consumer, and it is bad for the worker. The one group that really benefits from it is, of course, the quota holder.

I say it is bad for the farmer because only a very limited number of farmers essentially located in seven States have the right to grow peanuts for the domestic market; seven States grow 98 percent of the peanuts for domestic consumption.

A lot of talk has been made here that, yes, the new farmers can enter this business when in fact it is known to be extraordinarily difficult. Roadblock after roadblock is created. First of all, if you want to grow peanuts for export, you have to buy seed peanuts under a quota.

Second, what you can borrow on it is substantially less than what can be borrowed under quota peanuts. Finally, even if you do succeed to grow them, it is extraordinarily difficult for this new farmer to have the opportunity to have these peanuts shelled, because the typical sheller wants at least 3 tons, if not 4 tons, for every ton to be exported.

So that is the reason 98 percent of the peanuts for domestic consumption are grown in seven States. What about the other farmers? What about my farmer in Delaware who wants to have the opportunity to grow peanuts? The road is, for all practical purposes, closed. The program is bad for consumers.

No one has said it costs very much to the taxpayer, but the taxpayers are also the American consumers. And as has been pointed out earlier, for an 18-ounce jar of peanut butter, it costs you an additional 40 cents because of this feudalistic system of quota holders. Not only is it bad for the consumer, but it is bad for the American worker.

Three years ago, we imported something like a million pounds of peanut butter. Three years later, 3 million pounds. Why? Because the cost of peanuts is cheaper in Canada than in America.

I point out that there is an article here in a recent Canadian paper that reads:

> It sounds like a nutty idea, but a Toronto business peanut baron plans to make peanut butter in China, then he plans to export it to the United States. And why can he do this? Well, because offshore suppliers with cheap labor and raw material can produce good quality products well below the cost of comparable domestic brands.

All we are asking is to return this area to the market, as we have done in other areas year after year. This is the last crop subject to a quota, a quota that is feudalistic in concept, a quota that is outrageous in application. Just let me point out that we all know that Georgia is a key State with respect to the growth of peanuts, but Monday, July 23, the Atlanta Constitution wrote an editorial called "Toward a Cheaper, Fairer Farm Program." It says:

> In addition, reformers want to do away with special programs for a number of commodities, not the least of which is peanuts.
>
> Georgia produces some 40 percent of the nation's peanuts, the same as it did half a century ago. The reason is that, back then, the federal government set up a national peanut-quota system according to where peanuts were grown. Ever since, the feds have controlled the number of peanuts produced for America's domestic market.
>
> Today, the quotas are tied to specific counties. Without a quota card, a farmer can grow peanuts only for export or to supply the domestic market with peanut oil and meal. Imports of cheaper foreign peanuts are, needless to say, held almost to zero. No other food crop is so tightly controlled.
>
> The defenders of the quota system point out that the few million dollars the federal government spends on administering the program is a small cost to taxpayer. But America's taxpayers are also America's consumers, and for them the cost is as much as 40 cents on every $1.79 jar of peanut butter.

That may seem amusing, but let me say that to those with low earnings, the cost of peanut butter can be a very important matter.

Back to this editorial, again an editorial in the Atlanta Constitution, and that is a distinguished paper in Atlanta, GA. It says:

> With as many as 50,000 peanut-related jobs in a $2 billion state industry, it's understandable that Georgia's legislators would be fighting hard to preserve this quotas. There are people of modest means who have come to depend on the income they get from renting out their quotas. Perhaps a way can be found to help them.
>
> But the peanut program is about as diametrically opposed to free-market principles as can be imagined. It's an ugly mote in our eye as we push our allies to stop subsidizing their own farm products.
>
> Doing away with the peanut program will not destroy the Georgia peanut industry. Indeed, it could help it expand by allowing more peanuts to be grown. Isn't that what free enterprise is all about?

I urge adoption of the amendment.

Mr. BENTSEN. Mr. President, I appreciate the leadership of my distinguished colleague from Alabama [Mr. HEFLIN] in crafting the peanut section of the farm bill which is now before the Senate. I strongly agree with him that the amendment now before the Senate is misguided, and it should be rejected.

The Senate Agriculture Committee has done a good job of putting together this farm bill under very difficult budgetary circumstances. They have put together a peanut program that has the support of all segments of the industry, from growers to processors to manufacturers. These industry segments have widely varying, and in many cases opposing, interests. Farmers want high prices for their peanuts, and manufacturers want low prices since peanuts are an input cost for their candy bars and other products. Yet they all agree that the peanut program will assure a stable, reasonably priced and safe supply of peanuts that is of the highest quality.

More importantly, Mr. President, the peanut program has served the American consumer well. Peanuts are a perishable crop. They are subject to aflatoxin, a highly toxic mold, if not properly handled. The strict quality controls in the peanut program assure U.S. consumers that the peanuts they buy are safe.

U.S. consumers also have the benefit of relatively low prices for peanuts. The farmer gets about 46 cents for the peanuts in a typical 18 ounce jar of peanut butter. That jar retails for an average of $2.03. In Canada that jar of peanut butter costs $2.88, in West Germany it costs $3.06, and in Japan it costs $4.68.

I would note that advertising margins alone are greater than the price the farmer gets for that jar of peanut butter. That typical jar of peanut butter, if it is a generic brand, sells for $1.41. A jar of a national brand of peanut butter retails for $2.24. The farmers gets the same 46 cents for both jars.

Studies have shown that the consumer could expect little, if any, savings from a reduction in peanut price supports. The farmer gets only 1 cent from a typical 50-cent bar of peanut candy and any reduction in peanut prices would probably be absorbed in the marketing chain.

The peanut program also operates at minimal cost to the taxpayer. The program cost is estimated at about $4 million per year. In some recent years the program has actually returned money to the Treasury.

Peanut farming is also the mainstay of many farms and rural communities. About 45,000 peanut farmers in the United States produce an average of 70 acres of peanuts. Since 1985 they have taken a real cut in prices of about 10 percent. Yet about 5,000 new peanut producers have gotten into the business since 1985, and peanut production is expected to increase by about 8.3 percent this year alone.

These new growers and this increased production has contributed to the development of an active export market for U.S. peanuts. United States peanut prices in Rotterdam, a world trade center, have averaged 13 percent higher than the United States farm price support over the last 5 years. Those sales bring in badly needed earnings which reduce our trade deficit. That extra production has also provided a cushion to stabilize our domestic supply of peanuts even in years

when a drought or other problems may cut production.

Mr. President, the peanut program proposed by the Senate Agriculture Committee is not broken. It does not need to be fixed. It is serving both producers and consumers well, and I urge the defeat of this amendment.

Mr. GRAHAM. Mr. President, I wish to speak in support of the successful peanut program. The program works for the producers, the consumers, and the manufacturers. Let me describe briefly how the program works.

The 1985 Food Security Act established annual poundage quotas designed to meet domestic peanut needs of edible peanuts and peanut oil. The quota is allocated among States based on previous quotas. The States, in turn, allocate the quota among farms which held quotas in 1985. The program also established a two-tiered price-support system providing a support price of $631 per quota ton and $148 for nonquota or additional peanuts.

The 1985 bill ensured an abundant supply of peanuts for the American consumer, while protecting American peanut farmers from subsidized peanut imports from low-labor, low-cost producers, such as China and Argentina. At the same time, the program has not resulted in any surplus peanuts in Government storage. The poundage quota and export program have kept peanuts where they belong: on the market, not in U.S. Government warehouses. The Senate bill before us reauthorizes the 1985 program.

The peanut program is a cost-effective program which benefits thousands of farm families and is a vital economic mainstay of large areas of northern Florida, Georgia, Alabama, the Virginias, Carolinas, and several States in the Southwest.

The high quality of our domestic peanut crop is guaranteed by U.S. farming and pest control practices. Imported peanuts may not be held to the same stringent standards currently required of U.S. growers. Harmful substances such as aflatoxins may not be as carefully monitored. Tampering with the current program will lead to an increase in imports—turning our peanut production over to foreign, lower quality, sources.

From a budgetary standpoint, the peanut program makes good sense. The cost of the program for the past several years has stayed around $5 million, the bulk of which are administrative costs involved in testing for pesticide residues and developing higher quality strains.

This $5 million program helps produce over $200 million in export earnings and a stable, secure supply of peanuts to the American consumer. I hope my colleagues will join me in supporting the 1990 farm bill peanut provision and defeating the Roth amendment.

Mr. BINGAMAN. Mr. President, I rise today to oppose the amendment by the Senator from Delaware to abolish the current quota system for the peanut industry.

Elimination of the quota system and allowing for lower support prices will adversely affect regions of the United States where peanuts are grown—many of which are economically depressed.

The peanut provisions, as which are contained in title VII of this bill, are of vital importance to the economic well-being of the peanut producers in New Mexico as well as throughout the United States. The peanut program also plays an integral role in assuring that American consumers have an abundant supply of peanuts and peanut products. The modern day peanut program operates at virtually no cost to U.S. taxpayers and, in fact, has actually made money in recent years through the use of inspection fees and penalties. In New Mexico, the value of peanut production in 1988 was $8,891,000. This accounts for over 30 million pounds of production.

Mr. President, it is important that we not tamper with the current program as structured in this bill.

I joined New Mexico peanutgrowers earlier this year in fighting to preserve New Mexico's marketing pool which has allowed producers to grow the peanuts necessary to meet market demands and buy back any excess. This self-regulation ensures that any losses the New Mexico pool incurs do not affect other production area growers, keeping the pool profitable at no cost to the State. The changes contemplated during consideration of the farm bill would have cost New Mexico peanutgrowers millions of dollars in lost profits and result in more than 500 layoffs in the State.

I am grateful the Agricultural Committee resisted efforts to change the program. I encourage my colleagues to resist any further changes today.

PEANUT QUOTA SYSTEM SHOULD BE ELIMINATED

Mr. PELL. Mr. President, I joined in introducing this amendment to eliminate the peanut quota system because it is an outdated feudal system that is an unnecessary burden to consumers and has no business in a competitive economy.

The New York Times did an excellent job of summing up the problems of the peanut quota system in a thoughtful editorial last month, June 12, 1990:

> The nation's system for regulating peanuts is, well, nuts. The laws don't allow farmers to grow and sell peanuts to fellow Americans unless they own a Federal license, very few of which have been issued since the early 1940's. That keeps peanut production low and prices high. Americans pay 50 percent more than do foreigners.

A national poundage quota system limits or restricts the production of peanuts that may be sold and marketed into the domestic market for edible products. Only peanuts produced within the quota system are supported at a high price and all peanuts produced over the quota system are supported at a lower price.

The U.S. Department of Agriculture estimates that U.S. consumers have paid annually about $190 million more for farmers' stock peanuts in 1985–86 to 1987–88. It is clear to editorial writers, it is clear to food shoppers, and it should be clear to the Senate that the current peanut program is an outdated and unfair burden to consumers.

The quota system, including the feudal license system, was started during the Depression to create an artificial peanut scarcity to drive prices up. As the New York Times editorial writers noted, "The depression ended 50 years ago, eliminating the need to fork over welfare to a small elite who inherited the original licenses."

Terming the peanut program a feudal system is a harsh but accurate description. The Federal peanut-growing licenses, known as poundage quotas, were given to everyone who was growing peanuts when the program started in 1941.

After that, few new peanut-growing licenses were issued. In general terms, those who had them were allowed to pass them on to their descendents, who in turn were allowed to rent them to others wishing to grow peanuts, as long as the quota remained in the original county.

The feudal system grew from that provision. Today's quota owner does not have to grow peanuts himself. In fact, he may never set foot on a peanut farm. Instead, he rents his quota to a working farmer who wants to grow peanuts for the U.S. market. I understand that half the people who own quotas rent them.

There are tens of thousands of farmers today who must pay what amounts to a tribute to an absentee quota owner—often someone who did not buy the quota or earn it—for the privilege of growing peanuts for domestic consumption.

That tribute generally amounts to hundreds of dollars for each ton of peanuts produced.

We should not tolerate a system which provides and supports, at the cost of consumers, an artificial right—determined only by the accident of birth—for license owners to demand and receive tributes from working farmers.

I commend my colleagues, including the senior Senator from Delaware [Mr. ROTH] and the junior Senator from Ohio [Mr. METZENBAUM], for their leadership on this issue. We are

long overdue to eliminate this outdated and costly burden to consumers.

The PRESIDING OFFICER. All time has expired.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The senior Senator from Virginia [Mr. WARNER] is recognized.

Mr. WARNER. I move to table on behalf of myself, Senator FOWLER and Senator HEFLIN, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered on the motion to table.

VOTE ON AMENDMENT NO. 2253, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the Senate returns to the amendment proposed by the Senator from Montana [Mr. BAUCUS]. The question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Wyoming [Mr. WALLOP] is necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

I further announce that, if present and voting the Senator from Wyoming [Mr. WALLOP] would vote "nay."

The PRESIDING OFFICER. Are they any other Senators in the Chamber desiring to vote?

The result was announced—yeas 26, nays 72, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—26

Baucus	Exon	Kerrey
Bentsen	Ford	Kohl
Boren	Fowler	Mitchell
Breaux	Grassley	Pryor
Bumpers	Harkin	Sanford
Burdick	Heflin	Sasser
Burns	Jeffords	Shelby
Conrad	Johnston	Wirth
Daschle	Kasten	

NAYS—72

Adams	Glenn	McConnell
Akaka	Gore	Metzenbaum
Armstrong	Gorton	Mikulski
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Hatch	Nickles
Boschwitz	Hatfield	Nunn
Bradley	Heinz	Packwood
Bryan	Helms	Pell
Byrd	Hollings	Reid
Chafee	Humphrey	Riegle
Coats	Inouye	Robb
Cochran	Kassebaum	Rockefeller
Cohen	Kennedy	Roth
Cranston	Kerry	Rudman
D'Amato	Lautenberg	Sarbanes
Danforth	Leahy	Simon
DeConcini	Levin	Simpson
Dixon	Lieberman	Specter
Dodd	Lott	Stevens
Dole	Lugar	Symms
Domenici	Mack	Thurmond
Durenberger	McCain	Warner
Garn	McClure	Wilson

NOT VOTING—2

Pressler	Wallop

So the amendment (No. 2353), as modified, was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2354

The PRESIDING OFFICER. Under the previous order, the question now is on agreeing to the motion to lay on the table the amendment (No. 2354) offered by the Senator from Delaware. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Wyoming [Mr. WALLOP], is necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Wyoming [Mr. WALLOP] would vote "yea."

The PRESIDING OFFICER (Mr. BRYAN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—57

Akaka	Domenici	Lott
Baucus	Exon	Mack
Bentsen	Ford	McClure
Bingaman	Fowler	McConnell
Bond	Glenn	Mikulski
Boren	Gore	Murkowski
Boschwitz	Graham	Nickles
Breaux	Gramm	Nunn
Bryan	Harkin	Pryor
Bumpers	Hatch	Robb
Burdick	Heflin	Rockefeller
Burns	Helms	Sanford
Byrd	Hollings	Sasser
Cochran	Inouye	Shelby
Conrad	Jeffords	Simon
Cranston	Johnston	Stevens
Daschle	Kerrey	Symms
DeConcini	Kohl	Thurmond
Dole	Leahy	Warner

NAYS—41

Adams	Grassley	Mitchell
Armstrong	Hatfield	Moynihan
Biden	Heinz	Packwood
Bradley	Humphrey	Pell
Chafee	Kassebaum	Reid
Coats	Kasten	Riegle
Cohen	Kennedy	Roth
D'Amato	Kerry	Rudman
Danforth	Lautenberg	Sarbanes
Dixon	Levin	Simpson
Dodd	Lieberman	Specter
Durenberger	Lugar	Wilson
Garn	McCain	Wirth
Gorton	Metzenbaum	

NOT VOTING—2

Pressler	Wallop

So the motion to lay on the table the amendment (No. 2354) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho [Mr. SYMMS].

AMENDMENT NO. 2355

(Purpose: To strike provisions requiring the Secretary of Agriculture to evaluate methane emissions from livestock)

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 2355.

Mr. SYMMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 1051, line 21, strike all through line 2 on page 1056.

On page 1056, line 3, redesignate subsection (c) as subsection (b).

Mr. SYMMS. Mr. President, this amendment is very simple. The Senate already voted on this once unanimously in the Clean Air Act. If my colleagues will note, on page 1,052 of this bill, it explains that there is a program in this bill that calls to spend $19 million in order to have the Congress set up a study on methane from cattle as it relates to global warming and the greenhouse question.

I, for one, am not ready to face my constituents and tell them they must be taxed so Congress can measure methane emissions from cows. During the course of the debate on the Clean Air Act, the Senate unanimously voted to strike a very similar position that was in the Clean Air Act.

I find it even less appropriate in a bill intended to promote American agriculture. I think my amendment is really self-explanatory, and I hope that the committee will accept the amendment.

Mr. LAUTENBERG. Will the Senator yield for a moment?

Mr. SYMMS. Yes.

CHANGE OF VOTE—TALLY NO. 173

Mr. LAUTENBERG. I wish to propound a unanimous-consent request that I be permitted to change my vote on the last amendment, and it does not change the outcome. Unless there is an objection, I put that unanimous-consent request.

The PRESIDING OFFICER. The Chair hears no objection. Without objection, the Senator's request is agreed to.

(Subsequently, the following occurred:)

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that on rollcall vote No. 173, I be recorded in the

negative as I originally intended. It has no effect on the outcome of this vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. I thank the Senator.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. SYMMS. Mr. President, I will not read this now so as to yield to the chairman. Does the chairman accept this amendment?

Mr. LEAHY. Mr. President, I have literally seen this amendment as it was handed to the desk. I do know that it strikes 5 pages of a bill that was passed 15 to 4, all but one Republican voting for it, all but three Democrats voting for it, a bill we fought like mad to keep together as a compromise here, a bill kept together as a compromise.

I have opposed Democratic amendments and Senator LUGAR opposed Republican amendments to hold it together, and now I am handed an amendment that says it is designed to strike five whole pages out of that carefully crafted compromise, and I am asked will I accept it, and will I accept something that strikes five pages of an amendment or part of a bill that has already passed the Senate.

No, I do not accept that. We have passed this once. This amendment would move to strike what has passed the Senate and what has passed committee and has been held together in this compromise. And now we are asked to accept it. No. As the distinguished Senator from Idaho knows, I propounded and had passed two or three of his amendments last night. I am perfectly willing to work with him on accepting amendments.

I think about 11:30, quarter to 12 last night, I was moving the amendments of the Senator from Idaho through. But not this one. This is striking something that has already passed. We worked to put it together, and it is something that had bipartisan support and something that has been in the bill that we worked many days to hold together.

No, I do not accept it.

Mr. SYMMS. Mr. President, I apologize. I did not realize that the chairman did not have this amendment. I submitted to the committee a list of all my amendments over a week ago, and I thought they did have the amendment. I did not offer it last night because I assumed it might be more controversial than the ones that passed.

I want to say to the chairman of the committee and to the Senator from Indiana that I very much appreciate the cooperation this Senator has had from them on my amendments. But, I would like to read to my colleagues the 5 pages I am proposing to strike.

Mr. LEAHY. Mr. President, will the Senator yield for a moment on that?

Mr. SYMMS. Certainly.

Mr. LEAHY. Because we have not had a chance to see it, I do not believe the Senator would be disadvantaged by doing this, because he can gain the floor at any time. I wonder if he might be willing to withdraw his amendment for now, while we have a chance to take a look at it.

If we do not reach any agreement on it, he is perfectly free to bring it back up again before the bill is completed and let us go forward with some things that we may be able to pass before the 3:15 hour.

Mr. SYMMS. If I might say to my colleague, this Senator is willing to work with the ranking Republican and the distinguished chairman of the committee. We can certainly temporarily lay the amendment aside, and I have no objection to that.

I was going to just read to my colleagues pages 1,052, 1,053, and 1,054 of this bill, which I can do briefly to give them a gist of what this is about.

Essentially, Mr. President, what this amendment is about is striking a provision spending $19 million to study methane emissions from livestock in this country.

It appears to me that this type of activity, when we have a group of our leaders—which most Senators are not a party to—trying to grind out some kind of a budget compromise with the President that may impose tax increases on the American people, I believe the American people will take a very dim view of establishing a methane emissions program to evaluate methane emissions from agriculture-related activities and so forth, particularly in the management of ruminants and other animals and the wastes produced by these animals.

The fact of it is that all the waste that comes from the livestock in the United States, cattle, sheep, and hogs, is currently spread back onto the ground in this country and used as fertilizer. All of it is used in that way. I know there is talk about subsistence agriculture and so forth—or sustainable agriculture. Pardon the slip of calling it subsistence agriculture, although some have called it that.

There are some who think that people should not eat meat and perhaps this is a way to discourage that. But, I think the taxpayers do not need to pay for having a study on methane emissions from livestock. I think it is very simple and easy to understand.

Of course, I will yield to the wishes of the chairman, and I will be happy, if some other Senator has an amendment, to have mine temporarily laid aside, and we can go on about the business.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, let me respond to the distinguished Senator from Idaho with regard to his amendment, his inquiry about the procedures of the committee, and the adequacy of dealing with the methane problem in global warming.

During the introductory remarks of the distinguished Senator, I reviewed the pages that are referenced and, likewise, visited with staff on our side of the aisle to make certain I understood the origins of those five pages and how we arrived at that compromise.

We take very seriously, on both sides of the aisle, the global warming dilemma. It is apparent that methane gas from livestock makes a contribution to that. The total extent of that contribution is not well known, but we are finding more all the time.

It is important that at least in the areas for which we have responsibility in American agriculture that we take that responsibility seriously on the basis of a well-informed study, and, in fact, the bill calls for that study.

I simply state for the purposes of the record that the study, the pages and the section that is referenced, was entered into with strong bipartisan support in the committee. I still feel that that is a reasonable way to proceed.

So for these reasons I must oppose the amendment of the Senator from Idaho. I appreciate his desire to save the taxpayers money. But in this particular area we are going to have to spend a modest sum of money in order to fashion a policy that will have far-reaching circumstances with regard to the global warming dilemma, and that will be a very expensive dilemma to resolve. We are on the fringes of it. This study is a very small down payment. I stand with the chairman behind the bipartisan effort in our committee to make a constructive attempt in this regard.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I appreciate the comments of my colleague from Indiana. I did not expect to get into any controversy on this since this same amendment had passed unanimously when the Clean Air Act was before the Senate.

I might refresh the memories of my colleagues and some, not on the Agriculture Committee but on the Environment Committee. When this amendment was put in the clean air bill, we did some work on it and discovered that, if global warming is a problem, it is the EPA that is running the computer models and all they have to have is an estimate, which they can do right now. They have right now a close estimate of how much methane is emitted from livestock in this country. They can put that in the comput-

er model, and it is part of the overall estimates of what the impact would be on global warming.

It does not seem to me that it is necessary to have the Secretary of Agriculture, when this bill is purported to be a bill that is to encourage the enhancement of agriculture, set up another commission and coordinate the planning and implemented activities, so on and so forth, as called for in this activity when, really, what is needed is just a number for a computer to estimate how much methane is emitted in the United States.

I appeal to my colleagues on the Agriculture Committee, and I do not want to force them to some embarrassing vote, but I think it is pretty hard to explain to the voters of the United States who feel they are already overtaxed. They are sick and tired of the Congress spending money. And here is $19 million when we already have the EPA for that purpose and we do not necessarily need the USDA to set up a methane emissions program.

I can just read to the Senate, "to evaluate methane emissions from agriculture-related activities in the United States and around the world, particularly the management of ruminants and other animals" and so forth, describing factors, including the rates of emission from agricultural-related activities and demonstrate effectiveness of reducing emission.

I guess getting rid of livestock would be one way to reduce methane emissions from livestock. "A program to establish" and so on so forth. I believe that is adequately covered with the agency of this Government that has been given the responsibility to look out for the environment. That is the EPA. I do not believe the USDA needs to spend another $20 million to go over those same processes again. That is basically the thrust of the amendment.

It is to strike that from the bill.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. SYMMS. I yield.

Mr. LEAHY. Is it the Senator's intent to go forward with the debate on his amendment now or does he intend to withdraw it while reserving the right to bring it back up at a later time?

Mr. SYMMS. I will be happy to cooperate with the leader. If the Senator wishes to ask unanimous consent to set it aside and move forward, I have one other amendment I want to offer.

Mr. LEAHY. I do not believe unanimous consent is required. I believe the yeas and nays have not been entered on it. I believe the distinguished Senator from Idaho could withdraw the amendment now.

Mr. SYMMS. What is the pleasure of the chairman?

Mr. LEAHY. I wish the Senator from Idaho would withdraw his amendment at this point and allow us to go forward with another amendment. Then he is, of course, free to bring up his amendment again at any time in the normal course of events.

Mr. SYMMS. Let me make a suggestion to the distinguished manager of the bill. I am being asked to temporarily lay it aside. Let me think about this a couple minutes and maybe I will come back and withdraw. There are no yeas and nays ordered on the amendment.

Mr. LEAHY. I think that does, of course, mean it would be the pending business. What we could do is, of course, we could bring the debate to some sort of conclusion right now simply by a motion to table with the yeas and nays on it. I am reluctant to do that. Perhaps the distinguished Senator from Idaho could have a chance to talk with the managers of the bill, if he wishes.

Mr. SYMMS. Mr. President, I withdraw the amendment and I do so out of my courtesy to the two senators who are managers of the bill with the understanding that this withdrawal of the amendment now does not prejudice the amendment if I choose to offer it at a later date.

The PRESIDING OFFICER. The Senator is within his right to do so. The amendment is withdrawn.

The amendment, No. 2355, was withdrawn.

The PRESIDING OFFICER. The majority leader is recognized.

VISIT TO THE SENATE BY A MEMBER OF THE CONGRESS OF PEOPLES DEPUTIES OF THE SOVIET UNION

Mr. MITCHELL. Mr. President, I understand that Senator LAUTENBERG has a visiting parliamentarian present in the Chamber whom he wishes to introduce to the Senate.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I acknowledge the fact that we have our visitor here. His name is Joseph Kobson, a Soviet legislator from the Congress of Peoples Deputies. I will take the liberty of introducing Mr. Kobson to the leadership here.

Mr. President, I ask the Senate to pause for a moment from our work to permit me to introduce to the Senate Joseph Kobson, a Soviet legislator from the Congress of Peoples Deputies. Mr. Kobson is visiting the United States with the Moscow Circus, which opened in New Jersey this month.

I attended one of these performances in Atlantic City and compliment the Soviets for the beauty and unique nature of their circus and the talent of their performers.

I met Mr. Kobson during a visit to the Soviet Union last March through a constituent of mine who had emigrated from the Soviet Union in the 1970's. Mr. Kobson is an accomplished singer and musician.

When I was in Moscow, Mr. Kobson presided over the opening of a Cultural Center that had been closed for many years. I was privileged to be present with him the night it opened.

Joseph's involvement with that effort is a reflection of his commitment to improving cultural expression in the Soviet Union.

I have discussed with him my deep interest in human rights, remaining refuseniks in the Soviet Union and freer emigration and the importance the Congress will attach to changes in the Soviet system if we are to proceed with enhanced trade and improved economic relations.

Mr. Kobson believes in the value of face to face meetings in breaking down barriers between different countries and different cultures. He believes people-to-people contact can improve understanding and ease tensions in a meaningful way.

I welcome Mr. Kobson to the U.S. Senate and to America. I hope that he not only enjoys his visit, but takes back what's he's learned about our system of government and way of life. I welcome him, in friendship.

RECESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 minute to permit Senator LAUTENBERG to make that introduction.

There being no objection, the Senate, at 2:27 p.m., recessed until 2:28 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BRYAN].

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The majority leader is recognized.

AMENDMENT NO. 2356

(Purpose: To expand the meat inspection programs of the United States by establishing a comprehensive inspection program to ensure the quality and wholesomeness of all fish products intended for human consumption in the United States)

Mr. MITCHELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MITCHELL) (for himself, Mr. LEAHY, Mr. LUGAR, Mr. COCHRAN, Mr. DASCHLE, Mr. COHEN, Mr. PELL, Mr. DODD, Mr. CONRAD, Mr. SIMON, Mr. BRYAN, Mr. BURDICK, Mr. SANFORD, Mr. KOHL, Mr. SYMMS, Mr. REID, Mr. BOSCHWITZ, Mr. MCCONNELL, Mr. PRYOR, Mr.

DIXON, Mr. CRANSTON, Mr. GRAHAM, and Mr. KERREY) proposes an amendment numbered 2356.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. MITCHELL. Mr. President, I offer this amendment in behalf of myself, Senator LEAHY, and Senator LUGAR, Senator COCHRAN, and 19 other Senators. It deals with an issue that is important for all Americans.

The farm bill is considered a symbol of rural America. But whether it is in Alaska's Prince William Sound, the bayous of Louisiana, or the heartland of Iowa, Nebraska, and Kansas, America's farmers and fishermen face common challenges. They both live on the frontier of economic and environmental challenge in the 1990's.

Like America's farmers, fishermen play a critical role in our economy. They are the harvesters of food from the sea. They live on the edge, where the mountains meet the sea, and the fish that they harvest are passed along a chain of processors, wholesalers, and retailers—large and small—to American consumers. Their harvest is an important, growing source of protein for the American diet.

Three Maine folk singers, Schoonerfare, speak of life in rural and coastal America in a song entitled "Salt Water Farm." Maine's heritage is the vision of:

* * * a farmhouse by the sea and some roots in the land * * *

A little bit of heaven, just a house and a barn * * *

Mornins * * * going fishin * * * working the fields in the afternoon * * *.

Man is at his best between the land and the sea.

The Salt Water Farm is a dream worth having. But it doesn't come easy. It involves tough choices. It involves setting priorities. It includes challenges reflected in the Senate's work on the farm bill.

I today am offering an amendment that is important to the American consumer, and to fishermen in Maine and other States who make their living from the sea. It involves an issue that is just one small part of the economic and environmental challenges of the 1990's.

It is the issue of fish inspection.

The amendment incorporates S. 1245, the Fish Safety Act of 1990, which has been cosponsored by over 30 Democratic and Republican members of the Senate and which the Senate Agriculture Committee approved unanimously on May 22.

The amendment will establish an equitable, effective, efficient, comprehensive, and mandatory program for Federal inspection of fish and seafood products led the Department of Agriculture [USDA].

Fish is the only form of meat not currently inspected by USDA. No comprehensive mandatory Federal fish inspection program currently exists. Fish is the only flesh food not subject to such a program.

In the Gulf of Alaska or the Gulf of Maine, waters may be relatively very clean. Yet an oilspill in Prince William Sound, or any other environmental concern, can send a tremor that is registered in the Gulf of Mexico and throughout the entire seafood industry.

Whatever affects the quality of seafood, and whatever affects the confidence of consumers in the marketplace, ultimately affects the livelihoods of all fishermen.

S. 1245 will fill a credibility gap that has existed for too long in our Nation's public health and food safety laws.

USDA's role is a narrow, but important one.

USDA inspectors—or State inspectors acting on behalf of USDA, periodically will take fish product samples and test them. They will be tested against tolerances set by the Food and Drug Administration [FDA]. The role of conservation and management of marine fisheries will remain in the Department of Commerce's National Oceanic and Atmospheric Administration.

American consumers must be able to look with confidence to a single agency for confidence in meat inspections. S. 1245 will unify Federal inspection of flesh foods within a single agency. The choice is also important in helping the industry to meet the challenges of the 1990's.

In the 1970's, American fishermen confronted the challenge of foreign fishing fleets depleting stocks close to our shores. Increasingly today, the challenge to American fishermen lies in foreign markets.

The United States imports 70 percent of the fish consumed by the American people, and exports 40 percent of its own catch. Under the Uruguay round negotiations on the General Agreement on Tariffs and Trade [GATT], fisheries products are regarded as agricultural products. Trends in international trade—such as United States-Canada harmonization under the free-trade agreement, and the European Community 1992—make a Federal fish inspection program under the leadership of USDA critical to the industry's future.

Under S. 1245, imports will be subject to inspection standards equal to those applied to domestic products, consistent with the General Agreement on Tariffs and Trade [GATT]. S. 1245 also utilizes USDA's extensive overseas network for actual inspection and certification of foreign fish processing establishments. Only USDA has this capability.

For domestic fish products, S. 1245 will build on existing State programs. The legislation provides for Federal matching funds, on a 50-50 cost-sharing basis, to all State programs that meet Federal standards. This is a critical point. States like Alaska, Maine, or Louisiana can operate sampling and testing programs on behalf of USDA.

S. 1245 also insists on interagency cooperation.

It relies on USDA for inspections.

It relies on FDA's expertise as a food science agency for setting standards according to reasonable, scientific risk assessments. FDA, not USDA, will set standards.

It relies on the Environmental Protection Agency [EPA] for determining water quality standards.

It relies on NOAA for growing and harvesting water identification and classification, while continuing to share closure authority with the States. As under current law, conservation and management of marine fisheries resources will remain within the Commerce Department.

S. 1245 asks each agency to do what it can do best. The legislative intent is to build on the strengths of each agency.

Reflecting the need to conserve scarce resources, S. 1245 also adopts the principle of hazard analysis critical control point [HACCP] methodolgy. Inspections will be based on reasonable risk assessments. Frequent, random, and unannounced inspections of fish-processing establishments will be conducted.

Inspections will include fish-processing vessels, but not harvesting vessels.

The Federal Government's need to help the fishing industry and the rest of coastal America meet the economic and environmental challenges of the 1990's does not stop with the fish inspection issue.

The Senate Commerce Committee has jurisdiction over coastal zone management and marine fisheries. In recognition of that jurisdiction, when S. 1245 was introduced on June 22, 1990, I gave a commitment on behalf of the chairman of the Senate Agriculture Committee for a sequential referral of the bill. Both the Agriculture and Commerce Committee staffs, along with the staffs of other Senators and committees, have worked with my staff in developing the legislation.

S. 1245 was reported by the Agriculture Committee on May 22, 1990. It was filed on June 22. The Senate approved sequential referral on June 26. The only condition on the referral was that S. 1245 be discharged by the Commerce Committee on July 10, 1990.

On June 27, the Senate Commerce Committee reported a different fish inspection bill. S. 1245 was discharged on July 10 without amendment.

There are other bills that have been reported in the Senate that involve issues related to S. 1245 and the overall missions and roles of both NOAA and EPA.

One is S. 2788, the NOAA reauthorization reported by the Senate Commerce Committee on June 27, 1990. Another is S. 2782, the Coastal Zone Management Act, also reported by the Commerce Committee on the same day. A third is S. 1178, the Coastal Protection Act of 1990, reported by the Senate Environment and Public Works Committee on June 14, 1990. All of these bills relate to the future of coastal America, where the mountains meet the sea.

Between ecological systems, "edges" often occur. They involve the interchange between dynamic, different ecosystems. They are most evident along our coast lines, where land and sea are in constant interaction.

Senate committees also must work along such edges. I greatly appreciate the effort that has been devoted by both the Senate Agriculture Committee and the Commerce Committee and other committee staffs in working on this issue.

I also greatly respect the leadership of the chairman of the Commerce Committee Senator HOLLINGS, and the Senator from Alaska, Senator STEVENS, on issues of importance to the commercial fishing industry. We have many common interests. We have worked together well in the past on such issues as oilspill liability, and we will continue to do so in the future. In this instance, I regret that we have been unable to reach agreement on certain key aspects of the fish inspection issue.

Differences on the issues are legitimate and appropriate. It is the Senate's responsibility to resolve those differences. I welcome the Senate's decision in that regard, Mr. President.

I yield the floor.

Mr. LUGAR. Mr. President, I would like to address the issue currently facing the Senate regarding seafood inspection. It is clear that the basis for the disagreement is not for lack of agreement on the need for seafood inspection. This issue has developed thus far due to an outstanding commitment by the industry and consumer groups to work together for a seafood inspection program. Last fall, these groups identified the areas of agreement that formed the foundation for S. 1245. Those areas included USDA as the primary inspection agency and a publicly funded program. With that as a guide, S. 1245 was developed to include all existing operations in the Department of Commerce and Food and Drug Administration as well as the U.S. Department of Agriculture.

There is agreement that a seafood inspection program is in the best interest of industry and consumers, regardless of the primary inspection agency. If we are to begin an inspection program based on this agreement, however, our first priority should be to identify how we can begin a program in the most efficient manner. USDA already has the inspectors on a national and international basis who stand ready to administer this program. The infrastructure—and by that I mean the staff, food safety equipment and laboratories—needed to maintain such a program is already in place. Creating a similar program in another agency is likely to duplicate this pre-existing infrastructure.

Second, we should maintain consistency among all inspection programs. Meat and poultry are currently administered by the U.S. Department of Agriculture. Seafood, as the third mainplate item should be subject to administration and regulation on the same basis. A level playing field for all meat, poultry, and seafood can be accomplished by housing the inspection process under the U.S. Department of Agriculture.

An inspection system needs to be developed for fish and fish products that carries with it the same assurances of quality consumers have in other USDA inspection programs. As consumer awareness continues to increase, so do demands for assurances of product safety and wholesomeness. We have successfully met these demands in the meat and poultry area and must strive for the same confidence in seafood.

Finally, the U.S. Department of Agriculture has the lead responsibility on food safety and agriculture products, including fish, in our trade negotiations. These issues should be handled by the same agency to further our relations with foreign governments on this important trade issue. USDA's presence in foreign countries for meat and poultry inspection will be available to the seafood issue under S. 1245. USDA's inspection network is well established abroad and can be implemented immediately.

I recognize, Mr. President, there are jurisdictional concerns about this issue and they will be debated here on the floor presently. S. 1245 contains a role for USDA, Department of Agriculture; for FDA, Food and Drug Administration, and for the Department of Commerce.

For several months, committee staffs from these committees and others met to discuss this issue and to identify the existing needs for a seafood inspection program. While there is disagreement about the level of the roles provided by S. 1245, there is inclusion of all of these agencies.

My primary concern—and I am certain one that is shared by all Senators—is that we provide consumers with an inspection program in which they have confidence. USDA conveys that confidence. The seafood industry and consumer groups support USDA as the primary inspection agency. If this amendment is not successful, we will not have a seafood inspection program for consumers.

For these reasons, Mr. President, I have supported the efforts by our distinguished majority leader, the Senator from Maine [Mr. MITCHELL], in establishing a comprehensive inspection program within the Department of Agriculture. I am not opposed to the Department of Commerce being involved in seafood inspection. Obviously the department in inherently involved in the seafood issue and should have an important role.

There may be ways to provide additional responsibilities to Commerce, while giving to the U.S. Department of Agriculture the primary inspection responsibility. I am prepared to explore such efforts with all Senators.

The PRESIDING OFFICER. The floor manager, Mr. LEAHY.

Mr. LEAHY. Mr. President, in recent months, the evening news has been filled with stories raising questions about the safety of our food. Fish inspection is one area ready for improvement.

Americans are more health-conscious than ever. Fish consumption was at an all time high in 1987. But it fell in 1988, in part due to consumer concerns.

Fish is the Nation's only form of meat not subject to a mandatory, comprehensive inspection program. America lags behind other nations.

Beef, poultry, pork, and lamb are all subject to mandatory inspection by USDA, paid for by public funds. The result is a competitive disadvantage for fish in the marketplace.

For fish and seafood, the competitive disadvantage is lack of conumer confidence. An oilspill in the Gulf of Alaska affects the entire seafood market.

EPA reported that contamination of fisheries by toxic chemicals is a major problem in the United States. From Puget Sound, to the Gulf of Mexico, to southern California, to the Gulf of Alaska, ocean pollution may contaminate our seafood.

Currently, less than 12 percent of American seafood undergoes some kind of inspection or grading, which the fishing industry pays for itself.

But the Federal Government pays for the mandatory inspection of meat and poultry products at a cost of $400 million each year. This, too, is a competitive disadvantage for fish.

The Fish Safety Act will end the imbalance. It will bring equity and en-

hance consumer confidence for all meat products, whether from fish or fowl or anything in between.

Fish inspection involves issues that are of interest to a number of different committees. The Senate Agriculture Committee has reached out and tried to work with all of them.

Fish inspection is too important—and serious—a concern to be treated as a matter of "surf and turf." What matters is not Washington turf battles, particularly between administration agencies, but rather, what best serves the public interest.

The largest trade group that represents the fish industry—the National Fisheries Institute—sent a letter to all Senators yesterday supporting this Mitchell amendment. The institute represents almost 1,000 seafood firms and 40 seafood trade organizations.

The National Fisheries Institute said, "We urge you to vote for the proposal to establish a seafood inspection program in the U.S. Department of Agriculture."

This amendment is flexible and recognizes existing agency expertise and jurisdiction.

It relies on FDA's expertise as a food science agency for setting standards according to reasonable, scientific risk assessments. It relies on EPA for determining water quality standards and pesticide tolerances.

It relies on NOAA [National Oceanic and Atmospheric Administration] for the protection of growing and harvesting waters, while sharing water closure authority with the States. It relies on USDA for the inspections in fish processing facilities and the testing of fish products.

The Fish Safety Act directs each agency to do what it does best. It is built on the strengths of each agency.

USDA's role is an important one, unifying Federal inspection of flesh floods within a single agency. American consumers must be able to look to a single agency for confidence in meat inspections.

It is important to stress that this new fish inspection program is not based on the visual inspection program for meat and poultry. That program has USDA inspectors visually examining all meat and poultry products.

This fish inspection program in the Fish Safety Act is based instead on the National Residue Program of USDA. Every year thousands of samples of meat are subjected to millions of scientific laboratory tests for harmful chemicals and other toxins.

Under the Fish Safety Act, Commerce will continue to oversee the conservation and preservation of America's fisheries and the health and protection of the fish that inhabit them. The Commerce Department performs a critical role as manager of our Nation's fisheries and guardian of our ocean's resources. Ocean pollution can be a major problem for the seafood industry.

The Food and Drug Administration continues to perform its critical role under the amendment by setting the standards for foods, including fish. The FDA will determine what tolerances to set, and at what levels.

They will use their scientific expertise to determine what is, and what is not, safe. Their decisions affect every American, every day.

This bill deals with the USDA sampling and testing of fish products, based on FDA standards, before they go to America's supermarkets. It does not interfere with the operation of our Nation's fisheries.

The Fish Safety Act permits States to establish their own inspection programs, as long as they are consistent with the minimum national standards that are set forth in the act and are enforced federally.

Seafood must be inspected because 20 percent of all reported foodborne illnesses are caused by contaminated seafood.

While mandatory Federal inspection cannot completely eliminate all contaminants from the marketplace, it will make our seafood safer and reduce the risk of illness to consumers.

The legislation before us will help preserve consumer confidence in our food supply. It has the support of the majority leader as well as consumer groups and industry.

Before I explain what this bill does—I want to explain what it does not address.

What is left out of this bill is very important.

Three major points need to be made.

First, the amendment is not a marine fisheries bill. Marine fisheries are areas of water in the ocean where fish and shellfish live, grow and, hopefully, thrive.

The coastal waters of the United States contain some of the best fisheries in the world.

The conservation and protection of those marine fisheries rests with the Commerce Committee and the Commerce Department. That is a massive responsibility. That jurisdiction covers 2 million square miles of ocean.

That is an area over half the size of the United States.

The Commerce Department has its hands full with fisheries management. There are over 130,000 fishing vessels operating in our fisheries.

The Commerce Department is required to manage our coastal fisheries. For example, it enforces catch restrictions and quotas, preserves endangered aquatic species, enforces fishing gear restrictions, and enforces fishing zone limits.

A main job of the Commerce Department is to conserve and protect this important resource—marine fisheries—for future generations. Those fisheries are frail. For example, the entire butter clam industry of Alaska was wiped out years ago.

The amendment does not change how the Commerce Department manages marine fisheries. The Commerce Committee has jurisdiction over marine fisheries. This bill does not change that, nor should this bill change that fact.

Another key matter left out of the amendment concerns water quality. The amendment does not directly deal with water pollution, water resources, and fisheries and wildlife. Under Senate rules those subjects are within the jurisdiction of the Environment and Public Works Committee.

The amendment acknowledges the lead role of the Environmental Protection Agency regarding pesticide tolerance setting and certain water quality issues.

The third key area left alone by this bill concerns the Food and Drug Administration. The bill has FDA set the tolerances for harmful substances in fish products—just as FDA now sets those tolerances.

After the incident involving two grapes from Chile every one knows the key role FDA plays in food safety. As part of its food safety mission, FDA takes samples of foods, except meat and poultry. FDA is allowed to set tolerances for all foods.

However, FDA has only one official tolerance for fish products. The amendment will require them to consider the need for additional tolerances to protect human health. This is a key difference between the amendment and S. 2228. The Commerce Committee bill does not require that tolerances be set.

This need to set tolerances will require significant additional work on the part of FDA.

Under the amendment, USDA might take 50,000 to 100,000 samples per year and test them, according to FDA tolerances.

I want to stress that point—FDA still sets the tolerances.

Two key changes were made to the amendment since it was reported as S. 1245. One will provide more funding to FDA, and to the Commerce Department, to carry out the additional workloads required by this amendment.

FDA could get over $100 million in the next 5 fiscal years to perform the scientific tasks required under the amendment. The Commerce Department will receive funding to carry out its research functions under the bill regarding shellfish indicators.

The other key change concerns obligations of the United States under GATT, the General Agreement on Trade and Tariffs. Two changes were made to S. 1245 as reported to ensure

that it is GATT compatible. We worked with the U.S. Trade Representative and the American Law Division of the Congressional Research Service on this important GATT matter.

The amendment removes the trade dispute resolution language. Instead provisions of the Trade Act of 1974 will apply.

Second, fish products imported from a country that is not certified to export to the United States shall be subject to inspection at port of entry.

Fish products are regarded as agricultural products under the GATT Uruguay round negotiations. Trends in international trade, such as United States-Canada Harmonization under the Free-Trade Agreement, and the European Community 1992, make a Federal fish inspection program under the leadership of USDA critical to the industry's future.

S. 1245 was reported out of the Agriculture Committee unanimously. It is not surprising that the vote was unanimous—both the industry and public interest groups wanted USDA to do the inspections of fish products and processors.

The fish industry came to the Agriculture Committee and requested that USDA administer the program. They came to us for a reason. They want a level playing field as compared to the other meats: red meat, pork, and poultry.

Without a level playing field—red meat, poultry, and pork gain an unfair competitive advantage.

This amendment will end the imbalance. It will bring equity and enhance consumer confidence for all meat products, whether fish or fowl or anything in between.

The United States today imports 70 percent of the fish consumed by the American people, and exports 40 percent of its own catches. Under this amendment, imports will be subject to the same inspection standards as those applied to domestic products, consistent with GATT.

S. 1245 will use USDA's extensive overseas network for actual inspection and certification of foreign fish processing establishments.

Only USDA has this capability now.

The amendment will build on existing State programs. The legislation provides for Federal matching funds, on a 50-50 cost-sharing basis, to all State programs that meet Federal standards.

The rest of my remarks summarize key points made in the Agriculture Committee's report on the Fish Safety Act.

BACKGROUND ON THE NEW PROGRAM

The annual consumption of seafood in the United States is almost 4 billion pounds—a consumption increase from 1980 of 20 percent. American consumers spent $28.3 billion on fish and shellfish in 1989.

The United States is the world's largest exporter of seafood and the world's second largest importer of seafood. It is surprising that in spite of its huge fish and seafood industry, "[t]he United States is virtually alone among industrialized fishing nations in that it does not have a specific, systematic, mandatory seafood inspection program, but rather a general compliance program." This quote is from an interim report on the "Model Seafood Surveillance Project" as requested by Congress. In my comments I will refer to this report as the report.

All other flash food, except fish, in the United States is subject to comprehensive mandatory inspection programs operated by the Department of Agriculture.

Representatives of the fish industry came to the Agriculture Committee and requested legislation to address this issue. They asked that the Agriculture Department administer a comprehensive mandatory inspection program specifically designed for the fish industry.

The National Fisheries Institute, by far the largest fish industry trade association, representing over 1,000 corporate members and over 40 trade association members, asked that the Department of Agriculture administer such a fish inspection program. In addition to the National Fisheries Institute, several other regional and local fish and shellfish trade associations support the USDA inspection role. For example, the Maine Sardine Council, Maine Fisherman's Association, Shellfish Institute of North America, Virginia Seafood Council, and Catfish Farmers of America, among others, consider the USDA the best agency to administer a mandatory comprehensive fish inspection program.

Administration by the Agriculture Department makes sense. The Agriculture Department already inspects all other meats. Including fish in its inspection program means that the fish industry is on the same level playing field with red meat, pork, and poultry. Inspection policies, regulatory practices, label approval, enforcement actions, import regulation, and other activities related to meats would be established by the same Department.

Also, the Secretary of Agriculture has the lead responsibility for negotiating GATT trade issues regarding agricultural products, including fish, and food safety matters. Harmonization of food safety trade issues by the Secretary of Agriculture is extremely important to the fish industry.

BASIS AND PURPOSE OF LEGISLATION

The report concluded that the current inspection program is wrongly conceived and inadequate. The report noted that the current fish inspection "patchwork" of seafood safety programs permit such levels of unsafe and unwholesome seafood:

> That [the problems] cannot be ignored and * * * cannot be even addressed, let alone corrected, by the present patchwork system of inspection, quasi-inspection, inadequate resources, and overlapping jurisdictions.

The report concludes:

> The simple fact is that at this moment inspection of seafood in this country is in great need of improvement * * *.
>
> First, unlike other major food commodities, seafood control relies heavily on a patchwork of agencies and outdated legislation, each with its own set of priorities and each with its own limited resources.
>
> Second, there is lack of uniformity in the application of regulations, due in large part to the multiplicity of jurisdictions involved with seafood systems. Further, compliance with regulations is poorly enforced.
>
> Third, there is no appropriate infrastructure to support and promote an efficient surveillance program tailored specifically for seafood.

Fish pose a wide array of potential health problems due to pathogenic bacteria and viruses, natural toxins, chemical contaminants, parasites, decomposition, and drug residues. The practice of eating some fish raw also poses potential risks. Moreover, fish are highly perishable and can become contaminated during handling and processing.

Seafood is the only meat or flesh food not subject to a mandatory and comprehensive national inspection program. The lack of a comprehensive Federal inspection program creates an unfair competitive advantage for competing products. At the same time seafood may suffer from lower consumer confidence because of the lack of an adequate inspection program.

FOODBORNE ILLNESSES

Also, seafood is responsible for a significant percentage of all foodborne illnesses in the United States. Data compiled by the Centers for Disease Control [CDC] show reported acute onset illnesses from fish are mainly from pathogens in raw molluscan shellfish and from ciguatera and scombroid poisoning. The consumption of raw molluscan shellfish, in particular, is associated with a high rate of illness on a pound for pound basis.

Over 20 percent of the disease outbreaks—illnesses affecting 3 or more persons from the same food or other source—reported to CDC, in the last 5 years, were attributable to fishery products. Annual economic losses caused by illnesses and death from just three types of seafood toxins are estimated to be in excess of $125 million, according to an article entitled "Preliminary Estimates of Costs of Foodborne Disease in the United States," Ewen Todd, vol. 52, Journal of Food Protection (1988).

TOXIC CHEMICALS

Chemical contaminants in fish and shellfish are of growing concern to the public. An Environmental Protection Agency [EPA] report called "Assessing Human Health Risks from Chemically Contaminated Fish and Shellfish: A Guidance Manual," notes that, "[c]ontamination of aquatic resources by toxic chemicals is a well recognized problem in many parts of the U.S."

The EPA report further notes:

High concentrations of potentially toxic chemicals have been found in sediments and in aquatic organisms from [many parts of the United States] * * *. Heavy consumption of contaminated fisheries products by humans may pose a substantial health risk.

There is a growing negative perception in consumers' minds about the safety of fish. News reports of ocean pollution and chemical runoff into lakes and rivers are contributing to lowered public confidence. As evidenced in the case of Alar in apples, public concern about possible contamination of food can quickly escalate. It is important to public health and to the fish industry that the toxic chemical problems regarding growing and harvesting waters be addressed by Federal, State, and local governments.

With increased consumption of fish, there is pressure to harvest fish of marginal quality, or from waters of less than adequate quality. "Bootlegging" of shellfish from contaminated areas is a continuing problem, further aggravating public health concerns. Also the trend to transport fish over longer distances with more points along the distribution chain increases the potential for abuse. Yet, fish and shellfish are the only flesh foods of any significance not subject to a comprehensive, mandatory Federal inspection program.

NEW FEDERAL PARTNERSHIPS

The bill divides responsibility for the program to take advantage of the existing expertise and resources of three Federal agencies: the Food Safety and Inspection Service [FSIS] of the Department of Agriculture, the Food and Drug Administration [FDA] of the Department of Health and Human Services, and the National Marine Fisheries Service of the Department of Commerce. In addition, under the bill the Environmental Protection Agency would continue its important role under the Federal Food, Drug and Cosmetic Act to establish tolerance levels, maximum permissible concentrations, or action levels for pesticides in raw agricultural commodities including fish and shellfish.

FDA ROLE

The Food and Drug Administration [FDA], or the EPA in certain circumstances, would continue to set the tolerances which form the basis for the inspection system. A major current responsibility for FDA is setting tolerances for foods, including fish, under the Federal Food, Drug and Cosmetic Act.

While only one tolerance—polychlorinated biphenyls—and 16 informal "action levels"—methyl mercury, paralytic shellfish toxin, histamine in canned tuna and 13 pesticides—have been set for fish, the bill contemplates that FDA, or EPA in certain circumstances regarding harmful chemicals, would set tolerances for harmful chemicals, toxins, parasites, pathogenic microorganisms, viruses, bacteria, and other harmful agents, that may render fish products adulterated.

The Federal Food, Drug and Cosmetic Act provides general authority for the FDA to inspect food. While this authority applies to fish and seafood, it is inadequate to implement a modern program of inspection. The FDA, for example, does not have authority to deny entry of imported products on the basis that the exporting country has an inadequate inspection and testing program, nor does it have adequate authority to review records or detain domestic products.

The FDA employs under 2,000 inspectors in the field who are shifted from 1 food or drug sector to another. These inspectors cover all food products, except meat and poultry, and some 67,000 food-related facilities. A GAO report noted that, "[in] fiscal year 1988, FDA allocated its district offices a total of 150 staff-years for domestic food safety program activities." Just 2 agencies of USDA have almost 5,000 offices. The Agricultural Stabilization and Conservation Service of USDA, for example, has 3,000 offices, and the Farmers Home Administration has 1,950 offices and 250 district offices. In contrast, FDA has 21 district offices. As a general rule these food-related facilities are not registered with FDA and are inspected very infrequently.

As part of its general food program the FDA samples about 1 percent of domestic fish products and 3 percent of fish imports each year. It also administers two specific programs, the National Shellfish Sanitation Program which is a cooperative effort with the States and industry, and the salmon control plan, where inspectors from the National Food Processors Association and the FDA monitor domestic salmon processing.

USDA ROLE

This bill provides that the U.S. Department of Agriculture be given responsibility for inspecting and testing fish products. USDA already performs this role for all other fresh foods. Unlike the general food program of the FDA, the Food Safety and Inspection Service [FSIS], USDA carries out inspection programs specifically designed for meat.

USDA has over 100,000 employees, with a budget of $48 billion, with over 9,000 employees in FSIS. In contrast FDA has 7,200 employees total, and a budget of about $500 million in fiscal year 1989.

With its massive physical presence in the United States and throughout the world, USDA would carry out the sampling, inspection, and enforcement functions. FSIS employees now inspect about 150 billion pounds of meat products. USDA offices nationwide and worldwide could be used to support additional inspectors.

FSIS has a supervisory network of 5 regional offices, 26 area offices, and 200 inspection circuits and employs over 7,000 inspectors, 1,200 veterinary medical officers, and support staff. FSIS has 3 state-of-the-art in-house laboratories—Georgia, California, and Missouri—2 contract laboratories, and 315 accredited private laboratories to analyze meat for chemical and drug residues, microbiological problems, processed product composition, and economic adulteration.

Assistant Secretary of Agriculture Jo Ann Smith testified before the Senate Agriculture Committee on October 24, 1989, that during fiscal year 1988, the FSIS laboratories completed over 2.1 million analyses on nearly 500,000 statistically selected samples of meat. In contrast, FDA tested only about 2,000 domestic seafood samples and conducted only between 10,000 and 20,000 individual analyses, according to Commissioner Frank Young, October 24, 1989, before the Senate Agriculture Committee.

GAO recently noted that FDA estimated it needs 2,000 additional positions—more than a 25-percent increase in staff—just to administer its current programs. FDA presently needs to strengthen its activities in other areas by streamlining FDA's role in the overall Federal fish inspection program.

USDA fish inspection personnel in many instances will be able to share existing USDA office space, and share existing USDA support staff, food safety equipment, word processors, computers, telephone systems, and other items. USDA also has an extensive management staff already in the field—throughout the United States and the world. The committee directs USDA to locate fish inspection offices in geographic locations that will facilitate fast and ready inspection for the fishing industry.

USDA inspects foreign plant operations regarding the quality of meat and poultry imports. USDA inspectors routinely visit foreign plants producing meat and poultry for export to the United States. In addition, there is a national network of FSIS inspectors that reinspect imported meats and poultry at ports of entry for compliance with domestic standards. In 1988 this national network of FSIS personnel reinspected 2.8 billion pounds of

flesh foods from 40 countries. This is the only import food inspection system in place that is capable of handling the volume of fish products imported into the United States.

DEPARTMENT OF COMMERCE ROLE

The third Federal agency, the Department of Commerce, would continue its role managing fisheries in offshore waters. The Department administers and enforces laws which govern some of the richest fisheries in the world. With the new 200-mile exclusive fishing zones that Department has a massive responsibility. This bill recognizes the important role of the Commerce Department, particularly in regard to classification of fish harvesting areas and the regulation of vessels.

Note that States routinely monitor water quality and conduct chemical analyses of fish and shellfish tissue as part of their environmental monitoring activities. The Clean Water Act requires States to develop lists of "impaired waters, identify point source discharges of toxic substances and amounts of pollutants present, and develop individual control strategies for each point source discharger."

CALL TO ACTION

The report and the National Research Council [NRC], National Academy of Sciences, call for major changes in the way we inspect seafood. Those ideas are incorporated in S. 1245, the Fish Safety Act of 1990.

The report explains that the program should be mandatory, should sample products, inspect facilities, and apply to imports from foreign suppliers. Under the bill USDA would be the single Federal regulatory agency to monitor and enforce the system—both for imports and for domestic production. Separating these important functions would make proper program administration very difficult.

The NRC noted that food safety microbiological control programs should have three basic elements: education and training, inspection of facilities and operations, and microbiological testing (NAS, 50). The references to NAS refer to the National Academy of Sciences' major report: An Evaluation of the Role of Microbiological Criteria for Foods and Food Ingredients, National Academy Press (1985).

The food safety aspects of the reported bill address these elements. The bill provides funding for education and training, sets up a national system of testing fish products for harmful contaminants, creates a mandatory national system of inspecting facilities and operations, and establishes inspection programs for foreign nations that export to the United States. Also, grant money would be available to assist States in developing inspection programs based on Federal guidelines.

In addition, the EPA report clearly shows how important it is to the fish industry, and to those who consume fish, that pollution problems in our oceans, rivers, lakes, and streams be addressed. Grant money is available under the bill to assist States in improving the quality and wholesomeness of fish products. Cleaning up our Nation's growing and harvesting waters would greatly improve the quality and wholesomeness of fish products.

CONCLUSION

The legislation is designed to protect public health, assist the fish industry, help States wishing to improve water and fish product quality, and reduce the possibility of economic fraud. It draws on the resources, the infrastructure, and the expertise of four Federal agencies to assure the wholesomeness of fish products for human consumption.

The legislation is also designed to improve public confidence in the safety and wholesomeness of fish products, by both making the products more wholesome and by training and educating persons in the proper handling and preparation of fish.

The legislation, at the request of a major segment of the fish and shellfish industry, puts the monitoring, inspection and enforcement functions in the Department of Agriculture. USDA would then administer inspection, label approval, sampling, and testing programs for all meats.

FISH INDUSTRY FACTS

The United States is a major fishing nation ranking behind only Japan, the Soviet Union, China, and Peru. U.S. fishermen harvested 8.5 billion pounds of fish in 1989 including more than 300 species of fish and shellfish. U.S. aquaculture operations on farms produced an additional 400 million pounds. This production passed through over 4,200 processing and wholesale facilities before reaching consumers.

The seafood industry is large and diverse. It attracts independent people who are self-sufficient and often self-employed. It is also a highly seasonal industry with varying production levels from year to year. More than 270,000 persons are employed on harvesting—fishing—vessels and more than 100,000 work in shoreside facilities.

The United States and Canada together have the world's largest fishing grounds on their continental shelves. The domestic catch is harvested by over 130,000 fishing vessels and is processed in around 2,000 processing plants. Some 60 U.S. ports land more than 10 million pounds annually.

A rapidly growing fleet of U.S. factory vessels includes over 50 vessels which process fish at sea into fish mince or fillets which are packaged and frozen onboard. These vessels, valued at between $15 to $35 million each, remain at sea for months at a time. Fish tender vessels take products off processing and harvesting vessels and transport them to other vessels and shore-based facilities.

Per capita consumption of fish was almost 16 pounds in 1989; edible weight, compared to 68 pounds of chicken, retail weight, and 69 pounds of beef, retail weight, according to the USDA's Economic Research Service.

Nearly 75 percent of U.S. commercial landing can be accounted for by six product categories—shrimp, crabs, pollock, salmon, herring, and flounder. Shrimp and crabs account for nearly 65 percent, 786 million pounds of all shellfish. The remaining 35 percent is accounted for by clams, 132 million pounds; squid, 127 million pounds; lobster, 576 million pounds; scallops, 44 million pounds; and oysters, 32 million pounds.

IMPORTS

The United States imports seafood from 125 countries. In 1989 3.2 billion pounds of edible fish worth $5.5 billion were imported. Over 60 percent of all seafood consumed in the United States is imported.

Major frozen imports include finfish, primarily from Canada and northern Europe, and shrimp, much of which is being supplied by foreign aquaculture operations, especially from Ecuador, 103 million pounds in 1988; China, 104 million pounds in 1988; and other Asian countries. Canned products, particularly canned tuna, also is a major import item. Canned or cured product represent nearly one-third of all imports. The balance is fresh or frozen product.

More than 30 percent of all imports are composed of tuna products—500 million pounds of whole or eviscerated tuna and 250 millions pounds of canned tuna. Shrimp is the fastest growing import accounting for over 15 percent of the total volume of imports.

EXPORTS

The United States is the world's largest exporter of seafood, with Japan purchasing over half the exports. The total export value of fishery products of domestic origin was $4.7 billion in 1989—an increase of $2.4 billion over 1988.

HACCP—HAZARD ANALYSIS CRITICAL CONTROL POINT

S. 1245 creates a fish inspection program based on the "Hazard Analysis Critical Control Point" system often referred to as HACCP. HACCP can be used to monitor the quality of products without examining each and every product prior to its use.

Simply stated HACCP examines those aspects of processing that are most likely to contaminate the product—the critical control points. Assessments are made of the likelihood and the extent of the hazards involved.

The National Research Council [NRC] put it bluntly: "[t]he safety and quality of fish and fishery products can best be assured by application of the HACCP system." It is a cost-efficient method of assuring predictable outcomes which as been used by industry for several decades. For example, HACCP has been used in monitoring the safety of low-acid canned foods in the United States since 1973.

With respect to food quality assurance procedures the NRC had defined HACCP as a system which consists of:

(1) identification and assessment of hazards associated with growing, harvesting, processing, marketing, preparation, and use of a given raw material or food product;

(2) determination of critical control points to control any identifiable hazard;

(3) establishment of systems to monitor critical control points.

NRC stated that properly applied the HACCP system separates the essential from the superfluous aspects of microbiological control. This leads to more effective and economical utilization of regulatory manpower.

The NRC points out that the quality of raw fish can best be assured through application of the HACCP approach by sensory inspection of raw materials, proper temperature control, sanitation of equipment, and proper handling of product by employees. The NRC further notes that in the application of HACCP the use of microbiological criteria is at times the most effective means of monitoring critical control points.

TESTING SAMPLES BY USDA

The U.S. Department of Agriculture [USDA] administers a nationwide system for taking samples of flesh foods—red meats, pork flesh, poultry, and other meats—both at slaughtering establishments and from import shipments at ports of entry. The system is called the National Residue Program [NRP].

USDA planned on analyzing over 95,000 sample units in 1989 for pesticide chemicals, environmental contaminants, trace metals, industrial chemicals, animal drugs, and other potentially hazardous chemicals that may contaminate meat and poultry.

The USDA program takes into account a number of factors such as: the potential adverse health effects of the hazard—adverse affects that may be produced by a given chemical; likely exposure levels—residue concentration and other factors affecting concentrations of chemical including use patterns; longevity of the chemical and its metabolites; and other factors which could adversely affect public health.

In determining which samples to take the Department uses statistical models for random sampling and also targets sample taking for known problems. This dual approach is also suitable for the sampling and testing of fish products under this bill.

The bill requires that the Food and Drug Administration—or the EPA in certain cases—continue to establish tolerances for harmful chemicals, toxins, parasites, pathogenic microorganisms, viruses, bacteria, and other harmful agents, that may render fish products adulterated.

INDICATORS

In many circumstances it would be much more cost-effective to set a tolerance for a substance that would normally indicate the presence of the harmful contaminant rather than setting the tolerance for the harmful contaminant itself. These circumstances arise when the tests for determining the presence of the harmful contaminant are more difficult, more costly, or less reliable than the tests determining the presence of the indicator.

These substances are often referred to as indicators because their presence correlates highly with the presence of some other substance which is more costly or difficult to detect. The bill provides for the use of these indicators in the setting of tolerances by the Food and Drug Administration.

WATER POLLUTION AND THE FISH INDUSTRY

The National Research Council notes that:

Fish, mollusks, and crustaceans can acquire pathogenic microorganisms or toxins from the natural aquatic environment, from sewage-contaminated harvesting areas, and from contamination by workers, utensils, and equipment during harvesting, processing, distribution, and food preparation.

Sedentary shellfish such as clams, oysters, and mussels are filter feeders. As a result they concentrate environmental factors, including harmful microorganisms and pollutants. If growing waters are polluted the shellfish can become sources of hepatitis and viral infection.

Dr. John MacMillan of the College of Veterinary Medicine, Mississippi State University, noted that—

Some fish are known to bioaccumulate up to 100 times ambient levels. It cannot be stressed enough: cleaning up our coastal waters, bays, rivers, and lakes is extremely important to the fish industry and to the wholesomeness of harvested fish products.

Fortunately, bacterial diseases of fish and shellfish are mostly caused by unique pathogens of fish and are of no concern to humans. None of the viruses causing diseases of fish or shellfish are believed to be transmissible to humans.

Several papers were presented at a symposium sponsored by the Institute of Food Technologists on the microbiology of marine food products. There are three broad classifications of causes of microbiological problems associated with seafood: toxins, viruses, and bacteria. The addendum to this report contains a discussion of these concerns.

The chemical pollution of our coastal areas, rivers, and lakes is well documented. The pollution of our waters is having major adverse effects on the domestic fish industry. In local areas, pollution can rapidly destroy the economic viability of communities.

The bioaccumulation of toxic chemicals by fish and shellfish can exacerbate the problems of water pollution. Human health risks from consumption of chemically contaminated fish and shellfish have been thoroughly documented in the EPA "Risk Assessment Guidelines of 1986."

Under the bill, FDA and EPA will set tolerances for potentially harmful chemical contaminants found in fish. USDA will sample and test fish products throughout the United States to assure their wholesomeness. Additionally, the bill provides for Federal funding for States to assist them in reducing the risks associated with fish consumption.

AT-SEA INSPECTIONS

The bill provides that at-sea processors—fish processing vessels—would be inspected. The Committee's decision not to require the physical inspection of harvesting vessels at this time was based on four major factors: cost-efficiency; national sampling and testing requirements; traceback procedures; and the Commerce Department's authority to close waters to commercial harvesting.

An effective fish inspection system can be designed without incurring the additional expense of placing inspectors on every harvesting vessel. There are over 100,000 domestic harvesting vessels. Designing a system to randomly and regularly inspect these vessels would be very expensive.

Instead, the funds saved by not sending inspectors on harvesting vessels will mean that much more product can be tested for harmful chemicals, pesticides, and other toxic substances.

The bill sets up a national system for taking samples of fish and subjecting them to rigorous tests for harmful substances. While an inspector on a harvesting vessel could determine that proper temperature controls were applied and that the fish was properly stored and handled, the fish could contain unsafe levels of contaminants invisible to the eye.

Another advantage to the land-based system is that it will determine if the product, itself, is wholesome closer to actual consumption by the consumer. Since such systems are more cost-effective USDA can look at, perhaps, several times more samples with any given level of appropriated funding.

Sampling the product onshore can help pinpoint that nature of any problems on harvesting vessels. For example, Dr. Howard E. Bauman, Ph.D., in testimony provided on February 7, 1990, made it clear that temperature abuse, mishandling, improper storage, or unclean equipment on harvesting vessels would show up in tests of the

product. For example, if tuna is not properly chilled and was improperly handled, samples would test for histamine [temperature abuse], coliforms and Staphylococcus aureus [mishandling].

Dr. Bauman noted that:

A seafood product * * * that has very low levels of Staphylococcus aureus and coliforms would indicate good sanitation, good temperature control and the likelihood of pathogens being present as being close to zero. These two indicators can also show whether abuse of the product has occurred in the distribution system.

In addition to the national sampling and testing system, the bill requires that the Secretary report any significant instance or trend in the condition of fish products that may pose a significant threat to the health and safety of consumers.

SUBPOPULATIONS

Some subpopulations of Americans will consume much more than the typical amount of fish per year. Persons living in coastal areas, or on lakes or rivers, may fish extensively for their own consumption.

Tolerances established under this bill, if based on average consumption patterns, may not adequately protect subpopulations which consume several times more than average of particular types of fish or fish more likely to be highly contaminated.

The EPA report noted that [h]eavy consumption of contaminated fisheries products by humans may pose a substantial health risk. Moreover, ingestion of different types of chemical contaminants may lead to additive, cumulative or synergistic effects with resultant adverse health risks.

INERT CHEMICALS

The committee intends that tolerances for pesticides, or other chemicals, found in fish be based on how potentially harmful the chemicals are to consumers. Thus, for example, an ingredient in a pesticide which does not assist in killing the insects—inert ingredients—could be nonetheless potentially harmful to humans.

CONSUMER EDUCATION

The proper refrigeration, handling and preparation of seafood products by consumers, retail stores and restaurants would greatly assist in the reduction of foodborne illnesses associated with seafood. Consumer education programs could significantly reduce the incidence of certain types of foodborne illnesses.

The Extension Service, which is the educational arm of the Department, with agents in every county in the Nation, could greatly assist in these efforts. Under two separate sections of the bill, a total of $2,750,000 is made available per year for these types of consumer educational efforts.

RECREATIONAL FISHING

Recreational fishing is itself a significant industry. The report estimates that in 1988 that 17 million marine fishermen caught 600 million pounds of finfish. It is difficult to get accurate estimates. The bill exempts recreational vessels from coverage. The committee expects that the Department in defining the term "recreational" will consider whether the primary use of the vessel is to harvest fish for sale in interstate commerce. Vessels whose predominant use is to harvest fish for sale in interstate commerce should not be considered recreational vessels.

FOREIGN INSPECTION PROGRAMS

The bill requires the Secretary to review the procedures and standards employed by fish product processors and exporters in foreign countries [desiring to export to the United States] to determine whether they meet the requirements and tolerances for fish products at least equal to those established under the bill for domestic fish products.

The intent of this section is to ensure that fish products imported into the United States are at least equal in quality and wholesomeness to that required for U.S. domestic fish products in interstate commerce.

Each foreign country would have to apply to be certified to export to the United States and agree that USDA inspectors could enter their country and inspect products for export to the United States and inspect plants which process fish for export to the United States.

Each such processor and exporter would have to employ, or be subject to, inspection, sanitary, wholesomeness, quality, species, verification, residue and other standards and tolerances at least equal to those established for U.S. domestic fish products in interstate commerce. Foreign located plants would be subject to inspection by USDA inspectors to ensure the wholesomeness and quality of the product to be exported to the United States.

Note that this section does not require that each fish processor in the foreign country meet U.S. standards. Processors that produce fish products only for consumption in that country, for example, would not have to meet our requirements. Only the plants in that country that produce for export to the United States are affected by this bill.

USDA presently monitors the results of its foreign inspections of meat and poultry plants through an automated data system which allows it to monitor the performance of foreign plants exporting products to the United States. The committee assumes that the Department would incorporate fish into this system.

SUMMARY OF MAJOR PROVISIONS

The Fish Safety Act of 1990 will establish a comprehensive fish inspection program that is aimed at ensuring public confidence in the safety of fish and fish products. This fish inspection program includes the following major elements:

The U.S. Department of Agriculture, through its Food Safety and Inspection Service, would sample and test fish products in interstate commerce and inspect fish processors.

Like current programs for inspecting meat and poultry, the fish inspection program would be mandatory and it would be funded by the Federal Government.

However, unlike the current meat and poultry program, inspectors would not be continuously present in all processing establishments.

Tolerances identifying unsafe levels of certain contaminants would be established on the basis of scientific analysis by the Food and Drug Administration and in some cases by the Environmental Protection Agency.

Standards for sanitation and labeling procedures would be established by the Department of Agriculture.

Fish products that do not meet the established tolerances would be removed from the commercial market; fish products that satisfy the standards would receive a Federal seal.

States that establish inspection programs for interstate commerce at least equal to the Federal program can be authorized to conduct the inspection program. Up to 50 percent of the cost of a State program would be provided by the Federal Government.

Processing establishments, including vessels which process fish, would be subject to periodic inspection, and would have to be certified by the Department of Agriculture. Other vessels, such as commercial fishing vessels, recreational vessels, or fish tender vessels, would not be subject to periodic inspection and would not be certified.

Procedures to identify harvest areas which may produce contaminated products would be established.

Imports would have to meet inspection standards that are at least as stringent as those affecting domestic fish products.

The Department of Commerce, in conjunction with the States, would establish a system for identifying and classifying fish and shellfish growing and harvesting areas for coastal areas and the Great Lakes.

As under current law, the Secretary of Commerce could close areas under its jurisdiction to the harvesting of a certain fish or shellfish species in certain circumstances. The current jurisdiction of the Commerce Department over the preservation of fisheries, those areas where fish live and may be harvested, and the conservation of species of fish would continue.

A substantial program for consumer education and fish safety research would be established.

Federal funding and other assistance would be available to States for conducting activities related to improving the quality of fish products.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, this is a very, very bad amendment. I do not want that point to be missed because there is a very, very serious jurisdictional problem here. But it really goes beyond jurisdiction. It goes to the heart of the fisheries, the heart of the

American public's consumption of fish and the fisheries industry itself.

I hear the statements about unanimous support. I can tell you now the Administration is unanimously opposed: the Department of Agriculture, the Department of Commerce, the Food and Drug Administration, the Department of Health and Human Services, the Office of Management and Budget, and the White House.

Why would they unanimously oppose a bill like this and yet have it come up on the farm bill?

Mr. President, since 1971, there have been 37 bills dealing with the marketing, processing and sale of seafood products, 11 with provisions relating to inspection. There have been 37 in the last 20 years, and all 37 have come to our committee. This one is a power play. It was slipped by the majority leader into Agriculture. And when I put mine in afterward, of course, it was properly referred to the Commerce Committee. And right this minute—our colleague on the committee, the distinguished Senator from Massachusetts, Senator JOHN KERRY—is holding this minute, a fisheries hearing on dolphin and tuna labeling, and they have had in Agriculture very few fisheries hearings or consideration of fishery issues whatsoever.

To come full face and talk about problems with consumer confidence, and the need put food inspection in one place—it is just plain nonsense to make that kind of statement. Just last week, an article was published about the USDA inspection program where this amendment would put seafood inspection. Just this last week, the headline story was "States Tell Hill U.S. Lags on Tainted Egg Protection." The Centers for Disease Control in Atlanta attests to the fact that there is 100 times more chance of catching illness and disease from poultry consumption, than you do from fish. We have 100 times better record in the fisheries.

The fact of the matter is the 1989 per capita consumption of fish and shellfish products was at an all-time record of 15.9 pounds, up from 1980, indicating no lack of consumer confidence in the safety of seafood. We have not had that problem on a continuing basis. A concerted effort to improve marketing is what prompted this. When the red tide come down the eastern coast, and the medical waste washed up on the beach in New Jersey, the fishing industry was astute and alert as to how they could really restore the confidence of the consuming public. So they came and said, let us beef up our inspection practices and public safety efforts. And on that point the distinguished Senator from Maine, Senator MITCHELL, and I agree.

We need stepped up inspection. But how do you get the money to get anything done in this Government? We have had a dickens of a time maintaining the National Oceanic and Atmospheric Administration, the Coastal Zone Management Program, the Sea Grant Program. I can go right on down the list of the oceanographic vessels tied up right now and not being used. I know our effort in the oceans is inadequate, but not because of the Department of Commerce and the National Oceanic and Atmospheric Administration's negligence. It is this Congress and this administration who have not given them the money.

So what do they do? Some segments of the industry went to the Department of Agriculture, and the Secretary at one time said come with us, we will not charge you a fee. At the same time the Secretary of Commerce was saying, we are going to have to put a user fee on inspections. So this is where they got the support from because the seafood industry did not want to have any inspection fees.

Of course, the Department of Agriculture has this $18 billion bill we are discussing—$18 billion. They have over $60 million in it for marketing. We have virtually nothing for marketing at the Department of Commerce.

What did they do? They said whoopee, we will not have an inspection fee, and we would have a lot of money for marketing. Understandably, the fishermen might want to go over there; they are not inspecting anyway. That suits them fine.

Then, there was a drive to move from the established committee having the jurisdiction, the authority and the responsibility. Now what the majority leader says, I think we ought to put a fish bill on the farm bill.

So if you all want to put Social Security on here, there will be no objection. If you want to put a line-item veto on, there will be no objection. Whatever you want to put on here, open sesame. No wonder we do not have any discipline in this U.S. Senate. This is a bad way to do business.

Let me get into my concerns with the amendment. Take the Interstate Shellfish and Sanitation Conference, for example. Mr. President, If anyone has been experienced at all in fisheries, it is the ISSC. And if there is any danger at all with seafood, it is with shellfish like oysters, clams and mussels. The States have moved right along over the years. Some 28 coastal States belong to the ISSC. Some inland States also have programs now, with the catfish farms that they have. And, incidentally, let me emphasize that I understand my distinguished colleague delivered a catfish around to some of the offices from the fish farms. That catfish was inspected by the National Oceanic and Atmospheric Administration [NOAA] in the Department of Commerce, with a voluntary inspection program in conjunction with several States. In that way the Department of Commerce is working with the Food and Drug Administration and several States in this particular regard.

But back to that problem with shellfish, you have seafood experts agreeing that ciguatoxin and scombrotoxin in fish and problems associated with the consumption of raw molluscan shellfish are of greatest concern.

I ask unanimous consent to have printed in the RECORD a letter dated July 24, 1990, from the Interstate Shellfish Sanitation Conference.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE SHELLFISH
SANITATION CONFERENCE,
July 24, 1990.

MR. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. HOLLINGS: The seafood safety issue has emerged as a prominent issue among consumers, regulatory officials and the seafood industry and as you are aware is the current focus of serious legislative review by the United States Congress. It is my understanding that Senate Bill 1245 is being considered as an amendment to the 1990 Farm Bill.

I have reviewed S. 1245 and although it addresses many of the important issues involving seafood safety, there are concerns which need further consideration. The areas of seafood safety which are of greatest public health significance are not adequately addressed and should be given more specific attention if Congress is to enact a Federal Mandatory Seafood Inspection Program.

Seafood safety experts generally agree that ciguatoxin and scombrotoxin in fish and problems associated with the consumption of raw molluscan shellfish are of greatest concern. Senate Bill 1245 does not specifically address these problems nor does it recognize the efforts of the Interstate Shellfish Sanitation Conference (SSC) and its development of the National Shellfish Sanitation Program (NSSP).

The seafood safety issue has generated much attention and considerable debate. These discussions clearly indicate that more direct attention is needed to develop a sound federal program. If considered as an amendment to the 1990 Farm Bill, S. 1245 may not receive this needed attention. Seafood safety is a very important issue and I strongly urge that you make every effort to insure that S. 1245 is not included as an amendment to the 1990 Farm Bill.

If I can be of further assistance or provide additional information, please contact me.

Sincerely,

KEN B. MOORE,
Chairman,
Interstate Shellfish Sanitation Conference.

Mr. HOLLINGS. I quote from the letter July 24, just a couple of days ago. They say S. 1245 does not specifically address these problems. Then reading on down, to save time, because I understand some others would like to make comments, and we have a special order here at 3:15: "I strongly urge"—I am quoting from the Interstate Shellfish Sanitation Conference

letter—"that you make every effort to ensure that S. 1245 is not included as an amendment to the 1990 farm bill."

You hear all of these casual statements about consumption, consumer confidence and consumer organizations. I can go right on down my list. I could go into the fisheries themselves, and I am going to later describe them, because I think we are going to have some time on this particular amendment, the makeup of our Interstate Shellfish Sanitation Conference, and the coastal States involved. But we also have letters from the Pacific Seafood Processors Association, the Texas Shrimp Association, Public Citizen, and the Southeastern Fisheries Association.

Let me, Mr. President, if you please, quote the Southeastern Fisheries Association. They believe that any mandatory seafood insection bill must stand on its own and must not be passed as an amendment or rider on the farm bill. That is their particular position.

That reminds me of the end run being made. There is on the calendar now a bill from the Committee on Commerce, Science, and Transportation. There is also a bill from Agriculture, S. 1245. They are on the calendar. I am confident that the distinguished majority leader could call them up for consideration at any time he pleased and we could get a time agreement, were it not for this agriculture power grab going on here. We could get a time agreement and complete Senate action because the issue has been throughly discussed over the past year.

I thought we were interested not in power but we were interested in fisheries. That is why we cosponsored each other's bills. But my colleagues have had a mind set on this particular score. They have not called the bills by themselves to be considered, but want us to put it as a rider on an agricultural bill.

I ask unanimous consent that the letter from the Pacific Seafood Processors Association be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PACIFIC SEAFOOD PROCESSORS ASSOCIATION,
Seattle, WA.

ERNEST F. HOLLINGS,
Chairman
Hon. JOHN DANFORTH,
Ranking Minority Member,
Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR SENATORS HOLLINGS AND DANFORTH: We are writing in regard to the issue of mandatory federal seafood inspection. We have a concern we wish to express regarding the way this matter is currently being handled in the United States Senate and we hope you are able to assist us. The Pacific Seafood Processors Association is a trade association of companies involved in seafood processing in the states of Oregon, Washington, and Alaska. Our members process a variety of products for the retail and wholesale trade, including salmon, crab, halibut and a variety of species of groundfish. Our members produce almost 50 percent of all U.S. seafood and the value of seafood landings in Alaska alone in 1988 was triple that of the second most productive state.

It is our understanding that a legislative amendment on the seafood inspection issue is going to be offered to the 1990 Farm Bill, which is now being debated on the Senate floor. We also understand that there are several Committees in the Senate which have been involved in the development of various seafood inspection programs over the past year. In the interest of making sure that all the Committees involved have an adequate opportunity to present their cases as part of a wide ranging debate on this issue, we ask that the seafood inspection amendment not be included as part of the Farm Bill. It is in the best interest of the public, the seafood industry, and the Committees themselves if the issue were debated as a free standing measure. In this way, all parties would be assured of having sufficient time to present their cases to the Senate prior to a vote.

We believe that all the Committees involved in this matter have made a good faith effort to consult with all interested parties in developing their legislative proposals, and we think that in the light of the amount of time and effort which has gone into the matter, it would be best for everyone if the bills were treated as free-standing measures instead of amendments to a larger package.

Thank you for considering our view-point on this, and we hope you can assist us with our request.

Very truly yours,

L. JOHN IANI,
President.

Mr. HOLLINGS. PSPA believes, of course, that the particular bill that they attest to and we marked up with respect to seafood inspection in the Committee of Commerce should be the bill that they support and pass. They sent copies around to the different Senators. Without reading all of the letters I have here. Public Citizen, they are talking about consumer groups, Public Citizen came and testified against any legislation which did not include, Mr. President, what we call in the Senate a whistleblower provision or an employee protection provision. They testified very strongly against passage of any bill that did not include whistleblower protection.

The distinguished Senator from Maine, our majority leader, said the Uruguay round considered fisheries as agriculture. Thank heavens we are not with the Uruguay round. That is one saving grace about this Senate, that we are not in agreement the Uruguay round. If we had gone along with the Uruguay round, the distinguished Senator from Maine's shoe industry would be about gone. If they really depend on the Uruguay round and those negotiators we have, the fish industry would be gone; it would be hidden in agriculture and be gobbled up.

The Senator from Indiana [Mr. LUGAR] says USDA stands ready to inspect fish. Let us dwell on that point just a minute—that the Department of Agriculture is ready to inspect.

The U.S. Department of Agriculture has its hands full at this particular time in addressing the current meat and poultry problems. They recently advised the Congress, Mr. President, that it is no longer possible to cover the processing required. This statement was written in a letter dated December 15, 1989, by Assistant Secretary Smith. Then Dr. Lester Crawford—Mr. President, Director of the U.S. Department of Agriculture Food Safety and Inspection Service, testified before the House Energy and Commerce Health Subcommittee. The subcommittee has the jurisdiction on the House side—and we are going right into a hornet's nest, as everyone knows, if we pass this amendment on the farm bill. Anybody interested in the farmers of America does not want to involve farming and agriculture in this particular power play. But as I was stating, Dr. Lester Crawford said that the current Food and Safety Inspection Service's resources were inadequate, and they would have to obtain expertise that the other agencies now possess.

That is exactly the way they work on the voluntary programs right now. They use the expertise, if you please, over in the Department of Commerce and National Oceanic and Atmospheric Administration. We have the National Marine Fisheries in the Commerce Department and this agency particularly has been involved. NOAA has research programs. The agency has four seafood labs around the United States. NOAA now does the fish inspections. They keep us up to date on how and what to look for and how to handle the complex problem of seafood safety. Establishment of an effective program is described here by the distinguished chairman of the Agriculture Committee as just an easy thing. He suggests that we have just one-stop inspections like one-stop banking and one-stop S&L's—and they have not stopped yet—we will see exactly what happens.

It just is not that easy because there are over 140 different species of fish with over 100,000 vessels involved. In fact, the figure I had given to me by the Commerce Department was over 124,000 landings every week with respect to the fisheries, and it is obvious you cannot have 124,000 inspectors to cover all the landings.

You have to set up a system that is effective, but I think the system is effective now. Consumption is up. The consumers have not objected, but they would always welcome an increased effort made with respect to fish inspection, as is the case when it comes

to tackling pollution that we see offshore, which we have not been able to address as a result of cutting back our budget for the Coastal Zone Management Act.

The State health officials complained at the same House hearing, Mr. President, that the U.S. Department of Agriculture has left them to their own devices in the fight against salmonella. Poisoning from this form of salmonella has been increasing steadily since 1982.

It is most likely to be fatal among the very old, the very young, and others who have weak immune systems. Since 1985, there have been 217 outbreaks responsible for 7,370 cases of infections, with 44 deaths.

Mr. President, I ask unanimous consent that the Federal page of the Washington Post, dated July 10, 1990, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 10, 1990]

USDA Is SUED: WHERE'S THE BEEF REPORT?

(By Guy Gugliotta)

A pubic interest group concerned about slipshod health standards and filthy conditions in the nation's slaughterhouses has filed suit against the Agriculture Department to obtain a report on its beef inspection procedures.

The suit is the latest flurry in a long-running battle pitting the USDA against consumer groups and dissident federal food inspectors who charge that the department's Streamlined Inspection System is putting dirtier and more dangerous beef in supermarkets.

Partly in response to public criticism, the department last year contracted the National Academy of Sciences to study the inspection system to ascertain whether it posed unacceptable food safety risks.

The department later gave the academy its own report on the program, but refused to make it public. This prompted the Government Accountability Project to file suit last week in U.S. District Court to obtain the report under the Freedom of Information Act.

"We have very strong suspicion that the USDA defense of the Streamlined Inspection System is a bureaucratic bluff," said Thomas Devine, the project's legal director. "The reason they won't release it is that the assertions they make couldn't withstand outside scrutiny."

Agriculture Department spokesman David Schmidt said, however, that the agency had decided not to release its report until the academy had finished its study. The academy said publication was expected at the end of September.

"Releasing the report would compromise and politicize the results of a scientific study," Schmidt said. "We don't feel we need to release it to a group that has no expertise in the subject."

Although the Government Accountability Project is legally registered as a general service public interest group, it is better known as an advocate for "whistle-blowers"—government officials who call attention to wrongdoing in their own bureaucracies.

And in the Streamlined Inspection System debate, the project has counted on the affidavits and other written statements of several dissident inspectors from the Agriculture Department's Food Safety and Inspection Service.

Devine charged that the department has accepted "at face value" reports from companies testing the inspection system. These reports, he said, "say the beef is getting cleaner and cleaner," while the accountability project's evidence showed "the beef has never been filthier."

The USDA proposed the Streamlined Inspection System in the early 1980s as a means to modernize a slaughterhouse inspection system that had remained virtually unchanged since the department first began examining beef in 1906. The new system was first tried in 1984, and is currently being tested in five meat packing plants.

The essential difference between the new system and "traditional" procedure is that the company's quality control workers do many of the tasks once reserved for department inspectors.

The Government Accountability Project has charged that the quality control workers are badly trained and reluctant to do anything to beef carcasses that will slow or stop "the line" of beef as it travels from the slaughterhouse floor to refrigerators.

"Under the Streamlined Inspection System, the line speeds are increased with little or no actual physical contact by our trained food inspectors," said David Carney, a USDA inspector based in Salem, Ohio and vice chairman of the 6,000-member Food Inspectors' Union. "We are simply monitoring what the company does."

In the past, Carney said, inspectors examined each beef carcass for a variety of diseases, palpating various organs and making incisions to check for measles, pneumonia, abcesses and a variety of other diseases and contaminants.

Under the new system, Carney and other inspectors reported, company quality control people make bad incisions, often piercing stomachs, bladders and bowels before the inspectors can look at vital organs. Carcasses that reach the inspection stations are often covered with feces, vomit and urine, Carney said.

The Streamlined Inspection System has also proved controversial within the beef industry. The five pilot plants include two belonging to Monfort, in Colorado and Nebraska, two Texas plants belonging to excel and a National Beef plant, in Kansas.

But IBP, the biggest meat packing firm in the country, discarded the Streamlined Inspection System after a short trial. In a Jan. 16 letter to the USDA, IBP Assistant Vice President James Lochner said his firm had "a major concern that the proposed changes will not improve protection of public health.

"We agree that it is the company's responsibility to control hygiene and remove contaminants that are inadvertantly put on the carcass," Lochner said. "However, this is a major responsibility that all plants may not be able to accomplish without close scrutiny by FSIS [Food Safety and Inspection Service] inspectors."

At Monfort, however, quality control vice president Rod Bowling said the new system had given the company "an opportunity to cooperate with the USDA to improve both the process and the product."

The inspectors, Bowling said, now have "more time to look at pathology." As a result, he added, Monfort's data showed incidence of salmonella and other contaminants had plummeted in the pilot plants.

He said the Streamlined Inspection System had caught Monfort "in the middle of a dispute between USDA and its inspectors," but dismissed criticisms by the Government Accountability Project, which he said was staffed with people "not trained in microbiology or anything else."

"My PhD is in food science," Bowling said, "We're not a bunch of jerks that came in on a load of canteloupe."

Mr. HOLLINGS. I thank the distinguished Chair. It says in there:

A public interest group concerned about slipshod health standards and filthy conditions in the Nation's slaughterhouses has filed suit against the Agriculture Department to obtain a report on its beef inspection procedures.

The department—

Reading on down—

later gave the academy its own report on the program, but refused to make it public.

So USDA went into this so-called streamlined inspection system. That system speeds up the process with no actual physical contact by the trained food inspector, says David Carney, U.S. Department of Agriculture inspetor, from Salem, OH, and the vice chairman of the 6,000-member Food Inspectors' Union—these are the people inspecting for the Department of Agriculture on poultry and meat. He says: "We are simply monitoring what the company does."

The streamlined inspection system has proved controversial within the beef industry. The IBP, the biggest meat packing firm in the country, discarded its so-called streamlined inspection system after a short trial, and its vice president, James Lochner, said his firm had "a major concern that the proposed changes will not improve protection of public health."

Then, Mr. President, with respect to another article, on the suit of citizens' group against the Department of Agriculture, and I quote from it, dated January of this year, entitled "One Man's Beef" I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 25, 1990]

ONE MAN'S BEEF

(By Dale Russakoff)

There was yet another impenetrable Washington hearing the other day. The scene was a cavernous auditorium in the National Academy of Sciences where a handful of men and women took turns holding forth at a microphone about a hotly contested plan to speed up federal inspection of meat.

The witnesses, for all their strong words, were a predictable cast of Washington characters: the consumer advocate, the industry spokesman, the government scientist, the whistle-blowing federal employee.

Near the end came a less familiar character—a seemingly tireless, snow-haired figure who has been so angry about an issue for so long that he has trouble wedging his passion into restrained settings like this one. It

was Carl Telleen, 76, a founding father of federal whistle-blowing.

"This is fraud" Telleen declared, speaking not just of the proposal at hand but of the whole system of food inspection that spawned it.

Telleen retired from the Agriculture Department last year after almost 30 years of service, most of it as a meat and poultry inspector. Nobody gave him a farewell party, but he hardly expected one. His superiors had been trying to get him to leave for almost a decade.

"I started thinking about retiring when I was 66, but then when they asked me to, I said I wouldn't," Telleen said. "I wanted to spite them."

Telleen, who became a meat inspector in 1960 after more than 20 years as private veterinarian in Iowa, said he had few problems with his job until 1974 when he was promoted onto an inspection review team, which traveled the country to see that meat and poultry plants were complying with federal standards.

The system for rating plants was so lenient, he said, that the federal seal of approval became meaningless to him.

"I remember a meat-boning plant in Rochester, New York, in November 1979. It stank so bad I said, "Where's the sewer?' " he said. "The grinders smelled of rotten meat that hadn't been cleaned off. They made me rate this as only a minor infraction. I raised Cain. They said a plant could have 28,000 pounds of contaminated meat a week and still get written up as a 'minor' deficiency."

His insubordination led to a written reprimand, which seems to have had precisely the opposite of the intended effect.

"When that guy reprimanded me, it was like somebody put a hand on my shoulder and said, 'Go get 'em,' " Telleen said.

Given a desk job, and told to write a report on salmonella, he used the assignment as an opportunity to investigate what he saw as another outrage—a federal go-ahead for poultry plants to wash off fecal matter instead of cutting it off, as had been required. Telleen raised more Cain, arguing—as some federal studies have substantiated—that mere washing wasn't sufficient to remove harmful, disease-carrying organisms. The policy stands, however.

At 67, after 15 years as an inspection auditor in Lawrence, Kan., Telleen was told to transfer to Washington within 30 days, which he took as another invitation to retire. "It didn't take me more than that," he said, snapping his fingers, "to decide. My wife and I started packing."

In Washington, he contacted the Government Accountability Project (GAP), which represents whistle-blowers, and within months was testifying before Congress about the issues he is still raising—seeking a system that would deny a federal label to carcasses touched by fecal matter any time in the process.

He was soon reassigned to a special project to determine how farmers with fields near nuclear power plants could protect their crops in the event of a nuclear accident. "I had a lot of time on my hands," he said. "I just used my free time to write articles and congressional testimony."

He also used it to write a letter to the Des Moines Register, warning that the federal food inspection service was allowing contaminated meat to reach consumers. His superiors said they wouldn't tolerate further outbursts.

Telleen's response was to expose this gag order in speeches and interviews.

"People who heard about him wrote to President Reagan and said, 'What is this? Russia?" recalled Tom Devine, GAP's legal director, who represented Telleen in an appeal of the gag order. "Of course, this was before *glasnost.*"

Devine, who has seen his share of whistleblowers, says Telleen falls into a category of "the true believer who is so taken with the power of his argument that his effectiveness diminishes." But that hardly seems to have sapped the stamina of Telleen, who starts each day with a 1¼-mile job.

Retirement, he said, "just gave me more time to pester the Department of Agriculture. I haven't finished my job yet: They haven't changed."

Mr. HOLLINGS [reading]:

The system for rating plants—

By the Department of Agriculture—

was so lenient, he said, that the Federal seal of approval became meaningless to him.

I remember a meat-boning plant in Rochester, New York in November 1979. It stank so bad—

Said the inspector—

I said "Where's the sewer?"

Quoting further:

The grinders smelled of rotten meat that hadn't been cleaned off. They made me rate this as only a minor infraction. I raised Cain. They said a plant could have 28,000 pounds of contaminated meat a week and still get written up as a "minor" deficiency.

Then they gave a Federal go-ahead for the poultry plants. That is really too nasty to read, about fecal matter and everything else. But the article will be included in the RECORD. It is available to the Members.

But this particular inspector wrote a letter to the Des Moines Register warning that the Federal food inspection service was allowing contaminated meat to reach consumers.

This is the crowd that the leadership stands up and says is the one that ought to take over what we have as an ongoing successful program.

We have fish inspections at this particular moment. We just do not have enough fish inspection, and on this point, I agree with the distinguished Senator from Maine. When I say not enough, I mean we need more money to embellish the consummate effort being made by the Food and Drug Administration, by the Department of Commerce, and by the States. They have all joined in on this particular score with the fisheries industry, practically unanimous across the board in favor of the bill as reported from the Commerce Committee, and in opposition to S. 1245.

I see the time has come for the leader. I yield the floor.

Mr. MITCHELL addressed the Chair.

ORDER OF PROCEDURE

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, under the previous order, the Senate is, at 3:30 p.m. today, to turn to the consideration of Senate Resolution 311. It is my intention now to momentarily suggest the absence of a quorum, and then go into a live quorum on a motion to instruct the Sergeant at Arms.

Will the Senator withhold?

Mr. COCHRAN. I would like to ask unanimous consent, if it is consistent with the majority leader's plan, to put a statement in the RECORD on a matter that we were just debating, and then yield the floor.

Mr. MITCHELL. I yield, Mr. President, to the Senator.

The PRESIDENT pro tempore. The majority leader yields for that purpose.

Mr. COCHRAN. Mr. President, I thank the distinguished majority leader.

As you know, I am a cosponsor of the measure we are debating. We have a very important seafood industry in our State, and the catfish industry is the largest in the world.

Mr. President, I am pleased to be a sponsor of this seafood inspection initiative. My State of Mississippi not only has a dynamic gulf coast seafood industry which produces a significant amount of the Nation's shrimp, oysters, and other fish products but it also has a catfish industry which is the largest in the world. With nearly 100,000 acres devoted to this activity, Mississippi fish farmers produce over 80 percent of the Nation's supply of farm-raised catfish. It is estimated that the catfish industry generates approximately $1.5 billion in economic activity in my State.

Fish and seafood consumers should have the same safety assurances they receive now under the Federal meat and poultry inspection programs. In an effort to consolidate Federal responsibilities for the inspection of seafood, this amendment will establish a comprehensive program which would be administered by the U.S. Department of Agriculture.

This Fish Inspection Program includes the following elements:

The U.S. Department of Agriculture, through its Food Safety and Inspection Service, will conduct inspections of fish, fish products, and fish processing establishments.

Like current programs for inspecting meat and poultry, the Fish Inspection Program will be mandatory and it will be funded by the Federal Government.

Standards identifying unsafe levels of certain contaminants will be established on the basis of scientific analysis by the U.S. Food and Drug Administration.

Standards for sanitation and labeling will be established by the Department of Agriculture.

Fish and fish products which do not meet the established standards will be removed from the commercial market; fish and fish products which satisfy

the standards will receive a Federal seal.

States which establish inspection programs at least equal to the Federal program can be authorized to conduct the inspection program. Like meat and poultry programs, 50 percent of the cost of a State program will be the responsibility of the Federal Government.

Processing establishments, including vessels which process fish, will be subject to periodic inspection, and will have to be certified by the Department of Agriculture.

Procedures to identify harvest areas which may produce contaminated products will be established.

Imports will have to meet inspection standards which are at least as stringent as those affecting domestic fish products.

The Department of Commerce, in conjunction with the States, will establish a system for identifying and classifying fish and shellfish growing and harvesting areas for coastal areas and the Great Lakes.

A program for consumer education and fish safety research would also be established.

This program will be based upon the modern hazard analysis critical central point principles recommended by the National Academy of Sciences, and it would help ensure the wholesomeness of all fish products. I urge Senators to vote for the amendment.

Mr. STEVENS. Mr. President, will the majority leader yield?

Mr. MITCHELL. Certainly.

Mr. STEVENS. Mr. President, it is my understanding we will return to the pending amendment after this special event that we are going into now? It has a time certain on it of 2 hours?

Mr. MITCHELL. There is no time certain on the matter to be taken up. We will continue until completion of that matter.

Mr. President, parliamentary inquiry. I understand this would then be the pending business.

The PRESIDENT pro tempore. The Senator is correct.

QUORUM CALL

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and the following Senators entered the Chamber and answered to their names.

[Quorum No. 3]

Byrd	Hollings	Mitchell
Cochran	Leahy	Rudman
Gorton	Lott	Sanford
Hatch	Lugar	Stevens

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absent Senators.

Mr. MITCHELL. Mr. President, I move to instruct the Sergeant at Arms to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the demand of the majority leader sustained? Obviously, the demand is sustained.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Wyoming [Mr. WALLOP] is necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

The PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—97

Adams	Ford	McClure
Akaka	Fowler	McConnell
Armstrong	Garn	Metzenbaum
Baucus	Glenn	Mikulski
Bentsen	Gore	Mitchell
Biden	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Boschwitz	Hatch	Packwood
Bradley	Hatfield	Pell
Breaux	Heflin	Pryor
Bryan	Heinz	Reid
Bumpers	Helms	Riegle
Burdick	Hollings	Robb
Burns	Humphrey	Rockefeller
Byrd	Inouye	Roth
Chafee	Jeffords	Rudman
Coats	Johnston	Sanford
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Conrad	Kennedy	Shelby
Cranston	Kerrey	Simon
D'Amato	Kerry	Simpson
Danforth	Kohl	Specter
Daschle	Lautenberg	Stevens
DeConcini	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Lieberman	Warner
Dole	Lott	Wilson
Domenici	Lugar	Wirth
Durenberger	Mack	
Exon	McCain	

NAYS—1

Gramm

NOT VOTING—2

Pressler Wallop

So the motion was agreed to.

The PRESIDENT pro tempore. A quorum is present.

SELECT COMMITTEE ON ETHICS INVESTIGATION OF SENATOR DAVID F. DURENBERGER

The PRESIDENT pro tempore. The hour of 3:30 p.m. having arrived, under the order, the Senate will proceed to the consideration of Senate Resolution 311, which the clerk will read in its entirety.

The legislative clerk read as follows:

A resolution (S. Res. 311) concerning the Select Committee on Ethics investigation of Senator David F. Durenberger.

S. RES. 311

Resolved, That the conduct of Senator Durenberger in connection with his arrangement with Piranha Press, his failure to report receipt of travel expenses in connection with his Piranha Press and Boston area appearances, his structuring of real estate transactions and receipt of Senate reimbursements in connection with his stays in his Minneapolis condominium, his pattern of prohibited communications respecting the condominium, his repeated acceptance of prohibited gifts of limousine service for personal purposes, and the conversion of a campagin contribution to his personal use, has been reprehensible and has brought the Senate into dishonor and disrepute;

That Senator Durenberger knowingly and willingly engaged in conduct which was in violation of statutes, rules, and Senate standards and acceptable norms of ethical conduct;

That Senator Durenberger's conduct was clearly and unequivocally unethical, and;

That, therefore, pursuant to article 1, section 5, clause 2 of the United States Constitution and Senate Resolution 338 of the 88th Congress, as amended, Senator David Durenberger be, and hereby is:

(1) denounced by the United States Senate;

(2) referred to the Republican Party Conference for attention; and

(3) directed to reimburse $29,050 plus interest to the Senate; and to pay to charities with which he has no affiliation $93,730, less State and Federal taxes previouly paid on that amount, in excess honoraria improperly retained during 1985 and 1986, such payments to be made at the regular intervals over the balance of his United States Senate term.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following staff members of the Senate Select Committee on Ethics, the Office of the Senate Legal Counsel, and staff and outside counsel for Senator DURENBERGER be granted the privileges of the floor during consideration of Senate Resolution 311: Wilson R. Abney, Victor M. Baird, Robert S. Bennett, David Apol, Houston Fuller, Annette Gillis, Jack Maskell, Tom Polgar, Jim Farrell, Beth Ryan, Abby Raphael, Fran Wetzel, Michael Davidson, Claire Sylvia, Bert McKasy, James Hamilton, Alice Negratti, and Steve Moore.

The PRESIDENT pro tempore. Is there objection? The chair hears no objection. It is so ordered.

Mr. MITCHELL. Mr. President, this afternoon, in accordance with the provisions of article I, section 5, clause 2 of the Constitution, the Senate is fulfilling one of its most solemn responsibilities—the consideration of and judgment on the behavior of one of its own Members. This is not a pleasant task, but it is a necessary one. I ask each of my colleagues to remain in their seats and give each of the speakers their attention as the Senate considers this important resolution.

The following procedure for consideration of the resolution has been agreed upon by the parties:

Senator DURENBERGER has asked to be recognized at the outset for a brief statement.

Following Senator DURENBERGER's statement, Chairman HEFLIN and Vice Chairman RUDMAN will present the report and recommendations of the Select Committee on Ethics.

After the presentation of the report of the Ethics Committee, the distinguished Republican leader has asked to be recognized; following his remarks I will be recognized; then, any other Senator who wishes to be heard on the resolution may seek recognition.

There will then be a rollcall vote on adoption of the resolution, following which Senator DURENBERGER would like the opportunity to address the Senate. I now ask unanimous consent that Senator DURENBERGER be recognized to address the Senate immediately following the disposition of the resolution.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, this is an important matter for each of us and for this institution. I ask that all Senators act accordingly and remain in their seats during and after the vote, and that we give Senator DURENBERGER and all other speakers our careful attention.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. DURENBERGER] is recognized.

Mr. DURENBERGER. Mr. President, I want to inform my colleagues that I am not going to contest Senate Resolution 311, and that after the vote on the resolution, I will have some remarks.

The PRESIDENT pro tempore. The Chair recognizes the chairman of the Ethics Committee, Mr. HEFLIN.

Mr. HEFLIN. Mr. President, for over a year and a half the members of the Ethics Committee have worked to bring this case to an equitable conclusion, a conclusion which respects the institutional values of the Senate and is fair to Senator DURENBERGER. The recommendations of the resolution are, of course, fully supported by the evidence gathered by the committee and its special counsel. But, more than that, the recommendations were the result of impartial and nonpartisan discussion and deliberation.

I do not make this latter statement lightly, and it is a statement which I can confidently say befits the character of the Ethics Committee's work. Although each Member of this body would like to deny it, in the final analysis I think we must admit that impartiality and nonpartisanship are not inherent attributes of a body composed entirely of sustaining Members of two opposing parties, parties which may too often be given to biased contention and one-sided argument.

So, I salute Senators RUDMAN, PRYOR, HELMS, SANFORD, and LOTT, and extend my sincerest thanks to each of them for their selfless assistance, untiring patience, thoughtful consideration, and openminded attention to the evidence.

I would also like to extend my thanks to the committee's special counsel, Mr. Robert Bennett, and his assistants Fran Wetzel and Abby Raphael, for the fine work which they have done.

In preparing my remarks to the Senate as chairman of the Ethics Committee, I had prepared a detailed and quite lengthy statement. However, in view of Senator DURENBERGER's remarks today, which were not unanticipated because of a recent press release issued by his office, I will make a much shorter presentation.

Notwithstanding Senator DURENBERGER's acceptance of the committee's judgment, I believe that I and the committee have an obligation as chairman of the committee and as members of the committee, to point out for the Senate and the public record some of the clear and convincing evidence supporting the committee's findings and conclusions.

As I see it, the obligation is at least twofold. First, the American public must be assured that the framework of self-governance, established by article I, section 5, clause 2 of our Constitution, is operating as it should to preserve the integrity of the institution. Second, each Member of the Senate who must vote here today has a right to be fully informed of the evidence upon which the committee has made its recommendations. With these obligations in mind, I will proceed with my remarks, and I believe that Senator RUDMAN, the committee's vice chairman, will address the Senate in a like manner.

Other members of the committee probably will make statements but they will probably be short.

Senator RUDMAN and I will not recount all of the evidence here but, as we touch upon some of the facts of Senator DURENBERGER's unethical conduct, you will see that the evidence leaves no doubt that the clear and convincing standard adopted by the Senate for the disciplining of Members has been met and surpassed. You will find ample evidence of Senator DURENBERGER's inattention, his mistakes, his lack of wisdom. To these failings he has readily admitted.

But you will also surely find in this record convincing evidence that Senator DURENBERGER knowingly and willfully engaged in a pattern of unethical misconduct which violated statutes, rules and standards of conduct application to Members of the U.S. Senate.

There is clear and convincing evidence that Senator DURENBERGER did not proceed in good faith or in accordance with the advice of legal counsel but, rather, that he knowingly participated in an arrangement designed to evade statutory limits on honoraria income that he repeatedly and knowingly accepted gifts prohibited by Senate rules; that he routinely and carelessly ignored the reporting and the restricted communications requirements of the Ethics in Government Act; that he violated the public trust, abused his Senate office, misused Senate funds; and that he engaged in a pattern of unethical misconduct which reflects discredit upon the Senate.

The committee believes that he acted knowingly and willfully, transgressing the established norms of Senate behavior. The evidence of knowing and willful misconduct is clear and convincing, and far more troubling than Senator DURENBERGER's admitted negligence, lack of wisdom, or asserted misplaced reliance on others.

It is this evidence of knowledge and intent which has brought us here today and which has obligated each member of the committee to conclude that Senator DURENBERGER must be denounced and that he must disgorge himself of money unjustly and unlawfully obtained.

Finally, it is upon this unrefuted and essentially unchallenged evidence that we are constrained by constitutional duty to reaffirm that this institution will reflect the highest expectations of the American people and their aspirations for honesty and integrity in government.

This process began when the committee received a complaint from 39 Minnesota lawyers—all of them Democrats, all of them partisans—alleging misconduct by Senator DURENBERGER. Three months after the complaint was referred to the Senator, he responded in defense. The lawyers' complaint and the Senator's response were considered by the full committee which voted to proceed with preliminary inquiry into the Senator's arrangement with Piranha Press, and the Senator was so notified. A preliminary inquiry is the first of a three-phase committee process.

Committee staff attorneys conducted the preliminary inquiry with the assistance of investigators from the Office of Special Investigations of the GAO. The committee then retained special counsel, Mr. Robert Bennett, who had been the special counsel in a previous case involving another Senator. He was engaged to assist us in conducting this initial review, the second phase of the committee's formal proceedings. Mr. Bennett conducted an extensive examination into the facts

and the committee voted to move to an investigation, the final phase of the committee's process.

At about the time that the committee's inquiry relating to the book promotion arrangement with Piranha Press was drawing to a close, new and unrelated allegations concerning Senator DURENBERGER's ownership and use of a Minneapolis condominium appeared in the Minnesota press. Thereafter, the committee unanimously initiated a preliminary inquiry concerning the condominium matter and notified the Senator of this decision. Special counsel gathered the evidence and the condominium matter was joined with the Piranha Press and other matters as the subject of adjudicatory hearings held on June 12 and June 13, 1990.

During the course of the hearings, at the close of the opening statements, Senator DURENBERGER waived his right to appear as a witness, to call and question witnesses, and any other due process rights protected by the hearing, and requested the committee to decide the case upon the written record as contained in the hearing exhibits.

Prior to waiving his rights under the rules, including his right to any further or additional hearings, Senator DURENBERGER was specifically informed and he acknowledged that he understood that, although special counsel had made a recommendation that Senator DURENBERGER be denounced, the committee had made no decision and was not precluded from recommending any sanction, including expulsion.

The committee's investigation involved over 240 witnesses, over 75 sworn statements. At their June 12-13, 1990, hearings, special counsel submitted 452 exhibits, including deposition, affidavit, and documentary evidence. Senator DURENBERGER submitted an additional 112 exhibits.

As I turn to the evidence, I will confine my remarks primarily to two subjects, the so-called Piranha Press arrangement and the condominium deal. The facts surrounding both have been extensively documented in detail in the committee's report. But, as I said when I began, there is clear and convincing evidence of knowing and willful misconduct, and I am obligated to bring to your attention a few important pieces of this evidence.

How did Senator DURENBERGER's arrangement with Piranha Press work? How was it set up? The evidence showed that during 1985 and 1986, Senator DURENBERGER was paid $100,000 by Piranha Press for so-called book promotion appearances, $50,000 a year; and that Senator DURENBERGER reported the $100,000 as income and treated the money as a stipend not subject to limits governing honoraria.

Piranha Press got the money to pay Senator DURENBERGER from fees paid by 113 audiences before whom the Senator spoke. Altogether, these audiences paid Piranha Press over $248,000 for the Senator's speeches. Book sales, on the other hand, produced only about $15,500.

The 113 audiences who paid for the Senator's speeches were all groups which had contacted the Senator's office to request a standard honorarium or speaking appearance. All of them—113.

When such a group contacted the Senator's office asking for an appearance, the request would simply be transferred to Michael Mahoney—the Senator's attorney who also acted as an agent for Piranha Press—and handled as a so-called book promotion appearance. Not one of the appearances by Senator DURENBERGER under his book promotion arrangement with Piranha Press came as the result of a request having been made to the Senator or his publisher for an appearance relating to the Senator's books. Essentially, all the publisher did was collect the money and pay part of it to Senator DURENBERGER, and paid Mr. Mahoney, the attorney and agent, also for his time.

Almost without exception, the groups requesting appearances by the Senator were groups who had a direct interest in legislation before Congress.

Prior to making appearances for Piranha Press, Senator DURENBERGER requested and received an advisory opinion from the Federal Election Commission. On the basis of facts submitted by the Senator's attorneys, the FEC concluded that payments from Piranha to the Senator under the agreement would be considered a stipend, rather than honoraria subject to the $2,000 per appearance limit. FEC regulations define an honorarium as a payment for a speech, article, or appearance, and distinguish a stipend which is defined as payment for services provided on a continuing basis. Why, then, since the Senator sought and received an FEC opinion, was this not the end of the inquiry? If the arrangement between the Senator and Piranha Press was approved by the FEC, why are we here today? Why was that not good enough?

I have here a copy of exhibit 254 which is on each of my colleagues' desk. This is the letter by which the Federal Election Commission was asked to give an advisory opinion. Look at this document for answers. Quite simply, this request omits critically important details. This request fails to mention that each audience before whom the Senator appeared, will pay Piranha Press a fee.

It is rather unusual to have a book promotion where the audience pays to hear the book promoted.

This request does not say that these fees will be used to pay the Senator. This request does not disclose that the Senator will refer his routine honoraria speaking requests to Piranha Press to generate the fees, and this request fails to disclose that the audiences will be groups which have customarily sponsored honoraria appearances. These omitted facts would have let the FEC know that the purported book promotion appearances looked exactly like traditional honoraria events.

Other facts not provided to the FEC, but certainly known to the Senator, would likewise have let the FEC know that the Senator's author-publisher agreement referred to in the letter requesting an opinion bore absolutely no resemblance to a standard author-publisher agreement, but none of this crucial information was provided to the FEC.

Senator DURENBERGER insisted before the committee that he proceeded in good faith in getting the Federal Election Commission advisory opinion. He points out that the advisory opinion request was submitted by his lawyers, but Senator DURENBERGER had studied and voted on proposals to limit honoraria income, and it was he who had reason to know the nature of honoraria, the purposes of honoraria limitations and to know that his Piranha Press arrangement was totally inconsistent with those purposes.

The Senator knew that his proposed book promotion appearances were just like the appearances he was making for honoraria. He knew that the letter from his attorneys requesting the advisory opinion did not tell this to the FEC.

Perhaps his desire to maximize his income simply blinded Senator DURENBERGER to the impropriety of proceeding as he did. But in this instance, the law is clear. The Senator's FEC advisory opinion is only as good as the facts he gave them. The FEC was not given enough information to make an informed decision, and the Senator is not protected by the FEC opinion.

The Senator also argued that Ethics Committee staff members were contacted about the Piranha Press arrangement and that these staffers somehow approved the deal. Suffice to say that the facts categorically rebut this assertion. To the extent that conversations did occur, it is clear that none of the critically important facts were ever given in any member of the committee's staff. Neither the Ethics Committee, nor the Senate as a body, can allow a Senator to establish the precedent that an individual can withhold relevant information when seeking advice and then claim that the advice exonerates him.

As to the so-called book promotion appearances themselves, despite his protestations to the contrary, the evi-

dence shows that Senator DURENBERGER did not proceed in good faith to implement his book promotion arrangement with Piranha Press. Two pieces of evidence from the record belie any notion of good faith in this regard.

A February 15, 1985, letter written at the Senator's direction by Tom Horner, the Senator's AA, to the Senator's attorney and Piranha Press agent, Michael Mahoney, transmitted several speaking invitations which the Senator had already received as requests for appearances for which he would be paid an honoraria. Prior to the Piranha Press contract, obviously, none of the groups extending these invitations had requested a book promotion. Why did Senator DURENBERGER have his AA send these honoraria speeches to Michael Mahoney to be treated as book promotion appearances? There was no mistake. It was not inadvertent, and the Senator was not relying upon anyone's advice. The honoraria speeches were knowingly transferred to Piranha Press because the Senator had almost reached his honoraria limit for 1985, and he simply wanted to keep the money. In my judgment, no good faith here.

Second, in March of 1985, when the Senator's Piranha Press arrangement was first being implemented, Senator DURENBERGER personally accepted an honorarium speaking invitation extended by former Senator Marlow Cook on behalf of the Tobacco Institute. The Senator thereafter spoke to the institute. He did not mention his books. He did not mention his publisher. Yet, after the appearance, Senator DURENBERGER personally asked Senator Marlow Cook that the check be paid to Piranha Press rather than to him.

There are a great number of instances pertaining to speeches that were made. I will not recite those, but I can say that except in a very few instances, the speeches that were made did not promote the book. No book was there. No book promotion material was there.

I wish there was ambiguity here, but there is none. I wish I could find innocence or, at the most, inadvertence or inattention, or simple ignornace in Senator DURENBERGER's action here. But I cannot. As painful as it is to confront, this incident, like others I could cite from the evidence, represents not good faith but a knowing, deliberate, calculated evasion of the limits on honoraria.

One last point on this issue. Senator DURENBERGER has repeatedly asserted in his defense that, in all of his actions, he relied on the advice of his lawyers and that neither Gary Diamond, the publisher, nor Michael Mahoney, his personal attorney, told him specifically what he should do to promote his books.

Nor did they complain about his efforts. But Michael Mahoney, the Senator's personal attorney, has testified that he told the Senator that he must in some way promote his book or the publisher at the Piranha Press appearances to be within the scope of the FEC opinion. It is abundantly clear that the Senator in making his presentations ignored this advice of counsel on most occasions. Further, neither Mahoney, nor the publisher, nor anyone from Piranha Press was at the Senator's appearances. It was the Senator, and only the Senator, who was in a position to know that he was not promoting the books or his publisher as the FEC had been led to believe he would.

I turn now to the condominium matter.

After being elected to the Senate in 1978, Senator DURENBERGER sold his home in Minnesota and relocated his family in McLean, VA. In 1979 he purchased condominium 603 at 1225 LaSalle Avenue, Minneapolis. Senator DURENBERGER began claiming Senate reimbursement for his stays in the condominium in August 1983 and continued the practice until mid-November 1989. The rental rate he used to obtain Senate reimbursements was set at a rate high enough to cover the total year-round cost of the condominium, so that the taxpayers fully paid the Senator's mortgage and all other costs of his condominium from 1983 through 1989 when Senator DURENBERGER used the condominium for official business about 100 days per year.

Two separate arrangements are involved in the condominium reimbursements. I will mention these arrangements only to provide context. I do not intend to dwell upon them. I wish instead to address what I see as the broader issue involved in the condominium matter. But first the arrangements.

From early 1984 until 1987, the Senator put his condominium unit 603 into a partnership holding condominium unit 703, owned by his friend, Roger Scherer. Other problems come up in connection with the partnership:

The total cost to the partnership for the condominium was less than $25 per day, but the Senator claimed Senate reimbursement at a $65 per day rate;

The partnership transaction itself was backdated to provide retroactive justification for the Senator's expense vouchers; and, the name of the partnership was changed to remove the DURENBERGER name, thereby concealing the Senator's ownership interest in the condominium he was renting with Senate funds.

The Senator participated in the backdating, authorized the name change, and helped set the high per diem rate.

When the partnership terminated March 31, 1987, a purported sale to the Senator's long-time friend and political supporter, Mr. Paul Overgaard followed. According to the plan, Mr. Overgaard's company, Independent Service Co., would purchase unit 603 and the Senator would rent the condominium from the company, ISC. But the Senator retained all the indicia of ownership, and the sale was no more than a scheme to park the condominium so that it could later be returned to the Senator. Other problems also came up in connection with the purported sale:

Once again, with the Senator's knowing participation, the per diem rate was high. The total cost to Independent Service Co. for the condominium during the period from mid-1987 until mid-November 1989 was less than $30 per day, but the Senator claimed Senate reimbursement at an $85 per day rate; and,

Once again, with the Senator's knowing and willful participation, a transaction concerning his condominium was moved back in time to retroactively provide justification for unsupportable expense vouchers.

Let me elaborate on this last point for a moment. I want you to look at exhibit 344 that is on your desk, a June 18, 1987 letter from the Senator to two of his closest friends. The Senator is seeking his friends' advice on his financial problems. One of the problems the Senator discusses in the letter is the fact that his monthly expenses have gone up by $550, that is the total cost of owning the condominium.

Keep in mind as you read this June 1987 letter that Senator DURENBERGER insists that sometime prior to April 1987 the condominium had been sold to Paul Overgaard, but that the paperwork had not been finalized.

The Senator's June 18, 1987 letter reflects the fact that the condominium is owned by his partnership, which was being held at this time by Michael Mahoney as trustee of the Senator's qualified blind trust. The letter further reflects that the Senator understood that he was or soon would be the sole owner of the condominium. The letter does not mention Paul Overgaard, the Senator does not tell his friends that Mr. Overgaard has agreed to buy his condominium, and the letter never mentions any sale of the condominium at all. I would like to read the fourth paragraph from his letter where the Senator speaks of his condominium.

For the last five years I have had the benefit of renting my former condominium at 1225 LaSalle from a partnership with Roger Scherer. I now discover that my legal advice was either shaky or misleading; that Roger Scherer very much wants to dispose of his partnership interest or has already disposed of it; and that since March of 1987 my

monthly expenses have therefore increased by approximately by $550.00, or an annual, non-deductible, living expense of $6,600.00.

Where is Paul Overgaard in this letter? Where is the April 1 deal to sell him the condominium? From this letter alone—there other documents we could point to as well—it is plainly and painfully obvious that when Senator DURENBERGER writes his friends in June 1987 there is no agreement for Paul Overgaard to purchase the condominium. It is equally clear that for the months of April, May, and June of 1987, Paul Overgaard and his company, Independent Service Co., did not own the condominium. Likewise, it is clear that the submission of Senate reimbursement invoices for those months was improper.

The letter leaves it beyond doubt that as of June 18, 1987, the Senator knew that he owned the condominium, he knew that he had not sold it to anyone, and he knew that he could not collect Senate reimbursement for staying in it. Notwithstanding his knowledge of these facts, Senator DURENBERGER later submitted vouchers claiming Senate reimbursement for the months of April, May, and June 1987. The Senator insists upon his good faith. But on these facts, I can find no basis for doubt and none for "good faith." A finding of "good faith" is neither supported by the evidence, nor permitted by good conscience.

I have brought your attention to this one piece of evidence, exhibit 344, because I believe it brings us to the fundamental problem with the Senator's conduct, and to the point which I would like to discuss. It is clear from the Senator's letter that he knew that if he owned the condominium he could not get Senate reimbursement for staying in it. Therein lies the real problem with the Senator's condominium deal. So I will put aside the "partnership" question, the purported sale, the back dated transactions, and the other issues, and focus on the most important aspect of this condominium matter.

Each of us knows that if you own your home you cannot charge the Government for living in it. We know this is true whether we own it outright, or if we own a one half interest in it as a partner. For Members of the U.S. Congress, section 431 of title 18 of the United States Code, which has been on the books since 1808, provides a useful guide.

Because of a number of reasons and circumstances, some of which I will mention in a moment, the Committee has not reported that this statute was illicitly violated by Senator DURENBERGER. But certainly the spirit of this law can provide a beacon to shed some light on the condominium matter. This statute says that as a Senator you cannot use the public's money to bargain with yourself, it prohibits a Senator from benefiting from a contract with the U.S. Government, and rightly so. Each of us knows that our public office requires us not to put our own financial interest above the interest of the public, as Senator DURENBERGER did when he used taxpayer money to pay the mortgage on what was essentially his personal residence in Minneapolis, as well as having the Government reimburse him for living in a condominium which he personally owned outright or with a partner.

I would like to close my remarks about the evidence in this case, by quoting the following passage which appears on page 13 of the committee's report:

> Finally, the Committee finds that Senator Durenberger did encounter severe emotional strain from events in his personal life. The Committee further finds that the severe emotional and traumatic events in the Senator's personal life impaired his judgment. The Committee finds that these factors do not excuse the Senator's conduct.

THE COMMITTEE'S RECOMMENDATION

Based on these unpleasant facts, what must we do? How must we respond to the clear and convincing evidence of wrongdoing by Senator DURENBERGER?

The committee has concluded, and the evidence shows, that Senator DURENBERGER abused his Senate office and misused U.S. Senate funds through a pattern of improper conduct which has brought discredit upon the Senate. Senator DURENBERGER knowingly and intentionally engaged in conduct which was in violation of statutes, rules, and Senate standards and acceptable norms of ethical conduct. His conduct was clearly and unequivocally unethical. As a body, we cannot shy away from our duty to say that it was unethical.

Senator DURENBERGER did not proceed in good faith in setting up his arrangement with Piranha Press and in obtaining an advisory opinion from the Federal Election Commission. Senator DURENBERGER did not proceed in good faith in implementing his arrangement with Piranha Press. Senator DURENBERGER did not proceed in good faith in seeking Senate reimbursement on a condominium which he owned, or owned an interest in, and he knowingly placed his own financial interests above the interest of the public for the purpose of having the taxpayer pay his mortgage.

For these, and other violations which are documented in the committee's report, the committee recommends that Senator DURENBERGER be:

Denounced by the United States Senate, and

Directed to repay $29,050 to the Senate, and to pay to charity in installments over the remainder of his term $93,730 in excess honoraria illegally accepted during 1985 and 1986, and;

That he be referred to the Republican Conference for attention.

Additionally, I call your attention to page 15 of the committee's report, which states that "pursuant to rule 8(a) of the committee's rules, the committee will refer the matter to the Federal Election Commission and the Department of Justice for their attention."

I must say that it is not a pleasure to be on the floor today. I am here because of the obligation placed on the committee by Senate resolution. By making this presentation the committee has fulfilled its obligation to investigate allegations of improper conduct. Now you must decide whether Senator DURENBERGER has met his legal and ethical obligations to the Senate and the public. This is an obligation placed on the Senate by the Constitution. It can not be delegated or shirked.

When I opened the committee's hearings on Senator DURENBERGER's conduct I said to my colleague from Minnesota that if the evidence showed that he had done nothing improper, I would vote to clear him, but that if the evidence clearly and convincingly led me to the conclusion that he had violated the public trust I would not hesitate to recommend appropriate sanctions.

Having examined the evidence, I must say that it is clear that Senator DURENBERGER has violated his public trust. Therefore, Mr. President, I recommend adoption of the resolution.

The PRESIDENT pro tempore. The Chair recognizes the Senator, vice-chairman of the Select Committee on Ethics, Mr. RUDMAN.

Mr. RUDMAN. Mr. President, I thank the Chair.

My colleagues, and as is appropriate under the Senate rules, through the Chair, my friend and colleague, Senator DURENBERGER, from Minnesota, first, let me reiterate what the distinguished Senator from Alabama, my chairman, has stated.

Let me thank him for his unfailing courtesy and fairness when he thanked my colleagues: Senator HELMS, the longest serving member of this committee; Senator PRYOR; Senator SANFORD; and Senator LOTT for their dedication, fairness, and impartiality in handling this matter which has been such a burden for all of us and is now your burden as well.

I have often thought and said to my colleagues that I sometimes wish the rules were different, and that the public and the press could watch the deliberations of this committee of the U.S. Senate. The occupant of the chair, the President pro tempore, who is a great student of the history of this Chamber, would, I think, be pleased with the way the constitutional obligations are discharged in that Chamber

where we shed all partisanship and, unfortunatley, all friendship.

The chairman has addressed the body in meticulous detail. Our special counsel, Mr. Bennett and his talented assistants, Fran Wetzel and Abby Raphael, who are seated with me on the floor, have put before you a detailed report. Thus, I will not be repetitive. Nor will I refer to exhibits because I think the pertinent ones have in fact been referred to by my chairman.

I want to speak briefly about the standards that we all must apply and the application of the law to this conduct. In the case of the Piranha Press transaction, it is fairly simple. It is the 2 U.S.C. 31-1, which establishes a 30-percent limit on honoraria for 1985, and a 40-percent limit for 1986. It is that statute which is in question at this time.

Concerning the condominium, we must consider a broader standard. Under Senate Resolution 338, the committee has authority to recommend disciplinary action to the full Senate for improper conduct or official misconduct even if it does not specify a violation of a specific Senate Rule or Statutory law. As holders of a unique public trust, Members of the U.S. Senate should be held to a higher ethical standard of conduct than that which governs the general public. As stated by the Standard of Conduct for Members of the U.S. Senate, adopted by the Senate on March 22, 1968:

> The ideal concept of public office expressed by the words "a public office is a public trust," signifies that the officer has been entrusted with public power by the people; that the officer holds this power in trust to be used only for their benefit and never for the benefit of himself or of a few; and that the officer must never conduct his own affairs so as to infringe on the public interest.

All official conduct of Members of the Senate should be guided by the paramount concept of public office. Specifically, a Senator has an obligation not to abuse his or her U.S. Senate office nor to misuse U.S. Senate funds through a pattern of improper conduct, which would bring discredit upon the Senate as contemplated by Senate Resolution 338.

That is the standard by which we measure the conduct in these two transactions which we, in the main, refer to today, because the other transactions are in the report, and I do not believe are the major part of this presentation.

Let me start out by saying, my colleagues, what this case, in my view, is not about. It is not about a U.S. Senator who with malice aforethought, deliberation, and calculation, designed fraudulent schemes to benefit himself. I do not believe that anyone on the committee reached that conclusion.

It is, however, about a Senator suffering under some substantial personal pressures, which I will outline later in my remarks, who allowed himself to move into an area of conduct that he should have known was improper. I thought one of the most revealing statements before the committee came at a closed hearing at which the Senator from Minnesota appeared and said, and it had to be a difficult thing to say:

> I want to say to you that I believe that during this period of time my judgment was impaired.

I believe and I sympathize with that statement. All of us with families, children, and pressures, understand that. There are a hundred stories in this Chamber of Member's personal problems because we are, first, human beings and fathers and husbands and, second, U.S. Senators.

As serious and as compelling as that fact is, it cannot be an excuse for the conduct engaged in by the Senator from Minnesota. He has essentially acknowledged that in his public statements before the committee and here today.

The Senator from Alabama stated with clarity the salient facts; the unassailable, irrebutable evidence that the committee considered. I will mention several of them which I thought made a major impact on the committee.

The Piranha Press appearances were what you and I would consider normal honoraria events. Not once did the publisher arrange the event in a direct way. A huge amount of money was generated from the speaking events, about $248,000, as opposed to approximately $15,000 from the sale of books. Of the $248,000, the Senator received $100,000 with, his lawyer and his publisher, receiving some portions thereof for expenses and profit.

In a number of cases, the checks were clearly labeled "honoraria," and yet they were endorsed to the publisher. On several occasions, the organization representatives would complain about the arrangement before the speech without success. Yet Piranha received the money in the overwhelming majority of the cases.

Unfortunately, there was little book promotion at these appearances. In many cases there was no promotion at all or, if the book was mentioned, it was done in the context of a disparaging aside. The salient fact is that it was a unique arrangement that was not fully disclosed to the FEC in that the group that would be receiving the book promotion would pay to have the book promoted.

My colleagues, I will not dwell more on that issue. It is replete with exhibits, unrefuted in your exhibit books.

On the condominium matter, it is a prime example of the Senator being drawn into an arrangement that, had he had his antenna tuned or, as counsel said in the public hearing, his "moral compass calibrated," he would have recognized that the arrangement was improper.

He had been advised to sell his condominium because of enormous financial pressures, but he did not do that. Instead, he chose to enter into a partnership agreement which I will not characterize as a sham transaction, however, it was certainly a transaction that lacked all of the normal indicia of a true arms-length real estate transactions. In addition, there was evidence, although I am not sure it was conclusive, that in a later transaction the Senator would be able to buy back the condominium for the sale price. I believe that was true. Other committee members may not, but that was not central to our decision.

Most importantly, it had to be obvious to a Senator, operating with all of his facilities, backdating documents, entering into a real estate partnership arrangement with one friend, changing the name of that partnership, and then selling the condominium to another friend is improper. I believe Senator DURENBERGER's judgment was impaired during this period.

A significant question was raised by the Senator from Minnesota as to his intent. The Senator from Alabama has addressed that issue and addressed it well. I will only say that the Senate does not need to find a specific intent to evade or to defraud on the part of Senator DURENBERGER to support this resolution. Specific intent, meaning proof that the individual knowingly performed an act with an express purpose of violating the law is not even required in the broad range of criminal prosecutions, as my friends on the floor who were prosecutors know from experience. In this particular case it is enough that Senator DURENBERGER acted consciously, willfully, and with knowledge of his conduct. One need not to do it with malice aforethought.

These actions, I must say regretfully, were not carried out negligently or totally inadvertently. They were carried out in an atmosphere that I still cannot quite understand, knowing the Senator from Minnesota. They were carried out with a mental attitude toward these transactions that was driven by factors other than his normal logic. But make no mistake, he knew each step of the way that his actions were knowing and willful and not simply negligent or uninformed.

In conclusion, there were substantial mitigating factors submitted to the committee. Each of us found Senator DURENBERGER's presentation at the opening session of the committee to be compelling and moving and wrenching. He spoke of his problems, of which many of us were aware because of the size of this body, concerning his family, his children, and the enormous financial crunch that those of us who

do not come here with substantial means understand.

There is no question that he was under severe emotional strain and there is no question in my mind that it impaired his judgment. However, he was a fully functioning U.S. Senator doing major work on the floor of the U.S. Senate. He certainly possessed his faculties to the point that he should have known that these arrangements were ethically improper and could bring disrepute upon himself and on this institution, which I know he greatly respects.

In his presentation to the committee during the public hearings, the Senator from Minnesota offered his own standard of ethical requirements. He quoted from Professor Thompson of Harvard, and I will conclude with that statement. The learned professor, known in the field of ethics, said this:

Public officials * * * have an obligation to do all they can to make sure that the citizens do not have any reasonable basis for believing that they or their colleagues are violating their own ethics rules. There is an ethical obligation to protect the appearance of propriety almost as great as to produce its reality.

Senator DURENBERGER failed his obligation of protecting both the appearance and the reality of propriety, and for that reason it is with personal reluctance, but with no lack of conviction, that I ask my colleagues to support the resolution presented to you and by our committee.

I thank the Chair.

The PRESIDENT pro tempore. In accordance with the proposal earlier by the majority leader, the Chair now recognizes the minority leader, Mr. DOLE.

Mr. DOLE. Mr. President, the U.S. Senate is a very special place. Anyone who has been given the honor of serving here certainly recognizes that. It is a unique group of 100 Americans, all different, all talented, all dedicated; none perfect.

You do not get here often by luck. You earn it. You cannot fake it here either. You find out in a hurry what your colleagues are all about. So I can tell you about DAVE DURENBERGER.

I have been his chairman, I have been his leader, and I have been his friend. I am not speaking now to influence votes. I am here to talk about DAVE DURENBERGER. I have seen him under pressure, and I have seen him make tough choices. I watched him overcome personal adversity, and DAVE DURENBERGER has earned my respect.

You know you only have two things around this place, your word and your record. And on both DAVE DURENBERGER is a winner.

Let us look at the record: He has made a difference for senior citizens, for minorities, for the disabled. He has made a difference for rural America, for the environment, and for every American seeking affordable health care. If you look at the record you know he has made a difference for the people of Minnesota.

When DAVE DURENBERGER came to the Senate in 1978 we quickly learned about this independent spirit of his. He does not vote the party line. He is not partisan or an ideologue. He does not march lock step with anyone, not the Republican leader, not the President of the United States, and that is just the way the people of Minnesota like it.

Look at the record. He has earned seniority status on top committees through good old-fashioned hard work. There is not a Senator here today who could stand up and say—if you go to a committee when DAVE DURENBERGER is speaking or asking a question of a witness you know he has done his homework, and you know he is prepared, and you know that he understands the issues, and you know that he votes his conscience every time.

He has never ducked the tough issues. He has never ducked a challenge. And he is not ducking now. He is not ducking now in the face of rough times, but that is DAVE's way.

Whatever the outcome of today's vote, and I believe we should support the committee's recommendations, one thing is certain: DAVE DURENBERGER will continue to do what he has done ever since he first came to this place. That is to work hard for the people of Minnesota.

Look at the record.

The PRESIDENT pro tempore. The Chair recognizes the majority leader, Mr. MITCHELL.

Mr. MITCHELL. Mr. President, I say to Members of the Senate, the Senate's duty today is clear. Under the Constitution the Members of the U.S. Senate are the sole guardians of its operations and its rules of conduct. So, when it becomes necessary to weigh the conduct of a Senator that responsibility rests with Senators themselves.

It is not necessary to repeat any of the details of the case set forth by the chairman and vice chairman of the Ethics Committee. Every Senator has had opportunity to review the evidence on which the committee's recommendations are based.

We owe a debt of gratitude to the Senators who serve on the Ethics Committee. It is a thankless assignment. It presents those serving with difficult decisions.

No less difficult is the task facing every other Senator today. The disciplining of a fellow well-liked Member of the Senate is not a task from which any of us can derive any satisfaction. That is especially so in the case of Senator DURENBERGER, who has made an important contribution to the substantive work in the Senate, particularly in health care, and in protection of the environment.

I feel a special sense of discomfort since I have worked closely with Senator DURENBERGER in both of those areas for many years.

Nonetheless, we owe it to this institution of which we are all merely temporary Members to uphold the standards of conduct and the rules we established for ourselves, no matter at what personal discomfort. Those standards and those rules are essential to the functioning of the Senate and require from each of us our respect and our adherence.

The Senate is a continuing body whose significance in our constitutional system of government and to the conduct of the Nation's business outweighs the interest of any one Member.

We who temporarily occupy these seats have a solemn responsibility to sustain the integrity of the institution for ourselves, for those who will fill these seats after we all depart, and most importantly for the American people at whose sufferance and in whose behalf we serve.

The PRESIDENT pro tempore. The Chair will now recognize in the following order the members of the Select Committee on Ethics, Mr. PRYOR, Mr. HELMS, Mr. SANFORD, and Mr. LOTT; after which other Senators will be recognized under the rules governing recognition.

The gentleman from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, I think if my figures are relatively correct some 1,700 people have had the opportunity and the high privilege of serving as U.S. Senators. Today a hundred of us who are the present trustees for this great institution are called upon to exercise what is a sacred duty.

It is not easy. It is difficult.

Mr. President, I can assure the Senator from Minnesota—and I am proud to call him the distinguished Senator from Minnesota; I am proud to call him my friend, Mr. President—I can assure him that the members of the Ethics Committee labored hard, we labored long, and I truly believe faithfully in trying to arrive at the proper decision not only for this particular instance but also, I would say, Mr. President, a decision that we hope is in the right course and certainly will set the right tone for generations yet to come and others yet to occupy these seats.

Mr. President, I would like to assure my friend, Senator DURENBERGER, that during the course of these deliberations there was not one instance, not one time, not one thought of whether there was a Democratic member of the Ethics Committee or a Republican member of the Ethics Committee. In fact, Mr. President, the Ethics Committee is the only committee of the

U.S. Senate in which there are an equal number of Democrats and Republicans. There is no Republican staff; there is no Democratic staff. And during the course of these very hard deliberations, I can assure, Mr. President, our friend and colleague that we worked hard to come to a right decision and I think he knows a very, very impartial decision.

Mr. President, it is moments like this—and sometimes hard times bring people together. Many times, as we know, we are not very much together around here. But today I sense a sense of feeling together and a sense of closeness and a sense of brotherhood. I hope today that this will serve also as something else. I hope it will be a challenge to us as the trustees in this institution, us as Members of the U.S. Senate to realize that, all of us, when one of us gets in trouble, we are all in trouble; when one of us finds ourselves perhaps even by happenstance or inadvertence or whatever going astray of the rules, we all have to answer.

Mr. President, I can only say that I truly believe that from all of this and from this experience, though it is not pleasant, we have lessons to learn, not only that we would be better Senators but we would more recognize the facts of our great opportunities, yes, but our greater responsibilities that we have for our people.

Finally, Mr. President, let me say a word to my colleagues. This body is very, very fortunate. In fact, this body is blessed. This body has two of the finest individuals serving as the chairman and the vice chairman of this committee, who give untold numbers of hours and days and nights and weekends for one reason—to protect this institution and to make it better.

I hope, Mr. President, that our decision today is a proper one. It is one that I think we must make pursuant to the Constitution and to the rules of this body and also the evidence that has been presented to the Senate Select Committee on Ethics.

I thank the Chair.

The PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina [Mr. HELMS].

Mr. HELMS. Mr. President, all of us love the Senate, and that is why we are gathered here today. We all love the joy of being a Senator. We love the meaning of the Senate, and that is why we are here today.

What we must do today is a difficult job. The committee has done its duty, and I think it has done it well. Now it is time for the Senate to do its duty.

The PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina [Mr. SANFORD].

Mr. SANFORD. Mr. President, over the 200 years of experience as the world's greatest, free, representative legislative body, the U.S. Congress has arrived at some conclusions, traditions, and understandings about ethical conduct and proper conduct.

First of all, it is recognized that the individual Member is responsible for his or her own conduct. It is a matter of self-discipline. In addition, it has over the years become clear, by the authority of the Constitution and the precedents established, that the Senate as an institution is collectively responsible for the discipline that is to be maintained by the individual Members.

In the 1951 report of the Subcommittee on Ethical Standards in Government, for which Senator Paul Douglas served as chairman, it is observed that the example of each public figure "influences the standards and conduct in the lives of people he never meets and does not know by name."

Far more important than the individual public officer, the integrity of the national institution influences public conduct, and by its performance develops cynicism or trust among citizens—especially younger citizens whose values and attitudes toward public service are being shaped.

The Senate of the United States of America must stand as a place of honor in its deliberations and legislation, and it must require of all Members a standard of honor in fact and in appearance, in personal and official conduct, if it is to be seen collectively as a place of honor.

This is no easy ambition. Senators are employed by no entity except the constituencies of their own various States. The Senate leaders are not supervisors. Consequently, the standards must be set by consensus, including laws and rules which were brought about by previous consensus.

Likewise, the Senate must decide by consensus what constitutes wrongdoing. This is not always an easy task; there is little precedent to rely on and there are gratefully few examples of wrongdoing to look to for guidance. There is even less precedent for deciding what sanctions should be applied.

However, it is imperative that the Senate, the institution, rule and judge and exact a just penalty for actions which reflect poorly on the integrity of the Senate.

I believe that is what the committee has done. The facts of this case are not now in dispute and I feel that the sanctions, the denouncement and the specified restitution, are fair and appropriate. It is not an enviable assignment to examine and judge the actions of a Senator which have been called into question. But it must be done, and the duty now falls on each of us to reaffirm and confirm our collective commitment to the maintenance and the integrity and the honor of the U.S. Senate. That is why we are here.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Mississippi [Mr. LOTT.]

Mr. LOTT. Mr. President, I would like to begin by also expressing my sincere appreciation and high respect for the chairman of the committee, the Senator from Alabama. He has been totally fair. He has been very deliberative, very careful in all of our proceedings. I think he has just done a totally outstanding nonpartisan commendable job.

The same would be true of the vice chairman, the Senator from New Hampshire. As is always the case with him, there is an aggressiveness in the approach but also fairness in everything he has done. I have never worked with two Members of Congress that I have respected more for the way they have conducted themselves during these proceedings.

This is certainly the most difficult responsibility I have had to deal with in 18 years that I have been in Congress. I have to say, and I am only speaking here from now on for myself, that I asked a lot of questions about what we were doing with regard to this particular Senator and with regard to the processes that we were using. I had a lot of concern about the fairness of our process to the Senator and possibly then to other Senators. So I entered it with a lot of doubts.

But I want to emphasize at the outset I think in the end we reached the right decision; the only thing that we could do in view of the evidence that we had before us. But I want to just mention three points, emphasize them a little bit, because at least a couple of them have not been touched on to this point.

First, the recommendation here today is denouncement and the requirement for restitution. It is not censure. In a separate vote the committee clearly made the decision: denouncement was what we were recommending.

Ezra Pound once spoke of "language charged with meaning." I think the commitment to recommend denouncement rather than censure was for a reason.

Although our rules mention only censure expulsion, this history of the Senate shows that there are in effect different levels of punishment. Past cases have resulted in what amounts to a letter of reproval by the committee as well as denouncement, condemnation, censure and expulsion by the full Senate.

In this case the committee chose denouncement instead of censure, largely because, I think, of the mitigation that was present and because, as the defense counsel emphasized in our public hearings, there was no venal intent.

Senator DURENBERGER did not intend to do the wrongs that we did find that were done in the record.

A poem by Hart Crane about the Mississippi River talks about being "tortured by history." And if we believe there is mitigation, then we should say so. Clearly in this case, personal circumstances, traumatic events in Senator DURENBERGER's personal life I think did cloud his judgment. That was so ably pointed out by Senator RUDMAN. So that definitely came into our thinking and I think that clearly it should.

The other point I want to make here—and maybe this is not the right time for it, but I do not see any time in the next couple of years that it will be a good time for it—this process needs to be changed and improved.

I worried all along that the process lends itself to death by 1,000 slashes. We have the complaint filed and the process begins. There is another level and another level and another level. This has been going on for almost 2 years in this one particular case. There seems to be no way to end it. I think we need to look at that and eliminate some of the processes. We need to have time to thoroughly investigate it. But I think, frankly, it is a little bit out of hand. And also it is all set for prosecutorial processes.

For instance, our own counsel did an outstanding job. Counsel Bennet did a great job. He appeared before the committee 21 times. The defense counsel appeared three times. It is prosecutorial in nature and that bothers me. I think we need to take a look at that at the earliest possible opportunity.

That has been suggested by the chairman in the past and by the former chairman, Chairman WALLOP, when he was the chairman. I think we need to address that early next year.

Having said that, again I think it was a fair process, it was not a partisan process. We made a clear decision to go with a denouncement and restitution recommendation. I support that unanimous recommendation from the committee and I urge my Senate colleagues to join us.

Thank you, Mr. President.

The PRESIDENT pro tempore. Are there other Senators seeking recognition? The Senator from Wyoming [Mr. SIMPSON].

Mr. SIMPSON. Mr. President, I do not want to belabor the substantive findings or the recommendations of this committee, but I certainly do sincerely commend my friend from Alabama and my friend from New Hampshire. Those matters are really no longer in any contention or subject to futher discussion. With a great deal of sincerity and grace, our colleague from Minnesota has expressed his profound sorrow and anguish for his mistakes.

So the purpose of my remarks—and they are brief—is to review my relationship with this man.

He and I came to the Senate the same year, along with the other Senator from Minnesota my friend RUDY BOSCHWITZ. We met in September 1978 after a primary election, where he started out in the polls with about 19 percent of the vote and clawed his way through the primary, and then went on to defeat a very tough opponent, and came to the Senate to fill the unexpired term of Hubert Humphrey, a Senate giant. What a daunting task, to fill those shoes!

The people of Minnesota expect much of him. Much has been demanded, and much has been given. So we were sworn in on the same day in 1979. I have come to know this man very well—and his wife, Penny; and his four fine and stalwart sons. Ann and I have been in their home, and they have been in ours.

He has an extraordinary record of accomplishment, and the Republican leader has touched on that. We all know those things. He has this tremendous energy, a great intellectual capacity, a great curiosity, a great and swift grasp of complex issues—such as the toxic pollutants section of the Clean Air Act, if you want to pick one. He has been a very vigorous part of all debate in the U.S. Senate.

In these past 12 years that I have watched him and worked with him, we have seen his extraordinary character; a perceived sternness but it is not really that. It is really a combination of tenacity, sensitivity and a potent effectiveness, the same things that made his predecessor in the Senate a veritable legend.

I really intend to make no excuses for him, no explanations. I have seen him go through some truly hellish experiences. Those he endured in the last few months are beyond measure to me. There he was, doing the Senate's work. Doing his work. We see him. We know each other here. That is a unique thing. Senator PRYOR spoke of it.

Twenty of us came to the Senate in the same year, in 1978—an interesting group, 11 Republicans and 9 Democrats, and we are very close. We all know each other and we know the strain and stress of our lives in this place—and others do not and they never will know that. Yet there was always enough of a reservoir of strength and compassion in him and a commitment to do his job. In these recent months, he took a leading role in the Senate passage of the Americans for Disabilities Act, on which he was a conferee; he worked on the Civil Rights Act, and the Clean Air Act, where I am serving with him as a conferee.

I thought of how a few years back, David Broder, the greatly admired journalist in this capital city and throughout the country, made the most astute observation that the real work in this place is done by a handful of Senators on both sides of the aisle who are the negotiators and the bridge builders. He is so right. One of the Senators he named that fit that particular ticket was the Senator from Minnesota.

The Senator knows how to work with others and how to build coalitions. He is a good listener. He is a good friend, and he is always willing to listen to all points of view and solicit the concerns of opponents. I have watched that in the Clean Air Act as he took us through the toxic pollutants section.

I will just summarize, and say this. I love legislating, despite the fact that it is probably one of the driest forms of human endeavor, if done properly, that is.

The real craft is not found in seeing how many bills you can sponsor, or sometimes found in that flashing neon sign that says on the very rarest of occasions, "This bill bears my name." To the contrary, I think the real legislative craftsmen in this remarkable place gain their satisfaction more regularly by simply knowing that they have had their fingerprints on this bill; that that is their amendment in there, and that it became law.

They know that outside of the bright lights and the microphones that they have done their work and helped to achieve a good legislative product. That is the kind of legislator DAVE DURENBERGER is. Whether it is health care, civil rights, environment, Social Security, transportation, disability policy, and a whole host of other legislative activities, you will find his legacy of dedicated work during these past 12 years. That has been a substantial record of achievement.

I think Hubert Humphrey would have taken pride in his successor's legislative effectiveness, and Hubert Humphrey would also have taken great compassion for his plight.

I am an optimist. I think life is a joyful experience. I think it is a mystery to be lived instead of a problem to be solved. I believe that eminent good can come from even the worst possible situations.

What are the possibilities here for positive results to emerge? First of all, many men or women would simply have withered away under the recent attention and continual pressure that Senator DURENBERGER has lived through.

I remember the admonition of my friend in the Chair, who has taught me much. Avoid personal references, and always address the Chair so you do not get into scraps like I did the other evening with Senator EXON. If we all had been addressing the Chair that night, we would have all been more adept. He and I will discuss that, and that is something that comes too

with this unique place; contrition and discussion, and things like that.

But I have watched DAVE DURENBERGER. He could have withered and fallen into self-pity or bitterness. Yet he seemed to gain strength. Curious to a lot of us who say, "Gee, look at what Dave is going through, but look at him."

I am certain that his deep religious beliefs proved to be a great comfort and source of strength during this most trying period. I did not see him mope. He seemed to work even harder at his duties, as I say taking on the role of Senate conferee on two major pieces of legislation.

With such a strong commitment to his work buttressed by the strength of his faith in God and the sincerity and clarity of his apology—and that is what it is and was—I think he will be an even more effective legislator.

We all know what happened. Some of us watched it with startled mien—I think all of us in this body have come to the truth of more closely scrutinizing every single aspect of our lives in this place, every single aspect of our office management—those who work for us and with us, and who suddenly fall from grace and are then determined to "get even" with us. That happens in this fascinating arena.

We see how financial pressures gnaw at some of us, and marital strain too! We know the ones who have been through that, and of the toll divorce has taken on our colleagues in this place. And we see sons and daughters gone awry. What do we do in the midst of all that? Well, we have to take a constituent to dinner, that is what we have to do right in the midst of all that.

I have watched that, and we have all watched that. There is an old phrase I learned in the pool hall in Cody, WY—Gus's Pool Hall. I used to come home with the meat of my left hand all green. I would tell my mother I had been mowing lawns. When I was born, they thought they had a son with the skilled hands of a surgeon, but it was only actually to cradle a pool cue! I held it right there and played all day long. There is a great phrase in pool as one threads his way through a tough situation in a series of shots, and you say, "I think I'll go to school on your shot * * *," meaning "that is an example for all of us." "We will learn from his stroke." And each and every one of us in this body has learned an awful lot from what we have seen happen to DAVE DURENBERGER. No excuses; no apologies. He took his lumps. It could have been worse.

But for 30 years he has been a public servant, and a real one. The mistakes he made, which he acknowledges, cannot erase the good that he has done and will do in the future in his public service career in this new and chastened and resigned attitude. He responded to this hideously painful process with grace, candor, and honesty. It must be something to be doing this today. I cannot imagine myself sitting here and doing this and going through that. He has opened his life to investigators, turned over thousands of documents, answered all the questions. He did not take his case to the media or abuse his personal relationships with his colleagues. He chose cooperation while others might have chosen confrontation.

And finally, there is another part of him that we are never quite able to see—that he closes off, as many do, and perhaps should. We never are quite able to see into the window of his eye and see that relationship with his remarkable, bright, and vivacious wife, Penny, and those four handsome sons. There were difficulties with those boys—difficulties of adolescence. Things that any parent feels with great pain and sorrow. We never heard anything from DAVE about that. I did not, even as close as I was, but I knew some. He had serious problems with his own marriage that he never revealed to the public. I hope that will all heal, for this is a splendid lady, Penny Durenberger, and for the four sons raised by DAVE and she was a remarkable stepmother, this very lady, Penny. But that's their call.

Now I think it is time for him to draw on all of his resources, and I know he will. But I think there are things that he handled with a stoicism and a rugged type of courage and stubbornness that sometimes shuts out those others who really care, those who desperately want to rally to his side.

A great philosopher once said that the most difficult thing in life was "to learn to love and be loved." I have seen my friend soften and grow and mature in this terrible—and yet just process—like the steel is annealed in the fires. The shaft of iron toughened by the forge. We have seen the strength of this man come through in this terribly tough personal situation. His very life, morals, and conduct have been called into sharp question. He responded without flinching. That is a testimony to the strength of our system and ultimately the strength of his own character.

In the final analysis—and this is not meant to "sound preachy"—he will and has emerged from this anguishing time in his life as a better man, a better husband, a better father, a better Senator, at a very tough price to pay. I doubt many of us would want to do it. He has.

We should now assist him in placing this chapter of this life aside, and now buoy him up and help him to press on to the much greater tasks and things that we all very fully expect from him.

I thank you, Mr. President.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Colorado [Mr. ARMSTRONG].

Mr. ARMSTRONG. Mr. President, several Senators have spoken very eloquently about the traditions and honor of the Senate, and properly so. I am grateful to those who have done so because it leaves behind for those who will follow us a record of how we feel about this institution.

I really want to speak in a more personal way. It so happens that DAVID DURENBERGER is a very dear, close friend of mine, and I cannot help remarking, on this unusual occasion, upon two or three things that have been said and things that have happened in the last year or so.

First of all, Mr. President, I judge that I am like about 94 Members of this body who are thinking to themselves, "I'm sure glad I'm not a member of that Ethics Committee." I have thought that before, but never more so than today, maybe because I am so close personally to DAVE DURENBERGER. I am really churning inside. There is no doubt in my mind what the Senate is going to do and what we should do and certainly what I am prepared to do. I am going to vote for the resolution. It is the right thing to do. I think the committee has done a fine job.

I agree with everyone who has spoken to compliment the members of the committee, but I also agree with the Senator from Mississippi. There is something basically and drastically and seriously wrong with the way we handle these things and with the way, when issues like this arise, they stretch out over weeks and months and years and become really a perversion of a fair process.

I am not saying that the outcome today is unfair. In fact, I think it is a just and honorable and proper outcome, but I think sometimes when we do not have one of our colleague's case before us we ought to think about this process and see if there are not ways we can make it more humane, more compassionate, bring it to a speedier conclusion, and, in doing so, not only be fairer to those who may have business before the Ethics Committee, but in fact we may well enhance the sense of public confidence in the process.

Mr. President, I am struck, also, as I listened to the speeches today, by an extraordinary realization. Everybody who has spoken has made it so clear that they like and admire and love DAVE DURENBERGER, and when this is all over and after we have all voted to denounce him, we still want him to be our friend. We still want to go down to the dining room and have lunch or dinner with him. Many of us hope to have a relationship with him that will

last for the rest of our lives, and we deeply regret that this has happened.

I think that is important to note in passing because the way he has handled this, not only today but over the last several months, is in marked contrast with the way a lot of people in this body and in the other body and elsewhere in public life have conducted themselves when they have gotten in one kind of jam or another.

It is interesting that a high proportion of people in public life sometime or another get in some kind of trouble; ethical trouble, legal trouble, trouble with the press, trouble at home, trouble in politics or something. Sooner or later, almost every one of us in some kind of a terrible jam, not necessarily this kind, in many cases the kind of troubles that are a lot worse than this, even though they do not lead to a formal proceeding before the Senate. Sometimes many of us, maybe even some in this room, are known to do things that are a lot worse than anything DAVE DURENBERGER has been accused of, but they just do not happen to contravene the written standards of ethics of the Senate.

It is interesting how people respond when these things happen to them. Some just throw up their hands and quit. In fact, we saw an example of this not too long ago. One of the most influential Members of the other body was under fire, and his response—and I do not criticize him for it, but his response was in about 48 hours to tender his resignation. DAVID DURENBERGER did not do that. Others, including at least one or two that come to mind who have appeared right in this very Chamber, have been defiant, against all reason, against all credibility. They just insist, no, by gosh, I did not do anything that was wrong, and they insist to the bitter end they did anything that was wrong and end up compounding the problem by their own inability to admit that they did set their foot wrong.

DAVE DURENBERGER has not done that. He has manfully stepped up to the plate and said, "Yes, I erred. I am wrong." Even this afternoon before this proceeding got underway, our colleague said, "I don't contest the resolution. I will have a statement to make after you have all voted." And though he did not say so, he made it clear that he is expecting we are all going to vote for the resolution, and afterwards he will have something to say, I do not know exactly what. But at no point during this process has he been belligerent or defiant @ or tried to cover it up or make less of it than it is. I admire him for that. Frankly, I very appreciate the fact that he has not tried to torture the rest of us or asked us to sift through the various components of the accusations against him to see which of them we agree with and which of them we do not and how heavily we want to weigh those things.

Mr. President, I want to say this just so it is in the RECORD of this proceeding, not because it changes the outcome—it does not. I do not want it to and do not expect it to—I personally very much appreciate his friendship. I enjoy his company. On a lot of very specific occasions during the last decade, I have had occasion to be a friend of his and to ask his opinion, to seek his advice.

It so happens that I sit next to him on the Finance Committee. The way we do business around here, you are there forever unless you change committees, and I guess nobody ever wants to leave the Finance Committee. So there I have sat just right next to him day after day, month after month, year after year, watched how he worked in committee, watched over and over again as he has gone through that process of consideration and evaluation and questioning witnesses and relating to his colleagues on what some believed to be the most significant and influential committee of the Congress, watched how he reaches conclusions, watched how he puts together coalitions, which the Senator from Wyoming spoke about with such insight, at the real work of legislating on our side of the aisle and reaching across to the other side of the aisle. The fact is that everybody, on the Finance Committee particularly, respects him because we have watched him work and have seen how effective and how significant his contribution to this process is.

Mr. President, I do not want to drone on very one, but I want to also hearken back to something that Senator DOLE said. He said around here, at the end of the day, you have your word and you have your record. I just think it is fair to say—somebody might disagree—that there is not a person in this body who would hesitate a minute to take our colleague DAVID DURENBERGER's word for just about anything he cared to offer it on, on a question of fact or a question of performance. If he gives you his word, you can count on it. I believe that, and I think every Member does.

When it comes to his record, he is going to have a blemish on it after today. He does not deny it, and none of his friends would want to deny it either. It is a fact. In his record will be something that he wishes was not there and that we wish was not there, but also in his record is the reality that he is a serious, thoughtful, creative, influential, effective, dedicated Member of this body who has very, very few peers.

Finally, Mr. President, I want to say a word, not about the 10 years of service—more than that, more years actually than a decade—that I have enjoyed serving with our colleague from Minnesota. I want to say a word about the future. I do not know what he is going to do next. Maybe he is just going to throw in the towel. Maybe he will just say, "Boy, I have had enough of that."

But I will be amazed if that happens. I will be dumbfounded if he does because, in fact, I sense in his demeanor and his attitude exactly the thing that my friend from Wyoming pointed out, that he is becoming a better Senator, a stronger, more resilient, battle-scarred person. Maybe he will withdraw into himself and sort of become a recluse and just say, "Well, I'm going to get through this and I'm going to go into a shell."

That is not what I have observed happening during all these months that he has been before the committee and when his picture and name have been in the press in an uncomplimentary way over and over again. On the contrary, I have found him to be warm and outgoing and learning something from an experience he wished he was not having.

Mr. President, all I wanted to do for the record is just to explain how reluctant I am to do what I know I must do in voting for this resolution. I just want to say that as to the future I have great faith and confidence in DAVE DURENBERGER. He is a great Senator. I think over the next few years we are going to see that he is going to achieve more and accomplish more than ever before in his legislative career. I have a lot of faith in him. I believe that faith will be amply vindicated in the years ahead.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. BOSCHWITZ].

Mr. BOSCHWITZ. I thank the Senator from Colorado. I agree with his remarks. I thought that they were very well-founded.

Mr. President, DAVE DURENBERGER and I were elected to the U.S. Senate on the same day in 1978. I, for a full 6-year term, DAVE for a 4-year term caused by the death of Senator Humphrey. DAVE was sworn in the day after the election and became my senior Senator, I, the junior Senator, an order that I trust will remain for my entire stay here in the Senate.

We did not know one another particularly well from Minnesota. We arrived at the U.S. Senate by very different routes. In Minnesota we traveled in different circles before we arrived here in the Senate.

I went to Minnesota nearly 27 years ago, started a business, succeeded at it and settled my financial position before I sought this public office. DAVE chose the route of public service, so was unable to secure finances before he got here, and thus a certain vulnerability arose that bedeviled him.

While we did not know one another well in Minnesota, we became neighbors in McLean, VA, here, and close friends as well. We each have four sons of approximately the same age; our two youngest sons are particularly close friends; all a little lonely from Minnesota after we arrived here, and so the boys sought solace from one another.

Dave, Jr., is my son Dan's age. He, particularly, was frequently, very often in our home; Penny Durenberger carpooled with my wife; and I developed a warm and close relationship with my senior colleague that I treasure, and I will always treasure. I believe I know him as well as any Member of our body, perhaps even a little better. I have known him in good times and in bad times—good and bad for both of us because few, very few are lucky enough not to have some tough times.

These are tough times for my friend DAVE DURENBERGER. DAVE and Penny have both been unlucky. Both lost their first spouses; DAVE's first wife succumbed to cancer and Penny's husband in Vietnam. When they married, Penny suddenly became the mother of four sons, not an easy situation and one fraught with many risks.

DAVE drove himself at his work when he arrived here with an intensity that I have seldom seen. I am afraid that some of the risks that I spoke of were heightened by all the pressures that all of us know about, and all the pressures that all of us endure were particularly intense in this good man, this decent man, this man who has achieved so much in this Chamber.

Because I know him so well, and have such a strong sense, such a strong feeling and understanding for his decency, I believe him when he says he had no intention to violate the rules of this body. He or his staff went for approval through the Rules Committee. He or his staff sought the counsel of the Ethics Committee. He sought out the consent of the Federal Election Committee.

No one has suggested or even hinted that a single vote that he cast was influenced. Nothing that he did was surreptitious or secret. He consulted lawyers. Boy, did he consult lawyers. On each one of his activities he consulted lawyers. It moved one of our colleagues, who was recently in Minnesota, to say that maybe that was the problem—that he consulted too many lawyers and not enough people with common sense. [Laughter.]

But the important thing is the realization that he sought to comply with the rules.

Let me explain the vote that I will cast when my name is called today, and there are several reasons for that vote. First, I know DAVE DURENBERGER. I know his decency, his spirit, his contribution to this body.

Second, he sought advice. He sought it from every quarter; the Rules Committee, the Ethics Committee, the FEC, and the veritable band of attorneys. Nothing was hidden.

Third, no one has suggested or even hinted that a single vote was influenced.

Fourth, and most of all, I believe he has been punished enough. The matter that we decide here today is 21 or 22 months old. There has, in my opinion, been an unconscionable delay. DAVE has been dangling out there for nearly 2 years, hanging in the wind, being hammered by the press and by the political opponents.

I might say that half a dozen of our colleagues are hanging out there also. They have been out there for 7 or 8 months.

I agree with the Senator from Mississippi that the procedure must be reexamined. That is a long time to be out there. And there appears to be no progress toward the resolution of those matters either.

As I have said, this is a high-pressure existence. Pile on top of that nearly 2 years of dangling. Justice delayed, they say, is justice denied.

Senator DURENBERGER has indeed already been punished enough. And I also agree with my friend, the Senator from New Hampshire, the vice chairman of the Ethics Committee, that DAVE's judgment was impaired during the time in question.

When the vote is called today, Mr. President, I will vote present.

Mr. COCHRAN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this is a very sad day for me, and for the Senate.

I also came to the Senate with DAVID DURENBERGER after the elections 12 years ago.

We became friends very quickly, and I watched him become an immediate influence in this body.

His depth of genuine concern about the elderly in our society, the disabled, the students in our schools—was obvious from the beginning, and he has worked very hard to ensure that something was done to enlarge their opportunities and make their lives better.

There ought to be a place in these proceedings for us to acknowledge the outstanding contributions the Senator from Minnesota has made to the work of the Senate and the very diligent and effective way he has represented the interests of the people of his State.

The Americans With Disabilities Act, for example, will be signed by the President tomorrow. Senator DURENBERGER was involved actively and successfully in the development and passage of that legislation.

The vocational education bill that is now in conference and his rural health care initiative are other examples of his legislative work. And there are many others—medicare, clean air, agriculture. He has been a very busy, very dedicated, and very outstanding U.S. Senator.

He has confessed that he made serious mistakes, and he has acknowledged and will make good on his debts.

While I will vote as recommended by the Ethics Committee, in many ways, for many months, the Senator has been punished already.

I am certain he will rededicate himself to the service of his constituents.

I'm also certain he has the capacity to discharge the responsibilities of that service in a way that will make Minnesota, and this institution, better places because of his efforts.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Utah [Mr. HATCH].

Mr. HATCH. Mr. President, I will not take long. Today's upcoming vote is one of the most difficult votes that I have had to cast during my tenure in this body. The difficulty does not arise from the fact of the findings of the Ethics Committee. It does not come from the requested penalty.

The difficulty arises because of my familiarity and appreciation of the person involved, the senior Senator from Minnesota. The fact that he has accepted responsibility for his actions and the fact that he has accepted his punishment is more in keeping with the man I have come to know for the last 12 years than any other aspect of this whole ordeal. He has acknowledged there were mistakes. He has taken responsibility for those mistakes. And he has both privately and publicly offered his apologies.

There is no question that the allegations raised, the findings of committee, and punishment recommended are extremely serious. The issues involved are formidable, and the punishment is quite severe.

What I would like to focus on for a minute, however, is the institution. I have had the opportunity over the last 2 years to work with the Senator on a more direct basis as he joined the Committee on Labor and Human Resources. I have to say there is a soft spot in my heart for any Republican who chooses to serve on the Labor and Human Resources Committee.

I have come to appreciate his talents as a legislator, as a negotiator, and as an advocate. Periodically, we do not agree on some issues, or on how best to fashion a solution to problems that we both are ready to acknowledge, but I have always found him to be honest in his assessments, and refreshingly candid in his objectives.

For example, as has been mentioned here earlier, but needs to be mentioned by me, the Senator was the lead

Republican cosponsor of the Americans With Disabilities Act. I happened to think that is one of the most important civil rights bills in this country's history. He played a critical role during the lengthy negotiations between the White House and the Senate. He played a key role in developing the compromise which passed both Houses by such an overwhelming margin.

The Senator fought hard for an amendment to the child care bill to allow funding to go to religious institutions through certificate programs, providing a solution to one of the most controversial issues involved in that very important legislation.

Few in this body rival the Senator when it comes to health policy. In the next few years, that is going to be one of the most important issues this body will ever see. Few come close to rival his ability and knowledge in that area. He has worked hard in trying to solve the problems with access to our health care system, nutritional labeling, food safety, and drug education prevention. and his ability to integrate his knowledge and experience on financing health issues with the committee's work has been a great benefit to all.

He is not only a strong ranking person on the Finance Committee, but now on the other counterpart committee, with regard to health issues in the Congress of the United States.

Mr. President, I am confident that tomorrow we will start anew. My colleague from Minnesota will operate under different rules, different standards from today, but I happen to know he will be just as effective, just as able, and just as active as he has been in the past. Yes, he admits he has been culpable, but he has approached this ordeal with about as much grace and resolve to reform as I believe I have ever witnessed in anybody in my life.

I hope both he and the rest of us will learn from his experience and that collectively we all may exercise more prudence. I am ready to move, however, to tomorrow, and I am ready once again to begin working in the future with the ever-capable Senator from Minnesota, who, by the way, has never missed a chance to advocate the needs of his State. I would just like to say that I knew his predecessor, Hubert Humphrey, really well, and I happen to be one who loved him. He was very close to me. He was one of the first to befriend me in this body. I know Hubert Humphrey would be the first to put his arm around DAVE DURENBERGER, because when I came to this body, I was a brash young person, and I met a lot of people. Hubert came up and put his arm around me. I remember I was sitting over there when he came in the Chamber for the last time, and he was recognized by all of us. After he spoke, he came over and hugged me. That meant more to me than almost anything. I have a feeling he would be hugging DAVE today.

The stones of denouncement are easy to cast but most difficult to retrieve. No one in this Chamber is approaching this vote lightly, I know that. So I say to my fellow Senator from Minnesota, my committee colleague, and my neighbor right down the hall in the Russell Building, my friend, that I look forward to the future, and I am ready and willing to work with him on the myriad issues that are before this body. I know, as we work together, that we could not have a better person to do the work not only of Minnesota but of this country. I wish DAVE well, and I am with you, even though we all know how we have to vote here today. DAVE, I want you to know that you have a friend.

Mr. KERREY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. KERREY] is recognized.

Mr. KERREY. Mr. President, I rise with respect for the Senator from Minnesota, and the things that have been said thus far. But I rise also with some concern about the procedure here this afternoon. I have heard it said—and I agree with the statement—that this will send a message to all of us. I have sat here and wondered what it would be like to be in the shoes of the Senator from Minnesota. It may be possible some day, in fact. Any one of us is subject to an ethical examination such as this.

What would it be like to be sitting here while the full Senate looked and went through everything that I had done and examined my personal life and all sorts of details that I wish my friends did not have. But I hope that if I am in that position, it will bring a judgment against me. Out of consideration for what the distinguished Senator from New Hampshire said that the professor from Harvard said about ethics, "Public officials have an obligation to ensure that citizens do not believe they are violating their own rules," we are not just looking at an individual Member of this body and bringing a judgment against that individual; we are judging ourselves, and the people will judge us.

Our ability to disconnect our personal feelings from an individual, as every judge must do when bringing a judgment, our ability to disconnect our personal feelings and admiration from that individual will be, I believe, considered rather heavily by the public. I hope that we are able to do that. I trust in fact the Ethics Committee in their recommendation to us has done that. In that light, I will ask a question, if I might, of either the Senator from Alabama, or the Senator from New Hampshire, in regard to their particular conclusion. What sort of consideration was given in reaching the conclusion in this particular case to denounce, as opposed to reaching a conclusion that censure should be the judgment?

The PRESIDENT pro tempore. The Senator from Alabama, the chairman of the Ethics Committee.

Mr. HEFLIN. The denouncement terminology originated in the case of a former Senator from Georgia. The Parliamentarian, as I understand it, considered "denouncement" to be within the parameters of censure. I think some people in the instance of a Georgia Senator felt that the word "denouncement" was weaker than the word censure.

Some, on the other hand, felt that it was stronger. I think it is more in the eyes of the beholder as to how you might view it. A man on the street saying a person has been censured or a person has been denounced, I think he gives whatever connotation he might desire to it.

As I recall, Senator RUDMAN has said terminology is really immaterial. The major aspect of this is that the Senate as a whole acts. It acts to show its displeasure; it acts to show its disapproval in strong language, whether the language be denouncement, censure, or in one case condemnation. I think it is largely in the eyes of the beholder, and each Senator may give whatever interpretation he may like in regard to the term.

It is somewhat similar to an impeachment case where many times the question has arisen: What is the burden of proof relative to an impeachment case? Is it a preponderance of the evidence? Is it clear and convincing evidence? Or is it evidence beyond a reasonable doubt?

Under practices by the Senate, that is left to the individual Senator. I think that is somewhat of an analogy relative to the issue here.

I think that it is up to each individual to give whatever meaning and connotation he may wish. I would think that it falls within the broad parameters of the word "censure."

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. BUMPERS].

Mr. BUMPERS. Mr. President, I would like to pursue just for a moment a similar question.

First, overall, I would like to express my sincere gratitude for the long, tedious, laborious hours the Ethics Committee put in on this. But I agree with the Senator from Minnesota that justice delayed is justice denied; expedited justice can be just as harsh.

I applaud the committee for not being stampeded in order to accommodate somebody's notion as to how soon judgment ought to be reached on Senator DURENBERGER.

But I want to also raise this question with the chairman of the committee,

which does not go to the judgment of the resolution.

I intend to vote "aye" and I have absolutely no quarrel with the resolution. But I am concerned as one who has never been a great devotee of the grand jury system where the grand jury is cooped up in the room with the prosecutor and the only information the grand jury gets is what the guy who has an interest in an indictment and conviction has to say.

We are not bound, and the Ethics Committee is not bound by the niceties of the civil laws of this country. But as a former trial lawyer I know, and many of you who were trial lawyers know that the customary procedure in all proceedings is for the jury to try the facts and the court to apply the law. The jury takes the facts according to the legal instructions given by the judge and renders a judgment, conviction or acquittal, in a criminal case.

One of the things that troubles me a bit about this procedure is that, starting on page 33 of the committee report, you find that the special counsel, who is employed by the committee to investigate the allegations against Senator DURENBERGER, "finds that in this matter Senator DURENBERGER engaged in a pattern of conduct which has served to bring discredit upon the United States Senate."

Later on, you find the "special counsel further finds that these transactions were conceived and orchestrated wholly as a means of permitting the Senator to claim Senate per diem," and that he "misrepresented to that office the true ownership of the condominium * * *."

Then you turn over to page 35 and you find a couple more. For example: "Special counsel also finds that Senator DURENBERGER repeatedly violated the provision of the Ethics in Government Act governing qualified blind trusts. Specifically, it is clear that the Senator frequently consulted with the trustee," in violation of 2 U.S.C. 703.

Then concluding: "Special counsel respectfully submits that through this pattern of reprehensible conduct, Senator DURENBERGER has violated laws and Senate rules and has brought discredit upon the United States Senate. Special counsel therefore recommends that this committee report to the full Senate a resolution denouncing Senator DURENBERGER."

I do not even quarrel with the special counsel's findings, and I do not quarrel with any of the findings that are embodied in the resolution. What I am concerned about is something that the Senator from Mississippi touched on concerning the prosecutorial nature of a proceeding where depositions are taken without counsel for the accused being present and hearings are held without counsel for the accused being present. My question is this: By what authority does the special counsel who is hired by the committee to investigate the case and report back to the Ethics Committee, find that there are violations of the ethics of the Senate? And by what authority does he find that Senator DURENBERGER has brought discredit on the U.S. Senate? Is that not the prerogative and the duty of the committee and the U.S. Senate and not the special counsel?

The PRESIDENT pro tempore. The chairman of the committee.

Mr. HEFLIN. Mr. President, in response to Senator BUMPERS' remarks, we have a set of rules and, in my judgment, you do touch on a matter that I personally agree with, and, that is, that I think that the Ethics Committee's function ought to be separated into two distinct bodies.

The House of Representatives did it in a recent change to their rules. They have the equivalent of a grand jury and equivalent of a trial jury and, in my own personel opinion, that is what we ought to do. I made recommendations to a task force on that. It was not adopted. It makes it very difficult for a person who is, in effect, a grand juror to go into a trial and possibly have to erase something that he had previously heard. In my judgment, the present mixed system may not be the proper way.

But, nevertheless, the rules are like they are and we follow the rules. We have three stages and those stages are designed primarily for the protection of the accused. The stages were placed there and the time required and the votes required are primarily for the protection of the accused. And if it takes time, nevertheless, I think that due process, thoroughness, completeness are required in regards to every case.

I might say that there have been other cases that have been brought. The thoroughness that has been exercised, the procedure that has been followed has protected the good names of a number of Senators from charges that were wrongfully brought against them.

So I think we have to look at it from not only the viewpoint of the particular case that is before us, but also other cases that have occurred in the past and cases that may occur in the future.

The work of the special counsel and the special counsel's obligations are set forth in the rules. He is required to make certain findings. That is part of the rules. We have the option in certain instances and matters to request his recommendation.

He does not automatically, under the rules, have the right to recommend the sanction. That is left in the discretion of the committee. In this particular case, the committee decided that we would ask him for his recommendations in that regard and that was what occurred.

It is difficult for a special counsel to assume a position relative to the committee. He has to be a judge, and at times, he also has to be a prosecutor. A special outside counsel to the committee is different from an "independent counsel" as we know it in the Department of Justice who, independently from the Department, investigates and then makes a determination as to whether or not there should be an indictment and a prosecution.

In this instance, the special counsel is an investigator. He is a director of a unit similar to the FBI. He has to investigate. And he had many investigators and assistant counsel. And then, as it proceeds to certain stages, he has to assume other duties.

It is an extremely difficult task to try to maintain fairness—fairness to the accused, fairness to the committee, fairness to the institution. And in evaluating evidence and in its presentation, sometimes you have a line that he ought not to go over, and it is a very difficult task.

I think Bob Bennett has worked well. I did not agree with him on everything that he said in the hearings. I thought he was a little bit too prosecutorial but clearly he was acting within the scope of his responsibility to the committee.

I think altogether we all react differently in different places and in different circumstances. But to be a special counsel, to be a director of an investigation, to make findings that are required by the rules—and I think maybe the rules are outdated—and then to have to present and be a prosecutor, it really requires an unusual type of individual and lawyer.

Overall, I would give Bob Bennett a rating of something like 98 percent.

I agree that the rules ought to be changed. But I do not think in any instance that the special counsel has overstepped. He has followed the rules, and he has followed the requests that the Ethics Committee made of him.

I see Senator RUDMAN is here and I would like to yield to him for any further response that he would like to make to that.

The PRESIDENT pro tempore. The vice chairman of the committee, Mr. RUDMAN.

Mr. RUDMAN. I thank the Chair.

Mr. President, let me say this in response to the Senator from Arkansas. These rules, in the final analysis, can be either judged, rejected, or criticized. But no one argues with the result.

It is easy to jump to conclusions.

Let me say to my colleagues, I am not sure I agree with the chairman that we ought to change the process. Anybody who thinks that the process

should be changed should go back and read why it was created. It was created to protect Members of this body from unjust accusations and to prevent a rush to justice caused by public opinion that the accused was guilty; it was created to prevent the press, from becoming judge, jury, and executor. Try to decide an ethics case in that atmosphere. Maybe we ought to bifurcate the process. I am not sure.

But let no one say that the delay here was necessarily caused by a disdain for the problems of our friend from Minnesota. Not at all. There were reasons for the delay. And the first reason was that the initial complaint was brought in during an election.

We get all kinds of complaints during elections against Democrats from Republicans and against Republicans from Democrats. I have not seen one yet, before this one today, that was anything more than a political ploy.

You go back to Senate Resolution 338 and it is designed to protect Senators from such accusations. The rule says first there has to be a procedure and there are three stages for the procedural and actual due process. It says that he (special counsel) shall detail factual findings of the investigation and he may recommend disciplinary action. He has the option. He did. We asked him to.

I do not think this would have turned out any other way, no matter how we did it, and the final result is here. You can vote "no." We went through stage 1, stage 2, and stage 3. Normally what might have happened, were it not for the excellent judgment of the Senator from Minnesota and his desire to acknowledge these things in the way he has, would have been a public hearing that would have lasted several weeks.

Mr. BUMPERS. Will the Senator yield?

Mr. RUDMAN. Of course.

Mr. BUMPERS. I think both the chairman and vice chairman make very good points. I raised the question not because I think that a more stringent bifurcation of the investigation, findings of fact, conclusions of law would have changed the outcome in this case. It obviously would not have. The Senator has made that point correctly.

In a closer case—and we do not know when that closer case may be presented here—in a closer case, it might make a difference.

I just say this to my colleagues: I am not sure the rules ought to be changed either, because, as an old trial lawyer, I have a great deal of interest in the right of the accused. When you have the special counsel as the investigator, his counterpart the police or the FBI, you have the special counsel as the finder of facts, based on that investigation——

Mr. RUDMAN. I would disagree.

I will interrupt just one moment. That is not accurate. The committee does not have to accept it. The committee must agree with the counsel's recommendation every step of the way. This special counsel does not come in and say, "Here it is," and we accept it. That is not accurate.

Mr. BUMPERS. Senator, in this committee report, there are at least 10 places here where the special counsel finds either a fact or a fact combined with a conclusion of law and determines that the accused has violated a rule of the U.S. Senate. Now, I think the Ethics Committee put its stamp of approval on it. I am reluctant to try this out here because this ought to be reviewed for future hearings, not this particular case. But I am just simply saying that this is what the committee report says, which raised my curiosity about the procedures we employ.

Mr. RUDMAN. May I respond to that briefly?

The PRESIDENT pro tempore. The vice chairman is recognized.

Mr. RUDMAN. Let me respond to my friend from Arkansas. I agree with some of what he says, but let me call to the Senate's attention the special problem that we have on this committee. The special problem is that people who are subject to investigation by this committee are people who hold public office and people for whom there is great incentive, on the part of some, to discredit. Therefore, our investigations are held in camera, in private, until the last stage. It would be far easier to reach the objectives of the Senator from Arkansas, which I share to some extent, to have the whole thing public from day one.

I can tell my friend from Arkansas if that were to happen, then there are a few people here who would not be here today because of false charges made against them, which were found to be false after investigations by the chairman, the vice chairman, and the committee.

So I just make the observation, the problem we labor under here is trying to be fair to people. We rely on counsel in a closed session of the committee. Let me say to my friend from Arkansas that this committee, the members of this committee have been very vigorous in contesting and arguing with the special counsel and his assistants to ensure that they agreed with the recommendations.

In terms of actual due process and procedural due process, although this is a unique place and a unique situation, I think it works. I would love to have it work better and quicker. I am not sure how to do that.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES. Mr. President, I thank my friend, the Senator from Arkansas, and also the Senator from Mississippi, for their statements about the process, and Senator ARMSTRONG, as well.

I think the process needs to be reformed. We have several investigations going on right now over a lot of Senators. I think we need to seriously review the process we use now, where we have the special counsel who does not only special counseling, but also does investigations. I was not present during the public hearing, but I watched it on TV. I did not really see a special counsel; I saw a prosecutor. And it bothered me.

I am a very close friend of Senator DURENBERGER, and it bothered me a lot. I also thought about the six or seven other people who are under investigation. Are we going to have the same thing? Really, when we get into the fact of having a public hearing, for all practical purposes, if we have a prosecutor going after that individual, we are almost guilty at that point.

I heard the statement, "well, this is partly for the purpose of protecting the accused," I guess. But if you are at that stage, the accused has already had so much guilt associated with him if you have a prosecutor going after him that it is going to be very difficult to come out undamaged. I am not sure that is fair.

I do not know; I look at the House. They do not have that same type of public hearing. They have something similar, but most of their hearings are done behind closed doors. Maybe they are wrong and we are right. But there are some things in the process that need to be changed. I do not think it is right for Senator DURENBERGER to have hundreds of thousands of dollars of legal expenses. I do not know how much—I will ask the chairman, maybe—I do not know how many hundreds of thousands of dollars we used investigating this case.

Frankly, as I look at the results of the case, I think the restitution makes sense. Yes, if there were some mistakes made—I do not know. When we talk about stipends, I guess we do not have limitations on stipends. We have limitations on honorariums. I do not think there is a big difference between the two. We do not have limitations on unearned income, but we have limitations on earned income. So there are differences and those are rules and we are supposed to abide by the rules.

But a lot of times, there are gray areas, and a lot of times, as my friend from Minnesota did, he asked legal counsel for interpretations. And originally this was set up to be primarily a stipend, which we have other Members in this body that receive stipends that are outside the honoraria limits.

But again, what is the difference between the stipends and honoraria?

Mistake were made. I compliment my very good friend from Minnesota because he admitted it. I watched his statements before the committee and, if you have not seen it, I have a tape of it. It is probably one of the best statements we have had made by any Member of the Senate in my 10 years in the Senate. He was very contrite. He was very apologetic. He said mistakes were made, and I appreciate his frankness.

I also appreciate the fact he is not putting the Senate through an excruciating vote, because this is tough for me. I do not like it. I am sure there are 100 Members who do not like this situation we find ourselves in, and it is not just Senator DURENBERGER. It also is several other Members of the Senate who are under investigation now or possibly will be in the future. I think we need to keep that in mind, as well.

I think the process, when this thing can drag on for 20-some-odd months, and a Senator can be liable, or held accountable to incur legal expenses in the hundreds of thousands of dollars—again, this is not just DAVE DURENBERGER, but there are several other Members of the body. I think we have to review the process. I do not think the special counsel should also become prosecutor in the process. I think we need to look at what the House is doing. Maybe they are doing something better than we are; maybe they are not. Maybe they should have their hearings in public such as we do.

But I tell you, I know DAVE DURENBERGER a lot better than I think many of you do. I know him very well. He is a very close friend. I have been with him for 10 years. We meet once a week in a secluded area where we go over a lot of very personal things. And he has had some trials and tribulations, as many of us have. And we have shared some of those things. I tell you, if you watch the result of the committee hearing, of the prosecution, I would say, the image that came out of that is not the DAVE DURENBERGER that I know.

I know him to be an outstanding person; an outstanding legislator. He is one of the most effective legislators that we have in the United States Senate. I had him come to Oklahoma one time. He visited with hundreds of people about health issues. No honorariums involved; no greedy schemes, as some people were implying were coming. No, he was talking about health policy. He was talking about trying to help people who did not have insurance, and what we could do to make the system better. Or consider his efforts in the environment.

He is an outstanding legislator, and I think everyone would agree. He is an outstanding person. I am happy. I am dissatisfied with the process. I guess I will vote with the resolution, because I do not disagree with the facts, as he said he is going to agree to it.

But as I said, I am upset with the process. I am upset with the process where it would drag on for years and leave people in this water torture situation where they have to spend hundreds of thousands of dollars. Maybe they were not born with a lot of wealth. A lot of us were not. Maybe they do not have a lot of unearned income, so we find, well, wait a minute what is the difference—stipends, you can have unlimited stipends, but you cannot have unlimited honorariums? There is little difference here.

Again, I would implore my colleagues, let us think about the future. This body is important. The Senate is important. It is an important institution, and I think we need to preserve it. I am really concerned about what can happen with different groups making all kinds of allegations to the Ethics Committee.

If you get to the public hearing, as we had in this case, and I could not personally remember—I was here in the Senate when we had the resolution on Harrison Williams. I did not remember the public hearing. I was informed there was one, but I could not really remember it going to that extent. But I can tell my colleagues, if we go to that step in all the future cases, I am just concerned what it will do to this body.

I have the greatest respect for Senator DURENBERGER. I think he has been an outstanding U.S. Senator and a very dedicated public servant for the people of Minnesota and for the United States.

The PRESIDENT pro tempore. The vice chairman of the committee.

Mr. RUDMAN. Mr. President, I had not intended to say much more this afternoon, but the statement from my friend from Oklahoma demands a response, and he shall receive it.

This matter would have been concluded last December, but the committee purposely did not proceed during the Senator's re-election campaign. It is our policy and I think it is a wise policy.

In December, the condominium matter was brought to our attention, as well as other matters which we have not discussed today. These other matters are described in the report for your review.

With the additional information, the committee had a very interesting choice. We had sufficient evidence on the Peranha Press matter to go to the final stage, with the result of putting Senator DURENBERGER through one set of torture if we reached a verdict, and then later proceed to the condominium affair. So we decided to consolidate the cases.

We hired special counsel. With all due respect, I think I know prosecutors. I have been behind closed doors with this man, and he is not a prosecutor. And it is offensive to me personally to have him referred to that way.

The facts in this case are very serious. I measured my words carefully, and I will measure them carefully again. The Senator from Oklahoma should not leave the impression on this floor that this was some ordinary stipend relationship. It was not.

The Senator from Oklahoma has put some burden on me, as a Republican vice chairman of the Ethics Committee, to stand up and state the facts once more.

This was a serious offense. It was not accidental; it was not an ordinary stipend. I think I know the reasons for the offense, but it was serious enough that there was talk of a more serious sanction in the committee.

So, Mr. President, let me simply conclude by saying we should not leave the impression with the American people that this committee has delayed justice for some fickle reasons. We do care deeply about the due process and the agony of the Senator from Minnesota, as well as the due process for the other six Senators who are currently under investigation. Let me say that the worst thing that could happen, and I have more experience in this field than probably anybody else on this floor except Bob Bennett, the worst thing we could do in the Keating matter would be to rush to judgment. I wish I could tell you why, but I cannot. It is agony for those Senators, and I understand that. We are trying to protect their rights, their innocence, and the integrity of this institution, and we will not be rushed or stampeded into doing something wrong to them or to this institution. I yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Alaska [Mr. STEVENS].

Mr. STEVENS. Mr. President, I am not going to delay this proceeding. I think it is time we got down to the vote. Having served as chairman of the Ethics Committee and served with the Senator from Alabama, succeeded by the Senator from New Hampshire, I want to say that those who want to question this procedure ought to go and look at the files of the Ethics Committee. This is not an easy task. It is one very complicated concept, this idea of sitting in judgment on ourselves. I personally believe that we are absolutely served well by the members of this Ethics Committee. I left that committee because of another reason, to become ranking member of another committee. But it does seem to me that the time that is spent on the Ethics Committee is time that helps preserve this system and it helps support the public confidence in our Senate and the traditions of the

Senate. I, for one, would be very slow to make changes in this Rule that has been discussed here.

Again, if my colleagues have any questions about this investigation, and the way it has been handled or the way any other matters are being handled, I suggest you go to the Ethics Committee and visit. Those files are available to Members of the Senate and the nonpartisan staff of the Ethics Committee are there to brief Members of the Senate. It is one of the finest staffs I have ever worked with. I support the procedure that has been used on this matter and the other ethics matters that have been brought before the Senate since I have been here.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. Mr. President, I shall speak but a moment, but the issues of confidentiality and the issues of separation of the prosecutor's function and the judge's function are very different. I believe that the issue, as we have discussed it here today, has gone afield, and I think importantly so, perhaps because Senator DURENBERGER has chosen not to contest the basic facts.

We have a responsibility and authority under the Constitution to proceed without regard to what laws are established in collateral fields. However, there is a large body of law which says flatly that the prosecutorial function ought to be separated distinctly from the judgement function. There are cases in the Supreme Court of the United States which make that abundantly plain because, in the investigative stage, there may be matters which come to the attention of the committee which the respondent, a man in the position of Senator DURENBERGER, does not know about. The prosecutor, the independent counsel who presents the case, and call him what you like and there is no suggestion that the prosecutor deals unfairly because the U.S. attorney or district attorney is a quasijudicial official, but that individual necessarily presents a case, and that individual has contact with the judges, the members of the committee in a way in which the respondent and his lawyer do not have.

It has been specified that Mr. Bennett saw the committee on 21 occasions and Senator DURENBERGER's counsel saw the committee on three occasions. In this regard, I believe it is very important that, after this proceeding is concluded, there be a separation.

The distinguished vice chairman referred to the issue as bifurcation. It is something I had discussed with Senator RUDMAN in advance, and, since this proceeding unfolded, I decided not to make a comment because there was no contest on the basic facts. But there really ought to be a separation of the presentation of the evidence and the prosecutorial function from those who decide it. That can be accomplished fairly simply. I think that is a matter which requires our attention promptly at the conclusion of this matter.

I thank the Chair.

Mr. LEVIN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Michigan [Mr. LEVIN].

Mr. LEVIN. Let me say first, Mr. President, the committee has done its job extraordinarily well, thoroughly, and with great dignity under the extraordinary leadership of Senator HEFLIN and Senator RUDMAN. This body is very much in their debt and the Nation is very much in their debt.

The colleague that we judge today, Mr. President, is one whose intellect is keen, whose heart is open. He has reached out to groups in this society that have been neglected. He has reached out to Members of this body in particularly personal ways. He has always been of good cheer and is an extraordinarily decent human being. I believe, Mr. President, that the personal relationships which DAVE DURENBERGER has forged with so many of us will not only withstand the strain of these events, but will, over time, hopefully, be deepened by them.

As Senators, we must unflinchingly exercise the judgment which is required by these facts. As a human being, I remain a steadfast friend of DAVID DURENBERGER and an admirer of the legislative work he has accomplished in this body.

Mr. MITCHELL addressed the Chair.

The PRESIDENT pro tempore. The majority leader.

Mr. MITCHELL. Mr. President, I do not wish to deter any Senator who wishes to address the Senate from doing so, but it is my hope that we can bring this matter to a conclusion.

In the tradition of the Senate, of course, each Senator is free to address any aspect of the matter that he or she chooses. But I think in some respects it is unfortunate that much of the debate has veered off into an evaluation of the Ethics Committee and of the counsel of the Ethics Committee. If Senators have concerns about the method by which ethical allegations are treated, there is an appropriate process for making those concerns felt and for changing the procedure. If there are concerns about the conduct of a particular counsel in this case, I think those should be addressed to the Ethics Committee.

But this is not a proceeding about the conduct of the Ethics Committee. This is not a proceeding about the conduct of the counsel to the Ethics Committee. This is a proceeding about the conduct of Senator DAVE DURENBERGER and the resolution on which we are about to vote. I hope every Senator will bear that in mind as we cast our votes, difficult and painful as that may be.

It is remarkable, I think, that after the discussion, after the presentation of the chairman and vice chairman, virtually nothing that has been said has been directly related to the resolution itself.

Again, I emphasize, I do not want to deter any Senator from speaking, but there has been a lot of discussion about protracted proceedings being to the detriment of the Senator, and I suggest we are now reaching, if we have not already reached, that stage in this proceeding here. I hope that we can, Mr. President, bring the matter to a conclusion consistent with the opportunity of every Senator to address the matter. Those Senators who feel in good conscience that this resolution ought not to be adopted should vote no if that is their concern, if they believe that.

That is the appropriate opportunity, an alternative available to those who have some concern about the subject of the resolution. Those who have concerns about the procedures of the Ethics Committee in general, or in this specific case, that ought to be in a proper forum for concern there.

So I hope, Mr. President, that we can bring this to a prompt conclusion in the interest of all concerned, including the distinguished Senator from Minnesota.

Mr. CHAFEE. Mr. President, Hemingway describes courage as "grace under pressure." DAVE DURENBERGER, my friend, indeed a friend of all of us, has this courage, this "grace under pressure," and has shown it.

Through these trying times, DAVE DURENBERGER has continued his valuable Senate work, especially in connection with the Clean Air Act and the conference which is currently under way on that very bill. He has grown in both character and Senate reputation during these difficult days.

Mr. GRASSLEY. Mr. President, the action which the Senate is about to take is probably the most difficult many of us will have undertaken in our capacity as U.S. Senators. Many refer to the Senate as a club, a club which takes great pains to always operate in an atmosphere of collegiality and camaraderie. It is most painful, therefore, for us to go on record against one of our colleagues, one of our friends.

The Senator from Minnesota has been an excellent Member of this body, and I am confident will continue to be. He takes on the tough issues and develops thoughtful and creative resolutions. His excellent leadership on health issues, in particular, should make the voters in Minnesota proud.

As ranking member of the Finance Subcommittee on Medicare and Long Term Care, Senator DURENBERGER's work on physician payment reform, specifically, has been of great benefit to those of us from rural States. Indeed, as a colleague on the Rural Health Caucus, I know that Senator DURENBERGER has been a friend of the elderly and infirm, especially regarding their access to rural health care.

But, Mr. President, this resolution is not about the excellent record of the senior Senator from Minnesota. It is about a series of actions which he took 5 and 6 years ago. While, as a friend, I would like to excuse those actions, I cannot and will not excuse or condone them in any way. And for me, those actions have heightened my awareness of the responsibility which I have as a U.S. Senator.

The Ethics Committee has done a most thorough job on that most difficult task. This experience certainly demonstrates that the process of the Ethics Committee investigation works. The senior Senator from Minnesota has had the opportunity to present his case to his peers. His defense, while eloquent in its sincerity, does not absolve him of his offense. After his day in court, he must now face the punishment, which he has accepted.

Lest anyone in this body be tempted to point a finger at the Senator from Minnesota, I dare to suggest that there is a lesson here for all of us. Entrusted by the good citizens of this Nation to run the affairs of the Congress, we should act with care to serve as role models. As public officials, we must embrace the awesome responsibility of attempting to live up to the expectations of our constituents.

Finally, Mr. President, I want to commend Senator DURENBERGER for the way in which he has handled himself throughout this inquiry and investigation. Always forthright about the allegations, he has conducted himself in a most respectful manner. None of us will ever know of the pain and torment, let alone the personal sacrifices, that this investigation has had on the Senator and his family.

Yet throughout this ordeal, he has been honest an forthright with us. We, his colleagues in the Senate, owe it to him to not let his earlier mistakes affect the manner in which we work with him now and in the future. The business of the Senate is too important for us to impede the contributions of the Senator from Minnesota. I am sure that those contributions will be many.

Senator DURENBERGER, I offer you and your family my prayers that you'll be able to put all of this behind you, and that, using your own words, you will be the very best Senator that you can be.

Mrs. KASSEBAUM. Mr. President, nearly 12 years ago, I entered the Senate in the same class as the Senator from Minnesota, and I want to add a personal note to the proceedings before us.

During my years in the Senate with Senator DURENBERGER, I have developed a great appreciation for his enthusiasm for the legislative process and for his dedication to shaping sound policy. His contributions in the areas of health care policy and environmental issues have shown a depth and breadth of understanding and skill that are the mark of a thoughtful legislator.

The Senator from Minnesota also is frank to acknowledge that his own serious mistakes have brought us this point. I will support the committee's resolution, but I could not do so without expressing my person appreciation for his substantive contributions to national policies.

Mr. HATFIELD. Mr. President, anyone who has served in the Senate knows that personal relationships have been and always will be our only anchor against the sometimes violent tides of controversy. Issues come and go, but those relationships remain—politics tear us apart, but those relationships hold us together.

I therefore cannot imagine a task more difficult and more personally painful than being called upon to pass judgment on a colleague's behavior. And yet that is what we are asked to do today—and what we are required to do for the sake of this institution and the people we serve.

Let me underscore the point that Senator DURENBERGER's accomplishments—his service to the people of Minnesota and the people of this country—are not in question. From the Americans with Disabilities Act to the Pepper Commission to Medicare Physicians Payment Reform, his efforts have improved the lives of a great many people. Nothing we do or say here today will detract from that fact.

Let me also make a distinction that too often is lost in the shuffle—a distinction I think is fundamental to the task at hand and indeed to this institution and the relationships which anchor it. That distinction is best articulated by the Scriptures, which teach us to love the person even though we may disapprove of his actions.

I do not mean to suggest that we are not accountable for our actions, we are. But as we stand here in judgment today, let us also stand here in humility. Let us be on guard against, the temptation to cloak ourselves in the myth of infallibility—on guard against the seductive notion that somehow we are better, wiser, and more worthy for finding fault in someone else.

We gather here day after day, charged with the task of making decisions which affect the course of events in this country and often in this world. We gather here as men and women who have been given the most precious thing a democracy has to offer: the public trust. Yet for all the attention lavished upon us and all the responsibility entrusted to us, we cannot escape one basic fact. We are, every single one of us, human beings.

And above all else, the Senate is an institution of individual human beings—an institution in which our compassion goes hand in hand with our doubts, our dreams hand in hand with our failures. We are obligated to protect this institution—but in so doing, let us not forget the human relationships which hold it, and indeed us, together. Let us be honest and fair—but let us also reaffirm the enduring yet fragile relationships which can serve as our anchor through this storm.

Mr. JEFFORDS. Mr. President, I have had the privilege of serving on both the Environment and Public Works Committee and the Labor and Human Resources Committee with Senator DAVID DURENBERGER. My experience in working with Senator DURENBERGER has given me the opportunity to see the kind of service he has provided to his constituents in Minnesota and to this country. Senator DURENBERGER is a committed public servant who has worked diligently to represent his State in the U.S. Senate. He has been particularly effective on recent critical legislation such as the Americans with Disabilities Act and the Clean Air Act. His ongoing and tireless efforts to improve health care in this country as the ranking member on the Finance Committee's Subcommittee on Medicare and Long-Term Care are well known. Senator DURENBERGER is a bright, hard working, committed and effective U.S. Senator.

I consider DAVID DURENBERGER a friend and am deeply sorry for him and his family for the events that have led up to this difficult day.

That is why it grieves me to have to vote today to denounce Senator DURENBERGER as recommended by the Ethics Committee. The charges are serious and deserve such denunciation. However, I do believe that Senator DURENBERGER's years of dedication and service to his State, his country and this Senate should not be overlooked as we take this action to denounce him for the activity that led to the Ethics Committee's decision. I hope that we will all learn from his experience, as I am sure he has, and be even more diligent in our efforts to be above reproach in our financial dealings and personal activity.

Mr. HEFLIN addressed the Chair.

The PRESIDENT pro tempore. The chairman of the committee [Mr. HEFLIN].

Mr. HEFLIN. Mr. President, in a moment I will ask for the yeas and nays, but I would like to mention just one or two things.

I do not want to leave the impression that during the times the special counsel appeared that he was advocating action against Senator DURENBERGER. On many occasions he was there defending him. You do not know what went on in each of those meetings in which he was present, and you jump to conclusions when you make such wild statements.

I think it is unfair to the special counsel to leave here with some impression that he has used those occasions to advocate a position contrary to the best interests of Senator DURENBERGER. He evaluated evidence. He presented it. He reviewed certain statutes, and he recommended not to apply certain of those statutes. If those statutes had been applied, the resolution would have been calling for expulsion.

So I say that the attacks that have been made upon him have been unfair to our special counsel. I do agree that it is a very difficult task and perhaps maybe the rules do need changing. I think they need to be further studied, and I think that our rules and process can be improved.

But I do not want to leave here with the impression that the Ethics Committee, which has six individuals, three from each party and most of whom are lawyers—I believe Senator HELMS is not a lawyer, but the Senator over the years has exercised good judgment in carrying out his Ethics Committee duties—is going to be pulled around as if we have a ring in our nose. I can remember many instances in which several Senators had knockdown, dragout arguments with our special counsel. I did. I disagreed with him and we argued back and forth. I do not want to leave here with the idea that he has done something wrong. I think he has a difficult task. In my judgment, he has done a fine job.

After we finish this, sometime, I would like to have the floor to thank some people. But since I think we have gone along far enough on this, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the demand sustained? The demand is sustained.

The yeas and nays were ordered.

The PRESIDENT pro tempore. Senators are reminded that Mr. DURENBERGER will address the Senate following the vote. The Chair will take the liberty of asking Senators to remain in their seats during the vote and that the well remain clear and that the clerk repeat the response of Senators. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BOSCHWITZ (when his name was called). Present.

Mr. DURENBERGER (when his name was called). Present.

Mr. SIMPSON. I announce that the Senator from Wyoming [Mr. WALLOP] is necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

I further announce that if present and voting, the Senator from South Dakota [Mr. PRESSLER] and the Senator from Wyoming [Mr. WALLOP], would each vote "yea."

The PRESIDENT pro tempore. Are there any Senators in the Chamber who have not voted, or wish to change their vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—96

Adams	Fowler	McCain
Akaka	Garn	McClure
Armstrong	Glenn	McConnell
Baucus	Gore	Metzenbaum
Bentsen	Gorton	Mikulski
Biden	Graham	Mitchell
Bingaman	Gramm	Moynihan
Bond	Grassley	Murkowski
Boren	Harkin	Nickles
Bradley	Hatch	Nunn
Breaux	Hatfield	Packwood
Bryan	Heflin	Pell
Bumpers	Heinz	Pryor
Burdick	Helms	Reid
Burns	Hollings	Riegle
Byrd	Humphrey	Robb
Chafee	Inouye	Rockefeller
Coats	Jeffords	Roth
Cochran	Johnston	Rudman
Cohen	Kassebaum	Sanford
Conrad	Kasten	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Kerrey	Shelby
Danforth	Kerry	Simon
Daschle	Kohl	Simpson
DeConcini	Lautenberg	Specter
Dixon	Leahy	Stevens
Dodd	Levin	Symms
Dole	Lieberman	Thurmond
Domenici	Lott	Warner
Exon	Lugar	Wilson
Ford	Mack	Wirth

NAYS—0

ANSWERED "PRESENT"—2

Boschwitz Durenberger

NOT VOTING—2

Pressler Wallop

So the resolution (S. Res. 311) was agreed to.

Mr. HEFLIN. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. DURENBERGER] is recognized.

Mr. DURENBERGER. Mr. President, as you can imagine my heart is very full at this moment, and I will be very brief.

Actions speak louder than words. And I am acutely aware that nothing I say today will change the past, or the future for that matter.

The record of my previous statements to the committee, to the people of Minnesota, is there for anyone to examine. To my colleagues here who know me and work with me, I would just say how deeply sorry I am for the painful and the necessary experience we have just been through; also, as the vice chairman said, for that extra burden that my misconduct has placed on each of you.

I love the Senate and cherish the ideal it stands for. If anyone wants to judge my respect for this body and for each of you, I would simply suggest that they look at my actions over the last 22 months to help bring this matter to a conclusion.

I opened my files and my staff to complete scrutiny by the committee; I released my lawyers from the attorney-client privilege; I cooperated in expediting the hearings and over the last few days, and just minutes ago I urged final and uncontested action on the resolution.

Mr. President, I did everything in my power to have this matter fairly considered and behind us.

Now, thankfully, that has been done. As for the future I would ask only that I be judged by that same standard, not necessarily what I say, but what I do. Financial restitution is only a beginning. I intend to apply myself every day to lifting a portion of the burden that I have placed on the Senate by taking more than my share of the institutional responsibilities around this place.

I will work even harder than I already have to bring about solutions to our national challenges by bringing to the Senate the best ideas my State and my experience can produce.

Mr. President, if there is a smudge on the seal of the U.S. Senate, or on the Star of the North, as we like to call our State, I will work my hardest to polish both back to brightness.

These are easy and on my part hopeful things to say, I know. But with God as my witness, I have committed myself to the work it will take to get it done.

I want to thank our leaders, GEORGE MITCHELL, and BOB DOLE, for their fair and expeditious handling of this matter, and my special friend, the Republican whip, ALAN SIMPSON, for his love, my colleague, RUDY BOSCHWITZ, for always being there for me throughout this process.

I commend the members of the Ethics Committee for their commitment and their dedication to the most difficult task in this place. I thank all of my colleagues who have encouraged me. I thank those who have spoken here today. I thank the other members of the Senate family—on the staffs, in the restaurants, and the elevators, on the subways, and at the guard desk.

I thank my outstanding attorney, Jim Hamilton, Bert McKasy, Mary

Albert, and Karen Tomcala. I thank my loyal staff who have stuck by me and done their jobs with excellence.

Finally, but especially, I thank the thousands of Minnesotans who called and wrote and stopped me on the street to give their encouragement. It is very easy for me to stand here today and say to you that I have been truly blessed in many ways through this whole experience.

Today is an ending and a beginning. For past mistakes, I ask your forgiveness. For future challenges, I need your friendship.

As a result of what I have lived—and it has been a costly education—I have reordered my personal and my professional priorities to be, first, a better man, and, then, a better Senator. And the proof of that, Mr. President, will be my actions over the next 4 years.

I have confidence in the Senate of the United States. I have confidence in the people of Minnesota. And I have confidence in the power of friendship and the power of prayer. With your help, I can be bold enough to say our best days lie ahead.

Mr. President, I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDENT pro tempore. The Senate will be in order.

The Senator from Alabama is recognized.

Mr. HEFLIN. Having already thanked Bob Bennett and his assistants for their outstanding service to the committee and to the Senate, I add my thanks to Jim Hamilton, Bert McKasy, Mary Albert, and Karen Tomcala, for their able representation of Senator DURENBERGER.

I would also like to thank the Comptroller General for providing to the committee investigators from the GAO's Office of Special Investigations and, particularly, for Houston Fuller of that office, who has clearly demonstrated the impartiality and professionalism expected from GAO investigators.

I also want to express the committee's appreciation to the Librarian of Congress for allowing the committee to have the services of Mr. Jack Maskell, one of the top experts in governmental ethics laws. Additionally, I want to thank the Senate legal counsel, the very able, Mike Davidson and his staff for their assistance, and the entire Ethics Committee staff, including Victor Baird, David Apol, Sheila Langenhenning, Annette Gillis, Marie Mullis, Shannon Falls, Jennifer Jones, Karen Vermaire, Sharon Nixon, and staff director, Wilson Abney.

I yield the floor.

Mr. COHEN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Maine [Mr. COHEN].

Mr. COHEN. Might I inquire, under the previous order, are we returning to the amendment offered by the Senator from Maine?

Mr. MITCHELL. Following consultation with my colleagues, I am going to suggest a brief recess to give Senators the opportunity to stretch, and then we will get back to that amendment.

RECESS UNTIL 7:30 P.M.

Mr. MITCHELL. I ask unanimous consent that the Senate stand in recess until the hour of 7:30 p.m.

There being no objection, at 6:57 p.m. the Senate recessed until 7:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. KOHL].

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 2356

Mr. COHEN. Mr. President, I rise to support this important amendment which, as my colleagues know, incorporates, S. 1245, the Fish Safety Act of 1990.

Food safety is a principal concern among today's consumers. In response to particular concerns regarding the safety of seafood, I joined Senator MITCHELL and others last year in introducing S. 1245, the Federal Fish Inspection Act, calling for a mandatory seafood inspection program.

Seafood consumption is no longer limited to coastal and shoreside communities. It has become a main plate item, like beef, pork and poultry, with more and more Americans enjoying seafood each year. Unlike meat and poultry, however, seafood is not required to be inspected under Federal law. The result of this anomaly has been a growing consumer apprehension regarding the safety of seafood products.

When average Americans see hospital waste washing up on beaches or oil spills blanketing stretches of shoreline, they understandably start to wonder whether food from the sea is safe to eat.

Consumer apprehension is reaffirmed when they learn that seafood, unlike meat and poultry products, is not subject to mandatory Federal inspection.

This legislation responds to these concerns by establishing a mandatory seafood inspection program.

Let me touch upon four key provisions of S. 1245.

First, it designates the Department of Agriculture [USDA] as the lead agency. Although the Food and Drug Administration [FDA] and the National Oceanic and Atmospheric Administration [NOAA] now coordinate a voluntary seafood inspection program, consumer groups and industry representatives alike agree that USDA is best suited to manage the proposed mandatory program. After all, USDA has been successfully managing the Federal inspection programs for meat and poultry since the 1930's.

Second, the program calls for the use of Hazard Analysis Critical Control Points [HACCP] methodologies. This means that, unlike meat and poultry inspection programs which are continuous, seafood inspection will focus only at the points where the greatest threats to food safety exist. To continuously inspect seafood would simply be too costly and too cumbersome because, while meat and poultry are processed at centralized locations, seafood is processed at thousands of different locations throughout the country. The HACCP principles in the inspection program, developed by the National Academy of Sciences, will ensure a safe and wholesome supply of seafood.

Third, our bill calls for an inspection program that is Government-supported. Seafood inspection, like meat and poultry inspection, is a public health issue. The Government currently supports meat and poultry inspection programs. It would simply be intolerable to require the seafood industry to pay for seafood inspection while other programs are Government-supported.

Finally, S. 1245 requires that imported seafood be held to the same inspection standards as domestically harvested products. It is critical that domestic and imported seafood be treated the same in order to ensure the safety of seafood products.

I realize that there is opposition to this legislation. As my colleagues know, another bill, S. 2228, introduced by Senator HOLLINGS and Senator STEVENS, also proposes to establish a mandatory seafood inspection program.

The inspection program called for in S. 2228 is similar to S. 1245 in many substantive respects. Both bills call for a mandatory inspection program employing the HACCP methodology. Both require the Food and Drug Administration to set tolerance levels. Both bills require imported seafood to be inspected by the same standards as domestic seafood products. These are just a few similarities between the two bills.

The critical difference between S. 1245 and S. 2228 is jurisdictional. S. 1245 establishes the U.S. Department of Agriculture as the lead agency,

while S. 2228 establishes the U.S. Department of Commerce as the lead agency.

Obviously, I believe that USDA should be the lead agency. The USDA has been inspecting meat and poultry for over 60 years. USDA has the experience and the infrastructure to effectively operate a seafood inspection program.

The USDA has an extensive infrastructure that can support a new fish inspection program, including nearly 5,000 field offices and over 100,000 employees.

The USDA has an extensive network for research, training, and enforcement necessary to implement this program.

Frankly, the size of this program is such that it would simply overwhelm any other Federal agency but the USDA's Food Safety Inspection Service. To place this program primarily in NOAA or FDA would overwhelm those agencies to the point of ineffectiveness.

The USDA also has tremendous experience in certifying foreign inspection programs which is critical since S. 1245 will hold imports to the same standards as domestic fish.

It is critical that we take advantage of the USDA's experience in these areas.

The time for a mandatory seafood inspection program is now. There is unprecedented support from both the industry and consumer groups for S. 1245. The inspection program called for in this legislation will restore consumer confidence. Equally important, it will do so without subjecting the fishing industry to unworkable and unreasonable regulations.

The benefits of this legislation will reach far beyond the fishing community. It will serve every American consumer by assuring a safe and wholesome supply of seafood.

Let me say to my friend from Alaska that my support for the amendment offered by my colleague from Maine is not because of any power grab. I have no interest, and I know my colleague from Maine has no interest, in engaging in a power grab on the part of the Agriculture Committee over that of Commerce. There is no collusion, as far as I am concerned, with the farming community. I tend to think of the seas being farmed by fishermen. But there is no connection, in my judgment, between the farming community and the fishing community on this point.

The reason that I have supported this amendment, and the reason I believe that USDA ought to be the lead agency is quite simple: USDA, no matter how stretched, no mater how deficient one might charge it as being in terms of its current inspection programs, is far more capable of carrying out the inspection than either FDA or NOAA.

Second, I think that the U.S. Department of Agriculture is better prepared to inspect foreign catches than either FDA or NOAA.

The third point is this: Hopefully, sometime down the line, that the Department of Agriculture might come to include and consider fish in the same category as they do meat and poultry in many of its programs, not only for inspection purposes, but also for promotion purposes. I will give my colleagues an example.

Last fall, I requested USDA to include mackerel in the food assistance to Poland, and I was met with very strong resistance. The attitude on the part of USDA was, "we do not do fish; that is not our business." While I thought mackerel would be a very important addition to that aid package, USDA's attitude was, "we simply do not want to deal with this particular product."

So I hope that, if the seafood inspection program is under the Department of Agriculture, it might begin to see fish on par with meat and poultry as a vital staple for not only American consumption purposes, but also for foreign consumption.

The Senator from Alaska opposes the Department of Agriculture as being the lead agency. He opposes it for several reasons. I pointed to the user fee. I believe the Senator from Alaska would say that this is going to be such an expensive proposition that the Federal Government really should not undertake this; it does not have the ability to undertake this and should not pay for this. I see the Senator shaking his head, so I will not pursue that line any further, and I will wait until he makes his remarks.

The Senator from Alaska also suggests that the meat and poultry industries support this amendment because they see it as a way of destroying fish as a competitor. I see the Senator from Alaska nodding in agreement that he views this as a tactic conceived by the meat and poultry industries as a way of destroying their competition, namely, fish.

He would also point out, I suppose, and I would like to hear him comment on this further, that, under fish inspection, if you have one fish that is rotten or spoiled, you would have to destroy the whole catch; whereas, under the meat and poultry program, if you have one chicken or carcass that is spoiled you simply dispose of that one chicken or carcass. You do not have to destroy the entire flock or herd at that point.

I think there is plenty to debate here. I see the majority leader is on the floor. I assume the majority leader is going to inquire as to the possibilities of what might be the parameters of this debate. I had only intended to lend my support to the Senator's amendment to point out that my support for the amendment was based upon the fact that I felt USDA could do a better job of inspecting fish and that the costs should not be borne through a user fee. Rather, I believe that fish should be treated like meat and poultry in these respects.

With respect to grading services, however, the fishing industry would be more than happy to pay on a user fee basis.

Mr. STEVENS. Mr. President, let me first address the problem that the Senator from Maine has just commented on, and that is the question of costs under the Departament of Agriculture as opposed to the costs under the Commerce Committee's system of the Department of Commerce together with the FDA administering the fisheries inspection system.

I should emphasize to begin with there is no question that we are all seeking a greater public support for seafood inspections. The National Oceanic and Atmospheric Administration published a very good book, "Meeting The Challenge: New Directions In Seafood Inspection." The Commerce Committee have had a whole series of these studies and publications.

The Senator from Maine mentioned costs. If he would examine S. 2228, section 20, the recovery of costs, which is in the Commerce Committee bill, he would see that there are only two types of fees that could be collected. One relates to export certificates and the other relates to targeted inspection of imports. Under the Agriculture bill, which is S. 1245, in section 1926, the costs of inspector's overtime will be recovered by the Secretary of Agriculture at rates to be determined by the Secretary and will be borne by the establishments inspected, which is contrary to the words that have been put out by almost everyone that is supporting the Agriculture bill.

The Agriculture Committee bill envisions a system of collecting costs of inspection from fish processors for overtime or holiday work. Now, I just happen to have put up my State's map, and I hope people would take a look at it to see what we are talking about about overtime. My son is the captain of a fishing vessel that fishes up in the Pribilofs, out in the Bering Sea. He is farther from our home in Anchorage than I am from Kansas City right now. Dutch Harbor, which is now the No. 1 fish port of the United States, is over 900 miles from Anchorage.

Now, you talk about overtime and holiday work. The whole cost of the Agriculture bill will be borne by the areas where there is wild fish harvest, where we still take fish from the seas. It will not be borne by the people who have fish farms, who will have their

agricultural inspection stations to deal with all forms of poultry, and beef, and hogs, and chickens throughout the State. We do not have that in Alaska.

The reason I oppose this Agriculture bill so much is related to the growth of fisheries in the United States since the passage of the Magnuson Act which extended the jurisdiction of the United States to 200 miles. We envisioned at that time that we could force our the foreign fishing vessels and turn the harvesting of fish within the waters off our shore into an American industry and develop some sound practices concerning the conservation of the fisheries off our shores.

Mr. President, that has succeeded beyond our wildest dreams. Let me give you some statistics. In Alaska in 1988 there were domestic landings of 2,639,250,000 pounds out of a total of almost 7.2 billion pounds. Within 1 year, the Alaska harvest went up to 4.088 billion pounds but the harvest nationwide increased to only 8.4 billion pounds. In other words, while the U.S. harvest went up only 1 billion, the Alaska harvest went up 2.

Now because of the 200-mile limit we have seen a vast increase in the harvest of fish off our shores. A tremendous industry has grown now. Incidentally in the increase in value is about the same. Alaska in terms of dollars went up from $1.3 billion to a total of — as a matter of fact, I have to say because of last year it went down.

There is one comment made by the majority leader that is correct. After the *Exxon Valdez* incident, the price of fish in Alaska went down, notwithstanding the fact that less than 10 percent of the fish are harvested from that area. None of the fish was contaminated by the *Exxon Valdez* entered into any markets but we lost the value of fish because of the concepts that were mentioned by the majority leader. That is why we all support increased means of securing consumer reassurance through fisheries inspection on a formal basis by the Federal Government.

I am completed now to try to answer some of the statements that have been made, and I hope that the Chair will not be a little scared or disturbed by this, but this is a computer printout of the comparison between these two bills. I am told it is very easy to feed into the RECORD, so I ask unanimous consent that it be printed in the RECORD, Mr. President.

There being no objecton, the printout was ordered to be printed in the RECORD, as follows:

SEAFOOD SIDE-BY-SIDE

Activity	Hollings S. 2228	Senate Agriculture S. 1245
Title	Consumer Seafood Safety and Quality Act of 1990 (Sec. 1)	Fish Safety Act of 1990 (Sec. 1)
Referral	Commerce	Agriculture
Legislation amended	New legislation	Food Security Act of 1985 (Sec. 3); the Act of May, 1914 (Sec. 4)
Lead agency	Health and Human Services (FDA); Commerce (NOAA) (Secs. 3 and 4)	Agriculture (FSIS) (Secs. 1901 and 1903)
Products affected	Applies to any fish and fish products, including aquaculture, intended for human consumption except products containing relatively small portions of fish or historically not considered as fish by consumers (Secs. 3 and 4).	Applies to all fish and fish products, including aquaculture intended for human consumption except products containing relatively small portions of fish or historically not considered as fish by consumers (Secs. 1901 and 1903)
Type of program	"Seafood safety and quality assurance program" including federal seafood standards, national inspection system, registration, research, consumer education, monitoring for fish growing and harvesting areas (Sec. 4); comprehensive and efficient system based on HACCP approach and providing for frequent and unannounced inspections, training of inspectors and personnel; sampling and testing; inspector authority to detain/condemn products; takes into consideration the special characteristics of fish and fish products (Sec. 7).	"Comprehensive and efficient health-based" inspection system with frequent and unannounced inspections, taking into account special characteristics of fish and fish products; based on HACCP approach, considering NMFS/MSSP, providing for identification and classification of fish harvesting areas; inspector authority to detain and condemn products; sampling and testing (Secs. 1903 and 1905)
Training requirements	Inspection program must provide for training of inspection and processing personnel (Sec. 7)	Requires USDA regulations on procedures for training inspectors (Sec. 5)
Registration/certification requirements	Requires Commerce registration of processing facilities, including processing vessels (Sec. 6)	Requires Agricultural certification of establishments, including processing vessels, and any place handling or processing fish (Sec. 1907);
	Requires Commerce study of need to register harvesting vessels and if so, notify Congress (Sec. 21).	Requires USDA–Commerce study of need to register harvesting and fish tender vessels and if so, notify Congress (Sec. 1921)
Sanitary/processing standards	Requires Health Secretary to prescribe processing, sanitation and quality standards including harvesting vessel standard (Sec. 5).	Requires Agriculture Secretary to issue standards of sanitation and other good processing, storage, etc. procedures (Sec. 1902 and 1920)
Product standards	Requires Health Secretary to prescribe standards of identity, and composition, minimum quality, and fill of container consistent with existing Federal and any applicable international standards, including definition of common and usual fish (Sec. 5 and 6).	Requires Agriculture Secretary to prescribe standards for marking products; all seafood products must have USDA label with an official mark and identification number (Secs. 1908 and 1920); requires rules identifying and naming fish (Sec. 1902)
Labeling and marking	All products have an identifying code and official mark; Secretary may set additional voluntary grading criteria (Sec. 5).	All products have an identifying code and official mark (Sec. 1908)
Contaminant standards	FDA must develop contaminant level standards after contracting with the National Academy of Sciences to identify contaminants and recommend priorities (Sec. 5).	Requires FDA (in consultation with the National Academy of Sciences and other agencies) to establish tolerances for harmful substances for use by USDA after formal rulemaking (Sec. 1903 and Sec. 6)
Shellfish	Commerce to set up 5-year shellfish indicator research program (Sec. 17) (consulting with other agencies) to prescribe standards for shellfish growing areas (Sec. 5); general seafood safety program must be consistent with NSSP guidelines (Sec. 4).	Commerce Secretary to set up 5-year shellfish indicator research program (Sec. 1921); see also production area monitoring, below (Sec. 1904)
Production areas	Requires Commerce (in cooperation with the HHS) to implement system for identifying and designating growing and harvesting areas where noncomplying products may originate; authorizes Commerce to identify problem areas from which contaminated fish are harvested; shellfish from unmonitored areas or closed state waters would be considered adulterated (Sec. 8).	Requires Commerce and States to set up a system for identifying and classifying fish and shellfish growing and harvesting areas; USDA to provide notification of hazardous areas based on product samples; authorizes Commerce Secretary to close federal waters (Sec. 1904)
Penalties	Includes civil penalties up to $5,000 for each violation (each continuous day is separate offense); also criminal penalties set at $10,000 or imprisonment for one year, for willful or gross negligence, except if violation involves intent to defraud or distribute adulterated fish and fish products limits raised to $20,000 and three years imprisonment (Sec. 12).	Includes civil penalties up to $5,000 for 1st violation plus 10% more for each subsequent one (each continuous day is a separate offense (Sec. 1915); also criminal penalties set at $10,000 or one year imprisonment, or both, unless violation involves intent to defraud or distribute adulterated or misbranded fish or fish product, limits raised to $20,000 or three years imprisonment or both (Sec. 1916). Separate penalties with a maximum of $10,000 specified for persons who bribe or assault inspectors (Sec. 1919); Killing and inspector is prohibted
Recordkeeping	Requires facilities to keep records and permits the Commerce Secretary reasonable access to and authority to copy them (Sec. 7).	Requires establishments to keep records and permit Agriculture Secretary and Commerce Secretary reasonable access to them (Secs. 1909 and 1920)
Illness/health monitoring	Requires Health Secretary to establish through the Centers for Disease Control and active seafood illness survillance program (Sec. 15).	Requires Health Secretary to establish through the Centers for Disease Control an active seafood illness survillance program (Sec. 1913)
Research	Requires Commerce and Health Secretaries to establish and administer a 5-year shellfish indicator research program; requires the Health Secretary and the Commerce Secretary to jointly develop a strategic plan on research on fish and fish product safety, including contaminant testing, fish inspection techniques and sanitation practices (Sec. 17) Commerce to study the role of various vessels in providing fish and fish products to determine the necessity of including any particular type in the registration and imspection program (Sec.21).	Requires Agriculture Secretary to determine research priorities, with "Appropriate" Federal agencies to conduct it; establishment of research advisory panel; USDA to research improved sanitation, contaminant testing; fish inspection techniques; USDA in cooperation with Commerce to study the need to register harvesting and fish tender vessels (Sec. 1921)
Recall provisions	Provides specific recall authority to the Health Secretary and the Commerce Secretary (Sec. 9)	Provides specific recall authority to Agriculture Secretary (Sec. 1912)
Education	Requires Health Secretary and Commerce Secretary to design and implement a national consumer education program on seafood (Sec. 16).	Authorizes $2 million annually in USDA grants to assist States in food safety information activities (Sec. 1921)
Federal-State relationships	Authorizes Federal assistance to States in setting up their programs; states establishing programs at least equal to Federal program are eligible for Federal grants for up to 60 percent of the costs for operation (Sec. 19).	Authorizes two types of State-run programs: (1) those covering intrastate commerce (as long as the State law requires the program at least equal to Federal program), (2) those operating interstate on behalf of the Federal Government with 50 percent Federal funding. (Sec. 1903)
Federal, State and foreign interagency relationships.	Authorizes Health or Commerce Secretary to utilize other agency, state or foreign government resources on a reimbursable basis (Sec. 20); interagency consultation required on certain specified activities.	Authorizes Agriculture Secretary to utilize other agency resources on reimbursable basis (Sec. 1924); interagency consultation required on certain specified activities
Imports	Imports held to same standards (Secs. 6 and 10)	Imports held to same standards (Secs. 1907 and 1910)
	Countries importing into U.S. must have certified inspection programs at least equal to U.S. system and an agreement ensuring reciprocity with respect to imports and exports of fish and fish products; inspection required for all fish and fish products from countries without certification or agreement (Sec. 10).	Countries importing into U.S. must have certified inspection programs at least equal to U.S. system; imports prohibited from countries without certification (Sec. 1910)
Hearing provisions	Administrative hearing opportunity must be provided for persons adversely affected by Act (Sec. 13).	Administrative hearing opportunity must be provided for persons adversely affected by Act (except in criminal prosecution); language also included on judicial review (Sec. 1918)

SEAFOOD SIDE-BY-SIDE—Continued

Activity	Hollings S. 2228	Senate Agriculture S. 1245
Employee protection	An employee cannot be discharged, disciplined or discriminated against for filing a complaint relating to a violation or refusing to perform duties that commit a violation (Sec. 14).	None
Implementation timetable	Program must be implemented within 2 years of enactment (Sec. 4); NAS report on contaminants due within 18 months of enactment (Sec. 5); Commerce study of vessels due within 18 months of enactment (Sec. 21).	FDA contract with NAS within 30 days of enactment; NAS report within 6 months of contract, FDA final rules within one year of NAS report; USDA implementation of program within 18 months of FDA final rules (up to 37 months total); Commerce and FDA responsibilities generally must be implemented within 2 years of enactment (Secs. 5, 6 and 7).
Recovery of costs	Authorizes the Health and Commerce Secretaries to develop user fees for: (1) inspections to certify that voluntary grading standards exceed minimum quality standards; (2) provision of certificates of export; (3) inspection of imports from nations which have not entered into a bilateral agreement (Sec. 20).	The cost of USDA inspection services rendered shall be borne by the Federal Government except for overtime and holiday work performed by inspectors which shall be paid by the establishments affected. (Sec. 1926).
Exclusions	Exempts personal use, vessels (except processing vessels and others determined to have HACCP points), industrial products (Sec. 21); certain products meeting export requirements (Sec. 11); common carriers (Sec. 12).	Exempts personal use; nonprocessing vessels; retail stores and restaurants; nonfood fish products (Sec. 1901 and 1902). Certain products meeting export requirements (Sec. 1911); common carriers (Sec. 1917); certain temporary conditions (Sec. 1906)
Funding	Authorizes up to $35 million in FY 91, $60 million in FY 92, and $90 million in FY 93; plus up to $15 million annually in FY 1991, 1992 and 1993 for research for research (Sec. 18).	Authorizes up to $14 million in FY 1991, $40 million in FY 1992, $80 million in FY 1993, $100 million each in FY 1994 and 1995; also authorizes up to $5 million annually in FY 1991, 1992, and 1993 for research (Sec. 1927); and $750,000 annually for Extension for fish safety education (Sec. 4)

Mr. STEVENS. It is a comparison between the Hollings bill, S. 2228 and the Agriculture Committee bill, S. 1245. I think any fair comparison of these two bills will lead to the conclusion that except for costs, which are greater under the Agriculture Committee bill, these bills are almost the same. The Agriculture Committee bill places the inspection, as one might expect, in the Department of Agriculture. The Commerce Committee bill places inspection systems as one might expect, in the Commerce Department but with the addition of a firm relationship with the Federal Food and Drug Administration.

Now, I see the Senator from Vermont is on the floor, and I am pleased because I wanted to comment on a statement he made. He made the statement that Alaska's butter clam industry crashed due to contamination problems. I want to assure the Senate that that is not so, and I would hope that the Senator from Vermont would examine the history of this industry. It is a very small industry in Alaska. It has gone up and down over a period of time but it has not suffered collapse due to any contamination.

We have small industries harvesting razor clams, butter clams, and what they call goey duck clams. None of them have suffered sharp declines because of contamination. The greatest threat to these industries occurred in the 1965 Good Friday earthquake which raised or lowered, depending on the area, a series of shellfish beds. The earthquake and the following tidal wave destroyed large areas of habitat in Alaska. We do not have a problem with sewage. We do not have problems with other forms of pollution that are manmade that contaminate shellfish in other areas of the country.

The main barrier to the development of Alaska shellfish industry is transportation costs. Because it is a fresh product, everything that is used to deal with this shellfish industry, the butter clam industry and the related shellfish beds has to be flown in and out of Alaska. There was a contamination found that we called paralytic shellfish poison, a toxin that results from natural causes in Alaska, not manmade pollution causes, and it is no problem because it is not permitted in commercially marketed shellfish.

Now, Mr. President, the issues behind mandatory seafood inspection were explored by two gentleman, Michael Dicks and David Harvey for the National Food Review. It is a very good article. I commend it to the attention of the Senate because it is very impartial. It reviews this bill that is pending before the Senate, the bill offered by the majority leader, the Federal Fish Inspection Act, S. 1245.

And I particularly would call attention of the Senate to the conclusion of these two authors.

I ask unanimous consent that the short article appear in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. They say:

Rather than invest in new inspection systems or increase funding for current programs, new or improved consumer education programs may have a larger impact on the reduction of risk per dollar of expenditure. Also, while a new mandatory inspection program for seafood may be politically expedient, without better information of foodborne illnesses, consumers may be faced with greatly increased expenditures without an accompanying reduction in health risks.

That is where we come to the main issue of my comments.

Mr. COHEN. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. COHEN. Does the Senator suggest there is no need for an inspection program? If that is the thrust of the article, would it be fair to say that the Senator from Alaska does not feel it is necessary at all?

Mr. STEVENS. I am not saying it is not necessary. The Senate Commerce Committee has been workng on this matter for over 2 years. We have had a series of investigations done by the Federal agencies that we work within Commerce and in FDA. I believe that increased inspection systems are required. As a matter of fact, the system that is outlined by both bills is the same. The difference is who puts it in place, and what is the result of it? Is it done by people who are used to dealing with dirt farmers or is it done by people who are dealing with the oceans and with the navigable waters?

NOAA is there in Commerce. It deals with the navigable waters. We are dealing basically with fish from navigable waters. We are not dealing with fish farms. If the Senate wants to put fish farms under the Department of Agriculture, they can be our guest. We think that they are subject to a great many forms of potential contamination than we have. They have to have decontamination additions to their water systems.

I do not suggest that there is no need for additional public reassurance that the inspection systems are there and they are working.

Again, I call attention—I put this in the record now—both bills provide the same system. Federal inspection support of the fishing industry, whether it is in Agriculture or in Commerce.

Mr. COHEN. If the Senate will yield for a moment to pursue one issue that we raised earlier, I was under the impression that the Senator was in favor of user fees, and that was based upon a conversation that he and I had earlier today, namely, that Alaska fisherman were more than willing to pay for any additional inspection that might be necessary. I have been advised that is not a provision in the Senator's bill.

Mr. STEVENS. It is not, but it is in the provision in the bill the Senator from Maine supports.

Mr. COHEN. Only for overtime, as is the provision for meat and poultry.

Mr. STEVENS. You do not get meat and poultry 1,000 miles from home. You do not get meat and poultry——

Mr. COHEN. You may have that just for certain days.

Mr. STEVENS. We have people working on holidays. Our people work 24, 36 hours in order to harvest the species. Now I do not support them but there are tremendous growth in the factory trawlers, processing vessels that harvest their own fish. Those are at sea now, and they will have to be inspected. They are the ones that are going to be paying the overtime.

Mr. COHEN. The Senator may have a legitimate point that pertains to

Alaska. That may not be the same situation with other States who also have extensive fishing activities.

Mr. STEVENS. Let me point out the conversation we had earlier today which related to the aministration's plan to impose user fees. These user fees are not imposed by the Senator from South Carolina's bill. They are not imposed by the Senator from Maine's bill. But they will come up in any event in regard to both propsects.

We do impose user fees for inspections, and we object to being put into a department where the tradition of inspections is a continuous inspection system.

This is also discussed in some of the material I am going to get to here, or maybe later. But the Department of Agriculture's inspection systems are continuous. This system envisioned by both bills is a system that does not envision continuous inspection. It is an inspection system dealing with the areas of critical risk, as the Senator knows. Therefore, it is a different concept.

We feel once fisheries are in the Department of Agriculture, there will be pressure one way or the other, either to put the fisheries into a continuous inspection system or to move all of the current systems of the Department of Agriculture—chickens, beef, and hogs and all the rest—into a noncontinuous inspection system.

As the Senator knows, I am going to be going into that a little bit. There has been tremendous controversy in the Department of Agriculture already concerning the current system of inspection.

There has been some indication—and I think it comes unfortunately from some of the people in the Department of Agriculture—that for some reason or another under the current system there is some risk in America's fisheries because of the current inspection systems that are in place.

There are systems in place by the way, Mr. President. I can assure the Senate that no fish get into the system in the State of Alaska without inspection, and we have zero tolerance. As the Senator from Maine said, if we discover one bad fish, that is it for the lot. It is gone.

This was a tradition started, by the way, by the FDA at the time of the great problem concerning swordfish on the east coast and halibut on the west coast, particularly Alaska, when there was what they called the mercury scare. At that time, following a recommendation from some health fadists, there were people who were eating fish three times a day for months on end, and it turned out that their food of choice was either halibut or swordfish.

There were some that turned up with some problems from having been exposed to too much mercury. So it sort of reminds me of the problem we had with some of the sugar substitutes, if the Senator will recall. It was excessive consumption of one particular type of food that led to the problems. But at the time, FDA closed down the harvest of large halibut in Alaska, and it closed down the swordfish industry on the east coast. That came about because of FDA inspection systems.

Our people complied with it. We later were able to show that it was not any risk to any normal person consuming fish throughout a lifetime. But the abnormal person that consumed so much of the same product in a short period of time under a health food proposal where they were not eating almost anything else, those people got into trouble. That led to almost the loss of our industry.

But I will tell the Senate that the net result of that was an increased awareness of the intensity of the activity from the FDA and the accuracy of their activities.

Again, I want to get back to the concept of why are we here? There has been this allegation that for some reason or other our fish products, with the increased use of fish—I am going to get into that too, Mr. President; there has been increased use of fish in the United States—that some of the other meat sources are putting out the word that for some reason or other consumption of fish is risky.

Those facts are just not borne out. I want to put into the RECORD some data from the Centers for Disease Control that was published by the Department of Agriculture's Economic Research Service. It shows that from 1973 to 1984, 597 outbreaks of salmonella—I would add that salmonella is not related to salmon, as I am sure most Members of the Senate will know—that out of 597 outbreaks 5 of them came from fish, 2 of them came from shellfish. This is not a risk of the fishing industry. This is a risk primarily attributable to the current processes of the Department of Agriculture.

I told my fishermen, if they were friends of Custer, they are going to love the Department of Agriculture when it comes to inspection systems because there is not anything I have read so far from anybody that will commend the current system of inspection in the Department of Agriculture.

Why should we put fisheries into Agriculture in order to raise the level of public support for the inspection systems, when public support for Agriculture's inspection systems is going down like an elevator.

We do not want to be in the Department of Agriculture. We want to be just where we are, with the Department of Commerce, with its divisions of the National Marine Fisheries Service and National Oceanic and Atmospheric Administration and with FDA. They have a proven track record. This report of the Centers for Disease Control substantiates that.

The current systems are giving the public a much higher quality product than any of the red meats are. Yet, the red meat industry wants us put into the Department of Agriculture, in my opinion.

I ask unanimous consent that this material be printed in the RECORD along with a review of salmonella outbreaks from the Centers for Disease Control. All of these statistics support what I am saying.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALMONELLA FACTS

Salmonella Outbreaks, 1973-1984: From the CDC data base as published by USDA's Economic Research Service.

From 1973-1984: 597 total outbreaks of salmonellosis in U.S.: 231—food vehicle not identified; 96—beef, veal, pork, lamb; 52—poultry; 5—fish; and 2—shellfish.

From Risk Estimate of actual occurrence: This risk analysis was prepared by FDA and reviewed by CDC. Dr. Walter Dowdle transmitted CDC's response to FDA, and stated that the conclusions reached by the FDA analysis for chicken, fish and shellfish were "the most probable scenario for the United States, and consistent with CDC's three decades of experience in tracking foodborne disease."

Chicken: 500,000 cases salmonellosis annually attributable to chicken; 125 salmonella deaths from chicken exposure annually.

Finfish: 725 cases salmonellosis annually attributable to finfish; 1 salmonellosis death annually attributable to finfish.

Shellfish: 1,000 cases salmonellosis annually attributable to shellfish; 1 salmonellosis death annually attributable to shellfish.

From 1973 to 1987, the following numbers of outbreaks and outbreak-associated cases of salmonellosis were reported to CDC's Foodborne Diseases Surveillance System:

These were transmitted by Dr. Robert Tauxe, EDB, DBD, CDC by telephone.

	Outbreaks	Outbreaks associated cases
Poultry	66	5,743
Other meat	122	5,960
Shellfish	3	80
Other fish [1]	5	121

[1] Other fish includes crustaceans.

Even if these actual reported data are corrected for weight of food consumed, poultry and other meat exceeds fish as a cause of salmonellosis by a considerable margin.

Mr. STEVENS. There is no public health crisis in seafood that would warrant an upheaval of the current Federal seafood inspection structure. As a matter of fact, just to the contrary; seafood is safe, or safer, than any food you can buy today.

This Agriculture bill, for some reason tries to place suspicion on the existing seafood inspection system. That is not warranted by the facts and

this proposed transfer of NOAA and FDA assets to Agriculture is not warranted by anything that anybody can present to this Senate, in my opinion.

What we are after now is something entirely different.

Mr. President, I will finish up, and I will yield to somebody who might want to speak.

I want to say this: More and more than independent processing facilities in our State are being absorbed by the seafood subsidiaries of the national food conglomerates. These conglomerates deal with the Department of Agriculture. They do not deal with Commerce; they do not deal with FDA: they do not know what NOAA stands for. And these enormous entities, headed up by the people we know—if you read "The Barbarians At the Gate"—do not care about the consumer; they are concerned about the bottom line in those industries.

We are concerned about preserving the respect that the consumer has for seafood products, particularly the products from my State. They are wanted all over the world. The very thought that the Senate of the United States would want to transfer to inspection systems from Commerce and the Federal Food and Drug Administration to Agriculture lends to the suspicion that has been raised by these other meat industries that something is wrong with seafood. That is not true. That is absolutely not true.

Mr. President, I ask unanimous consent that I be able to yield to my colleague for such remarks as he may want to make. I have to have a conference concerning the future of this amendment. I would like to ask unanimous consent that a brief summary of industry letters supporting our opposition to the Agriculture bill, as well as the administration's views on this matter be printed at the end of my statement.

The PRESIDING OFFICER. Without objection it is ordered.

(See exhibit 2.)

EXHIBIT 1

ISSUES BEHIND MANDATORY SEAFOOD INSPECTION

(By Michael R. Dicks and David Harvey)

Rapidly rising per capita consumption of seafood and a renewed emphasis on water quality have aroused concern over whether fish and shellfish in the United States are safe to eat. Highly publicized incidents in recent years, such as contamination of coastal waters in the Northeast by medical wastes, disease outbreaks among crabs and oysters in the Chesapeake Bay, and red tide contamination in the Carolinas, have led to calls for mandatory Federal inspection.

The seafood industry is basically not adverse to mandatory inspections. However, the industry is concerned with the method and cost of inspections, and the adverse publicity generated by consumer groups.

HOW SAFE IS SEAFOOD?

From 1973 to 1987, the Centers for Disease Control (CDC) received 3,703 reports of foodborne disease outbreaks where the food source of the disease was identifiable (An outbreak is an occurrence of a disease involving two or more people.) Nearly 163,000 cases of individual illnesses were associated with these outbreaks. Just over 20 percent of the outbreaks were attributed to seafood—14.7 percent for fish and 5.7 percent for shellfish. However, seafood was deemed responsible for only 5 percent of the individual cases—2.2 percent for fish and 2.8 percent for shellfish.

According to data supplied to the U.S. House Committee on Merchant Marine and Fisheries by the Food and Drug Administration (FDA), an average of 44 individual cases of illness occurred per foodborne disease outbreak from all food sources, while fish averaged only 7 individual cases per outbreak and shellfish, 22. In comparison to the two largest meat sources, beef and poultry, the number of outbreaks and cases involving seafood were relatively small.

However, people were eating a lot more beef and poultry. During 1973–87, the average annual per capita consumption of beef, poultry, and seafood was 85.1, 55.4, and 18.7 pounds, respectively. After adjusting for differences in consumption, fish and shellfish (14.5 outbreaks and 171 cases per billion pounds consumed) were more likely to cause foodborne disease outbreaks and illnesses than either poultry (2.1 outbreaks and 102 cases per billion pounds consumed) or beef (1.4 outbreaks and 57 cases per billion pounds consumed). If sicknesses related to raw shellfish are omitted from all seafood-related illnesses, the number of individual cases drops to 75 per billion pounds consumed, 25 percent less than for poultry and only slightly higher than for beef.

These statistics are based on the reported number of foodborne diseases whose source is identifiable. Many outbreaks and cases go unreported or their source is unknown. As a result, the distribution of disease across food types may be different. For instance, between 1973 and 1987, CDC recorded 597 outbreaks of salmonellosis—a flu-like illness caused by Salmonella bacteria. The source for 231 of these outbreaks was never identified. Beef, veal, pork, and lamb accounted for the majority of known outbreaks, 96; followed by poultry, 52; fish, 5; and shellfish, 2.

These data are assumed to represent commercially supplied products only (see box). However, reported outbreaks and illnesses may originate from any source, as product origin is not specified when the illness is recorded.

Data from FDA's Center for Food Safety and Applied Nutrition indicate that two foodborne diseases associated with fish—ciguatera and scombroid poisonings—accounted for 82 percent of confirmed fish-related illnesses during 1973–87. Ciguatera poisoning is most often caused by eating tropical reef fish, such as snapper, grouper, or barracuda, that accumulate toxins in their flesh from the food they eat. Scombroid poisoning, on the other hand, is apparently the result of a buildup of toxins from bacterial growth on tuna, mackerel, and similar fish after death.

An average of 76 individual illnesses occur annually in the United States as a result of ciguatera poisoning and another 64 result from scombroid poisoning. The remaining 18 percent of confirmed fish-related illnesses are caused by salmonellosis, 25 illnesses per year, and anasakiasis, 5 illnesses per year.

A wider spectrum of pathogens are associated with shellfish, particularly raw shellfish. Estimates of individual illnesses associated with shellfish point to various species of Vibrio bacteria as a major source of contamination. The International Commission on Microbiological Specifications for Foods notes that diseases due to Vibrio are prevalent where large populations of living Vibrio bacteria are present, either on raw shellfish or in products that have been recontaminated after cooking. Freshly harvested marine animals are also at risk.

WHERE DOES OUR SEAFOOD COME FROM?

In 1988, Americans reduced their consumption of seafood—fish and shellfish—for the first time since 1982. Per capita consumption reached a record 20.2 pounds in 1987 and fell to just under 19.9 pounds in 1988 in response to short supplies, higher prices, and safety concerns.

The seafood we eat comes from four main sources: imports, commercial landings, aquaculture, and recreational catch. However, their relative shares have changed considerably during the 1980's. Between 1980 and 1988, imports of edible fish and shellfish rose 43 percent from 2.1 to 3.0 billion pounds, while the supply of edible seafood from domestic sources (commercial landings minus exports) only increased 12 percent, from 3.1 to 3.5 billion pounds. U.S. aquaculture production grew from 203 million pounds in 1980 to an estimated 790 million pounds in 1988. Supplies from recreational catch are estimated to have grown 8 percent during the period, roughly the same rate as population growth, particularly where water quality is poor and temperatures high.

The Center for Food Safety and Applied Nutrition estimates that individual cases of nonlethal *Vibrio* illnesses could number between 5,000 and 10,000 annually. While *Vibrio* contamination is a major source of illness, a number of other diseases are associated with shellfish. Salmonellosis in shellfish is estimated at 100 to 1,000 cases per year. Some 4 to 500 cases of acute, nonlethal viral infections are recorded annually, but the total number of cases could be as high as 50,000 and may be climbing.

SEAFOOD INSPECTION

Red meat and poultry, as well as many other perishable food items, are federally inspected at various stages of processing to ensure consumers that the products are safe. Currently, seafood does not have a mandatory Federal inspection program similar to those for red meat and poultry. Unlike meat and poultry, where each carcass is subject to inspection, only random samples of seafood are inspected.

The great diversity of fish and shellfish species, relatively small sales volumes, the nature of associated diseases, and location of harvest, processing, and distribution systems could make visual inspection largely ineffective and continuous inspection cost prohibitive. In many seafood operations, there are a variety of species being processed and a large number of sizes present, even within one specie. This makes disease problems harder to spot and would slow the inspection process, making it more costly per pound. The poultry and livestock industries, on the other hand, have highly standardized products. In addition, many seafood processors operate on a seasonal or irregular basis and in isolated locations, again raising inspection costs per pound.

Although no single, mandatory program exists, a myriad of State and Federal agencies are involved in inspecting seafood. The National Marine Fisheries Service (NMFS), part of the U.S. Department of Commerce,

provides a voluntary inspection program to interested seafood processors, packers, brokers, and users. NMFS inspectors examine the raw fish and shellfish, ensure hygienic preparation, and certify final product quality and condition. Participants must pay for the service, and their products may carry either a Federal grade or inspection mark. Most years, this program has inspected about 10 to 20 percent of the seafood consumed in the United States.

FDA, an agency of the U.S. Department of Health and Human Services, is responsible for ensuring that all foods destined for interstate commerce, including fish and shellfish, are safe for consumption. To accomplish this, FDA has a mandatory program for inspecting the facilities of seafood processors, shippers, packers/repackers, labelers/relabelers, warehouses, and importers. Annually, this program inspects 25 to 30 percent of the facilities of all U.S. seafood firms.

The agency collects and analyzes seafood products for a wide array of possible problems including toxins, diseases, parasites, decomposition, preservative content, mislabeling, and sanitary environment. Both visual and laboratory examinations are performed. But the majority of FDA inspections are focused on plant sanitation, with more detailed inspections occurring because of concerns raised by individual inspectors.

The Environmental Protection Agency (EPA) has the overall responsibility for reducing or preventing pollution in navigable waters to protect fish and wildlife, and providing safe water supplies for recreation and consumption. EPA is directly responsible for the regulation of transportation and disposal of materials in ocean waters to prevent an increased risk to human health, the marine environment, ecological systems, and economic potential.

EPA is required to evaluate the risk to human health from chemical-contaminated fish and shellfish. The agency sets minimum allowed levels for specific toxic substances. Seafood is tested for such compounds as polychlorinated biphenyl (PCB) and mercury.

The U.S. Fish and Wildlife Service, an agency of the U.S. Department of the Interior, is responsible for the fish and wildlife portion of the National Contaminant Biomonitoring Program. The program's primary objective is to determine nationwide levels and trends of selected environmental contaminants in freshwater fish.

State Governments also inspect seafood establishments (processing and packing plants, for example), analyze fish and shellfish samples, assess water quality, and patrol harvesting areas. Many county governments perform functions in coordination with, or in addition to, State programs and activities.

PROPOSED LEGISLATION

Four bills dealing with the inspection or safety of seafood are currently before the U.S. Congress. Two different House bills call for mandatory seafood inspection. The Mandatory Fish Inspection Act of 1989 (H.R. 1387) was introduced by Representative Dorgan of South Dakota and the Consumer Seafood Safety Act of 1989 (H.R. 2511) by Representative Studds of Massachusetts. A third bill, the Fish and Fish Products Safety Act of 1989 (H.R. 3155), was introduced by Representative Dingell of Michigan. It seeks to expand FDA's role in the inspection and labeling of seafood.

The Senate bill, introduced by Senator Mitchell of Maine, is the Federal Fish Inspection Act (S. 1245). It seeks to broaden the Federal Meat Inspection Act to cover inspection of seafood products. Legislative debate regarding a comprehensive seafood inspection program focuses on three main issues: which Federal agency should be in charge of the inspection, what will be the principal components of the mandatory inspection program, and who will pay for the inspections.

H.R. 1387 would name USDA as the lead agency for inspecting all fish and shellfish destined for human consumption. The inspection program would be patterned after those already in place for meat and poultry. All commercial processors would be inspected. It is unclear whether the bill would cover shellfish sold live and those fish that are gutted at sea and sold directly to retail or wholesale markets. A program modeled after those for meat and poultry would require USDA to pay inspectors' salaries, but processing plants would be charged for any overtime.

H.R. 2511 would make NMFS the lead agency for seafood inspection and model the inspection system after the Hazard Analysis Critical Control Point method (HACCP). This method examines the specific processes used to move seafood from harvest to final product and identifies the points that have the greatest risk of introducing contamination. These points would then be monitored to ensure that processing or handling procedures are in compliance with NMFS standards.

This bill would broaden the scope of the inspection system to include harvesting, processing, transportation, and marketing of all seafood products sold in interstate commerce. Fish and shellfish would be tested for heavy metals, pesticides viruses, and naturally occurring toxins. Federal standards would be set for grading, labeling, packaging, and acceptable levels of contaminants. Inspectors would be authorized to take samples and access records. Although H.R. 2511 does not specifically mention who would pay for the inspections, it does call for appropriations of $90 million annually for the first 4 fiscal years, so most of the cost would probably be borne by the Federal Government.

H.R. 3155 would amend the Federal Food, Drug, and Cosmetic Act to give FDA the responsibility for seafood inspection and labeling. The Secretary of Health and Human Services would prescribe standards for chemical and microbiological contaminants, parasites, and toxins. Firms processing fish and shellfish would also have to meet sanitary and quality control standards. Seafood processors and importers would be subject to inspections and would be required to register yearly with FDA.

S. 1245 would expand the scope of the Federal Meat Inspection Act to cover fish and shellfish. USDA would be the lead agency for inspections, but the system would be set up to avoid duplicating present programs. The system would include standards for processing, storing, and handling domestic and imported seafood. The HACCP method would be used, with mandatory reporting and recordkeeping requirements. How inspection costs would be allocated is not specifically mentioned in this bill.

MANDATORY FEDERAL INSPECTION

As the debate over mandatory seafood inspection continues, examining several key points may clarify the issues and help develop an effective and efficient inspection program.

Lack of data. The only central source of data on foodborne illnesses is the CDC. The data CDC has compiled to date are incomplete and thus potentially misleading. Often, because consumers are unaware of the symptoms of foodborne diseases, many illnesses go unreported.

Using this limited information, FDA has estimated the risk to consumers of foodborne diseases associated with red meats, poultry, and seafood. The estimates indicate that for chicken one illness will occur per 25,000 servings, while for seafood one illness will occur every 250,000 servings. If raw shellfish is excluded, the estimate drops to only one illness per 5 million servings of seafood.

All foods have the potential for causing illness. Better estimates of the comparative risk associated with each food should be obtained before inspection resources are targeted to specific areas. At present, the data do not support the need for targeting seafood, particularly fish, with a larger share of inspection resources. More information is needed on the exact source of seafood-borne illness. Scientists need to know at what stage, from harvest to final preparation, the product was contaminated, and whether it was from a commercial or recreational source, (Recreational catch is estimated at 3 to 4 pounds of edible fish products per person.)

Overlapping responsibilities. Numerous agencies are currently involved in seafood inspection. Given tight budget resources, an inspection program should aim to reduce as far as possible any overlap of responsibilities. If one agency is to be in charge of seafood inspection, which one can most efficiently incorporate this new role into its already existing structure and responsibilities? Will personnel and resources devoted to seafood inspection at other agencies be transferred to that agency?

Program costs. Should a user fee be charged or should inspections be funded out of tax revenues? Most seafood products are bought by higher income families, whereas chicken and beef purchases are more uniform among all income levels. Thus, all taxpayers would pay for the seafood inspection program, but higher income families would be the main beneficiaries.

Source of contamination. Despite the fact that fish and shellfish come from various locations and include many species, the types of bacteria and viruses that occur naturally in seafood are similar in most cases. They are typically found in water and sediment and rarely include any species that are disease-producing in mammals. Therefore, fish caught in waters not polluted by human or animal wastes are free from health hazards when handled properly. Current water quality legislation may reduce the number of seafood-related illnesses by reducing contaminants prior to harvest. This may redistribute inspection resources to post-harvest activities.

Rather than invest in new inspection systems or increase funding for current programs, new or improved consumer education programs may have a larger impact on the reduction of risk per dollar of expenditure. Also, while a new mandatory inspection program for seafood may be politically expedient, without better information on foodborne illnesses, consumers may be faced with greatly increased expenditures without an accompanying reduction in health risks.

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Roberts, Tanya and Eileen van Ravenswaay. "The Economics of Safeguarding the U.S. Food Supply," AIB-566. ERS, USDA, July 1989.

Young, Frank E. Statement before the Subcommittee on Fisheries and Wildlife Conservation and the Environment, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, June 7, 1989.

EXHIBIT 2

Those opposed to seafood on the Farm Bill include:

Pacific Seafood Processors Association which represents all of the major shore-based processors in the Pacific Northwest and Alaska. Eight of the top ten seafood processors in the Pacific Northwest/Alaska belong to PSPA. PSPA members process approximately 25 percent of all seafood landed in the U.S. (approx. 40 percent of the value.)

Interstate Shellfish Sanitation Conference is an interstate compact among 28 coastal states to monitor shellfish harvesting areas and prevent the sale of contaminated shellfish. The ISSC is composed of state officials, federal agencies, and industry members. ISSC has worked with FDA, NOAA, and EPA to develop the National Shellfish Sanitation Program. ISSC represents the entire shellfish processing industry.

Texas Shrimp Association is one of the largest shrimp fishermen's organization.

Southeastern Fisheries Association which represents fishermen from Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.

Those who support the Commerce Committee bill include:

Trident Seafoods which is the largest seafood processing company in the Pacific Northwest and Alaska.

All Alaskan Seafoods.

Alaska Pacific Seafoods.

American Fishing Tackle Manufacturers Association.

Public Citizen a consumer advocate group.

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, July 19, 1990.

Hon. GEORGE J. MITCHELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MITCHELL: We want to strongly reiterate the Administration's position opposing inclusion of seafood inspection provisions in S. 2830, the Farm Bill.

As Chief of Staff Sununu indicated in the attached letter of May 8 to the leadership of the Commerce and Agriculture Committees, "The Administration believes that overall responsibility for Seafood Safety should remain with the Food and Drug Administration at the Department of Health and Human Services and the National Marine Fisheries Services [NMFS] of the Department of Commerce."

The Senate Agriculture Committee Seafood Inspection Bill was developed without consulting the Administration. We strongly support the approach that the Senate Commerce Committee took in its seafood bill, S. 2228.

There are fundamental differences between these bills that are of interest to states, the seafood industry, consumers, committees of authority and the Administration. To assure that both committees' approaches are thoroughly examined, this matter should be addressed as free-standing legislation.

We urge the Senate to refrain from adding seafood inspection to the Farm Bill and ask that it be dealt with as a separate issue.

This position is consistent with Administration policy.

Sincerely,

Louis W. Sullivan, M.D., Secretary, U.S. Department of Health and Human Services; Robert A. Mosbacher, Secretary, U.S. Department of Commerce, Richard G. Darman, Director, Office of Management and Budget.

THE WHITE HOUSE,
Washington, May 8, 1990.

Hon. PATRICK J. LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR PAT: The status of the federal seafood safety program has been the subject of considerable debate in Congress during recent months. There has been some confusion regarding the Administration's views, and I am writing to clarify our position.

The Administration believes that overall responsibility for seafood safety should remain with the Food and Drug Administration [FDA] of the Department of Health and Human Services and the National Marine Fisheries Service [NMFS] of the Department of Commerce. The expansion of the federal seafood safety program in the President's fiscal year 1991 budget is, therefore, directed toward those agencies. Furthermore, the Administration supports user fees for those services that impart substantial private benefit to the seafood industry. The seafood industry has requested additional federal inspection, which would increase public confidence and enhance seafood marketing opportunities. For these reasons, the Administration supports user fees to finance an expanded program.

FDA's seafood safety program currently includes mandatory, random inspections and extensive research, and relies on long-standing relationships with states, other federal agencies and foreign countries. Many of the activities in FDA's program require highly specialized knowledge and training, including expertise in marine biology and related marine disciplines. FDA's program should remain the cornerstone of the federal regulatory system for seafood.

NMFS is the only federal agency authorized to control fishing activities of vessels in federal waters and has closed those waters to harvesting when a FDA tolerance for a contaminant in shellfish has been exceeded. NMFS has an unsurpassed knowledge of fishing vessels and acceptability of catch. Like FDA, NMFS has experience in inspecting seafood processors under its current voluntary program. This program includes grading and lot certification for export, features important for international trade. NMFS is also the lead federal agency with respect to fisheries trade policy and strategy.

The clearest health risk from seafood involves the consumption of raw molluscan shellfish, although less than one percent of all seafood is consumed that way. This risk stems largely from human pollution of coastal waters. Monitoring the quality of local growing waters is the only viable recource. FDA and NMFS, working with the states, are uniquely qualified to address this pubic health problem. All state shellfish safety programs for monitoring growing waters are based on FDA training and rely on FDA technical assistance. An enhancement of this program is best implemented by FDA and NMFS.

The Administration has proposed a $14 million increase in FDA's 1991 budget to accommodate an enhanced program. We believe that the public health interests of the Nation would best be served by a modest but well-targeted expansion of the programs operated by FDA and NMFS.

We look forward to working with you as you continue to examine this issue.

Sincerely,

JOHN H. SUNUNU,
Chief of Staff.

Mr. MURKOWSKI. I thank my colleague, the senior Senator from Alaska, and I thank the Chair.

As I think my colleagues have observed, the concern expressed by the senior Senator is not a concern he shares alone. I find it utterly amazing that this agricultural bill there should suddenly be subject to a proposal on fisheries.

It seems to me that the bill is broad enough now that it is not necessary to include another whole industry.

We are debating the agricultural bill, Mr. President. The Senator from Alaska is not an expert on agriculture, but I do know something about harvesting resources from the sea. That is to a large degree in the agriculture industry as it exists in Alaska. The possibility that the Senate would approve a seafood inspection plan during debate on the farm bill is something that, as I have said, I found totally out of synch with the objective of this legislation.

I am not interested in getting into discussion with my colleagues from meat-producing States, or pork-producing States, or chicken-producing States. What we are suggesting is simply that the issue of seafood inspection should not be part of the agricultural bill. It does not belong, and I strongly oppose the consideration of seafood inspection at this time in this piece of legislation.

Seafood inspection should not be dealt with as an add-on to an overweight farm bill. There is no good reason for putting it here. When the Senate takes up seafood inspection, it is going to be breaking new ground, not just adding a new twist to an old program. It will make fundamental changes in the way an entire industry is regulated, and this matter deserves consideration as a totally separate issue.

Let there be no mistake about it, Mr. President, I am not opposed to seafood

inspection. We have responsible seafood inspection in Alaska, and I strongly support the concept of mandatory Federal inspection of seafood production facilities. The protection of American consumers and of the legitimate industry both, require it.

However, I also believe this matter is of such importance that it requires the body's full attention. There are two competing proposals for mandatory Federal inspection, as you know: one from the Agriculture Committee and one from the Commerce Committee. Neither of these should be adopted, Mr. President, until such time as they both can be compared and discussed in detail. This is not the time.

It is my understanding that the current Agriculture Committee proposal was developed without substantive input from the administration, and that the administration strongly supports the approach taken by the Commerce Committee. That alone behooves the Senate to move cautiously with respect to Agriculture Committee proposals.

USDA already manages the beef and chicken industries. Why it wants to get into fish, I don't know. I can only assume it wants sole authority, and that this is in many ways, a turf battle.

There are many serious issues involved with seafood inspection. As an example, let me call my colleagues' attention to the issue of inspecting processing vessels. They may be hundreds of miles out at sea. They may spend several months out there. It's easy to picture how a random inspection plan would work for processing plants located on shore, but it is much less so to imagine a truly random, unannounced approach at sea.

The best that the authors of the Agriculture Committee have been able to suggest in their committee report is to offer the vague statement that they contemplate the transfer of inspectors from Coast Guard vessels on routine patrol.

Mr. President, this is a suggestion that needs a closer look. It is totally impractical, because Mr. President, the ocean out there is as big as the entire United States and we have only a few Coast Guard vessels. This kind of problem is not going to be solved by putting inspectors on Coast Guard vessels and asking them to wander around out there. The factory trawlers operate over huge areas, and there are not enough Coast Guard vessels to handle the duties they have right now. How can we expect them to become taxis for new Federal inspectors?

A large part of the controversy over these two approaches revolves around what agency or agencies will have jurisdiction over seafood. The Agriculture Committee's proposal would place seafood inspection under the Department of Agriculture, which presently maintains inspection programs for meat and poultry. To some, including some representatives of the seafood industry itself, it simply makes sense for the same agency to administer the inspection programs for all such products. They argue that only USDA has the background and staff to administer a major new inspection program.

However, Mr. President, I must point out that the program proposed for seafood is in no way similar to the programs the Department carries out for meat and poultry. Meat and poultry are processed under what is called "continuous Federal inspection," which simply means that there is a USDA inspector in the plant while it is operating. The program proposed for seafood is substantially different. It is called the "Hazard Analysis/Critical Control Point" process, and requires the scientific identification of high-risk points in the seafood preparation process, and monitoring to ensure that seafoods passing those points continues to be wholesome.

While it is true that USDA has a large number of employees familiar with inspection procedures for meat and poultry, the Hazard Analysis/Critical Control Point process is entirely different, and despite USDA's experience with continuous inspection, it is no better suited to implement the proposed seafood program than any other agency.

In fact, the Commerce Committee and the administration believe there are agencies that are far better equipped to handle seafood inspection than USDA. The National Marine Fisheries Service currently administers voluntary seafood inspection programs nationwide, and has demonstrated knowledge of the industry. It is also the only agency with the authority to control fishing activities. The Food and Drug Administration currently provides mandatory random inspections of seafood, does research on seafood safety, monitors the safety of the waters from which most seafoods are harvested, and has built up important, longstanding relationships with State inspection programs, other Federal agencies, and foreign countries. These elements are critically important to making a seafood inspection plan successful.

Mr. President, let me repeat once again that when the Senate takes up seafood inspection, it will be breaking new ground, not just adding a new product to an old system. It will be making fundamental changes in the way an entire industry is regulated. This matter deserves consideration as a separate issue, not as a hurried add-on to the already overburdened farm bill. Let us get on with the farm bill and leave the fish for another day.

Mr. LEAHY. Mr. President, I want to clear up one matter for the record. Senator STEVENS challenged my earlier statement that the butter clam industry in Alaska has been wiped out.

I ask unanimous consent to have printed in the RECORD a scientific article that confirms this fact that the butter clam industry in Alaska has been wiped out. This article is "A Serious Threat to Shellfish Aquaculture," by Sandra E. Shumway, in World Aquaculture, volume 20, issue 4, notes that "The Alaska butter clam industry was essentially destroyed by toxic-algae over 40 years ago. * * * Today there is virtually no commercial clam fishery and all Alaska beaches are considered at perpetual risk."

A discussion of the seasonal toxicity of butter clams is found in a U.S. Fisheries and Wildlife Special Scientific Report, volume 53, by J.S. Chambers.

The butter clam industry is small and has gone up and down slightly over time. It has not suffered collapse at any time due to contamination.

Alaska has small industries harvesting razor clams, butter clams and goey ducks. None of them have suffered sharp declines from contamination.

The greatest threat to these industries occurred in 1964, when the Good Friday earthquake raised and lowered shellfish beds, destroying large areas of habitat.

Alaska does not have problems with sewage and other forms of pollution contaminating its shellfish, as other areas of the country do. The main barrier to Alaska developing a larger shellfish industry is transportation costs—everything has to be flown in and out.

The only contamination that has been found in Alaska's shellfish is paralytic shellfish poison—a toxin which is carefully tested for in Alaska. As a result, Alaska does not have a problem with PSP in its commercially marketed shellfish.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From World Aquaculture, December 1989]

A SERIOUS THREAT TO SHELLFISH AQUACULTURE

(By Sandra E. Shumway)

Toxic algal blooms occur all over the world and appear to be increasing in number and diversity. Of major concern are the toxic forms that can cause human illness ranging from mild discomfort to paralysis and death, but the problem also includes species that can affect our utilization of shellfish resources. The economic loss from organisms that cause human illness can be catastrophic, but if harvesters, managers, government officials and the media can work together to develop monitoring systems and ensure responsible press coverage, we should be able to protect the interests of all concerned.

Red tides occur when certain species of algae respond to favorable changes in their environment and "bloom" in numbers that may attain several million cells per litre of seawater. Actually, these blooms may or may not be visible and they may or may not

be red; some of the most devastating blooms of late were brown. They may be distinctly toxic or merely noxious—that is, they may produce specific toxins or simply cause anoxia through the decay process or by clogging the gills of filter-feeding animals. Finally, these blooms can appear and render shellfish toxic virtually overnight.

Toxic algae create serious problems for shellfish acquaculture. They are a threat to human health and they can cause mass mortalities of shellfish. Worse, the problems created by blooms of toxic algae are no longer limited to the dinoflagellates.

The toxins produced by various algae are potent and tend to accumulate in the molluscs that feed on them. These in turn become toxic to humans who eat them. There are a variety of toxins and therefore a variety of shellfish poisons, including paralytics shellfish poisoning (PSP), diarrhetic shellfish poisoning (DSP), neurotoxic shellfish poisoning (NSP), and amnesic shellfish poisoning (ASP).

Shellfish toxicity and its association with exceptional blooms of plankton has been known for centuries. It is particularly well-defined in the case of PSP, a recurrent phenomenon in some areas, and a serious threat to human health where control measures are lacking. Slow progress is being made towards understanding the nature of blooms that cause toxic shellfish, but they are still a serious problem for harvesters, seafood processors, consumers and regulatory agencies, and therefore a serious problem for aquaculture.

The problems created by toxic algae are more acute in some areas than others. The Alaska butter clam industry was essentially destroyed by toxic algae over 40 years ago. Alaska has almost 53,000 km of coastline and more than 100 species of clams, and in 1917 the industry produced 5 million pounds of shellfish products. Today there is virtually no commercial clam fishery and all Alaskan beaches are considered perpetually at risk. In Sweden and Norway mussel culture increased at a steady rate until 1984-1985, when blooms of the dinoflagellate *Dinophysis* spp. caused a major setback. The highly successful mussel production industry in Spain (approximately 10,000 persons employed) has also suffered severe setbacks due to both DSP and PSP. Developing countries often lack the expertise and managerial infrastructure to deal with sudden PSP outbreaks and the toll on human health as well as the industry can be enormous. The first PSP event in the Philippines (in 1983) left 21 people dead and nearly 300 ill. As a result, the harvest and sale of shellfish was banned for 8 months.

GROWING PROBLEM

It appears the incidence and diversity of blooms has been increasing in recent years. Although some feel this is due to an increased awareness and a larger number of observers, the evidence indicates a real increase in the frequency, intensity, duration, and geographic spread of outbreaks around the globe.

There are many possible reasons for this. Blooms can be enhanced by nutrient enrichment of the marine environment, decreased grazing pressure on the alga in question, large-scale hydrometeorological changes, upwelling of nutrient-rich bottom water and heavy freshwater runoff. It has also been firmly established that there is a direct correlation between the number of red tides and the extent of coastal pollution (particularly from sewage and some forms of industrial wastes). The potential hazards to the shellfish industry are staggering and shellfish monitoring programs designed to protect the general public have become a necessity in previously unaffected regions, especially southeast Asia and other Pacific areas.

Finally, there is increasing evidence that toxic species are being transported to new areas via the ballast of ships or infected shellfish. Toxic shellfish are often deliberately transported to clean waters so they can self-depurate, but when this is done there is danger that the "clean" area will become infected with cysts or motile cells that may seed a future bloom. In an effort to control the spread of blooms, The Netherlands has prohibited the transfer of mussels from potential "PSP risk" areas to clean areas.

Dinoflagellates are the most common sources of these toxic blooms. PSP outbreaks are usually associated with dinoflagellates of the genera *Protogonyaulax, Gymnodinium,* and *Pyrodinium;* DSP outbreaks usually involve *Dinophysis;* and NSP is commonly associated with *Pytchodiscus.*

Paralytic shellfish poisoning

The toxic marine dinoflagellate, *Alexandrium tamarensis,* is the organism responsible for PSP in many parts of the world and, because of the serious damage it can cause to the shellfish industry, it is probably the best understood of any of the toxic species. Other species of *Gonyaulax* are also known to cause toxicity in shellfish, especially in the Pacific northwest and Europe.

Pyrodinium bahamense var. *compressa* produces paralytic toxins and has been associated with severe outbreaks of shellfish poisoning in southeast Asia. It was first observed in Papua, New Guinea, in 1969, and one of the worst episodes was the red tide that killed 21 people in the Philippines in 1983.

While this species is most common in the East Indies and Philippines, it also occurs in Thailand and India. A recent outbreak in Guatemala, where there was no prior history of PSP, resulted in 26 deaths and 185 serious illnesses. Villagers consumed clams at a local feast and death ensued soon after. The toxin was so virulent that mice died in the hands of lab technicians as they injected them with a diluted solution of the toxin.

Gymnodinium catenatum has been associated with outbreaks of PSP in Japan, the northwest coast of North America, southern Ireland, Spain, Mexico, Argentina and southern Tasmania. This species was responsible for the closure of large mussel farms in northwest Spain and Tasmania in 1985-1986, and the deaths of three children along the west coast of Mexico in 1979. It has also caused shellfish mortalities in larval, and juvenile and adult oysters and mussels.

The dinoflagellate *Ptychodiscus (=Gymnodinium) brevis* causes neutoxic shellfish poisoning with symptoms similar to, but milder than PSP. No deaths have been associated with this species. Outbreaks of *Ptychodiscus* are annual events, primarily along the coasts of Florida and Texas, Florida routinely monitor for the dinoflagellate.

Diarrhetic shellfish poisoning

Diarrhetic shellfish poisoning is easily confused with gastroenteritis and general stomach upsets that can result from eating polluted shellfish. Consequently, DSP has only been recognized as a disease for the past ten years, and no mortalities have been recorded. The most seriously affected areas are Europe and Japan, although there is increasing evidence that the problem may be more widespread than previously known. The toxins associated with DSP include okadaic acid derivatives which are fat-soluble.

The dinoflagellate *Dinophysis acuminata* is considered the main source of DSP in European episodes, although there is no direct proof thus far. Two other species, *D. acuta* and *D. norvegica,* are probably responsible for DSP in Norway, and *D. fortii* is a causative organism in Japanese waters along with *Prorocentrum. P. lima,* a benthic dinoflagellate, has been implicated in Spain, and harvesting is monitored for a few weeks every summer and fall in anticipation of its presence. A bloom is not necessary for toxicity; concentrations as low as 100 cells/L can produce high levels of DSP in mussels.

Just as some PSP toxins can persist in shellfish long after the blooms have disappeared, the DSP toxins from *Dinophysis acuta* and *D. norvegica* have remained in blue mussels for up to 5 months in Swedish waters. In other areas toxins have been known to persist for many months, resulting in prolonged closures and severe economic loss to the shellfish industries.

While the majority of DSP outbreaks have occurred in Japan and Europe, it seems unlikely that the occurrences are limited to those areas. Because the symptoms of DSP so closely mimic common gastroenteritis, there is a good chance that cases of DSP have gone unreported. Twelve species of *Dinophysis* exist in Long Island waters, and roughly the same numbers are found in the phytoplankton communities of British Columbia and the northeast coast of the United States. Although no conclusive evidence exists for the presence of DSP in United States and Canadian waters, it nevertheless must be considered a potential problem.

Amnesic shellfish poisoning

A sudden and unexpected outbreak of shellfish toxicity occurred in 1987 among cultured blue mussels in the Cardigan River estuary of Prince Edward Island (Canada). Mussels harvested from this area poisoned 129 people and caused two deaths. The toxic substance was identified as domoic acid, a naturally occurring compound not previously known to be a shellfish poison. The Prince Edward Island incident was the first recorded case of human poisoning from this neurotoxin, and it established a new illness—amnesic shellfish poisoning (ASP). The symptoms include abdominal cramps, neurologic responses involving memory loss and disorientation and—in some instances—death. The toxin apparently was produced by a diatom, *Nitzschia pungens,* a common member of the phytoplankton community not previously known to produce toxins. Thus far, only the forma *multiseries* from eastern Prince Edward Island has been shown to produce the toxin.

The Canadian outbreak prompted officials in Maine to monitor several areas for this toxin. Digestive glands from sea scallops collected near Eastport had domoic acid levels of 568-595 μg/g tissue, and low levels of this toxin were found in several other areas. Because domoic acid is a highly potent neurotoxin, its presence in the phytoplankton has caused great concern within the shellfish industry.

Other effects

Gyrodinium aureolum should be considered a major threat to aquaculture activities, especially in northwestern Europe. In some instances, kills of cultivated organisms can be attributed to deoxygenation of the

water when the bloom begins to decay, but in others there is clear evidence that biotoxins are involved. The clams *Mya, Ensis, Tapes and Cerastoderma* all surfaced on the beaches during a bloom of *Gyrodinium* in Youghal, Ireland, and during a large bloom of *Gyrodinium*, clearance rates declined in blue mussels. The *Gyrodinium* cells caused considerable cellular damage to the gut of the mussels, but they recovered rapidly once the concentration of the algal cells was reduced.

Survival of larval oysters *(Crassostrea gigas)* apparently declines in the presence of *Gymnodinium* cells and it has been suggested that *Crassostrea* embryonic development could be used as a bioassay of water quality before, during and after blooms of this species.

Toxic algal blooms are becoming increasingly severe on a global scale and are no longer limited to the dinoflagellates. Relative newcomers are recently described chrysophyte, *Aureococcus anophagefferens* and the prymnesiophyte, *Chrysochromulina polylepis. Aureococcus* was responsible for the reduction of eelgrass beds and the collapse of the bay scallop industry on Long Island, and the near elimination of mussel populations in Narragansett Bay. *Chrysochromulina* is currently causing problems in Swedish waters, but there are no records of its earlier occurrence in that area. This species is acutely toxic to eggs and larvae of the blue mussel, inhibiting fertilization of ova and development of embryos. This is the first report of such toxic effects for this species and the implications for culture facilities are obvious. *Chrysochromulina* is also found in British Columbia (Canada), and it may be only a matter of time before problems occur.

Another species *Prorocentrum minimum* var. *mariae lebouriae* was responsible for a disastrous case of shellfish poisoning in Japan in 1942 when 324 illnesses and 114 deaths resulted from eating short-neck clams. This species is common in Portugal where it has been associated with occasional shellfish toxicity incidents, and it has recently spread to Norway, Sweden and Denmark, although not yet connected with shellfish toxicity in these areas. Although it is often stated that toxic dinoflagellates have little or no effect on the shellfish themselves, this is not true. Recent studies have demonstrated a number of direct effects on shellfish, producing responses that are species specific, geographically specific and often dramatic. Of particular interest to culturists are the effects of *Protogonyaulax* on feeding responses, byssus production and survival.

ESTIMATED LOSSES TO THE SHELLFISH INDUSTRY AS A RESULT OF TOXIC ALGAL BLOOMS

Alga	Shellfish	Location	Loss (million U.S. dollars)
Protogonyaulaz tamarensis.	Mytilus edulis	Gulf of Maine, 1972.	>10
	Mya arenaria	Gulf of Maine, 1980.	>2
Protogonyaulax catenalla.	Protothaca stamanea.	British Columbia	2+
	Saxidomus giganteus.	(annually)	
	Venerupis japonica		
	Panope generosa		
	Crassostrea gigas	California, 1980	0.63
Crassostrea virginica			
	Ostrea edulis		
	Saxidomus giganteus.	Washington	No fishery since 1979.
		Alaska	No Fishery since 1946.
	Clinocardium nuttali.	Alaska	No fishery since 1962.
Aureococcus anaphagefferens.	Mytilus edulis	Narragansett Bay, 1987.	0.1
	Argopecten irradians.	Long Island, 1987	>2
Ceratium fusus	Oyster	Korea, 1978	4.5
Nitzschia pungens	Mytilus eululis	P.E.I. Canada, 1987.	0.3
Pyrodinium bahamense.	Perna viridis	Philippines	0.5
	Spondylus butleri	Philippines	
	Tridacna corcea	Western Samar	2.2
	Septifer bilocularis		
	Perna viridis		
"Red Tide"	Pearly oysters	Japan, 1933	
PSP	Scallops	Japan, 1978	10
Ceratium tripos	Shellfish	New Jersey, USA)	60

ESTIMATED LOSSES TO THE SHELLFISH INDUSTRY AS A RESULT OF TOXIC ALGAL BLOOMS—Continued

APPROXIMATE TIMES OF TOXIN RETENTION FOR VARIOUS SPECIES OF BIVALVE MOLLUSCS

Species	Toxin source	Retention time
Anadara maculosa	Pyrodinium bahamense	6 weeks.
Arctica islandica	Protogogonyaulax tamarensis.	2 months in vivo.
Choromytilus meridionalis.	Gonyaulax catenella	3 months.
Clinocardium nuttali	Gonyaulax acatenella	9 weeks.
Crassostrea cucullata	Not specified; probably Pyrodinium bahamense.	2 months.
Crassostrea echinata	Pyrodinium bahamense	3 weeks in closed system; longer in vivo.
Crassostrea gigas	Gonyaulax acatenella	1–9 weeks.
Crassostrea virginica	Gymnodinium breve	2–6 weeks.
Meretrix casta	Not specified; probably Pyrodinium bahamense.	1 month.
Modiolus auriculatus	Pyrodinium bahamense	6 weeks.
Modiolus modiolus	Gonyaulax temarensis	Up to 60 days.
Mya arenaria	Gonyaulax acatenella	5 weeks.
	Gonyaulax temarensis	4–6 weeks.
Mytilus californianus	Gonyaulax acatenella	< one month.
Mytilus edulis	Protogonyaulax tamarensis.	10–50 days.
	Gonyaulax acatenella	4–11 weeks.
Patinopecten yessoensis	Protogonyaulax tamarensis.	6 weeks to 5 months.
Placopecten magellanicus.	Protogonyaulax tamarensis.	6 months in closed system, can be year-round in vivo.
Protothaca staminea	Protogonyaulax acatenella	5 weeks.
Saxidomus giganteus	Protogonyaulax acatenella	>2 years.
Saxidimus solidissima	Gonyaulax catenella	< one month.
Spondylus sp	Pyrodinium bahamense	Highly toxic after months.
Tresus capax	Gonyaulax acatenella	11 weeks.
Venerupis japonica	Gonyaulax acatenella	5 weeks.

INTOXIFICATION

The rates at which shellfish accumulate toxins are species-specific and, in most cases, directly related to the number of dinoflagellate cells available to the animals. Rate of loss is also species-specific and varies with season. Low water temperature seems to retard toxin loss but the precise relationship between temperature and the uptake and release of toxins is not fully understood. Further, the rate of detoxification is highly dependent on the site of toxin storage within the animal. Toxins in the gastrointestinal tract (e.g., the blue mussel) are eliminated more quickly than toxins bound in tissues (scallops; the clams *Spisula*, and *Saxidimus*).

The existing data on toxin retention for a number of bivalve species are summarized in an accompanying table. Mussel (*Mytilus* and *Modiolus*) accumulate PSP toxins faster than most other species of shellfish and also eliminate them more quickly. Oysters, on the other hand, accumulate the toxins more slowly than mussels, but they take considerably longer to detoxify. In contrast, species such as *Saxidimus giganteus* and *Spisula solidissima* may remain toxic for extended periods (in the case of *Saxidimus*, for more than 2 years).

Interestingly, some species of shellfish avoid toxic dinoflagellates. One species of particular interest is the hard clam or quahog, *Mercenaria mercenaria.* During a bloom of *Protogonyaulax tamarensis* in 1972, the entire coastline of Massachusetts came under interdict, and more than 1100 hectares of shellfish harvesting grounds were contaminated. Bioassays of shellfish revealed toxin concentrations in the range of 3000-5000 μg per 100 g, and the most heavily contaminated shellfish were the blue mussel, soft-shelled clam and bay scallop. However, *no* quahogs or oysters were affected. Studies in our laboratory revealed that when the quahog encounters *Protogonyaulax* it retracts its siphons and then isolates itself from the extenal environment by closing its shell valves, and these remain closed until the surrounding water is clear of the dinoflagellate. Efforts to induce toxicity by feeding *Protogonyaulax* to the quahogs were unsuccessful.

It is also possible that quahogs respond to other dinoflagellates in the same manner. Quahogs exposed to nontoxic red-tide blooms have been seen to bury themselves deep in their holding trays, and wild populations have been found as much as 35 cm below the sediment surface during these blooms instead of their usual 15 cm.

Toxicity information on samples of mussels and quahogs collected from the same localities in Maine between 1979 and 1986 is summarized in an accompanying table. At no time were quahogs found to be toxic, although mussels from the same area had toxin levels as high as 2600 μg/100 g. These differences among species regarding toxin accumulation and retention time should be given serious consideration when species are evaluated for culture in areas prone to toxic algal blooms.

People have attempted to detoxify shellfish contaminated with paralytic shellfish toxins in an effort to reduce the "off market" period. The most obvious method is to transplant shellfish to waters free of the toxic organisms and allow them to self-depurate. While this is satisfactory for many species of shellfish, detoxification rates vary considerably between species and some remain toxic for extended periods of time. Detoxification using temperature or salinity stress has been tried with marginal success. Chlorination has also been used in France but this alters the flavor of the shellfish and decreases marketability.

Ozonation is a promising method although its capabilities are limited. Several investigations have used ozone to inactivate PSP toxins in shellfish exposed to blooms of *Protogonyaulax tamarensis, catenella* and *breve,* although others have obtained conflicting results.

Conventional wisdom now holds that ozonized seawater can be used to detoxify shellfish recently contaminated by the vegetative cell phase of toxic dinoflagellates, but not if they were intoxified by cysts. In a study during a red-tide outbreak, ozone treatment of seawater prevented shellfish from accumulating paralytic shellfish poison. From these various results it has been concluded that inactivation can be achieved in bivalves without measurably altering their physical state, and that it can be done rapidly enough to be economically feasible. Ozone is useless in detoxifying bivalves that have ingested cysts or have had the toxins bound in their tissue over long periods of time.

At present the economic feasibility of detoxifying shellfish on a large scale in artificial systems is questionable. In areas prone to regular outbreaks of toxic algal species, culturists and commercial fishermen alike must still depend on reliable monitoring systems to warn of toxic shellfish. Through the combination of an intensive monitoring program and the culture of "rapid release" species such as the blue mussel, species such as quahogs and oysters that avoid toxic dinoflagellates, or species such as scallops from which nontoxic adductor muscles are utilized, economic losses can be minimized.

MONITORING

With all these threats to the industry you have to wonder what, if anything, can be done. Obviously, the most important priority is to find a way of predicting the onset of toxic blooms. The advantages of being able to predict the occurrence of potentially detrimental algal blooms are obvious. Early detection would allow officials to warn people, and a forewarning to culturists could save them from economic disaster. Unfortunately, we will lack an effective way of predicting the onset of algal blooms.

There is increasing evidence that most blooms originate in the ocean rather than in bays, and it is possible that key meteorological and oceanographic parameters could be used to evaluate the probability of a bloom. Oceanographers are already capable of identifying areas where there is a high probability that a bloom will occur, but accurate prediction is still not possible. Undoubtedly, as more studies explore the correlations between bloom events and environmental parameters, our predictive capability will improve.

Since most blooms originate offshore, satellite imagery, satellite-tracked monitoring buoys, aircraft and balloons could be part of an early warning system for detecting blooms. These vehicles would be equipped with sensors to monitor specific environmental parameters known to be associated with algal blooms. Instrumentation for satellites and aircraft has been developed which utilizes the light absorbed or emitted as fluorescence from algae. Unfortunately, there is no definitive way to distinguish between toxic and nontoxic blooms.

The Martinet system established in Norway is expected to be in full operation soon. This is an early warning service that will include noxious algae and algal toxins. The system is composed of various types of remote sensing plus a network of rapporteurs and laboratories where algae and toxins will be identified. The ultimate goal is to establish an international contact network.

While a successful method of prediction would be hailed by the shellfish industry, such systems are expensive. In the absence of predictive capabilities, monitoring remains the most powerful tool available to management. Monitoring of phytoplankton is simple and relatively inexpensive, and it can forewarn of potentially harmful conditions and detect new species that may pose a hazard. This type of monitoring is an integral part of mariculture in Japan. Early monitoring paid off in Ireland in 1984 when presence of *Dinophysis acuminata* was detected. Nearby mussel farms were warned of the potential danger, and when their product tested positive for DSP, the harvest of harmful mussels was avoided. In another instance, toxic cysts and motile cells of *Protogonyaulax* were discovered in areas historically free from outbreaks of shellfish toxicity, a finding which should alert potential culturists to the necessity for monitoring local waters.

Many countries have established comprehensive monitoring programs, but these are usually in response to a massive outbreak of toxic algae. It is an unfortunate human tendency to lavish the most attention on blooms that result in fatalities. Japan, the USA and Canada lead the field in this regard. Europe is developing monitoring programs, and an extensive program was recently established in Tasmania. Certainly more are needed, especially in developing countries where primitive culture facilities are common and technical assistance may be lacking. Large-scale programs such as those established in Japan, USA, and Canada provide an early warning system and minimize the losses due to blooms by implementing both area- and species-specific closures.

While regular water sampling and satellite monitoring will help locate toxic blooms in their early stages of development, the methods are by no means failsafe, making it difficult for farms and aquaculture facilities to plan their harvests. Even in the event of an early warning, it is impossible to prevent most species of bivalves from becoming toxic. An early warning can, however, prevent the sale and consumption of toxic shellfish and allow growers to harvest early or plan their harvests around the blooms to minimize economic damage.

ECONOMIC THREAT

Toxic algal blooms are at once a major economic threat to the shellfish culture industry and a public health hazard. Damage to human health is more easily evaluated than the cost of adverse publicity or a shellfish closure.

Blooms affect both fisheries and culture by rendering shellish toxic and thus unmarketable, by directly killing shellfish, or by causing the public to avoid a spectrum of related but unaffected products. Available data on economic losses associated with toxic algal blooms are summarized in an accompanying table.

Often more devastating than the blooms themselves is the accompanying publicity, misinformation and public unease, the impact of which goes far beyond the immediate drop in sales. Bans on shellfish cause loss of jobs for fishermen and employees in related industries that supply and service the culture industry. The bans also disrupt international trade and discourage expansion into aquaculture.

The impact of a toxic algal bloom is not always restricted to the immediate area. During the 1972 outbreak of "red tide" in New England, mussels, clams, quahogs and oysters were removed from the market in Maine and Massachusetts (the bay scallop, *Argopecten irradians*), was initially included but later cleared since only the non-toxic adductor muscle is marketed. New York and Connecticut followed by stopping the importation and sale of shellfish from the affected states. Although the ban specifically identified the species mentioned above, consumers responded by avoiding a spectrum of unaffected seafoods, including fish, lobsters, sea scallop meats, and northern shrimp, none of which were toxic. Losses to fishermen due to adverse publicity surrounding this incident were estimated by the National Marine Fisheries Service at more than US $1 million.

The recent occurrence of domoic acid in mussels from a small area in Canadian waters resulted in considerable economic loss not only to Canadian mussel growers outside of the affected area, but to United States mussel producers in nearby New England as well. And because of the protracted and sensational publicity accorded the event, the public was suspicious of most shellfish for a considerable period after the incident.

Clearly, misinformation can be one of the most serious consequences of a toxic algal bloom, and once consumer confidence is shaken by adverse publicity it can be a long and expensive process to re-establish it. Many agencies now attempt to avoid the publication of misleading information. The Shellfish Institute of North America (SINA) has issued informative newsletters and has met with Federal officials to ensure that accurate information is released. In California, information regarding PSP is issued to the news media by only one agency: the Department of Health Services. In Canada, the Department of Fisheries and Oceans oversees collection, testing, enforcement, management and public information at an annual cost over $1 million.

In areas prone to toxic algal blooms, consumers must be constantly reassured of the quality of seafood products being marketed, and news media must be encouraged to give equal coverage when the shellfish bans are lifted. Further, both the affected and the unaffected shellfish species should be clearly identified. One of the best campaigns to reverse the adverse effects of toxic algal blooms is currently being run by the Canadian government. Designed to re-establish consumer confidence in shellfish after the domoic acid incident on Prince Edward Island, the campaign should serve as an example of what can be done to offset otherwise extensive economic loss from toxic algal blooms.

Only through improved monitoring programs, increased public awareness and accurate, positive publicity can shellfish growers combat the increasingly common and potentially disastrous results of toxic algal blooms.

(Dr. Sandra E. Shumway is with the Maine Department of Marine Resources and the Bigelow Laboratory for Ocean Sciences, West Boothbay Harbor, Maine 04575 USA. This article is from her presentation at the mussel culture symposium at Aquaculture '89, Los Angeles, CA, February 1989. A comprehensive scientific review of the subject, complete with citations to the relevant literature, will be published in the Journal of the World Aquaculture Society.)

Mr. MURKOWSKI. I see the majority leader is on the floor. I yield to him at this time, and I believe I will have the opportunity to finish my statement at the conclusion of his remarks. I yield to the majority leader.

Mr. MITCHELL. I thank my colleague.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, following consultation with Senator HOLLINGS, Senator LEAHY, Senator STEVENS, and others interested in this matter, and having cleared this with Senator DOLE, the distinguished Republican leader, I now ask unanimous consent that the majority leader, after consultation with the Republican leader, may at any time proceed, not-

withstanding the provisions of rule XXII, to the consideration of a bill to be introduced by the majority leader and placed on the calendar on Thursday, July 26, regarding fish inspection, and that the measure be considered under the following limitations: That there be 2 hours for debate on the bill; that the only amendment in order to the bill be a Hollings-Kennedy substitute amendment to be under a 2-hour time limitation as well; that no other amendments be in order; no motion to commit be in order; that the time be equally divided in the usual form; that upon the use or yielding back of time on the amendment and the bill, the Senate proceed to vote without any intervening action or debate on or in relation to the Hollings-Kennedy substitute amendment; that upon disposition of the Hollings-Kennedy substitute amendment, the Senate proceed to vote without any intervening action or debate on the Mitchell bill as amended, if amended; provided further that the Hollings-Kennedy amendment be printed in the RECORD of Friday, July 27, in order to be eligible to be offered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the majority leader?

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, it was my understanding that the majority leader was to introduce his bill and put it in the RECORD on Friday, July 27.

Mr. MITCHELL. It was originally that form, but at the request of Senator HOLLINGS we agreed to move it up to Thursday, July 26, to give Senator HOLLINGS a chance then to review it and then offer his substitute on the following day.

Mr. STEVENS. I still have pride in authorship. I thought I was going to be a cosponsor of this amendment, too.

Mr. MITCHELL. I apologize. I ask unanimous consent where I used the word Hollings-Kennedy that it be Hollings-Stevens-Kennedy.

The PRESIDING OFFICER. Without objection, that correction will be made in the RECORD.

Is there objection to the request of the majority leader? Without objection, it is so ordered.

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the majority leader. I think this really resolves a major problem and we can debate the matter of the seafood inspection on its merits alone.

I thank him for his leadership and cooperation.

Mr. STEVENS. Mr. President, I join in that comment of the Senator from South Carolina. I think this is a very good solution so we may get on with the agriculture bill.

I assume that this means that the leaders will take down this amendment in a few minutes so we can proceed with the agriculture bill.

My colleague was making his remarks. I would like to finish what I was saying just before. I do not know how long the Senator from Alaska wishes to speak.

Mr. MURKOWSKI. May I make an inquiry. My understanding is the majority leader is basically pulling down the seafood inspection from the agriculture bill.

Mr. MITCHELL. That is correct. Under this agreement, it will be done separately. That is the purpose of this amendment.

Might I add to my unanimous-consent request a standard provision that no budget point of order be waived. That is at the request of the Budget Committee.

The PRESIDING OFFICER. Is there any objection to the addendum to the unanimous consent? Is there objection to the request of the majority leader?

Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I be named a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont.

Mr. LEAHY. Mr. President, I do not want to cut off anybody who wants to speak. I obviously will not.

Can I urge my colleagues, as much as I have been enchanted and thrilled by their debate and discussion on fisheries, if we are not going to have this amendment before us, maybe they might want, for the sake of posterity, to put the remainder of the remarks in the RECORD and get back to the farm bill, which after all is the main reason we are going to be here.

Once we get on it, we will be finished. If we talk about something else, it is an hour later, and we are going to be here in the wee hours of night.

The PRESIDING OFFICER. The senior Senator from Alaska.

Mr. STEVENS. Mr. President, I yield the floor.

The PRESIDING OFFICER. The senior Senator yields the floor.

The majority leader.

Mr. MITCHELL. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn by the majority leader.

The amendment (No. 2356) was withdrawn.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I thank the floor manager and the majority leader and my senior colleague for recognizing that if you put fishing and traditional agriculture in bed together, they make very strange bedfellows. Indeed, we need to address these issues in far greater detail before we can agree on a union. So I do appreciate my colleagues' willingness to recognize the concern that has been expressed by the Alaskan delegation and others.

The PRESIDING OFFICER. The manager of the bill, the Senator from Vermont.

Mr. LEAHY. Mr. President, I appreciate my distinguished colleagues from Alaska for their brevity. I will, of course, look forward tomorrow with eagerness to reading their remarks in the RECORD.

Mr. President, I do not intend to address all the points raised by Senator HOLLINGS earlier today regarding Senator MITCHELL's amendment on fish inspection.

Senator MITCHELL has acted with the highest integrity in the process and insisted we try to work everything out.

Senator MITCHELL wanted all affected committees to work together to try to craft the best seafood protection bill possible.

He instructed his staff to set up meetings very early this year with my committee, the Commerce Committee, the Labor Committee and the Environment and Public Works Committee.

All affected agencies were invited to make presentations at a series of meetings with Senator MITCHELL's staff. FDA, the Commerce Department, industry representatives, the Interstate Shellfish Sanitation Conference, public interest groups all were invited to meetings.

The majority leader did all he could to work this out. We gave sequential referral, after discussing S. 1245 with the majority leader, to the Commerce Committee so they could address their concerns.

They made no changes to S. 1245.

The majority leader has acted with the highest integrity in this process. He has worked out a 2-hour time agreement to address the fish inspection issue outside the context of the farm bill.

I need to clear up a few other matters.

Senator HOLLINGS had printed in the RECORD letters in support of his bill S. 2228.

To balance that, I would like to similarly have printed in the RECORD several letters of support regarding Senator MITCHELL's amendment to the farm bill—S. 1245—the Fish Safety Act.

A letter dated July 19, 1990, from the National Fisheries Institute, the largest trade organization representing the fish industry. The National Fisheries Institute represents almost 1,000 seafood firms and 40 seafood trade organizations and support S. 1245.

A July 24 letter of support for S. 1245 from the Shellfish Institute of North America. That Shellfish Insti-

tute represents firms involved in all aspects of the U.S. shellfish industry.

A July 14 letter from the North Carolina Fisheries Association explaining that "consumer confidence in the commercial fishing industry and its products is vital if we are to grow or even survive." They support the Mitchell amendment.

A July 16 letter from the Wisconsin Commercial Fisheries surrounding the amendment of Senator MITCHELL.

A July 24, 1990, letter from Public Voice for Food and Health Policy supporting Senator MITCHELL's amendment.

The Boston Fisheries Association states that S. 1245 "seems to represent the most sensible way to achieve this important legislative goal and we respectfully urge you to press forward with it."

The board of directors of the Virginia Seafood Council voted unanimously to support the Mitchell amendment in the Senate. An October 17, 1989, letter.

Mr. President, I ask unanimous consent to have printed in the RECORD the letters to which I have referred.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL FISHERIES INSTITUTE, INC.,
Arlington, VA, July 19, 1990.

THE NATIONAL FISHERIES INSTITUTE URGES YOUR SUPPORT FOR SEAFOOD INSPECTION LEGISLATION

DEAR SENATOR: Seafood inspection's time has come. Consumers and industry strongly support such legislation. We urge you to vote for the proposal to establish a seafood inspection program in the U.S. Department of Agriculture (USDA). We expect this proposal (S. 1245) to be offered by Senator Mitchell for inclusion in the Farm Bill.

The National Fisheries Institute is made up of almost 1,000 firms engaged in all aspects of the U.S. seafood industry, including vessel operators, processors, importers, distributors, brokers, restaurants and retail chains. Growing seafood consumption, environmental concerns, and international trade requirements dictate action for the public good. We respectfully request your support for S. 1245.

Sincerely yours,

LEE J. WEDDIG,
Executive Vice President.

SHELLFISH INSTITUTE OF NORTH AMERICA,
Arlington, VA, July 24, 1990.

Hon. GEORGE MITCHELL,
U.S. Senate, Washington, DC.

DEAR SENATOR MITCHELL: Consumers and industry strongly support seafood inspection legislation. We urge you to vote for the proposal to establish a program in the U.S. Department of Agriculture (S. 1245) to be offered by Senator Mitchell for inclusion in the Farm Bill.

The Shellfish Institute of North America is made up of firms engaged in all aspects of the U.S. shellfish industry, including vessel operators, processors and distributors. We respectfully request your support for S. 1245.

Sincerely yours,

ROY E. MARTIN,
Executive Director, Science and Technology.

N.C. FISHERIES ASSOCIATION, INC.,
New Bern, NC, July 14, 1990.

Hon. GEORGE MITCHELL,
U.S. Senate, Washington, DC.

DEAR SENATOR MITCHELL: We appreciate your efforts as a leader in the efforts to obtain legislation for the inspection of seafood. Consumer confidence in the commercial fishing industry and its products is vital if we are to grow or even survive.

We encourage you to press ahead with S-1245. In our view, S-1245 will adequately address the concerns of seafood consumers.

Yours truly,

JERRY SCHILL,
Executive Director.

WISCONSIN COMMERCIAL FISHERIES,
Madison, WI, July 16, 1990.

Hon. GEORGE MITCHELL,
U.S. Senate, Senate Office Building, Washington, DC.

DEAR SENATOR MITCHELL: All of us in Wisconsin greatly appreciate your leadership in the Senate to obtain legislation for the inspection of fish and seafood. Obtaining a good program this year is vitally important to consumers and our industry.

That is why we urge you to continue moving S.1245 forward. We firmly believe that S.1245 will successfully institute the reforms that both consumers and the industry need.

Sincerely yours,

GARY R. GOYKE,
Legislative Liaison, Wisconsin Commercial Fisheries.

PUBLIC VOICE FOR FOOD AND HEALTH POLICY,
Washington, DC, July 24, 1990.

DEAR SENATOR: As you know, an amendment to the Farm Bill incorporating S. 1245, the "Fish Safety Act of 1990," will be offered by Senators Mitchell, Cochran, Leahy, and Lugar. On July 18, Public Voice wrote to all Senate members, urging positive action on S. 1245 with the addition of a strong whistleblower provision.

Recently, you received a letter from Commerce Committee members opposing S. 1245, based on the issue of which Federal agency or agencies should be given jurisdiction over the seafood safety program. We want to stress that the discussion of a federal seafood safety program should not be reduced to a jurisdictional dispute but instead should center on the best way to close this serious gap in our Federal food safety system.

S. 1245, with the addition of a strong employee protection provision, contains most of the elements needed for an effective public health protection program. While we commend the Commerce Committee for acting on legislation (S. 2228) to create a seafood inspection program, there are a number of areas where the Commerce Committee bill falls far short of S. 1245 in providing needed consumer protections.

1. Clear lines of agency responsibility and accountability are needed: The lines of responsibility for almost all aspects of the program in S. 2228 are blurred between the Commerce Department and the Food and Drug Administration, carrying an enormous potential for failure of the program. A complex food safety program which fails to clearly divide responsibility between the Federal agencies involved will be detrimental to consumers and industry alike.

S. 1245 clearly assigns responsibility for the separate aspects of the program, using the strengths of the three relevant agencies: FDA to set contaminant limits, USDA to carry out inspection and product sampling, and the Commerce Department to monitor growing and harvesting waters.

2. Jurisdiction over actual inspection: We disagree with the Committee's decision to entrust the actual inspection of fish to the Department of Commerce, an agency whose primary mission is to promote marketing, rather than to protect the public health. In fact, the Commerce Department's current inspection service is voluntary and includes "grading" of fish products for purely marketing purposes. The program in S. 2228 continues this service in order "to promote commerce in fish . . ." [Sec. 5(a)(3)(C)].

Public health safeguards should be the first and only purpose of this legislation. For that reason, we think that assigning inspection responsibility to USDA, as does S. 1245, is a better choice. USDA is better positioned to expand its inspection efforts to cover fish because of its demonstrated capacity to conduct meat and poultry inspections, and its extensive domestic and international infrastructure of inspectors, laboratories and offices.

3. State programs to replace Federal inspection program: S. 2228 would allow approved state inspection programs to replace the Federal program for fish in interstate commerce. This is a serious problem since a state's law may be weaker in some ways than the Federal law. S. 2228 requires that an approved state program ensure fish meet or exceed Federal standards for contaminants and harvesting areas; however, they need to have a program only comparable to Federal registration, inspection and monitoring requirements.

States should be authorized to implement the Federal program at a minimum, as is required by S. 1245.

4. Timeframes needed: a. FDA should have a tight timeline it must meet to set initial standards for contaminants in fish, as is required by S. 1245. S. 2228 provides no deadline at all for FDA's initial standards. The current failure of FDA to set more than one tolerance level for fish has been a problem under present law.

b. Commerce should also have a tight timeline to meet in issuing its processing, storage, handling, and other regulations under the program, as is required by S. 1245.

5. Inspection of imports: Imports make up about two-thirds of the fish products consummed in the U.S. They should come in for the same scrutiny as domestic products. S. 2228 does not require FDA or the Commerce Department to conduct inspections in foreign plants. Under S. 1245, a foreign nation must have its inspection program certified by USDA and must allow USDA officials to inspect their plants and products in order to export to the United States.

6. Emergency detention of fish likely to be adulterated: S. 2228 is missing any provision which would allow the inspector to immediately act to detain fish to prevent an unsanitary plant from continuing to market fish which are likely to be adulterated. The bill does not provide for this or other emergency powers that may be needed pending the outcome of a hearing. Such provisions, included in S. 1245, would be important deter-

rents against violations and should be included in legislation.

7. Waters: Under S. 2228, the Department of Commerce appears to have been given authority to set water quality standards. This authority should remain with the EPA. S. 1245 does not remove EPA's authority over water quality.

Because of our serious concerns about the shortcomings of S. 2228, Public Voice cannot recommend that you support this measure. S. 2228 is not an acceptable alternative to S. 1245 with whistleblower protection added.

Sincerely,

ELLEN HASS,
Executive Director.

BOSTON FISHERIES ASSOCIATION, INC.,
Boston, MA, July 13, 1990.

Hon. GEORGE MITCHELL,
U.S. Senate, Washington, DC.

DEAR SENATOR MITCHELL: This is to thank you for your efforts to secure a mandatory seafood inspection program which will protect the interests of consumers while furthering our industry.

S. 1245 seems to represent the most sensible way to achieve this important legislative goal and we respectfully urge you to press forward with it.

Thank you for your continued support for the fishing industry in New England.

Sincerely,

MICHAEL VITALE,
President.

VIRGINIA SEAFOOD COUNCIL,
Newport News, VA, October 17, 1989.

The Virginia Seafood Council, a trade association representing seafood processors, packers, planters and harvesters in the Commonwealth of Virginia, supports Senate Bill No. 1245 titled "Federal Fish Inspection Act".

The Board of Directors and membership of the Council, at its regular quarterly meeting on October 10, 1989, voted unanimously to support the Mitchell bill in the United States Senate. This Council has been discussing federal seafood inspection programs for many years. The Council reiterates its endorsement of the Hazard Analysis Critical Control Point method of seafood inspection.

We understand that under Senate Bill No. 1245 the administration of such inspection will be developed and carried out in accordance with HACCP. We further understand that Bill 1245 provides for training and funding of inspection officers. We strongly urge the appointment of an Undersecretary of Seafood in the structure of the Department of Agriculture and encourage that undersecretary to develop a strong working relationship with individual States.

FRANCES W. PORTER,
Executive Director.

Mr. LEAHY. Mr. President, I need to point out that Senator MITCHELL invited staff from several committees to work together in January, February, and March of this year to try to work out a comprehensive bill. Staff of Senator HOLLINGS attended some of these meetings, and several other meetings with my staff and staff of the majority leader.

Earlier today, Senator HOLLINGS attacked the USDA meat and poultry inspection program. The points are not relevant.

I could read from reports severely criticizing the Commerce Department's management of our coastal fisheries. We could also cite reports about FDA. We are all aware of the GAO report stating that FDA cannot now carry out its responsibilities.

This should not come down to a "my inspectors versus your inspectors debate."

I made it clear in my remarks that the inspection program in the Mitchell bill is not based on the USDA continuous inspection program which Senator HOLLINGS criticized. A visual inspection program, which is used for meat and poultry, is not appropriate for fish inspection.

The Mitchell bill is based on the National Residue Program operated by USDA. Under that program thousands of samples of meat and poultry are taken and subjected to millions of tests for harmful chemicals.

It is also based on a cost-efficient procedures to inspect processors on a random basis, or as needed, to make seafood safer. It does not call for a continuous inspection program.

I will not do that.

The Environmental Protection Agency has issued a major report on the contamination of our coastal waters entitled "Assessing Human Health Risks from Chemically Contaminated Fish and Shellfish."

I could read into the record other reports on the contamination of our fisheries and the depletion of our marine resources. I will not do that now.

The National Fish and Wildlife Foundation has issued a 300-page critical report of the National Marine Fisheries Service.

I could direct the Senate's attention to recent congressional reports and committee testimony on the sad state of our marine and coastal fisheries.

I do not think that is useful to quote from these reports. We would end up in an endless debate.

I want to look forward. I agree with the majority leader that we should have an opportunity to present our case to the Senate—as should Senator HOLLINGS and supporters of S. 2228—and then let the Senate decide.

I am not afraid of a vote.

I want to emphasize, S. 1245 is carefully drafted to not give USDA jurisdiction over marine fisheries. The Commerce Committee has that jurisdiction.

I do not want to have an endless "surf and turf" battle—lets debate the issues, and vote.

Mr. BOSCHWITZ. Mr. President, I rise today as a cosponsor of this amendment to establish a mandatory Federal fish inspection program.

Last year I was an original cosponsor of similar legislation (S. 1245) introduced by Majority Leader GEORGE MITCHELL, and am pleased that the full Senate is now considering this important measure.

This amendment makes the Department of Agriculture [USDA] the lead agency for fish inspection, but the Food and Drug Administration [FDA] and the National Oceanic and Atmospheric Administration [NOAA] will also play important roles. USDA will conduct the inspections, FDA will set standards, and NOAA will retain jurisdiction over growing and harvesting waters. USDA has expertise in this area since it now has responsibility for meat and poultry inspection. Indeed, fish is the only form of meat that is not now inspected by USDA.

I believe that it is in the best interest of American consumers and the fishing industry to make fish inspection mandatory rather than voluntary. The current voluntary system reaches a small amount of the fish consumed in our country.

Fish has become an important component of the diet of Americans. At the same time, American consumers have become more aware of food safety issues. The time is right to enact a mandatory program like this. This amendment benefits the American consumer as well as the fishing industry.

Again, I commend my colleagues for their hard work on fish inspection legislation. I urge the adoption of this amendment.

ORDER OF PROCEDURE

Mr. LEAHY. Mr. President, I understand we are not quite ready to go to third reading. We still have the Conrad amendment to deal with.

The distinguished Senator from Vermont I know is here. I would suggest, Mr. President, if I could have the attention of my colleagues, a number of Senators have been asking what will be the schedule tonight. Ideally, we will try to finish tonight. I already made changes in my own plans not only for this weekend but for the first week of the recess to clear the decks on both those areas in case we have not finished the farm bill, because obviously if we do not finish it tonight very near to midnight, then we will be in for several more days on it.

I assume that would knock out the recess or the first week of it. I say that because those who have amendments, please bring them over. We will try to dspose of them. But I intend once there are no amendments pending here to move for third reading.

I know the distinguished Senator from Vermont, Senator JEFFORDS, has an amendment and is prepared to go forward. I would assume that we would do that and then we would go to the amendment which is pending from Monday, with 20 minutes remaining on it, of the distinguished Senator from North Dakota.

I mention that not trying to lock anything in, but just to give Senators some idea of the schedule.

And having said that, I yield to my good friend and colleague, the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

AMENDMENT NO. 2357

(Purpose: To modify the prohibition on a milk production termination program)

Mr. JEFFORDS. Mr. President, I have an amendment at the desk dealing with page 28, line 11, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], proposes an amendment numbered 2357.

On page 28, line 11, after "export", insert the following: "(other than the export of live dairy cattle)".

Mr. JEFFORDS. Mr. President, I am very pleased to announce to this body, I had intended to offer an amendment and discussed it at length yesterday. However, in consultations with Senator BAUCUS, whose committee amendment I was going to amend, and after discussions with the dairy people and with the cattlemen, we came up with a solution to a very longstanding problem. This problem has gone on for some 5 years now. Now we can look to a program which might help us in the future with dairy surpluses, and yet will not in any way adversely affect the beef industry.

What we are excited about is recognizing that for instance in Eastern Europe, the Soviet Union, and all other places, there is a need for good, healthy dairy cows. Why slaughter them? Why not send them overseas and allow them to help the people of those countries which are having difficulty producing food. So it leaves a number of options open to us by exporting rather than slaughtering?

With that, I am pleased to say I think we have an excellent solution to longstanding problems. It has been cleared by both sides of the aisle. I would also like to note that it conforms with my comments yesterday before this body. The Dairy Termination Program established in 1985, reduced milk surpluses, saved the taxpayers $2.4 billion in CCC purchases and increased dairy farm income. This amendment will allow the Secretary of Agriculture to have the option of exporting live dairy cattle as part of a dairy termination program. It will give him the option of taking cattle from regions where milk surpluses exist and to buy dairy heifers as well. Any program of this type would have to be paid for by assessments from the dairy industry. More importantly it will not adversely affect the beef industry. As you will recall we exported about 65,000 of dairy cattle in 1986 as part of the DTP. This amendment will help to move dairy cattle to countries needing more dairy production. At the same time it has helped to heal a longstanding difference between the dairy and beef industry. It is a good solution.

I ask for a vote.

The PRESIDING OFFICER. Is there further discussions on the amendment by the distinguished Senator from Vermont?

If not, the question is on agreeing to the amendment.

The amendment (No. 2357) was agreed to.

Mr. JEFFORDS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. Without objection, the motion to lay on the table is agreed to.

AMENDMENT NO. 2358

(Purpose: To modify the findings of the dairy title)

Mr. JEFFORDS. Mr. President, I have another amendment at the desk that deals with page 18, line 24, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 2358.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 18, line 20, strike "and".

On page 18, line 24, stike the period and insert a semicolon.

On page 18, after line 24, insert the following:

(7) dairy policy should protect against widely fluctuating consumer prices and producer income;

(8) it is the interest of the United States to have wholesome dairy products available for domestic and international nutrition programs;

(9) a properly functioning dairy program should result in a balanced purchase of dairy products so that the products are available to carry out the nutrition programs; and

(10) the Federal dairy program should encourage greater protein production in milk and discourage additional butterfat production through the use of incentives and disincentives.

Mr. JEFFORDS. Mr. President, the purpose of this amendment, which has also been agreed to by both sides, is to make sure we clearly state in the farm bill what the purpose and functions of the dairy program are. Sometimes, under the pressures of budget problems, we tend to forget why we have it. The basic purpose of the amendment is to provide a balancing wheel to prevent against widely fluctuating producer income. Then it goes on to indicate the importance of ensuring that we have protein instead of butterfat and the importance of excess protein being available to school lunch programs, et cetera.

I ask for the adoption of the amendment.

The PRESIDING OFFICER. Is there any further discussion on the amendment offered by the Senator from Vermont?

Mr. LEAHY. Mr. President, I compliment my colleague. The amendment is perfectly acceptable on this side, as was the other one, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont, Mr. JEFFORDS.

The amendment (No. 2358) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I wish to compliment my colleague from Vermont, Senator JEFFORDS, who has shown the usual Vermont way, few words but effective. He has gotten his amendments quickly through. As a result, some of those who may be finishing up supper and planning to come later with their amendments should be forewarned that the bill is now open once again for amendment and, if they have amendments, they should come tonight because, at this pace, we could well finish tonight, and I would not want anybody to be accidentally or otherwise precluded.

I yield to my colleague from Vermont.

Mr. JEFFORDS. I appreciate the Senator's yielding to me.

There are some people worrying and stirring about that I may offer another amendment. I had considered offering an amendment to reduce the trigger price from 7 to 6 billion pounds of milk, because I feel it would help save money. On the other hand, at this late time, I do not feel it would be appropriate to do that. The House adopted such an amendment this afternoon. I would urge the conferees to seriously consider adopting that lower trigger, which I think would be very helpful and could save considerable sums of money and anguish on the part of dairy farmers.

I appreciate the Senator from Vermont, my good senior Senator, yielding, and I appreciate his kind words. I also want to compliment him on the excellent job he has done protecting Vermont and the dairy industry, but, most importantly, for moving this bill along expeditiously. It could well have gone on for 2 months instead of the number of days we have had, which in

themselves seem long. But it has provided an excellent opportunity for people to be heard. I think the end result is one that we are going to be proud of.

Mr. LEAHY. Mr. President, I thank my colleague and good friend, Senator JEFFORDS. Sometimes these days feel like a year as we go along. A number of Senators have worked very hard to craft what I think is a very good bill. Senator JEFFORDS, of course, is one of the leading voices in agriculture matters, he was in the House and is in the Senate. We have worked closely together on this. I hope now that we are close to finishing.

I see my friend from Pennsylvania here so I will not hold the floor at all if he is seeking recognition.

Mr. HEINZ. Mr. President, I do seek recognition.

The PRESIDING OFFICER. The distinguished senior Senator from Pennsylvania is recognized.

AMENDMENT NO. 2359

(Purpose: To provide for the application of en route or delivery tolerances to all commodities inspected for import prohibition purposes)

Mr. HEINZ. Mr. President, in a minute, just as soon as the Xerox machine does its job, I will send an amendment to the desk, and I might just take a moment to explain the amendment.

The amendment changes section 8(e) of the United States Code with the object of ensuring that when the U.S. Department of Agriculture inspects foreign and domestic commodities for quality, that it would apply comparable inspection standards to both.

Mr. President, the amendment having arrived, I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ], for himself, Mr. BRADLEY, Mr. ROTH, Mr. SPECTER, Mr. BIDEN, and Mr. LAUTENBERG, proposes an amendment numbered 2359.

On page 924, line 15, insert "(a) IN GENERAL.—" before "The first".

On page 924, between lines 19 and 20 insert the following new subsection:

(b) TOLERANCES.—Section 8e(a) of such Act (7 U.S.C. 608e-1(a)) is amended by adding at the end thereof the following new sentences:

"In carrying out inspections pursuant to a marketing order in the United States or foreign countries, all such inspections shall apply en route or delivery tolerances to all commodities, domestic or foreign, when such inspections are performed at any site in the United States other than a shipping point. For purposes of this subsection, the term 'shipping point' means, with respect to domestic and foreign commodities, the point of origin of the shipment in the producing area or at a port of loading for ship stores. All inspections under this paragraph shall be paid for by the shipper on a user fee basis."

Mr. HEINZ. Mr. President, I allowed the clerk to do something that is becoming increasingly unusual in this Chamber and that is to read an amendment so people who are listening, as I hope people are because there are very few people in the Chamber as we speak, will be informed as to the substance of the amendment, it was brief; and, second, because other amendments dealing with marketing orders have been discussed, have been rumored, and I wanted everybody to know very clearly what this amendment is about. It is not about striking any marketing orders. It is not about stationing inspectors in other countries.

The sum and substance of it is to say that when produce arrives from a distant point and is inspected as it is about to go from port to market, as many products, say, in the biggest city in my State, Philadelphia, when grapes from Chile or other products come into the Port of Philadelphia, they are inspected at that point, as they should be. They are disembarked and they are shipped to very proximate markets: New York, Washington, DC, Baltimore, Philadelphia. They travel a very short distance, but they have traveled a very long distance in order to arrive in Philadelphia.

By the same token, if a domestic producer of grapes, from California, for example, ships grapes, they are inspected but they are not inspected when they get to Philadelphia on the train or the truck. They are inspected back in California in the fields, in the San Joaquin or Sacramento Valleys just as they are being picked or processed getting ready for the box.

And that is fine. I do not intend to change that.

Grapes is not a bad example because they travel this long distance across the United States. Some will actually come to Philadelphia before they move on to other destinations.

So what we have is an inspection, in this case of California table grapes, that may take place 3,000 miles and perhaps a week or 2 or 3 before the produce is actually delivered to the supermarket that sells it to the consumer.

Similarly, the same length of time may elapse between the time produce is picked in Chile and shipped directly up by boat to Philadelphia. But while that time has elapsed—it might be a week, it might be 2 weeks—it is only after the passage of that time that the product is inspected.

What this amendment says is that there should be a sufficient allowance to take that difference in timing of inspection into account. So, if you will excuse the expression, you are comparing apples to apples and grapes to grapes, in a comparable fashion.

This amendment has, I also believe, a greater significance because just a month ago President Bush announced, as you may recall, the "Enterprise for Americas" initiative. That is an initiative which is intended to create, and I quote the President:

• • • incentives to reinforce Latin America's growing recognition that free market reform is the key to sustained growth and political stability.

We all have a great interest in all of Latin America being free and being stable and also achieving sustainable growth. A essential element of that initiative is designed to expand trade by ultimately creating a hemispherewide free trade zone.

In announcing that initiative, the President stated that:

The great economic lesson of this century is that protectionism still stifles progress, and free markets breed prosperity.

How right he is.

This Senator believes it is highly ironic that while the administration is quite properly and aggressively pursuing open markets with our trading partners in Latin and South America, we are, in one particular provision of the farm bill before us, considering a proposal that would further restrict market access of Latin and South American countries to the United States' market.

Specifically, I am referring to the provision in the bill that would extend domestic marketing orders to imported kiwi fruit, nectarines, and plums. That is a provision which will have serious economic consequences, not only for the foreign producers of those three commodities, but also for U.S. ports, among them Philadelphia. It will have not only an impact on ports like Philadelphia but on the workers, the shippers, and the carriers who depend on foreign produce. Most important, if the provision in the bill remains without any modification such as I have proposed, it will cost the consumer, and cost the consumer plenty, both in terms of higher prices and in the availability of produce at many times of the year.

There will be less fruit available. I will come back and explain why in a minute. But the bottom line is, if you like having many of the fruits that we take for granted during the winter months, I urge my colleagues, on behalf of their consumers, to support this amendment.

I know the Chair is probably quite familiar with marketing orders. I do not know if all our colleagues are. Essentially, domestic marketing orders control the production, sale, and marketing of agricultural produce. And those supporting the extension of marketing orders to imported produce, which is grown during opposite sea-

sons from ours—it is very important to realize the difference in hemispheric production—claim their purpose in doing so is simply to ensure that imported produce meets the same quality standards as domestic fruit.

The principle is fine. I have no disagreement with the principle at all. Foreign produce should have to meet our standards. But I have very strong concerns and reservations regarding the application of that principle the way it will be applied in this provision, because an extension of the domestic marketing order to imported kiwi, plums or nectarines, must be carefully circumscribed to assure it does not become a trade barrier.

Foreign suppliers—and I will have printed in the RECORD at the appropriate point a letter from the Chilean Government—are indeed rightly apprehensive about domestic marketing orders being used to establish discriminatory inspection standards in violation of the GATT standards code.

I know the ranking member of the Committee on Agriculture has placed in this bill a provision that says if anything here violates the GATT, it should be dropped. That is good and I salute him for doing so. But I spent a good part of the morning, as did some of my Finance Committee colleagues, with U.S. Special Trade Representative Carla Hills, discussing the functioning of the GATT. The most notable reason we did that is because the GATT does not function very well.

When there is a trade distorting practice and you go to the GATT, you may get, and then again you may not get, a report on it 2 or 3 years later. We all know what happens around here after 6 months, let alone 2 or 3 years. A lot can change.

While I think, again, what Senator LUGAR did is correct, as a practical matter, given the way the GATT functions, which is slowly if at all, it will not have much practical effect unless a miracle takes place in the Uruguay round, and that looks increasingly unlikely.

Nevertheless, notwithstanding the inability currently of the GATT to function, we are signatories to the GATT standards code. We are obliged to afford imported fruit the same treatment as domestic fruit. The way we go about it, it is highly questionable that we do that. My point is we do not.

The negative impact on imports is the result of inequities in the process by which marketing orders are established and administered. Marketing order inspection standards discriminate against imported fruit because they apply different definitions for shipping point for domestic and imported fruit.

For domestic points, as I explained briefly at the outset, it is the point of origin for the shipment in the producing area in the United States or at the point of loading for overseas shipment. That is where we inspect U.S. domestic produce. In other words an inspector practically inspects the fruit while it is in the field. Domestic fruit bound for export is inspected at the U.S. port before departure.

To think about it most simply, U.S. fruit is inspected for quality, for grading, for fitness when it is very close to being its freshest. Obviously that cannot be the case for imported fruit. It is on its way into our country. It has been picked earlier. It has been shipped in. It is not inspected in the field. It is not inspected at the processing station. It is not inspected at the port of departure. It is inspected at the point of entry into the United States, a point, frankly, that is usually very close to the market where it will be purchased and consumed.

In other words, foreign fruit is inspected for quality, for grade, for fitness after being subjected to what could be a very long and possibly bruising shipment. And that is why foreign producers inevitably ship to non-U.S. markets when marketing orders are in effect.

Now, let me take a moment to explain that. If you are shipping a whole boatload of plums or nectarines or grapes and you have two possible markets for them, and one has a very high standard of inspection, that basically applies to fruit when that is being picked in the field, and your fruit is taking a 7- or 10-day journey through the Panama Canal, you might not be up to that very high standard which is applied to fruit in the field that still comes 3,000 miles across the United States in a bumpy old truck.

So you are not going to take the chance and you will send your grapes or nectarines or plums to Europe, or you will send them to Canada. But you will not take the chance of sending them to the United States if that kind of marketing order is in effect.

The purpose of my amendment is to allow for the differences in timing in place of inspection so that we still have inspection, and it is still stringent, and it is still strong, but it does not impose an unrealistically high standard. It imposes only a comparable standard on like products.

It is also true, Mr. President, that in the final analysis, once we get past a certain threshold that the best judge of quality is not necessarily an inspector working for Uncle Sam. It is your Aunt Sophie and my Aunt Sophie. Aunt Sophie is not about to buy bruised plums, nor is the retailer who stocks that fruit.

We should let the marketplace be the ultimate judge of the fine points of quality for imports, just as we do with the domestic industry.

Mr. President, I would like to point out as well that this contradiction that I have discussed has some very real domestic ramifications as well. Domestic fruit being sold in the U.S. market is inspected, as I said, at the shipping point for tolerances fresh from west coast fields. It is shipped east and it is rarely reinspected. Why should domestic fruit have a lesser standard at the point of delivery than imported fruit? Indeed, while that is what is happening, that should not be the case.

So my amendment requires imported fruit to be inspected under the same or comparable standards that U.S. fruit is. Fair is fair, and this is fair.

I believe it will help ensure year-round availability of fruit for the grocer and consumer. We are going to be much more consistent with the GATT. We will retain the marketing order provision so that there is no concern that we are going to strike that. We simply want to ensure that foreign commodities are on a level playing field with domestic ones; not a tilted field.

When Congress passed legislation allowing domestic marketing orders to be applied to imported table grapes, we took note of the fact that Federal inspections could impede imports. Let me just say that I had hoped that might not be the case, but it has turned out to be the case. Federal inspections has impeded trade.

Once those table grape marketing orders took effect, shipment through our ports virtually ceased, and they ceased because Chilean exporters prefer to ship to other markets without marketing orders. I guess I do not blame them, because who in their right mind would risk hundreds of thousands of dollars of produce against the possibility that some Federal inspector might decide there were too many blemishes per bunch of grapes.

In conclusion, Mr. President, I want to repeat what I said before and to make clear to those who are listening, this amendment will not have any effect on the marketing and sale of domestic fruit. They will continue to have the kind of reasonable and responsible protection that they now have. It will, however, assure that we have a level playing field. Obviously, we will never had any success in insisting that other companies open their markets while we hide behind arcane domestic programs that effectively bar imports from their markets to ours.

Mr. President, I do urge my colleagues to support this amendment and ensure that their constituents continue their ability to buy fruit year round.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMON. Mr. President, section 1721 of the Senate farm bill extends the domestic marketing order that dictates quality conditions—for production, marketing and sale of domestic produce—to be applied to imported kiwi, plums, and nectarines. Imports failing to meet the conditions are barred from entering the United States.

Unless amended, this provision will establish discriminatory standards for domestic and imported fruit. Domestic fruit is inspected and graded right after harvest and before it is trucked to delivery points. Imported fruit is subject to the same shipping point standards after transport, when it arrives at the delivery point.

The fact that imported fruit is inspected and graded much later in the commercial chain than domestic fruit puts imported produce at a disadvantage compared to domestic produce. The resulting inequity is inconsistent with our obligations as signatories to the GATT standards code which requires us to treat imports the same as domestically produced products.

Ninety-one percent of the Delaware River Ports' Chilean and New Zealand produce will now be subject to marketing orders. Unless amended, section 1721 will force foreign suppliers to seek alternative markets.

Loss of this trade could cost the Delaware River Ports $174 million annually in indirect and direct benefits and jeopardize 10,000 jobs in this region.

Loss of trade will negatively affect consumers since it will create an artificial scarcity resulting in higher prices for the produce available.

This is not a new problem. The ports have experienced serious economic loss as the result of extension of domestic marketing orders to imported table grapes.

The intent of section 1721 can be maintained without jeopardizing jobs and economic growth and without costing American consumers more of their grocery dollars.

The equitable solution is to allow fruit destined for U.S. markets and subject to domestic marketing orders to be inspected: First, against the stringent shipping point standards before it leaves the country of origin; or second, against delivery point standards upon arrival in the United States. Such a solution would put imported produce on an equal basis with domestic fruit. It would ensure quality control without loss of business at U.S. ports and without prohibitive consumer costs.

Chilean exporters have stated their interest in such a program and have agreed to undertake all costs. Similar programs already exist in Mexico and Canada. Establishment of such a pilot program is an appropriate and responsible way to ensure that the concerns of domestic growers, importers, port workers and consumers are adequately addressed.

Mr. LAUTENBERG. Mr. President, I rise in support of the Heinz amendment, of which I am a cosponsor.

Mr. President, this amendment has important implications for both international trade policy and the economic well being of the Delaware River Valley.

It is particularly important because of provisions in this bill that would extend the domestic marketing order for kiwi, plums, and nectarines to imported fruit.

Taken at face value, Mr. President, that provision looks fairly innocent. Supporters of the provision tell us it is necessary to ensure that consumers get the same high quality in imported fruit that they get in domestic fruit covered by the domestic marketing order. They say that it should not affect the availability of imported fruit. They tell us that so long as the imported product meets the domestic standards, there should be no problem.

Mr. President, I can assure my colleagues that this is not the case.

Many of you will recall that in 1987, I rose to speak against another amendment concerning marketing orders and imported fruit. Three years ago, the issue was table grapes.

Throughout the 1987 debate we raised the following concerns:

First, marketing orders would be used as barriers to imported produce.

Second, foreign exporters would develop alternative markets which had no marketing orders.

Third, both the Delaware River ports and U.S. consumers would be harmed by such action.

And, fourth, other domestic producers would seek to extend marketing orders to imports which would not only jeopardize other products imported by our ports, but would have an even greater impact on the consumers.

When we raised these concerns, Mr. President, we were told that our fears were unfounded. However, I find myself here again with the following facts.

First, once the marketing order takes effect for table grapes on April 20, shipments through the ports virtually cease.

In 1987, Chile redirected 10 to 12 ships when it was apparent they would not reach the ports by the time the marketing order was to take effect. The port lost almost $8 million.

Second, the Chilean exporters are developing alternative markets to ship their grapes, along with other Chilean produce once the United States marketing order takes effect.

Last year, Chile exported 1.4 million cases of produce after April 20, the effective date for the table grape marketing order. Of those 1.4 million cases, only 1,700 came through our ports; 98 percent went to other markets which did not have similar restrictions.

Mr. President, the diversion of produce to other markets also has a deleterious effect on consumers. As the supply of produce is choked off, prices go up. In effect, marketing orders impose an additional tax on produce. The additional costs are imposed in a very regressive way.

The economic consequences of the marketing order provision in the bill would be particularly significant for the Delaware River ports. Millions of dollars and thousands of jobs are at stake.

If this bill's marketing order provision were enacted, 91 percent of the imports passing through our three ports from Chile and New Zealand would be affected by marketing orders. This produce represents over $148.5 million in direct and indirect benefits, totaling 30 percent of the man-hours in the ports, or 10,000 jobs.

Mr. President, the Delaware River ports learned a bitter lesson from the 1987 table grapes experience.

And we should learn from that experience to prevent the loss of many American jobs and to prevent real harm to the economy in the Delaware River Valley region.

Mr. President, this amendment offers a realistic approach to this matter.

We don't need to imperil American jobs. Nor do we need to incur millions of dollars in consumer costs to do what the supporters of the bill's marketing order provision want us to do.

If the real goal of the marketing order provision in the bill is simply to guarantee that imported kiwi, nectarines, and plums meet the standards applied to domestic produce, if the intent of this amendment is not to erect nontariff barriers to keep imported fruit off American shelves, then this amendment should be acceptable.

The amendment calls for equity. It provides that imported fruit would be inspected against the same standards used for domestic fruit at the point of delivery.

You might ask, isn't that what the provision in the bill does? The answer is no. The provision would apply shipping point standards to imported fruit at the point of entry into the United States. And that's the problem.

Domestic fruit is inspected according to shipping point standards when it is freshly harvested and before it moves across country by truck to delivery destinations. But after undergoing transport, domestic produce is reinspected according to delivery point standards, which are less rigorous since they take into account the effects of transport.

By contrast, imported fruit must meet more stringent shipping point standards after undergoing ocean transport from the producing country.

I say to those advocating equal treatment for imports—let that treatment really be equal. Let's agree that all fruit should be inspected at the point of delivery according to delivery point standards.

That's what this amendment would do.

I think it's a fair solution for all involved, and I hope my colleagues will support it.

The PRESIDING OFFICER. Is there further debate on the amendment offered by the senior Senator from Pennsylvania? The Senator from Indiana.

Mr. LUGAR. Mr. President, I am advised that the distinguished Senator from California, Senator WILSON, is on his way to the floor and has a strong interest in the amendment. In his absence, unless there are other Senators who wish to be recognized, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I discussed this with the distinguished Senator from Pennsylvania. I am shortly going to make a unanimous-consent request that we temporarily set his amendment aside while we spend a few minutes taking up some items that have been cleared for action and then also as part of that unanimous-consent request, I would request we go back on the Heinz amendment, once we have finished this list of amendments, that will be accepted by voice vote.

So I make this request, Mr. President. I make a unanimous-consent request that the Heinz amendment be temporarily set aside and that it be in order for the distinguished Senator from Indiana and I to offer a series of amendments that have been cleared, and at such time as the two of us have finished offering those, the Heinz amendment be the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I thank my colleagues, Mr. President. I thank the Senator from Pennsylvania for his courtesy.

AMENDMENT NO. 2360

(Purpose: To promote exports of value-added agricultural products)

Mr. LEAHY. Mr. President, I offer an amendment on behalf of Senator BAUCUS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BAUCUS (for himself, and Mr. Grassley), proposes an amendment numbered 2360.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. GRASSLEY. I object. I would like to have it read in whole or at least let me take a look at it.

Mr. LEAHY. I am going to explain it.

Mr. GRASSLEY. All right.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 425, between lines 4 and 5, insert the following new paragraph:

"(2) to increase export sales of United States processed, value-added agricultural products;".

On page 425, line 5, strike out "(2)" and insert in lieu thereof "(3)".

On page 425, line 6, strike out "(3)" and insert in lieu thereof "(4)".

On page 425, line 9, strike out "(4)" and insert in lieu thereof "(5)".

On page 425, line 15, strike out "(5)" and insert in lieu thereof "(6)".

On page 425, line 18, strike out "(6)" and insert in lieu thereof "(7)".

On page 429, between line 23, strike out "and".

On page 429, between line 23 and 24, insert the following new subparagraph:

"(E) and increase the United States share of world markets for processed, value-added products because of the multiple benefits derived from such United States exports for American producers, processors, agricultural-industrial exporters and the national workforce; and".

On page 429, line 24, strike out "(E)" and insert in lieu thereof "(F)".

On page 432, line 17, after the comma insert "and value-added".

On page 437, between lines 5 and 6, insert the following new subsection:

"(c) VALUE-ADDED PRODUCTS.—With respect to the trade performance of processed, value-added products under the reviews required under this section, the Secretary, not later than 18 months after the initial 3-year period described in such subsections, shall conduct an interim review under this subsection. Such interim and subsequent reviews shall include reports to the appropriate Committees of the Congress concerning those actions that the Secretary has taken during the reporting period to increase exports of United States processed, value-added agricultural products and the plans of the Secretary pertaining to such actions during the subsequent reporting period.".

On page 466, between lines 15 and 16, insert the following new paragraph:

"(10) RELIEF FROM UNFAIR TRADE PRACTICES AGAINST PARTICULAR COMMODITIES.—

"(A) COMMERCIAL EXPORT PROMOTION.—

"(1) AVAILABILITY.—The Secretary shall, if appropriate for each agricultural commodity described in clause (ii), make available some or all of the commercial export assistance that is available under this subtitle to assist in the mitigation or to offset the unfair trade practice serving as the basis for the proceeding described in such subparagraph.

"(ii) APPLICATION.—Clause (i) shall apply in the case of agricultural commodities for which the United States has—

"(I) instituted any dispute settlement proceeding under any international trade agreement;

"(II) been prevented from progressing to a decision in proceedings described in subclause (I) as a result of the failure of a panel to reach a conclusive interpretation of law or the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress; or

"(III) initiated a section 301 investigation into foreign unfair trade practices effecting the article.

"(B) DUTIES OF SECRETARY.—For any agricultural commodity described in subparagraph (A)(ii), the Secretary shall—

"(i) promptly consult with representatives of the industry producing such commodities and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy that utilizes some or all of the assistance available under this subtitle to assist in the mitigation or to offset the unfair trade practice identified in subparagraph (A)(ii); and

"(ii) ascertain and take into account the industry preference for the practical use of available assistance in implementing subparagraph (A)(i).".

On page 477, between lines 10 and 11, insert the following new section:

"SEC. 407. BUDGET INCENTIVES.

"(a) PROVISION OF ADVISE.—Not later than November 15 of each year, the Secretary shall advise the Secretary of the Treasury and the Director of the Office of Management and Budget concerning the additional United States agricultural exports, including but not limited to exports of value-added agricultural products resulting from the assistance provided by the Secretary under section 302(c)(10).

"(b) ESTIMATION OF REVENUE.—The Director of the Office of Management and Budget shall estimate the amount of additional revenue received by the Treasury as a result of the assistance programs established under this Act to provide for the enhancement of United States processed, value-added agricultural exports.

"(C) DETERMINATION OF BUDGETS.—In determining the budgets of the Department of Agriculture, the President shall, to the maximum extent practicable, provide special consideration for the export assistance programs funded by the Secretary under this Act, based on the increases in Treasury receipts and the balance of payments of the United States with other countries.".

Mr. LEAHY. This is an amendment on behalf of Senator BAUCUS on the exports of value-added agricultural products. It requires regular reviews of the Department on promotion of the exports of value-added agricultural products.

It states the policy of the United States is to increase the value added agricultural exports, directs the Secretary to take steps toward that end, requires the administration to report the tax revenue increases stemming from increased value added agricultural exports, and it provides assistance to U.S. agricultural exporters facing other nations' unfair trade practices.

Mr. BAUCUS. Mr. President, I rise today to offer an amendment to

expand exports of value-added agricultural products.

A few statistics graphically illustrate the problem we now face. Although the United States is the world's largest agricultural exporter by volume, its share of global agricultural trade in 1987 by value was only 13 percent. The average value of U.S. agricultural exports per ton was only $223, compared to a world average of $249 and the European Community's $637.

The United States would reap tremendous benefits if it could complete more of the processing involved in converting the raw agricultural products into finished products before export.

The USDA's Economic Research Service estimates that if the United States could double its share of the world market for value-added agricultural products it would result in a $50 billion increase in U.S. GNP, create a million new jobs, and increase Federal tax revenues by $10 billion.

The amendment I am proposing takes four important steps to increase the value-added agricultural exports:

First, states the policy of the United States to increase value-added agricultural exports;

Second, directs the Secretary of Agriculture to take steps toward that end and report to Congress on progress;

Third, requires the administration to report on the tax revenue increases stemming from increased value-added agricultural exports; and

Fourth, provides assistance to U.S. agricultural exporters facing other Nation's unfair trade practices.

I believe this amendment is an important first step toward expanding value-added agricultural exports and boosting economic growth in the United States.

I urge my colleagues to support this amendment.

Mr. LEAHY. Mr. President, the distinguished Senator from Iowa has had a chance to review it. I will withhold for a moment asking for its consideration. I will note it is my understanding this has been cleared on both sides.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LIEBERMAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa [Mr. GRASSLEY] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2360) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2361

(Purpose: To establish an interagency research, design criteria and eradication program on zebra mussels, Dreissena polymorpha, as they affect the nation's agricultural irrigation systems)

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. MOYNIHAN (for himself, Mr. LEAHY, Mr. LEVIN, and Mr. D'AMATO), proposes an amendment numbered 2361.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title XIV, add the following:

SEC. . Interagency research, design criteria and eradication program on zebra mussels, Dreissena polymorpha, as they affect the nation's agricultural irrigation systems.

(a) the Secretary of Agriculture and the Assistant Secretary of the Army for Civil Works, in consultation with the Director of the U.S. Fish and Wildlife Service and the Administrator of the Environmental Protection Agency, shall develop a program of research and design criteria for agricultural irrigation systems, with the emphasis on developing techniques and design standards to eradicate and control the effects of zebra mussels in the nation's agricultural irrigation system.

(b)(1) There are hereby authorized to be appropriated to the Secretary of Agriculture to carry out subsection (a) of this section, the amount of $2,000,000 for each of the five fiscal years beginning with fiscal year 1991.

(2) There are hereby authorized to be appropriated to the Secretary of the Army for Civil Works to carry out subsection (a) of this section, the amount of $2,000,000 for each of the five fiscal years beginning with fiscal year 1991.

Mr. MOYNIHAN. Mr. President, I rise today along with Senators LEVIN and D'AMATO to offer an amendment to S. 2830, the Food Agriculture, Conservation, and Trade Act of 1990. If accepted, this rather simple amendment, will provide the necessary assistance in protecting the Nation's agricultural irrigation system from zebra mussels.

To my friends and colleagues who have yet to hear or experience the effects of this foreign mollusk which is presently working its way through the surface water system of our Nation, I encourage you to take note.

Mr. President, I have stood on the Senate floor in the past and will continue too in my effort to raise the level of awareness on this issue. The zebra mussel is a dangerous new infestation. It presents a threat to our entire surface water system and ultimately will effect the way we live and work.

The zebra mussel—the scientific name is Dreissena polymorpha—is not indigenous to North America. It is native to the Black, Caspian, and Azov Seas of Soviet Central Asia. It has been in Europe for more than 150 years, and now it is here.

Unlike other infestations, this one is irreversible. The zebra mussel is here to stay. It cannot be quarantined or eradicated. Within 20 years time it will have spread through the entire surface water system in North America. As it does so it will surely infest the Nation's agriculture irrigation system and in doing so cause untold damage to our agricultural system.

According to the 1984 Farm and Ranch Irrigation Survey prepared by the U.S. Department of Agriculture, the last survey for which data is available, there are 49 million irrigated acres in the United States. This represents 13 percent of all cropland—$39.7 billion in agriculture product sales comes from irrigated land a full 30 percent of all agriculture product sales.

In a 1979 issue of the Russian Journal Gidriobiologicheskii Zhurnal American translation Hydrobiological Journal, research biologists, L.V. Shevtsova, T.A. Kharchenko, and V.A. Movchan stated that:

> There is resulting biological interference due to the fouling of irrigation pipelines by Driessena. When these mollusks establish themselves in a closed irrigation network they reduce the throughput of the pipes, resulting in inadequate watering of the crops, a reduction in their yield and increased expenditure of electricity. The shells of mollusks that die in the pipes are carried into the filters of the sprinklers which they clog and put out of action.

It should not be of any great surprise that we turn to the Soviets for this information as the zebra mussel belongs in their waters.

In a 1989 report prepared for the Environment Minister of Ontario, Canada, "The Zebra Mussel, Dreissena Polymorpha: A Synthesis of European Experiences and a Preview for North America," concluded that:

> The underground irrigation piping for farms, greenhouses and golf courses that drew water directly are susceptible to biofouling by zebra mussels. Measures should be taken immediately to either avoid or control infestations of such systems.

Mr. President, what I proposed today is a simple thing. The Secretary of Agriculture and the Assistant Secretary of the Army for Civil Works will develop a interagency research, design criteria, and eradication program for

zebra mussels in the Nation's irrigation system. They will work in consultation with the U.S. Fish and Wildlife Service and the Environmental Protection Agency. We cannot wait until this cripples our irrigation system. We must act now.

With that said, and to my colleagues who are unfamiliar with the history of the zebra mussels I shall elaborate.

The zebra mussel is native to the fresh waters of Southern Asia. It was first identified there in 1771. Canals built during the late 18th century allowed the species to expand its range. It took less than a century for the mussel to spread over much of Europe—by the 1930's, zebra mussels had reached the British Isles.

Infestations of Dreissena created difficulties for the water supplies in Hamburg in 1886 and in Rotterdam in 1887 by clogging intake pipes. In 1895, Berlin's waterworks were closed for 27 days due to fouling of pipes by thousands of decaying mussels. In 1921, a hydroelectric plant in northern Germany closed because 1.5 meter thickness of mussels severely restricted water flow.

But still, as of only 5 years ago, the zebra mussel had not reached North America. Or perhaps it had, but if so, it had not survived.

Nonetheless, it is believed that in the summer of 1986, zebra mussels arrived in North America in the ballast water of a ship arriving from Europe, and that this event or series of similar events has led to the infestation we now face. It is thought that ballast water taken on in a European port contained immature zebra mussels, that these mussels survived the 5- to 7-day trip that is now commonplace, and that this water was released into Lake St. Clair, which lies north of Detroit between Lake Huron and Lake Erie.

The first confirmed sighting of the zebra mussel in the Great Lakes was in the Canadian waters of Lake St. Clair on June 1, 1988. Zebra mussels now have been found throughout the entire Great Lakes system. As far west as Duluth, MN, and as far east as the St. Lawrence River in New York.

The mussel can move between different bodies of water in several ways. The larvae, called veligers, can be transported downstream or downwind by water currents. Mussels attach to the hulls of boats, and larvae can survive for up to a week in the cooling water of boat engines. They can be carried by the feet of water birds and other wildlife.

Some advocate using natural predators of the zebra mussel to control its population. Diving ducks prey upon the mussel. In Lake Erie, where the zebra mussel is abundant, observers are reporting an increase in the diving duck population. Unfortunately, there are limits to the ability of the duck to control this organism. Wetland habitat in the Gret Lakes may be too small to support the duck population needed to control this infestation.

Mr. President, the Senate Committee on Environment and Public Works has held three hearings in the last 3 months concerning the zebra mussel and the effects it will have on infrastructure and fishery habitats. The picture is rather grim. The U.S. Fish and Wildlife Service has estimated that the zebra mussel in the Great Lakes will cost $5 billion over the next 10 years in environmental and economic losses. As the zebra mussel moves throughout the surface water system of our Nation this figure will surely rise dramatically.

Mr. LEAHY. Mr. President, just to take one moment, the research program recommended by Senator MOYNIHAN on zebra mussels is one that I am very much in favor of. The zebra mussel, for my colleagues who have not had the misfortune, looks like a little tiny snail or clam. It has been a problem with the Great Lakes. I see the smiles of the clerks. Trust me, it is not a happy thing to see. It multiplies very, very rapidly. It is the rabbit of mussels as far as its proclivity to procreate.

The distinguished Senator from Kentucky has brought some of them here. There is no way of putting them in the RECORD.

But the zebra mussel, if picked up even on a boat, will go through the Great Lakes, just a few of them, and all of a sudden they will start multiplying. They look for water intake, irrigation intakes, water intakes, sewage intakes. They cluster in there. So somebody who has miles of irrigation pipe could literally within a very short time, months or a year, find them totally clogged with these things. They are virtually impossible to get rid of.

I admit a parochial concern, if they start working their way down to Lake Champlain, one of the most beautiful lakes in this country, largest fresh body of water outside the Great Lakes. So it is a very important amendment.

I appreciate on behalf of my distinguished colleague from Kentucky who has not had the visitation of zebra mussels other than the shellaced demonstration that he had here which I will not describe further for the RECORD because I could not possibly do it justice. But I urge its adoption.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, let me underline the importance of the amendment.

The distinguished Senator from New York has described the gravity of the problem. I simply emphasize on behalf of the Great Lakes States that the zebra mussel is also present in those areas, and the amount of damage to various utility intake systems is already extensive. The Senator from New York [Mr. MOYNIHAN] has pointed this out in each of the committees on which he serves.

Having seen this amendment before on other occasions, I know the fervence with which Senator MOYNIHAN has pressed this issue, and having seen new damage in my home State of Indiana from the zebra mussel, I can say that the problem is real.

It is not certain how this menace is to be stopped. It is certain that millions of dollars will be spent in extra maintenance by all of the Great Lakes situations so long as the zebra mussel continues to multiply.

So I commend the Senator for the amendment, and on this side of the aisle we are prepared to accept it.

Mr. LEAHY. I ask unanimous consent that I be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I join with my colleagues from New York in offering this amendment to get the Army Corps, and other agencies working on preventing the spread of an aquatic pest, the zebra mussel, to our Nation's waterways and irrigation systems.

This nonindigenous species threatens to wreak havoc on the Great Lakes ecosystem, and will probably spread through all freshwater systems in the country if it is not stopped soon. The mussel has lodged in many places in the Great Lakes, clogging drinking water and utility intake pipes, and is spreading at a frightening rate. This amendment will develop a research and prevention program and also instruct the Army Corps to establish design criteria for irrigation systems so as to avoid infestation.

This is only a small downpayment on the resources that the nation will need to invest to halt the spread of this invader. I thank both sides for accepting this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 2361) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2362

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. SANFORD (for himself and Mr.

GRAHAM), proposes an amendment numbered 2362.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add the following section at the end of title IX:

SEC. 9. DISTORTIONS TO WORLD SUGAR TRADE.

Whereas the Senate finds that:

(1) the sugar industry is important to the countries of Latin America, especially in the Caribbean, Central American and Andean regions;

(2) the United States is an important destination for sugar from these countries;

(3) over the past nine years, import quotas have drastically reduced United States imports of sugar;

(4) the sugar industry of these countries is in the midst of a prolonged crisis, undermining economic growth and creating political instability;

(5) for the long-term development of these regions, trade is more important than aid;

(6) the export-promotion strategy of these regions can succeed only to the extent that other developed countries increase access to their markets for sugar;

(7) despite requests by regional governments, the international community has not been forthcoming in granting broader market access; and

(8) in light of Latin America's severe economic crisis and its commitment to rebuilding its economies, the international community should remove obstacles to reviving trade.

Therefore, the General Accounting Office shall, no later than October 31, 1990, report to Congress recommendations for policies the United States can adopt to improve and enhance developing countries access to world sugar markets and reduce other distortions to world sugar trade.

Mr. LEAHY. Mr. President, this is an amendment stating that the GAO should make recommendations on the sugar policy which will reduce negative effects on the developing nations. It has been cleared on both sides.

Mr. LUGAR. Mr. President, the distinguished Senator from North Carolina [Mr. SANFORD] has long been active, as the Chair knows, in Central America working with the Central American countries. He has also been active throughout the Caribbean as a part of his responsibilities on the Foreign Relations Committee and as a great humanitarian.

The Senator is concerned, as I am and many Senators are, with the impact of our sugar policies, how we can work with the program we have adopted in this body but we must do so, mindful also of our foreign relations responsibilities.

I commend the Senator for his amendment. We are prepared to accept it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (No. 2362) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2363

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. GARN (for himself and Mr. RIEGLE), proposes an amendment numbered 2363.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 444, line 20, strike "fiscal" and insert "financial" and strike all from line 24 through 7 on page 445 and insert the following:

"(3) is the financial institution issuing the letter of credit or a subsidiary of such institution."

Mr. GARN. Mr. President, I want to thank the managers of the bill for accepting the amendment Senator RIEGLE and I have proposed to the farm bill. The amendment is intended to correct a problem regarding national treatment of financial institutions in the United States that was identified by the Treasury Department and is a continuing concern of the Banking Committee.

The national treatment concern arises because of language in the bill that would bar foreign institutions from eligibility to receive assignment of letters of credit guaranteed by CCC. The language in the bill is apparently intended to maintain the current CCC ban on guaranteeing transactions in which the same financial institution is involved at both ends of the deal. However, as drafted the provision goes beyond this objective and discriminates against foreign banks.

The national treatment principle is an important element of U.S. banking law, embodied in the International Banking Act of 1978. It requires that foreign financial institutions in the United States be accorded the same legal and regulatory treatment as that accorded U.S. institutions. This is a guiding principle not only of U.S. policy but of the GATT and OECD. If we violate this principle in U.S. law, we weaken our negotiating position for financial liberalization with foreign governments and open our banks to retaliation overseas.

The amendment strikes the reference to foreign financial institutions and substitutes generic language in conformity with U.S. banking law. An institution would be ineligible for CCC guarantees if it is the same institution issuing the letter of credit, or a subsidiary. In addition to its specific coverage of subsidiaries, this restriction would cover any branch, agency, or home office of an issuing institution which are in fact part of the same financial institution. Thus, transactions would be barred between all closely affiliated parties.

Mr. LEAHY. This amendment changes the eligibility requirements for banks under the Export Credit Guarantee Program. The chairman and ranking member of the Banking Committee have offered it. I know of no objection to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. We are prepared to accept the amendment on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2363) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2364

(Purpose: To express the sense of the Senate concerning the rebalancing proposal of the European Community)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. Simon and numerous other Senators and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. SIMON, for himself, Mr. CONRAD, Mr. HARKIN, Mr. DIXON, Mr. LUGAR, Mr. BURDICK, Mr. COATS, Mr. DASCHLE, Mr. GORE, Mr. HELMS, Mr. HOLLINGS, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. LEVIN, Mr. WALLOP, Ms. MIKULSKI, and Mr. GRAMM proposes an amendment number 2364.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 499, between lines 9 and 10, insert the following new section:

SEC. 1136. SENSE OF SENATE CONCERNING REBALANCING PROPOSAL OF THE EUROPEAN COMMUNITY.

(a) FINDINGS.—Congress finds that—

(1) the success of the agriculture negotiations under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) is important to the liberalization of world agricultural trade and the develop-

ment of the markets for United States commodities;

(2) In order to correct distortions and restrictions in world agricultural markets, the participants in GATT negotiations have committed to substantial and progressive reductions in agricultural protection and support;

(3) the history of establishing more market-oriented trade since World War II has been progressive liberalization through a series of multilateral trade negotiations;

(4) the European Community's proposal to "rebalance" import protections could actually permit the European Community to increase import barriers for some products, including products which have enjoyed barrier free trade status as a result of earlier trade negotiations;

(5) this rebalancing proposal could pose a particularly severe threat to United States exports of corn gluten feed and oilseeds to the European Community, products whose duty-free status the European Community has long sought to undercut; and

(6) the European Community market for United States exports of corn gluten feed and oilseeds has been a successful fixture of United States-European Community trade relations for approximately 30 years, and should not be restricted.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the European Community's proposed balancing of import protections is fundamentally at odds with the important goals of liberalizing world agricultural trade and eliminating trade-distorting policies;

(2) such rebalancing could have a particularly severe impact on United States exports of corn gluten feed and oilseeds to the European Community, leaving them vulnerable to unfair treatment and increased trade barriers; and

(3) the United States, throughout the remainder of the Uruguay Round of the GATT negotiations on agriculture, should forcefully reject the European Community's proposal to rebalance import protections.

Mr. SIMON. Mr. President, today, I am proposing a sense-of-the-Senate amendment expressing the Senate's opposition to the European Community's proposal to rearrange its import protections on certain agricultural commodities.

Protectionist policies in other countries, including the EC countries, cost U.S. farmers billions of dollars in lost sales annually.

I fear this EC proposal to rebalance import protections could result in import barriers for products important to my State and others— particularly soybeans and corn gluten feed. Soybeans and soybean-processed products make up one-third of our argicultural exports to other countries. Illinois is the Nation's leading producer of soybeans. Decatur, IL, is affectionately called the "soybean capital of the World." Between September 1988 and August 1989 the United States exported 1.75 billion dollars' worth of soybeans and soybean products to the European Community, accounting for one-third of all U.S. agricultural exports to the EC.

Corn gluten feed is another important processed product that could be threatened by this proposal. Illinois traditionally is the Nation's second top, producer of corn. The United States exported 650 million dollars worth of corn gluten feed last year.

Restrictions on imports of these products could have a devastating impact on the agricultural economy in my State.

The United States and the EC have had an open trade agreement on oilseeds, including soybeans, for 30 years. Right now at the GATT talks we are working hard to correct restrictions in world agricultural markets. The participants are committed to opening up world agricultural trade. The concept of rebalancing trade restrictions is fundamentally at odds with the goals of free trade.

The rebalancing proposal—now considered by the Europeans to be one of their major objectives in the negotiations—represents yet another attempt to force United States producers to pay the price for Europe's inefficient agricultural policy.

My amendment, which has the support of my colleague from Illinois, Senator DIXON, and Senators CONRAD, HARKIN, LUGAR, LEAHY, BREAUX, BURDICK, COATS, DASCHLE, GORE, HELMS, HOLLINGS, JEFFORDS, KASSEBAUM, LEVIN, and WALLOP, expresses the Senate's support for the U.S. negotiators to forcefully reject any EC proposal to rebalance import protections, making sure the rights of American farmers are not eroded as a result of these negotiations.

Mr. LEAHY. Mr. President, this expresses a sense of the Senate concerning a rebalancing proposal of the European Community. I understand that nobody objects to it.

The PRESIDING OFFICER. Is there objection?

If there be no further debate, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 2364) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I have an amendment authorizing the America the Beautiful Act, and 26 other Senators join me and the distinguished ranking member, Senator LUGAR, in cosponsoring the National Tree Trust Act, S. 2426. There have been other changes made to it.

AMENDMENT NO. 2365

(Purpose: To authorize the President to designate a private nonprofit foundation as eligible to receive funds for the purpose of promoting community tree planting and cultivation projects, and to authorize the Secretary of Agriculture to establish a rural tree planting program and a community tree planting program)

Mr. LEAHY. Mr. President, I send an amendment on behalf of myself and Mr. LUGAR to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself and Mr. LUGAR, proposes an amendment numbered 2365.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 861, between lines 19 and 20, insert the following new subtitle:

SUBTITLE E—AMERICA THE BEAUTIFUL

SEC. 1571. SHORT TITLE.

This subtitle cited as the "America the Beautiful Act of 1990".

SEC. 1572. FINDINGS.

Congress finds that—

(1) trees and forests provide beauty and diversity to both rural and urban landscapes;

(2) trees and forests protect the Nation's soil, water, and wetland resources by filtering runoff and preventing erosion;

(3) trees and forest provide food and cover for many species of wildlife;

(4) trees and forests capture and safely store greehouse gases, thereby reducing the possibility of global climate change;

(5) trees and forests provide shade, block winds, and add moisture to the air, thereby mitigating the urban "heat island" effect and signficantly reducing energy use;

(6) trees and forests make important contributions to the environmental, social, and economic well-being of both rural and urban areas across the Nation; and

(87) stewardship of trees and forests could be significantly enhanced by encouraging, promoting, and supporting partnerships and community service projects involving individuals, youth groups, organizations, businesses and governments at all levels.

SEC. 1573. PURPOSES.

The purposes of this subtitle are to—

(1) authorize the President to designate a private nonprofit foundation as eligible for a one-time grant from the Secretary of Agriculture, to be used for promoting public awareness and a spirit of volunteerism, soliciting private sector contributions, and overseeing the use of these contributions to encourage tree planting projects in communities and urban areas;

(2) promote the principles of basic forest stewardship through the nationwide planting, improvement, and maintenance of trees in order to increase reforestation, enhance the environmental and aesthetic qualities of our Nation's rural and urban areas, and reduce global carbon dioxide levels;

(3) authorize the Secretary of Agriculture to provide increased financial and technical

assistance to State forestry agencies and others, and enter into cost sharing agreements with individuals, for the purpose of encouraging owners of nonindustrial private lands to plant and maintain trees and improve forests in rural areas; and

(4) authorize the Secretary of Agriculture to provide increased financial and technical assistance to State forestry agencies and others for the purpose of encouraging units of local government, civic groups, and individuals to plant and maintain trees and improve forests in communities and urban areas.

SEC. 1574. NATIONAL TREE TRUST FOUNDATION.

(a) PURPOSES.—It is the intent of this section to provide for the awarding of a grant to a private nonprofit Foundation to be used for the following purposes—

(1) to solicit, accept, and administer public and private sector grants;

(2) to promote public awareness and a spirit of volunteerism by awarding grants to, and providing organizational support and training for, local community volunteer organizations dedicated to tree planting and the care of trees;

(3) to support the preservation of unique national resources and environments; and

(4) to award matching grants to nonprofit organizations including youth groups for the planting and cultivation of trees to ensure that our descendants may share the pride of their ancestors when referring to their land as "America the Beautiful".

(5) to award matching grants to municipalities that have developed an urban forestry and have demonstrated a capability to provide at least one-half of the total cost of the project or program for which the Foundation funds will be used.

(b) AUTHORITY.—

(1) IN GENERAL.—The President is authorized to designate a private nonprofit organization (hereinafter referred to in this section as the "Foundation") as eligible to receive funds pursuant to subsection (d), after making a determination that such organization is able, consistent with its charter, to carry out the purposes described in subsection (a), and that the officers of such organization have the experience and expertise necessary to direct the activities of the organization.

(2) CONSTRUCTION.—Nothing in this section shall be construed as making the Foundation an agency or instrumentality of the United States, or as making officers, employees, or members of the board of directors of the Foundation officers or employees of the United States.

(c) AMOUNT OF GRANT.—In fiscal year 1991, the Secretary of Agriculture is authorized to make a grant to the Foundation, from amounts appropriated to carry out this subtitle, in an amount that shall not exceed $25,000,000.

(d) USE OF FUNDS.—

(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (c) shall be utilized by the Foundation—

(A) to carry out the purposes described in subsection (a); and

(B) for the administrative expenses of the Foundation incurred in carrying out such purposes.

(2) INTEREST.—Notwithstanding any other provision of law, the Foundation may hold amounts awarded under a grant under subsection (c) in interest-bearing accounts, prior to the disbursement of such funds for the purposes described in subsection (a), and may retain for such program purposes any interest earned on such deposits.

(e) ELIGIBILITY OF THE FOUNDATION.—

(1) COMPLIANCE.—To be eligible to receive a grant under this section, the Foundation shall agree to comply with the requirements of this section.

(2) CONSISTENCY WITH PURPOSES.—The Foundation may use funds provided under this section only for programs and projects that are consistent with the purpsoes described in subsection (a).

(3) OUTSIDE SOURCES OF COMPENSATION.—Officers and employees of the Foundation may not receive any salary or other compensation for services rendered to the Foundation from any source other than the Foundation.

(4) PROHIBITION ON ISSUANCE.—The Foundation shall not issue any shares of stock or declare or pay any dividends.

(5) COMPENSATION.—No part of the funds of the Foundation shall inure to the benefit of any board member, officer, or employee of the Foundation, except as salary or reasonable compensation for the services or expenses of such member, officer or employee. Compensation for board members shall be limited to reimbursement for reasonable costs of travel and expenses. No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation if such question affects the financial interests of the director, officer, or employee or the interests of any corporation, partnership, entity, or organization in which such director, officer, or employee is an officer, director, or trustee, or in which such director, officer, or employee has any direct of indirect financial interest.

(6) POLITICAL ACTIVITY.—The Foundation shall not engage in lobbying or propaganda for the purpose of influencing legislation and shall not participate or intervene in any political campaign on behalf of any candidate for public office.

(7) GENERAL AUDITS.—For the fiscal year in which the Foundation receives the grant awarded under this section, and for the succeeding 5 fiscal years, the accounts of the Foundation shall be audited annually in accordance with generally accepted accounting procedures by independent certified public accountants or independent licensed public accounts certified or licensed by a regulatory authority of a State or of a political subdivision of the United States. The report of each such independent audit shall be included in the annual report required by paragraph (10).

(8) AGENCY AUDITS.—The financial transactions undertaken under this section by the Foundation may be audited by any agency designated by the President for the fiscal year in which the Foundation receives the grant awarded under this section and for the 5 succeeding fiscal years.

(9) MAINTENANCE OF RECORDS.—The Foundation shall ensure—

(A) that each recipient of assistance provided through the Foundation under this subtitle maintains, for 5 years after the receipt of such assistance, separate accounts with respect to such assistance, and such records as may be reasonably necessary to disclose fully the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is provided or used, the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit; and

(B) that the Foundation, the agency designated by the President pursuant to paragraph (8), or any of the duly authorized representatives of the Foundation, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of assistance under this section that are pertinent to the provision and use of such assistance.

(10) ANNUAL REPORT.—Not later than 3 months after the conclusion of each fiscal year, the Foundation shall publish an annual report for the preceding fiscal year. The report shall include a comprehensive and detailed report of the operation, activities, financial condition, and accomplishments of the Foundation under this subtitle. The obligation of the Foundation to publish annual reports under this paragraph shall terminate after publication of the report incorporating the findings of the final audit required by paragraph (9).

SEC. 1575. RURAL TREE PLANTING, FOREST IMPROVEMENT AND STEWARDSHIP PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture is authorized to establish a rural tree planting, forest improvement and stewardship program as a special component of the Rural Forestry Assistance Program and forest stewardship incentives program established under section 3 and 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2102) (as amended by subtitle A).

(b) ASSISTANCE.—

(1) IN GENERAL.—In carrying out this section, the Secretary of Agriculture is authorized to provide financial, technical, and related assistance to State foresters and other persons for the purpose of assisting nonindustrial private landowners to plant, maintain, and improve trees and forest resources in rural areas.

(2) EMPHASIS.—Assistance provided by the Secretary of Agriculture under this section shall be used to emphasize tree planting and forest stewardship practices designed to prevent soil erosion, enhance aesthetics and recreational opportunities, improve wildlife habitat, increase timber supplies, reduce the possibility of global climate change, and provide other environmental and economic benefits.

SEC. 1576. COMMUNITY TREE PLANTING AND FOREST IMPROVEMENT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture is authorized to establish a community tree planting and improvement program as a special component of the urban forestry assistance program established under section 8 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105) (as redesignated by section 1514).

(b) ASSISTANCE.—

(1) IN GENERAL.—In implementing this section, the Secretary of Agriculture is authorized to provide financial, technical, and related assistance to State foresters and other persons for the purpose of assisting units of local government, civic organizations, and individuals to plant, maintain, and improve trees and forests in communities and urban areas.

(2) EMPHASIS.—Assistance provided by the Secretary of Agriculture under this section shall be used to emphasize tree planting and forest improvement practices designed to improve the efficiency of energy use, enhance aesthetics and recreational opportunities, improve wildlife habitat, moderate temperature extremes, reduce the possibility of global climate change, and provide other general environmental benefits that contribute to social well-being and a sense of community.

SEC. 1577. GENERAL PROVISIONS.

(a) ADDITIONAL AUTHORITY.—In carrying out this title, the Secretary of Agriculture may utilize such of the authority provided in section 12 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109) (as redesignated by section 1514) as the Secretary may consider appropriate and practicable.

(b) REGULATIONS.—The Secretary of Agriculture may issue such regulations as may be necessary to carry out the provisions of this subtitle.

SEC. 1578.

There are authorized to be appropriated as necessary such sums as may be necessary to implement this subtitle.

Mr. LUGAR. It is a pleasure to join with the distinguished chairman in offering this amendment. I simply emphasize that the Chair knows this is a program of very great importance to the President and Mrs. Bush.

The distinguished chairman and I were invited, as were other members of the committee, for the initiation of a program which is part of our national attempt to work through agriculture, in this case forestry, for the national environment, as well as for the enhancement and the beauty of tree planting in our cities.

So I am most hopeful that the amendment will find favor this evening. Obviously, on our side of the aisle, we support it strongly.

Mr. President, our amendment includes a provision to authorize the President to designate the National Tree Trust Foundation as eligible to receive Federal funds and authorizes a grant in fiscal year 1991 of up to $25 million. It includes a specific authorization both of the President's Rural Tree Planting and of his Community Tree Planting and Forest Improvement Program. Furthermore, our amendment links the President's Rural Tree Planting Program to the stewardship programs already included in the forestry title and ensures that the President's program and the stewardship program will be complementary in nature.

Yesterday our committee held a hearing on the President's bill, S. 2426. The President's Tree Planting Program was endorsed by such groups as the American Forestry Association, The National Association of State Foresters, the American Association of Nurserymen and the American Forest Council.

Mr. President, we all know the key role which tree planting and sound forest management can play in enhancing the quality of our environment and the quality of our lives. I am delighted with the strong interest which the President has demonstrated in tree planting and in enhancing the quality of private forest lands. I urge the Senate to adopt this amendment.

Mr. LEAHY. Mr. President, both the distinguished Senator from Indiana and I commended the President for his tree planting initiative, and Mrs. Bush. I have told both President Bush and Mrs. Bush I was very proud of that initiative, and I strongly supported it. And, in fact, I intend to plant a couple of trees on my own tree farm in Vermont in honor of their initiative.

I hasten to add, if anybody wonders if there is a personal ulterior interest, the trees planted on my tree farm will be paid for and planted by my wife and myself and will not come under this or any other program. But they will be in honor of President and Mrs. Bush's initiative.

I understand, however, others may wish to speak on or amend what we have said.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. KERREY].

AMENDMENT NO. 2366 TO AMENDMENT NO. 2365

Mr. KERREY. Mr. President, I, too, have a second-degree amendment that I send to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 2366 to amendment numbered 2365.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, strike lines 2 through 8.
On pages 4–9, strike section 1574.

Mr. KERREY. Mr. President, let me thank the chairman and ranking member for permitting me to hold hearings, at least one hearing on this particular bill. I voiced some concern, and I put a hold on the bill for a period of time, and the principal concern that I had was that this particular program had not been adequately heard.

I have, in this amendment, urged my colleagues to simply strike one portion of this program. That is the creation of a new tree trust foundation, a private foundation that will be funded with public moneys, that will be started with public moneys. On the balance of the program, I believe the administration, particularly in the rural areas, rural tree planting areas, has made substantial improvements.

I believe it is essentially increasing funding for preexisting programs. It changes the emphasis of the program slightly, and I strongly support it. I still have strong reservations about the creation of a brandnew program, a new Federal program such as this.

In fact, on the day that we had this hearing, the distinguished senior Senator from New Mexico came and presented a very similar program, multipurpose program, not just for trees, wherein he wanted a much smaller amount, I point out. I believe the amount was $2 million; half a million dollars the first year, half a million dollars the second. And he was going to match with private sector donations.

This is a large amount of money for a private foundation. We are going to create a brandnew private foundation that will be involved in planting trees. I think it is legitimate for us to raise some concerns.

I still have a significant amount of doubt about the clarity of the mission of this particular foundation. It is not enough just to say we are going to plant some trees in urban areas, in my opinion. I think you have to have a much more precise objective than what has been laid out in this particular measure.

They talked about conservation. Well, conservation is extremely important. If conservation is the objective, they ought to describe how they are going to get people excited about conservation as part of planting trees—talk about global warming and all kinds of other things, and talk about the loss of trees in our forests. This particular program would deal with only 58 percent of our forests, and it seems to me we have the potential of sending some rather unfortuante signals to the American people.

If we cannot get this done correctly, it will be possible to say money is being wasted, which it could be, Mr. President. As I said, we are starting a new foundation. There is no track record.

Outstanding individuals are involved that intend to raise the private sector money. Typically, these sorts of individuals, they raise the money before they approach us, and it seems to me not altogether unreasonable for us to suggest they raise the private sector money in this particular case, and do it that way, as well.

Again, I do not intend to press this any further than asking for a voice vote on this, and to express my strong feelings that we should not be funding this program at this time. These are good people that have a good objective. They should be raising private money and getting the operation going, and then coming to taxpayers and asking us to put $35 million on the line.

It has not been proven, and it is not clear exactly what it is going to do. As a result, I urge my colleagues to consider that this particular program should be rejected.

Mr. LEAHY. Mr. President, I believe the distinguished Senator from Nebraska has raised important concerns, and I wish to commend him for the hearing held yesterday. I think it was an important hearing, and Members

should read the transcript of that when it is available.

I think his hearing demonstrates how important it is for our committee to continue oversight to ensure that the foundation operates in the public interest.

I find myself in one of the very rare instances, practically about the only time I can think of, when I have been in opposition to the Senator from Nebraska since he has been here.

I will oppose his second-degree amendment. I do it with this reservation: We will have followup oversight of this. I think the oversight will make sure that the concerns that he has raised through this amendment will be met. If the concerns are not, then, at a subsequent time I doubt I will find myself in opposition to such an amendment. On tonight's bill, though, I would.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Is the Senator from Vermont correct in understanding that we would vote first on the Kerrey amendment and, if that failed, then we would vote on the overall amendment that Senator LUGAR and I have sent to the desk?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I have listened carefully to the distinguished Senator from Nebraska. This is an issue and an area in which he has had considerable interest and expertise, and I respect that.

On balance, it appears to me that the foundation concept that Senator LEAHY and I presented ought to be retained. It has very strong bipartisan support. At this point 27 Senators have cosponsored this proposal and some people outside the Congress as well; former Senator Muskie, former Senator Howard Baker, the former First Lady, Mrs. Johnson.

It has the support of major forest groups throughout the United States, including the American Forestry Association, American Forest Council, the Amerian Association of Nurserymen, the Association of State Foresters, the National Arbor Foundation in Nebraska, and small tree planting programs throughout the United States.

This initiative is structured to try to mobilize thousands of voluntary groups in all 40,000 communities throughout our Nation. As the Senator from Nebraska has acknowledged, the hope is clearly that each Federal dollar will produce at least $5 in benefits to forestry in American communities. This program contemplates a very tight financial and audit control structure to make certain that it achieves those goals.

So, even as I acknowledge the importance of the Senator's amendment and his argument, I will support the chairman and support the trust. I am hopeful that that position will prevail.

The PRESIDING OFFICER. The Senator from Nebraska, [Mr. KERREY].

Mr. KERREY. Mr. President, if I could indulge for one final comment, I appreciate the advance to vote as quickly as possible. Again, I thank the chairman for permitting me to hold this hearing on this. I reiterate that this is a new program, advanced enthusiastically by the President and quickly joined with a considerable amount of support in the Congress.

I point out with respect to those who are strong and powerful advocates of the line-item veto, this is a pretty good example for those of us who oppose line-item veto and also talk about where the executive branch gets an idea and pushes $35 million through like that. It is not difficult for them to come up with support. They get a great idea they like, not proven up or done anywhere before, they put themselves together a blue-ribbon board of directors who have never been in operation before, barely understand their own articles of incorporation or what they are trying to do, $35 million rolls out like that. Those advocating line-item veto need to remember moments like this. The executive branch has less restraint than the public sometimes understands.

Again, I thank the chairman and ranking member for permitting me to hold hearings on this. I ask my colleagues to vote against the Tree Trust Foundation.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the second-degree amendment of the Senator from Nebraska.

The amendment (No. 2366) was rejected.

AMENDMENT NO. 2365

Mr. LEAHY. Mr. President, we now move to the underlying amendment.

The PRESIDING OFFICER. Is there further debate on the first-degree amendment No. 2365?

The Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I am offering an amendment with Senator LEAHY to add the President's Tree Planting Program to the forestry title of the farm bill. Our amendment includes a provision to authorize the President to designate the National Tree Trust Foundation as eligible to receive federal funds and authorizes a grant in fiscal year 1991 of up to $25 million. It includes a specific authorization both of the President's Rural Tree Planting and of his Community Tree Planting and Forest Improvement Program. Furthermore, our amendment links the President's Rural Tree Planting Program to the stewardship programs already included in the forestry title and ensures that the President's program and the stewardship program will be complementary in nature.

Yesterday our committee held a hearing on the President's bill, S. 2426. The President's Tree Planting Program was endorsed by such groups as the American Forestry Association, the National Association of State Foresters, the American Association of Nurserymen, and the American Forest Council.

Mr. President, we all know the key role which tree planting and sound forest management can play in enhancing the quality of our environment and the quality of our lives. I am delighted with the strong interest which the President has demonstrated in tree planting and in enhancing the quality of private forest lands. I urge the Senate to adopt this amendment.

The PRESIDING OFFICER. Is there further debate? Hearing none, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 2365) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2367

(Purpose: To establish a program within the Department of Agriculture for the eradication of pseudorabies in U.S. swine populations, and for other purposes)

Mr. LEAHY. Mr. President, I send to the desk a amendment on behalf of Mr. HARKIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. HARKIN, proposes an amendment numbered 2367.

Mr. LEAHY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PSEUDORABIES ERADICATION.

(a) FINDINGS.—Congress finds that efforts to eradicate pseudorabies in United States swine populations by the Department of Agriculture in cooperation with State agencies and the pork industry have a high priority and should be continued until pseudorabies is completely eradicated in the United States.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish and carry out a program for the eradication of pseudorabies in United States swine populations.

(c) USE OF FUNDS FOR TESTING AND CONTROL OF DISEASES AND PESTS.—The Secretary shall ensure that not less than 65 percent of the funds appropriated for any animal or plant disease or pest eradication or control program administered by the Department

of Agriculture shall be used for testing and screening of animals or plants and for other purposes directly related to the eradication or control of the animal or plant disease or pest.

(d) APPROPRIATIONS.—There are hereby authorized to be appropriated for each of the fiscal years ending September 30, 1991 through September 30, 1995, such sums as may be necessary for the purpose of carrying out the program established under this section.

Mr. LEAHY. Mr. President, I have been advised the other distinguished Senator from Iowa [Mr. GRASSLEY] wishes to be added as a cosponsor, and I ask that unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, pseudorabies is an acute, fatal disease affecting most species of domestic and wild animals. It is especially damaging to swine, in which it causes a variety of problems including death in newborn pigs and animals of all ages and fetal death and abortion in pregnant animals.

Pseudorabies poses a serious economic threat to our Nation's pork producers. Overall, it has been estimated that the annual cost of pseudorabies to the pork industry is approximately $60 million a year. The annual cost of pseudorabies to the Iowa pork industry alone is estimated to be well in excess of $20 million.

Pseudorabies eradication efforts have begun, relying on a cooperative program involving State and Federal funds and veterinarians and pork producers themselves, who are involved in helping to guide and carry out the program at all levels. Iowa pork producers have demonstrated that pseudorabies can be eradicated if producers are committed to the effort and if adequate resources are available for the task.

This amendment recognizes the importance of efforts to eradicate pseudorabies in United States swine populations and specifically authorizes and directs the Department of Agriculture to establish and carry out a program of pseudorabies eradication.

The amendment also provides that the Department of Agriculture shall use not less than 65 percent of the funds appropriated for animal and plant disease or pest eradication or control programs for testing and screening of animals or plants and for other purposes directly related to the eradication or control of the disease or pest.

This provision is included based on my examination of the current pseudorabies eradication program at USDA, which showed that too large a share of the funds appropriated for the program is being spent on administrative, overhead and indirect expenses. Too little money is getting out to the States to assist in the actual eradication work.

Under this amendment at least 65 percent of the program funds would get to the State level to help defray the costs of testing, screening and other items of expense directly related to the eradication or control of pseudorabies. This provision is vary important in order to achieve more effective use of Federal dollars in the pseudorabies eradication effort.

Mr. President, I urge my colleagues to support this amendment and the eradication of this very serious threat to the U.S. pork industry.

Mr. LEAHY. Mr. President, I understand that this amendment has been cleared, and I ask for its favorable consideration.

The PRESIDING OFFICER. Is there further debate? The question is on agreeing to the amendment of the Senator from Iowa.

The amendment (No. 2367) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2368

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration. It is an amendment offered by Senator FOWLER and Senator GORTON.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. FOWLER (for himself and Mr. GORTON), proposes an amendment numbered 2368.

Mr. LUGAR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 924, strike line 21 and all that follows through line 18, page 929, and insert the following:

SEC. 1725. SHORT TITLE.

This may be cited as the "Agricultural Marketing Research and Reform Act of 1990."

SEC. 1726. DEFINITION.

COSMETIC.—The term "cosmetic" means superficial damage to, or alteration of, the exterior appearance of an agricultural commodity that does not significantly affect yield, taste, or nutritional value.

SEC. 1727. STATEMENT OF POLICY.

It is the policy of Congress that federal grade standards for perishable commodities shall be developed with consideration of their impact on farmers' ability to reduce pesticide use and of consumer access to a safe, affordable, abundant, flavorful and nutritious food supply.

It is further the policy of Congress that the Federal Government shall investigate the impact of federal grade standards on pesticide use in agriculture and take appropriate action based on the findings of that research.

SEC. 1728. RESEARCH.

(a) The Secretary of Agriculture shall provide for the conduct of research, through the Economic Research Service and the Cooperative State Research Service, in consultation with other agencies within USDA;

(b) The research shall examine the effects, to the extent listed in the following subsection (c) ("scope of research"), of grade standards and other regulations, as developed and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.), and other statutes governing cosmetic appearance;

(c) SCOPE OF RESEARCH.—The primary goal of this research is to investigate the extent to which grade standards and other regulations governing cosmetic appearance affect pesticide use in the production of perishable commodities. The research shall also—

(1) determine pesticide application levels for U.S. perishable commodity production and assess trends and factors influencing those trends of such pesticide application levels since 1975;

(2) determine the extent to which federal grade standards and other regulations affect pesticide use in agriculture for cosmetic appearance;

(3) determine the effect of reducing emphasis on cosmetic appearance in grade standards and other regulations on:

(A) the application and availability of pesticides in agriculture;

(B) the adoption of agricultural practices that result in reduced pesticide use;

(C) production and marketing costs;

(D) domestic and international markets and trade for perishable commodities:

(4) determine the extent to which grade standards and other regulations reflect consumer preferences;

(5) develop options for implementation of food marketing policies and practices that will remove obstacles that may exist to pesticide use reduction, based on the findings of research conducted under this section;

(6) FIELD RESEARCH.—

(A) The Secretary of Agriculture shall implement, not later than 12 months after enactment of this Act, or upon completion of the first phase of the research, a minimum of three, 2-year market research project, in at least three States, to demonstrate and evaluate the feasibility of consumer education and information programs;

(B) Scope of field research—research shall be conducted to evaluate programs designed to—

(i) offer consumers choices among perishable commodities produced with different production practices;

(ii) provide consumers with information about agricultural practices used in the production of perishable commodities;

(iii) educate the public about the relationship, as determine in the research conducted under this Act, between cosmetic appearance of perishable commodities and pesticide use.

(d) DISSEMINATION OF RESULTS.—The Secretary of Agriculture shall disseminate to concerned parties the results obtained from prior scientifically valid research concerning federal marketing policies and practices described in this section to avoid any duplication of effort and to ensure that current knowledge concerning such policies and practices is enhanced;

(e) ADVISORY COMMITTEE—

(1) The Secretary of Agriculture shall establish an advisory committee for the purposes of providing ongoing review of the implementation of the requirements in this

section and providing the Secretary of Agriculture with recommendations regarding the implementation of those requirements;

(2) MEMBERSHIP.—The Advisory Committee shall consist of twelve members comprising of three representatives from not-for-profit consumer organizations, three representatives from not-for-profit environmental ortganizations, three representatives from production agriculture and the pershibable commodity grower/shipper community, and three representatives from the food retailing sector, each with experience in the policy issues discussed in this section;

(3) The Adivisory Committee shall cease to exist no later than September 30, 1993.

(f) REPORT—The Secretary of Agriculture shall report to Congress on the findings of research under this section no later then September 30, 1992 with the exception of the findings under subsection (6) which shal be reported no later than September 30, 1993.

SEC. 1729. CHANGES IN PROCURALD REGULATIONS.

With regard to federal grade standards developing and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C.1621 et seq.), the Secretary of Agriculture shall—

(1) take into account the impact of these standards on perishable commodity growers' ability to reduce the use of pesticides;

(2) provide for citizens outside of the perishable commodity industry fair and reasonable opportunity to formally petition a change in grade standards;

(3) provide for a comment period after a formal petition to change grade standards has been made to enable all interested paties to submit information. The Secretrary of Agriculture shall evaluate the information and consider it in the revision process;

(4) provide interested parties with annual status reports, updated upon request, on all pending grade standard changes the Department of Agriculture is considering.

SEC. 1730. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out the activities required under this Act, $4,000,000 for each fiscal year.

Mr. LUGAR. Mr. President, this provision in Senate bill 2830 mandates changes in cosmetic standards used to grade fruits and vegetables. The provision was originally drafted by the distinguished Senator from Georgia [Mr. FOWLER] and it has received considerable criticism from USDA and the United Fresh Fruit and Vegetable Association.

The revised amendment proposed now by the distinguished Senator from Georgia, and the distinguished Senator from Washington [Mr. GORTON] will require only a study of upgrading such standards. The amendment has been cleared on both sides of the aisle.

Mr. GORTON. Mr. President, along with my distinguished colleague, Senator FOWLER, I am proud to offer the Agricultural Marketing Research and Reform Act of 1990 as an amendment to the fruit and vegetable title of the 1990 farm bill. This amendment will require USDA to investigate the extent to which grade standards governing cosmetic appearance affect pesticide use in the production of perishable commodities.

While I do not believe that cosmetic standards contribute significantly to increased pesticide use, I believe this amendment offers a pragmatic, thoughtful approach to studying the issue. This amendment, it should be noted, has the support of both the fruit and vegetable industry as well as consumer and environmental groups.

Mr. President, the United States has the safest food supply in the world. I am certain that this amendment will reaffirm the strong conviction our fruit and vegetable industry, and the agriculture community in general, has to maintaining this situation. I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? Hearing none, the question is on agreeing to the amendment.

The amendment (No. 2368) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, as I understand, under the original order now we would go back to the Heinz amendment, on which the yeas and nays have been ordered.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Mr. President, I ask for the regular order.

AMENDMENT NO. 2359

The PRESIDING OFFICER. The question occurs on the amendment offered by the Senator from Pennsylvania, Mr. HEINZ.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I urge my colleagues to oppose the amendment offered by the Senator from Pennsylvania. I understand that Senator WILSON is coming to the floor to also oppose this amendment. I understand that Senator LEAHY, the chairman of the committee, is not supporting it.

This amendment would permit a lower grade for imported fruits that are covered by marketing orders. It appears that the intent of the provision is to deprive consumers of the benefit of the inspection.

This amendment would allow fruits and vegetables which are harvested at the tail-end of the foreign season to reach U.S. consumers without having the same inspection given to domestic fruit. That does not make sense.

The Chilean produce would be allowed to enter United States markets at the same time that top quality domestic produce first comes on the market.

We need to consider the consumer on this issue. Produce inevitably deteriorates during ocean shipment. The transit time from Chile is approximately 2 weeks, a very significant time period for fresh produce to endure. It may not be in the shape when it arrives that it was when it started its voyage.

The amendment will undermine the integrity of the marketing order system. The marketing order program assures consumers of getting a reliable supply of quality produce and deserves much of the credit for the dependable quality of American produce.

Marketing order requirements have not restricted Chilean or other foreign exports into our country. They merely require that imported produce be inspected during the domestic harvest season for compliance with the same standards as domestic produce. Instead, marketing orders have secured the market for the Chileans by assuring the consumer of a consistent quality product.

U.S. requirements for imported grapes are quite low compared to most countries. The second largest market for Chilean grapes is the European Community. Yet, the European Community and Canada maintain grade requirements on a year-round basis. In contrast, U.S. marketing order requirements are only applied during the domestic harvest season. Further, the United States only requires that imports meet the lowest grade—U.S. No. 1.

Fresh produce is not an easily identifiable product as concerns the country of origin. As a result, consumer disappointment in the quality of taste of a particular bunch of grapes may be generalized with respect to all grapes.

Marketing orders mandate a minimum quality standard for produce. These standards do not restrict imports, but only require that imported produce be inspected during the domestic harvest season for compliance with the same standards as domestic produce. Remember, this is not a maximum grade, but a minimum grade.

Produce inevitably deteriorates during shipping, which from Chile can take more than 2 weeks. The entry of substandard grapes will undermine U.S. consumer's confidence in the quality of all table grapes and ruin the market for early-season domestic produce.

Chilean exports of table grapes grew from almost nothing in the mid-1970's to approximately 41 million boxes in 1989. The figure is expected to reach 54 million boxes in 1994. Clearly, all the grape producers have benefited from the marketing order's quality standards.

There is no need for this amendment. Most of the grapes that enter the country after April 20, are exempt

from the marketing order's minimum quality standards. Why have inspection for the entire shipping season when it is only the last 3 weeks that causes a problem?

The marketing order inspection requirement is fully GATT consistent and has been upheld by a Federal district court in Philadelphia. In addition, the administration has historically opposed offshore inspection.

We are also concerned that this concession is being given to Chile without any reciprocity in the treatment of United States grape exports to Chile. The United States does not impose any duties on imported grapes during the main U.S. harvest season. Chile, on the other hand, imposes a 15-percent duty, plus a value-added tax of 18 percent on all table grapes imported to their country.

I urge my colleagues to reject this provision and protect the consumer and the integrity of the marketing order program.

Mr. DECONCINI. Mr. President, I rise in opposition to the amendment of Senator HEINZ regarding agricultural products—particularly grapes. I urge my colleagues to reject the idea of allowing lower standards for Chilean agricultural commodities than the same commodities grown in the U.S.

It is common knowledge in the produce business that fruits and vegetables undergo some inevitable deterioration in transit. The transit time from Chile is approximately 2 to 3 weeks, a significant time period for fresh produce to spoil, especially a product as delicate as grapes.

Under the proposed amendment, grapes from Chile will end up having lower standards than United States grapes for quality. These Chilean grapes could enter the U.S. markets at the same time that top quality domestic grapes first come on the market. The result may be a consumer rejection of grapes that have deteriorated in transit—a rejection that will carry over into their confidence in domestic grapes.

Of the total imports of 41 million boxes of grapes from Chile, only about 240,000 boxes are subject to the inspection for quality. If that is the case, why the uproar from the Senator from Pennsylvania.

Many agricultural products, including grapes, have 8e provisions which require that foreign produce imported into this country meet the same minimum quality standards as the domestic product. Note that I said the same standard, not a higher one, just the same standard that U.S. producers have to meet. That is why the Mexican grape growers support the 8e provisions. The 8e provisions are also fully compatible with GATT.

Quality standards have not restricted Chilean exports; rather, they have secured a market for them by assuring the consumer of a quality product. Importation of Chilean grapes has increased from 500,000 boxes in 1975 to an estimated 41 million boxes this year. Undoubtedly, the quality standards have not inhibited the importation of grapes from Chile. Additionally, I should note that the United States has no duty on grapes from Chile. By contrast, Chile imposes a 15 percent duty on all table grapes imported into their country.

This amendment could be devastating to my growers in Arizona who produce 1.8 million boxes a year. With 5,700 acres in Arizona planted for table grapes, my growers cannot afford to have low quality grapes on the market which would reduce the American consumer's confidence in their product.

I urge my colleagues to reject this provision. It's the right thing to do for the consumer, the domestic producers, and the foreign producers.

Mr. INOUYE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment offered by the Senator from Pennsylvania [Mr. HEINZ].

Mr. INOUYE. Mr. President, I rise in strong opposition to the Heinz amendment that would strike the commodities that have been added to section 8(e) of the Agricultural Marketing Agreement Act of 1937. I believe that the purpose of these marketing orders is to protect the interests of our domestic consumers and provide them with high quality commodities, whether the product is foreign or domestic. Often, however, the efforts of the domestic industries to market high quality products are undercut by imports of like commodities that are of inferior quality.

The fruit and vegetable title of S. 2830 as written would guarantee equal treatment of both domestic and foreign producers. I am not seeking higher standards for imports but equal standards.

Producers and consumers certainly deserve the benefits of fair market treatment and quality control, respectively, as is currently provided for all commodities under section 8(e) of the act. I believe that the inclusion of these additional commodities under section 8(e) of the act would result in higher quality produce for our Nation's consumers. The issue is clearly not one of competition or protectionism, but rather of quality and taste.

I urge my colleagues to oppose the Heinz amendment.

The PRESIDING OFFICER. The Senator from Kentucky [Mr. MCCONNELL].

Mr. MCCONNELL. Mr. President, I understand the amendment we are on. I would like to make a few observations about the farm bill in general since we are not ready for a vote here and a couple of observations about an amendment I will not be offering on this farm bill but will be offering subsequently on the debt ceiling.

Mr. President, with regard to the farm bill in general it seems to me on the whole it is one we can be proud of, although I must say I think the dairy section is quite possibly a step backwards. We have in the dairy section of the farm bill that we are going to be passing in the next couple of days, the potential for quotas. Quotas, I think, are a step backwards. We are supposed to be moving in the direction of a market-oriented farm bill. In my particular section of the country, we are milk deficient. The last thing dairy farmers in the southeast need is a bill that opens up the possibility of quotas in the coming years.

So, my suspicion, Mr. President, is we will have to revisit that section of the farm bill, probably in connection with whatever budget agreement is reached, because it does have the potential not only to be costly but, as I said, to move us away from a market orientation which is what we have had in the '85 farm bill in the dairy section.

Mr. President, on another matter, one of the most irritating experiences that farmers have had in recent years is a result of the Budget Reconciliation Act last year, in which withholding requirements for farmers were dropped from $2,500 to $150. The net result of that, for small farmers in particular, is an enormous aggravation.

We have been working with the leadership on the Finance Committee and with the staff, and hope that by the time the debt ceiling is offered we will have crafted this amendment in a fashion that can be accepted by the Finance Committee. I would like to take a few moments to describe the problem many of my colleagues are already aware of. As a matter of fact, the bill I have introduced, S. 2186, is cosponsored by the following Senators: Senators SYMMS, FORD, MCCLURE, BURNS, KASTEN, JOHNSTON, SANFORD, BAUCUS, HELMS, BOND, WARNER, EXON, and GRASSLEY just a few moments ago indicated that he would like to cosponsor as well.

Mr. President, the problem is this. A provision in last year's Revenue Reconciliation Act mandated that farmers who have an aggregate payroll of more then $2,500 per year must automatically withhold Federal income taxes from the wages of all employees. Employers will have to provide a W-2 form to all workers each year. If the farm workers are seasonal migrants and do not live in the area, farmers will have to be able to demonstrate that they made a good faith effort to locate the workers in order to send their W-2 forms to them.

Individual employees who earn $150 or more are subject to the same withholding requirements.

Before the 1990 tax year, farmers and their employees were permitted to jointly decide whether or not to withhold tax on workers wages. Agriculture businesses and farmers were not given notice of the proposed change last year and did not get the opportunity to express their views with regard to this legislation. Public opinion was not requested prior to passing the law.

IRS sent notices to over 400,000 agriculture employers in December 1989. This mailing included W-2 form, employment eligibility verification, a form I-9, and circular E, an employer's tax guide which is an 50-page explanation of employer tax reporting requirements.

Mr. President, this law is confusing and too tedious for the average small farmer to implement. If a farmer fails to properly fill out his tax forms he will be penalized by the IRS.

Most small farmers will have to hire professional help to handle the extra paperwork required to comply with this law. This legislation is clearly an attempt to force the farmer to do the work of the IRS, and enforce the Tax Code at the expense of burying the farmer in paperwork.

To give a sense of the impact on this, Mr. President, there are over 92,000 farms in Kentucky, The average farm size is 146 acres whereas the average of U.S. farm is 416 acres. Therefore, because of the small size, many Kentucky farmers cannot afford full-time employees, many times. Not only can farmers not afford full time employees, but they do not need them. Tobacco farms in Kentucky frequently are fewer than 3 acres; hay farms around 38 acres. The nature of farming these crops requires seasonal labor. Farmers will hire help to harvest a cutting hay which may take 3 or 4 days, and then not require any additional help for another month until the next cutting is ready to harvest.

Tobacco farmers have even more intense hiring needs. For 3 acres of tobacco a crew of six laborers may work for 5 days to cut, haul, and hang in the barns the 7,000 pounds of tobacco.

Weather plays a role in both of these operations and acting quickly is important. If the farmer cannot hire and keep a crew long enough to complete the job it means portions of the crop will be lost.

Adding additional time-consuming bureaucracy to an already intense time is more than these farmers should be required to bear.

There are 92,000 farmers in Kentucky and well over half of these farmers have all farm jobs. Therefore, these farmers are especially dependent on seasonal workers during peak periods.

Mr. President, the principal point is this: This is an onerous provision that, in my judgment, over the long haul is not going to produce any new revenue for the Government, at least not new revenue, fairly collected. We are working with the Finance Committee in the hopes that this amendment can be accepted when we get to the debt ceiling. But I want to notify not only Kentucky farmers but farmers all over the country that we are working to solve this problem and to get this onerous restriction off of their backs.

Mr. President, earlier this year I introduced legislation to repeal a provision in the Revenue Reconciliation Act of 1989. S. 2186 currently has 12 cosponsors and I would like to thank my colleagues, Senators SYMMS, FORD, MCCLURE, BURNS, KASTEN, JOHNSTON, SANFORD, BAUCUS, HELMS, BOND, WARNER, EXON, and GRASSLEY for their interest and support of this legislation.

Unfortunately, this provision has placed an added burden to our Nations' farmers by requiring them to withhold Federal taxes from workers' income. Previously, such withholding was voluntary and farmers and their employees were permitted to jointly decide whether or not to withhold tax on workers' wages. Now, all workers with earnings of $150 or more, or those workers employed where the aggregate payroll is in excess of $2,500, must have taxes automatically withheld from their wages by their employers.

I understand that this bill was passed with good intentions. However, this onerous provision was included in the Budget Reconciliation Act without hearings or any other opportunity for farmers and worker representatives to comment on the consequences of such a requirement. A requirement which has proved to be an administrative nightmare to thousands of small farmers in my State and throughout the nation.

The IRS sent notices to over 400,000 agricultural employers in December 1989. This mailing included a W-4 form, employment eligibility verification—form I-9, and circular E, an Employer's Tax Guide, which is a 56 page explanation of employer tax reporting requirements.

This law is confusing and too tedious for the average small farmer to implement and if a farmer fails to properly fill out his tax forms he will be penalized by the IRS.

There are over 92,000 farms in Kentucky. The average farm size in Kentucky is 146 acres whereas the average U.S. farm is 416 acres. Therefore, because of the small size, many Kentucky farmers cannot afford a full-time employee.

Not only can farmers not afford full-time employees but they do not need them. Tobacco farms in Kentucky are less than 3 acres. Hay farms are around 38 acres.

The nature of farming these crops requires seasonal labor. Farmers will hire help to harvest a cutting hay which may take 3 or 4 days and then not require any additional help for another month until the next cutting is ready to harvest.

Tobacco farmers have even more intense hiring needs. For 3 acres of tobacco a crew of 6 laborers may work for 5 days to cut, haul, and hang in the barns the 7,000 pounds of tobacco.

Weather plays a role in both of these operations and acting quickly is important. If the farmer cannot hire and keep a crew long enough to complete the job it means portions of the crop will be lost.

Adding additional time consuming bureaucracy to an already intense time is more than these farmers should be required to bear.

Over half of Kentucky's farmers have off farm jobs. Therefore, these farmers are especially dependent on seasonal workers during peak periods of harvest.

This requirement unnecessarily burdens farmers and workers. Most farmers are unable to readily comply to this law because they are not equipped to handle the excessive paperwork. Many may be forced to hire accountants to properly fill out withholding forms. Other farmers will spend hours collecting and reporting. Workers will be forced to file for refunds when many would not otherwise have to file at all.

This provision is unfair to farmworkers. Most farm laborers do not even earn enough to incur a tax liability. Consequently, the money—earned by those who are least able to afford an income loss—is spent by the Federal Government, interest-free, until the farm workers can file for a refund.

Many seasonal workers do not have social security numbers, but yet the farmer is held accountable and liable for carrying out the tax code.

Withholding federal taxes from a typical farm laborers income can slash 15 percent from their modest take home pay.

In 1987, the average farmworker earnings were a little less than $5,000, while the minimum taxable base is $4,000. This means that nearly half the wages paid to farm workers are not even subject to Federal income tax. Some of these people will not know how to file returns to get a refund and will not go through the process to get their money back. In essence, they will give their money to the Government.

I realize we are experiencing a deficit problem but it is grossly unfair to penalize our small farmers and low-income laborers.

This legislation is clearly an attempt to force the farmer to do the work of the IRS and enforce the tax code at the expense of burying the farmer in paperwork.

Last year the Joint Tax Committee estimated that over the next 5 years this change could generate $404 million: $270 million comes in the first years, however over $240 million would be from unclaimed tax refunds; in years 3 through 5 average revenue generated would be $22 million.

This withholding requirement does not raise much money, because most of the workers are too poor to owe taxes. So this change does not even help to cut the deficit.

Therefore, Mr. President, I believe a mistake has been made in enacting this provision of Public Law 101-239. Farmers, laborers and the entire farm community will bear the undue burden of this legislation. My bill represents an opportunity to do something good for the small family farmer—the backbone of our Nation.

Mr. President, I ask unanimous consent that two newspaper articles and the amendment in its current form be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Hopkinsville (KY) New Era, Mar. 16, 1990]

FEDERAL TAX REGULATION INCREASES FARMER WOES

(By Ward Burnette)

Although we're well into a new year according to the calendar, the new crop year for our farmers is just now beginning.

Once again, they plan their farming operations, deciding what to plant and how much to plant.

As always, the uncertainty of things such as weather and crop prices is taken into consideration when planning a new crop year.

But in the last few years, the availability of farm labor has become a major problem in farm operations and affects many decisions. Farm families have been the traditional source of the temporary field labor. Children grew up on farms learning the necessary skills and hired themselves out to neighbors.

But farm families have become fewer in number, and the size of the families is smaller now. Jobs in town with regular hours take many workers out of the fields.

A major reason why last year's tobacco crop was less than expected was due to the inability of our tobacco farmers to find enough labor.

And if finding labor hasn't made things hard enough, a new regulation that was recently discovered in the federal budget makes the problem more difficult. The new regulation requires that income tax be withheld for all workers, even those that work for a day or part of a day.

Prior to this, withholding of employee income tax was voluntary for farmers, who made the decision in conjunction with their employee.

While it is not really a problem for regular employees, this regulation becomes a bookkeeping nightmare for farmers who hire a lot of temporary labor during peak harvest times of tobacco, hay or silage.

Many farmers have said that a lot of their help are reluctant to even give their Social Security numbers to a farmer who hires them. And there is a concern that many farmers will end up paying the tax out of their own pockets just to get help.

But what is really the greater injustice, and one that the leaders in this state should be concerned about, is the burden it places on low-income farm laborers.

The average farm worker earnings in 1987 was a little less than $5,000, while the minimum taxable base is $4,400. This means that nearly half the wages paid to farm workers are not even subject to federal income tax. Some of these people won't know how to file returns to get a refund and won't go through the process to get their money back. In essence, they will give their money to the government.

They may hire someone to fill out their returns, or if they file themselves, the money that has been withheld through the year has been essentially loaned to the federal government interest-free.

What makes this such an injustice is that these are the people who need every dime of their paychecks to meet the bare essentials of food and housing. They are the group of people least able to give or loan money to the federal government.

With the budget deficit a problem, the federal government is scrambling for ways to boost receipts. However, it is unthinkable that they are forcing poor farm workers to balance the budget.

The irony of the situation is that the IRS estimates that this provision will bring in $270 million in 1990, but that figure drops to $23 million in 1994, which has not been explained. In terms of trillion dollar budgets, $23 million is a paltry sum for the burned and problems it causes to collect it.

This new regulation hits Kentucky particularly hard since statistics show that the Appalachian II region (Kentucky, Tennessee and West Virginia) has a much higher percentage of temporary farm labor than the rest of the nation.

Representative Hal Rogers and Sen. Mitch McConnell have introduced separate bills designed to repeal the provision. Sen. Wendell Ford is also working on legislation to deal with the problem.

This law is not just a problem for farmers. It causes an economic hardship on a number of Kentuckians and takes money out of the state that rightfully belongs to our citizens—money that should stay here. I urge you to contact members of the congressional delegation and ask them to work for the repeal of this provision.

[From the Paducah Sun, Mar. 16, 1990]

BORROWING FROM POOR NOT RIGHT

A farmer hires a few temporary workers to help with the harvest for a couple of weeks.

A shopkeeper employs a high school student to clerk on Saturdays.

Employer and employee both know earnings will not be enough to be taxable at the federal level and in a general way, the Internal Revenue Service knows it too.

But under the rules, these workers have to be treated as though they were full-time factory or office personnel, subject to all the same paperwork and withholding requirements.

Small farmers were sucked into this bureaucratic whirlwind by a previously little noticed provision of the Omnibus Budget Reconciliation Act of 1989.

Kentucky's two senators, Wendell Ford and Mitch McConnell, and Kentucky Congressman Hal Rogers, in response to a deluge of complaints from farmers in the state, have offered relief legislation that should be warmly received by their colleagues.

There is no justification for saddling small operators, many of whom already have enough problems to keep them occupied, with more forms to fill out.

And that's not the worst of federal heavy-handedness. It is nothing less than dishonorable for mammoth government to be borrowing, at no interest, the pittances of those who can least afford to surrender any of their wages for any length of time.

Those who fail to reach the tax threshold—it's estimated that of $240 million withheld from farm workers the first year, the government would keep only about $20 million—will be entitled to full refunds.

But they will have to file for it. In the meantime, their money has been in hands of the spenders in Washington, not their own pockets where it belonged.

A workable mechanism surely could be devised that would allow farmers, and businesses, to declare that a given worker is not likely to reach a taxable level of income and thereby skip the paperwork and the withholding.

And if a declaration occasionally is in error, Uncle Sam will have the last word anyway, on the following April 15.

AMENDMENT

An amendment proposed by Mr. McConnell to repeal the provisions of the Revenue Reconciliation Act of 1989 which requires the withholding of income tax from wages paid for agricultural labor.

SECTION 1.

That section 7631 of the Revenues Reconciliation Act of 1989 is hereby repealed and the Internal Revenue Code of 1986 shall be applied as if such section (and the amendments made by such section) had not been enacted.

SEC. 2.

The Secretary of the Treasury shall conduct a study concerning the requirements on farmers to report and fulfill the obligations of the Tax Code. It shall consider the seasonal hiring patterns, available labor sources, and other characteristics as necessary.

Mr. McCONNELL. Mr. President, I yield the floor.

The PRESIDING OFFICER. The distinguished floor manager, the Senator from Vermont [Mr. LEAHY].

Mr. LEAHY. Mr. President, I understand that there was going to be a tabling motion made by the distinguished Senators from California, which I will support, on the pending amendment. I have been asked by a number of Senators from both parties if there is any possibility of getting a heads up before there is a rollcall.

I wonder, Mr. President, if I might inquire of the distinguished senior Senator from California if the California Senators are going to, say, within the next 10 minutes or so, make that tabling motion because we are within 10 or 15 minutes of it. We want both

the Democratic and Republican Cloakrooms to get a beeper out. If I might ask the distinguished Senator from California, what is the plan?

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Yes, I do plan to table. Senator Wilson is here. Let me confer with him for one moment, and then we will proceed.

May I suggest the absence of a quorum?

Mr. LEAHY. Will the Sentor withhold that for a moment?

Mrm. CRANSTON. Certainly.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Just so those who are watching will know, Mr. President, we may be close to getting such an agreement. What I will do—I assume this will inconvenience the least number—is put in a quorum call and try to do that for about a 10-minute period and then go to the tabling motion so people will know, so both Cloakrooms can let Senators know, so they can get back.

Mr. President, before I suggest the absence of a quorum, I should hasten to add that this is not a 10-minute prelude by any means.

I sugget the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assisting legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that the pending amendment be laid aside in order to allow the managers of the bill to bring forward some cleared amendments and at the expiration of that time to have it come back up as the order of the Senate.

The PRESIDING OFFICER. Is there objective? Without objection, it is so ordered.

AMENDMENT NO. 2369

(Purpose: To clarify the treatment of multiyear program contract payments)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mrs. KASSEBAUM and Mr. DASCHLE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mrs. KASSEBAUM (for herself and Mr. DASCHLE), proposes an amendment numbered 2369.

Mr. LEAHY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 328, between lines 12 and 13, insert the following new subsection:

(d) TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.—Effective beginning with the date of enactment of this act, the Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section.

"SEC. 1001D. TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, in the event of a transfer of ownership of land (or an ownership interest in land) by way of devise or descent, the Secretary of Agriculture may, if the new owner succeeds to the prior owner's Conservation Reserve Program contract (entered into pursuant to title XII of this Act) make payments to the new owner under such contract without regard to the amount of payments received by the new owner under any Conservation Reserve Program contract executed prior to such devise or descent.

"(b) LIMITATION.—Payments made pursuant to this section shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the death of the prior owner."

Mr. LEAHY. Mr. President, this amendment addresses the payment-limitation requirements relating to the Conservation Reserve Program payments. I think it will prevent sensitive land from being broken out, which obviously would increase erosion.

On this side, I support the amendment by Senator KASSEBAUM and Senator DASCHLE.

Mrs. KASSEBAUM. Mr. President, I am proposing an amendment today to address a serious problem with payment-limitation requirements relating to the Conservation Reserve Program. Under current regulations, an unfair situation has surfaced whereby a person who is receiving their maximum payment limit cannot receive rental payments on inherited land in the Conservation Reserve Program.

Although it is true that a person signs a CRP contract knowing that it is subjec to the payment limitation, the person inheriting the land did not sign the original contract and probably would not have if they had already reached their payment limit. Unfortunately, CRP acreage has very little income-producing ability other than the denied rental payments. Yet, the owner still has to pay taxes on that land. Consequently, under current law, the farmer inheriting land is encouraged to till highly erodible soil. Obviously it was not the intent of the Conservation Reserve Program to encourage this practice. If we want farmers to abide by the terms of CRP contracts, we should also abide by those terms. Mr. President, this is a fair and equitable amendment.

I would also like to stress that this amendment should be relatively revenue neutral, according to budget analyses at the Department of Agriculture and the Congressional Budget Office. When estimating CRP costs, the USDA assumes all rental payments will be made. My amendment merely requires that CRP contracts be paid in full through the life of the contract.

Mr. LUGAR. Mr. President, we support the amendment and urge its adoption.

The PRESIDING OFFICER. Is there further debate?

There being no further debate, the question is agreeing to the amendment.

The amendment (No. 2369) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 2370, 2371, AND 2372 EN BLOC

Mr. LUGAR. Mr. President, I send three amendments to the desk by the distinguished Senator from Montana [Mr. BURNS], the first one in behalf of Senator BURNS and Senator CONRAD and ask for their consideration en bloc.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. BURNS (for himself and Mr. CONRAD), proposes an amendment numbered 2370; and for Mr. BURNS proposes en bloc amendments numbered 2371 and 2372.

Mr. LUGAR. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2370

In S. 2830, on page 490, line 23, insert the following new section:

"SEC. 1124. DURUM WHEAT IMPORTS.

(a) The Secretary of Agriculture shall conduct a study of the impact on domestic durum wheat growers of the importation of durum wheat from Canada into the United States.

(b) By no later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report on the study conducted under subsection (a).

AMENDMENT NO. 2371

In S. 2830, on page 490 line 23, insert the following new section:

SEC. 1124. ALFALFA SEED IMPORTS.

(a) The Secretary of Agriculture shall conduct a study of the impact on domestic alfalfa seed growers of the importation of alfalfa seed from Canada into the United States.

(b) By no later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report on the study conducted under subsection (a).

AMENDMENT NO. 2372

In S. 2830, on page 1081, line 10, add the following new section:

"SEC. . USDA'S OFFICE OF TRANSPORTATION.

(a) It is the sense of Congress that the United States Department of Agriculture's Office of Transportation should continue as an independent office and take the lead in addressing agricultural transportation issues. The USDA's Office of Transportation should actively participate in efforts to seek solutions to present and future rail transportation problems. This is especially important for the purpose of maintaining and improving United States agriculture's competitive position in the world marketplace. Likewise, USDA, through the Commodity Credit Corporation is a major shipper of grain. During periods of rail car shortages CCC loses the flexibility it needs to properly administer federal government farm programs. Grain rail car shortages can interfere with the PL-480 program, government food donation efforts and the efficient transfer of government grain stocks to private ownership.

(b) It is the sense of Congress that USDA's Office of Transportation should assist in ensuring that adequate numbers of grain rail cars are available on an equitable and timely basis to preserve the competitiveness of U.S. agricultural producers.

(c) It is the sense of Congress that availability of adequate and timely rail transportation for all of this Nation's agricultural areas permits farmers and our rural communities to maximize the benefit of prices received from end-user to producer. Conversely, when rail transportation is not available on an adequate and timely basis, farmers and rural communities are forced to seek, and rely upon, expensive government programs rather than the marketplace.

Mr. LUGAR. Mr. President, the first of these amendments deals with the direction of the Secretary to study the impact of durum wheat from Canada with a 1 year after enactment.

The second amendment by the distinguished Senator from Montana directs the Secretary to study the impact of alfalfa seed imports from Canada, with a report within 1 year.

And the third amendment by the distinguished Senator from Montana expresses the sense of Congress that USDA's Office of Transportation to continue its role in agriculture and transportation issues.

I commend to the Senate these three amendments.

On our side of the aisle, we are in support.

The PRESIDING OFFICER (Mr. SIMON). If there is no further debate, the question is on agreeing to the amendments, en bloc.

The amendments (Nos. 2370, 2371, and 2372) were agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, those are the amendments that have been cleared for action. I am going to attempt again to encourage attendance. I know most Senators are back working diligently in their office. But I would point out that those Senators who came forward in the last few hours have had remarkable success in getting amendments out, not only getting them accepted early in the evening but in plenty of time to get their press release out.

We are going to go back now I know on the Heinz amendment, but I would suggest, if there are other amendments, Senators bring them forward because Senators who have had pending amendments, Senator HEINZ and others, have been very cooperative in setting them aside so we could move ahead.

With that, Mr. President, I ask regular order.

Mr. LOTT. Will the Senator yield for a question?

Mr. LEAHY. I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, I was just wondering, maybe I missed part of what the Senator was saying. That is why I was asking the Senator to yield. Could the Senator give us some feel on what we can expect in the next few minutes or tonight. I know Senators have no idea what is going on, whether we are going to get to a conclusion, whether we are going to get to vote, whether we are going to finish. There has to be some reasonableness around here as to when we call it quits for a day. Can we get a little information about what the schedule is?

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. My good friend from Mississippi has slipped uncharacteristically out of the traditionalist mode. He knows that amendments, like Dracula, come out after dark, unfortunately, and while I would like to perform some exorcist exercise here on the floor and remove them all, that does not quite seem possible. If it were up to me, I would tell my good friend from Mississippi we would go to third reading right now, but there is an amendment by the distinguished Senator from Pennsylvania [Mr. HEINZ] pending. The last I heard, the Senators from California, with support of the manager, were about to move to table. Because of what I have told both the Republican and Democratic leadership, if that is going to happen, we would put in a 10-minute quorum call at that time so that the Republican and Democratic cloakrooms could alert Senators.

I might say the question perhaps should be asked, Mr. President, of the Senators from California. If they are going to make that motion to table, we will get the beepers going and alert the Members and that vote would occur 10 minutes thereafter.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, the debate on the pending amendment has been somewhat disjointed.

Mr. LEAHY. We should have the regular order first. Has the amendment come back up?

The PRESIDING OFFICER. The pending amendment is the Heinz amendment.

Mr. SPECTER. I ask unanimous consent that my remarks follow immediately those of my distinguished colleague from Pennsylvania in support of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2359

Mr. SPECTER. Mr. President, the purpose of this amendment is to put imported fruit from Chile, for example, on a par with fruit which is shipped from California, for example, to the State of Pennsylvania. There is concern that the law as drafted, absent this amendment, will hurt the consumers by discouraging imports from Chile. Where you have a requirement that the inspection in Philadelphia, PA, for example, after the fruit has arrived from Chile be the point of origin inspection, which is the——

The PRESIDING OFFICER. Can we have order, please. The Senator from Pennsylvania is entitled to order.

Mr. SPECTER. There is concern that if the standard on fruit which is shipped from Santiago, Chile, be the point of origin standard when it arrived in Philadelphia, that is simply unfair. Here you have fruit which is shipped from California and the standard is point of origin and it travels 2,000 miles to Pennsylvania, but the fruit which is shipped from Santiago, Chile, is gauged by point of origin when it reaches Pennsylvania. So that my colleague, in drafting this amendment, has argued for some tolerance.

We have just had an extensive discussion in the cloakroom where we might alter this approach by having the same standard for the California fruit when it arrives in Philadelphia as the Chilean fruit is when it arrives in Philadelphia so that would put California fruit and Chilean fruit on the same level.

We seek here, Mr. President, to have as much fruit available for the consumer as possible, to give the consumer the maximum choice and to have as much competition to move the price down. The bill in its present form gives a very decided preference to California fruit, which works to the disadvantege of the American consumer, is in violation of GATT and, in

addition, imposes very substantial losses on the port of Philadelphia because it discourages Chilean fruit being transported to the United States to come in through Philadelphia.

Mr. President, with respect to the consideration of GATT, there are prohibitions under the General Agreement on Tariffs and Trade which prohibit subjecting imported products to any treatment which is "less favorable than that accorded to the like domestic products with respect to any law, regulation, or requirement affecting the internal sale, offering for sale, purchase, transportation, distribution, or use of the products."

That is the effect of the present bill, because fruit coming from Chile, when it arrives in Pennsylvania, is being judged by point of shipping standards at the time of arrival whereas California fruit is not; it is judged at point of shipping at the time it leaves California. So that there is a violation under GATT.

Mr. President, the effect of the bill in its present form has been subjected to very considerable criticism by the Consumers for World Trade in a letter dated July 19, 1990, addressed to Senators expressing concern of regarding the provisions which would add kiwi, nectarines, and plums to the list of commodities subject to section 8e of the Agricultural Agreement Act of 1937.

This letter goes on to say:

We are very concerned with the potential cumulative impact that extending marketing orders to extending additional commodities will have on the availability of fresh fruit year round at reasonable prices for consumers, as well as the economic viability of U.S. ports. We believe that every attempt must be made to avoid either result.

Mr. President, I emphasize both of those aspects. The availability of fresh fruit year round at reasonable prices for consuemrs is being prejudiced by the preferential treatment for California fruit which discourages fruit coming in from Chile, and the additional factor of the economic viability of United States ports with a tremendous economic loss for the port of Philadelphia.

The letter goes on to say:

CWT is a national, nonprofit organization, established in 1978, concerned with the effect of foreign trade policies on the consumer. CWT supports expanded and liberalized foreign trade to provide the consumer with a broader selection of goods at a lower price.

The letter continues:

We—

Referring to Consumers for World Trade—

have been troubled with potential adverse trade implications of marketing orders. Our trading partners fear that marketing orders can be used as non-tariff barriers. Past experience with marketing orders has demonstrated the negative effect they can have on imported produce. Recently, the Delaware River Ports suffered a serious loss resulting from a marketing order on table grapes. Once the marketing order became effective, the United States became a residual market. The result is likely to be the creation of an artificial scarcity of the product and inflated prices for consumers.

We are concerned about the potential use of marketing orders as barriers to imports. We have witnesed this with table grapes and fear the problem will be exacerbated with any commodities added in the future.

I think perhaps at this juncture it is best to ask unanimous consent that the full text of the letter be printed at this point in the RECORD, even though this may be somewhat repetitious.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSUMERS FOR WORLD TRADE,
Washington, DC, July 19, 1990.

DEAR SENATOR: I am writing on behalf of the Consumers for World Trade (CWT) to oppose a provision in the Senate Farm Bill. (S. 992) It would add kiwi, nectarines and plums to a list of commodities subject to Section 8e of the Agriculture Agreement Act of 1937.

We are very concerned with the potential cumulative impact that extending marketing orders to additional commodities will have on the availability of fresh fruit year round at reasonable prices for consumers, as well as the economic viability of U.S. ports. We believe that every attempt must be made to avoid either result.

CWT is a national, non-profit organization, established in 1978, concerned with the effect of foreign trade policies on the consumer. CWT supports expanded and liberalized foreign trade to provide the consumer with a broader selection of goods at a lower price.

We have been troubled with potential adverse trade implications of marketing orders. Our trading partners fear that marketing orders can be used as non-tariff barriers. Past experience with marketing orders has demonstrated the negative effect they can have on imported produce. Recently, the Delaware River Ports suffered a serious loss resulting from a marketing order on table grapes. Once the marketing order became effective, the United States became a residual market. The result is likely to be the creation of an artificial scarcity of the product and inflated prices for consumers.

We are concerned about the potential use of marketing orders as barriers to imports. We have witnessed this with table grapes and fear the problem will be exacerbated with any commodities added in the future.

CWT urges you to give serious consideration to the negative effects of this provision to the economy and to the consumer. We urge you to seek less damaging ways to insure that imported food products meet satisfactory standards. We ask you to support the amendment to strike this provision (Section 1721) and support the efforts of the Senators from Pennsylvania, New Jersey, and Delaware.

Sincerely,

DOREEN L. BROWN,
President.

Mr. SPECTER. Mr. President, we are concerned that the tolerance might have some lower standard, and perhaps a better way to approach this problem would be to require that the California fruit and the Chilean fruit have the same standard, and it be judged at point of shipment at the time of arrival so that instead of having California fruit judged at point of shipment, the higher standard would apply to arrival, and we would be prepared to see the Chilean fruit meet the same standard, so long as the standards are the same.

But the essence of the bill in its present form, Mr. President, is injurious to consumers, raises prices, makes the fruit scarce, is in violation of GATT, and very unfair to a major port like the port of Philadelphia.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, parliamentary inquiry. The present parliamentary situation is?

The PRESIDING OFFICER. The pending amendment is the Heinz amendment.

Mr. WARNER. The Senator from Virginia desires to discuss an amendment, and for that purpose he would send it to the desk. And he has every intention of withdrawing the amendment. He would just like to get brief comments from the managers. This would not take more than 5 minutes.

So I now ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. I thank the Chair.

AMENDMENT NO. 2373

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 2373.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 803, on line 1, insert:

"SEC. 1496. CLOSED-SYSTEM AQUACULTURE.

"(a) In order to gain further knowledge of intensive water recirculating aquaculture systems, the Secretary may make grants for the purpose of further developing and expanding aquaculture research facilities at Virginia Polytechnic Institute and State University at Blacksburg, Virginia, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems.

"(b) There is authorized, in the event the Secretary decides to take action under paragraph (a), to be appropriated the sum of $500,000, or such funds as are available, for the facility for fiscal years 1991 through 1995 to carry out the provisions of this section.".

Mr. WARNER. Mr. President, this amendment is included in the present House bill offered by my distinguished colleague, the Congressman from the Sixth Congressional District, Mr. OLIN, who is also a member of the House Committee on Agriculture. The House version also has a comparable provision for a grant to the University in the State of Illinois.

So I would like to address the amendment briefly and perhaps elicit from the managers of the bill their views.

This amendment is to the research title of the farm bill to seek authorization for appropriations for the purpose of gaining further knowledge of intensive water recirculating aquacultural systems.

I would like to point out in the House, the amendment would accomplish the objective in the same manner as this one presently being submitted to the Senate. Both the Commonwealth of Virginia and the Virginia Polytechnic Institute, one of our distinguished universities, have invested substantially in closed-system aquaculture, constructing the largest and most advanced research facility in the United States.

In Virginia, approximately 27,000 citizens work on fishing vessels and in fish processing plants. They produce more than 750 million pounds of fish products annually, valued at more than $1 billion. It is important to point out that such research would benefit—that is, the research to be performed under these amendments—not only Virginians, but those with a substantial investment in the aquacultural industry elsewhere in the United States.

It would do so by operating under the umbrella of the current system of the Department of Agriculture's National Center for Closed-System Aquaculture.

The Senator from Virginia, within the past 3 weeks, had a meeting attended by interested parties from my State who were in the private sector, as well as from representatives of the Department of Agriculture, and they all expressed interest and support for this type of an amendment.

The PRESIDING OFFICER. Will the Senator from Virginia suspend for a moment? He is entitled to be heard.

The Senator may continue.

Mr. WARNER. The Senator from Virginia thanks the Chair.

The reason the Department of Agriculture and others support this type of legislation is the increasing demand in the United States for fishery products. This increase in demand has created a growing trade deficit.

As a matter of fact, in 1987, the United States imported $8.8 billion in fish and fisheries products, while exporting products valued at $1.7 billion, incurring a $7.1 billion trade deficit. This trade deficit ranked second only to petroleum as an industrial trade imbalance.

Finally, again, I work closely with USDA officials on the issue. They indicated they would support my efforts to obtain authorization for funding for closed-system aquaculture at the Virginia Polytechnic Institute.

Some details on this proposed research are: A closed-system aquaculture is designed for high-valued species like striped bass, red drum, yellow perch, or shrimp. These species do not grow particularly well in pond systems. The systems will not compete with pond-raised catfish, but will add more species for consumers to enjoy.

The closed-system culture of species popular in the Northeast, like striped bass, will soon open new markets to pond-raised catfish. The commercial striped bass harvest has dropped from around 12 million pounds per year in the early seventies to virtually zero today. People in the Northeast love striped bass, and the closed-system aquaculture can keep that market alive.

Mr. President, I ask unanimous consent that this memorandum prepared by the Virginia Polytechnic Institute and State University accompany the remarks of the Senator from Virginia.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY,
Blacksburg, VA, July 6, 1990.

Memo to: Mike Brown.
From: Larry Nielsen.
Subject: Complementary nature of pond and closed-system aquaculture.

Several excellent reasons show that closed-system aquaculture doesn't compete with pond culture, but actually complements it, as follows:

1. Closed-system aquaculture is designed for high-valued species, like striped bass, red drum, yellow perch, or shrimp. These species don't grow particularly well in pond systems. The systems won't compete with pond-raised catfish, but will add more species for consumers to enjoy.

2. Closed-system culture of species popular in the Northeast, like striped bass, will open new markets to pond-raised catfish. The commercial striped bass harvest has dropped from around 12 million pound per year in the early 1970s to virtually zero now. People in the Northeast love striped bass, though, and closed-system aquaculture can keep that market alive. Catfish sales have been low in the Northeast, but will have access to Northeast markets through the marketing channels developed by closed-system aquaculture. Thus, closed-system aquaculture will actually expand the marketing opportunities for pond-raised catfish.

3. The demand for fish, of many varieties, continues to rise. Early estimates are that 1989 consumption was 19.8 pounds per person, up from 15 pounds in 1988. No technique or species of fish culture can satisfy that demand. The best strategy is to cooperate, making all kinds of fish and seafood products readily available to all consumers.

4. We are also interested in culture of special animals, like endangered species. These must be cultured in closed-systems because each individual is so valuable, because we know nothing about their needs, and because each animal must be carefully monitored. As specific techniques are developed, some endangered species culture could move to ponds.

5. Much research, relevant both to pond culture and closed-system culture, can be performed better in closed systems. Nutritional studies in ponds, for example, are difficult because of the uncontrolled environment—feed can't be accounted, fish eat natural foods at the same time, other competitors and predators invade the ponds. But in closed systems, we can control these aspects much better (that is the idea). The results will produce better feeds, for both pond and closed-systems.

6. Closed-system production of fingerling fish would greatly help pond culture. If the fingerlings were available all year (which is possible with closed systems), then small fish could enter the ponds continuously, allowing a constant harvest. Now, pond aquaculturists need to slow down the growth of fish to spread out their harvest (which costs them money), and some even hold some fish overwinter so a harvestable supply will be available in spring (with a large overwinter mortality). Closed-systems are being worked on for production of red drum fingerlings now, at LSU.

7. Mississippi Gulf-Coast fisheries are suffering the same lower catches as Mid-Atlantic fisheries. Red drum catches, for example, are very low and have been eliminated in some places. This leaves coastal processing plants in bad condition. Closed-system aquaculture for other species, like red drum, could help re-vitalize those coastal fishing communities—in Mississippi and Virginia.

I hope this helps. Let me know. The Secretaries will know where to find me next week (through Tuesday, at least). After that, I'll need to check in. Louis Helfrich and George Libey, two of our aquaculturists, also are alerted and can help you, as needed.

Good luck.

Mr. WARNER. Mr. President, I would like very much to receive any comments from the managers of this bill. Again, I point out that a bill identical in every respect has been accepted by the House committee, and will be a part of the conference.

Mr. LEAHY. Mr. President, I listened to my distinguished colleague from Virginia. But as I told him earlier, for a number of reasons that I will not go into here, I cannot support it.

Maybe things will look better at the time we get to conference. As he said, it is in the House bill. I do not want the Senator to take that as carte blanche. I know he does not. But I cannot support it on this bill for a number of reasons I have gone into with the distinguished senior Senator from Virginia, my good friend.

It is going to be a long time before we go to conference, and I will be happy to discuss it more before then. But right now I could not support it.

Mr. WARNER. Mr. President, I fully understand the position taken by the distinguished manager. I just want to state, for the purposes of the RECORD, that it is my understanding, the

reason why at this time the amendment would not be acceptable is that the committee is uniformly applying this same policy decision to any other amendments of a like nature. Am I not correct on that?

Mr. LEAHY. I am doing my best to hold the line. I am Horatio at the bridge.

Mr. WARNER. I do not need poetry. I just need concurrence in the fact that there is a uniform application of a policy that would catch this amendment in the fishnet.

Mr. LEAHY. The distinguished Senator is right. But I remind him, just as Emerson spoke of a foolish consistency being the hobgoblin of little minds, he himself does not——

Mr. WARNER. The word is "small" minds, not "little" minds.

Mr. LEAHY. Whatever. Perhaps there is a different way to use it in New England or in Virginia.

Mr. President, I suggest also that he does not want this to be a forever and ever, totally inflexible rule, because that redounds against him at the time of the conference. So perhaps it might be better to say to the distinguished senior Senator that it is a rule breached, but infrequently, and only for good and noble cause. I know that he has expressed a good cause here. The effort he will have between now and the time of conference is to raise a good cause to the level of nobility.

Mr. WARNER. Mr. President, I fully understand the subtlety of the distinguished manager's remarks.

Does the comanager from Indiana have any further comments before the Senator from Virginia concludes his remarks?

Mr. LUGAR. Mr. President, I have listened with great interest to my distinguished colleague from Virginia.

I agree, and my understanding is that this would be an exception to policy. We would have great difficulty, with regard to consistency, in accepting this. I think the Senator knows that. The chairman modestly indicated that somewhere out there, there may be something that remotely is inconsistent with what we have done in the past, but it would not be prudent at this time to accept the Senator's amendment. We appreciate the contribution he has made to the debate, but on our side of the aisle we would not be prepared to accept the amendment.

Mr. WARNER. I thank the distinguished manager, and I hope at the time of the conference that the House bill provides a suitable hook on which to hang this and the matter can be set and concluded. It is in the interest of the United States, the trade deficit, and expanding requirements by consumers for fish products, and I think the amendment has considerable merit.

At this time I withdraw the amendment.

The amendment (No. 2373) was withdrawn.

Mr. LEAHY. Mr. President, regular order.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

AMENDMENT NO. 2359

Mr. LEAHY. Am I correct in understanding that we are now back on the Heinz amendment?

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. Mr. President, I keep hearing discussion that this amendment is going to be withdrawn. We have amendments that will require rollcall votes here. I might ask one of the proponents of the amendment—I see Senator SPECTER—is the amendment going to be withdrawn? If it is not, if nobody else is going to, I will move to table, so we can get on to other matters that will be requiring rollcall votes. Maybe I could ask the distinguished Senator from Pennsylvania, does he know, as one of the cosponsors or supporters of this amendment, whether it is going to be withdrawn?

Mr. SPECTER. I do not know that it is going to be withdrawn. My knowledge is that it is on the floor and pending.

Mr. LEAHY. Mr. President, I yield to the Senator from California.

Mr. WILSON. Pending before us is the Heinz amendment. In deference to the proponents of the amendment, I have been meeting with them, seeking to work out a problem. I am prepared to go forward at this point. If there is no change, and if there is no withdrawal of the amendment, or if there is no alteration of it, I would be compelled to move to table it.

I must say that I did not interrupt my colleague from Pennsylvania. I was not here at the time that Senator HEINZ offered his comments as he offered the amendment. I did hear my friend from Pennsylvania, Senator SPECTER, make some comments just now, and I feel compelled, very briefly, to set the record straight.

What is being proposed is a change in the committee bill. The committee bill simply has added some other commodities to the existing Federal marketing order requirements that relate to grape imports. It is not GATT filed. We settled that 2 years ago in the omnibus trade bill. Contrarily, USTR specifically suggested language that removed any doubt that the present law is violative of GATT, and the amendment that was made this year to the law that is proposed in the farm bill simply adds additional commodities.

The purpose of the market order, as with every marketing order, is to assure quality for the benefit of the consumer, as well as for the producer. It is primarily a benefit to the producer because it benefits the consumer. What we are talking about are quality standards. I do not think we need to debate this at length. I have been trying to extend courtesy to my friend from Pennsylvania, and when they are ready, I am prepared to go forward.

Mr. LEAHY. Mr. President, can I ask now whether the amendment is going to be withdrawn or not? If it is not, I am going to move to table. With fairness to all the Members, I want them to be able to get the hot line out. I think we have a lot of Members who are weary. The staff and I and others on the committee are going to have to spend an hour or two after we finish tonight. I want to know where we stand.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Will the Senator yield?

Mr. LEAHY. I will yield to the Senator, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I just say to my friend from Vermont that I want to thank him for his patience and understanding as the Senators from California and myself and Senator SPECTER have tried to resolve this issue and avoid putting the Senate to a vote. That may still be possible, indeed. What I would like to do, with the concurrence of my colleagues, which will be necessary to do what I am about to propose, is to withdraw this amendment. It may be that we will be able to work something out, in which case, if we are, we will be able to, I think handle that very quickly. If not, I would not anticipate that this amendment would reappear. So it would be this Senator's intention to ask unanimous consent to withdraw the pending amendment.

Mr. LEAHY. Mr. President, I will not object to that. To set the Senator's mind at ease, we obviously are going to end up being on this bill on tomorrow, so he has that time to work over. I commend the Senator for that, and I urge him to make his unanimous-consent request. I will not be objected to.

The PRESIDING OFFICER. The Senator has withdrawn his amendment.

Mr. HEINZ. I have to ask unanimous consent to do so.

Mr. MITCHELL. Mr. President, reserving the right to object, and I do not intend to object, I want to clarify one thing. We have been at this now for several hours, and we hope to resolve this. When the Senator from Pennsylvania said he would not offer this amendment, he seemed to emphasize "this" I ask the Senator in good faith, he is not talking about offering another amendment similar to this so that this would all have been wasted?

Mr. HEINZ. That is not my intention. We hope to be able, so there is no

misunderstanding, to offer an amendment that deals with this subject. Hopefully, it is one that our colleagues in California and ourselves will agree upon.

I must also state I have three other amendments related to this subject. It is not my intention at this point to offer any of them right now but like any other Member of the Senate I do have my right to do so. I am going to offer this amendment in slightly modified form. That is why I am withdrawing it.

Mr. MITCHELL. Mr. President, I am not going to object to the withdrawal. I merely make the points that the purpose of this is to get through the bill and get through the amendments. That was my hope, I was just concerned that the process now being followed was going to result in the same or a similar discussion tomorrow which would have rendered for naught the lengthy discussion tonight.

Mr. HEINZ. If the majority leader will yield, I think that is highly unlikely.

Mr. MITCHELL. I thank my colleague. Mr. President, I have no objection to the request.

Mr. HEINZ. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2359) was withdrawn.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

AMENDMENT NO. 2374

(Purpose: To authorize the Secretary of Agriculture to permit alternative repayment rates for oilseed loans under certain conditions)

Mr. EXON. Mr. President I have good news for the U.S. Senate. I have an amendment that has been cleared on both sides. We will not have to set it aside to bring up other amendments.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 2374.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 309, between lines 9 and 10, insert the following:

"(j) IMPLEMENTATION.—The Secretary shall ensure that the program established under this section shall be implemented in such a manner that will:

(1) Minimize potential loan forfeitures;

(2) Minimize the accumulation of oilseed stocks by the Federal Government;

(3) Minimize the cost incurred by the Federal Government in storing oilseeds; and

(4) Allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally.

Mr. EXON. Mr. President, this amendment has been cleared on both sides. I will give a very brief explanation of what it is for the Senate.

This amendment has been cleared by the managers and the committee. It simply clarifies the oilseeds provisions with regard to how the program should be managed. It makes the oilseeds program consistent with the wheat and feed grains programs as to carryover stocks.

Soybeans are an important crop in Nebraska and elsewhere. As I have said on many occasions, I believe we should have loan rates that recognize the cost of production, loan rates that allow our farmers to "get their just due" from all their labor.

This farm bill establishes a $5.50 loan rate for soybeans with the option for reducing those rates if carryover stocks exceed specific levels. I am not proposing to change that. My amendment simply is designed to ensure that those carryover stocks do not exceed the established levels and force further reductions in the oilseeds loan rate.

I urge its immediate adoption. As I said, it has been cleared on both sides.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on our side.

Mr. LEAHY. Mr. President, with the sound of hallelujah chorus heard in the background of the Senate Agriculture Committee staff, it will be accepted. No further debate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment (No. 2374) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I inquire from the managers of the bill, I have suggested two small amendments to the bill, one dealing with the problem of forest stewardship incentives.

Mr. President, I did not see the distinguished leader on his feet. If he was seeking the floor I certainly would not wish to be interrupting his attempt to bring order out of chaos.

Mr. President, one of the amendments was dealing with the problem of forest stewardship incentives for the Alaska native corporations that own vast acreages, but trying to find some way to get them to participate in those incentives.

The other dealt with tree nurseries to deal with problems that exist in my State, particularly now after over a million and half acres have burned.

The PRESIDING OFFICER. Is the Senator from Alaska addressing a question to the Senator from Vermont?

Mr. STEVENS. It was my intention to do so. I did not mean to interrupt.

Mr. LEAHY. I am sorry, Mr. President. I did not realize the Senator from Alaska was addressing a question to me. I was discussing the bill with the two leaders. If he would be kind enough to repeat the question I will try to answer it.

Mr. STEVENS. My question was whether the two small amendments that my staff just discussed with both majority and minority staff have now been considered, to see whether or not they could be accepted. They deal with specific areas I think primarily applicable to Alaska, but there are some general aspects of the amendment.

Mr. LEAHY. Mr. President, I tell the distinguished Senator from Alaska, we understand on our side the amendment on tree seedlings creates no problem.

The amendment on the Alaska Native Corporation cost-sharing apparently has raised a preliminary objection from the administration and we are checking that out with them now.

Perhaps it might make it easier, assuming there is no objection on the Republican side, if the Senator from Alaska might do the tree seedling amendment; that would be it. And then let us see what the objections are from the administration on the other one.

Mr. STEVENS. If that would meet the approval of the managers of the bill, I am happy to offer the amendment at this time. I think it's noncontroversial.

Mr. LEAHY. The tree seedling one.

Mr. MITCHELL. Will the Senator withhold a moment?

Mr. STEVENS. Yes.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. There will be no further rollcall votes this evening. I commend the managers. We made a great deal of progress and disposed of several amendments.

I have apologized to Senators who remained in expectation of votes. It was my understanding we were going to complete action on the amendment of the Senator from Pennsylvania this evening and all of us anticipated a vote would be necessary on that. The amendment was then withdrawn. So I see no purpose.

It is late and everybody is tired. We have been at this a few days. So I suggest that the amendment of the Senator from Alaska, and perhaps others,

could be accepted now, be taken, but there be no further rollcall votes.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. DOLE. I indicate to the majority leader I think Senator LUGAR is aware, and I believe the manager, Senator LEAHY is aware that we have been trying to catch everyone as they come in. Staff has been going to anyone who has any notation on the calendar, trying to determine how many possible amendments there may be. We have a list of 42. That may mean 42 or it may mean 22 or it may mean 12 or it may mean 3.

So what we will try to do in the morning is to hotline, and then go back and check each Senator one on one, and then give the final list to the two managers for the information of the managers and the majority leader.

Mr. LEAHY. Mr. President, if the distinguished Republican leader would yield on that, I appreciate that and I would hope that is being done all the way around. I would hope once we had that list that perhaps, following a vote, the distinguished Senator form Indiana and I might be able to get time agreements on those that are going.

We have done a great deal of work here tonight, but there is no sense in having a number of Senators have to stand by while we are doing the unanimous-consent things, if we could figure out where we are going to go. It does not create an advantage for everyone. I have to stay, and I am willing to stay, and the Senator from Indiana will stay. It will make life easier for the rest of us who are getting weary of each other's company, understandably so.

AMENDMENT NO. 2375

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Alaska.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself and Mr. THURMOND, proposes an amendment numbered 2375.

At page 811, insert the following at line 19 and renumber subsection (2) through (5) appropriately:

"(2) develop and contract for the development of field arboretums, greenhouses, and tree nurseries, in cooperation with the State, to facilitate production and distribution of tree seeds and seedlings in States where the Secretary determines that there is an inadequate capacity to carry out present and future reforestation needs.".

Mr. STEVENS. Mr. President, I support the President's goal of planting a billion trees per year over the next decade. My amendment is designed to facilitate this goal.

In order to plant a billion trees every year, however, we need readily available basic tree growing infrastructure. We need arboretums, seed collection sites, greenhouses, and tree nurseries. Some regions have such forestation infrastructure, others do not.

My amendment authorizes the Secretary, in cooperation with State officials, to develop the basic tree-growing infrastructure in regions where adequate facilities to grow seedlings do not exist.

Many people overlook the need for this type of critical infrastructure. In Alaska, where we have 18 percent of the forested land in the Nation, there is almost no greenhouse or tree nursery capacity to grow the trees we need for reforestation.

And, we do have a great need to reforest large areas of my State. This year, as of today over 1.1 million acres of Alaska forests have been ravaged by 119 fires. By comparison, the Yellowstone fire burned 1.4 million acres. We have 2,600 people fighting these fires across the State. Every year Alaskans face similar acreage losses by fire.

Yet when it comes time to replant critical areas ravaged each year by fires, we have almost no capacity within the State to produce seedlings for reforestation.

My amendment allows the Secretary to cure such incapacity. I thank the bill managers and their staffs for their cooperation in clearing this amendment.

I will state just as succinctly as I may that this amendment would authorize the Secretary, in cooperation with State officials, to develop the basic tree-growing infrastructure in regions of our country where adequate facilities to grow seedlings do not exist.

As I point out, almost a million and a half acres of Alaska are burning today. We really do not have greenhouse or tree nursery capacity, despite the fact that we have almost 15 percent of the Nation's forests, and we would like to participate in the whole concept of planting a billion trees over the next decade. My amendment is designed to facilitate that goal.

I am appreciative of the fact that the managers have indicated it will be accepted. We have a substantial number of people fighting fires this year. We would like to turn it around and restore the areas that have been devastated by these fires and, I might add, that we all know about the devastation in Yellowstone and similar acreage all over the country.

We believe some of the seedlings developed under this program should be used in the areas where reforestation is possible following these terrible fires.

Mr. LUGAR. Mr. President, on our side of the aisle we commend the distinguished Senator from Alaska for a very important forestry provision and enthusiastically support his amendment.

Mr. LEAHY. Mr. President, this part-time tree farmer supports it also.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska [Mr. STEVENS].

The amendment (No. 2375) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I thank the managers of the bill. I just wish to raise the subject of the other amendment and I hope it will be discussed so that we can proceed with it. It also is a simple rationale.

In my State there are a series of Native corporations that own land that in other States might be owned in Tribal form or by individual Natives or Indians. Some of these areas are quite large because they are large tundra areas. We seek a forest stewardship incentive program for these people. Under the current program it is limited to those who own between 1,000 and 5,000 acres but the 1,000 and 5,000 acres in what we call the South 48 are entirely different from a half-million acres of tundra.

Their are still places where the tundra could support a forest if we had the help of the Federal Government to develop them for these Native people. My amendment would limit them to the same limit of any other landowner up to 5,000 acres. I am hopeful that the managers of the bill can explain that, and I will do my best to explain it, to the administration overnight so we might get it pursued tomorrow. I think it would be a very worthwhile program.

I might call to the attention of the Senate that these people now own almost 15 percent of my State. That area ought to be subject to the same kind of forest incentives that the balance of the country is.

Mr. LEAHY. Mr. President, the Senator from Alaska makes a good point. I will be happy to join in those talks with him tomorrow and see if we can get it cleared. As I said, I just felt, insofar as we were not going to finish tonight, the objection having been made by the administration, we ought to give them a chance.

Mr. STEVENS. Would the Senator have any objection to me putting that amendment in the RECORD so everyone would know what I am talking about?

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD. I do not wish to propose it yet.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At page 816 at the end of line 8 insert the following:

"Notwithstanding this paragraph, each Alaska Native corporation shall be eligible fo cost sharing assistance without the approval of the Secretary, provided the aggregate enrollment is not in excess of 5,000 acres.".

AMENDMENT NO. 2376

(Purpose: To make any provision relating to the recalculation of deficiency payment for the 1988 and 1990 barley crop years nondiscretionary)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. SYMMS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. SYMMS, proposes an amendment numbered 2376.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place in title IV, insert the following new section:

"SEC. 40. NONDISCRETIONARY AUTHORITY.

"Any provision of this Act relating specifically to the authority of the Secretary to adjust the payments due to producers of barley for the 1988 and 1989 crop years shall be nondiscretionary.".

Mr. SYMMS. Mr. President, because of the higher than expected national average barley price used to calculate the 1988 and 1989 barley deficiency payments, many barley growers ended up owing the Government back funds from their advanced payments. In some counties of Idaho, that repayment added up into the millions of dollars.

There has been an ongoing dispute over whether the inclusion of malt barley prices in that calculation was fair. Without addressing that debate, I have heard from the Department that, should Congress specifically address the question of the 1988 and 1989 repayment of barley deficiencies, it should be in the form of specific direction, and not merely discretionary authority. If Congress desires to have that payment recalculated, it should be weighed against the other expenditures of taxpayer funds that we intend to authorize, and not merely left to the Secretary to implement out of moneys that Congress has otherwise already earmarked.

My amendment does not authorize such repayment. But it does state that, should specific authorization for the repayment be incorporated into the bill, it shall not be discretionary, but rather, a specific instruction to the Secretary from Congress.

Mr. President, I thank the Chairman and the ranking member. I suggest we act on the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2376) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SYMMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2377

(Purpose: To establish a program within the Department of Agriculture for the eradication of pseudorabies in United States swine populations, and for other purposes)

Mr. HARKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. GRASSLEY, and Mr. DIXON, proposes an amendment numbered 2377.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 1081 of the bill, insert the new section:

SEC. 1947. PSEUDORABIES ERADICATION.

(a) FINDINGS.—Congress finds that efforts to eradicate pseudorabies in United States swine populations by the Department of Agriculture in cooperation with State agencies and the pork industry have a high priority and should be continued until pseudorabies is completely eradicated in the United States.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish and carry out a program for the eradication of pseudorabies in United States swine populations.

(c) USE OF FUNDS FOR TESTING AND CONTROL OF DISEASES AND PESTS.—The Secretary shall ensure that not less than 65 percent of the funds appropriated for any animal or plant disease or pest eradication or control program administered by the Department of Agriculture shall be used for testing and screening of animals or plants and for other purposes directly related to the eradication or control of the animal or plant disease or pest.

(d) APPROPRIATIONS.—There are hereby authorized to be appropriated for each of the fiscal years ending September 30, 1991 through September 30, 1995, such sums as may be necessary for the purpose of carrying out the program established under this section.

Mr. HARKIN. Mr. President, I believe this amendment has been cleared on both sides.

Mr. President, pseudorabies is an acute, fatal disease affecting most species of domestic and wild animals. It is especially damaging to swine, in which it causes a variety of problems including death in newborn pigs and animals of all ages, and fetal death and abortion in pregnant animals.

Pseudorabies poses a serious economic threat to our Nation's pork producers. Overall, it has been estimated that the annual cost of pseudorabies to the pork industry is approximately $60 million a year. The annual cost of pseudorabies to the Iowa port industry alone is estimated to be well in excess of $20 million.

Pseudorabies eradication efforts have begun, relying on a cooperative program involving State and Federal funds and veterinarians and pork producers themselves, who are involved in helping to guide and carry out the program at all levels. Iowa pork producers have demonstrated that pseudorabies can be eradicated if producers are committed to the effort and if adequate resources are available for the task.

This amendment recognizes the importance of efforts to eradicate pseudorabies in U.S. swine populations and specifically authorizes and directs the Department of Agriculture to establish and carry out a program of pseudorabies eradication.

The amendment also provides that the Department of Agriculture shall use not less than 65 percent of the funds appropriated for animal and plant disease or pest eradication or control programs for testing and screening of animals or plants and for other purposes directly related to the eradication or control of the disease or pest.

This provision is included based on my examination of the current pseudorabies eradication program at USDA, which showed that too large a share of the funds appropriated for the program is being spent on administrative, overhead, and indirect expenses. Too little money is getting out to the States to assist in the actual eradication work.

Under this amendment at least 65 percent of the program funds would get to the State level to help defray the costs of testing, screening, and other items of expense directly related to the eradication or control of pseudorabies. This provision is very important in order to achieve more effective use of Federal dollars in the pseudorabies eradication effort.

Mr. President, I urge my colleagues to support this amendment and the eradication of this very serious threat to the U.S. pork industry.

Mr. President, I am joined in offering this amendment by Senator GRASSLEY and Senator DIXON.

I understand it has been accepted. I appreciate the managers of the bill accepting the amendment.

Mr. President, I yield the floor.

Mr. LUGAR. Mr. President, I would like to ask a point of inquiry as to

whether this is the same pseudorabies amendment that was offered and adopted by the Senate earlier this evening?

The PRESIDING OFFICER. The Senator from Indiana is correct. It appears to be an identical amendment.

Mr. LUGAR. Mr. President, in view of that I ask a point of clarification, because the Senator from Iowa was perhaps not present during that period of time. If that is the case, would the appropriate parliamentary procedure be to withdraw the amendment at this time?

Mr. HARKIN. Mr. President, I would like to take a look at the earlier amendment that was accepted to make sure it was the same as this one.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum while the Senator examines the amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I examined the amendment that was offered earlier. I had not been aware the managers had presented that earlier. I had one little question as to where it was inserted on the bill and I was told by the Parliamentarian it has no effect on the bill itself. I appreciate the managers offering it earlier, and I ask to withdraw the amendment.

The PRESIDING OFFICER. The Senator from Iowa has the right to withdraw his amendment and it is withdrawn.

The amendment (No. 2377) was withdrawn.

PLANTING FLEXIBILITY

Mr. BOND. Mr. President, throughout our debate on the Food, Agriculture, Conservation and Trade Act of 1990, we have heard many eloquent remarks concerning the need to provide farmers with additional planting flexibility. I too, have heard a great deal about flexibility; many Missouri farmers have expressed a strong desire to have greater latitude in making production decisions.

The existing myriad commodity programs make true planting flexibility an elusive goal. Efforts to give producers the ability to respond to agronomic or economic signals are constrained by comparisons of program crops to nonprogram crops, target prices to loan rates, and even marketing loans to nonrecourse loans. In the end, it has proven very difficult to balance the benefits of producing different crops.

My State of Missouri has been blessed with a very diverse agricultural sector and our economy is dependent upon a strong agricultural economy. Programmatic changes which increase producers' ability to respond to market signals benefit our economy. However, artificial incentives to produce a certain commodity lead to unfavorable market distortions.

The flexibility provisions approved by the Agriculture Committee are a step in the right direction. Producers will have limited ability to shift among program crops, nonprogram crops, and oilseeds. Flexible acres are eligible for price-support loans. Other provisions allow for zero-certification and the ability to plant oilseeds on a portion of the required acreage set-aside.

Last night, the Senate debated a flexibility amendment offered by the distinguished Senator from Iowa [Mr. GRASSLEY]. The amendment expanded upon the flexibility provisions adopted earlier by the Agriculture Committee. The amendment allowed for flex-acres to maintain deficiency payments and also permitted program crops to be grown on historic oilseed plantings.

As with most amendments, there were legitimate arguments on both sides. Analysis performed by the U.S. Department of Agriculture indicated the amendment, if adopted, would result in relatively small shifts between crops. The amendment did, however, attempt to bridge the existing gap between the corn and soybean programs. Producers who do not have a program crop acreage base remain eligible for the Agriculture Committee-passed marketing loan program.

Mr. President, I think it is important to note the concerns which Missouri cotton and rice producers have with regard to planting flexibility. I understand, and share, their concern over potential fluctuations in both production and price.

After a great deal of thought I decided to support the Grassley flexibility amendment. I did so pledging to monitor both its implementation, and effects, very closely. In the vent that the Grassley amendment had been approved, and even with the committee-passed flexibility provisions, I will not hesitate to seek modifications which rectify artificial supply and demand distortions. Our intent was to improve producers' ability to respond to market signals, not increase their reliance on Government programs.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2378

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota, [Mr. DURENBERGER], proposes an amendment numbered 2378.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SECTION 1. (a) FINDINGS.—The Congress finds that—

(1) Federal policy, as reflected in the Food, Agriculture, Conservation and Trade Act of 1990, to protect the Nation's wetlands and ground water from loss or degradation is of vital importance to American agriculture and to the country as a whole;

(2) Wetlands reduce floods, improve ground and surface water quality, and provide recreational areas and habitat for fish and wildlife;

(3) Ground water provides drinking water to 50 percent of Nation's population or 117 million Americans, and that 97 percent of Americans in rural areas rely on untreated ground water for their household needs;

(4) Government regulations protecting and preventing ground water from contamination and wetlands from loss or degradation have been developed piecemeal by several different Departments and agencies and as a result are complex and confusing often leaving landowners uncertain as to their duties and obligations and the resources at risk;

(5) There is a need for a national strategy that coordinates and stengthens the nation's ground water and wetlands protection efforts; and

(6) Key conservation provisions in the Food, Agriculture, Conservation, and Trade Act of 1990 go a long way toward protecting wetlands and ground water, and any new legislation involving wetlands and ground water protection should recognize these gains.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) Federal agricultural policy should reflect environmental policy and concerns;

(2) Wetlands loss or degradation and ground water contamination should be discouraged by Federal, State and local governments; and

(3) The upcoming reauthorization of the Federal clean water programs should—

(A) emphasize a policy designed to prevent wetlands loss and ground water contamination.

(B) provide consistent and understandable regulations that will give landowners greater certainty as to their duties and responsibilities for protecting wetlands and ground water; and

(C) strengthen the Nation's ground water and wetlands protection laws.

Mr. DURENBERGER. Mr. President, the Agriculture Committee has done, I think, what many people think is a very, very special job on the issue of wetlands, struggling with the swampbuster provisions of the 1985 bill, struggling with some of the imple-

mentation of swampbusters, struggling with the conservation reserve program, and trying to draw within the jurisdiction of the committee a balance, if you will, in both of these areas beween wetlands preservation, the traditional American orientation toward agricultural production, and to try to help begin the process of setting a new and a sensible course for wetlands in America.

The State that I represent, the State of Minnesota, has lost more than half of its original 18 million acres of wetlands. We are probably one of the States in the country that the national policy up until this last decade has hurt the most, in terms of ground water quality, in terms of a lot of other of the natural amenities of rural America.

So, Mr. President, I am pleased that the amendment which I am presenting this evening has been worked over closely with the chairman and the ranking member of the Agriculture Committee.

As the amendment states, the key conservation provisions in the farm bill go a long way toward protecting wetlands and groundwater. This amendment in addition, though, urges that any new legislation involving wetlands and groundwater protection recognize those gains but continue the process of defining a new national direction so that farmers in this country who are our original environmentalists, if you will, can feel that they are playing an important role in developing wetland and groundwater protection in the future.

There is no question but what there is a need for a coordinated national strategy that prevents groundwater contamination and wetlands loss. Such a strategy will provide landowners needed regulatory certainty and protect those precious resources. This amendment, a sense-of-the-Senate resolution, is a very important first step toward that goal.

Mr. President, in recent months I have toured Minnesota listening to my constituents' concerns about wetlands and ground water. As you can imagine, these issues are very important to Minnesotans since the State has lost over half of its original 18 million acres of wetlands. And, because 90 percent of the State's population depends on ground water for their drinking water.

On my tours I saw landowners preserving and enhancing their wetlands or protecting their drinking water sources from contamination. Experts showed me the latest scientific technologies on ground water protection and wetlands mitigation.

Yet, one thing I heard from landowner and expert alike, is that Federal ground water and wetlands regulations have been developed on a piecemeal basis, by different Departments and agencies and, as a result, are complex and confusing, often leaving landowners uncertain as to their duties and obligations. Unfortunately, this uncertainty places these precious resources at risk.

Numerous Federal agencies have an interest in how a landowner cares for wetlands. The Environmental Protection Agency, the Agricultural Stabilization and Conservation Service, the U.S. Army Corps of Engineers, the Soil Conservation Service, and the U.S. Fish and Wildlife Service all have a significant piece of the wetlands agenda. There is a comparable list for ground water. The EPA, SCS, ASCS, and U.S. Geological Survey all have duties protecting ground water. And, Mr. President, this ignores all the applicable State laws.

It is clear to anyone who looks at these issues or who must handle constituent complaints, that Americans want to obey the law, they want to protect wetlands and ground water, but get frustrated with the unwieldy and often inconsistent regulations.

Thus, Mr. President, today I am offering an amendment to the 1990 farm bill that, in resolution form, will take the Nation an important step closer to a comprehensive national strategy to prevent ground water contamination and wetlands loss. My goal is to set the ball moving toward coordinated Federal protection laws so that landowners, farmer and city dweller like, have greater certainty as to their responsibilities, and most importantly ground water contamination and wetlands loss.

In drafting this amendment I worked very closely with the chairman and ranking member of the Agriculture Committee. Their input was very useful, because as my amendment states, the key conservation provisions in the farm bill go a long way toward protecting wetlands and ground water. My amendment urges any new legislation involving wetlands and ground water protection to recognize these gains.

Mr. President, protecting the Nation's wetlands and ground water from loss or degradation is of vital importance to the country. Wetlands reduce floods, improve ground and surface water quality, and provide recreational areas and habitat for fish and wildlife. Ground water provides drinking water to 50 percent of the Nation's population or 117 million Americans—97 percent of Americans in rural areas rely on untreated ground water for their household needs.

To conclude, there is a need for a coordinated, national strategy that prevents ground water contamination and wetlands loss. Such a strategy will provide landowners needed regulatory certainty and protect these precious resources. My amendment is a very important first step toward this goal.

I am very grateful to my colleagues on the Agriculture Committee, especially the leadership of that committee, for their willingness to accept this amendment.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, on our side we very much appreciate the leadership of the distinguished Senator from Minnesota in the areas of conservation generally, and in the specific areas of ground water and wetlands protection. In this amendment he has made a most useful suggestion for a national ground water and wetlands protection strategy.

Without outlining the entirety of the Senator's amendment, I would say it appears to this Senator to be very comprehensive and very helpful in guiding our understanding and our thinking on these issues. So we enthusiastically support the amendment.

The PRESIDING OFFICER. Is there further debate?

Does the Senator from Vermont seek recognition?

The Senator from Vermont.

Mr. LEAHY. Mr. President, I understand there are some drafting difficulties with this. I do not have objections to the amendment, but I understand there are some problems.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent it be in order to modify the amendment of the distinguished Senator from Minnesota by adding at the beginning of it these words:

At the end of title XII, add the following:

And then with the rest following as it is in the amendment offered by the distinguished Senator.

The PRESIDING OFFICER. The Senator from Minnesota has the right to modify his amendment.

Mr. DURENBERGER. Mr. President, I suggest the modification stated by my colleague from Vermont.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2378), as modified, is as follows:

At the end of title XII, add the following:

SECTION 1. (a) FINDINGS.—The Congress finds that—

(1) Federal policy, as reflected in the Food, Agriculture, Conservation and Trade Act of 1990, to protect the Nation's wetlands and ground water from loss or degradation is of vital importance to American agriculture and to the country as a whole;

(2) Wetlands reduce floods, improve ground and surface water quality, and provide recreational areas and habitat for fish and wildlife;

(3) Ground water provides drinking water to 50 percent of the Nation's population or 177 million Americans, and that 97 percent of Americans in rural areas rely on untreated ground water for their household needs;

(4) Government regulations protecting and preventing ground water from contamination and wetlands from loss of degradation have been developed piecemeal by several different Departments and agencies and as a result are complex and confusing often leaving landowers uncertain as to their duties and obligations and the resources at risk;

(5) There is a need for a national strategy that coordinates and strengthens the Nation's ground water and wetlands protection efforts; and

(6) Key conservation provisions in the Food, Agricluture, Conservation, and Trade Act of 1990 go a long way toward protecting wetlands and ground water, and any new legislation involving wetlands and ground water protection should recognize these gains.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) Federal agricultural policy should reflect environmental policy and concerns;

(2) Wetlands loss or degradation and ground water contamination should be discouraged by Federal, State and local governments; and

(3) The upcoming reauthorization of the Federal clean water programs should—

(A) emphasize a policy designed to prevent wetlands loss and ground water contamination.

(B) provide consistent and understandable regulations that will give landowners greater certainty as to their duties and responsibilities for protecting wetlands and ground water; and

(C) strengthen the Nation's ground water and wetlands protection laws.

The PRESIDING OFFICER. Is there further debate?

If there be no further debate, the question is on agreeing to the amendment of the Senator from Minnesota.

The amendment (No. 2378), as modified, was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

USE OF PESTICIDES ON MINOR AGRICULTURAL CROPS

Mr. INOUYE. Mr. President, I am pleased to be an original cosponsor of this important legislation designed to manage the use of pesticides on minor agricultural crops.

All of Hawaii's agricultural industries are considered minor crops. Even sugar, our largest crop in terms of acreage and value, is considered a minor crop.

Mr. President, many of these industries are involved in pesticide registration for use on their crops. It is not uncommon for such a process to span over a period of 3 to 5 years. What concerns me is what these farmers do in the interim while they await approval. Many of them are small family farmers that rely on the sale of their crops to survive.

Chemical pesticides are one means of controlling pests. Other techniques involving biological control and management practices to break the life cycle of pests are also essential. These strategies, referred to as integrated pest management, are the long term approaches to pest control.

I believe, that through proper regulation, we can ensure that chemical application on minor crops continues to maintain standards that are environmentally sound while ensuring effective pest control and producing hardy and safe agricultural products. In all candor, I believe that this amendment will effectively accomplish this important objective.

In closing, I would like to acknowledge the assistance of the staff of the Senate Agricultural Committee in the drafting of this amendment. Further, I would like to acknowledge the major role that my late colleague, Senator Spark Matsunaga played in the drafting of this legislation.

SECTION 209, TITLE XI, THE FARMER-TO-FARMER PROGRAM

Mr. KERRY. Mr. President, last year, Chairman LEAHY and I discussed the initiation of a Farmer-to-Farmer Program to Poland during consideration of the Support for East European Democracy [SEED] legislation. Funded in the Foreign Assistance Act for fiscal year 1990, the program is currently underway and implemented by Volunteers in Overseas Cooperative Assistance [VOCA]. To date, 23 farmer volunteers have assisted in the revitalization of farmer cooperatives and building new private agribusiness. In Poland, these unpaid American advisers have helped establish new private agricultural cooperatives, created marketing and processing facilities, privatized State-owned agricultural enterprises, improved dairy production and milk handling, and strengthened rural cooperative banks.

Unlike many of our other assistance programs to Poland, the VOCA Farmer-to-Farmer Program is in full stride and delivering not only essential technical advice, but bringing the goodwill of the American people to Polish farmers during this time of great economic stress.

One of these volunteers, Robert Foster, is a Vermonter who is an officer of Agri-Mark, Inc., a large dairy cooperative headquartered in Lawrence, MA. He is the first dairy farmer to visit Poland to help its dairy and grain farmers set up an American-style farmer marketing cooperative. Progress in Poland, he says, will take time. But he also notes that the country is running out of time as its economic situation worsens. He is hopeful that something can be done in the very short future to provide a better standard of living for the Polish people. I am inserting in the RECORD at the end of this statement a recent article in the Journal published for the dairy farm families of Agri-Mark, Inc.

As we consider the 1990 farm bill, I wanted to encourage my colleagues to support a small provision in the legislation which continues the Farmer-to-Farmer Program and expands its authority to work in Eastern Europe. This program sends experienced American farmers and agriculturalists to work hand-in-hand with farmers overseas. Administered by a small VOCA staff, the program is cost-effective and people-oriented in helping others help themselves. Through this and other VOCA programs, 800 volunteers have worked in 87 developing countries. They have passed along American know-how and technology at the request of farmer organizations who want to adopt new practices and technologies and demonstrate a willingness to implement the recommendations by the short-term American volunteers.

The Farmer-to-Farmer Program should remain nongovernmental, grassroots, and volunteer-based program through Volunteers in Overseas Cooperative Assistance, rather than become another government-directed assistance effort.

I want to encourage my colleagues to support this excellent program in S. 2830.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SEARCH FOR CONTROL

(By Douglas DiMento)

The eastern European country of Poland has recently undergone drastic changes as its political and economic systems, once so closely intertwined, try to make the difficult transition from Communism to a more democratic, free-market structure. In September of 1989 the country's first non-Communist led government since World War II, with many ofificals being recently elected to national positions, took office with promises of sweeping reforms designed to improve the quality of life for the country's people.

Last month, on May 13, more government officials competed for office through elections, largely on the state and local level. The long-term plan is to replace Poland's inefficient, centralized economy with one which is more market oriented.

The price the people are paying for this switch in economic and political philosophy is high. Both the public and private sectors, historically reliant on the state to provide for them, are now forced to develop their own skills at finding a market for the manufactuerd or agricultural products they produce. Inflation in Poland during the past year has varied between 500% and 1000% per months, recently stabilizing at 10%. Consumer prices have skyrocketed, with Poles spending 75-80% of their income on food. The average Polish worker makes the U.S. equivalent of $52.00 per months.

The country's farmers are, perhaps, in a more precarious position than many of its people. The government has eliminated price controls on food and other items and is depending on its farmers to increase production. At the same time, subsidies for farm goods and equipment have ended, causing prices of those materials to be sold at near free-market value. Since last summer tractor prices have doubled, electricity prices have quadrupled, and fertilizer and pesticide prices have increased ten times over. Farmers are therefore reluctant to heed the government's wishes and expand given the rapid rise in prices and considerable uncertainty about the long-term outlook for farm equipment and prices.

Many of the country's farm families, representing one-third of Poland's 38 million people, believe that their government is trying to force a farm shake-out and drive inefficient farmers out of business. They may be right. The size of the average Polish farm is 15 acres and provides only enough food to feed three people—figures the government wants improved.

The country is searching for answers to its economic and social problems. But, after working for years within a system which stressed working for the good of the state instead of one's self, marketing concepts are very difficult for the people to understand. Educating the Poles about these concepts is complicated by the fact that there are often not words within their language which accurately convey the same meanings which are attached to those concepts in the U.S.

The end result is that Poland's people are now seen as pioneers of a new era. The political and social frameworks presently being formed are being carefully crafted for future generations.

U.S. VOLUNTEERS SENT OVERSEAS

It was Agri-Mark member Robert Fosters good fortune to find himself right in the middle of this chaos. He accepted an invitation by the Volunters for Overseas Cooperative Assistance (VOCA) to be the very first U.S. dairy farmer to visit Poland to help its dairy and grain farmers set up an American-style farmer marketing cooperative. He would work, along with one other volunteer, as a consultant to Rural Solidarity, a Polish political organization of indepdendent farmers which is trying to help the country's agricultural sector make the transition to a new Poland.

Foster's visit would be used to break ground for a wave of American volunteers to this European country. So, in late February of this year, he set out, along with six other specialists, for a three week stay in Poland after two days of orientation in Washington.

MISSION WOULD BE DIFFICULT

Foster's mission, right from the start, was thought to be a difficult one. Poland's farmers were known to be unhappy with the Communist-style cooperatives. Control of the Communist form of cooperative flows from the top of the organizational structure downward just the opposite of control of American cooperatives like Agri-Mark where farmers, through their elected representatives and Resolution Committee, set general cooperative policy for the Board of Directors and management staff to follow.

In Poland the state or the Communist party makes the rules for the people to follow. The people at the top set policy which is "good for the people" and those people are strongly encouraged to abide by those policies.

"Individualism was discouraged in the past," notes Foster. "All of the country's rules and regulations were geared towards making it difficult for someone who did not want to conform with Communist thought."

Even though faced with a rapidly changing political environment, Foster found the country's people to be very kind and eager to learn from what he had to say. During his first three days in Poland he found himself meeting government officials and other dignitaries. Being one of the first American dairy farmer and cooperative officials to arrive in their country with the express purpose of helping farmers through farmer-to-farmer contact made for a very warm welcome.

Foster travelled to southeastern Poland with Roy Wiebe, the retired CEO of Western Farmers Supply Cooperative from Forest Grove, Oregon. Together they worked with Rural Solidarity officials and travelled throughout the Rzeszow region, a heavily agricultural area in southeastern Poland which got its name from the city of Rzeszow, population 126,000. It was here that Foster and Wiebe were based, taking day trips arranged by Rural Solidarity to speak to farmers and community leaders throughout the region.

VISITED SEVERAL DAIRY FARMS

Polish dairy farms are quite a bit different from their American counterparts. They are more diversified, with each farmer raising chickens, pigs, produce, and fruits such as raspberries. The average dairy farmer milks only four or five cows housed in a stanchion-like setup. Only one of the seven dairy farms Foster visited had water bowls. On the other farms each dairy farmer carried buckets of drinking water from his courtyard well to his cows several times a day.

"When they asked me what they could do to increase milk production, one of the first things I told them was that their cows needed more water," says Foster. "After all, milk is over 75% water. Therefore, water is extremely important."

He noted, however, that good water supplies are hard to find in Poland. Most of the rivers and streams he saw seemed heavily polluted from human and industrial waste and years of heavy agricultural and other chemical use. The quality of water, according to Foster, is very suspect in his mind. He was happy to find that Polish farmers recognize that they have a major environmental problem and are searching for ways to solve it.

Most Polish dairy farmers use milking machines to harvest milk from their small herds two or three times a day. Once milking is completed the milk is put into various size cans which are left by the roadside, rain or shine, for pick-up and delivery to a processing plant.

Foster visited the office of one dairy farmer cooperative and was told that only one-third of its members refrigerate milk on the farm in ordinary refrigerators. All of the other dairy farmers he met during his visit just milked the cows, set the milk by the roadside, and hoped that it would be picked up some time that day.

"The quality of milk appears to be quite poor in Poland," admits Foster. "Because of the poor milk quality they are also limited as to what type of dairy products they can manufacture from the milk."

This Vermont farmer tried to impress upon Polish farmers the need to produce better quality milk and the importance of refrigeration. He saw the poor quality of the milk supply as the largest single obstacle in the way of successful milk marketing by the country's dairymen.

Foster visited a Polish/Soviet style dairy marketing cooperative which had over 5,000 members. Its largest producer shipped 200 pounds of milk per day to the co-op. The average farmer in this cooperative had a herd average of roughly 10,000 pounds, and it is interesting to note that this co-op had milk quality standards and premiums for its members.

These farmers receive premiums if the raw count of the milk they shipped to the co-op is less than 20 million, and are penalized if their milk has a raw count of more than 60 million! For comparison purposes, AgriMark's milk quality standards mandate that the raw count of members' milk must not exceed 50,000 and members receive a premium for milk with a raw count of 10,000 or below.

Milk prices received by Polish dairymen vary between a U.S. equivalent of $15.00 to $16.00/cwt. Although this may seem high, one has to remember that inflation in this country has been rampant.

Foster noted that the average size of the farms he visited was about 10 to 14 acres. Some of the land was used for pasture and the rest for crops for both the farm animals and the table. Approximately 95% of the dairy cows are artifically bred. This may be due to the fact that the state veterinarians provide the service for little or no cost. While genetics are important, Foster feels that improved management practices probably would have a greater economic impact.

"When I visited what would be equivalent to one of our Cooperative Research Centers, I was told that I was crazy if I thought that first calving at 24 months and herd averages of 21,000 pounds were possible." says Foster. "When I started talking to them about our herd (Foster Brothers Farm milks 330 cows with a herd average over 21,000 pounds), I almost got the impression that they thought I was stretching the truth."

FACE PROBLEMS SIMILAR TO U.S. DAIRYMEN

Polish farmers are quick to point out that the price of milk has not increased as much as their expenses have risen, and were looking for Foster and Wiebe to help them find markets for their milk. As mentioned, Foster saw milk quality as a major marketing problem. He also had to repeatedly explain to the Polish farmers that he was there to provide technical assistance and guidance for them—not financial backing.

"One of the first questions they asked wherever I went was 'What kind of money do you have for us?' " says Foster. "I tried to impress upon them that if Americans were to provide them with money there would be strings attached. Therefore, I encouraged them to find ways of helping themselves, ways of identifying and solving marketing and other problems on their own."

Foster says that the dairy farmers, co-op managers, politicians and government officials did not understand financial balance sheets, niche marketing, or market demand. They also had no idea what a lease was as land, property, or machinery has never been leased in their country since everything was always provided by the state.

"I saw leasing as a good way for many of the farmers to get together and work on some of their problems," says Foster. "If they formed an American-style dairy cooperative they could lease trucks for picking up milk, dairy processing equipment, and

maybe some additional land for growing the crops needed for increased milk production. They had trouble understanding many marketing concepts and ideas we take for granted in the U.S."

INTERESTED IN COOPERATIVE STRUCTURE

Since many of Poland's recent problems have been caused by the switch from Communism to a market economy, the large majority of the farmers that Foster met had questions related to marketing.

Still, the farmers were very interested in what Foster had to say about the structure of American cooperatives and listened carefully when he discussed his experiences with Agri-Mark.

"They asked excellent questions," reports Foster. "I was very impressed with their desire to listen and learn. Much of what I had to say was new to them, but I think that it helped to open their eyes to a world beyond their own village or region."

During a talk before 70-90 farmers who belonged to a cooperative, Foster related that when the co-op manager spoke he was loudly booed by the audience. The farmers, it seem, felt that the manager was running an inefficient and ineffective cooperative. This manager then put Foster on the spot by asking him what he would do if he was plant manager.

Foster thought for a second, knowing that what he would say was going to have a great impression on his audience. Then he began to discuss ways in which these farmers could work to operate a better cooperative for both the Polish farmer and consumer.

He encouraged farmers to refrigerate their milk to help improve milk quality. Since their milk was refrigerated, the co-op would not have to pick it up everyday and could cut transportation costs significantly. It then followed, said Foster, that the co-op could produce more, better quality products for consumers while also saving money. The extra money could then be invested in the processing plant to further reduce processing costs and improve milk quality. Because of the cost savings and the better quality products that could be marketed effectively, the ultimate result would be more money returned to the farmer.

"Most agreed that everyone had a part to play in making for a better tomorrow," he says.

The largest single idea which this Agri-Mark member tried to instill in the Polish farmers was that American cooperatives work from the bottom up rather than from the top down. The co-op exists to service its member-owners. Using Agri-Mark as an example of a regional cooperative (many Polish cooperatives are also regional), Foster explained how cooperative officials are elected and how policy is formed. He stressed to them the importance of electing a Board of Directors who would then hire a professional general manager to run the business of the co-op.

The topic of hiring of a general manager provoked a lot of questions from the audience. Since many of the Polish/Soviet co-ops had a director/general manager who was also a farmer, these dairymen were unsure of what to look for. "What characteristics should we look for in a general manager?", they asked. "What type of personality should he possess?"

Look for a person who is honest, sincere, and understands financial records and how they should be used to manage the co-op, they were told. Look for someone who understands the market and the potential for new products.

Polish farmers hope that an American-style cooperative system will provide them with a steady market and a higher price for their milk—much like their U.S. counterparts.

Many of the old centrally operated cooperative structures are being changed and downsized, though in Poland's horticultural industry member-owned cooperatives thrived. Somehow they missed the centralized planning which dominated many of the other agricultural sections.

"The apple orchards that I and other members of the volunteer team visited were on par with anything here in the U.S.," reports Foster, "Most of the orchards had dwarf and semi-dwarf trees. Many used U.S. varieties. It was interesting to discover that there was an active on-the-job training program in the U.S. for Polish orchardists."

"When I asked how they harvested their typical two or three acre plots of grain, I was told that all they had to use to do the job were huge Russian combines of which I saw five or six," says Foster. Since most of the resources went to large collective farms in the past, small scale agricultural machines were not developed and produced. Thus farmers either had to farm by use of horse and plow or join a collective farm if they wanted to utilize the machinery. Now, with the movement towards a free-market system, the pressure to join collective farms has lessened. There is still a need for small-scale farm machinery and parts but the new market oriented economy should move to fill that demand.

"The bad news is that oftentimes the old cooperatives of the past 40 years have been poorly managed and top heavy," Foster notes. "But the good news is that they know they need to change their cooperative structure and are hoping that the American form of a cooperative will work better for them."

Polish farmers were eager to learn about U.S. cooperatives and management practices. They were also eager to learn all they could about the way U.S. farms operate. When Roy Wiebe told a group of Polish farmers that hired help on U.S. farms is often paid $5.00 to $7.00 per hour plus some sort of living arrangement, several people in the audience jumped out of their chairs, anxious for Roy to find work for them in the U.S. Though we smile at reports of this meeting, the economic situation in Poland is serious. Foster feels that U.S. dairy farms, facing a labor shortage, may be able to hire some of the Polish farmers to work in the U.S. for the benefit of both parties.

"American dairy farmers need labor, and the Poles need the training and work experience," says Foster, who is working to develop on-the-job training programs for Poles on U.S. farms.

The experience of travelling to Poland and working with Polish farmers was one which Robert Foster will never forget. Though it was a sacrifice of time spent away from his own farm, he feels fortunate that the other members of his family farm operation were able to shoulder the additional burden while he was away. And now, back in the U.S., Foster feels very lucky to be a citizen of the United States of America.

"So many things which we take for granted are not available to people in other countries," he says. "You hear about it but what it really means doesn't sink in until you see it for yourself."

Progress in Poland, says Foster, will take time. But he also notes that the country is running out of time as its economic situation worsens. He is hopeful that something can be done in the very short future to provide a better standard of living for the Polish people.

"Private farms will continue to exist and hopefully be structured and modernized. Ideally, cooperatives which are member owned and directed will replace the old structure and seize new marketing opportunities for the Polish farmers," says Foster.

All Agri-Mark members can be proud of the fact that one of their fellow cooperative members helped to revitalize the cooperative movement in Poland and worked to put control of cooperatives in the hands of the farmers rather than the government.

TALLADEGA NATIONAL FOREST

Mr. HEFLIN. Mr. President, in the early 1920's, a native of Massachusetts named Benton MacKaye developed the idea for the Appalachian Trail, a hiking trail running from Georgia to Maine. At the same time, Benton MacKaye proposed that a spur trail be built from north Georgia into the mountains of east Alabama.

The Appalachian Trail was built and is now one of the greatest recreational assets in the United States. However, the spur trail into Alabama was never built.

Sixty years later, in 1985, the Alabama Hiking Association began working on a plan to complete that long proposed spur trail by connecting the 100 mile-long Pinhoti Trail in the Talladega National Forest of east Alabama to the Appalachian Trail.

The efforts of the Alabama Hiking Association have led to a unique opportunity to expand the Talladega National Forest to the northeast, along the beautiful mountain ridges that lie along the proposed route for the trail.

To people in Alabama and the Southeast, this opportunity is as significant as the well publicized efforts to expand the White Mountain National Forest of New Hampshire and Maine. I fully support the effort to expand the Talladega National Forest. I support it because it is important to the plan to link Alabama to the Appalachian Trail. I also support it because the expansion will protect some of Alabama's most beautiful mountain ridges and because the expansion will provide a much needed addition to the public hunting lands in a State where so many people enjoy hunting.

Therefore, I have included in the farm bill, language to expand the purchase boundary of the Talladega National Forest. This language is necessary to make it absolutely clear that Congress intends for the U.S. Forest Service to utilize the $3 million that have been previously appropriated to expand the Talladega National Forest by purchasing land along the ridges where the proposed trail will run.

I want it to be clear that Congress intends that the purchase boundary of the Talladega National Forest should be expanded up to U.S. Highway 278 in southern Cherokee County and that the expansion boundaries should in-

clude Oakey Mountain, the Terrapin Creek Valley north of Oakey Mountain, Big and Little Tank Ridge, Wilson Ridge, Maxwell Gap, Augusta Mine Ridge, Lanie Gap, Lanie Hollow, Wolf Ridge, Rock Quarry Mountain, High Point, and the part of Davis Mountain that lies south of U.S. Highway 278. By further explanation, it is our intent that the expansion include the physical features set out above plus the following: the north half of section 34, Township 12 south Range 11 east—between the north end of Beecham Lake and the Cherokee County line—all of section 27, section 30, section 31 and section 33 in Township 12 south, Range 11 east, and all of section 4, Township 13 south, Range 11 east.

This is an important project for Alabama. I would like to thank my colleagues for supporting this most worthwhile project and for helping us expand the Talladega National Forest.

HEFLIN-MC CONNELL RURAL DEVELOPMENT AMENDMENT

Mr. CONRAD. Mr. President, I am pleased to rise today to join Senators HEFLIN and MCCONNELL in introducing a rural economic development amendment to the farm bill.

Last year I proposed the idea of a Rural Development Task Force to Senator MITCHELL. The Senate leadership welcomed that suggestion, and 33 Senators joined together in a broad bipartisan show of support for rural America.

This show of support could not come at a better time. The needs of rural America have been neglected for far too long. Rural America is facing severe economic decline. Unemployment, underemployment, poverty, and outmigration are increasingly serious problems in rural counties throughout the Nation.

Simultaneously, rural areas have faced declining support from the Federal Government. Rural development programs were cut 70 percent during the decade of the 1980's. We can no longer afford to lose the people who are leaving our rural areas because they fear those areas have few opportunities to offer them.

The mandate for action is clear. The Federal Government can help. It is time to look to the future and begin investing in rebuilding rural America. This legislation is a start. Authorizing $300 million of assistance cannot address every rural development need, but the provisions of this amendment will help promote rural recovery.

Most rural areas lack access to resources that would enable them to diversify their economic base. From discussions I have had with North Dakotans, I have learned the problem is not only the cost of capital, but its availability.

I believe it is time Congress acts to address the problem of inadequate capital for rural small business. To meet this objective, last May I introduced the "Rural Investment Fund Act of 1989," which is incorporated in this amendment.

This legislation creates a Rural Business Investment Fund to provide lines of credit to local, regional, and State entities for the capitalization of revolving loan funds that are matched by other sectors. These revolving loan funds will help compensate for the lack of private investment in rural communities and help create job opportunities.

In addition to investing in job creation, this amendment calls for the advancement of telecommunications for our communities, and the rebuilding of our rural water and sewer systems. It sets the stage for greater coordination of development efforts conducted at the local, State, and Federal level. It also encourages partnerships between the public and private sectors.

Through these partnerships we can start successfully addressing the challenges facing rural America. We can stop the brain drain of our young people from rural towns. We can transform ghost towns into robust communities.

I urge my colleagues to support this amendment.

MORNING BUSINESS

Mr. LEAHY. Mr. President, I now ask unanimous consent there be a period of morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT OF THE LATVIAN PRIME MINISTER

Mr. BYRD. Mr. President, on May 4, 1990, the freely elected legislature of the Republic of Latvia reasserted that country's independence from the Soviet Union after 50 years of occupation. Today I want to pay tribute to two individuals who were instrumental in the Latvian drive for free elections and the subsequent declaration of independence. Mr. Ivars Godmanis was elected Prime Minister by the Latvian Parliament on May 7, and is making his first official visit to our country this week. Accompanying the Prime Minister is the Foreign Minister, Mr. Janis Jurkans.

Prime Minister Godmanis is an educator by trade. He holds degrees in both physics and mathematics and was a senior instructor at the University of Latvia. He has been a leader in the Popular Front of Latvia, the largest of the grass-roots independence movements. Mr. Godmanis coordinated nationwide election activities for last December's local elections. Those elections laid the groundwork for the free parliamentary elections in March of this year. After being elected to the Parliament as a Deputy, he was selected Chairman of the Popular Front faction, and then in May he was chosen Prime Minister. Before being selected as Foreign Minister, Mr. Jurkans held numerous administrative posts in the capital city of Riga and also taught at the University of Latvia. He has a degree in English language and literature and served as the cochairman and senior adviser of the Foreign Relations Committee of the Popular Front of Latvia.

I consider it to be a pleasure to welcome these two courageous individuals to the United States and to the Senate tomorrow.

We all know the history of how the three independent and democratic countries of Latvia, Lithuania, and Estonia were illegally annexed by the Soviet Union. This summer marks the 50th anniversary of that forced annexation. It was 50 years ago that Stalin implemented the secret Molotov-Ribbentrop Pact and stole the freedom of the Baltic people. The invasion, deportations, forced labor, and concentration camps claimed the lives of one-third of the population of the Baltic nations. Now the brave people of those nations have started down the road to independence and we must do what we can to help and encourage them.

During the five decades since the tragic events of 1940, the United States has steadfastly refused to recognize Soviet sovereignty over these three countries and we have loudly proclaimed our commitment to Baltic self-determination. Every U.S. President has reaffirmed this policy. In light of this continuing commitment, I think it is very unfortunate that President Bush has chosen—up to now, at least—not to meet with Prime Minister Godmanis. But now is the time to push the difficult question of Baltic independence forward. These freely elected governments are struggling against incredible odds to establish themselves as the rightful representatives of Latvian, Lithuanian, and Estonian sovereignty.

So, it is not the time to push the difficult question of Baltic independence on to the back burner. The United States should take whatever steps we can take to support them, and meeting with the elected head of the Latvian Government would be an appropriate show of that support. We have called for the return of freedom to Latvia for 50 years, and now it is time at least to shake hands with the leaders of that country, sit down with them and encourage them. It is time for us to acknowledge the efforts of these brave Latvians.

I am particularly dismayed with the President's decision after his meeting in May with the Lithuanian Prime Minister. I cannot imagine why Mr.

Godmanis should not be accorded similar treatment. The country is not large but so what? If anything, the Latvian situation calls for a stronger show of support. Unlike Lithuania, with a homogeneous population, ethnic Latvians make up only 53 percent of the population in their own country, so that is tough. They have succeeded in their drive for independence with the support of a sizable portion of the non-Latvian population, but they still face strong opposition from the large ethnic Russian work force and the substantial number of Russian military personnel in Latvia.

I do not pretend to know why the President has chosen not to meet with Prime Minister Godmanis. But, I do know that we have called for Latvian independence for 50 years and now, with victory possible, we seem unable to make even the slightest gesture of support for fear of upsetting Mr. Gorbachev.

We stuck to our guns when it came to a united Germany. We did exactly what we should do when it came to a united Germany remaining within NATO and we realized that goal. Why can we not stick to the policy, the right policy of the last 50 years, and demand the freedom of the Baltic nations?

Mr. President, I yield the floor.

TERRY ANDERSON AND HIS CAPTORS

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,957th day that Terry Anderson has been held in captivity in Beirut.

I would also like to bring to the attention of the Senate an incisive and revealing article from yesterday's Washington Post. The piece sheds light upon the motivations of those who are believed to be Terry Anderson's captors. In particular, it focuses on the efforts of one Imad Mugniyeh, a terrorist by trade who in the mid-1980's adopted the practice of hostage-taking as a means for gaining the release of his brother-in-law and 14 others from Kuwaiti prison. According to experts on Lebanon, little is known about Mr. Mugniyeh. This has been hugely frustrating, however, because what we do know is that he is a key figure in the hostage ordeal and will most likely play a critical role in the hostages' release.

I ask unanimous consent that the article regarding Mr. Mugniyeh be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 24, 1990]

BOMBS, HOSTAGES: A FAMILY LINK

(By Caryle Murphy)

KUWAIT.—Part of the puzzle behind the seizure of Western hostages in Lebanon has been the close relationship between Imad Mugniyeh, reputedly the mastermind of the kidnappings, and a man under sentence of death in this Persian Gulf emirate.

The condemned prisoner, Mustafa Youssef Badreddin, is related to Mugniyeh by marriage—his sister is Mugniyeh's wife. But the deepest tie binding the two Lebanese-born Shiite Moslems is thought to be a comradeship forged in their secret, deadly missions of terrorism.

The Mugniyeh connection is important in the larger hostage puzzle, analysts say, partly because he may not be entirely under the control of Iran, which is believed to have great influence with Lebanese Shiite extremist groups. Even if the Iranians pressured him to release the remaining six American hostages—at least two of whom are thought to be under Mugniyeh's direct control—he might resist without some guarantee on the release of Badreddin.

Mugniyeh and Badreddin were part of the Iranian-backed terrorism network in Lebanon, according to U.S., Israeli and Lebanese sources, but analysts are not sure whether they were directly involved in the 1983 bombings of the U.S. and French marine barracks and U.S. Embassy that left more than 350 dead.

Analysts say, however, that there is little doubt Mugniyeh and Badreddin helped plan December 1983 bombings in Kuwait against the U.S. and French embassies there that killed five people and injured more than 80.

"Badreddin was the bombmaster, and Mugniyeh, apparently, the organizer," according to Martin Kramer, a Tel Aviv University specialist on Lebanon. He suspects this partnership may have begun with the 1983 bombings against U.S. and French facilities in Lebanon, but he said he has not seen hard evidence to confirm this role.

This partnership ended abruptly, however, when Badredin was arrested here after the Kuwait bombings. Mugniyeh has been trying ever since to get his friend and brother-in-law out of prison, using the tactic of hostage-taking, analysts said.

Mugniyeh orchestrated a wave of kidnappings of Americans in Lebanon—including CIA station chief William Buckley, Associated Press journalist Terry Anderson and others—that started in early 1984, not long after the Kuwait bombers were arrested, Kramer said. U.S. officials also hold Mugniyeh partly responsible for the 1985 hijacking of TWA Flight 847, in which a U.S. seaman was slain. He operated under the cover of a shadowy organization known as Islamic Jihad, which most analysts say is little more than an alias for the Mugniyeh clan and its allies.

Through it all, Mugniyeh has tenaciously held to one basic demand—freedom for Badreddin and 14 others convicted of the bombings in exchange for release of the Western hostages.

At first, Mugniyeh did not publicize his demand that the 15 be released in exchange for the hostages. "He wanted to do a secret deal," Kramer said. The link was first made in May 1985, in a statement by Islamic Jihad to a Beirut newspaper. Ten days later, an Iraqi Shiite attempted to assassinate Kuwait's emir.

Kuwait, despite subtle pressure from the U.S., French and West Germany governments, reportedly has refused even to discuss swapping the 15 for hostages. Kuwaiti officials have argued that convicted saboteurs should not be equated with innocent hostages. They also want to show a hard line against terrorism since Kuwait was the target of numerous Iranian-supported terrorist actions during the Iran-Iraq war.

But the Mideast's shifting alliances often open doors that once seemed permanently closed. Kuwait's recent warming of relations with Iran has prompted speculation here that it might now be willing to consider a compromise on the fate of Badreddin and the other prisoners.

According to unconfirmed reports here, Iranian Foreign Minister Ali Akbar Velayati, whose country has funded Mugniyeh's and Badreddin's past activities, raised the issue of the 15 prisoners with Kuwaiti officials during a recent visit here, reportedly to see if Kuwait would show flexibility.

Such flexibility might be possible now, some observers argue, since Kuwait's new detente with Iran holds the promise of greater domestic security. The wartime Iranian subversion, according to a Kuwaiti official who asked not to be named, now seems over.

"I think the main purpose of [Velayati's] visit was to assure us that the past has gone. It shows they have goodwill and want mutual cooperation," he said.

The Kuwaiti official denied, however, that Velayati raised the matter of the 15 prisoners and insisted that his government's position on them had not changed.

Kuwait's ruler, Sheik Jabir Ahmed Sabah, has declined to carry out the death sentences imposed on Badreddin and two others, apparently in the belief the executions could set off a new wave of terrorism against Kuwait, according to a Kuwaiti familiar with his views.

He also has permitted the prisoners' families to come from Lebanon to visit them in prison. Twelve of the 15 are Iraqis and are believed to be members of the fundamentalist Shiite Dawa Islamiya movement. The other three, including Badreddin, are Lebanese. Two others in the original group were released after completing five-year sentences for their roles in the 1983 bombings.

Kramer said that short of releasing the prisoners, there are steps Kuwait could take "such as commuting the death sentences and cutting into" some of the longer sentences, which range from 10 years to life.

A mysterious figure, Mugniyeh is believed to be in his 30s and is thought to come from the southern Lebanese village of Tir Dibba. By the early 1980s, while in Beirut, he reportedly had been recurited by Force 17, the special security apparatus of the mainstream Fatah faction of the Palestine Liberation Organization.

Mugniyeh was trained in a Fatah camp near Beirut airport, according to a Lebanese source who visited it in 1981. This source speculated that Mugniyeh—and perhaps Badreddin—learned from Fatah bomb makers the techniques of encasing explosives in household cooking-gas canisters, thereby enhancing the destructiveness of the blast. This technique was later used to deadly effect in the 1983 bombings of the U.S. Embassy and marine barracks in Lebanon.

"He had a lot of ability and rose quickly," Kramer said of Mugniyeh. But when the PLO was forced out of Lebanon after the 1982 Israeli invasion, Mugniyeh was out of a job. He linked up with Iranian Revolutionary Guards in Lebanon and became part of the loose, Iranian-supported Shiite organization Hezbollah.

"After the PLO left, he was for hire," said one Lebanese source who knew Mugniyeh during the early 1980s. "That was how the Iranians used him."

HUMAN RIGHTS ABUSES IN PERU

Mr. CRANSTON. Mr. President, I rise today to speak briefly about the alarming escalation of human rights abuses in Peru. In recent weeks, we have received numerous reports of kidnapings and disappearances carried out by the Peruvian Security Forces.

Amnesty International has documented over 6,000 cases of disappearances and extrajudicial kilings by the Peruvian Security Forces since they effectively declared war on terrorist and other groups in 1983. An inordinate amount of these incidences have occurred over the past year. Rape and torture by Government forces in their intimidation campaign against anti-Government proponents are among the widely reported abuses.

Despite evidence of culpability, the security forces are rarely prosecuted or convicted of these heinous abuses. And unless Government officials decide to hold the military responsible for these actions, it is likely that the military will continue to operate without impunity. This is no way for democracy to flourish.

While the country has a well-known problem with the "Sendero Luminoso" terrorist organization, the incidences of human rights abuses I will speak about today are the work of the Peruvian Security Forces.

On June 10, 1990, human rights worker Guadalupe Ccallocunto Olano was abducted and dragged barefoot from her home in the city of Ayacucho, Peru. Her four children stood by crying as armed men put a pistol to their mother's head and ordered her into the street.

Sra. Ccallocunto Olano has a long history of opposing the abuses by the military, and is a champion of the rights of the many victims of the security forces who have disappeared. She has not been seen since the night of June 10. Repeated appeals to Peruvian Government officials have proved fruitless. There is clear evidence that the security forces are responsible for her forced disappearance. The streets of Ayacucho are heavily patrolled by the Peruvian Security Forces, and it is unthinkable that a large contingent of armed men could have carried out such an act undetected by them. Also, in the days previous to her kidnaping, a coworker of Sra. Ccallocunto Olano was also abducted by the security forces and interrogated by them about her activities.

Nonetheless, the army and military police continue to deny knowledge of her whereabouts. There is increasing fear that Guadalupe will never surface.

More recently, on July 20, human rights lawyer Carlos Fernando Colonias Arteaga was shot and killed in Ayacucho. He was a lawyer at the University San Cristobal. The cases of Sra. Ccallocunto Olano and Carlos Arteaga are but two of a terribly long list of victims—many of them human rights activists—of the Peruvian Security Forces.

Mr. President, we cannot ignore these events, sanctioning their occurrence through inaction. Nor can we allow the Peruvian Government to stand idly by while the security forces run roughshod over the human rights of the Peruvian people, all in the name of democracy. We must urge the Peruvian Government to investigate each and every case of human rights abuse, and prosecute to the fullest extent of the law those responsible for these terrible crimes.

Newly inaugurated President Fujimori has a challenge ahead in dealing with the enormous debt and poverty of his country; in combating corruption of public officials, and in eliminating the scourge of illegal drugs. But he must be urged to make human rights a top priority in his new government, establishing a clear commitment to internationally recognized standards of human rights. The security forces must be held accountable for their actions. The terrorism of groups and individuals cannot be used as a pretext for the use of terrorist methods by the state.

Mr. President, recently, Mr. Aryeh Neier, executive of the highly respected Human Rights Watch, testified at a hearing on proposed United States military training for Peru held by two subcommittees of the Senate Committee on Foreign Relations. What he said made a lot of sense. Let me just quote a few extracts from his statement.

At the very least, Neier said:

If there is going to be any assistance to the Peruvian Armed Forces or to the Peruvian police, we feel that it should be prohibited until first the Government has provided an accounting of those persons who were detained by the police and the armed forces during 1989 and 1990, and disappeared. We are not talking here about past abuses. We are talking about the immediate abuses, the current abuses. Let them account for those detentions and disappearances.

Second, we have been calling on the Peruvian military and police for a long time, and we think it ought to be embodied in legislation that deals with any assistance, that the Government should establish a central registry of all detentions so that family members can be notified immediately in the case of arrest of a relative. That would be a very important measure to prevent detentions from eventuating in disappearances.

Third, that the International Committee of the Red Cross should be granted access to all places of detention, including police stations and army barracks. The ICRC does have a presence in Peru and does have access to the prisons. But it does not have access to police stations and to army barracks, and those are the places where persons accused of security violations are tortured and where the detentions result in disappearnces. And access by the International Committee of the Red Cross to those places, which is something the United States pushed for, let us say, in the case of Nicaragua, and constantly criticized the Sandinistas for not allowing the International Committee of the Red Cross access to pre-trial detention places. It ought to insist on the same in the case of a government that is going to be going to be receiving $36 million in military aid, and has received $19 million in police aid. It ought to insist on that kind of access as a means of preventing torture and disappearances.

And then we think that the United States ought to call on the Government of Peru as one of the conditions (for aid) to take steps to bring to justice military officers who have been responsible for gross abuses of human rights, such as the massacre in Cayara. Cayara was a massacre in which the Peruvian military not only killed some 28 to 30 persons and then a large number of additional persons were not acounted for, but subsequently some nine different witnesses to the Cayara massacre were killed during the course of the investigation of what took place. And the prosecutor who was in charge, a man named Carlos Escobar, who was doing a very good job, a meticulous job and a job that any prosecutor any place would be proud to undertake, was hounded out of the country to the point that he had to obtain political asylum in the United States, or had to come to the United States for political asylum last year.

The Peruvian Government, we think, as a condition for military aid, must undertake the kind of investigation into that massacre and other episodes of the sort that Carlos Escobar was undertaking, and this time make sure that those military officers who were responsible face prosecution and punishment. And the Government should be required to purge from the ranks those military officers who have been directly responsible for the abuses of the past.

Mr. President, Guadalupe Ccallocunto Olano and Carlos Arteaga may be gone—but they must not be allowed to be forgotten. The United States can provide much-needed assistance to the new Fujimori government. But I believe that until action is taken to eliminate these documented human rights abuses by the military, our aid to them should be administered with an eye-dropper. As with other countries around the world, the United States must stand on the side of democracy and justice—not of oppression—and provide assistance only when demonstrated change has occurred. The thousands who have suffered and died for their rights in Peru deserve nothing less.

STRATEGIC ARMS REDUCTION TREATY

Mr. CRANSTON. Mr. President, I rise today to offer my support for the Strategic Arms Reduction Treaty [START] which is undergoing final negotiation and which has been the target of criticism—much of it specious—from the Republican right.

I regret that the negotiations were not able to reach accord on all the treaty provisions before the June summit in Washington. Unfortunately, this has meant that the remaining

provisions have been targeted by the political right as purported evidence of a U.S. inclination to "giveaways" in dealing with the Soviet Union. This thinking needlessly complicates the process. It inhibits U.S. negotiators from acting freely in completing the treaty, as they become increasingly sensitive to unwarranted attacks about excessive concessions on the unresolved provisions.

It is troubling that so many of arms control's shopworn opponents have raised their voices in criticism of this treaty before the final product is before us. Even more disturbing, however, is the fact that the provisions which are being assailed so roundly do not threaten the security or strategic position of the United States.

Consider the issue of Soviet SS-18 heavy missiles. While the United States has secured an agreement to reduce these heavy ICBM's by 50 percent, the United States and the Soviet Union need still to agree on measures to restrict modernization of the fleet beyond its present capability.

Opponents of the treaty allege that permitting continued modernization of the Soviet SS-18 fleet will lead to a severe disadvantage for the United States in heavy ICBM capability allowing the Soviet Union to maintain an impressive first strike capability. They further claim that the expected reduction in SS-18's will be rendered meaningless by the increased accuracy of the force over the past 8 years.

The START Treaty provisions do allow for continued modernization of strategic forces—both for the United States and the Soviet Union. The treaty prohibits production of new weapons and also bans the increase in numbers of any existing weapons systems. Modernization of the suspect Soviet SS-18's will most likely be allowed—the Soviets are naturally reluctant to limit this system while no parallel restriction for an equivalent United States system has been offered. However, modernization of SS-18's will be limited to testing and production on a level which, as Secretary of State Baker has stated, is designed to prevent the Soviets from "ever seriously upgrading the missile from its present capabilities."

In considering the allegations surrounding the increased accuracy of the SS-18, I do not dispute the fact that the SS-18 has been made more accurate. However, I question the persistent focus by critics of this treaty on the disputable capability of this weapon rather than on the historic 50 percent reduction of SS-18's achieved by U.S. negotiators. Whether the missile is more accurate or not, it is clearly better to worry about monitoring and verifying 154 SS-18's than 308.

More importantly, claims that this reduction has been rendered meaningless because the SS-18 force has been made more accurate and lethal do not take into consideration the additional provision which will reduce the aggregate throw-weight of heavy ICBM's by 50 percent of the current Soviet level. This massive, overall reduction in throw-weight—that is, the yield of the missile—significantly reduces the general destruction the Soviets could inflict on United States populations, cities, and military targets. Further, this provision will prevent the Soviets from building large, single-warhead missiles in order to satisfy the 4,900 limit on numbers of heavy ICBM's allowed under START.

On the issue of cruise missiles, there is an equally vociferous antiarms-control contingent claiming that the United States agreed unnecessarily to limit air and sea-launched cruise missile range and numbers to the Soviet advantage.

Mr. President, the United States currently holds an overwhelming advantage in cruse missiles, particularly the sea-launched variety. The United States did agree to limit all air-launched cruise missiles with a range of 375 miles or more under START as requested by the Soviets, rather than including only those missiles with a range greater than 500 miles. No upper limit for range was set, however, contrary to the reports being made by conservative arms control critics.

This provision was necessary for clarifying the kinds of ALCM's which would be accountable under the bomber counting rules whereby a bomber carrying long range ALCM's either counts as carrying 10 cruise missiles, or only 1. There is no U.S. giveaway here. On the contrary, as a result of its tough negotiating on this provision, the United States gained concessions which have eased the way for the deployment by our country of new, conventionally armed cruise missiles such as the highly accurate Tacit Rainbow.

On the issue of sea-launched cruise missiles [SLCM's] treaty opponent argue that Secretary Baker "played a strong U.S. hand weakly" by agreeing to limits on SLCM's. Having read a profusion of articles and reports on START, I find this continuous treaty-bashing tiresome. Conservatives repeatedly claim that the Administration made a bad deal on cruise missiles—this is just not so. Current Pentagon plans are for construction of 758 tomahawk missiles—well below the 880 limit imposed by START. The United States currently has 358 of these missiles, and the Soviet Union has none. In this era of mutual fiscal constraints, the likelihood that either side will build the full fleet of 880 is slim. In addition, the agreement stands outside the treaty as politically binding only and is not verifiable—at the request of the U.S. Navy.

I do not see anything weak about the U.S. position here. Anyone familiar with the START Treaty proceedings knows that the sea-launched cruise missile issue had hindered successful completion of the treaty over the past 8 years. I believe Secretary Baker made a wise decision in negotiating this issue as part of the treaty. He effectively eased Soviet concerns that the United States would try and exploit its SLCM advantage, without giving away anything that jeopardizes our security.

A third hotly contested issue is the alleged U.S. failure to resolve the Backfire bomber question. Arms control opponents will tell you that in failing to limit further modernization and production of the Soviet Backfire fleet, we have left open a loophole the Soviets will surely exploit. This is especially so, the argument runs, as a significant number of Backfire bombers remain targeted on U.S. naval vessels.

Mr. President, the Backfire bomber debate is an old one. It goes back to the 1970's. The Soviets have consistently maintained that the Backfire is not a strategic bomber because of its nonintercontinental range. The United States has stated that as it can be refueled in flight—allowing it to reach the United States—the Backfire is an intercontinental bomber and should be subject to the same restrictions as other strategic bombers.

During the SALT II process, the United States negotiating team obtained a statement from then-Soviet Premier Brezhnev that the Backfire's refueling capabilities would not be upgraded to allow them to function as intercontinental strategic bombers, and that the Soviets would only build 30 of these bombers per year. Obviously, this was never tested as SALT II was not ratified.

Under START, the Soviets appear ready to make a similar statement with regard to the Backfire's refueling capability. The two sides have yet to agree on a ceiling for production of these bombers. What has been decided is that the Backfire will be limited either under START or the conventional armed force reduction agreement [CFE]. There is no question about that. Should the Soviets maintain the nonstrategic role of the Backfire, thereby categorizing it as a conventional bomber, its numbers will still be limited—and to a more severe degree—in the CFE agreement. Again, there is no U.S. giveaway.

Some critics have suggested that achieving effective verification of and compliance with the provisions in START is impossible. I maintain that while verification of this treaty poses a challenge, it is not an insurmountable one. There is no verification regime which will be 100 percent effec-

tive in preventing cheating. However, START will most definitely make it much more costly, which in itself makes it unlikely that cheating will occur.

Moreover, the extensive system of inspections and monitoring outlined for START should go a long way toward limiting the degree of treaty violations reported under other agreements in the past. The advances in national technical means and the growing atmosphere of cooperation and coordination of data between the United States and the Soviet Union should lend itself to a verification process exempt from many of the problems envisaged by the conservatives.

For example, there has been speculation that as numbers of weapons are reduced, stockpiling will occur. All sides of the political spectrum agree that it is very difficult to monitor covert production and storage. However, such covert activity would be costly. In addition, if missiles are simply stored or stockpiled, one cannot train with them or test them for reliability, thus making their military utility questionable.

Although the final verification regime is incomplete, it contains an array of measures to prevent cheating. These include: 12 kinds of onsite inspections; continuous monitoring of mobile ICBM production facilities; short-notice inspections at facilities related to strategic offensive arms; verification of the numbers of warheads deployed on ballistic missiles; the ban of encryption, encapsulation, or jamming of transmissions of telemetric data related to tests or launches of ICBM's and SLBM's; electronic "tagging" of nondeployed ICBM's for mobile launchers and on-board technical measurements of ICBM's and SLBM's. In order to monitor compliance with the treaty, both sides have agreed to establish a joint compliance and inspection committee.

The START Treaty represents the first real chance to actually reduce strategic nuclear weapons. United States negotiators made history in obtaining Soviet compliance with the proposed 50 percent reduction in heavy ICBM's—arguably the most lethal and dangerous weapons in the collective nuclear arsenal—and in the 30 percent reductions in other warheads. In addition, the bomber counting rules included in START will clearly favor the larger bomber force of the United States. It will also unquestionably contribute to increased stability for both sides.

And yet as the old saying goes, "there's no one more blind than he who wishes not to see." The anti-arms-control contingent continues to throw up stumbling blocks to successful completion of the treaty process. One argument suggests that current unrest in the Soviet Union has created an unstable, unpredictable command and control system for the Soviet Armed Forces.

Reports from the intelligence community effectively counter this. The possibility of ethnic takeovers of Soviet missile sites or a rogue Soviet special rocket force is remote at best. Whatever the outcome of political and ethnic unrest in the Soviet Union, we can remain confident that the Soviet Union's nuclear arsenal will remain under the strict control of that country's senior political leadership. Each weapon in the Soviet Union's nuclear arsenal is under the strong, and redundant, command-and-control system of their general staff. This includes sophisticated permissive action links to prevent the unauthorized launch of a nuclear weapon. The nuclear arsenal is controlled in the field by elite troops dominated by ethnic Russians, who report directly through the general staff to the Soviet political leadership.

It is clear that concerns about the START Treaty expressed by the conservatives are misplaced. We have before us an environment of increasing cooperation and trust in the arms control arena. We cannot let ourselves be drawn into ruminations about old threats and adversaries. The alternative to START is the loss of the opportunity to achieve what will be the first successfully ratified strategic arms agreement with the Soviets in 18 years. The START Treaty allows us to "trust, but verify."

The threat of a nuclear Armageddon has diminished considerably, yet the increasingly improbable Soviet military threat should not make us complacent about our quest to reduce nuclear weapons. New international security concerns are emerging, and as long as the threat from nuclear weapons exist, I am committed to do what I can to rid the world of their destructive potential. I believe the START Treaty is just that—a start; a chance to reduce the threat of nuclear war. It is not a perfect treaty—but it is a much needed step forward. And while I would have liked to have seen even deeper cuts in weapons numbers, I know that follow-on negotiations already in the preliminary stages of discussion promise to pick up where START leaves off.

Mr. President, continued nitpicking on this treaty is counterproductive. It inhibits the opportunity to enhance our national security through further reducing the Soviet military threat. I believe the administration should move swiftly to conclude negotiation of the remaining provisions, and to present the treaty for Senate ratification.

I intend to give my full support to this treaty. I urge my colleagues on both sides of the aisle to examine its provisions closely, certain that as they do so they will conclude—as I have—that the START Treaty provides an incomparable opportunity to reduce the bloated United States and Soviet nuclear arsenals, thus contributing to the stability and security of the United States and the world.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:13 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1677. An act to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes;

H.R. 1699. An act to award congressional gold medals to Frank Capra, James Stewart, and Fred Zinnemann;

H.R. 3719. An act to establish the Florida Keys National Marine Sanctuary, and for other purposes;

H.R. 4238. An act to amend the Public Health Service Act to extend various programs with respect to vaccine-preventable diseases;

H.R. 4982. An act to promote the study of mathematics and science in elementary and secondary schools, to provide training for mathematics and science teachers, and for other purposes;

H.R. 5040. An act to extend the authorizations of appropriations for the Tribally Controlled Community College Assistance Act of 1978 and the Navajo Community College Act;

H.R. 5112. An act to amend the Public Health Service Act to extend certain programs for health care services in the home;

H.R. 5113. An act to amend the Public Health Service Act to revise and extend the program for the prevention and control of injuries;

H.E. 5146. An act to amend the Public Health Service Act to revise and extend the program regarding organ transplantation; and

H.R. 5275. An act to amend the Congressional Award Act to temporarily extend the Congressional Award Board, and to otherwise revise such act.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 69. A concurrent resolution to urge the development and implementation of a comprehensive United States oceans and Great Lakes policy; and

H. Con. Res. 227. A concurrent resolution concerning the establishment of national initiatives to promote confidence among the people of Hong Kong.

ENROLLED BILL SIGNED

At 2:23 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2843. An act to establish the Tumacacori National Historical Park in the State of Arizona.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

At 3:06 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House having proceeded to reconsider the bill (H.R. 770) to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave, returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was; Resolved, That the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the bill.

The message also announced that the House had passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4039. An act to amend the Public Health Service Act to establish a program for the prevention of disabilities, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1699. An act to award congressional gold medals to Frank Capra, James Stewart, and Fred Zinnemann; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3719. An act to establish the Florida Keys National Marine Sanctuary, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 5275. An act to amend the Congressional Award Act to temporarily extend the Congressional Award Board, and to otherwise revise such act; to the Committee on Governmental Affairs.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 69. A concurrent resolution to urge the development and implementation of a comprehensive United States oceans and Great Lakes policy; to the Committee on Commerce, Science, and Transportation.

H. Con. Res. 227. A concurrent resolution concerning the establishment of national initiatives to promote confidence among the people of Hong Kong; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1677. An act to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes.

H.R. 5040. An act to extend the authorizations of appropriations for the Tribally Controlled Community College Assistance Act of 1978 and the Navajo Community College Act.

H.R. 5113. An act to amend the Public Health Service Act to revise and extend the program for the prevention and control of injuries.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3333. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the deferrals of budget authority in military construction programs that should have been, but were not, reported to the Congress by the President for 1990; pursuant to the order of January 30, 1975, as modified on April 11, 1986, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC-3334. A communication from the Secretary of Defense, transmitting, pursuant to law, certification that the Johnston Atoll Chemical Agent Disposal System has adequate storage capacity for chemical munitions; to the Committee on Armed Services.

EC-3335. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the financial statements of the Export-Import Bank of the United States for the years ended September 30, 1989 and 1988, and reports on the bank's internal control structure and on its compliance with applicable laws and regulations; to the Committee on Banking, Housing, and Urban Affairs.

EC-3336. A communication from the Chairman of the Prospective Payment Assessment Commission, transmitting, pursuant to law, the report, Hospital Outpatient Services: Background Report; to the Committee on Finance.

EC-3337. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report to Congress on the Clean Coal Technology (CCT) Demonstration Program for 1989; to the Committee on Energy and Natural Resources.

EC-3338. A communication from the Assistant Secretary of the United States Department of Interior, transmitting, pursuant to law, a notice on leasing systems for the Western Gulf of Mexico, sale 125, scheduled to be held in August 1990; to the Committee on Energy and Natural Resources.

EC-3339. A communication from the Secretary of the Interior, transmitting, pursuant to law, the study report on the Desoto Trail; to the Committee on Energy and Natural Resources.

EC-3340. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain off-shore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-3341. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain off-shore lease revenues; to the Committee on Energy and Natural Resources.

EC-3342. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Governmental Affairs.

EC-3343. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3344. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a revision to the second report on projects of elements of projects which have been authorized but for which no funds have been obligated for construction during the preceding ten full fiscal years; to the Committee on Environment and Public Works.

EC-3345. A communication from the Chairman of the National Research Council, transmitting, pursuant to law, a report entitled "Truck Weight Limits: Issues and Options"; to the Committee on Environment and Public Works.

EC-3346. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to increase the annual limit on the temporary assistance that may be provided to citizens of the United States returned from foreign countries; to the Committee on Finance.

EC-3347. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period to July 19, 1990; to the Committee on Foreign Relations.

EC-3348. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-245 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3349. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law,

copies of D.C. Act 8-244 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3350. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-243 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3351. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-242 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3352. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-241 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3353. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-240 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3354. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-239 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3355. A communication from the Vice President of Farm Credit Bank of Springfield, transmitting, pursuant to law, the annual report for the Farm Credit Banks of Springfield Retirement Plan for January 1, 1989, through December 31, 1989; to the Committee on Governmental Affairs.

EC-3356. A communication from the Manager of Employee Benefits of the Ninth Farm Credit District, transmitting, pursuant to law, the annual report of the retirement plan and trust agreement for employees of the associations and banks of the Ninth Farm Credit District for the year ended December 31, 1989; to the Committee on Governmental Affairs.

EC-3357. A communication from the Acting Director of Administration, National Labor Relations Board, transmitting, pursuant to law, notice of a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3358. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office during the month of June 1990; to the Committee on Governmental Affairs.

EC-3359. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-249 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3360. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-248 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3361. A communication from the Chairman of the Council on the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-247 adopted by the Council on July 10, 1990; to the Committee on Governmental Affairs.

EC-3362. A communication from the Attorney General of the United States, transmitting, pursuant to law, the annual report of the Attorney General of the United States for fiscal year 1988; to the Committee on the Judiciary.

EC-3363. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 35, United States Code, to strengthen the legitimate rights of patent owners vis-a-vis infringers and licensees; to the Committee on the Judiciary.

EC-3364. A communication from the President and Executive Director of the National Mining Hall of Fame and Museum, transmitting, pursuant to law, the 1989 audited financial statement of the National Mining Hall of Fame and Museum; to the Committee on the Judiciary.

EC-3365. A communication from the Assistant Comptroller General of the United States (Human Resources Division), transmitting, pursuant to law, a report entitled "Rural Hospitals: Factors That Affect Risk of Closure"; to the Committee on Labor and Human Resources.

EC-3366. A communication from the Secretary to the Railroad Retirement Board, transmitting, pursuant to law, notice of the determination that it is in the public interest to award contracts to the two low responsive and responsible bids for data entry services to convert source documents to magnetic tape used to generate payments to annuitants and claimants; to the Committee on Labor and Human Resources.

EC-3367. A communication from the Chairman and Members of the Railroad Retirement Board, transmitting, pursuant to law, the annual report on the actuarial status of the railroad retirement system for the period 1990 to 2014; to the Committee on Labor and Human Resources.

EC-3368. A communication from the Chairman of the Advisory Committee on Student Financial Assistance, transmitting, pursuant to law, a report entitled "Ensuring Access: Challenges in Student Aid in the 1990's"; to the Committee on Labor and Human Resources.

EC-3369. A communication from the Secretary of Education, transmitting, pursuant to law, the report with respect to the recommendations contained in the report of the National Advisory Council on Educational Research and Improvement; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S.J. Res. 183. Joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget (Rept. No. 101-391).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments and an amendment to the title:

S. 2841. A bill to authorize the appropriation of $2.5 million to complete the renovation of the Guam Memorial Hospital (Rept. No. 101-392).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1974. A bill to require new televisions to have built in decoder circuitry (Rept. No. 101-393).

By Mr. NUNN, from the Committee on Armed Services, without amendment:

S. 2905. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes.

S. 2906. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes.

S. 2907. An original bill to provide for the utilization, force structure, and preservation of personnel of the Reserve components, for procurement for such components, and for other purposes.

S. 2908. An original bill to provide transition assistance for military personnel involuntarily discharged or released from active duty, and for other purposes.

S. 2909. An original bill expressing the sense of the Congress relating to the reduction of nuclear risk, requiring the Secretary of Defense to report on measures to reduce such risk, and for other purposes.

S. 2910. An original bill to authorize appropriations for fiscal year 1991 drug interdiction and counter-drug activities of the Department of Defense, to allow the Department of Defense to provide additional support to State and local agencies for such activities, and for other purposes.

S. 2911. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense related activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes.

S. 2912. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes.

S. 2913. An original bill to authorize certain construction at military installations for fiscal year 1991, and for other purposes.

S. 2914. An original bill to authorize funds for the Department of Energy national security programs, the Defense Nuclear Facilities Safety Board, civil defense; to authorize expenditures by the Panama Canal Commission, and for other purposes.

S. 2915. An original bill to amend title 10, United States Code, to require the Secretary of Defense to establish a strategic environmental research program.

S. 2916. An original bill to amend title 10, United States Code, to encourage the development and transfer of critical technologies and to improve acquisition activities of the Department of Defense, to authorize acquisitions and dispositions for the National Defense Stockpile for fiscal year 1991, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

Paul L. Ziemer, of Indiana, to be an Assistant Secretary of Energy (Environment, Safety, and Health);

Calvin A. Kent, of Texas, to be Administrator of the Energy Information Administration; and

David H. Leroy, of Idaho, to be Nuclear Waste Negotiator.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GLENN, from the Committee on Governmental Affairs:

Barbara Everitt Bryant, of Michigan, to be Director of the Census; and

Stephen Anthony Trodden, of Virginia, to be Inspector General, Department of Veterans Affairs.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HARKIN:

S. 2898. A bill to improve counseling services for elementary school children; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN (for himself, Mr. CHAFEE and Mr. RIEGLE):

S. 2899. A bill to amend title IV of the Social Security Act to make improvements in the foster care maintenance payments program, and for other purposes; to the Committee on Finance.

By Mr. McCAIN:

S. 2900. A bill to provide for the settlement of the water rights claims of the Fort McDowell Indian Community in Arizona and for other purposes; to the Select Committee on Indian Affairs.

By Mr. PRYOR (for himself, Mr. BENTSEN, Mr. BOREN, Mr. RIEGLE, Mr. DASCHLE, Mr. DURENBERGER, Mr. DANFORTH, Mr. BAUCUS, Mr. MOYNIHAN, Mr. ROCKEFELLER, Mr. BREAUX and Mr. JEFFORDS):

S. 2901. A bill to amend the Internal Revenue Code of 1986 to simplify the application of the tax laws with respect to employee benefit plans, and for other purposes; to the Committee on Finance.

By Mr. PRYOR:

S. 2902. A bill to amend the Internal Revenue Code of 1986 to clarify portions of the Code relating to church and welfare benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes; to the Committee on Finance.

By Mr. BOND (for himself, Mr. DODD, Mr. ROBB, Mr. BRYAN, Mr. EXON, Mr. LOTT, Mr. LIEBERMAN, Mrs. KASSEBAUM, Mr. DANFORTH, Mr. STEVENS, Mr. KOHL, Mr. McCONNELL, Mr. PRESSLER, Mr. RIEGLE, Mr. BIDEN, Mr. BURNS, Mr. McCAIN, Mr. SHELBY, Mr. BOSCHWITZ, Mr. SIMON, and Mr. D'AMATO):

S. 2903. A bill to establish a National Commission on Financial Institution Reform, Recover, and Enforcement; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. INOUYE:

S. 2904. A bill to require the Secretary of Commerce to make additional frequencies available for commercial assignment in order to promote the development and use of new telecommunications technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. NUNN: from the Committee on Armed Services:

S. 2905. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; placed on the calendar.

S. 2906. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; placed on the calendar,

S. 2907. An original bill to provide for the utilization, force structure, and preservation of personnel of the Reserve components, for procurement for such components, and for other purposes; placed on the calendar.

S. 2908. An original bill to provide transition assistance for military personnel involuntarily discharged or released from active duty, and for other purposes; placed on the calendar.

S. 2909. An original bill expressing the sense of the Congress relating to the reduction of nuclear risk, requiring the Secretary of Defense to report on measures to reduce such risk, and for other purposes; placed on the calendar.

S. 2910. An original bill to authorize appropriations for fiscal year 1991 drug interdiction and counter-drug activities of the Department of Defense, to allow the Department of Defense to provide additional support to State and local agencies for such activities, and for other purposes; placed on the calendar.

S. 2911. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense related activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; placed on the calendar.

S. 2912. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; placed on the calendar.

S. 2913. An original bill to authorize certain construction at military installations for fiscal year 1991, and for other purposes; placed on the calendar.

S. 2914. An original bill to authorize funds for the Department of Energy national security programs, the Defense Nuclear Facilities Safety Board, civil defense; to authorize expenditures by the Panama Canal Commission, and for other purposes; placed on the calendar.

S. 2915. An original bill to amend title 10, United States Code, to require the Secretary of Defense to establish a strategic environmental research program; placed on the calendar.

S. 2916. An original bill to amend title 10, United States Code, to encourage the development and transfer of critical technologies and to improve acquisition activities of the Department of Defense, to authorize acquisitions and dispositions for the National Defense Stockpile for fiscal year 1991, and for other purposes; placed on the calendar.

By Mr. MACK:

S. 2917. A bill to impose additional sanctions against countries that repeatedly provide support for international terrorism, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN:

S. 2898. A bill to improve counseling services for elementary school children; to the Committee on Labor and Human Resources.

ELEMENTARY SCHOOL COUNSELING DEMONSTRATION ACT

● Mr. HARKIN. Mr. President, I rise to introduce the Elementary School Counseling Demonstration Act which would establish professional counseling program where they are needed most—in our elementary schools. I want to commend Congressman PURSELL for introducing a companion measure in the House.

The Elementary School Counseling Demonstration Act would address this need by providing demonstration grants to local school authorities to establish counseling programs. Grants would be available for 3 years at a maximum $200,000 per school per year. The program would be authorized at $5 million annually for 5 years.

My bill calls upon local businesses, labor organizations, higher education representatives, and community groups to participate in a school's program. Parents are also expected to be a part of the counseling process, and would participate in the implementation and evaluation of their child's counseling.

Today, children represent the poorest population group in our society. They are more likely to be physically and sexually abused, live in dysfunctional families or violent homes, watch their parents and older brothers and sisters use and abuse drugs and alcohol, and be left alone while parents work or are otherwise outside their home.

Children who lack the skills to cope with these problems often suffer emotional and behavioral disorders as well as academic difficulties at school. Some become adults who turn to drugs to find solutions to their childhood crises.

We have to teach kids at a young age that drugs create problems, they don't solve them.

We need to provide our children with more constructive and healthier ways to deal with their problems—before they turn to alcohol and drugs.

The best way to prevent young people from resorting to drugs is to provide them the skills to deal with

their day-to-day problems. Through enhanced counseling programs, schools can offer our children these coping skills. These skills provide children with the tools needed to deal more effectively with problems and circumstances which they often live with and do not have the power to change.

However, counselor ratios of some 1 to 850, the national average for elementary guidance programs, limit counselors' abilities to provide comprehensive programs to deal adequately with the emotional needs of their students.

Experts in the field maintain that a ratio of 1 counselor to 250 students is optimal for providing counselors sufficient time to more effectively serve children. This ratio allows counselors to conduct small group sessions, classroom prevention programs, and consultation with teachers, administrators, and parents.

Theory has been put to practice in Iowa.

And it works.

In 1988, the Des Moines Public Schools established the "Smoother Sailing" pilot program which was designed to decrease the counselor to student ratio to 1 to 250. Smoother Sailing now operates in 10 Des Moines elementary schools. During the 1988–1989 school year, it was totally funded by donations from the Des Moines business community. This pilot project provides an enhanced elementary school counseling program for students in kindergarten through fifth grade.

Smoother Sailing reaches our young people in elementary schools, before they've been exposed to drugs in junior high or high school.

Its purpose is straightforward: provide young people with ready access to counselors, so they can get the help they need.

I've spent one of my workdays in two Smoother Sailing schools, working side-by-side with the school administrators, guidance counselors, teachers and students involved with this early intervention program. Most importantly, I observed the children learning life-coping skills to handle the violence, confusion, and trauma in their lives. They were learning how to communicate with adults and peers as well as learning how to resist and refuse drugs.

From my work with Smoother Sailing, I know now that the slogan "Just say No" is not enough. We must help our children make the right choice.

Early research confirms my findings. In 1989, the Iowa test of basic skills was applied to students in the 10 Smoother Sailing schools and compared with students in 18 Des Moines schools with regular guidance programs, where the typical counselor caseload ranged from 500 to 800 students.

The Smoother Sailing kids won hands down. Early research showed that the low counselor/student ratio of 1 to 250 raised student achievement, improved self-esteem, and reduced the frequency and intensity of discipline problems in the 10 schools.

Other positive results include greater staff morale and collaboration between teachers and support staff; increased parent involvement in developmental and academic matters concerning their children; and an overall improved school climate, producing feelings of personal empowerment, hope and accomplishment.

And it's a model program that achieves the perfect mix of private and public, and local and national resources.

Smoother Sailing proved to me how important early intervention programs are to the war on drugs. To stop the spread of drugs, we must reach our children before the drug dealers do.

Smoother Sailing should serve as a model program for Iowa and the rest of the Nation. The Elementary School Counseling Demonstration Act expands the principles and objectives of Smoother Sailing to the entire Nation, and provides a modest Federal contribution for programs like Smoother Sailing in Iowa and elsewhere.

Enhanced elementary counseling does work. It will greatly reduce the dropout rate, help the classroom teacher, and provide a higher standard of educational excellence that we need to compete in the next century.

With a small investment now, we will reap huge rewards in the future. And the principal beneficiaries will be our children.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Elementary School Counseling Demonstration Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) elementary school children are being subjected to unprecedented social stresses, including fragmentation of the family, drug and alcohol abuse, child abuse, poverty, and violence. Experts indicate that intervention at an early age is the most beneficial;

(2) an increasing number of elementary school children are exhibiting symptoms of distress, such as substance abuse, emotional disorders, academic underachievement, disruptive behavior, juvenile delinquency, and suicide;

(3) elementary school counselors can contribute to the personal growth, educational development, and emotional well-being of elementary school children by providing professional counseling, intervention, and referral services;

(4) the average ratio of elementary school counselors to students is one for every one thousand;

(5) when there is one counselor to every one thousand students, elementary school counseling programs are seldom adequate; and

(6) the Federal Government can help reduce the risk of academic, social, and emotional problems among elementary school children by stimulating the development of model elementary school counseling programs.

(b) PURPOSE.—It is the purpose of this Act to enhance the availability and quality of counseling services for elementary school children by providing grants to local educational agencies to establish effective and innovative elementary school counseling programs that can serve as national models.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $5,000,000 for each of the fiscal years 1991, 1992, 1993, 1994, and 1995.

SEC. 4. APPLICATIONS.

(a) IN GENERAL.—A grant under this Act may be made only to a local educational agency that submits an application at such time, in such manner, an accompanied by such information as the Secretary may reasonably require.

(b) NOTIFICATION OF STATE EDUCATIONAL AGENCY.—Before submitting an application to the Secretary, a local educational agency must provide the State educational agency with an opportunity to review and comment on the program in its application. The comments of the State educational agency shall be appended to the application upon submission to the Secretary.

(c) CONTENTS.—Each application shall—

(1) describe the elementary school population to be targeted by the program, the particular counseling needs of that population, and the current counseling resources available for meeting those needs;

(2) describe the acivities, services, and training to be provided by the program and the specific approaches to be used to meet the counseling needs described in paragraph (1);

(3) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

(4) describe the collaborative effort to be undertaken with institutions of higher education, businesses, labor organizations, community groups, or other public or private entities to enhance the program;

(5) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of elementary school counselors;

(6) document that the applicant has the personnel qualified to develop, implement, and administer the program;

(7) describe how any diverse cultural populations would be served through the program.

(8) assure that the funds made available under this Act for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

(9) assure that the applicant will appoint an advisory board composed of parents, counselors, other pupil services personnel,

teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

SEC. 5. AWARD OF GRANTS.

(a) GENERAL AUTHORITY.—From the sums appropriated under section 3 in any fiscal year, the Secretary shall make grants to local educational agencies with approved applications to initiate or expand school counseling programs for elementary school children.

(b) PRIORITY.—In approving applications, the Secretary shall give special consideration to programs that—

(1) demonstrate the greatest need for new or additional counseling services among the children in the elementary schools of the applicant;

(2) propose the most promising and innovative approaches for initiating or expanding elementary school counseling; and

(3) show the greatest potential for replication and dissemination.

(c) EQUITABLE DISTRIBUTION.—In approving grants under this Act, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

(d) DURATION.—Grants may be awarded for a period not to exceed three years.

(e) MAXIMUM GRANT.—Grants may not exceed $200,000 per fiscal year.

SEC. 6. REQUIREMENTS FOR THE USE OF FUNDS.

(a) IN GENERAL.—Funds shall be used to initiate or expand elementary school counseling programs that comply with the requirements in subsection (b).

(b) PROGRAM REQUIREMENTS.—Each program assisted under this Act shall—

(1) be comprehensive;

(2) use a developmental, preventive approach to counseling;

(3) increase the range, availability, quantity, and quality of counseling services in the elementary schools of the local educational agency;

(4) maintain a counselor to student ratio in the elementary schools of the local educational agency that does not exceed one to two hundred and fifty;

(5) provide counseling services only through school counselors who hold a Master's degree in counseling and are licensed or certified by the State in which they work or, in States without licensure or certification, by a national board with broad acceptance as a certifying agency;

(6) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decisionmaking, academic and career planning, and social responsibilities;

(7) provide counseling services that are well-balanced among classroom group and small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

(8) include inservice training for school counselors, other pupil services personnel, teachers, and instructional staff;

(9) involve parents of participating students in its design, implementation, and evaluation;

(10) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, or other public or private entities to enhance the program;

(11) ensure that school counselors paid from funds made available under this Act spend at least 85 per centum of their total work time in direct service to students (parents and teachers) and no more than 15 per centum on administrative tasks (associated with the guidance and counseling program); and

(12) evaluate annually the effectiveness and outcomes of the counseling services and activities funded under this Act.

SEC. 7. NATIONAL ADMINISTRATION.

(a) OFFICE OF SCHOOL COUNSELING.—The Secretary shall establish an Office of School Counseling in the Department of Education to administer, review, and monitor the programs funded under this Act, to assist in carrying out the requirements of this section, and to provide a national focal point for information and technical assistance on the counseling needs of elementary and secondary school children. The Office shall be headed by a Director who shall be a person of recognized professional qualifications and experience in the field of developmental school counseling.

(b) DATA COLLECTION, RESEARCH, AND EVALUATION.—The Director shall compile the evaluations of the programs under this Act conducted by local educational agencies and shall regularly collect such data as the Secretary finds necessary to develop a profile of the use and impact of funds under this Act. At the end of the grant period, but in no case later than January 30, 1995, the Secretary shall issue a research and evaluation report.

(c) DISSEMINATION.—The Secretary shall make the programs funded under this Act available for dissemination, either through the National Diffusion Network or other appropriate means.

(d) LIMIT ON ADMINISTRATION.—Not more than 5 per centum of the sums appropriated under section 3 in any fiscal year may be used to carry out the provisions of this section.

SEC. 8. DEFINITIONS.

Except as otherwise provided, for purposes of this Act—

(1) the term "comprehensive" means, with respect to counseling services, a program in which (A) a counselor uses a range of individual and group techniques and counseling resources in a planned way to meet the personal, social, educational, and career development needs of all elementary children in a school and (B) a counselor works directly with children, parents, teachers, and other school personnel to create an optimal positive learning environment and personal growth opportunities for all children;

(2) the term "developmental" means, with respect to a counseling program, a systematically planned program that (A) provides appropriate counseling and guidance interventions to foster the social, emotional, physical, moral, and cognitive growth of elementary school children; (B) provides direct intervention services to help children cope with family, social, and academic problems; and (C) supports and enhances the efforts of parents, teachers, and other school personnel to provide children maximum opportunity to acquire competence and skill in self-understanding and appreciation, interpersonal interaction, educational achievement and literacy, and career awareness and personal decision making;

(3) the term "Director" means the Director of the Office of School Counseling in the United States Department of Education;

(4) the term "elementary school" has the meaning given that term in section 1471(8) of the Elementary and Secondary Education Act of 1965;

(5) the term "local educational agency" has the meaning given that term in section 1471(12) of the Elementary and Secondary Education Act of 1965;

(6) the term "parent" has the meaning given that term in section 1471(14) of the Elementary and Secondary Education Act of 1965;

(7) the term "pupil services personnel" has the meaning given that term in section 1471(17) of the Elementary and Secondary Education Act of 1965;

(8) the term "Secretary" means the United States Secretary of Education; and

(9) the term "State educational agency" has the meaning given that term in section 1471(23) of the Elementary and Secondary Education Act of 1965.●

By Mr. MOYNIHAN (for himself, Mr. CHAFEE, and Mr. RIEGLE):

S. 2899. A bill to amend title IV of the Social Security Act to make improvements in the foster care maintenance payments program, and for other purposes; to the Committee on Finance.

FOSTER CARE MAINTENANCE PAYMENTS FOR ABANDONED CHILDREN

Mr. MOYNIHAN. Mr. President, in the 1980's, a crack cocaine epidemic hit. In an instant, the most vulnerable members of our society—infants—faced unprecedented perils: exposure to cocaine while still in the womb and then abandonment by their mothers.

Some 100,000 to 375,000 children per year are prenatally exposed to illicit drugs. And current figures might understate the problem, since most hospitals do not test pregnant women for substance abuse.

Drug-exposed children face daunting problems. In utero, they may suffer from brain-damaging strokes and hemorrhages. They are more likely to suffer from premature delivery, low birthweight, and withdrawal symptoms. And as they grow, drug-exposed infants experience behavior and development problems.

What happens to these misfortunate children? One-half enter foster care or are put up for adoption. But drug-exposed babies are not much in demand. And already we are running out of foster families. In Chicago, Newark, and Washington, DC, critical shortages of foster families have been reported, especially for children with special needs. In my own city of New York I witnessed a sad reminder of this problem just last year: at the Church Street office of the Human Resources Administration, I saw children sleeping on fold-out cots and even on desks, because beds could not be found for them in foster homes. For these children, home was a makeshift shelter in an airless office building. We can provide better.

The irony is that these children, so unwanted, are the very children who need us the most.

We ought to encourage the adoption of drug-exposed children. Yet we do not. Federal adoption assistance is available for certain special needs children now defined in terms of their ethnic background, age, membership in a sibling group, or mental or physical handicap. Drug-exposed children are not considered to have special needs. But of course they do. They are not eligible for Federal adoption assistance. They very much should be.

A second, related, tragedy has emerged: an increase in the number of abandoned children. Drug-addicted mothers are deserting their children. In New York City, some 500 children are abandoned each month. Six thousand each year. The no-parent family has arrived.

And these children are doubly abandoned. Not only have their mothers foresaken them, but so has the Federal Government. Under current law, abandoned children are often ineligible for Federal Foster Care payments, Adoption Assistance and Medicaid.

Without Foster Care or Adoption Assistance, these babies are left to languish, often in the hospitals where they were abandoned. The costs to treat these children are staggering. At a June 28 hearing of the Finance Committee, Secretary Sullivan showed us a bill for one such child. It went on for page after page. Some $698,000.

Mr. President, I am introducing a bill today with Senators CHAFEE and RIEGLE that would provide some modest help. The bill would expand the definition of special needs children to include those who, because of prenatal exposure to drugs or alcohol, suffer from medical problems or physical, mental or emotional handicaps. Under this legislation, children suffering from the effects of prenatal drug exposure would become eligible for Federal adoption assistance programs. We would also make abandoned children eligible for federally matched Foster Care payments and, if the children were determined to have special needs, for federally matched monthly adoption assistance payments. As a result of this eligibility, children would qualify for Medicaid.

The bill also includes a proposal to authorize up to ten states to conduct child welfare demonstration projects. Participating states would receive their federal funds in equal quarterly installments and could use them to design and administer new child welfare programs. The programs would ideally emphasize such services as: family preservation, family reunification, and timely adoption assistance for children with unresolvable family problems. The results of these demonstration projects would give us information about how best to improve child welfare services, foster care and adoption assistance.

In closing, Mr. President, I ask that the needs of our most vulnerable children not be overlooked. For, as drug exposure and abandonment imperil our children, so they do our Nation. I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FOSTER CARE MAINTENANCE PAYMENTS FOR ABANDONED CHILDREN.

Section 472(a) of the Social Security Act (42 U.S.C. 672(a)) is amended—

(1) in the matter preceding paragraph (1), by inserting "or with respect to a child who is an abandoned child," after "(specified in section 406(a)),";

(2) in paragraph (1)—

(A) by inserting "(A)" after "(1)", and

(B) by inserting ", or (B) in the case of an abandoned child, a judicial determination has been made that no parent or legal guardian has maintained any contact with the child" before the semicolon; and

(3) in paragraph (4)—

(A) by striking "or" at the end of subparagraph (A),

(B) by striking the period at the end of subparagraph (B) and inserting ", or"; and

(C) by adding at the end of the paragraph the following new subparagraph:

"(C) is an abandoned child, and a judicial determination has been made that the financial circumstances of any parent or legal guardian of the child cannot be determined because of the abandonment.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on October 1, 1990.

SEC. 2. ADOPTION ASSISTANCE FOR ABANDONED CHILDREN.

(a) IN GENERAL.—Paragraph (2) section 473(a) of the Social Security Act (42 U.S.C. 673(a)) is amended—

(1) in subparagraph (A)—

(A) by striking "or" at the end of clause (ii),

(B) by inserting "or" at the end of clause (iii); and

(C) by adding at the end of the subparagraph the following new clause:

"(iv) is an abandoned child, and the judicial determinations described in paragraphs (1)(B) and (4)(C) of section 472(a) were made at the time the adoption proceedings were initiated, and"; and

(2) in subparagraph (B)(iii), by striking "subparagraph (A)(ii) or (A)(iii)" and inserting "clause (ii), (iii), or (iv) of subparagraph (A)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on October 1, 1990.

SEC. 3. DRUG EXPOSED CHILDREN INCLUDED IN DEFINITION OF SPECIAL NEEDS.

(a) IN GENERAL.—Section 473(c)(2)(A) of the Social Security Act (42 U.S.C. 673(c)(2)(A)) is amended by inserting ", including medical conditions or physical, mental, or emotional handicaps due to drug or alcohol exposure before birth" after "physical, mental or emotional handicaps".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1990.

SEC. 4. CHILD WELFARE DEMONSTRATION PROJECTS.

Part E of title IV of the Social Security Act (42 U.S.C. 470-479) is amended by adding at the end the following:

"SEC. 480. DEMONSTRATION PROJECTS.

"(a) IN GENERAL.—In order to grant States the flexibility and resources necessary to develop innovative policies and appropriate service networks to preserve and strengthen families with children at risk of needing placement outside their home, to reunite children with their families within 2 years if an out-of-home placement is found to be necessary, and to place children in adoptive homes or other permanent arrangements, including guardianships and placements with relatives, in a timely fashion if reunification with their families is impossible, and to provide for the evaluation of innovative State programs and the assessment of the impact of such programs on children and families, the Secretary may authorize not more than 10 States to conduct demonstration projects, which may be carried out throughout the State or in limited areas of the State, in accordance with this section.

"(b) CONSIDERATION OF APPLICATIONS.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section.

"(c) CONTENTS OF APPLICATIONS.—

"(1) GENERAL RULES.—Each application by a State to conduct a demonstration project under this section shall—

"(A) propose a project designed to—

"(i) provide, in accordance with paragraph (2), preventive services and assistance to families which have problems that may lead to the removal of a child from the family;

"(ii) promote, in accordance with paragraph (3), the treatment of family problems leading to the reunification of children with their families within 2 years after the time it becomes necessary to remove the child from the family;

"(iii) facilitate, in accordance with paragraph (4), the timely and permanent placement of children who are in foster care or who have been abandoned at or shortly after birth; or

"(iv) address, in accordance with paragraph (5), any combination of child welfare services issues;

"(B) specify the area or areas of the State in which the project is to be conducted;

"(C) contain a commitment by the State—

"(i) to carry out the project during a period of not less than 5 consecutive fiscal years beginning with fiscal year 1992; or

"(ii) if the State will not be able to properly plan the project before the beginning of fiscal year 1992, to plan the project during fiscal year 1992 and carry out the project during a period of not less than 4 consecutive fiscal years beginning with fiscal year 1993;

"(D) specify the number of children in foster care in the State, the average length of stay of children in such care, and the types of placements;

"(E) specify the provisions of part B and this part which, but for subsection (g)(1), would prevent the State from conducting the demonstration project;

"(F) identify who will receive services under the project; and

"(G) contain such other information as the Secretary may require by regulation.

"(2) PROJECTS FOCUSING ON PROVIDING CHILD WELFARE SERVICES TO FAMILIES.—Each application by a State to conduct a demonstration project under this section of the

type described in paragraph (1)(A)(i) shall outline the services and procedures the State will offer to prevent family dissolution whenever possible. In addition, each such application by a State shall include the following:

"(A) CASE PLANS.—A commitment by the State to provide each child with a case plan developed in consultation with family members.

"(B) MEASURES TO INFORM FAMILIES ABOUT HOW TO MAINTAIN PROGRESS TOWARD ADDRESSING PROBLEMS THAT CAUSED REFERRAL.—A description of the measures to be employed by the State to ensure that families are informed about what they must do to maintain satisfactory progress in addressing the problems that caused the family situation to be reported to the State.

"(C) MEASURES TO KEEP SINGLE PARENTS REQUIRING DRUG OR ALCOHOL TREATMENT WITH THEIR CHILDREN.—A description of the measures to be employed by the State to keep single parents and their young children together while the single parent participates in required drug or alcohol treatment.

"(D) DRUG AND ALCOHOL TREATMENT MEASURES.—A description of the measures to be employed by the State to ensure that drug and alcohol treatment programs are made available to parents who are substance abusers.

"(E) MEASURES TO COORDINATE FAMILY WELFARE FUNDING AND SERVICES.—A description of the measures to be employed by the Governor of the State to coordinate the funding of, and the services and benefits provided by programs which provide services to families with children at risk of being placed in the care of a child welfare, mental health, or juvenile justice agency, including the following programs:

"(i) The State's child welfare services program carried out under the State plan approved under part B.

"(ii) The maternal and child health block grant program under title V.

"(iii) The job opportunities and basic skills training program carried out pursuant to section 402(a)(19) and part F.

"(iv) Medical assistance furnished to pregnant women and children under the State plan approved under title XIX.

"(v) The drug treatment programs of the State.

"(vi) The mental health services programs of the State.

"(vii) Any new services for children and families that the State deems necessary to meet the needs of all family members in order to carry out the purposes of this section.

"(viii) Such other programs as the State deems appropriate.

"(3) FAMILY REUNIFICATION PROJECTS.—

"(A) APPLICATION REQUIREMENTS.—Each application by a State to conduct a demonstration project under this section of the type described in paragraph (1)(A)(ii) shall include the following:

"(i) DESCRIPTION OF PROPOSED PROCEDURES TO ASSIST FAMILY REUNIFICATION.—A description of how the State will—

"(I) design a treatment plan for addressing the family problems that led to removal of the child;

"(II) involve all family members in executing the plan;

"(III) coordinate the programs and resources necessary to address the problem that led to removal of the child;

"(IV) reunify the child with the family within 2 years; and

"(V) implement administrative and judicial review of foster care and for termination of parental rights, and any planned changes to laws and procedures that would ensure timely hearings and decisions leading to permanent placements within 2 years.

"(ii) REASONS WHY PROPOSED PROCEDURES WOULD RESULT IN EARLIER FAMILY REUNIFICATION.—A discussion of why the particular procedures proposed in the application would be likely to result in earlier family reunification than is achieved under the present policies and procedures of the State.

"(iii) ASSURANCE OF INCREASED PAYMENTS TO FOSTER FAMILIES.—An assurance that payments to foster families will be increased sufficiently to ensure an adequate number of foster parents.

"(B) COMMITMENT BY STATE TO PERMANENTLY PLACE WITHIN 2 YEARS A NEGOTIATED PERCENTAGE OF CHILDREN IN FOSTER CARE.—

"(i) IN GENERAL.—The Secretary shall not approve an application to conduct a demonstration project under this section of the type described in paragraph (1)(A)(ii) unless the State has made a commitment to permanently place a percentage of the children entering or already in foster care, as negotiated between the State and the Secretary, within 2 years after such children first receive services under the demonstration project.

"(ii) WAIVER.—The Secretary may waive the application of clause (i) to a State if the State documents that the average length of time that children are in temporary arrangements has been reduced.

"(4) PERMANENT PLACEMENT PROJECTS.—Each application by a State to conduct a demonstration project under this section of the type described in paragraph (1)(A)(iii) shall describe how the State will expeditiously permanently place children who are in foster care, are boarder babies, were abandoned at or shortly after birth, have parents addicted to drugs, or were severely abused. In addition, each such application by a State shall include the following:

"(A) PROCEDURES FOR FOSTER CARE REVIEW AND TERMINATION OF PARENTAL RIGHTS.—A description of the laws and procedures in effect in the State for administrative and judicial review of foster care and for termination of parental rights, and any planned changes to such laws and procedures that would ensure timely hearings and decisions, including laws and procedures that would achieve permanent placement of children in foster care within 2 years, and of boarder babies before they attain the age of 4 months.

"(B) INTERPRETATION OF 'REASONABLE EFFORTS'.—A statement that the State does not interpret section 471(a)(15) as limiting the authority of the State to initiate procedures to terminate in a timely manner the parental rights of the parents of foster children.

"(5) PROJECTS ADDRESSING OTHER CHILD WELFARE ISSUES.—Each application by a State to conduct a demonstration project under this section of the type described in paragraph (1)(A)(iv) shall describe a project designed to test an innovative approach to any number of significant child welfare services issues, which may include—

"(A) avoiding out-of-home placements;

"(B) achieving speedy reunification of families from which it has been necessary to remove a child;

"(C) reducing the time it takes to permanently place children who have been removed from their families;

"(D) permitting children to remain with, or be quickly reunited with, their parents while their parents receive treatment for substance abuse; and

"(E) identifying risk factors which would allow child welfare agencies to identify and treat families that are likely to have children who require protective services.

"(d) ADMINISTRATIVE PROVISIONS.—

"(1) IN GENERAL.—Within 12 months after the date of the enactment of this section—

"(A) the Secretary shall prepare and transmit to each State a detailed explanation of the requirements for participation in the demonstration program established by this section;

"(B) any State interested in conducting a demonstration project under this section shall transmit to the Secretary a letter of intent containing a tentative description of the project; and

"(C) the Secretary shall, subject to paragraph (4), approve not more than 10 applications which meet the applicable requirements of subsection (c).

"(2) SPECIAL PREFERENCE RULE.—Subject to paragraph (4), the Secretary shall approve applications submitted to conduct demonstration projects under this section which meet the applicable requirements of subsection (c) so that at least 50 percent of such applications propose projects described in subsection (c)(1)(A)(ii).

"(3) DISTRIBUTION OF DEMONSTRATIONS BY STATE POPULATION.—The Secretary shall provide that in approving applications to conduct demonstration projects under this section that—

"(A) at least 2 and not more than 4 of such applications approved are the applications of States with populations of less than 1.5 million;

"(B) at least 3 and not more than 5 of such applications approved are the applications of States with populations between 1.5 and 7 million; and

"(C) at least 2 and not more than 4 of such applications approved are the applications of States with populations over 7 million.

"(4) DISTRIBUTION OF DEMONSTRATIONS BY REGION.—The Secretary shall provide that in approving applications to conduct demonstration projects under this section that no more than 4 of such applications shall be approved for any one geographical region (as determined by the Secretary) of the country.

"(5) FREEDOM OF STATES TO SELECT AREAS IN WHICH TO CONDUCT DEMONSTRATION.—The Secretary may not require any State to conduct a project under this section in any area of the State not specified in the application therefor.

"(6) CERTIFICATION REQUIRED.—The Secretary shall not approve the application of a State to conduct a demonstration project under this section unless the State certifies that all cost savings resulting from the project will be used to provide child welfare services (within the meaning of section 425(a)(1)) to families.

"(e) GRANTS.—

"(1) IN GENERAL.—The Secretary shall make grants in accordance with this subsection to each State whose application to conduct a demonstration project under this section is approved by the Secretary, in accordance with a contract prepared by the Secretary (in consultation with the entity or entities selected pursuant to subsection (f)) which specifies the duties of the Secretary, the State, and the entity selected to evaluate the project in achieving the purpose described in subsection (a).

"(2) USE OF GRANTS.—Each State which receives funds under the demonstration program under this section may use such funds

to improve the provision of child welfare, foster care, and adoption assistance services in any manner that the State deems appropriate.

"(3) ANNUAL GRANTS.—The Secretary shall make grants to States under paragraph (1) for each fiscal year for which the State is authorized to conduct a demonstration project under this section.

"(4) AMOUNT OF GRANT TO INCLUDE STATE DEMONSTRATION BONUS.—

"(A) CALCULATION OF AMOUNT OF GRANT.—The amount of the grant to be paid under paragraph (1) to a State for a fiscal year shall be an amount equal to the applicable percentage of the sum of—

"(i) the amounts paid to the State for fiscal year 1991 pursuant to sections 423 and 474 (other than for adoption assistance payments under section 473 and for expenses for the proper and efficient administration of the provisions of the State plan relating to adoption assistance);

"(ii) the portion of the amount (if any) by which the amounts appropriated for the fiscal year for payments to States under part B exceed the amounts so appropriated for fiscal year 1991, that would be payable to the State pursuant to such part if the State were not authorized to conduct a demonstration project under this section; and

"(iii) 20 percent of the amount that would have been payable to the State for the immediately preceding fiscal year pursuant to section 423 if the State were not authorized to conduct a demonstration project under this section.

"(B) APPLICABLE PERCENTAGE DEFINED.—

"(i) As used in subparagraph (A), the term 'applicable percentage' means, with respect to a State and a fiscal year, the quotient set forth in clause (ii) as determined by the Secretary after taking into account the estimates made under subsection (f)(2)(B) for the fiscal year with respect to the State.

"(ii) The quotient set forth in this clause is—

"(I) the number of children in the areas in which the State is conducting a demonstration project under this section with respect to whom the State would have made foster care maintenance payments under section 472 for the fiscal year if the Secretary had approved the State plan under this part for the fiscal year and the State were not authorized to conduct the project; divided by

"(II) the total number of children in the State with respect to whom the State would have so made such payments for the fiscal year.

"(5) NOTIFICATION TO STATES OF AMOUNT OF GRANTS.—On the 1st day of each fiscal year for which a State is to be made a grant under paragraph (1), the Secretary shall notify the State of the amount of the grant.

"(6) GRANTS TO BE PAID IN EQUAL QUARTERLY INSTALLMENTS.—The Secretary shall pay each grant under paragraph (1) in equal quarterly installments.

"(7) SUPPLEMENTARY PAYMENT.—Within 3 months after the end of each fiscal year with respect to which estimates are made under subsection (f)(2)(B) with respect to a State, the Secretary shall—

"(A) take such estimates into account in determining the amount that would have been payable to the State under section 474 for the fiscal year (other than for adoption assistance payments under section 473 and for expenses for the proper and efficient administration of the provisions of the State plan relating to adoption assistance) if the Secretary had approved the State plan under this part for the fiscal year and the State were not authorized to conduct a demonstration project under this section; and

"(B) pay the State the amount (if any) by which—

"(i) the amount determined under subparagraph (A); exceeds

"(ii) the amount paid to the State pursuant to section 474 for fiscal year 1991 (other than for adoption assistance payments under section 473 and for expenses for the proper and efficient administration of the provisions of the State plan relating to adoption assistance).

"(f) EVALUATION OF DEMONSTRATION PROJECTS.—

"(1) SELECTION OF EVALUATING ENTITY.—the Secretary shall—

"(A) publish in the Commerce Daily a request for applications from entities that are capable of, and interested in performing the functions described in paragraph (2); and

"(B) in time for such an entity to participate in the development of contracts under subsection (e)(1), enter into a contract with 1 or more entities to perform such functions.

"(2) FUNCTIONS OF EVALUATING ENTITY.—The functions of the entity or entities selected by the Secretary pursuant to paragraph (1) are—

"(A) to assist the Secretary and the States in devising a detailed plan for the evaluation of demonstration projects conducted under this section;

"(B) within 30 days after the end of each fiscal year, to submit a report to the Secretary, with respect to each such project, that estimates in accordance with the data collection provisions of the contract described in subsection (e)(1)—

"(i) the number of children in the areas in which the State is conducting a demonstration project under this section with respect to whom the State would have made foster care maintenance payments under section 472 for the fiscal year if the Secretary had approved the State plan under this part for the fiscal year and the State were not authorized to conduct the project; and

"(ii) the average length of time for which such payments would have been so made with respect to such children;

"(C) prepare in accordance with paragraph (3), and submit to the Secretary, with respect to each such project, interim reports that evaluate the costs and benefits of the project; and

"(D) prepare in accordance with paragraph (3), and submit to the Secretary, with respect to each such project, a final report that—

"(i) describes in detail, and documents, the ways in which the project has changed the provision of preventive services, child welfare, foster care, reunification services, and adoption assistance services in the State; and

"(ii) evaluates the costs and benefits of the project.

"(3) EVALUATION REQUIREMENTS.—In evaluating a demonstration project conducted by a State under this section, the entity or entities selected by the Secretary to perform the evaluation shall—

"(A) collect such information as may be necessary to analyze the impact of the project on—

"(i) foster care placement rates;

"(ii) child development and behavior (including academic performance, intellectual development, and health); and

"(iii) family relationships;

"(B) collect such other information on outcomes as the Secretary or the State deems appropriate; and

"(C) use currently acceptable scientific methods.

"(4) DUTY OF STATES TO PROVIDE INFORMATION.—Each State which conducts a demonstration project under this section shall provide the entity or entities selected by the Secretary to evaluate the project with such information with respect to the project and the State programs carried out pursuant to part B and this part as the entity or entities may request under the contract described in subsection (e)(1) entered into by the Secretary, the entity, and the State.

"(5) COSTS OF EVALUATIONS.—The Secretary shall pay the costs incurred during each fiscal year by any State in assisting the evaluation of the demonstration project conducted by the State under this section, to the extent that such costs exceed the amount (estimated by the Secretary) that the State would have expended during the fiscal year to comply with the data reporting requirements of part B and this part if the Secretary had approved the State plans under such parts for the fiscal year and the State were not authorized to conduct the project.

"(g) APPLICABILITY OF PART B AND OTHER SECTIONS OF THIS PART.—During the period in which a State is conducting a demonstration project under this section—

"(1) part B (other than section 427) and the other sections of this part (other than the provision of section 471(a)(1) requiring the State plan to provide for adoption assistance in accordance with section 473, paragraphs (8), (12), (13), (15), and (16) of section 471(a), and sections 473 and 479) shall not apply to the State; and

"(2) the State shall, for purposes of section 402(a)(20), be deemed to have in effect a State plan approved under this part.

"(h) PROHIBITION AGAINST IMPAIRMENT OF ENTITLEMENT TO FOSTER CARE BENEFITS.—A State may not carry out a demonstration project under this section in a manner which impairs the entitlement of any qualified child to foster care benefits under a State plan approved under this part.".

Mr. CHAFEE. Mr. President, I am pleased to join Senators MOYNIHAN and RIEGLE in introducing legislation that would expand the Foster Care and Adoption Assistance Programs to provide services for abandoned children.

The future of our country depends on how well we care for our children. Our children must be physically and mentally prepared not only to keep America economically competitive, but also to provide a safe and stable environment for their own children. We cannot ask our children to keep the American dream alive if we don't give them a fighting chance to reach their full potential. We must plan for the future by taking a good hard look at the status of our children today.

Earlier this month, Congressman MACHTLEY and I hosted a forum entitled, "Our Children's Future: Measuring Up To Challenge." I was astounded by some of the testimony presented to us.

We heard about the familiar problems of drug and alcohol abuse. But we also heard about a frightening new problem—the increasing number of

children who are being abandoned. Babies are born and left in hospitals to become "boarder babies," in other words they live in the hospital because they have no place else to go. These babies often suffer from developmental and mental impairments because their mothers abused drugs or alcohol during their pregnancies. Far too many suffer from the emotional trauma of having no parent to love or care for them.

Doctors and nurses can provide treatment to help these children overcome drug addiction, low birth weight, and many other developmental problems. But health care providers cannot provide a loving and stable home to these children.

As I listened to the panelists at our forum, I became fearful that we are raising a generation of children composed in part of youngsters ill equipped to form familial bonds, to be receptive to formal and informal education, and to lead successful and productive lives. These abandoned children do not choose their parents. They had no control over their mother's drug use. They could not influence their mother's decision to leave them.

Although the Foster Care Program was created to assist vulnerable children, the program has failed these abandoned children. Under current law, a child's eligibility for foster care is linked to his or her mother's eligibility for aid to families with dependent children [AFDC]. Since there is no way to determine whether an abandoned child's mother is AFDC eligible, the child is ineligible for foster care maintenance payments, Medicaid, and adoption assistance.

In other words, these children are abandoned twice: once by their mother and again by a system that is not flexible enough to respond to their special needs.

Our legislation would address this problem by extending foster care and adoption assistance to children determined by a court to be abandoned. Thus, under our legislation, a "crack baby" abandoned by his or her mother would no longer have to "board" in the pediatric ward. Temporary foster care placement could be found and a permanent home for the child would be sought.

Our legislation also includes a demonstration project, authored by Congresswoman JOHNSON of Connecticut, which would allow States to explore innovative ways of keeping families together and preventing unnecessary foster care placement. Hopefully, services designed to preserve families will help some mothers and fathers learn how to be better parents so that they can raise happier, healthier, and more productive members of our society.

Mr. President, I urge my colleagues to join Senators MOYNIHAN, RIEGLE, and me in our efforts to ensure that abandoned children receive appropriate services to help them overcome their physical or emotional difficulties. Our Nation cannot afford to let them fall through the cracks.

By Mr. McCAIN:

S. 2900. A bill to provide for the settlement of the water rights claims of the Fort McDowell Indian Community in Arizona, and for other purposes; to the Select Committee on Indian Affairs.

FORT MCDOWELL INDIAN COMMUNITY WATER RIGHTS SETTLEMENT ACT

● Mr. McCAIN. Mr. President, today I am introducing legislation to authorize the settlement of the water rights claims of the Fort McDowell Indian Community in Arizona. The bill I am introducing is identical to H.R. 5063 which was sponsored by my good friend, the chairman of the House Committee on Interior and Insular Affairs, Mr. UDALL.

This settlement has been under negotiation for over 5 years and reflects the efforts of the Fort McDowell Indian Community, the city of Phoenix, the city of Mesa, the city of Tempe, other municipalities and counties, the State of Arizona, the Salt River project, the Roosevelt Water Conservation District, the Central Arizona Water Conservation District, the towns of Prescott, Camp Verde, Clarkdale, and Cottonwood, the Yavapai Apache Indian community, and the Yavapai Prescott Indian community. I commend and congratulate everyone for their efforts and their success. I also want to extend particular appreciation to Secretary Lujan, and the many employees of the Department of the Interior who have been involved in bringing about this settlement.

Mr. President, this is not a perfect bill. There are still some very difficult issues to be resolved. On July 17, 1990, the Select Committee on Indian Affairs held a joint hearing on H.R. 5063 with the House Committee on Interior and Insular Affairs. We heard testimony from a wide range of witnesses and a number of issues were identified which will require resolution before we can proceed with this bill. By introducing the bill today, I am hoping that we can expedite the process of agreeing on necessary amendments and completing action before this Congress adjourns. I am committed to working closely with my colleagues and all of the interested parties to find acceptable solutions to the outstanding issues.

Among the issues yet to be resolved is the amount of the Federal contribution to this settlement. The tribe has developed a careful analysis which indicates a Federal contribution of about $23 million. The Department of the Interior is reviewing this proposal. A timely response will assist the Congress, the tribe, and all parties in fashioning final legislation.

Another unresolved issue relates to the possible use of surplus water from the 1984 settlement of Ak Chin Indian water rights. The bill makes this water available as a potential source for Fort McDowell. Many, including the San Carlos Apache Tribe and some agricultural water users, believe that any Ak Chin surplus water should be put to use in other settlements. The Fort McDowell tribe, and others, believe that any Ak Chin surplus should be available, as needed, to settle Indian water claims.

The bill contains a provision which would repeal section 304(c)(3) of the Colorado River Basin Project Act to allow for the transfer of ground water to provide additional sources for the Fort McDowell settlement. This provision of the bill is the subject of substantial disagreement by a wide range of interested parties. The entire issue of transferring ground water in Arizona has been vigorously debated in the State legislature for quite some time. Indications are that the legislature may be reaching a consensus on this issue. All parties seem to agree that the State should be afforded every opportunity to resolve this issue. A full repeal of section 304(c)(3) may hinder progress toward a State solution. It has been suggested that we consider a one-time exemption from section 304(c)(3) which is carefully tailored to the specific facts of the Fort McDowell settlement. I want to assure everyone that we will carefully consider all constructive proposals for resolving this difficult issue.

My colleagues will note that the settlement authorizes the development of ground water for transfer to the Fort McDowell Indian Community. Several alternatives are described in the bill. As we continue to work on the legislation I want to make sure we do not preclude the potential for developing other alternatives which may be hydrologically, environmentally, and economically viable.

There are many other issues to be resolved, but I don't want to belabor my colleagues. Let me simply reiterate that enormous progress has been made toward a settlement. I believe that the remaining areas of disagreement can be fairly resolved in the coming weeks and I am firmly committed to working with everyone to secure final passage of the necessary legislation prior to adjournment.

Mr. President, I ask unanimous consent that the bill and the section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fort McDowell Indian Community Water Rights Settlement Act of 1990."

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS.

(a) The Congress finds that—

(1) it is the policy of the United States, in fulfillment of its trust responsibility to Indian tribes, to promote Indian self-determination and economic self-sufficiency, and to settle, wherever possible, the water rights claims of Indian tribes without lengthy and costly litigation;

(2) meaningful Indian self-determination and economic self-sufficiency depend on development of viable Indian reservation economies;

(3) quantification of rights to water and development of facilities needed to utilize tribal water supplies effectively is essential to the development of viable Indian reservation economies, particularly in arid Western States;

(4) on September 15, 1903, the United States Government established a reservation for the Fort McDowell Indian Community in Arizona north of the confluence of the Salt and Verde Rivers tributary to the Gila River;

(5) the United States, as trustee for the Community, obtained water entitlements for the Community pursuant to the Kent Decree of 1910; however, continued uncertainty as to the full extent of the Community's entitlement to water has severely limited the Community's access to water and financial resources necessary to develop its valuable agricultural lands and frustrated its efforts to reduce its dependence on Federal program funding and achieve meaningful self-determination and economic self-sufficiency.

(6) proceedings to determine the full extent and nature of the Community's water rights and damages thereto are currently pending before the United States District Court in Arizona, the United States Claims Court, the Superior Court of the State of Arizona in and for Maricopa County, as part of the General Adjudication of the Gila River System and Source, and before various Federal agencies under the Federal Tort Claims Act.

(7) recognizing that final resolution of pending litigation will take many years and entail great expense to all parties, continue economically and socially damaging limits to the Community's access to water, prolong uncertainty as to the availability of water supplies and seriously impair the long-term economic planning and development of all parties, the Community and neighboring non-Indian communities have sought to settle their disputes to water and reduce the burdens of litigation;

(8) after more than five years of negotiation, which include participation by representatives of the United States Government, the Community and neighboring non-Indian communities of the Salt River Valley, who are all party to the General Adjudication of the Gila River System and Source, the parties have entered into an agreement to resolve all water rights claims between and among themselves, to quantify the Community's entitlement to water, and to provide for the orderly development of the Community's lands;

(9) pursuant to the agreement, the neighboring non-Indian communities will transfer rights to approximately twelve thousand acre-feet of surface water to the Community; provide for the means of firming existing water supplies of the Community, and make substantial additional contributions to carry out the agreement's provisions; and

(10) to advance the goals of Federal Indian policy and to fulfill the trust responsibility of the United States to the Community, it is appropriate that the United States participate in the implementation of the agreement and contribute funds for the rehabilitation and expansion of existing reservation irrigation facilities so as to enable the Community to utilize fully its water entitlements in developing a diverse, efficient reservation economy.

(b) Therefore, the Congress declares the purposes of this Act; (1) to approve, ratify and confirm the agreement entered into by the Community and its neighboring non-Indian communities, (2) to authorize and direct the Secretary of the Interior to execute and perform such agreement, and (3) to authorize the actions and appropriations necessary for the United States to fulfill its legal and trust obligations to the Community as provided in the agreement and this Act.

SEC. 3. DEFINITIONS

For purposes of this Act—

(a) "Agreement" means that agreement between and among the Fort McDowell Indian Community; the State of Arizona; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water User's Association; the Roosevelt Water Conservation District; the Arizona cities of Chandler, Glendale, Mesa, Phoenix, Scottsdale, and Tempe, and the Arizona town of Gilbert; and the Central Arizona Water Conservation District, together with all exhibits thereto.

(b) "CAP" means the Central Arizona Project, a reclamation project authorized under title III of the Colorado River Basin Project Act of 1968 (43 U.S.C. 1521 et seq.).

(c) "CAWCD" means the Central Arizona Water Conservation District organized under the laws of the State of Arizona, which is the contractor under a contract with the United States, dated December 15, 1972, for the delivery of water and repayment of costs of the Central Arizona Project.

(d) "Community" means the Fort McDowell Indian Community, a community of Yavapai Indians organized under section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 987 (25 U.S.C. 476)), and duly recognized by the Secretary.

(e) "Kent Decree" means the decree dated March 1, 1910, entered in Patrick T. Hurley versus Charles F. Abbott, and others, Case Numbered 4564, in the District Court of the Third Judicial District of the Territory of Arizona in and for the County of Maricopa, and all decrees supplemented thereto.

(f) "RWCD" means the Roosevelt Water Conservation District, an irrigation district organized under the laws of the State of Arizona.

(g) "Secretary" means the Secretary of the United States Department of the Interior.

(h) "SRP" means the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State of Arizona, and the Salt River Valley Water User's Association, an Arizona corporation.

SEC. 4 KENT DECREE REGULATION.

(a) To permit the Community to more fully utilize its water rights under the Kent Decree as provided in the Agreement and subsection (b) of this section, the agreement between the United States and the Salt River Valley Water User's Association dated June 3, 1935, relating to the Verde River Storage Works, and the agreement among the Salt River Water User's Association, Phelps Dodge Corporation, and the Defense Plant Corporation dated March 1, 1944, including the rights to Verde River Storage, are hereby ratified, confirmed and declared to be valid.

(b) The Secretary is authorized and directed to contract with SRP, for a period of not more than twenty-five years from the date the authorization contained in section 9(b) of this Act become effective, for the utilization of up to three thousand acre-feet of the existing storage entitlement of the United States and SRP behind Bartlett and Horseshoe Dams on the Verde River for the reregulation of the Community's entitlement to water under the Kent Decree. This storage space shall be for seasonal regulation only, with no annual carry-over past October 1 of any calendar year.

SEC. 5. RATIFICATION AND CONFIRMATION OF CONTRACTS.

(a) The contract between the Salt River Valley Water User's Association and Roosevelt Water Conservation District dated October 24, 1924, together with all amendments thereto and any extension thereto entered into pursuant to the Agreement, is ratified, confirmed, and declared to be valid.

(b) The Secretary is authorized and directed to revise the subcontract of the Roosevelt Water Conservation District for agricultural water service from CAP to include an addendum substantially in the form of exhibit "10.3.2" to the Agreement and to execute the subcontract as revised. Notwithstanding any other provision of law, the Secretary shall approve the conversions of agricultural water to municipal and industrial uses authorized by the addendum at such time as the conditions authorizing such conversions, as set forth in the addendum, are found to exist.

(c) At such time as the authorizations in section 9 become effective, the lands within the RWCD shall be free from the ownership limitations of federal reclamation law and all full cost pricing provisions of Federal law.

(d) Neither the Salt River Valley Water User's Association nor the Salt River Project Agricultural Improvement and Power District shall become subject to the provisions of the Reclamation Reform Act of 1982 (43 U.S.C. 390aa et seq.) by virtue of either its participation in the settlement or its execution and performance of the Agreement, including but not limited to any exchanges provided for in the Agreement.

(e) At such time as the authorization in section 9 become effective, the lands within the SRP shall be free from the ownership limitations of Federal reclamation law and all full cost pricing provisions of Federal law.

SEC. 6. OTHER WATER.

(a) The Secretary is authorized and directed to acquire for the Community thirteen thousand nine hundred and thirty three acre-feet of water, having a CAP municipal and industrial priority or better, from one or more of the following sources:

(1) Water acquired for and in excess of the amounts necessary for delivery to the Ak Chin Indian Community as specified in the Act of October 19, 1984, 98 Stat. 2698.

(2) CAP water permanently relinquished by the Harquahala Valley Irrigation District pursuant to contract with the Secretary.

(3) CAP municipal and industrial water and CAP Indian priority water permanently

relinquished by the City of Prescott, the Prescott-Yavapai Tribe, the Camp Verde Yavapai-Apache Tribe, the Cottonwood Water Company and the Camp Verde Water Company pursuant to contract with the Secretary. Any water acquired by the Secretary pursuant to this paragraph (3) shall be acquired with the consent of the contracting entity and shall be assigned to the Community in partial satisfaction of the Secretary's obligation under this section.

(i) Providing the Secretary first acquires at least seven thousand acre-feet of CAP water from one or more of the entities named in subsection (a)(3), the Secretary is authorized and directed to acquire, by purchase from willing sellers, land and water rights in the Big Chino Valley of the Verde River watershed, in an amount sufficient to replace all water permanently relinquished pursuant (a)(3). Prior to acquiring such land and water rights, the Secretary shall determine to his satisfaction that the exercise of the water rights will not have an adverse impact on the flow of the Verde River. The Secretary is further authorized and directed to construct diversion, collection, and transmission facilities sufficient to deliver the water to a point near Sullivan Lake in Yavapai County, Arizona (hereinafter referred to as the "Sullivan Lake delivery point").

(ii) If the Secretary acquires the CAP contract or subcontracts of the Camp Verde Yavapai-Apache Tribe, the Cottonwood Water Company or the Camp Verde Water Company, the Secretary is authorized to construct transmission facilities from the Sullivan Lake delivery point to a point on the Verde River below Perkinsville, or such other point above or below Perkinsville, as the Secretary determines is feasible for the delivery of replacement water to such entity or entities.

(iii) If the Secretary acquires the CAP contract or subcontract of the Prescott Yavapai Tribe or the City of Prescott, the Secretary is authorized to construct transmission facilities from the Sullivan Lake delivery point to a point in the southeast quarter of section 22, township 16 north, range 2 west, G&SRB&M, in Yavapai County, Arizona, or to such other point in the Little Chino Valley, Yavapai County, Arizona, as the Secretary determines is feasible in order to deliver replacement water to such entity or entities.

(iv) The Secretary is authorized to contract to deliver replacement water to the entities who relinquish CAP water to the Secretary for the benefit of the Community. No replacement water may be delivered to any entity other than those identified in subsection (a)(3) or used directly or indirectly outside Yavapai County, Arizona.

(v) The entities which relinquish CAP water to the Community pursuant to subsection (c) shall not be required to repay costs incurred by the United States pursuant to subsection (a)(3)(i). The entities identified in subsection (a)(3)(ii) and (a)(3)(iii), respectively, shall repay the United States so much of the cost of the undertakings identified in those subsections as the parties and the United States shall agree.

(vi) There is authorized to be appropriated such sums as may be necessary to reimburse the City of Prescott for the costs advanced by the City of Prescott after January 1, 1988, for the purpose of determining the hydrology of the Big Chino Valley, Yavapai County, Arizona.

(b) If the Secretary acquires water pursuant to subsection (a)(3), the Secretary shall exclude, for the purpose of determining the allocation and repayment of costs of the CAP as provided in Article 9.3 of Contract No. 14-06-W-245 between the United States and CAWCD dated December 15, 1972, and any amendment or revision thereof, the costs associated with such water from CAWCD's repayment obligation and such costs shall not be non-reimbursable.

(c) If water is acquired pursuant to subsection (a)(3) hereof, there is authorized to be appropriated such sums as may be necessary to pay the costs of acquiring the replacement source identified in subsection (a)(3)(i).

(d) The Secretary shall, in the exercise of the authorities provided in subsection (a), comply with all applicable environmental law.

(e) Water acquired by the Secretary for the Fort McDowell Indian Community pursuant to this section shall be delivered to the Community as provided for in the Agreement. Any remaining water acquired by the Secretary pursuant to this section shall be used only in the settlement of water rights claims of other Indian tribes having claims to the surface water of the Salt and Verde River system.

SEC. 7. WATER DELIVERY CONTRACT AMENDMENTS; WATER LEASE.

(a) The Secretary is authorized and directed to amend the CAP water delivery contract between the United States and the Community dated December 11, 1980 (herein referred to as the "Community CAP Delivery Contract"), as follows:

(1) to extend the term of such contract to December 31, 2099, and to provide for its subsequent renewal upon terms and conditions to be agreed upon by the parties prior to the expiration of the extended term thereof;

(2) to authorize the Community to lease the CAP water to which the Community is entitled under the Community CAP Delivery Contract to the cities specified in and under the terms and conditions of the Project Water Leases set forth in exhibits "20.1" to the Agreement for a term commencing January 1, 2000, and ending December 31, 2099.

(b) Notwithstanding any other provision of law, the amendments to the Community CAP Delivery Contract set forth in the Agreement and the terms and conditions of the Project Water Leases set forth in the Agreement are hereby authorized, approved, and confirmed.

(c) The United States shall not impose upon the Community the operation, maintenance and replacement charges described and set forth in the Community CAP Delivery Contract or any other charge with respect to CAP water delivered or required to be delivered to the lessees of the Project Water Leases herein authorized.

(d) The Community and the Secretary shall lease to the cities, for a term commencing on January 1, 2000, and ending December 31, 2099, and for such consideration as may be agreed upon, to be paid by the cities to the Community, upon those terms reflected in the Project Water Leases set forth in exhibit "20.1" to the Agreement, up to four thousand three hundred acre-feet of CAP water to which the Community is entitled under the Community CAP Delivery Contract. The Project Water Leases shall specifically provide that—

(1) the cities, each in accordance with its obligations under the Project Water Leases, shall pay all operation, maintenance and replacement costs of such water to the United States, or, if directed by the Secretary, to the Central Arizona Water Conservation District.

(2) except as otherwise provided in the Project Water Leases, the cities shall not be obligated to pay water service capital charges or municipal and industrial subcontract charges or any other charges or payment for such CAP water other than the operation, maintenance, and replacement costs and lease payments as set forth in this subsection.

(e) For the purpose of determining the allocation and repayment of costs of the CAP as provided in Article 9.3 of Contract Numbered 14-06-245 between the United States of America and the Central Arizona Water Conservation District dated December 15, 1972, and any amendment or revision thereof, the costs associated with the delivery of CAP water pursuant to the Project Water Leases referred to in subsection (d) shall be nonreimbursable, and such costs shall be excluded from CAWCD's repayment obligation.

(f) Notwithstanding any other provision of statutory or common law, the Community may, with the approval of the Secretary, lease water provided to the Community under section 6 of this Act for its fair market value for a term not to exceed one hundred years as provided in the Agreement but in no event for use outside Pima, Pinal or Maricopa Counties, State of Arizona.

(g) Except as authorized by this section, no water received by the Community or its members pursuant to the Agreement may be sold, leased, transferred, or in any way used off of the Community's reservation.

SEC. 8. FORT McDOWELL INDIAN COMMUNITY DEVELOPMENT FUND.

(a) As soon as practicable, the Community shall establish the Fort McDowell Indian Community Development Fund into which shall be deposited—

(1) by the Secretary, the funds appropriated pursuant to subsection (c) of this section; and

(2) by the State of Arizona, $2,000,000 required by paragraph 21.4 of the Agreement.

(b) The Secretary is directed, pursuant to the authority of the Colorado River Basin Project Act (43 U.S.C. 1501 et seq.) to design and construct new facilities for the delivery of water to Community reservation lands at a cost which shall not exceed the cost for such design and construction which would have been incurred by the Secretary in the absence of the Agreement and this Act;

(c) There is hereby authorized to be appropriated such sums as may be necessary, which the Secretary shall deposit into the Community Development Fund for the Community to use in the design and construction of facilities to put to beneficial use the Community's water entitlement and/or other economic and community development on the Fort McDowell Indian Reservation.

(d) As of the date the authorizations contained in section 9(b) of this Act become effective, the Community, in its discretion, may use the Development Fund, principal and income, to fulfill the purposes of the Agreement and this Act: *Provided*, That no amount of the Federal or State appropriations deposited into the Development Fund may be used to make per capita payments to members of the Community.

(e) As of the date the authorizations contained in section 9(b) of this Act become effective—

(1) the Secretary shall have no further duties or responsibilities with respect to the

administration of, or expenditures from, the Development Fund, and

(2) the United States shall not be liable for any claim or cause of action arising from the Community's use and expenditure of moneys from the Development Fund.

SEC. 9. SATISFACTION OF CLAIMS.

(a) The benefits realized by the Community's members under this act shall constitute full and complete satisfaction of all members' claims for water rights of injuries to water rights under Federal and State laws (including claims for water rights in ground water, surface water, and effluent) from time immemorial to the effective date of this Act, and for any and all future claims of water rights (including claims for water rights in ground water, surface water, and effluent) from and after the effective date of this Act.

(b) The Community and the Secretary on behalf of the United States are authorized, as part of the performance of the obligations under the Agreement, to execute a waiver and release of all present and future claims of water rights or injuries to water rights (including water rights in ground water, surface water, and effluent), from time immemorial to the effective date of this Act, and any and all future claims of water rights (including water rights in ground water, surface water, and effluent), from and after the effective date of this Act, which the Community and its members may have, against the United States, the State of Arizona or any agency or political subdivision thereof, or any other person, corporation, or municipal corporation, arising under the laws of the United States or the State of Arizona; except for the Community's claims solely against the United States in the United States Claims Court and the Community's Federal Tort Claims Act claims.

(c) Except as provided in the Agreement, the United States shall not assert any claim against the State of Arizona or any political subdivision thereof, or any other person, corporation, or municipal corporation, arising under the laws of the United States or the State or Arizona in its own right or on behalf of the Community based upon—

(1) water rights or injuries to water rights of the Community and its members; or

(2) water rights or injuries to water rights held by the United States on behalf of the Community and its members.

(d) In the event the authorizations contained in paragraph (b) of this section do not become effective pursuant to section 11(a), the Community shall retain the right to assert past and future water rights claims as to all reservation lands.

SEC. 10. MISCELLANEOUS PROVISIONS.

(a) In the event any party to the Agreement should file a lawsuit in Federal District Court relating only and directly to the interpretation or enforcement of the Agreement, naming the United States of America or the Community as parties, authorization is hereby granted to join the United States of America and/or the Community in any such litigation, and any claim by the United States of America or the Community to sovereign immunity from such suit is hereby waived.

(b) The United States of America shall make no claims for reimbursement of costs arising out of the implementation of this Act or the Agreement against any lands within the Fort McDowell Indian Reservation, and no assessment shall be made with regard to such costs against such lands.

(c) Water received by entities other than the Community pursuant to the Agreement shall not affect any future allocation or reallocation of the CAP supply.

(d) To the extent the Agreement does not conflict with the provisions of this Act, such Agreement is hereby approved, ratified, and confirmed. The Secretary is authorized and directed to execute and perform such Agreement. The Secretary is further authorized to execute any amendments to the Agreement and perform any action required by any amendments to the Agreement which may be mutually agreed upon by the parties.

(e) As of the date the authorizations contained in section 9(b) of this act become effective, section 302(a) of the Colorado River Basin Project Act (43 U.S.C. 1522(a)) shall no longer apply to the Community.

(f) As of the date the authorizations contained in section 9(b) of this Act become effective, section 304(c)(3) of the Colorado River Basin Project Act (43 U.S.C. 1524(c)(3)) shall be repealed. This subsection does not authorize transportation of water pumped within the exterior boundary of a Federal reclamation project established prior to September 30, 1968, pursuant to the Act of June 17, 1902 (32 Stat. 388; 43 U.S.C. 391), as amended and supplemented, across project boundaries.

SEC. 11. EFFECTIVE DATE.

(a) The authorizations contained in section 9(b) of this Act shall become effective as of the date the Secretary causes to be published in the Federal Register a statement of findings that:

(1) the Secretary has signed a contract with the SRP for the storage and reregulation of the Community's Kent Decree water pursuant to section 4;

(2) the Roosevelt Water Conservation District subcontract for agricultural water service from CAP has been revised and executed as provided in section 5(b);

(3) the Secretary has acquired water pursuant to section 6 and made it available for delivery for the benefit of the Community;

(4) the funds required for the purpose of section 8(b) have been appropriated;

(5) the funds authorized by section 8(c) have been appropriated and deposited into the Community Development Fund;

(6) the State of Arizona has appropriated and deposited into the Community Development Fund the $2,000,000 required by paragraph 21.4 of the Agreement;

(7) the stipulation which is attached to the Agreement as exhibit "19.5" has been approved;

(8) the Agreement has been modified to the extent it is in conflict with this Act and has been executed by the Secretary.

(b) If the actions described in paragraphs (1), (2), (3), (4), (5), (6), (7), and (8) of subsection (a) have not occurred by December 31, 1993, sections 4, 5, 7, 8(a), 8(b), 8(c), 9(b), 9(c), 10(a), 10(b), 10(c), 10(d), 10(e), and 10(f) and any contracts entered into pursuant to those provisions shall not thereafter be effective, and any funds appropriated pursuant to section 8(c) shall revert to the Treasury, and any funds appropriated pursuant to paragraph 21.4 of the Agreement shall revert to the State of Arizona.

SEC. 12. OTHER CLAIMS.

Nothing in this Agreement or this act shall be construed in any way to quantify or otherwise affect the water rights, claims or entitlements to water of any Arizona Indian tribe, band or community, other than the Community.

SECTION-BY-SECTION ANALYSIS

SEC. 1.—SHORT TITLE

"Fort McDowell Indian Community Water Rights Settlement Act of 1990"

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS

This section lists findings that:

(1) the policy of the United States, in fulfillment of its trust responsibility to Indian tribes, is to promote Indian self-determination and economic self-sufficiency and to settle Indian water rights claims without lengthy and costly litigation;

(2) meaningful self-determination and economic self-sufficiency depend on development of viable Indian reservation economies;

(3) quantifying rights to water and developing facilities to use water supplies is essential to development of viable reservation economies, particularly in arid States;

(4) the U.S. established the Ft. McDowell reservation on September 15, 1903, north of the confluence of the Salt and Verde rivers in Arizona;

(5) the U.S. obtained water entitlements for the Community pursuant to the Kent Decree of 1910; however, uncertainty as to the full extent of the Community's water entitlement has adversely affected its ability to develop the reservation's agricultural and other resources and reduce its reliance on Federal program funding;

(6) litigation to determine the full extent of the Community's water rights and damages thereto is pending in Federal District and Claims Courts, before Federal agencies and in the General Adjudication of the Gila River System and Source in Arizona Superior Court;

(7) rather than endure the costs and uncertainty of lengthy litigation, the Community and neighboring non-Indian communities have sought to settle their disputes to water by negotiation;

(8) after more than five years' of negotiations, including participation by representatives of the United States, the Community and neighboring non-Indian communities in the Salt River Valley have entered into an agreement to resolve all water claims between and among themselves, quantify the Community's entitlement to water and provide for development of the Community's lands;

(9) the agreement provides for the non-Indian communities to transfer to the Community rights to approximately 12,000 acre-feet of surface water; provide for the means of firming existing Community water supplies; and make substantial additional contributions to carry out the agreement's provisions;

(10) it is appropriate that the United States participate in implementation of the agreement and contribute funds for the rehabilitation and expansion of existing reservation irrigation facilities to enable the Community to use its water fully in developing a diverse and efficient economy.

Congress therefore declares the purposes of this Act:

(1) to approve, ratify and confirm the agreement entered into by the Community and its neighboring non-Indian communities;

(2) to authorize and direct the Secretary to execute and perform the agreement; and,

(3) to authorize the actions and appropriations necessary for the United States to fulfill its legal and trust obligations to the Community as provided in the agreement and this Act.

SEC. 3. DEFINITIONS

This section defines the terms "Agreement"; "Central Arizona Project" (CAP); "Central Arizona Water Conservation District" (CAWCD); "Fort McDowell Indian Community" (Community) "Kent Decree"; "Roosevelt Water Conservation District" (RWCD); "Secretary"; and, "Salt River Project Agricultural Improvement and Power District and Salt River Valley Water Users' Association" (SRP).

SEC. 4. KENT DECREE REREGULATION

This section confirms existing agreements between the United States and the Salt River Project and among the SRP, Phelps Dodge Corporation and the Defense Plant Corporation regarding storage of water behind Horseshoe and Bartlett Dams on the Verde River.

The Secretary is required to contract with SRP for the storage of up to 3,000 acre-feet of the Community's water entitlement under the Kent Decree for seasonal regulation.

SEC. 5. RATIFICATION AND CONFIRMATION OF CONTRACTS

This section (a) ratifies and confirms a 1924 contract between the SRP and the Roosevelt Water Conservation District;

(b) requires the Secretary to revise RWCD's CAP water service contract consistent with the Agreement regarding conversions of agricultural water to municipal and industrial water;

(c) provides that RWCD lands shall be free from the ownership limitations of Federal reclamation law and all full cost pricing provisions of Federal law as of the date the Community's claims are waived pursuant to section 9;

(d) bars the application of the Reclamation Reform Act of 1982 to the SRP by virtue of its participation in the settlement or its execution and performance of the Agreement;

(e) provides that lands with SRP shall be free from the ownership limitations of Federal reclamation law and all full cost pricing provisions of Federal law as of the date the Community's claims are waived pursuant to section 9.

SECTION 6. OTHER WATER

This section requires the Secretary to acquire for the Community 13,933 acre-feet of water, having a CAP municipal and industrial priority or better, from one or more of three sources:

(1) water acquired for and in excess of the amounts necessary for delivery to the Ak-Chin Indian Community as specified in the Ak-Chin water settlement of October 19, 1984;

(2) CAP water voluntarily and permanently relinquished by the Harquahala Valley Irrigation District pursuant to contract with the Secretary;

(3) CAP municipal and industrial water and CAP Indian priority water voluntarily and permanently relinquished by the City of Prescott, the Prescott-Yavapai Indian Tribe, the Camp Verde Yavapai-Apache Tribe, the Cottonwood Water Company and the Camp Verde Water Company pursuant to contract with the Secretary.

Provided he acquires at least 7,000 acre-feet from the sources identified in (3), the Secretary is authorized to purchase land and water rights in the Big Chino Valley to replace the water acquired, and to construct facilities to deliver the replacement water. The entities relinquishing water are required to share the costs of the delivery systems pursuant to an agreement to be negotiated with the Secretary.

The costs associated with the acquisition of this water shall be excluded from the determination of allocation and repayment of CAP costs as provided in the master repayment contract between the United States and the CAWCD.

There is authorized to be appropriated amounts necessary to pay the costs of acquiring replacement water and to reimburse the City of Prescott for costs advanced by the City for determining the hydrology of the Big Chino Valley.

The Secretary is required to deliver water acquired for the Community as provided in the Agreement. Any remaining acquired water shall be used only in the settlement of water rights claims of other tribes to the surface water of the Salt and Verde River system.

The Secretary is required to comply with all applicable environmental law in exercising his authority under this section.

SEC. 7. WATER DELIVERY CONTRACT AMENDMENTS; WATER LEASE

This section authorizes the Secretary to take the actions necessary to implement provisions in the Agreement which provide for the cities to lease the Community's CAP entitlement of 4,300 acre-feet for 99 years.

The United States is barred from imposing on the Community the operation, maintenance and repair charges associated with the delivery of the leased water; the cities shall pay such OM&R costs in accordance with their leases, but pay no other charges associated with the leased water.

The costs associated with the delivery of CAP water pursuant to the leases are to be nonreimbursable and excluded from CAWCD's repayment obligation under its master repayment contract with the United States.

Notwithstanding any other provision of law, the Community may, with the approval of the Secretary, lease water it receives under Section 6 for its fair market value for no more than 100 years as provided in the Agreement but only for use within Pima, Pinal or Maricopa Counties, Arizona.

SEC. 8. FORT MC DOWELL INDIAN COMMUNITY DEVELOPMENT FUND

Subsection (a) requires the Community to establish a Community Development Fund into which shall be deposited:

(1) by the Secretary, the funds appropriated pursuant to subsection (c); and,

(2) by the State of Arizona, $2,000,000 required by the Agreement.

Subsection (b) directs the Secretary, pursuant to existing authority of the Colorado River Basin Project Act, to design and construct new facilities for the delivery of water to Community reservation lands at a cost not to exceed that which would have been incurred by the Secretary for such design and construction in the absence of the Agreement or this Act.

Subsection (c) authorizes appropriations of $ for the Community to use in the design and construction of facilities to put to beneficial use the Community's water entitlement and/or other economic and community development on the reservation.

The Community may use the development fund, principal and interest, when its claims waiver becomes effective pursuant to sections 9 and 11, provided that no part of the federal or state appropriations to the fund may be used to make per capita payments to members of the Community.

When the claims waiver is effective, the Secretary shall have no further duties or responsibilities with respect to the development fund, nor shall the United States be liable for any claim or cause of action arising from the Community's use and expenditure of moneys from the fund.

SEC. 9. SATISFACTION OF CLAIMS

This section provides that the benefits to the Community's members from this settlement constitute full satisfaction of their claims for water rights or injuries to water rights under Federal and State laws, from time immemorial to the effective date of this Act and thereafter.

The Community and the Secretary on behalf of the United States are authorized, as part of the performance of the Agreement, to execute a waiver and release of all past, present and future claims of water rights or injuries to water rights the Community and its members may have against the United States, the State of Arizona or anyone else under State and Federal law, except for the Community's claims solely against the United States in the United States Claims Court and the Community's Federal Tort Claims Act claims.

Except as provided in the Agreement, the United States shall not assert, in its own right or on behalf of the Community, any claims against the State of Arizona or anyone else based upon water rights or injuries to water rights of the Community and its members.

In the event the authorization for the waiver of claims in this section does not become effective pursuant to section 11(a), the Community shall retain the right to assert past and future water rights claims as to all reservation lands.

SEC. 10. MISCELLANEOUS PROVISIONS

This section—

(a) authorizes the joinder of the United States and/or the Community in any litigation filed in Federal District court by any party to the Agreement relating only and directly to the interpretation and enforcement of the Agreement and waives any claim by the United States and the Community to sovereign immunity from such suit;

(b) bars the United States from claiming any reimbursement or making any assessment of costs arising out of implementation of this Act or the Agreement against any lands within the Fort McDowell Indian Reservation;

(c) exempts water received by entities other than the Community pursuant to the Agreement from having any effect on any future alocation or reallocation of the CAP supply;

(d) approves, ratifies and confirms the Agreement to the extent it does not conflict with the provisions of this Act, directs the Secretary to execute and perform the Agreement and to execute any amendments to it which may be mutually agreed to by the parties;

(e) deems section 302(a) of the Colorado River Basin Project Act (which provides for withdrawal of Community lands for Orme Dam and reservoir), no longer applicable to the Community as of the effective date of the Community's waiver of claims under section 9;

(f) repeals section 304(c)(3) of the Colorado River Basin Project Act (which requires the Secretary and any CAP contractor to agree that a surplus of groundwater exists and that drainage is or was required as a precondition to pumping ground water from within the service area of one CAP contractor for use outside that contractor's service area) as of the effective date of the Commu-

nity's waiver of claims under section 9. Such repeal does not authorize transportation of water pumped from within the boundaries of the pre-1968 federal reclamation project across the project's boundaries.

SEC. 11. EFFECTIVE DATE.

This section provides that the claims waiver provision in section 9(b) shall become effective as of the date the Secretary publishes in the Federal Register a notice of findings that the following actions have occurred:

(1) the Secretary has contracted with SRP for the storage and reregulation of the Community's Kent Decree water pursuant to section 4;

(2) the Roosevelt Water Conservation District subcontract for agricultural water service from CAP has been revised and executed as provided in section 5(b);

(3) the Secretary has acquired other water pursuant to section 6 and made it available for delivery for the benefit of the Community;

(4) Congress has appropriated funds under authority of the Colorado River Basin Project Act necessary for the Secretary to design and construct new facilities for the delivery of water to Community reservation lands pursuant to section 8(b);

(5) Congress has appropriated and the Secretary has deposited into the Community's Development Fund the funds authorized by section 8(c);

(6) $2,000,000 appropriated by the State of Arizona has been deposited into the Community's Development Fund as required by the Agreement and section 8(a)(2);

(7) the stipulation which is attached to the Agreement as exhibit "19.5" has been approved;

(8) the Agreement has been modified to the extent it is in conflict with this Act and has been executed by the Secretary.

If the actions described in paragraphs 1 through 8 have not occurred by December 31, 1993, this Act shall not be effective and any contracts entered into pursuant to it shall not thereafter be effective, and any funds appropriated for deposit into the Community Development Fund shall revert to the Treasury and the State of Arizona, respectively.

SEC. 12. OTHER CLAIMS.

This section states that nothing in the Agreement or this Act shall be construed in any way to quantify or otherwise affect the water rights, claims or entitlements to water of any Arizona Indian tribe, band or community, other than the Community.

By Mr. PRYOR (for himself, Mr. BENTSEN, Mr. BOREN, Mr. RIEGLE, Mr. DASCHLE, Mr. DURENBERGER, Mr. DANFORTH, Mr. BAUCUS, Mr. MOYNIHAN, Mr. ROCKEFELLER, Mr. BREAUX, and Mr. JEFFORDS):

S. 2901. A bill to amend the Internal Revenue Code of 1986 to simplify the application of the tax laws with respect to employee benefit plans, and for other purposes; to the Committee on Finance.

EMPLOYEE BENEFITS SIMPLIFICATION ACT

Mr. PRYOR. Mr. President, I stand today to introduce the Employee Benefits Simplification Act. I am joined in this effort by 10 of my fellow Finance Committee members, Chairman BENTSEN and Senators BOREN, RIEGLE, DASCHLE, DURENBERGER, DANFORTH, BAUCUS, MOYNIHAN, ROCKEFELLER, and BREAUX. In addition, we are joined by Senator JEFFORDS of the Labor Committee.

Since 1974, the private pension system has become increasingly complex as Congress and the executive branch have added layer upon layer of complexity and regulation. This bill attempts to peel back a few of those layers.

Obviously, this bill does not solve all the problems of complexity in the private pension system. It should be seen, however, as the first positive step toward simplification. I anticipate that as the process unfolds, we will find additional pension rules ripe for simplification. I look forward to working with all interested parties to rationalize and simplify the existing pension rules.

With this in mind, the Finance Committee on Private Retirement Plans and Oversight of the Internal Revenue Service will hold a hearing on August 3 to discuss this bill and its companion bill, the Church Retirement Benefits Simplification Act. I look forward to those discussions.

In drafting this legislation, we have attempted to juggle the often conflicting policy goals of simplification, flexibility, and worker protection. I believe we have reached the proper balance.

No one can say that this legislation is "pro-business" or "pro-labor" in its approach. It is "pro-simplicity" and should have a positive effect on the entire pension system for everyone involved. No one benefits from complexity in the system and everyone recognizes that. I expect that we will receive support from big business, small business, labor, State and local governments. I suspect also that we will receive some criticism for not doing enough or maybe doing too much. That is good. That is healthy. This is a difficult subject that is best served by strong and thorough debate.

It is my sincere hope that after discussing the Employee Benefits Simplification Act on August 3, the Finance Committee will choose to include the bill in budget reconciliation this year.

Mr. President, I ask unanimous consent to place in the RECORD a copy of the legislation and a description of the bill prepared by my staff.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Employee Benefits Simplification Act".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—NONDISCRIMINATION PROVISIONS

SEC. 101. DEFINITION OF HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (1) of section 414(q) (defining highly compensated employee) is amended to read as follows:

"(1) IN GENERAL.—The term 'highly compensated employee' means any employee who—

"(A) was a 5-percent owner at any time during the year or the preceding year, or

"(B) has compensation for the year from the employer in excess of $50,000.

The Secretary shall adjust the $50,000 amount under subparagraph (B) at the same time and in the same manner as under section 415(d), except that the amount applicable for any year under subparagraph (B) shall be the amount in effect for the calendar year with respect to which compensation is determined for such year under paragraph (7)."

(b) SPECIAL RULE WHERE NO EMPLOYEES TREATED AS HIGHLY COMPENSATED.—Paragraph (2) of section 414(q) is amended to read as follows:

"(2) SPECIAL RULE IF NO EMPLOYEE DESCRIBED IN PARAGRAPH (1).—If no employee is treated as a highly compensated employee under paragraph (1), the employee who has the highest compensation for the year shall be treated as a highly compensated employee. The preceding sentence shall not apply for purposes of section 401 (k) or (m)."

(c) CONFORMING AMENDMENTS.—

(1) Paragraphs (4), (5), (8), and (12) of section 414(q) are hereby repealed.

(2)(A) Section 414(r) is amended by adding at the end thereof the following new paragraph:

"(9) EXCLUDED EMPLOYEES.—For purposes of this subsection, the following employees shall be excluded:

"(A) Employees who have not completed 6 months of service.

"(B) Employees who normally work less than 17½ hours per week.

"(C) Employees who normally work not more than 6 months during any year.

"(D) Employees who have not attained the age of 21.

"(E) Except to the extent provided in regulations, employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the employer. Except as provided by the Secretary, the employer may elect to apply subparagraph (A), (B), (C), or (D) by substituting a shorter period of service, smaller number of hours or months, or lower age for the period of service, number of hours or months, or age (as the case may be) specified in such subparagraph."

(B) Subparagraph (A) of section 414(r)(2) is amended by striking "subsection (q)(8)" and inserting "paragraph (9)".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 1990.

(2) ELECTION FOR 1991.—An employer may elect not to have the amendments made by this section apply to years beginning in 1991.

SEC. 102. DEFINITION OF COMPENSATION.

(a) IN GENERAL.—Paragraph (1) of section 414(s) (defining compensation) is amended to read as follows:

"(1) IN GENERAL.—Except as provided in this subsection, the term 'compensation' means, with respect to any year, the amount of wages shown on the W-2 form for the calendar year in which the year begins."

(b) WAGES SHOWN ON W-2 FORM.—Section 414(s)(3) is amended to read as follows:

"(3) WAGES ON W-2 FORM.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'wages shown on the W-2 form' means, with respect to any individual, the amount a person is required to include under section 6051(a)(3) on the statement required to be furnished by such person to such individual under section 6051(a).

"(B) SPECIAL RULES FOR SELF-EMPLOYED INDIVIDUALS.—In the case of an employee within the meaning of section 401(c)(1), the employee's earned income for the calendar year in which the year begins shall be substituted for the wages shown on the W-2 form. For purposes of the preceding sentence, the term 'earned income' has the meaning given such term by section 401(c)(2) (without regard to any exclusion under section 911).

"(C) SPECIAL RULE FOR FISCAL YEARS.—If compensation is being determined for a period other than a calendar year, the employer shall substitute for wages shown on the W-2 form the amount which would be shown on the W-2 form if it covered such other period."

(c) CERTAIN DEFERRALS WHICH MAY BE TREATED AS COMPENSATION.—Section 414(s)(2) (relating to employer may elect to treat certain deferrals as compensation) is amended—

(1) by striking "or 403(b)" and inserting ", 403(b), or 457, or any amount which is not includible in the gross income of an employee under subsection (h) or section 501(c)(18)", and

(2) by adding at the end the following new sentence: "An election under this paragraph shall apply for purposes of all applicable provisions, to all employees, and to all amounts described in the preceding sentence, and, once made, may be revoked only with the consent of the Secretary."

(d) ELECTION TO USE BASE PAY.—Section 414(s) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) ELECTION TO USE BASE PAY.—An employer may elect, in lieu of wages shown on the W-2 form, to determine an employee's compensation solely by reference to that portion of the employee's compensation attributable to such employee's base pay. Such election shall apply for purposes of all applicable provisions and to all employees and, once made, may be revoked only with the consent of the Secretary."

(e) PROVISIONS USING UNIFORM COMPENSATION DEFINITION.—

(1) HIGHLY COMPENSATED EMPLOYEES.—Paragraph (7) of section 414(q) (defining compensation) is amended to read as follows:

"(7) COMPENSATION.—For purposes of this subsection—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'compensation' has the meaning given such term by subsection (s), except that an employer may not elect to use base pay under subsection (s)(4).

"(B) WAGES DETERMINED ON BASIS OF PRECEDING YEAR.—Notwithstanding subsection (s)(3), compensation for any year shall be determined on the basis of the wages shown on the W-2 form—

"(i) with respect to which the last date for furnishing such form under section 6051(a) occurs during the first 3 months of such year, or

"(ii) if clause (i) does not apply, for the calendar year preceding the calendar year in which such year begins."

(2) BENEFIT AND CONTRIBUTION LIMITS.—Section 415(c)(3) is amended—

(A) by striking "paragraph (1)" in the matter preceding subparagraph (A) and inserting "paragraph (1) and subsections (b) and (e)",

(B) by striking subparagraphs (A) and (B) and inserting:

"(A) IN GENERAL.—The term 'participant's compensation' means the compensation (as defined in section 414(s)) of the participant from the employer for the year.", and

(C) by redesignating subparagraph (C) as subparagraph (B).

(f) TREATMENT OF FAMILY MEMBERS.—Section 414(q)(6)(A) is amended—

(1) by striking "or of a highly compensated employee in the group consisting of the 10 highly compensated employees paid the greatest compensation during the year", and

(2) by striking "or highly compensated employee" in clause (ii) thereof.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 1990.

(2) ELECTION FOR 1991.—An employer may elect not to have the amendments made by this section apply to years beginning in 1991.

SEC. 103. MODIFICATIONS OF COST-OF-LIVING ADJUSTMENTS.

(a) IN GENERAL.—Section 415(d) (relating to cost-of-living adjustments) is amended to read as follows:

"(d) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—The Secretary shall adjust annually—

"(A) the $90,000 amount in subsection (b)(1)(A), and

"(B) in the case of a participant who separated from service, the amount taken into account under subsection (b)(1)(B),

for increases in the cost-of-living in accordance with regulations prescribed by the Secretary.

"(2) METHOD.—

"(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall provide for adjustment procedures which are similar to the procedures used to adjust benefit amounts under section 215(i)(2)(A) of the Social Security Act.

"(B) PERIODS FOR ADJUSTMENT OF DOLLAR AMOUNT.—For purposes of paragraph (1)(A)—

"(i) IN GENERAL.—The adjustment with respect to any calendar year shall be based on the increase in the applicable index as of the close of the calendar quarter ending September 30 of the preceding calendar year over such index as of the close of the base period.

"(ii) BASE PERIOD.—For purposes of clause (i), the base period is the calendar quarter beginning October 1, 1986.

"(C) For purposes of paragraph (1)(B), the base period is the last calendar quarter of the calendar year preceding the calendar year in which the participant separated from service.

"(3) ROUNDING.—Any amount determined under paragraph (1) (or by reference to this subsection) shall be rounded to the nearest $1,000, except that the amounts under sections 402(g)(1) and 408(k)(2)(C) and (8) shall be rounded to the nearest $100."

(b) EFFECTIVE DATE.—The amendments made by this section apply to adjustments with respect to calendar years beginning after December 31, 1990.

SEC. 104. MODIFICATION OF ADDITIONAL PARTICIPATION REQUIREMENTS.

(a) GENERAL RULE.—Section 401(a)(26)(A) (relating to additional participation requirements) is amended to read as follows:

"(A) IN GENERAL.—In the case of a trust which is a part of a defined benefit plan, such trust shall not constitute a qualified trust under this subsection unless on each day of the plan year such trust benefits at least the lesser of—

"(i) 25 employees of the employer, or

"(ii) the greater of—

"(I) 40 percent of all employees of the employer, or

"(II) 2 employees (or if there is only 1 employee, such employee)."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to years beginning after December 31, 1990.

(2) ELECTION.—A plan may elect to have the amendment made by this section apply as if such amendment was included in the amendment made by section 1112(b) of the Tax Reform Act of 1986. Such election shall be made at such time, and in such form, as the Secretary of the Treasury may prescribe.

SEC. 105. NONDISCRIMINATION RULES FOR QUALIFIED CASH OR DEFERRED ARRANGEMENTS AND MATCHING CONTRIBUTIONS.

(a) ALTERNATIVE METHODS OF SATISFYING SECTION 401(k) NONDISCRIMINATION TESTS.—Section 401(k) (relating to cash or deferred arrangements) is amended by adding at the end thereof the following new paragraph:

"(11) ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—

"(A) IN GENERAL.—A cash or deferred arrangement shall be treated as meeting the requirements of paragraph (3)(A)(ii) if such arrangement—

"(i) meets the contribution requirements of subparagraph (B) or (C), and

"(ii) meets the notice requirements of subparagraph (D).

"(B) MATCHING CONTRIBUTIONS.—

"(i) IN GENERAL.—The requirements of this subparagraph are met if, under the arrangement, the employer makes matching contributions on behalf of each employee who is not a highly compensated employee not less than—

"(I) 100 percent of the elective contributions of the employee to the extent such elective contributions do not exceed 3 percent of the employee's compensation, and

"(II) 50 percent of the elective contributions of the employee to the extent that such elective contributions exceed 3 percent but do not exceed 5 percent of the employee's compensation.

"(ii) RATE FOR HIGHLY COMPENSATED EMPLOYEES.—The requirements of this subparagraph are not met if, under the arrangement, the matching contribution with respect to any elective contribution of a highly compensated employee at any level of compensation is greater than that with respect to an employee who is not a highly compensated employee.

"(iii) ALTERNATIVE PLAN DESIGNS.—If the matching contribution with respect to any

elective contribution at any specific level of compensation is not equal to the percentage required under clause (i), an arrangement shall not be treated as failing to meet the requirements of clause (i) if—

"(I) the level of an employer's matching contribution does not increase as an employee's elective contributions increase, and

"(II) the aggregate amount of matching contributions with respect to elective contributions not in excess of such level of compensation is at least equal to the amount of matching contributions which would be made if matching contributions were made on the basis of the percentages described in clause (i).

"(C) NONELECTIVE CONTRIBUTIONS.—The requirements of this subparagraph are met if, under the arrangement, the employer is required, without regard to whether the employee makes an elective contribution or employee contribution, to make a contribution to a defined contribution plan on behalf of each employee who is not a highly compensated employee and who is eligible to participate in the arrangement in an amount equal to at least 3 percent of the employee's compensation.

"(D) NOTICE REQUIREMENT.—An arrangement meets the requirements of this paragraph if, under the arrangement, each employee eligible to participate is, within a reasonable period before any year, given written notice of the employee's rights and obligations under the arrangement which—

"(i) is sufficiently accurate and comprehensive to appraise the employee of such rights and obligations, and

"(ii) is written in a manner calculated to be understood by the average employee eligible to participate.

"(E) OTHER REQUIREMENTS.—

"(i) WITHDRAWAL AND VESTING RESTRICTIONS.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless the requirements of subparagraphs (B) and (C) of paragraph (2) are met with respect to employer contributions.

"(ii) SOCIAL SECURITY AND SIMILAR CONTRIBUTIONS NOT TAKEN INTO ACCOUNT.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless such requirements are met without regard to subsection (l), and, for purposes of subsection (l), employer contributions under subparagraph (B) or (C) shall not be taken into account.

"(F) OTHER PLANS.—An arrangement shall be treated as meeting the requirements under subparagraph (A)(i) if any other plan maintained by the employer meets such requirements with respect to employees eligible under the arrangement."

(b) ALTERNATIVE METHODS OF SATISFYING SECTION 401(m) NONDISCRIMINATION TESTS.—Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions) is amended by redesignating paragraph (10) as paragraph (11) and by adding after paragraph (9) the following new paragraph:

"(10) ALTERNATIVE METHOD OF SATISFYING TESTS.—

"(A) IN GENERAL.—A defined contribution plan shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

"(i) meets the contribution requirements of subparagraph (B) or (C) of subsection (k)(11),

"(ii) meets the notice requirements of subsection (k)(11)(D), and

"(iii) meets the requirements of subparagraph (B).

"(B) LIMITATION ON MATCHING CONTRIBUTIONS.—The requirements of this subparagraph are met if—

"(i) matching contributions on behalf of any employee may not be made with respect to an employee's contributions or elective deferrals in excess of 6 percent of the employee's compensation,

"(ii) the level of an employer's matching contribution does not increase as an employee's contributions or elective deferrals increase, and

"(iii) the matching contribution with respect to any highly compensated employee at a specific level of compensation is not greater than that with respect to an employee who is not a highly compensated employee."

(c) DISTRIBUTION OF EXCESS CONTRIBUTIONS.—

(1) Subparagraph (C) of section 401(k)(8) (relating to arrangement not disqualified if excess contributions distributed) is amended by striking "on the basis of the respective portions of the excess contributions attributable to each of such employees" and inserting "on the basis of the amount of contributions by, or on behalf of, each of such employees".

(2) Subparagraph (C) of section 401(m)(6) (relating to method of distributing excess aggregate contributions) is amended by striking "on the basis of the respective portions of such amounts attributable to each of such employees" and inserting "on the basis of the amount of contributions on behalf of, or by, each such employee".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1990.

TITLE II—DISTRIBUTIONS

SEC. 201. TAXABILITY OF BENEFICIARY OF EMPLOYEES' TRUST.

(a) IN GENERAL.—So much of section 402 (relating to taxability of beneficiary of employees' trust) as precedes subsection (g) thereof is amended to read as follows:

"SEC. 402. TAXABILITY OF BENEFICIARY OF EMPLOYEES' TRUST.

"(a) TAXABILITY OF BENEFICIARY OF EXEMPT TRUST.—Except as otherwise provided in this section, any amount actually distributed to any distributee by any employees' trust described in section 401(a) which is exempt from tax under section 501(a) shall be taxable to the distributee, in the taxable year of the distributee in which distributed, under section 72 (relating to annuities).

"(b) TAXABILITY OF BENEFICIARY OF NONEXEMPT TRUST.—

"(1) CONTRIBUTIONS.—Contributions to an employees' trust made by an employer during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt from tax under section 501(a) shall be included in the gross income of the employee in accordance with section 83 (relating to property transferred in connection with performance of services), except that the value of the employee's interest in the trust shall be substituted for the fair market value of the property for purposes of applying such section.

"(2) DISTRIBUTIONS.—The amount actually distributed or made available to any distributee by any trust described in paragraph (1) shall be taxable to the distributee, in the taxable year in which so distributed or made available, under section 72 (relating to annuities), except that distributions of income of such trust before the annuity starting date (as defined in section 72(c)(4)) shall be included in the gross income of the employee without regard to section 72(e)(5) (relating to amount not received as annuities).

"(3) GRANTOR TRUSTS.—A beneficiary of any trust described in paragraph (1) shall not be considered the owner of any portion of such trust under subpart E of part I of subchapter J (relating to grantors and others treated as substantial owners).

"(4) FAILURE TO MEET REQUIREMENTS OF SECTION 410(B).—

"(A) HIGHLY COMPENSATED EMPLOYEES.—If 1 of the reasons a trust is not exempt from tax under section 501(a) is the failure of the plan of which it is a part to meet the requirements of section 401(a)(26) or 410(b), then a highly compensated employee shall, in lieu of the amount determined under this subsection, include in gross income for the taxable year with or within which the taxable year of the trust ends an amount equal to the vested accrued benefit of such employee (other than the employee's investment in the contract) as of the close of such taxable year of the trust.

"(B) FAILURE TO MEET COVERAGE TESTS.—If a trust is not exempt from tax under section 501(a) for any taxable year solely because such trust is part of a plan which fails to meet the requirements of section 401(a)(26) or 410(b), this subsection shall not apply by reason of such failure to any employee who was not a highly compensated employee during—

"(i) such taxable year, or

"(ii) any preceding period for which service was creditable to such employee under the plan.

"(C) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this paragraph, the term 'highly compensated employee' has the meaning given such term by section 414(q).

"(c) TAXABILITY OF BENEFICIARY OF CERTAIN FOREIGN SITUS TRUSTS.—For purposes of subsections (a) and (b), a stock bonus, pension, or profit-sharing trust which would qualify for exemption from tax under section 501(a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501(a).

"(d) RULES APPLICABLE TO ROLLOVERS FROM EXEMPT TRUSTS.—

"(1) EXCLUSION FROM INCOME.—If—

"(A) any portion of the balance to the credit of an employee in a qualified trust is paid to either the employee or the employee's spouse,

"(B) the distributee transfers any portion of the property received in such distribution to an eligible retirement plan, and

"(C) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(2) MAXIMUM AMOUNT WHICH MAY BE ROLLED OVER.—Paragraph (1) shall not apply to any amount transferred to the extent such amount exceeds the fair market value of all the property the distributee receives in the distribution, reduced by the portion of the distribution which is allocable to employee contributions (other than accumulated deductible employee contributions within the meaning of section 72(o)(5)).

"(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—Paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on

which the distributee received the property distributed.

"(4) TRANSFER TREATED AS ROLLOVER CONTRIBUTION UNDER SECTION 408.—For purposes of this title, a transfer resulting in any portion of a distribution being excluded from gross income under paragraph (1) to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(C) shall be treated as a rollover contribution described in section 408(d)(3).

"(5) REQUIRED DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVER TREATMENT.—Paragraph (1) shall not apply to any distribution to the extent such distribution is required under section 401(a)(9).

"(6) SALES OF DISTRIBUTED PROPERTY.—For purposes of this subsection—

"(A) TRANSFER OF PROCEEDS FROM SALE OF DISTRIBUTED PROPERTY TREATED AS TRANSFER OF DISTRIBUTED PROPERTY.—The transfer of an amount equal to any portion of the proceeds from the sale of property received in the distribution shall be treated as the transfer of property received in the distribution.

"(B) PROCEEDS ATTRIBUTABLE TO INCREASE IN VALUE.—The excess of fair market value of property on sale over its fair market value on distribution shall be treated as property received in the distribution.

"(C) DESIGNATION WHERE AMOUNT OF DISTRIBUTION EXCEEDS ROLLOVER CONTRIBUTION.—In any case where part or all of the distribution consists of property other than money, the taxpayer may designate—

"(i) the portion of the money or other property which is to be treated as attributable to employee contributions, and

"(ii) the portion of the money or other property which is to be treated as included in the rollover contribution.

Any designation under this subparagraph for a taxable year shall be made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). Any such designation, once made, shall be irrevocable.

"(D) TREATMENT WHERE NO DESIGNATION.—In any case where part or all of the distribution consists of property other than money and the taxpayer fails to make a designation under subparagraph (C) within the time provided therein, then—

"(i) the portion of the money or other property which is to be treated as attributable to employee contributions, and

"(ii) the portion of the money or other property which is to be treated as included in the rollover contribution,

shall be determined on a ratable basis.

"(E) NONRECOGNITION OF GAIN OR LOSS.—In the case of any sale described in subparagraph (A), to the extent that an amount equal to the proceeds is transferred pursuant to paragraph (1), neither gain nor loss on such sale shall be recognized.

"(7) SPECIAL RULE FOR FROZEN DEPOSITS.—

"(A) IN GENERAL.—The 60-day period described in paragraph (3) shall not—

"(i) include any period during which the amount transferred to the employee is a frozen deposit, or

"(ii) end earlier than 10 days after such amount ceases to be a frozen deposit.

"(B) FROZEN DEPOSITS.—For purposes of this subparagraph, the term 'frozen deposit' means any deposit which may not be withdrawn because of—

"(i) the bankruptcy or insolvency of any financial institution, or

"(ii) any requirement imposed by the State in which such institution is located by reason of the bankruptcy or insolvency (or threat thereof) of 1 or more financial institutions in such State.

A deposit shall not be treated as a frozen deposit unless on at least 1 day during the 60-day period described in paragraph (3) (without regard to this paragraph) such deposit is described in the preceding sentence.

"(8) DEFINITIONS.—For purposes of this subsection—

"(A) EMPLOYEE CONTRIBUTIONS.—The term 'employee contributions' means—

"(i) the excess of the amounts considered contributed by the employee (determined by applying section 72(f)), over

"(ii) any amounts previously distributed to the employee which were not includible in gross income (determined without regard to this paragraph).

"(B) QUALIFIED TRUST.—The term 'qualified trust' means an employees' trust described in section 401(a) which is exempt from tax under section 501(a).

"(C) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' means—

"(i) an individual retirement account described in section 408(a),

"(ii) an individual retirement annuity described in section 408(b) (other than an endowment contract),

"(iii) a qualified trust, and

"(iv) an annuity plan described in section 403(a).

"(e) OTHER RULES APPLICABLE TO EXEMPT TRUSTS.—

"(1) ALTERNATE PAYEES.—

"(A) ALTERNATE PAYEE TREATED AS DISTRIBUTEE.—For purposes of subsection (a) and section 72, an alternate payee who is the spouse or former spouse of the participant shall be treated as the distributee of any distribution or payment made to the alternate payee under a qualified domestic relations order (as defined in section 414(p)).

"(B) ROLLOVERS.—If—

"(i) any amount is paid or distributed to an alternate payee by reason of any qualified domestic relations order (within the meaning of section 414(p)),

"(ii) the recipient transfers any portion of the property the recipient receives in such distributions to an eligible retirement plan described in clause (i) or (ii) of subsection (d)(8)(C), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed.

then the portion of the distribution so transferred shall be treated as a distribution to which subsection (d) applies.

"(2) DISTRIBUTIONS BY UNITED STATES TO NONRESIDENT ALIENS.—The amount includible under subsection (a) in the gross income of a nonresident alien with respect to a distribution made by the United States in respect of services performed by an employee of the United States shall not exceed an amount which bears the same ratio to the amount includible in gross income without regard to this paragraph as—

"(A) the aggregate basic pay paid by the United States to such employee for such services, reduced by the amount of such basic pay which was not includible in gross income by reason of being from sources without the United States, bears to

"(B) the aggregate basic pay paid by the United States to such employee for such services.

In the case of distributions under the civil service retirement laws, the term 'basic pay' shall have the meaning provided in section 8331(3) of title 5, United States Code.

"(3) CASH OR DEFERRED ARRANGEMENTS.—For purposes of this title, contributions made by an employer on behalf of an employee to a trust which is a part of a qualified cash or deferred arrangement (as defined in section 401(k)(2)) shall not be treated as distributed or made available to the employee nor as contributions made to the trust by the employee merely because the arrangement includes provisions under which the employee has an election whether the contribution will be made to the trust or received by the employee in cash.

"(4) NET UNREALIZED APPRECIATION.—

"(A) AMOUNTS ATTRIBUTABLE TO EMPLOYEE CONTRIBUTIONS.—For purposes of subsection (a) and section 72, the amount actually distributed to any distributee from a trust described in subsection (a) shall not include any net unrealized appreciation in securities of the employer corporation attributable to amounts contributed by the employee (other than deductible employee contributions within the meaning of section 72(o)(5)). This subparagraph shall not apply to a partial distribution to which subsection (d) applies.

"(B) AMOUNTS ATTRIBUTABLE TO EMPLOYER CONTRIBUTIONS.—In the case of any lump sum distribution which includes securities of the employer corporation, subparagraph (A) shall apply to the net unrealized appreciation attributable to that part of the distribution which consists of securities of the employer corporation attributable to amounts other than the amounts contributed by the employee. In accordance with rules prescribed by the Secretary, a taxpayer may elect, on the return of tax on which a lump sum distribution is required to be included, not to have this subparagraph and subparagraph (A) apply to such distribution.

"(C) DETERMINATION OF AMOUNTS AND ADJUSTMENTS.—For purposes of subparagraphs (A) and (B), net unrealized appreciation and the resulting adjustments to basis shall be determined in accordance with regulations prescribed by the Secretary.

"(D) LUMP SUM DISTRIBUTION.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'lump sum distribution' means the distribution or payment within one taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient—

"(I) on account of the employee's death,

"(II) after the employee attains age 59,

"(III) on account of the employee's separation from service, or

"(IV) after the employee has become disabled (within the meaning of section 72(m)(7)),

from a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501 or from a plan described in section 403(a). Subclause (III) of this clause shall be applied only with respect to an individual who is an employee without regard to section 401(c)(1), and subclause (IV) shall be applied only with respect to an employee within the meaning of section 401(c)(1). For purposes of this clause, a distribution to two or more trusts shall be treated as a distribution to one recipient. For purposes of this paragraph, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(o)(5)).

"(ii) AGGREGATION OF CERTAIN TRUSTS AND PLANS.—For purposes of determining the

balance to the credit of an employee under subparagraph (A)—

"(I) all trusts which are part of a plan shall be treated as a single trust, all pension plans maintained by the employer shall be treated as a single plan, all profit-sharing plans maintained by the employer shall be treated as a single plan, and all stock bonus plans maintained by the employer shall be treated as a single plan, and

"(II) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a)(2) shall not be taken into account.

"(iii) COMMUNITY PROPERTY LAWS.—The provisions of this paragraph shall be applied without regard to community property laws.

"(iv) AMOUNTS SUBJECT TO PENALTY.—This paragraph shall not apply to amounts described in subparagraph (A) of section 72(m)(5) to the extent that section 72(m)(5) applies to such amounts.

"(v) BALANCE TO CREDIT OF EMPLOYEE NOT TO INCLUDE AMOUNTS PAYABLE UNDER QUALIFIED DOMESTIC RELATIONS ORDER.—For purposes of this paragraph, the balance to the credit of an employee shall not include any amount payable to an alternate payee under a qualified domestic relations order (within the meaning of section 414(p)).

"(vi) TRANSFERS TO COST-OF-LIVING ARRANGEMENT NOT TREATED AS DISTRIBUTION.—For purposes of this paragraph, the balance to the credit of an employee under a defined contribution plan shall not include any amount transferred from such defined contribution plan to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)) under a defined benefit plan.

"(vii) LUMP-SUM DISTRIBUTIONS OF ALTERNATE PAYEES.—If any distribution or payment of the balance to the credit of an employee would be treated as a lump-sum distribution, then, for purposes of this paragraph, the payment under a qualified domestic relations order (within the meaning of section 414(p)) of the balance to the credit of an alternate payee who is the spouse or former spouse of the employee shall be treated as a lump-sum distribution. For purposes of this clause, the balance to the credit of the alternate payee shall not include any amount payable to the employee.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) SECURITIES.—The term 'securities' means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form.

"(ii) SECURITIES OF THE EMPLOYER.—The term 'securities of the employer corporation' includes securities of a parent or subsidiary corporation (as defined in subsections (e) and (f) of section 425) of the employer corporation.

"(f) WRITTEN EXPLANATION TO RECIPIENTS OF DISTRIBUTIONS ELIGIBLE FOR ROLLOVER TREATMENT.—

"(1) IN GENERAL.—The plan administrator of any plan shall, when making an eligible rollover distribution, provide a written explanation to the recipient of the provisions under which such distribution will not be subject to tax if transferred to an eligible retirement plan within 60 days after the date on which the recipient received the distribution.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) ELIGIBLE ROLLOVER DISTRIBUTION.—The term 'eligible rollover distribution' means any distribution any portion of which may be excluded from gross income under subsection (d) of this section or subsection (a)(4) of section 403 if transferred to an eligible retirement plan in accordance with the requirements of such subsection.

"(B) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' has the meaning given such term by subsection (d)(8)(C)."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 55(c) is amended by striking "shall not include any tax imposed by section 402(e) and".

(2) Paragraph (8) of section 62(a) (relating to certain portion of lump-sum distributions from pension plans taxed under section 402(e)) is hereby repealed.

(3) Paragraph (4) of section 72(o) (relating to special rule for treatment of rollover amount) is amended by striking "sections 402(a)(5), 402(a)(7)" and inserting "sections 402(d)".

(4) Subparagraph (B) of section 101(b)(2) (relating to nonforfeitable rights) is amended by striking "section 402(e)(4)" and inserting "section 401(k)(10)(B)(ii)".

(5) Paragraph (2) of section 219(d) (relating to recontributed amount) is amended by striking "section 402(a)(5), 402(a)(7)" and inserting "section 402(d)".

(6) Paragraph (20) of section 401(a) is amended by striking "qualified total distribution described in section 402(a)(5)(E)(i)(I)" and inserting "distribution to a distributee on account of a termination of the plan of which the trust is a part".

(7) Section 401(a)(28)(B) (relating to coordination with distribution rules) is amended by striking clause (v).

(8) Subclause (IV) of section 401(k)(2)(B)(i) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(9) Subparagraph (B)(ii) of section 401(k)(10) (relating to distributions must be lump-sum distributions) is amended to read as follows:

"(ii) LUMP SUM DISTRIBUTION.—For purposes of this subparagraph, the term 'lump sum distribution' means any distribution of the balance to the credit of an employee immediately before the distribution."

(10) Section 402(g)(1) is amended by striking "subsections (a)(8)" and inserting "subsections (e)(3)".

(11) Section 402(i) is amended by striking ", except as otherwise provided in subparagraph (A) of subsection (e)(4)".

(12) Section 402(j) is amended by striking "(a)(1) or (e)(4)(J)" and inserting "(e)(4)".

(13) Subparagraph (B) of section 403(a)(4) is amended to read as follows:

"(B) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 402(d) shall apply for purposes of subparagraph (A)."

(14) Subparagraph (B) of section 403(b)(8) (relating to special rules for partial distributions) is hereby repealed.

(15) Subparagraph (C) of section 403(b)(8) is amended to read as follows:

"(C) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2), (3), (4), (6), and (7) of section 403(d) shall apply for purposes of subparagraph (A)."

(16) Section 406(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(17) Section 407(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(18) Paragraph (1) of section 408(a) is amended by striking "section 402(a)(5), 402(a)(7)" and inserting "section 402(d)".

(19) Clause (ii) of section 408(d)(3)(A) is amended by striking "of a qualified total distribution (as defined in section 402(a)(5)(E)(i))" and inserting "(as defined in section 402(d)(1))".

(20) Subparagraph (B) of section 408(d)(3) (relating to limitations) is amended by striking the second sentence thereof.

(21) Subparagraph (F) of section 408(d)(3) (relating to frozen deposits) is amended by striking "section 402(a)(6)(H)" and inserting "section 402(d)(7)".

(22) Subclause (I) of section 414(n)(5)(C)(iii) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(23) Clause (i) of section 414(q)(7)(B) is amended by striking "402(a)(8)" and inserting "402(e)(3)".

(24) Paragraph (2) of section 414(s) (relating to employer may elect to treat certain deferrals as compensation) is amended by striking "402(a)(8)" and inserting "402(e)(3)".

(25) Subparagraph (A) of section 415(b)(2) (relating to annual benefit in general) is amended by striking "sections 402(a)(5)" and inserting "sections 402(d)".

(26) Subparagraph (B) of section 415(b)(2) (relating to adjustment for certain other forms of benefit) is amended by striking "sections 402(a)(5)" and inserting "sections 402(d)".

(27) Paragraph (2) of section 415(c) (relating to annual addition) is amended by striking "sections 402(a)(5)" and inserting "sections 402(d)".

(28) Subparagraph (B) of section 457(c)(2) is amended by striking "section 402(a)(8)" in clause (i) thereof and inserting "section 402(e)(3)".

(29) Section 691(c) (relating to coordination with section 402(e)) is amended by striking paragraph (5).

(30) Subparagraph (B) of section 871(a)(1) (relating to income other than capital gains) is amended by striking "402(a)(2), 403(a)(2), or".

(31) Paragraph (1) of section 871(b) (relating to imposition of tax) is amended by striking "section 1, 55, or 402(e)(1)" and inserting "section 1 or 55".

(32) Paragraph (1) of section 871(k) is amended by striking "section 402(a)(4)" and inserting "section 402(e)(2)".

(33) Subsection (b) of section 877 (relating to alternative tax) is amended by striking "section 1, 55, or 402(e)(1)" and inserting "section 1 or 55".

(34) Subsection (b) of section 1441 (relating to income items) is amended by striking "section 402(a)(2), 403(a)(2), or".

(35) Paragraph (5) of section 1441(c) (relating to special items) is amended by striking "section 402(a)(2), 403(a)(2), or".

(36) Subparagraph (A) of section 3121(v)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(37) Subparagraph (A) of section 3306(r)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(38) Subsection (a) of section 3405 is amended by striking "PENSIONS, ANNUITIES, ETC.—" from the heading thereof and inserting "PERIODIC PAYMENTS.—".

(39) Subsection (b) of section 3405 (relating to nonperiodic distribution) is amended—

(A) by striking "the amount determined under paragraph (2)" from paragraph (1)

thereof and inserting "an amount equal to 10 percent of such distribution"; and

(B) by striking paragraph (2) (relating to amount of withholding) and redesignating paragraph (3) as paragraph (2).

(40) Paragraph (4) of section 3405(d) (relating to qualified total distributions) is hereby repealed.

(41) Paragraph (8) of section 3405(d) (relating to maximum amounts withheld) is amended to read as follows:

"(8) MAXIMUM AMOUNT WITHHELD.—The maximum amount to be withheld under this section on any designated distribution shall not exceed the sum of the amount of money and the fair market value of other property (other than securities of the employer corporation) received in the distribution. No amount shall be required to be withheld under this section in the case of any designated distributions which consists only of securities of the employer corporation and cash (not in excess of $200) in lieu of financial shares. For purposes of this paragraph, the terms 'securities' and 'securities of the employer corporation' have the meanings given such terms by section 402(e)(4)(E)."

(42) Subparagraph (A) of section 4973(b)(1) is amended by striking "sections 402(a)(5), 402(a)(7)' and inserting "sections 402(d)".

(43) Section 4980A(c) (relating to special rule where taxpayer elects income averaging) is amended by striking paragraph (4).

(44) Paragraph (2) of section 6428(d) (relating to special rule for tax imposed by section 402(e)) is hereby repealed.

(45) Subparagraph (C) of section 7701(j)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to distributions after December 31, 1990.

(2) RETENTION OF CERTAIN TRANSITIONAL RULES.—Notwithstanding any other provisions of this section, the amendments made by this section shall not apply to distributions to employees described in section 1122 (h)(3) or (h)(5) of the Tax Reform Act of 1986.

SEC. 202. QUALIFIED PLANS MUST PROVIDE FOR TRANSFERS OF CERTAIN DISTRIBUTIONS TO OTHER PLANS.

(a) QUALIFICATION REQUIREMENT.—Section 401(a) (relating to requirements for qualification) is amended by adding after paragraph (30) the following new paragraph:

"(31) CERTAIN DISTRIBUTIONS MUST BE MADE IN FORM OF TRANSFER TO OTHER PLAN.—A trust shall not constitute a qualified trust under this section unless the plan of which it is a part meets the requirements of section 417A."

(b) TRANSFER REQUIREMENTS.—

(1) IN GENERAL.—Subpart B of part I of subchapter D of chapter 1 (relating to special rules) is amended by adding at the end thereof the following new section:

"SEC. 417A. REQUIRED TRANSFERS OF CERTAIN PLAN DISTRIBUTIONS.

"(a) GENERAL RULE.—A plan meets the requirements of this section only if all applicable distributions from the plan are made in the form of a direct trustee-to-trustee transfer to an eligible transferee plan.

"(b) APPLICABLE DISTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'applicable distribution' means any distribution from a plan in excess of $500 which, without regard to this section, would be distributed directly to a participant or to the beneficiary of a participant.

"(2) EXCEPTIONS.—The term 'applicable distribution' shall not include any of the following:

"(A) Any distribution described in section 72(t)(2)(A) (other than clause (i) or (ii) thereof) or section 72(t)(2)(D).

"(B) Any distribution on or after the date the employee attains age 55.

"(C) Any distribution on or after the death of the employee other than to the surviving spouse of the employee.

"(D) In the case of a profit-sharing or stock bonus plan, a distribution upon hardship of the employee.

"(E) Any distribution of any employee contribution other than accumulated deductible contributions (within the meaning of section 72(o)(5)).

"(F) Any distribution the proceeds of which are used to repay any loan to the employee from the plan with respect to which the employee is in default.

"(c) ELIGIBLE TRANSFEREE PLAN.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible transferee plan' means an individual retirement plan designated by the employee in such form, and at such time, as the transferor plan may prescribe.

"(2) DESIGNATION BY PLAN.—

"(A) IN GENERAL.—Each plan shall provide a method for the designation of an eligible transferee plan if an employee does not designate a plan under paragraph (1).

"(B) DESIGNATION BY TRUSTEE.—The trustee shall designate the eligible transferee plan under the method prescribed under subparagraph (A) in cases—

"(i) where the employee does not designate, or

"(ii) where the transfer in accordance with an employee's designation is not practicable.

"(3) TRANSFERS TO QUALIFIED TRUSTS.—Except as otherwise provided in regulations, an eligible transferee plan shall include an employee's trust described in section 401(a) and exempt from tax under section 501(a) which is designated as provided in paragraph (2) and which—

"(A) is part of a defined contribution plan, and

"(B) provides for the acceptance of the distribution from the transferor plan.

"(d) SPECIAL RULES FOR TREATMENT OF TRANSFERS.—

"(1) WITHDRAWALS BEFORE DUE DATE.—

"(A) IN GENERAL.—For purposes of this title, if, during the distribution period with respect to any applicable distribution, the employee receives a distribution from the eligible transferee plan of any portion of the applicable distribution (and any income allocable thereto), the distribution from the eligible transferee plan shall, for purposes of this title, be treated as if it were a distribution from the transferor plan in the taxable year of receipt by the employee.

"(B) DISTRIBUTION PERIOD.—For purposes of this paragraph, the term 'distribution period' means the period beginning on the date of the transfer and ending on the due date (including extensions) for the return of tax for the taxable year of the employee in which the date of transfer occurs.

"(2) SPOUSAL BENEFICIARIES.—For purposes of this section, in the case of an applicable distribution to the surviving spouse of an employee, the surviving spouse shall be treated in the same manner as an employee.

"(e) REPORTS.—

"(1) NOTICE TO EMPLOYEES.—The trustee of a plan shall notify each employee before any applicable distribution of the requirements of this section, including the time and manner of making a designation under subsection (c)(1).

"(2) AMOUNTS TRANSFERRED.—The trustee of a transferor plan shall notify the employee of the amount of any direct trustee-to-trustee transfer."

(2) CONFORMING AMENDMENT.—The table of sections for subpart B of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 417 the following new item:

"Sec. 417A. Required transfers of certain plan distributions."

(c) EXCLUSION FROM INCOME.—

(1) IN GENERAL.—Subsection (e) of section 402 (relating to taxability of beneficiary of employees' trust), as amended by section 201, is amended by adding at the end the following new paragraph:

"(5) DIRECT TRUSTEE-TO-TRUSTEE TRANSFERS.—In the case of a plan described in section 401(a) to which the requirements of section 417A apply, any amount transferred in a direct trustee-to-trustee transfer in accordance with section 417A shall not be includible in gross income for the taxable year of such transfer."

(2) DIRECT TRANSFERS FROM EMPLOYEE ANNUITIES.—

(A) QUALIFIED ANNUITY PLANS.—

(i) Paragraph (2) of section 404(a) (relating to employees' annuities) is amended by striking "(27)" and inserting "(27), and (31)".

(ii) Subsection (a) of section 403 (relating to taxability of beneficiary under a qualified annuity plan) is amended by adding at the end the following new paragraph:

"(5) DIRECT TRANSFERS TO INDIVIDUAL RETIREMENT PLANS.—Rules similar to the rules of sections 402(e)(5) and 417A shall apply with respect to annuity contracts described in paragraph (1), and such contracts shall, for purposes of section 417A(c)(3), be treated in the same manner as a trust described in such section."

(B) ANNUITY CONTRACTS PURCHASED BY SECTION 501(C)(3) ORGANIZATIONS OR PUBLIC SCHOOLS.—Subsection (b) of section 403 (relating to taxability of beneficiary under annuity purchased by section 501(c)(3) organization or public school) is amended by adding at the end the following new paragraph:

"(13) DIRECT TRUSTEE-TO-TRUSTEE TRANSFERS.—Rules similar to the rules of sections 401(a)(31) and 417A and section 402(e)(5) shall apply with respect to annuity contracts described in paragraph (1), and such contracts shall, for purposes of section 417A(c)(3), be treated in the same manner as a trust described in such section."

(d) OTHER AMENDMENTS.—

(1) CERTAIN TRANSFERS NOT TREATED AS REDUCTIONS IN BENEFITS.—Section 411(d)(6)(B) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following new sentence: "Except as otherwise provided in regulations, the requirements of clause (ii) shall not be treated as violated solely by reason of a direct trustee-to-trustee transfer required by section 417A."

(2) SERVICE DISREGARDED WHERE DISTRIBUTION IS PERMITTED.—

(A) IN GENERAL.—Subparagraph (B) of section 411(a)(7) (relating to effect of certain distributions) is amended—

(i) in the matter preceding clause (i), by striking "he has received";

(ii) in clause (i), by inserting "the employee has received" after "(i)", and by striking "or";

(iii) in clause (ii), by inserting "the employee has received" after "(ii)", and by striking "receive." and inserting "receive, or";

(iv) by inserting after clause (ii) the following:

"(iii) a direct trustee-to-trustee transfer described in section 417A has been made from the plan."; and

(v) in the last sentence, by striking "Clause (ii)" and inserting "Clauses (ii) and (iii)".

(B) BUYBACK RULES.—Subparagraph (C) of section 411(a)(7) (relating to repayment of subparagraph (B) distributions) is amended by adding at the end the following new sentence: "For purposes of this subparagraph, a direct trustee-to-trustee transfer referred to in subparagraph (B)(iii) with respect to a participant shall be treated as a distribution received by the participant."

(3) NOTICE TO RECIPIENTS OF DISTRIBUTIONS ELIGIBLE FOR ROLLOVER TREATMENT.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended—

(A) by striking "when making an eligible rollover distribution, provide a written explanation to the recipient" and inserting "when making an eligible rollover distribution or a direct trustee-to-trustee transfer, provide to the recipient of the distribution or the person with respect to whom the transfer is made a written explanation of"; and

(B) by inserting ", or the income tax consequences of a direct trustee-to-trustee transfer provided in accordance with the applicable requirements of sections 417A, 403(e)(5), and 403(b)(13), respectively." before the end period.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions in plan years beginning after December 31, 1991.

SEC. 203. REQUIRED DISTRIBUTIONS.

(a) IN GENERAL.—Section 401(a)(9)(C) (defining required beginning date) is amended to read as follows:

"(C) REQUIRED BEGINNING DATE.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'required beginning date' means April 1 of the calendar year following the later of—

"(I) the calendar year in which the employee attains age 70, or

"(II) the calendar year in which the employee retires.

"(ii) EXCEPTION.—Subclause (II) of clause (i) shall not apply—

"(I) except as provided in section 409(d), in the case of an employee who is a 5-percent owner (as defined in section 416) with respect to the plan year ending in the calendar year in which the employee attains age 70, or

"(II) for purposes of section 408(a)(6) or (b)(3).

"(iii) ACTUARIAL ADJUSTMENT.—In the case of an employee to whom clause (i)(II) applies who retires in a calendar year after the calendar year in which the employee attains age 70, the employee's accrued benefit shall be actuarially increased to take into account the period after age 70 in which the employee was not receiving any benefits under the plan.

"(iv) EXCEPTION FOR GOVERNMENTAL AND CHURCH PLANS.—Clauses (ii) and (iii) shall not apply in the case of a governmental plan or church plan. For purposes of this clause, the term 'church plan' means a plan maintained by a church for church employees, and the term 'church' means any church (as defined in section 3121(w)(3)(A)) or qualified church-controlled organization) as defined in section 3121(w)(3)(B))."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1990.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. TREATMENT OF LEASED EMPLOYEES.

(a) REPLACEMENT OF HISTORICAL TEST WITH CONTROL TEST.—Subparagraph (C) of section 414(n)(2) is amended to read as follows:

"(C) such services are performed by such person under the control of the recipient."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1983.

SEC. 302. ELIMINATION OF HALF-YEAR REQUIREMENTS.

(a) IN GENERAL.—Each of the following provisions are amended by striking "age 59½" and inserting "age 59":

(1) Section 72(q)(2)(A).
(2) Section 72(q)(3)(B)(i).
(3) Section 72(q)(3)(B)(ii).
(4) Section 72(t)(2)(A)(i).
(5) Section 72(t)(4)(A)(ii)(I).
(6) Section 72(t)(4)(A)(ii)(II).
(7) Section 72(v)(2)(A).
(8) Section 403(b)(7)(A)(ii).
(9) Section 403(b)(11)(A).
(10) The heading for section 403(b)(11).
(11) Section 4978(d)(1)(B).

(b) OTHER PROVISIONS.—Each of the following provisions are amended by striking "70½" and inserting "70":

(1) Section 219(d)(1).
(2) The heading for section 219(d)(1).
(3) Section 401(a)(9)(B)(iv)(I).
(4) Section 401(a)(9)(C).
(5) Section 408(b).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1990.

SEC. 303. PLANS COVERING SELF-EMPLOYED INDIVIDUALS.

(a) AGGREGATION RULES.—Section 401(d) (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is amended to read as follows:

"(d) CONTRIBUTION LIMIT ON OWNER-EMPLOYEES.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the plan provides that contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1990.

SEC. 304. FULL-FUNDING LIMITATION OF MULTIEMPLOYER PLANS.

(a) FULL-FUNDING LIMITATION.—

Section 412(c)(7)(C) (relating to full-funding limitation) is amended—

(1) by inserting "or in the case of a multiemployer plan," after "paragraph (6)(B),", and

(2) by inserting "AND MULTIEMPLOYER PLANS" after "PARAGRAPH (6)(B)" in the heading thereof.

(b) VALUATION.—Section 412(c)(9) is amended—

(1) by inserting "(3 years in the case of a multiemployer plan)" after "year", and

(2) by striking "ANNUAL VALUATION" in the heading and inserting "VALUATION".

(c) CONFORMING AMENDMENTS.—

(1) Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7) is amended—

(A) by inserting "or in the case of a multiemployer plan," after "paragraph (6)(B),", and

(B) by inserting "AND MULTIEMPLOYER PLANS" after "PARAGRAPH (6)(B)" in the heading thereof.

(2) Section 302(c)(9) of such Act (29 U.S.C. 1082(c)(9)) is amended—

(A) by inserting "(3 years in the case of a multiemployer plan)" after "year", and

(B) by striking "ANNUAL VALUATION" in the heading and inserting "VALUATION".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1990.

SEC. 305. AFFILIATION REQUIREMENTS FOR EMPLOYERS JOINTLY MAINTAINING A VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION.

(a) IN GENERAL.—For purposes of Treasury Regulations § 1.501(c)(9)-2(a)(1), employers meeting the requirements of subsection (b) shall be treated as affiliated.

(b) REQUIREMENTS.—The requirements of this subsection are met with respect to employers if such employers—

(1) are in the same line of business,

(2) act jointly to perform tasks which are integral to the activities of each of the employers, and

(3) act jointly to such an extent that the joint maintenance of a voluntary employees' beneficiary association is not a major part of the employers' joint activities.

SEC. 306. TREATMENT OF CERTAIN GOVERNMENTAL PLANS.

(a) TREATMENT OF CERTAIN EXCESS BENEFIT PLANS UNDER SECTION 457.—Section 457(f)(2) (relating to tax treatment of participants where plan or arrangement of employer is not eligible) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by adding at the end thereof the following new subparagraph:

"(E) a governmental plan (or, as determined by the Secretary, a separable part of such plan) maintained by an employer solely for the purpose of providing benefits for certain employees in excess of the limitations on contributions and benefits imposed by section 415 on plans to which section 415 applies, without regard to whether the plan (or separate part) is funded.".

(b) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Paragraph (2) of section 415(b) is amended by adding at the end thereof the following new subparagraph:

"(I) EXEMPTION FOR SURVIVOR DISABILITY BENEFITS.—Subparagraph (B) of paragraph (1), subparagraph (C) of this paragraph, and paragraph (5) shall not apply to—

"(i) income received from a governmental plan as a pension, annuity, or similar allowance as the result of the recipient becoming disabled by reason of personal injuries or sickness, or

"(ii) amounts received from a governmental plan by the beneficiaries, survivors, or the estate of an employee, if such payments result from the death of the employee.".

(c) COMPENSATION LIMIT.—Section 415(b) is amended by adding at the end thereof the following new paragraph:

"(11) SPECIAL RULE FOR GOVERNMENTAL PLANS.—In the case of a governmental plan (as defined in section 414(d)), subparagraph (B) of paragraph (1) shall not apply.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1986.

SEC. 307. MODIFICATIONS OF SIMPLIFIED EMPLOYEE PENSIONS.

(a) INCREASE IN NUMBER OF ALLOWABLE PARTICIPANTS FOR SALARY REDUCTION ARRANGEMENTS.—Section 408(k)(6)(B) is amended by striking "25" each place it appears in the text and heading thereof and inserting "100".

(b) MODIFICATION OF PARTICIPATION REQUIREMENTS.—Section 408(k)(2)(B) is amended to read as follows:

"(B) has at least 1 year of service (as determined under section 411(a)(5)) with the employer, and".

(c) REPEAL OF PARTICIPATION REQUIREMENT.—Section 408(k)(6)(A) is amended by striking clause (ii) and by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(d) ALTERNATIVE TEST.—Clause (iii) of section 408(k)(6)(A) is amended by adding at the end thereof the following new flush sentence:

"The requirements of this subparagraph are met if the employer makes contributions to the simplified employee pension meeting the requirements of section 401(k)(11)(C).".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1990.

SEC. 308. CONTRIBUTIONS ON BEHALF OF DISABLED EMPLOYEES.

(a) ALL DISABLED PARTICIPANTS RECEIVING CONTRIBUTIONS.—Section 415(c)(3)(C) is amended by adding at the end thereof the following: "If a defined contribution plan provides for the continuation of contributions on behalf of all participants described in clause (i) for a fixed or determinable period, this subparagraph shall be applied without regard to clauses (ii) and (iii).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1990.

SEC. 309. DISTRIBUTIONS UNDER RURAL COOPERATIVE PLANS.

(a) DISTRIBUTIONS AFTER AGE 59.—Section 401(k)(7) is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULE FOR CERTAIN DISTRIBUTIONS.—A rural cooperative plan which includes a qualified cash or deferred arrangement shall not be treated as violating the requirements of section 401(a) merely by reason of a distribution to a participant after attainment of age 59.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1011(k)(9) of the Technical and Miscellaneous Revenue Act of 1988.

SEC. 310. REPORTS OF PENSION AND ANNUITY PAYMENTS.

(a) AMENDMENTS RELATED TO DEFINITION OF INFORMATION RETURN.—

(1) Subparagraph (A) of section 6724(d)(1) is amended—

(A) by redesignating clauses (iv) through (vii) as clauses (vi) through (ix),

(B) by inserting after clause (iii) the following new clause:

"(v) section 6047(d) (relating to reports by employers, plan administrators, etc.),",

(C) by redesignating clauses (i) through (iii) as clauses (ii) through (iv), and

(D) by inserting before clause (ii) (as so redesignated) the following new clause:

"(i) section 408(i) (relating to individual retirement account and simplified employee pension reports),".

(2) Paragraph (1) of section 6724(d) is amended by adding at the end thereof the following new sentence: "For purposes of clauses (i) and (v) of subparagraph (A), such term shall include only those statements filed with the Secretary with respect to information required to be supplied to both the Secretary and the recipient of the payment.".

(b) AMENDMENTS RELATED TO DEFINITION OF PAYEE STATEMENT.—

(1) Paragraph (2) of section 6724(d) is amended—

(A) by redesignating subparagraphs (H) through (S) as subparagraphs (J) through (U),

(B) by inserting after subparagraph (G) the following new subparagraph:

"(I) section 6047(d) (relating to reports by employers, plan administrators, etc.),",

(C) by redesignating subparagraphs (A) through (G) as subparagraphs (B) through (H), and

(D) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) section 408(i) (relating to individual retirement account and simplified employee pension reports),".

(2) Paragraph (2) of section 6724(d) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraphs (A) and (I), such term shall only include statements with respect to information required to be supplied to both the Secretary and the recipient of the payment.".

(c) AMENDMENTS RELATED TO REPORTS OF DESIGNATED DISTRIBUTION.—

(1) Subsection (i) of section 408 is amended by inserting "aggregating $10 or more" after distributions".

(2) Section 6047(d)(1) is amended by adding at the end thereof the following sentence: "However, no returns or reports shall be required with respect to payments of designated distributions aggregating less than $10 to any person in any year.".

(d) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 6047(f) is amended by striking "section 6652(e)" and inserting "sections 6652(e), 6721, and 6722".

(2) Subsection (e) of section 6652 is amended by adding at the end thereof the following: "However, failures to file returns and statements also describes in section 6724(d)(1) or 6724(d)(2) shall be subject to penalties under part II of chapter 68B of this subtitle, and not under this section.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements required to be filed after December 31, 1990.

SEC. 311. DATE FOR ADOPTION OF PLAN AMENDMENTS.

If any amendment made by this Act requires an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after January 1, 1992, if—

(1) during the period after such amendment takes effect and before such first plan year, the plan is operated in accordance with the requirements of such amendment, and

(2) such plan amendment applies retroactively to such period.

EMPLOYEE BENEFITS SIMPLIFICATION ACT

TITLE I—NONDISCRIMINATION PROVISIONS

Section 101—Definition of highly compensated employee

Under present law, an employee is treated as highly compensated with respect to a year if during the year or the preceding year the employee (1) was a 5-percent owner of the employer, (2) received more than $75,000 (indexed at $85,485 for 1990) in annual compensation from the employer, (3) received more than $50,000 (indexed at $56,990 for 1990) in annual compensation from the employer and was a member of the top 20 percent of employees by compensation, or (4) was an officer of the employer with compensation above a certain amount. An employer is treated as having at least one officer if there is no officer of the employer with compensation in excess of the applicable amount.

The bill provides that an employee is highly compensated with respect to a year if the employee (1) was a 5-percent owner of the employer at any time during the year or the preceding year, or (2) has compensation for the year in excess of $50,000. As under present law, the $50,000 threshold is adjusted for cost-of-living increases in the same manner as the limitations on contributions and benefits using a base period beginning October 1, 1986 (sec. 415(d)). However, the bill provides that the dollar limit applicable for any year is the amount in effect for the calendar year with respect to which compensation is determined under the bill.

For example, assume highly compensated employees are being determined for the 1991 plan year in the case of a calendar year plan. Under the bill, 1990 compensation is used to make this determination. Thus, the $50,000 figure as adjusted for 1990 ($56,990) is the applicable dollar limit, not $50,000 as adjusted for 1991.

Under the bill, if no employee is a 5-percent owner or has compensation in excess of $50,000, then the employee with the highest compensation for the year is treated as a highly compensated employee. This special rule does not apply for purposes of the nondiscrimination rules applicable to elective deferrals, matching contributions, and employee contributions (secs. 401(k) and (m)).

Under present law, all family members of (1) a 5-percent owner or (2) a highly compensated employee in the group consisting of the 10 highest paid highly compensated employees are treated as a single highly compensated employee and all the compensation of the family members is treated as compensation of that highly compensated employee. The bill applies the family member aggregation rule only in the case of family members of a 5-percent owner.

This provision is effective for years beginning after December 31, 1990.

Section 102—Definition of compensation

Present law contains a number of definitions of compensation for pension and employee benefit purposes. In general, these definitions are based on compensation within the meaning of the rules relating to limits on contributions and benefits (sec. 415(c)(3)). This definition generally includes only those amounts that are currently includible in gross income and thus, for example, does not include elective deferrals and other salary reduction amounts. For purposes of identifying an employer's highly compensated employees, compensation is defined as under the rules relating to limits on contributions and benefits, except that

elective deferrals and other salary reduction contributions are included (section 414(a)). For other purposes, including applying the applicable nondiscrimination rules, compensation is generally defined as under the rules relating to limits on contributions and benefits; however, an employer may elect to include elective deferrals and other salary reduction amounts in the definition of compensation (section 414(s)). Present law also provides that the Secretary of the Treasury may provide, by regulations, for alternative methods of determining compensation. The Secretary has issued proposed and temporary regulations under this provision.

The bill simplifies the definition of compensation by generally providing a uniform statutory definition of compensation that is used for all purposes, including testing for nondiscrimination, the definition of highly compensated employee, and the limits on contributions and benefits. In general, the bill provides that compensation means, with respect to any year, the amount of wages shown on an employee's W-2 for the calendar year in which the year begins. In the case of a self-employed individual, the individual's earned income (within the meaning of sec. 401(c)(2)) for the calendar year in which the year begins is substituted for the wages shown on the W-2 form. If compensation is being determined for a period other than a calendar year (e.g., in the case of a fiscal year plan), the employer is to use the amount that would be shown on the W-2 form if it covered such period.

The bill modifies the employer election to take salary reduction contributions into account by (1) permitting deferrals under sections 457, 414(h)(2), and 501(c)(18) to be taken into account and (2) providing that an election to take salary reduction into account is to apply for all purposes, to all employees, and to all salary reduction. In addition, such an election is revocable only with the consent of the Secretary. Thus, for example, an employer could not elect to take into account elective deferrals for purposes of the limits on contributions and benefits and exclude them for purposes of identifying highly compensated employees.

The bill permits an employer to elect to use base pay for all purposes other than identifying highly compensated employees instead of W-2 compensation. An employer making such an election may also elect to take into account employee elective and salary reduction contributions. It is intended that base pay is defined generally as under the proposed regulations. Thus, subject to the applicable facts and circumstances, the employer could exclude from the definition of compensation, on a consistent basis, certain types of compensation, including (but not limited to) one or more of the following: any type of additional compensation for employees working outside their regularly scheduled tour of duty (such as overtime pay, premiums and bonuses for individual performance). The resulting definition may not discriminate in favor of highly compensated employees.

In addition, it is intended that, as under the proposed regulations, for the limited purposes of applying the nondiscrimination requirements with respect to the availability of elective contributions to eligible employees under a cash or deferred arrangement (Treas. reg. sec. 1.401(k)-1(e)(1)(ii)) and with respect to the availability of employee contributions and the availability of matching contributions under a defined contribution plan (Treas. reg. sec. 401(m)-1(c)(1)), any reasonable definition of compensation, such as regular or base salary or wages, is treated as nondiscriminatory and may be used. This special rule does not apply for any other purpose, including application of the actual deferral percentage test (section 401(k)(3)) or the actual contribution percentage test (section 401(m)(2)).

Solely for purposes of the definition of a highly compensated employee, the bill provides that the compensation of an employee for any year is determined on the basis of wages shown on the W-2 (1) that is required to be furnished no later than the end of the first 3 months of the year or (2) if (1) does not apply, for the calendar year preceding the calendar year in which the year begins. For example, in the case of a plan year beginning November 1, 1991, compensation for the plan year is wages shown on the W-2 required to be furnished in January, 1992.

The provision is effective for years beginning after December 31, 1990.

Section 103—Modifications of cost-of-living adjustments

Under present law, the cost-of-living adjustments to the limitations on contributions and benefits under qualified plans are made in accordance with procedures consistent with the adjustment of benefits under the Social Security Act. The bill provides that the cost-of-living adjustment with respect ot any calendar year is based on the increase in the applicable index as of the close of the calendar quarter ending September 30 of the calendar year. In addition, the bill provides that, after cost-of-living adjustments, the resulting dollar limits are generally rounded to the nearest $1,000. Under the bill, dollar limits relating to elective deferrals and elective contributions to simplified employee pensions (SEPs) are rounded to the nearest $100.

The cost-of-living adjustment provisions apply to adjustments with respect to calendar years beginning after December 31, 1990.

Section 104—Modification of additional participation requirements

Under present law, a plan is not a qualified plan unless it benefits no fewer than the lesser of (1) 50 employees or (2) 40 percent of all employees of an employer (sec. 401(a)(26)). This minimum participation rule cannot be satisfied by aggregating comparable plans, but can be applied separately to different lines of business. Certain employees may be disregarded in applying the rule.

The bill provides that the minimum participation rule applies only to defined benefit pension plans. In addition, the bill provides that a defined benefit plan does not satisfy the rule unless it benefits no fewer than the lesser of (1) 25 employees or (2) the greater of (a) 40 percent of all employees of the employer or (b) 2 employees (or 1 employee if there is only 1 employee). The separate line of business and excludable employee rules apply as under present law. As an illustration of the operation of the modification of the minimum participation rule, assume that an employer has 150 nonexcludable employees. Under present law, any plan of the employer is required to cover a minimum of 50 employees. Under the bill, any defined benefit plan of the employer is required to cover a minimum of 25 employees.

In the case of an employer with only 2 employees, a plan satisfies the present-law minimum participation rule if the plan covers 1 employee. However, under the bill, a plan satisfies the minimum participation rule only if it covers both employees.

The provision is effective for years beginning after December 31, 1990. However, an employer may elect to apply the provision as if it were included in section 1112(b) of the Tax Reform Act of 1986 (P.L. 99-514).

Section 105—Nondiscrimination rules for qualified cash or deferred arrangements and matching contributions

In general

Under present law, the special nondiscrimination test applicable to qualified cash or deferred arrangements is satisfied if the actual deferral percentage under a cash or deferred arrangement for eligible highly compensated employees for a plan year is equal to or less than either (1) 125 percent of the actual deferral percentage of all nonhighly compensated employees eligible to defer under the arrangement, or (2) the lesser of 200 percent of the actual deferral percentage of all eligible nonhighly compensated employees or the actual deferral percentage for all eligible nonhighly compensated employees plus 2 percentage points. A cash or deferred arrangement that satisfies the special nondiscrimination test is deemed to satisfy the general nondiscrimination requirement applicable to qualified plans (section 401(a)(4)).

In addition, under present law, a special nondiscrimination test is applied to employer matching contributions and employee contributions (section 401(m)). This special nondiscrimination test is similar to the special nondiscrimination test applicable to qualified cash or deferred arrangements. An employer matching contribution means any employer contribution made on account of (1) an employee contribution or (2) an elective deferral under a qualified cash or deferred arrangement or a tax-sheltered annuity contract.

The bill adds alternative methods of satisfying the special nondiscrimiantion requirements applicable to elective deferrals and employer matching contributions. Under these safe harbor rules, a cash or deferred arrangement is treated as satisfying the actual deferral percentage test if the plan of which the arrangement is a part (or any other plan of the employer maintained with respect to the employees eligible to participate in the cash or deferred arrangement) meets (1) one of two contribution requirements and (2) a notice requirement. A plan satisfies the safe harbor with respect to matching contributions if (1) the plan meets the contribution and notice requirements under the safe harbor for cash or deferred arrangements and (2) the plan satisfies a special limitation on matching contributions. These safe harbors permit a plan to satisfy the special nondiscrimination tests through plan design, rather than through the testing of actual contributions to the plan.

Safe harbor for cash or deferred arrangements

Contribution requirements—A plan satisfies the contribution requirements under the safe harbor rule for qualified cash or deferred arrangements if the plan either (1) satisfies a matching contribution requirement or (2) the employer makes a contribution to the plan of at least 3 percent of an employee's compensation on behalf of each nonhighly compensated employee who is eligible to participate in the arrangement without regard to whether the employee makes an elective contribution under the arrangement. Under both tests, contributions

may also be made to highly compensated employees.

A plan satisfies the matching contribution requirement if, under the arrangement: (1) the employer makes a matching contribution on behalf of each nonhighly compensated employee that is not less than (a) 100 percent of the employee's elective contributions up to 3 percent of compensation and (b) 50 percent of the employee's elective contributions from 3 to 5 percent of compensation; and (2) the level of match for highly compensated employees is not greater than the match rate for nonhighly compensated employees. Alternatively, if the matching contribution requirement is not satisfied at some level of employee compensation, the requirement is deemed to be satisfied if (1) the level of employer matching contributions does not increase as employee elective contributions increase and (2) the aggregate amount of matching contributions with respect to elective contributions up to that level of compensation at least equals the amount of matching contributions required under the general safe harbor rule.

Under the safe harbor, an employee's rights to employer matching contributions or nonelective contributions used to meet the contribution requirements are required to be 100 percent vested.

An arrangement does not satisfy the contribution requirements with respect to nonelective contributions unless the requirements are met without regard to the permitted disparity rules (sec. 401(1)), and nonelective contributions used to satisfy the contribution requirements are not taken into account for purposes of determining whether a plan of the employer satisfies the permitted disparity rules. It is intended that this rule applies to matching contributions as well.

Employer matching and nonelective contributions used to satisfy the contribution requirements of the safe harbor rules are subject to the restrictions on withdrawals that apply to an employee's elective deferrals under a qualified cash or deferred arrangement (sec. 401(k)(2) (B) and (C)).

The contribution requirement may be satisfied with either matching or nonelective contributions to the cash or deferred arrangement or with contributions to another plan maintained by the employer for the same employees eligible to participate in the cash or deferred arrangement.

Notice requirement—The notice requirement is satisfied if each employee eligible to participate in the arrangement is given written notice within a reasonable period before any year of the employee's rights and obligations under the arrangement. This notice must be sufficiently accurate and comprehensive to appraise the employee of his or her rights and obligations and must be written in a manner calculated to be understood by the average employee eligible to participate.

Alternative method of satisfying special nondiscrimination test for matching contributions

The bill provides a safer harbor method of satisfying the special nondiscrimination test applicable to employer matching contributions. Under this safe harbor, a plan is treated as meeting the special nondiscrimination test if (1) the plan meets the contribution and notice requirements applicable under the safe harbor method of satisfying the special nondiscrimination requirement for qualified cash or deferred arrangements, and (2) the plan satisfies a special limitation on matching contributions.

The limitation on matching contributions is satisfied if (1) matching contributions on behalf of any employee may not be made with respect to employee contributions or elective deferrals in excess of 6 percent of compensation and (2) the level of an employer's matching contribution does not increase as an employee's contributions or elective deferrals increase.

Distribution of excess contributions—Present law provides that, in the case of elective deferrals or matching contributions that do not satisfy the special nondiscrimination requirements, such excess contributions are required to be distributed to highly compensated employees on the basis of the respective portions of the excess contributions attributable to such highly compensated employees. Under the bill, the total amount of excess contributions is determined in the same manner as under present law, but the distribution of excess contributions is required to be made on the basis of the amount of contribution by, or on behalf of, each highly compensated employee. Thus, under the bill, excess contributions are deemed attributable first to those highly compensated employees who have made the greatest dollar amount of elective deferrals under the plan.

For example, assume that an employer maintains a qualified cash or deferred arrangement under section 410(k). Assume further that the actual deferral percentage ("ADP") for the eligible nonhighly compensated employees is 2 percent. In addition, assume the following facts with respect to the eligible highly compensated employees.

Employees	Compensation	Deferral	Deferral (percent)
A	$200,000	$7,000	3.5
B	200,000	7,000	3.5
C	70,000	7,000	10.0
D	70,000	5,250	7.5
E	70,000	2,100	3.0
F	70,000	1,750	2.5

Under these facts the highly compensated employees' ADP is 5 percent, which fails to satisfy the special nondiscrimination requirements.

Under present law, the highly compensated employees with the highest deferral percentages would have their deferrals reduced until the ADP of the highly compensated employees is 4 percent. Accordngly, C and D would have their deferrals reduced to $4,025 (i.e., a deferral percentage of 5.75 percent). The reduction thus is $2,975 for C and $1,225 for D, for a total reduction of $4,200.

Under the bill, the amount of the total reduction is calculated in the same manner as under present law so that the total reduction remains $4,200. However, this total reduction of $4,200 is allocated to highly compensated employees based on the employees with the largest contributions. Accordingly, A, B, and C would each be reduced by $1,400 from $7,000 to $5,600.

Effective date

The provisions relating to the special nondiscrimination tests applicable to qualified cash or deferred arrangements and matching contributions are applicable to years beginning after December 31, 1990.

TITLE II DISTRIBUTION RULES

In general

Under present law, distributions from tax-favored retirement arrangements are generally includible in gross income when received (except to the extent the distribution represents a return of the individual's own contributions, i.e., basis). Special rules apply in certain circumstances. For example, certain distributions from tax-favored retirement arrangements may be rolled over tax free to another tax-favored retirement arrangement, lump-sum distributions from a qualified plan qualify for special 5-year forward averaging, and a taxpayer is not required to include in income certain amounts received from a qualified plan to the extent that the amounts are attributable to net unrealized appreciation in employer securities. Such unrealized appreciation is includible in income when the securities are sold.

The bill expands the circumstances in which a distribution may be rolled over tax free and eliminates 5-year averaging for lump sum distributions from qualified plans. The bill also provides that certain distributions are required to be transferred directly into another tax-free retirement arrangement in a trustee-to-trustee transfer.

Section 201—Rollovers

Under present law, a total or partial distribution of the balance to the credit of an employee under a qualified plan, a qualified annuity plan, or a tax-sheltered annuity may, under certain circumstances, be rolled over tax free to an individual retirement arrangement (IRA) or another qualified plan or annuity. A rollover of a partial distribution is permitted if (1) the distribution equals at least 50 percent of the balance to the credit of the employee, (2) the distribution is not one of a series of periodic payments, (3) the distribution is made on account of the employee's separation from service (in the case of employees other than self-employed individuals), or disability (in the case of self-employed individuals only), and (4) the employee elects rollover treatment. In addition, the surviving spouse of the employee may roll distributions over to an IRA in the same way as if the distribution were made to the employee. Employee contributions and minimum required distributions may not be rolled over.

Under the bill, any distribution to the employee or the surviving spouse of the employee (other than a minimum required distribution (section 401(a)(9)) may be rolled over tax free to an IRA or another qualified plan or annuity. As under present law, employee contributions cannot be rolled over.

Special rules for lump-sum distributions

Under present law, a taxpayer may elect to have 5-year forward averaging apply to a lump-sum distribution from a qualified plan. Such an election may be made with respect to a distribution received on or after the employee attains age 59½ and only one election may be made with respect to an employee.

Prior to the Tax Reform Act of 1986, 10-year forward averaging was available with respect to lump-sum distributions. In addition, the portion of a lump-sum distribution attributable to contributions prior to January 1, 1974, could qualify for treatment as long-term capital gains. The Tax Reform Act replaced 10-year averaging with 5-year averaging and phased out capital gains treatment. The Tax Reform Act provided transition rules which preserved prior-law treatment in the case of certain distributions with respect to individuals who attained age 50 before January 1, 1986.

Under present law, a taxpayer is not required to include in gross income amounts received in the form of a lump-sum distribution to the extent that the amounts are at-

tributable to net unrealized appreciation in employer securities. Such unrealized appreciation is includible in income when the securities are sold. Such treatment applies to employer securities attributable to employee contributions, regardless of whether the distribution is a lump-sum distribution.

The bill repeals the special 5-year forward averaging rule. The original intent of the income averaging rules for pension distributions was to prevent a bunching of taxable income because a taxpayer received all of the benefits in a qualified plan in a single taxable year. Liberalization of the rollover rules increases the flexibility of taxpayers in determining the time of the income inclusion of pension distributions, and eliminates the need for special rules to prevent bunching of income. The bill preserves the transition rules adopted in the Tax Reform Act. The bill also retains the present-law treatment of net unrealized appreciation on employer securities and generally retains the definition of lump-sum distribution solely for such purpose.

The provisions are effective with respect to distributions after December 31, 1990.

Section 202—Transfers of Pre-Retirement Distributions to IRAs

The bill provides that certain distributions that would otherwise be distributed to an employee or the surviving spouse of the employee are to be transferred in a trustee-to-trustee transfer to an IRA or other eligible transferee plan rather than distributed to the employee or surviving spouse. In general, an applicable distribution is any distribution in excess of $500 other than (1) distributions in the form of substantially equal periodic payments (as defined under sec. 72(t)), (2) a distribution made after the employee attains age 55, (3) a distribution attributable to the employee being disabled (as defined in sec. 72(m)(7)), (4) distributions of deductible dividends on employer securities (sec. 404(k)), (5) distributions to an alternate payee, (6) hardship distributions from a profitsharing or stock bonus plan, or (7) distributions of employee contributions.

The transfer requirement applies only to amounts, that, but for the transfer requirement, would otherwise be distributed to the recipient. Thus, for example, the transfer requirement does not apply to amounts that are deemed to be distributed under the rules relating to participant loans (sec. 72(p)). In addition, the transfer requirement applies after other rules relating to distributions. For example, if the plan is subject to the joint and survivor rules (secs. 401(a)(11) and 417) those rules would have to be complied with before the transfer is made.

The distribution may be transferred to an IRA or to a qualified defined contribution plan that provides for the acceptance of the transfer. The transfer is to be made to the IRA or qualified plan designated by the distributee within a reasonable period of time before the transfer in accordance with regulations. The plan is to provide a method by which the plan trustee is to designate the transferee plan in the event the distributee does not make a designation or transfer to the designated plan is impracticable.

Amounts transferred are includible in income when distributed from the transferee plan in accordance with the rules applicable to the transferee plan. However, if the distributee withdraws all or a portion of the amount transferred by the due date (including extensions) for filing the distributee's tax return for the year the transfer was made, the distribution is treated for income tax purposes as if it had been made from the transferor plan. Thus, for example, if a distribution is transferred to an IRA and the employee makes a withdrawal of transferred amounts (plus income) from the IRA, the exemptions to the early distribution tax applicable to qualified plans (rather than the rules applicable to IRA withdrawals) apply. This rule is designed to prevent individuals who do not want the distribution to remain in a tax-favored arrangement from being disadvantaged by the transfer.

The plan trustee is required to notify employees of the requirements of the transfer rules and of the amount of any transfer. Once the transfer is made to the transferee trust, the employer is relieved of all responsibility for the amounts transferred.

A plan is not treated as violating the prohibition on reduction of accrued benefits (sec. 411(d)(6)) solely by reason of the transfer. For purposes of determining years of service and the buy-back rules (sec. 411(a)(7)), a transfer is treated as a distribution.

Similar rules apply to distributions from qualified annuities (sec. 403(a)) and tax-sheltered annuities (sec. 403(b)).

The provisions apply to distributions in plan years beginning after December 31, 1991.

Section 203—Required distributions from qualified plans

Under present law (as modified by the Tax Reform Act of 1986), distributions under all qualified plans, IRAs, tax-sheltered custodial accounts and annuities, and eligible deferred compensation plans of State and local governments are required to begin no later than April 1 of the calendar year following the calendar year in which the participant or owner attains age 70½, without regard to the actual date of separation from service. In the case of church plans and governmental plans, distributions are required to begin no later than April 1 of the calendar year following the calendar year in which the participant retires.

The bill repeals the rule that requires all participants in qualified plans to commence distributions by age 70½ without regard to whether the participant is still employed by the employer and, therefore, generally replaces it with the rule in effect prior to the Tax Reform Act. Thus, under the bill, distributions are required to begin by April 1 of the calendar year following the later of (1) the calendar year in which the employee attains age 70 of (2) the calendar year in which the employee retires. In the case of a 5-percent owner of the employer, distributions are required to begin no later than the April 1 of the calendar year following the year in which the 5-percent owner attains age 70. Distributions from an IRA are required to begin no later than April 1 of the calendar year following the year in which the IRA owner attains age 70.

In addition, in the case of an employee (other than a 5-percent owner) who retires in a calendar year after attaining age 70, the bill requires the employee's accrued benefit to be actuarially increased to take into account the period after age 70 in which the employee was not receiving benefits under the plan. Thus, under the bill, the employee's accrued benefit is required to reflect the value of benefits that the employee would have received if the employee had retired at age 70 and began receiving benefits at that time.

The actuarial adjustment rule and the rule requiring 5-percent owners to begin distributions after attainment of age 70 does not apply, under the bill, in the case of a governmental plan or church plan.

This provision applies to years beginning after December 31, 1990.

TITLE III—MISCELLANEOUS PROVISIONS

Section 301—Treatment of leased employees

Under present law, an individual performing services is treated as a leased employee of a service recipient for certain employee benefit purposes if (1) the individual is not a common law employee of the service recipient, (2) the services are provided pursuant to an agreement between the recipient and any other person, (3) the individual performs services for the recipient on a substantially full-time basis for a period of at least one year, and (4) the services are of a type historically performed in the business field of the recipient by employees. The bill replaces the historically performed test with a control test. Thus, under the bill, an individual is a leased employee of a service recipient if the services are performed by the individual under the control of the recipient.

The provision is effective for taxable years beginning after December 31, 1983.

Section 302—Elimination of half-year requirements

Under present law, a number of employee benefit plan rules refer to the age of an individual at a certain time. For example, distributions under a qualified pension plan are generally required to begin no later than the April 1 following the year in which an individual attains age 70½ (sec. 401(a)(9)). Similarly, an additional income tax on early withdrawals applies to certain distributions from qualified pension plans and IRAs prior to the time the participant or IRA owner attains age 59½ (sec. 72(t)).

The bill changes the half-year requirements to birthdate requirements. For example, those rules under present law that refer to age 59½ are changed to refer to age 59, and those that refer to age 70½ are changed to refer to age 70.

The provision applies in years beginning after December 31, 1990.

Section 303—Plans covering self-employed individuals

Prior to the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) different rules applied to retirement plans maintained by incorporated employers and unincorporated employers (such as partnerships and sole proprietors). In general, plans maintained by unincorporated employers were subject to special rules in addition to the other qualification requirements of the Code. Most, but not all, of this disparity was eliminated by TEFRA.

Under present law, certain special aggregation rules apply to plans maintained by owner-employees that do not apply to other qualified plans (sec. 401(d) (1) and (2)). The bill eliminates these special rules.

The provision applies to years beginning after December 31, 1990.

Section 304—Full funding limitation of multiemployer plans

Under present law, a deduction is allowed (within limits) for employer contributions to a qualified pension plan. No deduction is allowed for contributions in excess of the full funding limit. The full funding limit is the excess of the lesser of (1) 150 percent of a plan's current liability and (2) the plan's accrued liability over the value of the plan's assets. The bill provides that the 150 percent of current liability limitation does not

apply to multiemployer plans. Consistent with this change, the bill also repeals the present law annual valuation requirement for multiemployer plans and applies the prior law requirement that valuations be performed at least every 3 years.

The provision applies to years beginning after December 31, 1990. Consistent with this change, the bill also requires the plan valuation to be done on a tri-annual basis.

Section 305—Affiliation requirements for employers jointly maintaining a VEBA

Treasury regulations require that employees eligible to participate in a voluntary employees' beneficiary association ("VEBA") share an employment-related common bond. Under the regulations, employees employed by a "common employer (or affiliated employers)" are considered to have such a bond.

Under the bill, employers are considered affiliated for purposes of the VEBA rules if (1) such employers are in the same line of business, (2) the employers act jointly to perform tasks that are integral to the activities of each of the employers, and (3) such joint activities are sufficiently extensive that the maintenance of a common VEBA is not a major part of such joint activities.

Under the bill, employers are considered affiliated, for example, in the following circumstances: the employers participating in the VEBA are in the same line of business and belong to an association that provides to its members a significant amount of each of the following services: (1) research and development relating to the members' primary activity; (2) education and training of members' employees; and (3) public relations. In addition, the employers are sufficiently similar (e.g., subject to similar regulatory requirements) that the association's services provide material assistance to all of the employers. The employers also demonstrate the importance of their joint activities by having meetings at least annually attended by substantially all of the employers. Finally, the employers maintain a common retirement plan.

On the other hand, it is not intended that the mere existence of a trade association is a sufficient basis for the member-employers to be considered affiliated, even if they are in the same line of business. It is also not sufficient if the trade association publishes a newsletter and provides significant public relations services, but only provided nominal amounts, if any, of other services integral to the employers' primary activity.

A group of employers are also not considered affiliated under the bill by virtue of the membership of their employees in a professional association.

This bill is intended as a clarification of present law. However, this bill is not intended to create any inference as to whether any part of the Treasury regulations affecting VEBAs, other than the affiliated employer rule, is or is not present law.

Section 306—Treatment of certain governmental plans

Under present law, the limitations on benefits and contributions (section 415) generally apply to plans maintained by State and local governments. Several special rules apply to such plans, however, that provide greater limitations in some circumstances.

Under present law, unfunded deferred compensation plans maintained by State and local government employers are subject to certain limitations (sec. 457). For example, such plans generally may not permit deferred compensation in excess of $7,500 in a single year.

The limitations on contributions and benefits present special problems for plans maintained by State and local governments due to the special nature of the involvement and operation of such governments. The bill addresses these problems by providing that (1) section 457 does not apply to excess benefit plans maintained by a State or local government, (2) the compensation limitation on benefits under a defined benefit pension plan does not apply to plans maintained by a State or local government, and (3) the defined benefit pension plan limits do not apply to certain disability and survivor benefits provided under such plans. Excess plans maintained by a State or local government are subject to the same tax rules applicable to such plans maintained by private employers.

Under present law, benefits under a defined benefit plan generally may not exceed 100 percent of the participant's average compensation. However, because of the unique characteristics of state and local government employee plans, many long-tenured employees may be eligible to receive benefits in excess of their average compensation as a result of cost-of-living increases. The bill provides that the 100 percent of compensation limitation does not apply to plans maintained by State and local governments.

The provision is effective for taxable years beginning after December 31, 1986.

Section 307—Modifications to simplified employee pensions

Under present law, a simplified employee pension (SEP) is an individual retirement plan established by an employer for its employees that meets certain requirements. Employers with 25 or fewer employees may provide that contributions to a SEP are made on a salary reduction basis.

The bill conforms the eligibility requirements for SEP participation to the rules applicable to pension plans generally by providing that contributions to a SEP must be made with respect to each employee who has at least one year of service with the employer.

Under the bill, an employer meets the requirements of the 125 percent deferral percentage test if the employer makes a contribution to the plan of at least 3 percent of an employee's compensation on behalf of each nonhighly compensated employee who is eligible to participate in the arrangement without regard to whether the employee makes an elective contribution under the arrangement.

Employees' rights to employer nonelective contributions used to meet this test must be 100 percent vested.

The bill modifies the rules relating to salary reduction SEPs by providing that such SEPs may be established by employers with 100 or fewer employees. The bill also repeals the requirement that at least half of eligible employees actually participate in a salary reduction SEP.

The provision applies to years beginning after December 31, 1990.

Section 308—Contributions on behalf of disabled employees

Under present law, special limitations on contributions to a defined contribution plan apply in the case of certain disabled participants. In particular, the compensation of a disabled participant in a defined contribution plan is treated, for purposes of the limitations or contributions and benefits, as the compensation the participant received before becoming disabled if (1) the participant is permanently and totally disabled (within the meaning of sec. 22(c)(3)), (2) the participant is not a highly compensated employee, and (3) the employer elects to have this special rule apply.

The bill makes requirements (2) and (3) inapplicable if the defined contribution plan provides for the continuation of contributions on behalf of all participants who are permanently and totally disabled.

The provision applies to years beginning after December 31, 1990.

Section 309—Distributions from rural cooperative plans

Present law generally prohibits State or local governments or tax-exempt organizations from maintaining section 401(k) plans. This prohibition does not apply to "rural cooperative plans." In order to be a rural cooperative plan, a plan must be a pension plan. Thus, in-service distributions from a rural cooperative plan are not permitted prior to normal retirement age. This means, in turn, that unlike all other section 401(k) plans (other than certain pre-ERISA plans), rural cooperative plans are not permitted to make in service distributions after age 59½. Under the bill, rural cooperative plans are permitted to make such distributions, effective for plan years beginning after December 31, 1986.

Section 310—Reports of Pension and Annuity Payments

The penalty reform provisions of the Omnibus Budget Reconciliation Act of 1989 revised the penalties imposed for failures to file correct and timely information returns to IRS, and to provide statements to payees. This revised penalty structure applies to 18 different types of reportable payments. Section 6724(d)(1).

However, this developed, structure does not apply to reports of pension and annuity payments required under section 6047(d). It also does not apply to certain reports required by sections 408(i) and 408(*1*) relating to IRAs and SEPs.

The bill provides that the definition of "information return" under section 6724(d) includes reports of pension and annuity payments required by section 6047(d), and any report required under subsection (i) or (*1*) of section 408. Similarly, the definition of "payee statement" under section 6724(d)(2) is amended to include reports of pension and annuity payments required by section 6047(d) and any report required under subsection (i) or (*1*) of section 408. The bill provides that section 6652(3) is amended to delete reports of designated distributions from the scope of its $25 per day penalty.

Under present law, interest and dividend payments do not have to be reported if less than $10 is paid to a person in any year. Miscellaneous income need not be reported unless it exceeds $600. However, the law currently contains no dollar threshold for reports of "designated distributions"—primarily pension and annuity payments. The bill provides a $10 reporting threshold for designated distributions.

Section 311—Date for adoption of plan amendments

The bill provides that any plan amendments required by the bill are not required to be made before the first plan year beginning on or after January 1, 1992, if the plan is operated in accordance with the applicable provision and the amendment is retroactive to the effective date of the applicable provision.

Mr. JEFFORDS. Mr. President, today, my colleagues, Senators PRYOR, BENTSEN, BOREN, RIEGLE, DASCHLE, DURENBERGER, DANFORTH, BAUCUS, MOYNIHAN, ROCKEFELLER, BREAUX, and I are introducing a bill that develops an essential component or our national retirement income policy to help ensure that our retirement policy goals become a reality. Our bill encourages the portability of pension assets through facilitating the preservation of pension income for pension purposes and encouraging the creation of new pension plans.

Over and over, I have asked myself how do we best prepare as a country for the year 2025. Pension portability, through the preservation of pension assets and increased pension plan coverage, are the only ways to ensure that we successfully meet the challenge of our Nation's changing demographics—when today's baby boomers become tomorrow's senior citizens. We have some compelling obstacles to overcome. By the year 2025, the average life expectancy for a 65-year-old is expected to be 20 years. In addition the ratio of active workers to retirees will go from 4:1 to 2:1. Given these facts, intelligent public policy necessitates that we do all we can to ensure that baby boomers save now for when they retire. This means we as public policy makers must legislate in an unaccustomed way: With an eye toward results for the long term. We took that first step when we enacted the Employee Retirement Income Security Act in 1974. Unfortunately, the statistics since that time have proven we still have a way to go policywise—only 55 percent of the work force is covered by a pension plan. More importantly, only 42 percent of workers are actually participating in a plan.

The statistics are even more gruesome when we look at coverage in the retail and service sectors, where most of the job growth will be in the future, and coverage among small employers. In 1988, only 25 percent of employees in firms with less than 100 employees were covered by a pension plan.

Equally important, are two other trends: First, the substantial increase in the number of pension plan terminations; 16,000 defined benefit plans and 13,000 defined contribution plans were terminated in 1989. Second, the increase in the number of employees receiving preretirement lump sum distributions. Data from the Department of Labor and the Employee Benefit Research Institute reveal that most defined contribution plans provide for lump sum distributions—and over 40 percent of private defined benefit plans also provide for lump sum distributions. In addition, studies have shown that the number of defined benefit plans providing this option increases every year.

What does all this mean? That more and more employees are receiving cash-outs from pension plans. Moreover, the younger the workers, the smaller the earnings, the more likely it is that lump sum money will be spent. In fact, in this year alone we expect $9.6 billion in cashouts to be spent by workers. Only about 13 percent of individuals will roll over lump sum distributions into an IRA account.

If these trends continue, our present day retirement policy will become tomorrow's retirement disaster. We in Congress must do all we can to ensure that this doesn't happen.

The new distribution and coverage rulings contained in this bill are designed to reverse this disturbing trend. I have been advocating changes similar to these for the past 4 years. Similar provisions were passed twice by the House and marked up twice by the Senate Labor and Human Resources Committee only to be dropped eventually because they seemed by many to be unimportant. The statistics have proven, however, that in terms of retirement income, what did not seem so necessary in the past is critical for a secure tomorrow.

Our bill requires that rollovers of preretirement lump sum distributions of over $500 from pension plans, be transferred to another retirement plan or to an individual retirement account instead of cashed out directly into the hands of employees. While the bill allows these employees to make withdrawals from the IRA, hopefully the tax-exempt nature of future earnings will strongly encourage retention of the money in the trust.

In addition, our bill expands the current law rule for salary reduction simplified employee pensions [SEP's]. Congress created salary reduction SEP's in the Tax Reform Act of 1986, but at present they can only be used by companies with 25 or fewer employees and under restrictive circumstances. This bill allows the use of salary SEP's by companies with 100 or less employees. In addition, our bill contains a safe harbor nondiscrimination rule that ensures plan participation by all employees. Safe harbor rules for 401(k) plans are also included in the bill to encourage pension plan participation.

I am confident that the provisions in this bill will go a long way toward ensuring retirement income security for American workers. However, I do have some concerns about restrictions pertaining to voluntary employees' beneficiary association health plans that are contained in this bill. From a health policy perspective, I believe we should be encouraging employers to form and responsibly fund these arrangements.

Ideally, I would have liked to incorporate two additional distribution rules into this bill. First, I would allow employees to transfer aftertax contributions into another employer pension plan or into an IRA account. This idea is also advocated by Secretary of Labor Elizabeth Dole. In addition, I would allow plan sponsors the option of directly transferring the account of terminated participants into other pension plans or IRA's that provide for the same joint and survivor annuity and other distribution options as provided by the plan. According to data compiled by the Older Women's League, today almost three-fourths of the elderly living below poverty are women. More poor elderly women are living alone than ever before in our Nation's history. Unfortunately, this trend is likely to increase as the number of single, widowed, and divorced elderly women increases. At present, 70 percent of all older, nonmarried women depend on Social Security as their primary source of income. Allowing employers to voluntarily extend present day plan distribution options to rollovers into IRA's would be one way to help reverse this trend. In addition, I wish also to eventually add a provision to allow separate lines of business to maintain SEP's as well.

I will work to try to gain the consensus necessary to incorporate these provisions into our bill. But my primary objective will be to gain the support of my distinguished colleagues by helping everyone to understand how important it is that the Employee Benefits Simplification Act becomes law.

By Mr. PRYOR:

S. 2902. A bill to amend the Internal Revenue Code of 1986 to clarify portions of the code relating to church pension and welfare benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes; to the Committee on Finance.

CHURCH RETIREMENT BENEFITS SIMPLIFICATION ACT

Mr. PRYOR. Mr. President, I am also pleased to introduce today the Church Benefits Simplification Act of 1990—the "Act". The act, which is being introduced in conjunction with the Employee Benefits Simplification Act, also sponsored by me, provides much needed clarification of the rules that apply to church retirement and welfare benefit plans and brings consistency to those rules. In addition, the act resolves significant problems churches face in administering their retirement and welfare benefit programs under current law.

In developing this legislation, we have worked closely with leaders of the pension boards of 27 mainline Protestant, Catholic, and Jewish de-

nominations in developing this important legislation. The employee benefit programs of these mainline denominations are among the oldest programs in our country. Several date from the 1700's, and their median age is in excess of 50 years. These programs provide retirement and welfare benefits for several hundred thousand ministers and lay workers employed by thousands of churches and church ministry organizations serving the spiritual needs of over 66 million members.

Church retirement benefits programs began in recognition of a denomination's mission to care for its church workers in their advanced years. Several church retirement and welfare benefit programs were initially formed to provide relief and benefits for retired, disabled or impoverished ministers and families as particular cases of need were identified. As time passed, church denominations began to provide for the retirement needs of their ministers and lay workers on a current and systematic basis. Today, church retirement and welfare benefit programs provide benefits for ministers and lay workers employed in all forms of pastoral, healing, teaching, and preaching ministries and missions, including, among others, local churches, seminaries, old-age homes, orphanages, mission societies, hospitals universities, church camps and day care centers.

The goal of the Act is to clarify the rules that apply to church employee benefit plans. Under current law, these rules are generally lengthy and complex and are, for the most part, designed for for-profit, commercial employers. Most denominations are composed of thousands of work units, each having only a few employees, and the budgets of these work units are marginal at best. These organizations rely almost completely on contributions from the offering plate to support their missions, including the salaries and retirement and welfare benefits of their ministers and lay workers. Unlike for-profit business entities, churches cannot pass operating costs on to customers by raising prices. Churches are also much more loosely structured than most for-profit business organizations, and many denominations cannot impose requirements on their constituent parts. For example, hierarchically organized denominations may be able to control the provision of employee benefits to ministers and lay workers, while in congregational denominations, such control is typically more difficult. In addition, churches are tax-exempt and, unlike for-profit business organizations, have no need for tax deductions. Churches and church ministry organizations therefore lack the incentive of for-profit employers to maximize either the amount of the employer's tax deduction or the amount of income which the highly compensated employees who control a for-profit business can shelter from current taxation through plan contributions and tax-free fringe or welfare benefits.

Retirement and employee benefit tax laws do not always take the difference between churches and for-profit employers into account, with the result that churches have had to divert a significant amount of time and resources from their religious mission and ministries in attempting to identify and comply with rules that in many instances are unworkable or simply not needed for church employee benefit plans.

If the act becomes law, the reduction in administrative burdens and consequent savings in related costs now imposed on churches and church ministry organizations will outweigh and possible gain from an employee benefits policy perspective. Unlike the for-profit sector, where costs savings result in a better "bottom line" for shareholders, savings in the church sector will find their way into missions and ministries that help people who need help.

A study by Independent Sector, a national membership organization composed of over 600 tax-exempt organizations and corporate philanthropy departments, indicated that approximately half the funds contributed by churches was used in service to others. Religious congregations are the primary voluntary service providers for neighborhoods. Ninety-three percent of religious congregations have one or more programs in human services. Four-fifths of all religious congregations offer family counseling, and one third give meals or shelter to the poor. Some 78 percent donate for international relief or missionary activity, and two thirds sponsor hospices, health programs, hospitals or provide for the disabled, retarded or people in crisis. The Independent Sector study indicated that religious congregations made $8.5 billion in direct grants to other groups and paid $10.7 billion for education, human services and health programs. These figures are double the giving of all U.S. foundations and corporations combined.

It is my view that the Congress should do everything possible to ensure that churches can continue to maximize their contributions toward these important missions and ministries, rather than paying for costs of complying with rules that are unworkable or not needed for church employee benefit plans.

The cornerstone of the act is a recodification of the rules applicable to church retirement plans so that all of such rules in the Internal Revenue Code are identified, simplified and separated from the rules that apply to for-profit employers. Retirement plan issues unique to churches will thus not be inadvertently affected when Congress is considering future Code changes which are applicable to for-profit employers but not appropriate for churches.

The act would also ensure that church retirement plans, whether described in the new section 401A—applicable to what are now church section 401(a) plans—or section 403(b), are subject to the same coverage and related rules. In 1986, Congress determined that the section 403(b) plans of churches and so-called qualified church controlled organizations should not be subjected to the expense of complying with coverage and related rules. The act would extend this same relief to church section 401A plans and would also eliminate the troublesome qualified church controlled organization approach in favor of a provision that only subjects church-related hospitals and universities to applicable coverage and related rules. The act, consistent with the law that now applies to church section 401(a) plans, would also clarify that the coverage rules that will apply to the section 403(b) programs of church-related hospitals and universities are those that were applicable prior to the enactment of the Employee Retirement and Income Security Act of 1974.

The act also would resolve a number of other problems many church pension boards face under current law. For example, under present law there is a question as to whether self-employed ministers and chaplains who work for non-church employers are able to participate in their denomination's retirement and welfare benefit programs. The act would make it clear that such ministers may participate in such programs.

The act would also:

Restore QVEC's for church plans;

Solve several church employee "aggregation" problems;

For the first time, church plans will be subject to ERISA vesting schedules;

Provide relief that will result in better retirement income for foreign missionaries;

Simplify the required distribution rules that apply to church retirement plans;

Eliminate an unworkable requirement under the so-called section 403(b) catchup contribution rules; and

Make relief granted under section 457 consistent with coverage relief proposed for church retirement and welfare benefit plans.

As I noted earlier, the act is being introduced in conjunction with the Employee Benefits Simplifications Act. I intend to hold joint hearings on both pieces of legislation in the very near future. I urge my colleagues to join me in cosponsoring these two bills that to-

gether constitute significant pension legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Church Retirement Benefits Simplification Act of 1990".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. NEW QUALIFICATION PROVISION FOR CHURCH PLANS.

(a) IN GENERAL.—Part I of subchapter D (relating to deferred compensation, etc.) of chapter 1 is amended by adding after section 401 the following new section:

"SEC. 401A. QUALIFIED CHURCH PLAN.

"(a) GENERAL RULE.—For purposes of the United States Code, including this title, a qualified church plan shall be treated as satisfying the requirements of section 401(a), and all references in (or pertaining to) this title and such Code to a plan described in section 401(a) shall include a qualified church plan. Except as otherwise provided in this section, no paragraph of section 401(a) shall apply to a qualified church plan.

"(b) DEFINITION OF QUALIFIED CHURCH PLAN.—A plan is a qualified church plan if such plan meets the following requirements:

"(1) CHURCH PLAN REQUIREMENT.—The plan is a church plan (within the meaning of section 414(e)), and the election provided by section 410(d) has not been made with respect to such plan.

"(2) EMPLOYEE CONTRIBUTIONS ARE NONFORFEITABLE.—An employee's rights in his accrued benefit derived from his own contributions are nonforfeitable.

"(3) VESTING REQUIREMENTS.—The plan satisfies the requirements of subparagraph (A) or (B).

"(A)10-YEAR VESTING.—A plan satisfies the requirements of this paragraph if an employee who has at least 10 years of service has a nonforfeitable right to 100 percent of his accrued benefit derived from employer contributions.

"(B) 5- TO 15-YEAR VESTING.—A plan satisfies the requirements of this paragraph if an employee who has completed at least 5 years of service has a nonforfeitable right to a percentage of his accrued benefit derived from employer contributions which percentage is not less than the percentage determined under the following table:

Years of Service:	*Nonforfeitable percentage*
5	25
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100

"(C) YEARS OF SERVICE.—For purposes of this paragraph, an employee's years of service shall be determined in accordance with any reasonable method selected by the plan.

"(4) FUNDING REQUIREMENTS.—The plan meets the funding requirements of section 401(a)(7) as in effect on September 1, 1974.

"(5) ADDITIONAL REQUIREMENTS.—

"(A) The plan meets the requirements of paragraphs (1), (2), (8), (9), (16), (17), (25), (27), and (30) of section 401(a); and

"(B) If the plan includes employees of an organization which is not a church, either the plan or such organization, at the option of the plan, shall also meet the requirements of sections 401(a)(3) and 401(a)(6) as in effect on September 1, 1974, 401(a)(4), 401(a)(5), and section 401(m).

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) CHURCH.—For purposes of this section, the term 'church' means a church or a convention or association of churches, including an organization described in section 414(e)(3)(A) and an organization described in section 414(e)(3)(B)(ii), other than—

"(A) An organization described in section 170(b)(1)(A)(ii) above the secondary school level (other than a school for religious training), or

"(B) an organization described in section 170(b)(1)(A)(iii),

"(i) which provides community service for inpatient medical care of the sick or injured (including obstetrical care); and

"(ii) not more than 50 percent of the total patient days of which during any year are customarily assignable to the categories of chronic convalescent and rest, drug and alcoholic, epileptic, mentally deficient, mental, nervous and mental, and tuberculosis, and care for the aged.

"(2) SATISFACTION OF TRUST REQUIREMENT.—A plan shall not fail to be described in this section merely because such plan is funded through an organization described in section 414(e)(3)(A), rather than through a trust.

"(3) CERTAIN SECTIONS APPLY.—Sections 401(b), 401(c), and 401(h) shall apply to a qualified church plan.

"(4) FAILURE OF ONE ORGANIZATION MAINTAINING PLAN NOT TO DISQUALIFY PLAN.—If one or more organizations maintaining the church plan fails to satisfy the requirements of subsection (b), such plan shall not be treated as failing to satisfy the requirements of this section with respect to other organizations maintaining such plan.

"(5) CERTAIN EMPLOYEES NOT CONSIDERED HIGHLY COMPENSATED AND EXCLUDED EMPLOYEES.—For purposes of this section, no employee shall be considered an officer, shareholder, person whose principal duties consist in supervising the work of other employees, or highly compensated employee if such employee during the year or the preceding year received compensation from the employer of less than $50,000. For purposes of this section, there shall be excluded from consideration employees described in section 410(b)(3)(A). The Secretary shall adjust the $50,000 amount under this paragraph at the same time and in the same manner as under section 415(d).

"(6) TIME FOR DETERMINATION OF APPLICABLE LAW.—Except where otherwise specified, the determination of whether a plan meets the requirements of subsection (b) shall be made in accordance with the provisions of this title as in effect immediately following enactment of the Church Retirement Benefits Simplification Act of 1990.".

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall be effective for years beginning after December 31, 1989, except that the provisions of section 401A(b)(3) shall be effective for years beginning after December 31, 1992. No regulation or ruling under section 401(a) issued after December 31, 1989, shall apply to a qualified church plan described in section 401A unless such regulation or ruling is specifically made applicable by its terms to qualified church plans.

(2) PRIOR YEARS.—A church plan (within the meaning of section 414(e)) shall not be deemed to have failed to satisfy the applicable requirements of section 401(a) for any year beginning prior to January 1, 1990.

SEC. 3. RETIREMENT INCOME ACCOUNTS OF CHURCHES.

(a) IN GENERAL.—Section 403(b)(9) is amended to read as follows:

"(9) RETIREMENT INCOME ACCOUNTS PROVIDED BY CHURCHES, ETC.—

"(A) AMOUNTS PAID TREATED AS CONTRIBUTIONS.—For purposes of this title—

"(i) a retirement income account shall be treated as an annuity contract described in this subsection, and

"(ii) amounts paid by an employer described in paragraph (1)(A) or by a church or a convention or association of churches, including an organization described in section 414(e)(3)(A) or an organization described in section 414(e)(3)(B)(ii), to a retirement income account shall be treated as amounts contributed by the employer for an annuity contract for the employee on whose behalf such account is maintained.

"(B) RETIREMENT INCOME ACCOUNT.—For purposes of this paragraph, the term 'retirement income account' means a program established or maintained by a church, a convention or association of churches, including an organization described in section 414(e)(3)(A), to provide benefits under section 403(b) for an employee described in paragraph (1) or an individual described in paragraph (13)(F), or his beneficiaries.".

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall be effective for years beginning after December 31, 1989.

(2) PRIOR YEARS.—A church plan (within the meaning of section 414(e)) shall not be deemed to have failed to satisfy the applicable requirements of section 403(b) for any year beginning prior to January 1, 1990.

SEC. 4. CONTRACTS PURCHASED BY A CHURCH.

(a) CLARIFICATION OF APPLICABLE NONDISCRIMINATION REQUIREMENTS.—Subparagraph (D) of section 403(b)(1) is amended to read as follows:

"(D) except in the case of a contract purchased by a church, such contract is purchased under a plan which meets the nondiscrimination requirements of paragraph (12)(A), and ".

(b) CERTAIN COVERAGE RULES APPLY.—Subparagraph (B) of section 403(b)(12) is amended to read as follows:

"(B) CERTAIN REQUIREMENTS.—If a contract purchased by a church is purchased under a church plan (within the meaning of section 414(e)) by:

"(i) an organization described in section 170(b)(1)(A)(ii) above the secondary school level (other than a school for religious training), or

"(ii) an organization described in section 170(b)(1)(A)(iii),

"(I) which provides community service for inpatient medical care of the sick or injured (including obstetrical care), and

"(II) no more than 50 percent of the total patient days of which during any year are customarily assignable to the categories of chronic convalescent and rest, drug and alcoholic, epileptic, mentally deficient, mental, nervous and mental, and tuberculosis, and care for the aged,

either the plan or such organization, at the option of the plan, shall meet the requirements of sections 401(a)(3) and 401(a)(6) as in effect on September 1, 1974, 401(a)(4), 401(a)(5), 401(a)(17), and 401(m).".

(c) SPECIAL RULES FOR CHURCHES.—Section 403(b) is amended by adding the following new paragraph at the end thereof:

"(13) DEFINITIONS AND SPECIAL RULES.—

"(A) CONTRACT PURCHASED BY A CHURCH.—For purposes of this subsection, the term 'contract purchased by a church' includes an annuity described in section 403(b)(1), a custodial account described in section 403(b)(7), and a retirement income account described in section 403(b)(9).

"(B) CHURCH.—For purposes of this subsection, the term 'church' means a church or a convention or association of churches, including an organization described in section 414(e)(3)(A) and an organization described in section 414(e)(3)(B)(ii).

"(C) VESTING.—In the case of a contract purchased by a church under a church plan (within the meaning of section 414(e))—

"(i) sections 403(b)(1)(C) and 403(b)(6) shall not apply;

"(ii) such contract is not described in this subsection unless an employee's rights in his accrued benefit under such contract which is attributable to contributions made pursuant to a salary reduction agreement are nonforfeitable; and

"(iii) such contract is not described in this subsection unless the plan satisfies the requirements of subclause (I) or (II).

"(I) A plan satisfies the requirements of this clause if an employee who has at least 10 years of service has a nonforfeitable right to 100 percent of his accrued benefit derived from employer contributions.

"(II) A plan satisfies the requirements of this clause if an employee who has completed at least 5 years of service has a nonforfeitable right to a percentage of his accrued benefit derived from employer contributions which percentage is not less than the percentage determined under the following table:

Years of Service	*Nonforfeitable percentage*
5	25
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100

"(III) For purposes of this clause, an employee's years of service shall be determined in accordance with any reasonable method selected by the plan.

"(D) FAILURE OF ONE ORGANIZATION MAINTAINING PLAN NOT TO DISQUALIFY PLAN.—In the case of a contract purchased by a church under a church plan (within the meaning of section 414(e)), if one or more organizations maintaining the church plan fails to satisfy the requirements of this section, such plan shall not be treated as failing to satisfy the requirements of this section with respect to other organizations maintaining such plan.

"(E) CERTAIN EMPLOYEES NOT CONSIDERED HIGHLY COMPENSATED AND EXCLUDED EMPLOYEES.—For purposes of this subsection, no employee for whom a contract is purchased by a church shall be considered an officer, shareholder, person whose principal duties consist in supervising the work of the other employees, or highly compensated employee if such employee during the year or the preceding year received compensation from the employer of less than $50,000. For purposes of this subsection, there shall be excluded employees described in section 410(b)(3)(A). The Secretary shall adjust the $50,000 amount under this subparagraph at the same time and in the same manner as under section 415(d).

"(F) CERTAIN MINISTERS MAY PARTICIPATE.—For purposes of this subsection, the term 'employee' shall include a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry who is a self-employed individual (within the meaning of section 401(c)(1)(B)) or any duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry who is employed by an organization other than an organization described in section 501(c)(3). Such self-employed minister shall be treated as his own employer which is an organization described in section 501(c)(3) and which is exempt from tax under section 501(a) for the purpose of applying the provisions of this subsection. Such an employee who is employed by an organization other than an organization described in section 501(c)(3) shall be treated as employed by an organization described in section 501(c)(3) and which is exempt from tax under section 501(a) for the purpose of applying the provisions of this subsection. In determining the compensation of such self-employed minister for purposes of this subsection, the earned income (within the meaning of section 401(c)(2)) of such minister shall be substituted for 'the amount of compensation which is received from the employer' under section 403(b)(3). In determining the years of service of such self-employed minister for purposes of section 403(b)(4), there shall be included years and fractions of years in which such minister is a self-employed individual (within the meaning of section 401(c)(1)(B)) acting in the exercise of his ministry.

"(G) TIME FOR DETERMINATION OF APPLICABLE LAW.—Except where otherwise specified, the determination of whether a contract purchased by a church meets the requirements of this subsection shall be made in accordance with the provisions of this title as in effect immediately following enactment of the Church Retirement Benefits Simplification Act of 1990.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall be effective for years beginning after December 31, 1989, except that the provisions of section 403(b)(13)(C)(iii) shall be effective for years beginning after December 31, 1992. No regulation or ruling issued under section 401(a) or 403(b) after December 31, 1989, shall apply to a contract purchased by a church unless such regulation or ruling is specifically made applicable by its terms to such contracts. For purposes of applying the exclusion allowance of section 403(b)(2) and the limitations of section 415, any contribution which is forfeitable pursuant to section 403(b)(13)(C) shall be treated as an amount contributed to the contract in the year for which such contribution is made and not in the year the contribution becomes nonforfeitable.

(2) PRIOR YEARS.—A church plan (within the meaning of section 414(e)) shall not be deemed to have failed to satisfy the applicable requirements of section 403(b) for any year beginning prior to January 1, 1990.

SEC. 5. CHANGE IN DISTRIBUTION REQUIREMENT FOR RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Section 403(b)(11)(A) is amended to read as follows:

"(A) when the employee attains age 59½, separates from service, dies, or becomes disabled (within the meaning of section 72(m)(7) or, in the case of a retirement income account described in section 403(b)(9), within the meaning of section 401(k)(2)), or".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning after December 31, 1988.

SEC. 6. REQUIRED BEGINNING DATE FOR DISTRIBUTIONS UNDER CHURCH PLANS.

(a) IN GENERAL.—The second sentence of section 401(a)(9)(C) is amended to read as follows:

"In the case of a governmental plan or church plan (within the meaning of section 414(e)), the required beginning date shall be the later of the date determined under the preceding sentence or April 1 of the calendar year following the calendar year in which the employee retires.".

(b) Section 401(a)(9)(C) is amended by striking out the third sentence thereof.

(c) EFFECTIVE DATE.—The amendment made by this section shall be effective as if included in the provision of P.L. 99-514 to which such amendment relates.

SEC. 7. PARTICIPATION OF MINISTERS IN CHURCH PLANS.

(a) IN GENERAL.—Section 414 is amended by adding the following new subsection:

"(u) SPECIAL RULES FOR MINISTERS.—Notwithstanding any other provision of this title, if a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry participates in a church plan (within the meaning of section 414(e)), then—

"(1) such minister shall be excluded from consideration for purposes of applying sections 401(a)(3), 401(a)(4), and 401(a)(5) as in effect on September 1, 1974, 401(a)(4), 401(a)(5), 401(a)(26), 401(k)(3), 401(m), 403(b)(1)(D) (including section 403(b)(12)), and 410 to any stock bonus, pension, profit-sharing, or annuity plan (including an annuity described in section 403(b) or a retirement income account described in section 403(b)(9)) described in this part. For purposes of this part, the church plan in which such minister participates shall be treated as a plan or contract meeting the requirements of section 401(a), 401A, or 403(b) (including section 403(b)(9)) with respect to such minister's participation; and

"(2) such minister shall be excluded from consideration for purposes of applying an applicable section to any plan providing benefits described in an applicable section. For purposes of this paragraph, the term 'applicable section' means section 79(d), section 105(h), paragraphs (1), (2), and (3) of section 120(c), section 125(b), section 127(b)(2), and paragraphs (2), (3), and (8) of section 129(d).".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning before, on, or after December 31, 1989.

SEC. 8. CERTAIN RULES AGGREGATING EMPLOYEES NOT TO APPLY TO CHURCHES, ETC.

(a) IN GENERAL.—Section 414 is amended by adding the following new subsection:

"(v) CERTAIN RULES AGGREGATING EMPLOYEES NOT TO APPLY TO CHURCHES, ETC.—

"(1) IN GENERAL.—If the election provided by paragraph (3) is made, for purposes of sections 401(a)(3), 401(a)(4), and 401(a)(5) as in effect on September 1, 1974, 401(a)(4), 401(a)(5), 401(a)(17), 401(a)(26), 401(h), 401(m), 410(b), 411(d)(1), and 416, subsections (b), (c), (m), (o), and (t) of this section shall not apply to treat the employees of church-related organizations as employed by a single employer, except in the case of employees of church-related organizations which are not exempt from tax under section 501(a) and which have a common, immediate parent.

"(2) DEFINITION OF CHURCH-RELATED ORGANIZATION.—For purposes of this subsection, the term 'church-related organization' means a church or a convention or association of churches, an organization described in section 414(e)(3)(A), an organization described in section 414(e)(3)(B)(ii), or an organization, the employees of which would be aggregated with the employees of such organizations but for the election provided by paragraph (3).

"(3) ELECTION TO DISAGGREGATE.—The provisions of this subsection shall apply if a church-related organization makes an election for itself and other church-related organizations (in such form and manner as the Secretary may by regulations prescribe) on or before the last day of the plan year beginning on or after January 1, 1993.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective as if included in the provisions of P.L. 93-406, P.L. 98-369, and P.L. 99-514 to which such amendment relates.

SEC. 9. QUALIFIED RETIREMENT CONTRIBUTIONS TO INCLUDE VOLUNTARY CONTRIBUTIONS PURSUANT TO CHURCH PLANS.

(a) IN GENERAL.—Section 219(e) is amended to read as follows:

"(e) DEFINITION OF QUALIFIED RETIREMENT CONTRIBUTION.—For purposes of this section—

"(1) QUALIFIED RETIREMENT CONTRIBUTION.—The term 'qualified retirement contribution' means—

"(A) any amount paid in cash for the taxable year by or on behalf of an individual to an individual retirement plan for such individual's benefit,

"(B) any amount contributed on behalf of any individual to a plan described in section 501(c)(18), and

"(C) any qualified voluntary employee contribution paid in cash by the individual for the taxable year.

"(2) QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTION.—

"(A) IN GENERAL.— The term 'qualified voluntary employee contribution' means any voluntary contribution—

"(i) which is made by an individual as an employee under a church plan, which plan allows an employee to make contributions which may be treated as qualified voluntary employee contributions under this section, and

"(ii) with respect to which the individual has not designated such contribution as a contribution which should not be taken into account under this section.

"(B) VOLUNTARY CONTRIBUTION.— For purposes of subparagraph (A), the term 'voluntary contribution' means any contribution which is not a mandatory contribution (within the meaning of section 411(c)(2)(C)).

"(C) DESIGNATION.— For purposes of determining whether or not an individual has made a designation described in subparagraph (A)(ii) with respect to any contribution during any calendar year under a church plan, such individual shall be treated as having made such designation if he notifies the plan administrator of such plan, not later than the earlier of—

"(i) April 15 of the succeeding calendar year, or

"(ii) the time prescribed by the plan administrator,

that the individual does not want such contribution taken into account under this section. Any designation or notification referred to in the preceding sentence shall be made in such manner as the Secretary shall by regulations prescribe and, after the last date on which such designation or notification may be made, shall be irrevocable for such taxable year.

"(3) DEFINITIONS.— For purposes of this subsection.—

"(A) CHURCH PLAN.— The term 'church plan' means any plan, within the meaning of section 414(e), described in section 401(a), 401A, or 403(b) (including section 403(b)(9)).

"(B) EMPLOYEE.—The term 'employee' shall include a self-employed individual (within the meaning of section 401(c)(1)(B)) who is a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry.".

(b) REPORTS TO BE CONSISTENT.— Section 219(f)(4) is amended to read as follows:

"(4) REPORTS.— The Secretary shall prescribe regulations which prescribe the time and the manner in which reports to the Secretary and plan participants shall be made by the plan administrator of a plan receiving qualified voluntary employee contributions. Such reports shall be consistent with those required of the administrator of an individual retirement plan.".

(c) AMENDMENT CONFORMING SECTION 72(o) WITH SECTION 219(e).—Section 702(o)(5)(A) is amended to read as follows:

"(A) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.— The term 'deductible employee contributions' means any qualified voluntary employee contribution (as defined in section 219(e)(2)) made after December 31, 1981, in a taxable year beginning after such date (other than contributions for taxable years beginning after December 31, 1986, and before January 1, 1990) and allowable as a deduction under section 219(a) for such taxable year.".

(d) CONTRIBUTION TO INDIVIDUAL RETIREMENT PLAN INCLUDES A QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTION.— Section 219(f) is amended by redesignating paragraph (7) as paragraph (9) and by adding after paragraph (6) the following new paragraph:

"(7) QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTIONS.— For purposes of this subsection, a contribution to an individual retirement plan shall be deemed to include a qualified voluntary employee contribution.".

(e) ROLLOVERS FROM IRAS TO QVECS AND VICE VERSA.—Section 219(f) is amended by adding the following new paragraph:

"(8) ROLLOVER AMOUNTS.—

"(A) GENERAL RULE.—If—

"(i) any portion of the balance to the credit of an employee in a plan described in subparagraphs (A), (B), or (C) of subsection (e)(1) is paid to him,

"(ii) the employee transfers any portion of the property he receives in such distribution to another plan described in such paragraphs of subsection (e)(1), and

"(iii) in the case of a distribution of property other than money, the property so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includable in gross income for the taxable year in which paid.

"(B) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—Subparagraph (A) shall not apply to any transfer of a distribution made after the 60th day following the day on which the employee received the property distributed.

"(C) REQUIRED DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVER TREATMENT.—Subparagraph (A) shall not apply to any distribution to the extent such distribution is required under section 401(a)(9) or 403(b)(10).".

(f) ANNUAL ADDITIONS NOT TO INCLUDE QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTIONS.—The second sentence of section 415(c)(2) (relating to annual additions) is amended to read as follows: "For the purposes of this paragraph, employee contributions under subparagraph (B) are determined without regard to any rollover contributions (as defined in sections 402(a)(5), 403(a)(4), 403(b)(8), and 408(d)(3)), without regard to employee contributions to a simplified employee pension which are excludable from gross income under section 408(k)(6), and without regard to deductible employee contributions within the meaning of section 72(o)(5).".

(g) EFFECTIVE DATE.—The amendments made by this section shall be effective for taxable years beginning after December 31, 1989.

SEC. 10. SELF-EMPLOYED MINISTERS TREATED AS EMPLOYEES FOR PURPOSES OF CERTAIN WELFARE BENEFIT PLANS AND RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Section 7701(a)(20) is amended to read as follows:

"(20) EMPLOYEE.—For the purpose of applying the provisions of section 79 with respect to group-term life insurance purchased for employees, for the purpose of applying the provisions of sections 104, 105, and 106 with respect to accident or health insurance or accident or health plans, for the purpose of applying the provisions of section 101(b) with respect to employees' death benefits, and for the purpose of applying the provisions of subtitle A with respect to contributions to or under a stock bonus, pension, profit-sharing, or annuity plan, and with respect to distributions under such a plan, or by a trust forming part of such a plan, and for purposes of applying section 125 with respect to cafeteria plans, the term 'employee' shall include a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry who is a self-employed individual (within the meaning of section 401(c)(1)(B)) or a full-time life insurance salesman who is considered an employee for the purpose of chapter 21, or in the case of services performed before January 1, 1951, who would be considered an employee if his services were performed during 1951.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning before, on, or after December 31, 1989.

SEC. 11. DEDUCTIONS FOR CONTRIBUTIONS BY CERTAIN MINISTERS TO RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Section 404(a) is amended by adding the following new paragraph:

"(10) CONTRIBUTIONS BY CERTAIN MINISTERS TO RETIREMENT INCOME ACCOUNTS.—In case contributions are made by a minister described in section 403(b)(13)(F) to a retirement income account described in section 403(b)(9) and not by a person other than such minister, such contributions shall be treated as made to a pension trust which is exempt from tax under section 501(a) forming part of a plan which is described in section 401(a) and shall be deductible under this subsection to the extent such contributions do not exceed the exclusion allowance of such minister, determined under section 403(b)(2).".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning after December 31, 1989.

SEC. 12. MODIFICATION FOR CHURCH PLANS OF RULES FOR PLANS MAINTAINED BY MORE THAN ONE EMPLOYER.

(a) IN GENERAL.—Section 413(c) is amended by adding the following new paragraph:

"(8) CHURCH PLANS MAINTAINED BY MORE THAN ONE EMPLOYER.—A church plan (within the meaning of section 414(e)) maintained by more than one employer and with respect to which the election provided by section 410(d) has not been made, which commingles assets solely for purposes of investment and pooling for mortality experience to provide to participants annuities computed with reference to the balance in the participants' accounts when such accounts become payable, shall not be treated as a single plan maintained by more than one employer under this subsection. The rules provided by this paragraph shall apply for purposes of applying section 403(b)(12) to such church plan.".

SEC. 13. SECTION 457 NOT TO APPLY TO DEFERRED COMPENSATION OF A CHURCH.

(a) IN GENERAL.—Paragraph (13) of 457(e) is amended to read as follows:

"(13) SPECIAL RULE FOR CHURCHES.—The term 'eligible employer' shall not include a church (within the meaning of section 401A(c)(1)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years begining after December 31, 1978.

SEC. 14. CHURCH PLAN MODIFICATION TO SEPARATE ACCOUNT REQUIREMENT OF SECTION 401(h).

(a) EXCEPTION TO SEPARATE ACCOUNT REQUIREMENT.—Section 401(h) is amended by adding the following new sentence at the end thereof: "Notwithstanding the preceding sentence, in the case of a pension or annuity plan that is a church plan (within the meaning of section 414(e)) which is maintained by more than one employer, paragraph (6) shall not apply to an employee who is a key employee for purposes of section 416 solely because such employee is described in section 416(i)(1)(A)(i) (relating to officers having an annual compensation greater than 150 percent of the amount in effect under section 415(c)(1)(A)).".

(b) APPLICATION OF SECTION 415(l).—Section 415(l) is amended by modifying paragraph (l) thereof to read as follows:

"(1) IN GENERAL.—For purposes of this section, the following shall be treated as an annual addition to a defined contribution plan for purposes of subsection (c):

"(A) contributions allocated to any individual medical account which is part of a pension or annuity plan; and

"(B) the actuarially determined amount of prefunding for the insurance value of benefits which are:

"(i) described in seciton 401(h);

"(ii) paid under a pension or annuity plan that is a church plan (within the meaning of section 414(e));

"(iii) paid under a plan maintained by more than one employer; and

"(iv) payable solely to an employee who is a key employee for purposes of section 415 solely because such employee is described in section 416(i)(1)(A)(i) (relating to officers having an annual compensation greater than 150 percent of the amount in effect under section 415(c)(1)(A)), his spouse, or his dependents.

Subparagraph (B) of section (c)(1) shall not apply to any amount treated as an annual addition under the preceding sentence.".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after March 31, 1984.

SEC. 15. RULE RELATING TO INVESTMENT IN CONTRACT NOT TO APPLY TO FOREIGN MISSIONARIES.

(a) IN GENERAL.—The last sentence of section 72(f) is amended to read as follows: "The preceding sentence shall not apply to amounts which were contributed by the employer, as determined under regulations prescribed by the Secretary, to provide pension or annuity credits, to the extent such credits are attributable to services performed before January 1, 1963, and are provided pursuant to pension or annuity plan provisions in existence on March 12, 1962, and on that date applicable to such services, or to provide pension or annuity credits for foreign missionaries (within the meaning of section 403(b)(2)(D)(iii)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 16. REPEAL OF ELECTIVE DEFERRAL CATCH-UP LIMITATION FOR RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Clause (iii) of section 402(g)(8)(A) is amended to read as follows:

"(iii) except in the case of elective deferrals under a retirement income account described in section 403(b)(9), the excess of $5,000 multiplied by the number of years of service of the employee with the qualified organization over the employer contributions described in paragraph (3) made by the organization on behalf of such employee for prior taxable years (determined in the manner prescribed by the Secretary).".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective as if included in the provision of P.L. 99-514 to which such amendment relates.

SEC. 17. CHURCH PLANS MAY ANNUITIZE BENEFITS.

(a) IN GENERAL.—A retirement income account described in section 403(b)(9), a church plan (within the meaning of section 414(e)) that is a plan described in section 401(a) or 401A, or an account comprised of qualified voluntary employee contributions described in section 219(e)(2) shall not fail to be described in such sections merely because it pays benefits to participants (and their beneficiaries) from a pool of assets administered or funded by an organization described in section 414(e)(3)(A), rather than through the purchase of annuities from an insurance company.

(b) EFFECTIVE DATE.—This provision shall be effective for years beginning before, on, or after December 31, 1989.

SEC. 18. CHURCH PLANS MAY INCREASE BENEFIT PAYMENTS.

(a) IN GENERAL.—A retirement income account described in section 403(b)(9), a church plan (within the meaning of section 414(e)) that is a plan described in section 401(a) or 401A, or an account comprised of qualified voluntary employee contributions described in section 219(e)(2) shall not fail to be described in such sections merely because it increases benefit payments to participants (and their beneficiaries) pursuant to a method not described in section 401(a)(9) or the regulations prescribed under such section.

(b) EFFECTIVE DATE.—This provision shall be effective for years beginning before, on, or after December 31, 1989.

SEC. 19. RULES APPLICABLE TO SELF-INSURED MEDICAL REIMBURSEMENT PLANS NOT TO APPLY TO PLANS OF CHURCHES.

(a) IN GENERAL.—Section 105(h) is amended by adding the following new paragraph:

"(11) PLANS OF CHURCHES.—This subsection shall not apply to a plan maintained by a church (within the meaning of section 401A(c)(1)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning before, on, or after December 31, 1989.

By Mr. BOND (for himself, Mr. DODD, Mr. ROBB, Mr. BRYAN, Mr. EXON, Mr. LOTT, Mr. LIEBERMAN, Mrs. KASSEBAUM, Mr. DANFORTH, Mr. STEVENS, Mr. KOHL, Mr. MCCONNELL, Mr. PRESSLER, Mr. RIEGLE, Mr. BIDEN, Mr. BURNS, Mr. MCCAIN, Mr. SHELBY, Mr. BOSCHWITZ, Mr. SIMON, and Mr. D'AMATO):

S. 2903. A bill to establish a National Commission on Financial Institution Reform, Recovery, and Enforcement; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL COMMISSION ON FINANCIAL INSTITUTION REFORM, RECOVERY, AND ENFORCEMENT

● Mr. BOND. Mr. President, today Senator DODD, I, and 19 of our colleagues are introducing legislation setting up an independent commission to investigate the collapse of the savings and loan industry. Its duties shall be to identify the causes of the crisis, the causes of the fraud and abuse, and to recommend any changes in regulation, supervision, administration, or legislation needed to protect the safety and soundness of federally insured funds.

The bipartisan eight person Commission would be appointed by the President and congressional leadership. The President, the Senate majority leader and the House speaker would each appoint two members. The minority leaders of the Senate and House would each select one member. It is important to note that no current Members of Congress, administration officials, or State officials would be eligible to serve.

The Commission's report, which would be due on January 1, 1991, will help policymakers avoid similar mistakes in the future and should greatly aid our efforts to modernize our financial system and reform deposit insurance next year.

I do not believe it is productive for us, in Congress, to lob political grenades at each other as we discuss how

this scandal came about. American taxpayers deserve better government.

The current fingerpointing, demagoguery, and political posturing will only lead us to understand part of the savings and loan story. Left unexplored will be the bad policy decisions, poor regulatory practices, political maneuvering and just plain stupidity that have left us facing the largest financial scandal ever to beset this Nation.

There is a great need for an independent, bipartisan commission to make calm and careful assessments of what went wrong and what we ought to avoid in the future so we do not repeat this sad history. Ignoring this problem was a mistake. Ignoring its lessons would be a bigger mistake. An independent commission will review all the facts and report to the American people on the Basic Question—how did this happen?

We must prosecute the crooks who looted savings and loans and left taxpayers with the bill, but that is not enough. If we focus solely on prosecutions, we blind ourselves to the full picture of just how this fiasco took place.

Let us learn some useful policy lessons from the wreckage of the savings and loan industry. I encourage my colleagues to join us and cosponsor this legislation.

I ask unanimous consent that a copy of the legislation be printed in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2903

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT.

There is established the National Commission on Financial Institution Reform, Recovery, and Enforcement.

SECTION 2. DUTIES OF THE COMMISSION.

The Commission shall—

(1) investigate and identify the causes of the savings and loan crisis, including consideration of the role of—

(A) State and Federal regulation, including capital and accounting standards;

(B) State and Federal supervision, including the number and quality of personnel;

(C) deposit insurance, including the changes in the amount insured and in technology;

(D) State and Federal asset powers legislation;

(E) macroeconomic changes and regional recessions; and

(F) competitive factors;

(2) investigate the causes of fraud and abuse in the savings and loan industry;

(3) recommended changes in the regulation and supervision of depository institutions in order to prevent a recurrence of the problems identified under paragraphs (1) and (2); and

(4) recommend any other administrative or legislative action necessary or appropriate to protect the safety and soundness of depository institutions and the Federal deposit insurance funds, as well as other Federal insurance programs.

SEC. 3. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 8 members appointed as follows:

(1) 2 individuals appointed by the President.

(2) 3 individuals appointed by the Speaker of the House of Representatives, 1 of whom shall be appointed upon the recommendation of the minority leader of the House of Representatives.

(3) 3 individuals appointed by the President pro tempore of the Senate, 2 of whom shall be appointed upon the recommendation of the majority leader of the Senate and 1 of whom shall be appointed upon the recommendation of the minority leader of the Senate.

(b) ELIGIBILITY.—No officer or employee of the United States or of any State may be appointed to be a member of the Commission.

(c) TERMS.—

(1) IN GENERAL.—Each member shall be appointed for the life of the Commission.

(2) VACANCY.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) PROHIBITION ON COMPENSATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Commission shall serve without pay.

(2) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(e) QUORUM.—A majority of the members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(f) CHAIRPERSON.—The Chairperson of the Commission shall be elected by the Commission from among the members of the Commission.

(g) MEETINGS.—The Commission shall meet at the call of the Chairperson or a majority of the members.

SEC. 4. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—

(1) IN GENERAL.—The Commission may, for the purpose of carrying out this title, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) ADMINISTRATION OF OATHS.—The Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) SUBPOENA POWER.—

(1) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Commission.

(2) ADMINISTRATIVE ASPECTS OF SUBPOENA.—

(A) ATTENDANCE OR PRODUCTION AT DESIGNATED SITE.—The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States.

(B) FEES AND TRAVEL EXPENSES.—Persons served with a subpoena under this subsection shall be paid the same fees and mileage for travel within the United States that are paid witnesses in Federal courts.

(C) NO LIABILITY FOR OTHER EXPENSES.—The Commission and the United States shall not be liable for any expense, other than an expense described in subparagraph (B), incurred in connection with the production of any evidence under this subsection.

(3) FAILURE TO OBEY A SUBPOENA.—

(A) APPLICATION TO COURT.—If a person refuses to obey a subpoena issued under paragraph (1), the Commission may apply to a district court of the United States for an order requiring that person to appear before the Commission to give testimony or produce evidence, as the case may be, relating to the matter under investigation.

(B) JURISDICTION OF COURT.—The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business.

(C) FAILURE TO COMPLY WITH ORDER.—Any failure to obey the order of the court may be punished by the court as civil contempt.

(4) SERVICE OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States dis trict court under the Federal Rules of Civil Procedure for the United States district courts.

(5) SERVICE OF PROCESS.—All process of any court to which application is to be made under paragraph (3) may be served in the judicial district in which the person required to be served resides or may be found.

(d) OBTAINING OFFICIAL DATA.—

(1) AUTHORITY TO OBTAIN.—Notwithstanding any provision of section 552a of title 5, United States Code, the Commission may secure directly from any department or agency of the United States information necessary to enable the Commission to carry out this Act.

(2) PROCEDURE.—Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish the information requested to the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this title.

SEC. 5. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—Subject to such regulations as the Commission may prescribe, the Chairperson may appoint and fix the pay of such personnel as the Chairperson considers appropriate.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) EXPERTS AND CONSULTANTS.—Subject to rules prescribed by the Commission, the Chairperson may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the annual

rate of basic pay payable for GS-18 of the General Schedule.

(d) STAFF OF FEDERAL AGENCIES.—Upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this Act.

SEC. 6. REPORT.

(a) REQUIRED.—The Commission shall submit a final report to the President and the Congress not later than January 1, 1991.

(b) CONTENTS.—The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with such recommendations for legislation or administrative action as the Commission considers appropriate.

SEC. 7. TERMINATION.

The Commission shall terminate 30 days after submitting its final report.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated not to exceed $1,000,000 to carry out the purposes of this Act.●

● Mr. DODD. Mr. President, as the costs of the S&L crisis have grown like topsy, not a day goes by without a major story about the S&L debacle. Such stories have focused on the misuse of political influence, on the slowness of the cleanup and, more often than not, on the extravagant living or outright fraud by S&L officers.

This financial crisis is going to cost the Government upward of $200 billion, using present value costs. $200 billion. Money that should go to needy people and future generations who will bear much of the burden of the bailout.

The public deserves an accounting. The public needs to know who misused the political process and why the cleanup has not proceeded faster. We have already begun to address these problems. The Senate Ethics Committee is currently investigating whether there was any abuse of the political process and congressional and public scrutiny have clearly played a role in speeding up the cleanup.

The public also deserves to know that those who have ripped off the Government will pay for their crimes. The Wirth-Heinz amendment to the omnibus crime bill, the so-called S&L kingpin legislation, should assure that such people do jail time, as they should.

However, KIT BOND, CHUCK ROBB, and I, along with the other original cosponsors of this bill, want to assure that the public gets more than the crooks. We want to be sure the public gets the full story. We cannot allow the hunt for crooks and political cover to blind us from seeing the full picture of just how this fiasco occurred.

In order to get the full story, our legislation would establish an eight-member Commission to investigate and identify the causes of the savings and loan crisis. Among other areas, the Commission is directed to consider the role of:

State and Federal regulation, including capital and accounting standards;

State and Federal supervision, including the number and quality of personnel;

Deposit insurance, including the changes in the amount insured and in technology;

State and Federal asset powers legislation;

Macroeconomic changes and regional recessions; and

Competitive factors.

We believe an investigation of these factors will get to the bottom of how this disaster occurred—how these and other events combined to create the climate that permitted crooks and fast buck artists to get into the S&L business.

But our Commission has a forward-looking element as well. It would be required to recommend changes in the regulation and supervision of depository institutions to prevent a recurrence of the problems that caused the S&L mess and to recommend any other administrative or legislative action necessary to protect the safey and soundness of depository institutions and the Federal insurance funds.

While I believe that the FIRREA legislation passed by this Congress in 1989 addresses many of these problems, cleaning up the S&L mess is not our last job here. We are also concerned about the future of our banking industry. Banks have come under increasing pressures from other financial services providers, both domestically and internationally. The banking committees in both the Senate and House have been considering modernization legislation for the past decade, but have failed to develop a consensus on a solution. Clearly, the lessons of the S&L fiasco will be highly instructive as we consider the best way to modernize our financial services industries. With a final Commission report in hand by January 1, 1991, we will be far better equipped to attack this very difficult issue.

Given the urgency of this exercise, we plan to move this legislation as soon as possible.●

● Mr. ROBB. Mr. President, I am pleased to join my colleagues, Senators DODD, BOND, and others in introducing a bill to create the National Commission on Financial Institution Reform, Recovery, and Enforcement. This eight-member Commission is designed to do what the Financial Institutions Reforms, Recovery, and Enforcement Act of 1989—FIRREA, Public Law 101-73—did not do. It will study and report on our current crisis in the thrift industry and make recommendations for ways to avoid similar problems in the future.

Almost daily, the Nation's citizens have picked up the morning paper or received news from the electronic media and discovered another thrift institution going under due to mismanagement or criminal fraud. Moreover, projections of the cost of bailing out these institutions has risen from $50 billion, to $150 billion, to $325 billion, and now $500 billion over 40 years, and we have no guarantee the hemorrhaging is finally contained.

Since the American people are going to have to pay for this bailout, they have a right to a reasonable explanation of how we got here. Because no current official or employee of the United States or any State will be a member of the Commission, the American people should get as impartial a study of the problem as possible.

Mr. President, this bill charges the Commission with responsibility for investigating and identifying the causes of the savings and loan crisis. Among the important issues the Commission will consider are Federal and State regulation, including capital and accounting standards, and deposit insurance, as well as possible changes in the amount insured. It will also investigate the causes of fraud and abuse in the thrift industry and recommend changes in the regulation and supervision of depository institutions in order to prevent a recurrence of the problems identified by the Commission.

Most importantly, however, the Commission must recommend any other administrative or legislative action necessary to protect the safety and soundness of depository institutions and the Federal deposit insurance funds, taking into account other Federal insurance programs. This point is important because according to the Office of Management and Budget, the Federal Government is facing between $4 and $7 trillion in contingent liabilities. I hope the Commission's report will enable us to reduce the likelihood of expensive insurance bailouts in the future.

Finally, the American people will not have to wait long for the Commission's report. The bill requires the Commission to report to the President and the Congress by January 1, 1991, before the 102d Congress convenes. Mr. President, the American people need to know how we got into this mess and this bill will help us figure it out. I strongly urge prompt action on this bill.●

● Mr. KOHL. Mr. President, I rise today as an original cosponsor of the Bond bill to establish a national commission on the savings and loan crisis. I commend my colleague from Missouri for the foresight he has shown in introducing this measure.

Over the last half a year, we have heard plenty about the troubled thrift industry. We wring our hands and point our fingers with each new cost

estimate of the bailout and each new report of white collar crime.

In my opinion, the time for hand wringing and finger pointing is done. We have recognized the cost of the bailout. We have deplored the actions of those most responsible for thrift failures.

Now we need to look forward. We need to do everything we can to ensure that taxpayers never again become liable for the huge, unrecoverable losses of federally insured institutions.

The Bond bill takes the first step toward that goal. It sets up a bipartisan commission to look into the causes of the S&L crisis. This Commission won't be maneuvering for political advantage; it will be searching for answers. Its conclusions won't pit one region against another; they will map out a national plan for safeguarding the institutions that taxpayers ensure.

We must make a commitment never again to let taxpayers' dollars pay for unregulated greed and corruption. Fulfilling that commitment involves looking honestly at the mistakes that led to the S&L crisis. The Bond measure sets up a simple and fair mechanism to make sure this gets done. I urge my colleagues to support it.●

By Mr. INOUYE:

S. 2904. A bill to require the Secretary of Commerce to make additional frequencies available for commercial assignment in order to promote the development and use of new telecommunications technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EMERGING TELECOMMUNICATIONS TECHNOLOGIES ACT

● Mr. INOUYE. Mr. President, I am introducing legislation today that should go a long way toward enhancing the growth and development of U.S. telecommunication technologies. The bill I offer today is called the Emerging Telecommunications Techologies Act of 1990. This bill is a companion to the reported version of the bill—H.R. 2965—introduced by Representative JOHN DINGELL, chairman of the House Committee on Energy and Commerce. The bill would direct the Secretary of Commerce, together with the President, to identify 200 megahertz of spectrum currently allocated for use by the Federal Government as being suitable for use by commercial users.

Since the passage of the Communications Act of 1934, the United States has taken a leadership role in allocating frequencies to promote the development of new technologies. This aggressive leadership role, however, has now put the United States in the difficult position of having no more spectrum left to give away. There is growing concern that the United States is facing a severe shortage of spectrum for the commercial development of the newest and most sophisticated technologies.

This comes at a time when the demand for new spectrum is exploding. A recent article in Business Week noted that, according to the International Telecommunications Union, as many new frequency assignments were recorded in the past decade as in all the previous 80 years of radio communications. Police, fire, ambulance, and other public safety entities need more spectrum to coordinate their rescue and safety activities. Trucking and shipping companies are looking for more spectrum to improve the efficiency of their transportation and delivery operations. Business executives need mobile services that will allow them to use phones, send faxes, and connect with computer databases in cars, planes, and trains. Radio broadcasters may soon want additional frequencies to allow them to transmit digital radio, producing sound quality as good as compact disks.

Unless the United States finds a way to accommodate these requests for new technologies, we will find that our users have a second-rate communications system, our public services operate inefficiently, and our industries move overseas. Even those services that are seen as luxury services today can drive economic progress. These are often the technologies that have allowed the United States to retain its leadership role in the field of communications.

Other countries are taking steps to allocate frequencies to accomodate these new technologies. For example, the British Government has recently allocated 200 megahertz of spectrum to new land mobile communications technologies. One of these new technologies, called Personal Communications Network, or PCN, could provide mobile service similar to cellular telephone service at much reduced rates, using smaller and more inexpensive hand-held phones. The Conference of European PTT's [CEPT] has recommended 20 megahertz be made available in Europe for Digital European Cordless Telephones [DECT]. Many of these allocations will require the military to vacate some spectrum. The Japanese are also taking steps to ensure that adequate spectrum is available for emerging technologies. The Japanese Government is expected to announce shortly a large allocation, possibly as much as 600 megahertz, for new commercial applications.

As a result of these foreign allocations, many U.S. companies are having more success developing and marketing their telecommunications products abroad than in the United States. Furthermore, unless the United States acts quickly to implement these new technologies, there is a danger that foreign manufacturers may gain an advantage in designing and developing the equipment to operate over these frequencies. These foreign companies would then be well-positioned to produce equipment for the U.S. market when the United States gets around to making the appropriate frequency allocation.

Freeing up new frequencies for these new technologies is thus becoming increasingly important for the U.S. economic future. At the same time, the United States must avoid reallocating frequencies that will impose unnecessary costs on our existing communications patterns or hamper our national defense capabilities. Certainly, we must be cautious about the effect of reallocating any frequencies that may be of critical importance to our national security interests. For these reasons, the bill I am introducing today contains several provisions to protect our national security.

For instance, in choosing the appropriate frequencies, the Secretary must avoid serious degradation of Government services and operations and limit excessive costs to civilian users of Government services. The Secretary of Commerce must submit a preliminary report of the frequencies to be reassigned. This report must be submitted to Congress and the President, and must undergo review by a Private Sector Advisory Committee, before a final report is made. The President has the authority to substitute frequencies if he finds that the reassignment would seriously jeopardize national defense, public health or safety, or other important governmental needs. Finally, the President may also reclaim frequencies previously reassigned to commercial purposes under certain circumstances.

This bill should help the United States to retain its leadership position in emerging technologies and promote the development of new services to the American public. I have scheduled a hearing on this bill on Thursday, August 2, at 2 p.m. I urge my colleagues to promote the objectives of this bill and to support its passage.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2904 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emerging Telecommunications Technologies Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Government currently reserves for its own use approximately 40 percent of the electromagnetic spectrum that is assigned

for use pursuant to the Communications Act of 1934;

(2) many of the reserved frequencies are unused by Government licensees;

(3) the public interest requires that many of the reserved frequencies be utilized more efficiently by government or commercial operators;

(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial carriers or other vendors;

(5) scarcity of assignable frequencies for commercial use can and will—

(A) impede the development and commercialization of new telecommunications products and services;

(B) reduce the capacity and efficiency of the United States' telecommunications systems; and

(C) thereby adversely affect the productive capacity and international competitiveness of the United States economy;

(6) a reassignment of these frequencies can produce significant economic returns; and

(7) the Secretary of Commerce, the President, and the Federal Communications Commission should be directed to take appropriate steps to correct these deficiencies.

SEC. 3. NATIONAL SPECTRUM PLANNING.

(a) PLANNING ACTIVITIES.—The Assistant Secretary for Communications and Information and the Chairman of the Commission shall meet, at least biannually, to conduct joint spectrum planning with respect to the following issues:

(1) the future spectrum requirements for public and private uses;

(2) the spectrum allocation actions necessary to accommodate those uses; and

(3) actions necessary to promote the efficient use of the spectrum, including spectrum management techniques to promote increased shared use of the spectrum.

(b) REPORTS.—The Assistant Secretary for Communications and Information and the Chairman of the Commission shall submit an annual report to the Committee on Energy and Commerce of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, the Secretary, and the Commission on the joint spectrum planning activities conducted under subsection (a) and recommendations for action developed pursuant to such activities. The first annual report submitted after the date of the report by the private sector advisory committee under section 4(d)(4) shall include an analysis of and response to that committee report.

SEC. 4. IDENTIFICATION OF REALLOCABLE FREQUENCIES.

(a) IDENTIFICATION REQUIRED.—The Secretary shall, within 24 months after the date of the enactment of this Act, prepare and submit to the President and the Congress a report identifying, and recommending for reallocation, frequencies that—

(1) are assigned to Government stations pursuant to section 305(a) of the Act;

(2) are not required for the present or identifiable future needs of the Government;

(3) it is or will be feasible to make available for use under the Act (other than for Government stations under such section 305); and

(4) are most likely to have the greatest potential for commercial uses under the Act.

(b) MINIMUM AMOUNT OF SPECTRUM RECOMMENDED.—

(1) IN GENERAL.—The report required by subsection (a) shall identify (and recommend for reallocation) bands of frequencies that span a total of not less than 200 megahertz, that are located below 5 gigahertz, and that offer frequencies meeting the criteria specified in paragraphs (1) through (3) of subsection (a). If the report identifies (as meeting such criteria) bands of frequencies spanning more than 200 megahertz, the report shall identify (and recommend for reallocation) those bands (spanning not less than 200 megahertz) that meet the criteria specified in paragraph (4) of such subsection.

(2) MIXED USES PERMITTED TO BE COUNTED.—Frequencies which the Secretary's report recommends be partially retained for use by a Government station within a geographically limited area, but which are also recommended to be reallocated to be made available under the Act outside that area, may be counted toward the minimum spectrum required by paragraph (1) of this subsection, except that—

(A) the frequencies counted under this paragraph may not count toward more than 20 percent of the minimum required by paragraph (1) of this subsection; and

(B) a frequency may not be counted under this paragraph unless the geographically limited area for which it will be retained for Government use includes not more than 20 percent of the population of the United States.

(c) CRITERIA FOR IDENTIFICATION.—

(1) NEEDS OF THE GOVERNMENT.—In determining whether a frequency meets the criteria specified in subsection (a)(2), the Secretary shall—

(A) consider whether the frequency is used to provide a communications service that is or could be available from a commercial carrier or other vendor;

(B) seek to promote—

(i) the maximum practicable reliance on commercially available substitutes;

(ii) the sharing of frequencies in geographically separate areas (as permitted under subsection (b)(2));

(iii) the development and use of new communications technologies; and

(iv) the use of nonradiating communications systems where practicable; and

(C) seek to avoid—

(i) serious degradation of Government services and operations; and

(ii) excessive costs to civilian users of Government services.

(2) FEASIBILITY OF USE.—In determining whether a frequency meets the criteria specified in subsection (a)(3), the Secretary shall—

(A) assume such frequencies will be assigned by the Commission under section 303 of the Act over the course of not less than 15 years;

(B) assume reasonable rates of scientific progress and growth of demand for telecommunications services;

(C) determine the extent to which the reallocation or reassignment will relieve actual or potential scarcity of frequencies available for commercial use; and

(D) seek to include frequencies which can be used to stimulate the development of new technologies.

(3) COMMERCIAL USE.—In determining whether a frequency meets the criteria specified in subsection (a)(4), the Secretary shall consider—

(A) the extent to which equipment is available that is capable of utilizing the frequency;

(B) the proximity of frequencies that are already assigned for commercial use; and

(C) the activities of foreign governments in making frequencies available for experimentation or commercial assignment in order to support their domestic manufacturers of equipment.

(d) PROCEDURE FOR IDENTIFICATION OF REALLOCABLE FREQUENCIES.—

(1) SUBMISSION OF PRELIMINARY IDENTIFICATION TO CONGRESS.—Within 12 months after the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a report which makes a preliminary identification of reallocable frequencies which meet the criteria established by this section.

(2) CONVENING OF PRIVATE SECTOR ADVISORY COMMITTEE.—Not later than the date the Secretary submits the report required by paragraph (1) of this subsection, the Secretary shall convene a private sector advisory committee (A) to review the frequencies identified in such report, (B) to advise the Secretary with respect to the frequencies which should be included in the final report required by subsection (a) of this section, (C) to receive public comment on the Secretary's report and on the final report, and (D) to prepare and submit the report required by paragraph (4) of this subsection. The private sector advisory committee shall meet at least monthly until each of the actions required by section 5(a) have taken place.

(3) COMPOSITION OF COMMITTEE.—The private sector advisory committee shall be composed of representatives of—

(A) United States manufacturers of spectrum-dependent telecommunications equipment;

(B) commercial carriers;

(C) other users of the electromagnetic spectrum, including radio and television licensees; and

(D) other interested members of the public who are knowledgeable about the uses of the electromagnetic spectrum.

(4) RECOMMENDATIONS ON SPECTRUM ALLOCATION PROCEDURES.—The private sector advisory committee shall, not later than 36 months after the date of the enactment of this Act, submit to the Secretary, the Commission, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Commerce, Science and Transportation of the Senate, a report containing such recommendations as the committee considers appropriate for the reform of the process of allocating the electromagnetic spectrum between civilian and Government use.

SEC. 5. WITHDRAWAL OF ASSIGNMENT TO GOVERNMENT STATIONS.

(a) IN GENERAL.—Within 6 months after receipt of the Secretary's report under section 4(a), the President shall—

(1) withdraw the assignment to a Government station of any frequency which the report recommends for reallocation;

(2) limit the assignment to a Government station of any frequency which the report recommends be made available for mixed use under section 4(b)(2);

(3) assign or reassign other frequencies to Government stations as necessary to adjust to such withdrawal or limitation of assignments; and

(4) notify the Commission and each House of Congress of the actions taken under this subsection.

(b) EXCEPTIONS.—

(1) AUTHORITY TO SUBSTITUTE.—If the President determines that a circumstance

described in paragraph (2) exists, the President—

(A) may substitute an alternative frequency or band of frequencies for the frequency or band that is subject to such determination and withdraw (or limit) the assignment of that alternative frequency or band in the manner required by subsection (a); and

(B) shall submit a statement of the reasons for taking the action described in subparagraph (A) to the Committee on Energy and Commerce of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and other appropriate committees of the Congress.

(2) GROUNDS FOR SUBSTITUTION.—For purposes of paragraph (1), the following circumstances are described in this paragraph:

(A) the reassignment would seriously jeopardize the national defense interests of the United States;

(B) the frequency proposed for reassignment is uniquely suited to meeting important governmental needs; or

(C) the reassignment would seriously jeopardize public health or safety.

(3) CRITERIA FOR SUBSTITUTED FREQUENCIES.—For purposes of paragraph (1), a frequency may not be substituted for a frequency identified by the report of the Secretary under section 4(a) unless the substituted frequency also meets each of the criteria specified by section 4.

(c) LIMITATION ON DELEGATION.—Notwithstanding any other provision of law, the authorities and duties established by this section may not be delegated.

SEC. 6. DISTRIBUTION OF FREQUENCIES BY THE COMMISSION.

Not later than one year after the President notifies the Commission pursuant to section 5(a)(4), the Commission shall prepare and submit to the President and the Congress a plan for the distribution under the Act of the frequencies reallocated pursuant to the requirements of this Act. Such plan shall—

(1) not propose the immediate distribution of all such frequencies, but shall—

(A) reserve a significant portion of such frequencies for distribution more than 10 years after the date of enactment of this Act; and —

(B) gradually distribute the remainder over the course of not less than 10 years; and

(2) contain appropriate provisions to ensure—

(A) the availability of frequencies for new technologies and services in accordance with the policies of section 7 of the Act; and

(B) the availability of frequencies to stimulate the development of such technologies.

SEC. 7. AUTHORITY TO RECOVER REASSIGNED FREQUENCIES.

(a) AUTHORITY OF PRESIDENT.—Subsequent to the withdrawal of assignment to Government stations pursuant to section 5, the President may reclaim reassigned frequencies for reassignment to Government stations in accordance with this section.

(b) PROCEDURE FOR RECLAIMING FREQUENCIES.—

(1) UNALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have not been allocated or assigned by the Commission pursuant to the Act, the President shall follow the procedures for substitution of frequencies established by section 5(b) of this Act.

(2) ALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have been allocated or assigned by the Commission, the President shall follow the procedures for substitution of frequencies established by section 5(b) of this Act, except that the notification required by section 5(b)(1)(A) shall include—

(A) a timetable to accommodate an orderly transition for licensees to obtain new frequencies and equipment necessary for its utilization; and

(B) an estimate of the cost of displacing commercial licensees.

(c) COSTS OF RECLAIMING FREQUENCIES; APPROPRIATIONS AUTHORIZED.—The Government of the United States shall bear all costs of reclaiming frequencies pursuant to this section, including the cost of equipment which is rendered unuseable, the cost of relocating operations to a different frequency, and any other costs that are directly attributable to the reclaiming of the frequency pursuant to this section. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(d) EFFECTIVE DATE OF RECLAIMED FREQUENCIES.—The Commission shall not withdraw licenses for any reclaimed frequencies until the end of the fiscal year following the fiscal year in which the President's notification is received.

(e) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to limit or otherwise affect the authority of the President under section 706 of the Act.

SEC. 8. DEFINITIONS. 21As used in this Act:

(1) The term "Secretary" means the Secretary of Commerce.

(2) The term "Commission" means the Federal Communications Commission.

(3) The term "the Act" means the Communications Act of 1934.

(4) The term "commercial carrier" means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Government stations licensed pursuant to section 305.

By Mr. MACK:

S. 2917. A bill to impose additional sanctions against countries that repeatedly provide support for international terrorism, and for other purposes; to the Committee on Finance.

ANTI-TERRORISM SANCTIONS ACT

● Mr. MACK. Mr. President, while the threat of a major war involving the United States is diminishing, the threat of terrorism against Americans remains a serious national security issue that we must continue to address. This bill, the Anti-Terrorism Sanctions Act of 1990, will require the President to remove most-favored-nation trade status from terrorist countries. It is the companion bill of H.R. 1515, introduced by Representative JOE BARTON of Texas, which now has 184 cosponsors.

Mr. President, I believe most Americans would be appalled to find out that nations such as Iran, Libya, and Syria enjoy most-favored-nation trade status. The Barton/Mack bill would end this situation. The bill applies only to countries that have been designated by the Secretary of State as having "repeatedly supports acts of international terrorism" under section 6(j) of the Export Administration Act. The countries currently on this list are Syria, Iran, Cuba, North Korea, and Libya.

I ask unanimous consent that the Anti-Terrorism Sanctions Act of 1990 be printed in the RECORD. There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Anti-Terrorism Sanctions Act of 1990".

SEC. 2. (a) Notwithstanding any other provision of law, with respect to any foreign country while it is listed pursuant to section 6(j) of the Export Administration Act of 1979 as a country that repeatedly provides support for international terrorism—

(1) the President shall terminate, withdraw, or suspend any portion of any trade agreement or treaty that relates to the provision of nondiscriminatory (most-favored-nation) trade treatment to such country;

(2) such country shall be denied nondiscriminatory (most-favored-nation) trade treatment by the United States and the products of such country shall be subject to the rates and duty set forth in column number 2 of the Harmonized Tariff Schedule of the United States;

(3) the provisions of title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.) shall not apply with respect to the products of such country;

(4) the provisions of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701, et seq.) shall not apply with respect to the products of such country, during the period in which such identification is in effect; and

(5) the Secretary of Commerce may not consult with the government of that country under section 3(a)(9) of the International Travel Act of 1961 (22 U.S.C. 2123(a)(9)) regarding international travel and tourism.

(b)(1) The President may waive all, or any portion of, the provisions of subsection (a) with respect to any foreign country if the President determines that such a waiver would be in the best interests of the United States. The President shall submit to the Congress written notice of any waiver granted under this paragraph.

(2) Any waiver granted under paragraph (1) may be revoked by the President at any time.

(3)(A) Any waiver granted under paragraph (1) shall take effect only after the close of the thirty-day period that begins on the date on which the President submits to the Congress written notice of such waiver.

(B) The following days shall be excluded in determining the thirty-day period described in subparagraph (A)—

(i) the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or an adjournment of the Congress sine die; and

(ii) any Saturday and Sunday, not excluded under clause (i), when either House of Congress is not in session.●

ADDITIONAL COSPONSORS

S. 930

At the request of Mr. DODD, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 930, a bill to amend

the Occupational Safety and Health Act of 1970 to establish an Office of Construction, Safety, Health, and Education within OSHA, to improve inspections, investigations, reporting, and recordkeeping in the construction industry, to require certain construction contractors to establish construction safety and health programs and onsite plans and appoint construction safety specialists, and for other purposes.

S. 1651

At the request of Mr. McCAIN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1651, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United States Organization.

S. 1804

At the request of Mr. LAUTENBERG, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1804, a bill to amend title 23, United States Code, to reduce the amount of Federal highway funds allocated to any State that does not provide for the revocation or suspension of the driver's license of any individual convicted of a drug offense.

S. 2125

At the request of Mr. DODD, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 2125, a bill to condition the availability of United States assistance for El Salvador.

S. 2342

At the request of Mr. HATCH, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 2342, a bill to amend the Public Health Service Act to authorize additional grants for home health care demonstration projects, to require that applications be submitted to the chief executive officer of the State concerned in connection with such grants, and for other purposes.

S. 2709

At the request of Mr. BOSCHWITZ, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2709, a bill to amend the Internal Revenue Code of 1986 to provide that certain expenses of travel, meals, and lodging of members of the National Guard or reserve units of the Armed Forces will be allowable as deductions in computing adjusted gross income.

S. 2729

At the request of Mr. CHAFEE, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2729, a bill to amend the Coastal Barrier Resources Act, and for other purposes.

S. 2757

At the request of Mr. WALLOP, his name was added as a cosponsor of S. 2757, a bill to amend the Foreign Assistance Act of 1961 to authorize the provision of medical supplies and other humanitarian assistance to the Lithuanian people to alleviate suffering during the current emergency.

At the request of Mr. BYRD, his name was added as a cosponsor of S. 2757, supra.

S. 2793

At the request of Mr. AKAKA, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 2793, a bill to amend the United States Institute of Peace Act to honor the memory of the late Spark M. Matsunaga, U.S. Senator from the State of Hawaii, and for other purposes.

S. 2820

At the request of Mr. DODD, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2820, a bill to amend the Public Health Service Act to establish and expand grant programs for evaluation and treatment of parents who are substance abusers and children of substance abusers, and for other purposes.

S. 2844

At the request of Mr. MITCHELL, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2844, a bill to amend the Public Health Service Act to provide for the establishment, with State loan repayment programs, of demonstration programs to recruit and train physicians and other health care personnel to provide medical services in rural communities, and for other purposes.

S. 2880

At the request of Mr. BURNS, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Texas [Mr. GRAMM], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 2880, a bill to allow the Secretary of the U.S. Department of Agriculture or other appropriate official to protect persons engaged in a lawful hunt within a national forest or on other lands affected with a Federal interest; establishing an administrative civil remedy against individuals or groups intentionally obstructing, impeding, or interfering with the conduct of a lawful hunt; and for other purposes.

SENATE JOINT RESOLUTION 263

At the request of Mr. HELMS, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of Senate Joint Resolution 263, a joint resolution to designate October 11, 1990, as "National Society of the Daughters of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 277

At the request of Mr. LUGAR, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Joint Resolution 277, a joint resolution designating October 6, 1990, as "German-American Day."

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 16, 1990, as "National Give the Kids a Fighting Chance Week."

SENATE JOINT RESOLUTION 309

At the request of Mr. BIDEN, the names of the Senator from Idaho [Mr. SYMMS], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 309, a joint resolution designating the month of October 1990 as "Crime Prevention Month."

SENATE JOINT RESOLUTION 351

At the request of Mr. BYRD, the names of the Senator from Indiana [Mr. LUGAR], the Senator from North Carolina [Mr. SANFORD], the Senator from Washington [Mr. ADAMS], the Senator from Illinois [Mr. DIXON], and the Senator from Nevada [Mr. BRYAN] were added as cosponsors of Senate Joint Resolution 351, a joint resolution to designate the month of May 1991, as "National Trauma Awareness Month."

SENATE CONCURRENT RESOLUTION 125

At the request of Mr. COHEN, the names of the Senator from California [Mr. WILSON], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Concurrent Resolution 125, a concurrent resolution expressing the sense of Congress regarding adequate funding for long-term health care services provided through the medicare and medicaid programs.

SENATE CONCURRENT RESOLUTION 127

At the request of Mr. KENNEDY, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Concurrent Resolution 127, a concurrent resolution to express the sense of Congress that Greyhound Lines, Inc., and the Amalgamated Transit Union should pursue meaningful negotiations under the auspices of the Federal Mediation and Conciliation Service and the Secretary of Labor to resolve their dispute and restore vital transportation services to American communities.

SENATE CONCURRENT RESOLUTION 139

At the request of Mr. DECONCINI, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of Senate Concurrent Resolution 139, a concurrent resolution expressing the sense of the Congress with regard to a United States-Mexico Free Trade Agreement.

SENATE RESOLUTION 288

At the request of Mrs. KASSEBAUM, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Resolution 288, a resolution expressing the sense of the Senate regarding the reopening of uni-

versities in the West Bank and Gaza without delay.

SENATE RESOLUTION 296

At the request of Mr. ROTH, the names of the Senator from Idaho [Mr. SYMMS], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of Senate Resolution 296, a resolution to express the sense of the Senate the support of Taiwan's membership in the General Agreement on Tariffs and Trade.

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

BAUCUS AMENDMENT NO. 2353

Mr. BAUCUS (for himself, Mr. KERRY, Mr. DASCHLE, Mr. CONRAD, Mr. KOHL, Mr. BENTSEN, Mr. BURDICK, Mr. HARKIN, and Mr. FOWLER) proposed an amendment, which was subsequently modified, to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber and reasonable prices, and for other purposes, as follows:

On page 19, strike lines 14 through 17 and insert the following:

"(b) RATE.—

"(1) IN GENERAL.—During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported at a rate that is not less than the support price for milk (or any price between the support price and the reduced support price, at the option of the Secretary), as established under this subsection.

"(2) SUPPORT PRICES.—The support price for milk shall be

"(A) for the 1991 calendar year, an amount equal to $10.10 per hundredweight for milk containing 3.67 percent milkfat, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(B) for each of the 1991 through 1995 calendar years, an amount equal to the support price for the preceding calendar year, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(3) REDUCED SUPPORT PRICES.—The reduced support price for milk shall be—

"(A) for the 1991 calendar year, an amount equal to $10.10 per hundredweight for milk containing 3.67 percent milkfat, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.8 percent, except that the reduced support price for a calendar year may not be less than the reduced support price for the preceding calendar year; and

"(B) for each of the 1991 through 1995 calendar years, an amount equal to the support price for the preceding calendar year, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending December 31, less 4.8 percent, except that the reduced support price for a calendar year may not be less than the reduced support price for the preceding calendar year.

Beginning on page 20, strike line 22 and all that follows through page 23, line 23.

On page 23, line 24, strike "(e)" and insert "(d)".

On page 24, line 4, strike "(f)(1)" and insert "(e)(1)".

On page 26, line 14, strike "(f)" and insert "(e)".

On page 74, strike lines 9 through 22 and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for wheat shall be

"(I) for the 1991 crop, an amount equal to $4.00 per bushel, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for wheat shall be—

"(I) for the 1991 crop, an amount equal to $4.00 per bushel, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

Beginning on page 122, strike line 8 and all that follows through page 123, line 20, and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for corn, oats, grain sorghums, and barley shall be

"(I) for the 1991 crop, an amount equal to $2.75 per bushel for corn, $1.55 per bushel of oats, $2.61 per bushel for grain sorghums, and $2.36 per bushel for barley, adjusted (for each type of feed grain) to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for corn, oats, grain sorghums, and barley shall be—

"(I) for the 1991 crop, an amount equal to $2.75 per bushel for corn, $1.55 per bushel of oats, $2.61 per bushel for grain sorghums, and $2.36 per bushel for barley, adjusted (for each type of feed grain) to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.8 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.3 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

Beginning on page 178, strike line 12 and all that follows through page 179, line 2, and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for upland cotton shall be—

"(I) for the 1991 crop, an amount equal to $0.729 per pound, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for upland cotton shall be—

"(I) for the 1991 crop, an amount equal to $0.729 per pound, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.8 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.8 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

On page 223, strike line 15 and all that follows through page 224, line 4, and insert the following:

"(B) PAYMENT RATE.—

"(i) MINIMUM PAYMENT RATE.—At the time of the announcement of the program established by this section for a crop, the Secretary shall establish a minimum payment rate for the crop. The minimum payment rate for the crop shall be the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the higher of—

"(I) the estimated national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) FINAL PAYMENT RATE.—The final payment rate for the crop shall be the greater of—

"(I) the amount by which the established price (or any price between the established price and the reduced established price, at the option of the Secretary) exceeds the greater of—

"(aa) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the loan level determined for the crop; or

"(II) the minimum payment rate, but not to exceed the amount by which the established price for the crop exceeds the actual national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary.

"(C) ESTABLISHED PRICES.—

"(i) IN GENERAL.—The established price for rice shall be

"(I) for the 1991 crop, an amount equal to $10.71 per hundredweight, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31; and

"(II) for each of the 1991 crop through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31.

"(ii) REDUCED ESTABLISHED PRICES.—The reduced established price for rice shall be—

"(I) for the 1991 crop, an amount equal to $10.71 per hundredweight, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.8 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop; and

"(II) for each of the 1991 through 1995 crops, an amount equal to the established price for the preceding crop, adjusted to reflect the percentage increase in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding December 31, less 4.8 percent, except that the reduced established price for a crop may not be less than the reduced established price for the preceding crop.

ROTH (AND OTHERS) AMENDMENT NO. 2354

Mr. ROTH (for himself, Mr. METZENBAUM, Mr. PELL, Mr. REID, Mr. MOYNIHAN, Mr. CHAFEE, Mr. HEINZ, Mr. KERRY, and Mr. GORTON) proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 253, strike line 1 and all that follows through page 303, line 16, and insert the following new title:

TITLE VII—PEANUTS

SEC. 701. REPEAL OF EXISTING PEANUT PROGRAM.

(a) MARKETING QUOTAS.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359) is repealed.

(b) PRICE SUPPORT LEVELS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(1) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts";

(2) in section 408(c) (7 U.S.C. 1428(c)), by striking "peanuts,"; and

(c) by repealing sections 108, 108A, and 108B (7 U.S.C. 1445c, 1445c-1, and 1445c-2).

SEC. 702. PRICE SUPPORT PROGRAM.

The Agricultural Act of 1949 (as amended by section 701(b)(3) of this Act) is further amended by inserting after section 107F (7 U.S.C. 1445b-5) the following new section:

"SEC. 108. PRICE SUPPORT PROGRAM FOR PEANUTS.

"(a) IN GENERAL.—Except as otherwise provided in this section, the prices of the 1991 and subsequent crops of peanuts shall be supported at such level as the Secretary determines to be appropriate.

"(b) FACTORS.—In making the determination, the Secretary shall take into consideration—

"(1) the factors specified in paragraphs (1) through (8) of section 401(b);

"(2) the cost of production;

"(3) any change in the index of prices paid by farmers for production items, interest,

taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the crop year for which the level of support is being determined;

"(4) the demand for peanuts for domestic edible use, peanut oil, and meal;

"(5) expected prices of other vegetable oils and protein meals; and

"(6) the demand for peanuts in foreign markets.

"(c) LIMITATION.—The level of price support determined by the Secretary for a crop of peanuts shall not result in a net loss to the Federal government in excess of the average net loss to the Federal government from supporting the 1987, 1988, and 1989 crops of peanuts.".

SYMMS AMENDMENT NO. 2355

Mr. SYMMS proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 1051, line 21, strike all through line 2 on page 1056.

On page 1056, line 3, redesignate subsection (c) as subsection (b).

MITCHELL (AND OTHERS) AMENDMENT NO. 2356

Mr. MITCHELL (for himself, Mr. LEAHY, Mr. COCHRAN, Mr. LUGAR, Mr. DASCHLE, Mr. COHEN, Mr. PELL, Mr. DODD, Mr. CONRAD, Mr. SIMON, Mr. BRYAN, Mr. BURDICK, Mr. SANFORD, Mr. KOHL, Mr. SYMMS, Mr. REID, Mr. BOSCHWITZ, Mr. MCCONNELL, Mr. PRYOR, Mr. DIXON, Mr. CRANSTON, Mr. GRAHAM, and Mr. KERRY) proposed an amendment to the bill S. 2830, supra, as follows:

On page 1081, after line 10, add the following new title:

TITLE ____—FISH SAFETY

SEC. ____01. SHORT TITLE.

This title may be cited as the "Fish Safety Act of 1990".

SEC. ____02. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) fish are an important component of the flesh food supply of the United States and are processed and marketed by a large and diverse industry;

(2) the wholesomeness and safety of fish and fish products are important to the health and well-being of the people of the United States;

(3) the Department of Agriculture currently conducts inspection programs for all flesh food products other than fish products and has the technical expertise and work force capacity necessary to rapidly expand meat inspection programs to cover fish and fish products or to assist in efforts by States to accomplish that objective;

(4) heightened public awareness of the health benefits associated with eating fish and fish products, and greater diversity of products, have raised consumption rates and the demand for wholesome products;

(5) current Federal health inspection and monitoring programs are insufficient to ensure public confidence in the wholesomeness and safety of fish and fish products;

(6) the sale of unwholesome, adulterated, mislabeled, or deceptively packaged fish or fish products is hazardous to consumers;

(7) existing Federal standards are inadequate to maintain good fish and fish products handling and manufacturing practices, to ensure consistent fish and fish products packaging and labeling procedures, and to detect hazardous levels of contaminants in fish and fish products;

(8) the Federal Government, in cooperation with the States, has the responsibility of ensuring the wholesomeness and safety of all fish and fish products sold in interstate commerce for consumption in the United States;

(9) a public health-based inspection program is important for fish and fish products because of several factors, including—

(A) the fish habitat is often an uncontrolled environment;

(B) certain fish species tend to concentrate contaminants;

(C) deterioration of fish and fish products tends to occur more rapidly; and

(D) fish are consumed raw in some instances;

(10) deceptively labeled or packaged fish products can compete unfairly with properly labeled and packaged products to the detriment of consumers and the public generally; and

(11) in the past decade, various State and local agencies have issued warnings concerning the dangers of consuming certain types or species of fish, and the absence of Federal standards has made it difficult to assure that adequate standards are being applied nationwide.

(b) PURPOSE.—It is the purpose of this title—

(1) to expand current flesh food inspection programs administered by the Department of Agriculture to include fish and fish products and to assist those States desiring to implement the inspection and sampling program described in this title;

(2) to ensure the wholesomeness and safety of all fish and fish products in the United States through the development of a comprehensive safety program, that will include—

(A) a mandatory health-based program for the inspection of fish and fish products that will ensure that fish and fish products are properly labeled and packaged;

(B) the establishment and enforcement of safety and wholesomeness standards for fish and fish products;

(C) the monitoring and evaluation of fish and fish product safety risks;

(D) the scientific assessment of consumer health risks attributable to the consumption of adulterated fish and fish products;

(E) consumer education programs; and

(F) the proper storage, labeling, processing, handling, and packaging of fish and fish products; and

(3) to enhance public confidence in the wholesomeness and safety of fish and fish products, and protect the fish and fish products market by requiring the development of a comprehensive safety program.

SEC. ____03. FISH INSPECTION PROGRAM.

The Food Security Act of 1985 (7 U.S.C. 1281 note) is amended by adding at the end thereof the following new title:

"TITLE XIX—FISH INSPECTION PROGRAM

"SEC. 1901. DEFINITIONS.

"As used in this title:

"(1) ADULTERATED.—The term 'adulterated' means any fish product that—

"(A) bears or contains any poisonous or deleterious substance that may render such product injurious to health, except that if such substance is a naturally occurring part of the fish product, such product shall not be considered adulterated if the quantity of such substance does not ordinarily render such fish product injurious to human health;

"(B)(i) bears or contains any added poisonous or added deleterious substance (other than a substance that is a pesticide chemical, a food additive, or a color additive) that may, in the judgment of the Secretary, make such product unfit for human food;

"(ii) is, in whole or in part, a raw agricultural commodity and such commodity bears or contains any pesticide chemical which is unsafe within the meaning of section 408 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 346a);

"(iii) bears or contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 348); or

"(iv) bears or contains any color additive which is unsafe within the meaning of section 706 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 376), except that a fish product that is not otherwise considered to be adulterated under this clause or under clauses (ii) or (iii) shall be considered to be adulterated if the use of a pesticide chemical, food additive, or color additive in or on such article is prohibited by regulations promulgated by the Secretary in establishments;

"(C) consists in whole or in part of any filthy, putrid, or decomposed substance or is for any other reason unsound, unhealthy, unwholesome, or otherwise unfit for human food;

"(D) has been prepared, packed, or held under insanitary conditions that may have resulted in such fish product becoming contaminated with filth, or becoming injurious to human health;

"(E) is, in whole or in part, derived from any fish product identified as adulterated under the procedures described in section 1903(d);

"(F) is or was contained in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

"(G) has been intentionally subjected to radiation, except that the use of radiation in compliance with a regulation or exemption in effect under section 409 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 348) shall not make such fish product adulterated under this subparagraph;

"(H)(i) has any valuable constituent, in whole or in part, omitted or abstracted therefrom;

"(ii) has any substance substituted, wholly or in part therefor;

"(iii) has damage or an inferiority concealed in any manner; or

"(iv) has substance added thereto or mixed or packed therewith so as to increase the bulk or weight, reduce the quality or strength, or make the appearance of such fish product better or of greater value than it actually is;

"(I) has been made or derived in whole or in part from fish harvested in a production area that has been closed under this title, or closed to commercial fishing for that species by any State or other appropriate authority for reasons related to food safety;

"(J) has been imported and is not in compliance with the requirements of section 1910;

"(K) has been processed by any establishment whose facilities or equipment, or the operation thereof, fail to meet the requirements of this title; or

"(L) has been handled by an establishment for which a certificate has not been

issued, or by an establishment no longer holding a certificate.

"(2) CAPABLE OF USE AS HUMAN FOOD.—The term 'capable of use as human food' shall apply to any fish product that is capable of being consumed by humans as food, unless it is denatured or otherwise identified as required by regulations promulgated by the Secretary to deter its use as human food, or unless it is naturally inedible by humans.

"(3) CERTIFICATE.—The term 'certificate' means any certificate, prescribed under regulations promulgated by the Secretary, for issuance by an inspector or other person performing official functions under this title.

"(4) COMMERCIAL FISHING VESSEL.—The term 'commercial fishing vessel' means a vessel that commercially engages in the catching, taking, or harvesting of fish or any activity that can reasonably be expected to result in the catching, taking, or harvesting of fish, capable of use as human food and intended for human consumption.

"(5) CONTAINER, PACKAGE.—The terms 'container' and 'package' include any box, can, tin, cloth, plastic, or other receptacle, wrapper, or cover.

"(6) ESTABLISHMENT.—The term 'establishment' means any fish processing vessel that is subject to the jurisdiction of the United States, or any building, premises, structure, or other facility located in any State or Territory that is used in the handling or processing of fish products. Such term shall not include—

"(A) recreational vessels, fish tender vessels, commercial fishing vessels, or aquaculture operations, unless any such vessels or operations process fish;

"(B) retail stores;

"(C) restaurants; or

"(D) contract or common carriers that transport fish products.

"(7) FISH.—The term 'fish' includes freshwater or marine finfish, mollusks, crustaceans, and other forms of aquatic animal life, including amphibians, whether from wild or cultured sources, other than birds or mammals.

"(8) FISH PROCESSING VESSEL.—The term 'fish processing vessel' means a vessel that commercially prepares fish products, other than by gutting, decapitating, salting, gilling, skinning, shucking, icing, freezing to the extent that such freezing is associated with other actions related to processing, or brine chilling.

"(9) FISH PRODUCT.—The term 'fish product' means any food product capable of use as human food derived in whole or in substantial part from fish, including unprocessed fish or any part thereof, excepting products which contain fish ingredients only in a relatively small proportion or that historically have not been considered by consumers as products of the fish food industry, and that are exempt from the definition of fish or fish product by the Secretary under such conditions as the Secretary may prescribe to ensure that the fish ingredients contained in such product are not adulterated and that such products are not represented as a fish product.

"(10) FISH TENDER VESSEL.—The term 'fish tender vessel' means a vessel that commercially supplies, stores, refrigerates, or transports fish products that are intended for human consumption, or materials directly related to fishing or the preparation of fish, to or from a commercial fishing vessel, fish processing vessel, fish tender vessel or a fish processing facility.

"(11) IMMEDIATE CONTAINER.—The term 'immediate container' includes any consumer package, or any other container in which fish products, not consumer packaged, are packed.

"(12) INSPECTOR.—The term 'inspector' means any individual appointed or authorized by the Secretary to make inspections, to review compliance, or to perform other functions under this title.

"(13) INTERSTATE COMMERCE.—The term 'interstate commerce' means commerce between any State or Territory, and any place outside thereof, or within any territory not organized with a legislative body.

"(14) LABEL.—The term 'label', with respect to fish products, means a display of written, printed, or graphic matter appearing on the immediate container (not including package liners) of any fish product.

"(15) LABELING.—The term 'labeling', with respect to fish products, means all labels and other written, printed, or graphic matter on any fish product or on any of the packages, containers, or wrappers of such article, or accompanying any fish product.

"(16) MISBRANDED.—The term 'misbranded' means any fish product—

"(A) the labeling of which is false or misleading in any manner;

"(B) if such fish product is offered for sale under the name of another food;

"(C) if the package of such fish product is so made, formed, or filled as to be misleading;

"(D) if the label of such fish product is not approved by the Secretary, or is not in a standard form that is approved by the Secretary, or otherwise is not in conformity with regulations promulgated by the Secretary;

"(E) if such fish product is an imitation of another food product, unless the label of such fish product bears, in type of uniform size and prominence, the word 'imitation' and immediately thereafter, the name of the food imitated;

"(F) such fish product does not bear a label disclosing—

"(i) the name and the place of business of the manufacturer, packer, or distributor; and

"(ii) an accurate statement of the quantity of such fish product in terms of weight, measure, or numerical count, except that reasonable variations may be permitted, and exemptions as to small packages or articles that are not in packages or other containers may be established by regulations promulgated by the Secretary;

"(G) if any word, statement, or other information required by or under the authority of this title to appear on the label or labeling of such fish product is not prominently placed on such product with such conspicuousness (as compared with other words, statements, designs, or devices, in such labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use;

"(H) if such fish product purports to be or is represented as a food for which a definition and standard of identity or composition has been prescribed by the regulations of the Secretary under section 1908 of this title unless—

"(i) such fish product conforms to such definition and standard; and

"(ii) the label of such product bears the name of the food specified in such definition and standard and, insofar as may be required by such regulations, the common names of optional ingredients (other than spices, flavoring, and coloring) present in such food;

"(I) if such fish product purports to be or is represented as a food for which a standard or standards of fill of the container of such product have been prescribed under regulations promulgated by the Secretary, and such fish product falls below the standard of fill of container that are applicable thereto, unless the label of such product bears, in such manner and form as such regulations require, a statement that it falls below such standard;

"(J) if such fish product is not subject to the provisions of subparagraph (H), unless its label bears—

"(i) the common or usual name of the food, if any such common or usual name exists; and

"(ii) in the case of a product that is fabricated from two or more ingredients, the common or usual name of each such ingredient, except that spices, flavorings, and colorings may, when authorized by the Secretary, be designated as spices, flavorings, and colorings without naming each and, to the extent that compliance with this clause is impracticable or results in deception or unfair competition, exemptions shall be established through regulations promulgated by the Secretary;

"(K) if such fish product bears or contains any artificial flavoring, artificial coloring, or chemical preservative, unless the fish product bears a label that states that fact, except that to the extent that compliance with the requirements of this subparagraph are impracticable, exemptions shall be established through regulations promulgated by the Secretary; or

"(L) if such fish product fails to bear on its package or immediate container, and in the case of nonconsumer packaged fish (if the Secretary so requires) directly thereon, as the Secretary may through regulations prescribe, the official mark, and such other information as the Secretary may require in such regulations to ensure that such fish product will not have false or misleading labeling and that the public will be informed of the manner of handling required to maintain the article in a wholesome condition.

"(17) OFFICIAL MARK.—The term 'official mark' means any official inspection legend or any other symbol, prescribed under regulations promulgated by the Secretary, to identify the establishment and the status of any fish product under this title.

"(18) OWNER OR OPERATOR.—The term 'owner or operator' means any person who owns, operates, leases, charters, or otherwise controls in whole or in part any establishment or vessel.

"(19) PERSON.—The term 'person' means any individual, partnership, corporation, establishment, importer of fish products, association, or other business unit.

"(20) PESTICIDE CHEMICAL, OTHER TERMS.—The terms 'pesticide chemical', 'food additive', 'color additive' and 'raw agricultural commodity' shall have the same meanings given such ters under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321, et. seq.).

"(21) PROCESS.—The terms 'process' and 'processing', with respect to fish products, means to prepare or manufacture such fish products by canning, cooking, smoking, filleting, fermenting, freezing to the extent that the freezing is associated with other actions related to processing, dehydrating, drying, and consumer packaging.

"(22) PROGRAM.—The term 'program' means all aspects of the inspection and sampling program for fish products established under this title.

"(23) RECREATIONAL VESSEL.—The term 'recreational vessel' means a vessel operated primarily for pleasure, or leased, rented or chartered to another for the pleasure of the leasee.

"(24) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(25) SHIPPING CONTAINER.—The term 'shipping container' means any container used or intended for use in packaging a fish product packed in an immediate container.

"(26) STATE.—The term 'State' means any of the 50 States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and American Samoa.

"(27) TERRITORY.—The term 'Territory' means any territory or possession of the United States not included in the definition under paragraph (26).

"SEC. 1902. EXEMPTIONS AND EXCLUSIONS.

"(a) GENERAL EXEMPTIONS.—The Secretary shall, by regulation and under such conditions as the Secretary may prescribe, exempt from specific provisions of this title—

"(1) the processing by any individual of fish products raised or harvested by that individual exclusively for use by that individual or by the members of the household, the nonpaying guests, and the employees of that individual;

"(2) the custom processing, in any establishment or vessel, of fish products that the owner of such products will exclusively use, in the household of the owner, for the owner or the members of the household, the nonpaying guests, or the employees of the owner, if—

"(A) such establishment or vessel ensures that such fish products are segregated at all times from fish products processed for sale;

"(B) such fish products are plainly labeled or marked as "Not for Sale"; and

"(C) such establishments and vessels are maintained and operated in a sanitary manner;

"(3) any establishment or vessel that processes only fish products that are not intended for use as human food, if such fish products are, prior to their offer for sale or other disposition in commerce, not capable of use as human food.

"(4) the entry, or withdrawal from warehouse, for consumption in the United States of any fish product acquired outside the United States for consumption by the person entering or withdrawing it if—

"(A) the total amount of such fish product does not exceed 50 pounds as the Secretary may prescribe by regulation; or

"(B) the fish product is exempted by regulation because it was caught for other than commercial purposes in waters outside the United States; and

"(5) operations of types traditionally and usually conducted at retail stores or restaurants, when conducted at any retail store or restaurant or similar retail-type establishment for sale in normal retail quantities of fish products to consumers at such stores or restaurants.

"(b) EXCLUSIONS.—This title shall not apply to recreational vessels, commercial fishing vessels or fish tender vessels except where such vessels process fish.

"SEC. 1903. FEDERAL AND STATE COOPERATION.

"(a) STATE PROGRAMS.—

"(1) POLICY.—It is the policy of Congress to protect the consuming public from fish products that are adulterated or misbranded and to assist in the efforts of State and other government agencies to accomplish this objective.

"(2) INTRASTATE INSPECTION PROGRAMS.—

"(A) AUTHORITY OF SECRETARY.—

"(i) IN GENERAL.—The Secretary may, when the Secretary determines that it would effectuate the purposes of this title, cooperate with the appropriate State agency in any State that has enacted a mandatory State fish product inspection law that imposes inspection, sampling, sanitation and other requirements of the type described in this title, that are at least equal to those described in this title, to assist such State in developing and administering a State fish product inspection program with respect to all or certain classes of persons engaged in the State in processing fish products solely for sale or other distribution within such State.

"(ii) MARKS OR CERTIFICATES.—Each State program described in clause (i) applicable to fish products in intrastate commerce shall not permit such fish products to bear any official marks or certificates applicable to fish products in interstate commerce as authorized under this title, and any labels on such fish products shall clearly indicate that the fish product is for intrastate commerce only.

"(B) ADULTERATION.—Fish products processed or handled for intrastate commerce, as authorized under a program established under subparagraph (A), that are sold, transported, or delivered for introduction into, or offered for sale in interstate commerce shall be considered to be adulterated for purposes of this title.

"(C) WARNING NOTICE.—If the Secretary determines that a State fish product inspection program established under subparagraph (A) is not at least equal to the program established under this title, or that a State has failed to maintain or is not enforcing a fish product inspection program at least equal to the program established under this title, the Secretary shall promptly notify the chief executive officer of the State of such determination.

"(D) NOTICE.—If, after notification is provided to a State under subparagraph (C), and after the Secretary has consulted with the State and provided the State with an opportunity to promptly correct any deficiencies identified in such notification, the Secretary determines that a State fish product inspection program continues to have State standards that are not at least equal to those established under this title or that the State has failed to maintain or is not enforcing a program having standards at least equal to those established under this title, the Secretary shall—

"(i) promptly notify the chief executive officer of such State of such determination;

"(ii) discontinue assistance to such State under this title;

"(iii) advise the Commissioner of Food Drugs of such determination; and

"(iv) notwithstanding any other provision of this title, in the case of adulterated fish products that are being distributed or sold within such State that are determined to clearly endanger the public health, the Secretary shall immediately notify the chief executive officer of the State of such determination, and if the State does not take action to prevent such endangering of the public health within a reasonable period of time after the receipt of such notice, as determined by the Secretary, in light of the risk to public health, the Secretary may require that such State be subject to the provisions of this title as though the fish products were in interstate commerce until such time as the Secretary determines that the State has developed and will enforce requirements at least equal to those imposed under this title.

"(3) INTERSTATE COMMERCE.—

"(A) AUTHORITY OF THE SECRETARY.—

"(i) IN GENERAL.—The Secretary may, when the Secretary determines that it would effectuate the purposes of this title, cooperate with appropriate State agencies concerning the State administration of the inspection and sampling components of the program established under this title on behalf of the Secretary.

"(ii) REGULATIONS CONCERNING STATE ADMINISTRATION.—The Secretary shall promulgate regulations concerning the State administration of the sampling and inspection components as described in clause (i) on behalf of the Secretary.

"(iii) COOPERATION.—The Secretary may cooperate with other agencies of the Federal Government in implementing this title.

"(iv) EXAMINATIONS, ETC.—In carrying out this title, the Secretary shall conduct such examinations, investigations, and inspections as the Secretary determines practicable through any officer or employee of any State commissioned by the Secretary for such purpose. The Secretary shall monitor, investigate and evaluate each program administered under this paragraph on behalf of the Secretary by a State on an ongoing basis to assure that such programs comply with the regulations and other requirements of the Secretary. The Secretary shall be responsible for the enforcement of this title with respect to States that administer the program on behalf of the Secretary.

"(B) FINANCIAL ASSISTANCE.—

"(i) AUTHORITY.—The Secretary, in cooperating with State agencies under this paragraph, may provide such State agencies with—

"(I) advisory assistance in planning and otherwise developing an adequate State program under this paragraph; and

"(II) technical and laboratory assistance and training (including necessary curricular and instructional materials and equipment), and financial and other assistance necessary for the administration of a program under this paragraph.

"(ii) AMOUNT.—The amount to be contributed to any State by the Secretary for an approved State interstate commerce sampling and inspection program for any year shall not exceed 50 percent of the total cost of the cooperative program, and Federal funds utilized by the Secretary under such clause shall be allocated among the States desiring to cooperate under this paragraph on an equitable basis. Such cooperation and payment shall be contingent at all times on the demonstration that the State program is adequate to effectuate the sampling and inspection requirements of this title.

"(iii) WITHHOLDING OF ASSISTANCE.—The Secretary may promulgate regulations to provide for the withholding of Federal assistance under this subparagraph if the Secretary determines that the State is not effectively and properly administering the State program under this title. Such regulations may provide for the subsequent payment of any withheld assistance if the State, to the satisfaction of the Secretary, corrects any deficiencies determined by the Secretary to exist.

"(C) FEDERAL-STATE PARTNERSHIPS.—The Secretary shall establish procedures to enable States to apply to administer, on

behalf of the Secretary, an inspection and sampling program under this paragraph.

"(D) PLAN OF OPERATION.—Each State approved by the Secretary to administer an inspection and sampling program for the Secretary under this paragraph shall annually prepare and submit to the Secretary a plan of operation that shall contain such information as the Secretary shall by regulation require, including a description of—

"(i) the manner in which the State intends to administer the fish product inspection and sampling program consistent with the requirements of this title;

"(ii) the State plans for sampling fish products and for inspecting and monitoring establishments;

"(iii) State cost projections that contain the anticipated cost to the State in administering the program on behalf of the Secretary;

"(iv) the staffing, equipment, and other needs of the State to administer such program and the indicators of the expected performance of the State in the administration of the program;

"(v) the types of reports and other information that the State shall provide, as may be required by the Secretary; and

"(vi) the procedures that the State will utilize for the issuing and handling of advance Federal payments under this title, and for the financial recordkeeping concerning the Federal share of the total cost of the cooperative programs administered under this paragraph.

"(E) STANDARDS FOR FEDERAL-STATE COOPERATION.—

"(i) ESTABLISHMENT.—The Secretary shall establish standards for the efficient and effective administration of the sampling and inspection program by each State whose application and plan of operation has been approved under this paragraph.

"(ii) WARNING NOTICE.—If the Secretary determines that any State inspection and sampling program established under this paragraph is not at least equal to the program established under regulations promulgated by the Secretary, or that a State has failed to maintain or is not operating a program at least equal to the program established under this title, the Secretary shall promptly notify the chief executive officer of the State of such determination.

"(iii) DESIGNATION BY SECRETARY.—If, after issuing a notification under clause (ii) to a State and after consulting with such State and providing an opportunity for the State to promptly correct any deficiencies identified in such notification, the Secretary determines that a State inspection and sampling program operated under this paragraph does not have standards that are at least equal to those required under this title or that such State has failed to maintain or operate a program having standards at least equal to those under this title, the Secretary shall promptly notify the chief executive officer of such State of such determination and designate such State as one in which the Federal inspection program established under this title shall apply.

"(F) DEPUTIZATION OF STATE EMPLOYEES.—The Secretary may deputize specific State employees in States approved to administer the Federal inspection and sampling program on behalf of the Secretary under this paragraph, under an annual agreement with each participating State to carry out, on behalf of the Secretary, the inspection program established under this title.

"(4) ADVISORY COMMITTEES.—The Secretary may appoint advisory committees consisting of such representatives of appropriate State agencies as the Secretary and the State agencies may designate to consult with the Secretary concerning State and Federal programs with respect to fish product inspection and other matters within the scope of this title. Such advisory committees may conduct evaluations of State programs and attempt to obtain improved coordination and more uniformity among such State programs and between the Federal and State programs, and shall provide advice on the protection of consumers.

"(5) LOCAL COOPERATION.—The appropriate State agency with which the Secretary may cooperate under this subsection shall be a single agency in the State that is primarily responsible for the coordination of the State programs having objectives that are the same as the objectives of this title. If the State program includes performance of certain functions by a municipality or other subordinate governmental unit, such unit shall be considered to be a part of the State agency for purposes of this subsection.

"(b) DEVELOPMENT OF FEDERAL INSPECTION PROGRAM.—The Secretary shall develop and administer a comprehensive and efficient health-based inspection program for fish products designed to protect the consuming public from fish products that may be adulterated or misbranded.

"(c) FEDERAL PROGRAM REQUIREMENTS.—The inspection program established by the Secretary under subsection (b) shall—

"(1) be specifically designed to take into consideration the special characteristics of fish species and fish products;

"(2) be based on a comprehensive assessment of fish and fish products, and the processing and handling of such products, that identifies the hazards and assesses the severity of the hazards and risks, and that prescribes health-based standards for sanitation in the processing of fish products in establishments to ensure that fish products will not be adulterated or misbranded when delivered to the consumer;

"(3) be based on a consideration by the Secretary of all procedures utilized during the processing and distribution of fish including—

"(A) the identification and assessment of the severity of the potential health risks associated with fish, fish species, and fish products and with the processing and handling of such fish, species, and products;

"(B) a determination of the sources and specific points of potential contamination that may adulterate fish products; and

"(C) the potential for persistence and multiplication or concentration of contaminants in fish and fish products;

"(4) be based on the need to require procedures to prevent, eliminate or control potential contaminants that may adulterate fish and fish products and the need to monitor those procedures;

"(5) be specifically designed to take into consideration the distinctive characteristics, hazards, control points, and processing procedures related to different species of fish;

"(6) assure, through frequent, and unannounced or announced, inspections of establishments that the processing of fish products complies with the standards prescribed pursuant to this title and the regulations issued by the Secretary thereunder, including standards for good sanitation, manufacturing, processing, storage, temperature control, packaging, and handling, taking into consideration—

"(A) the nature and frequency of operations;

"(B) the adequacy of monitoring programs;

"(C) the history of compliance with this title;

"(D) the recommendations of the Model Seafood Surveillance Program;

"(E) the potential of the operations to affect human health based on the probability of fish, fish species, or fish products being susceptible to adulterants or otherwise having potential to affect public health;

"(F) the compliance of the establishment with other federal health and safety laws; and

"(G) such other factors as the Secretary may determine appropriate;

"(7) not require the freezing or cooking of fish or fish products that are intended for raw consumption unless the Secretary determines that such freezing or cooking is the only practical procedure available that will adequately prevent, eliminate, or control an identified source of adulteration in the specified fish species;

"(8) provide for the identification and classification of fish growing and harvesting areas in conjunction with the appropriate Federal and State agencies;

"(9) provide for the delegation, as described in this title, of certain inspection and sampling authorities to State governments and provide compensation to the States for carrying out such authority at a level not to exceed 50 percent of the total cost of the cooperative program;

"(10) provide for the sampling and inspection of fish products, and for the monitoring, and the taking of samples or readings, at such points, in such manner, and with such frequency as the Secretary determines necessary, taking into consideration the factors described in subparagraphs (A) through (G) of paragraph (6);

"(11) establish procedures (that may include requiring the marking of containers, packages or fish products, or by requiring such recordkeeping, lot processing, or other handling procedures as the Secretary determines appropriate) to assist the Secretary in determining sources of contamination, including determining which harvesting or growing areas are likely to produce fish that are adulterated; and

"(12) provide for the promulgation of regulations establishing rules for the identification, naming, labeling and fill of containers of fish products taking into consideration current industry practices and Federal regulations.

"(d) TOLERANCES.—

"(1) POISONOUS OR DELETERIOUS SUBSTANCES.—

"(A) IN GENERAL.—The Commissioner of Food and Drugs shall establish tolerances, except where such tolerances are established by the Administrator of the Environmental Protection Agency, that shall be applicable to poisonous or deleterious substances that may adulterate fish products under the definition of adulteration contained in subparagraphs (A) and (B) of section 1901(1), which shall be used by the Secretary to determine instances in which fish products will be considered adulterated under such subparagraphs. Any such tolerances shall be established at levels so that fish products are not injurious to health.

"(B) CONSULTATION.—Tolerances shall be established under subparagraph (A) in consultation with—

"(i) the National Academy of Sciences;

"(ii) the Environmental Protection Agency;

"(iii) the Centers for Disease Control;

"(iv) the Secretary of Agriculture;

"(v) the Secretary of Commerce; and

"(vi) the Interstate Shellfish Sanitation Conference.

"(C) BASIS.—Tolerances shall be established under subparagraph (A) based on a scientific analysis of the health risks attributable to the poisonous or deleterious substance for which the tolerance is being established.

"(D) TRADE REPRESENTATIVES.—The Commissioner of Food and Drugs shall consult and advise the United States Trade Representative concerning tolerances that may apply to international trade negotiations.

"(E) RECONSIDERATION.—The Commissioner of Food and Drugs or the Administrator of the Environmental Protection Agency shall review and reconsider any tolerances established under subparagraph (A) concerning fish products as new scientific information or new technologies become available.

"(2) CONTAMINANTS.—The Commissioner of Food and Drugs shall establish tolerances, except where such tolerances are established by the Administrator of the Environmental Protection Agency under the Federal Food, Drug and Cosmetic Act, for harmful chemicals, toxins, parasites, pathogenic microorganisms, viruses, bacteria, and other harmful agents, that may render fish products adulterated.

"(3) INDICATORS.—The establishment of tolerances under this subsection may include the use of indicators present in fish or fish products, including indicator organisms, from which it may reasonably be inferred that a hazardous or injurious contaminant or substance is present whenever the contaminant or a poisonous or deleterious substance itself cannot be cost-effectively detected.

"(e) CONSTRUCTION.—Nothing in this section shall be construed to preclude any State from establishing an additional fish products quality program for fish products grown or harvested in such State.

"SEC. 1904. GROWING AND HARVESTING AREAS.

"(a) IDENTIFICATION OF GROWING AREAS.—The Secretary of Commerce for waters under the exclusive jurisdiction of such Secretary, and appropriate State authorities for waters under the jurisdiction of such appropriate State authorities, shall establish a system for the identification and classification of growing and harvesting areas for fish in coastal areas and the Great Lakes.

"(b) MONITORING.—The Secretary shall sample and test fish products to determine if there is any significant instance or trend in the condition of such fish products that may pose a significant threat to the health and safety of consumers.

"(c) NOTICE.—

"(1) DETERMINATION.—If the Secretary determines that a significant instance or trend of the type described under subsection (b) exists, the Secretary shall notify the appropriate State or Federal agencies with authority to remedy such instance or trend. Such agencies shall include—

"(A) the Interstate Shellfish Sanitation Conference;

"(B) the State from which any such fish may have been harvested;

"(C) the Secretary of Commerce;

"(D) the Commissioner of Food and Drugs; and

"(E) the Administrator of the Environmental Protection Agency.

The Secretary shall publish notice of the significant instance or trends determined to exist in the Federal Register.

"(2) ACTIONS.—Each agency notified under paragraph (1) shall, not later than 30 days after the receipt of such notice, inform the Secretary in writing of any actions that such agency has taken to prevent the distribution of adulterated fish products to consumers. Any such written information shall be available for public inspection.

"(d) GRANTS.—The Secretary, in cooperation with States under this section, may provide States with financial and other assistance to prevent the entry of adulterated fish products into establishments, including annual grants to each State that is a member of the Interstate Shellfish Sanitation Conference.

"(e) CLOSURE OF AREAS.—

"(1) IN GENERAL.—In the case of public health emergencies or on receiving notice of the type described in subsection (b) from the Secretary, the Secretary of Commerce may close waters under the exclusive jurisdiction of the Secretary of Commerce, or otherwise restrict the harvesting of a fish species in such waters if the Secretary of Commerce determines that fish of such species within the identified harvesting or growing areas are likely to be adulterated.

"(2) REVIEW.—The Secretary of Commerce shall periodically review the growing and harvesting areas closed or restricted under this subsection to determine whether such closure or restriction should be removed. The Secretary of Commerce shall establish procedures to permit further review on petitions by affected persons.

"(3) NOTICE.—The Secretary of Commerce shall give reasonable public notice, except in cases determined to be public health emergencies, prior to ordering any closure or restriction under this section.

"SEC. 1905. POWER OF INSPECTORS.

"(a) ACTIONS OF INSPECTORS.—Inspectors authorized by the Secretary to conduct inspections, enforce compliance, and otherwise implement his title (including State employees so authorized) shall, pursuant to procedures prescribed by the Secretary, take such actions as are necessary in the judgment of the inspector to implement this title and the regulations promulgated under this title. Such actions may include—

"(1) the inspection of establishments and all locations within establishments, including fish products, packages, containers, labeling, equipment, processing procedures, and records related to this title;

"(2) the sampling and testing of fish products;

"(3) the detention and condemnation of adulterated or misbranded fish products in accordance with this title; and

"(4) the inspection, sampling and testing of imports of fish products.

"(b) CONDEMNED FISH PRODUCTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), all fish products found by the Secretary to be adulterated or misbranded shall be immediately segregated, seized, and, if objection is not made within 48 hours, condemned. If objection is made, such fish products that are in perishable form may be processed to the extent necessary to prevent spoilage pending hearing and judicial review.

"(2) COMPLIANCE ACTIONS.—If the Secretary determines that an adulterated or misbranded fish product can, by relabeling or other action, be brought into compliance with this title or the regulations promulgated under this title, the Secretary may defer a final determination as to the condemnation of such fish product pending the performance by the applicant within a time period specified by the Secretary of such relabeling or other action as the Secretary may authorize. If after such action is performed, the Secretary determines that the fish product has been brought into compliance with this title, the Secretary shall permit its entry into commerce.

"(3) DESTRUCTION.—A fish product condemned by the Secretary without objection, or after hearing and judicial review under section 1918, shall be destroyed and not utilized for human food purposes under the supervision of the Secretary.

"(c) ACCESS.—Inspectors under this title shall have access, for purposes of examination, sampling, inspection, condemnation, and for such other purposes as are determined necessary, to every part of any establishment.

"SEC. 1906. SANITARY CONDITIONS.

"(a) MAINTENANCE OF FACILITIES.—Each establishment shall maintain premises, facilities, and equipment, and the operation of such, in accordance with such sanitary practices as are required under regulations promulgated by the Secretary for the purpose of preventing the entry into, or flow or movement in, or burdensome effect on, commerce, of fish products which are adulterated.

"(b) STORAGE OR HANDLING.—The Secretary shall, by regulation, prescribe conditions under which fish products shall be stored or otherwise handled by any person engaged in the business of buying, selling, freezing, storing, or transporting, in or for commerce, or importing, such articles, when the Secretary determines that such action is necessary to ensure that such articles will not be adulterated or misbranded when delivered to the consumer. The Secretary may establish guidelines for the training of persons who are employed by establishments involved in fish and fish product sanitation and quality control.

"(c) TEMPORARY EXEMPTION AUTHORITY.—The Secretary may, under such sanitary conditions as the Secretary may by regulation prescribe, exempt from the inspection requirements of this title until, July 1, 1995, or earlier, the handling or processing of fish products by any person, where the Secretary determines—

"(1) that it is impractical to provide such inspection based on the amount of funds appropriated for the administration of this title; and

"(2) that an exemption under this subsection will aid in the effective transition to the program implemented under this title.

"SEC. 1907. CERTIFICATION OF ESTABLISHMENTS, IMPORTERS.

"(a) IN GENERAL.—

"(1) PROCEDURES.—The Secretary shall establish procedures for the annual certification, or decertification for good cause, of establishments, and persons engaged in the business of importing of fish or fish products.

"(2) INFORMATION.—The Secretary shall require such information as the Secretary determines appropriate for application for certification under paragraph (1), including the name of the owner and operator of the establishment or import business, the principal place of business, and a list of each type of fish or fish product typically processed, handled, or imported by each such establishment or importer.

"(3) PROHIBITION.—No establishment or person engaged in the business of importing shall process or handle any fish product for commercial purposes unless such establishment or importer is certified by the Secretary.

"(b) APPLICATIONS.—Applications for certification under subsection (a) shall be made to the Secretary using such forms and requiring such information as the Secretary shall prescribe by regulation including a description of the quality control program of the establishment or importer.

"(c) REFUSAL TO CERTIFY, REVOCATION.—

"(1) IN GENERAL.—If an establishment or importer certified under subsection (a) fails to comply with any requirement of this title or the regulations promulgated under this title, the Secretary may, after notice and an opportunity for a hearing—

"(A) revoke such certification;

"(B) suspend such certification for a period of time; or

"(C) impose conditions or restrictions on such certification as the Secretary determines necessary and appropriate.

"(2) DENIAL OR REVOCATION.—The Secretary may (for such period, or indefinitely, as the Secretary determines necessary to effect the purposes of this title) refuse to certify or decertify an establishment or importer if the Secretary determines, after providing such establishment or importer with an opportunity for a hearing, that such establishment or importer is unfit to engage in any business subject to or requiring inspection under this title as a result of the establishment or importer, or anyone responsibly connected with the establishment or importer, having been convicted in any Federal or State court of—

"(A) acquiring, handling, or distributing adulterated, mislabeled, or deceptively packaged food or fraud in connection with transactions in food; or

"(B) any felony, involving fraud, bribery, extortion, or any other act or circumstances indicating a lack of the integrity needed for the conduct of operations affecting the public health.

"(3) RESPONSIBLY CONNECTED.—For the purpose of this subsection a person shall be considered to be responsibly connected with the establishment or importer if such person is a partner, officer, director, holder, or owner of 10 percent or more of the voting stock of the establishment or importer or is an employee in a managerial or executive capacity, as defined in regulations promulgated by the Secretary.

"(4) HEARINGS.—On the revocation of a cetification for failure to destroy condemned fish products as required under this title, or as a result of any other failure of an establishment or importer to comply with the requirements of this title as to premises, facilities, or equipment, or the operation thereof, or other noncompliance with the requirements of this title, the applicant for, or holder of, the certification shall, on request, be afforded an opportunity for a hearing with respect to the merits or validity of such action under section 1918. Such decertification or refusal to certify shall continue in effect unless otherwise ordered by the Secretary.

"(5) REINSTATEMENT.—

"(A) IN GENERAL.—An establishment or importer that has had a certification revoked or suspended under this subsection may apply for reinstatement of such certification. The Secretary shall grant such reinstatement, if the revocation or suspension is pending in a hearing or appeal under paragraph (4), if the Secretary determines that the establishment or importer is fit to engage in the handling or processing of fish products.

"(B) CONDITIONAL OR RESTRICTED CERTIFICATIONS.—An establishment or importer that has a certification that is conditional or restricted may apply for the removal of such conditions or restrictions. The Secretary shall immediately remove such conditions or restrictions, if the existence of the condition or restriction is pending in a hearing or appeal under paragraph (4), if the Secretary finds that adequate measures have been taken to comply with this title or regulations promulgated under this title.

"SEC. 1908. LABELING, PACKAGING AND MARKING.

"(a) LABELING.—All fish products processed at any establishment certified under this title, and that are not found to be adulterated, shall at the time that such products leave the establishment bear, in distinctly legible form, on their shipping containers and immediate containers such information as the Secretary may require. The Secretary may permit such fish products to bear a seal stating that the product was processed in accordance with Federal standards or such similar language as the Secretary determines appropriate.

"(b) PROTECTION OF PUBLIC.—The Secretary, when the Secretary determines such action is necessary for the protection of the public, may prescribe—

"(1) the styles and sizes of type to be used, with respect to material required to be incorporated in labeling to avoid false or misleading labeling, in marking and labeling any fish products subject to this title;

"(2) definitions and standards of identity or composition of articles subject to this title and standards of fill of containers for such articles that shall not be inconsistent with any such standards established under the Federal Food, Drug, and Cosmetic Act; and

"(3) procedures that permit statements on labels that indicate the State or location of origin of the product.

"(c) MARKING.—The Secretary shall—

"(1) require the owner or operator of any establishment certified under this title, to cause each package of fish product that is processed in such establishment to be marked at the time the package leaves the establishment with—

"(A) the appropriate identification issued under the authority of this title; and

"(B) labeling that bears or contains an official mark; and

"(2) ensure that the official mark shall be available only for fish products that are processed in establishments certified under this title.

"(d) NO SALES.—No article subject to this title shall be sold or offered for sale in commerce by any person, under any name or other marking or labeling that is false or misleading, or in any container of a misleading form or size. Established trade names and other marking and labeling that are not false or misleading and that are approved by the Secretary are permitted.

"(e) FALSE LABELS OR MARKINGS.—

"(1) WITHHOLDING REQUIREMENT.—If the Secretary has reason to believe that any marking or labeling or the size or form of any container in use or proposed for use with respect to any article subject to this title is false or misleading in any particular, the Secretary may require that such use be withheld unless the marking, labeling, or container is modified in such manner as the Secretary may prescribe so that it will not be false or misleading.

"(2) REQUEST FOR HEARING.—If a person using or proposing to use markings, labeling, or a container that is subject to a withholding requirement under paragraph (1) does not accept such requirement, such person may request a hearing, and the use of such marking, labeling, or container shall, if the Secretary so requires, be withheld pending such hearing and final determination by the Secretary.

"(3) APPEALS.—Any determination by the Secretary under paragraph (2) shall be conclusive unless, not later than 30 days after the person receives notice of such final determination, such person appeals such determination to the United States Court of Appeals for the circuit in which such person has its principal place of business or to the United States Court of Appeals for the District of Columbia Circuit. The provisions of section 204 of the Packers and Stockyards Act, 1921 (7 U.S.C. 194) shall be applicable to appeals brought under this section.

"SEC. 1909. RECORDS, REPORTS AND DISCLOSURE.

"(a) IN GENERAL.—Establishments shall maintain accurate records as determined to be appropriate by the Secretary. Any requirements imposed under this section may include information concerning—

"(1) the receipt, delivery, sale, movement, or disposition of fish or fish products;

"(2) matters reasonably related to whether fish products may be adulterated or misbranded, including the growing or harvesting area from which such fish was harvested;

"(3) the effective enforcement of this title to ensure against the sale or distribution of adulterated or misbranded fish products to consumers; and

"(4) other activities and matters relevant to food safety and sanitation.

"(b) TIME PERIODS.—The persons described in subsection (c) shall, for such period of time as the Secretary may by regulation prescribe (not to exceed 2 years unless otherwise directed by the Secretary for good cause shown) keep and maintain such records as determined by the Secretary to be appropriate under subsection (a).

"(c) PERSONS AFFECTED.—The recordkeeping and other requirements of this section shall apply to any person, not exempted under section 1902—

"(1) that engages in the business of processing any fish product for interstate commerce; and

"(2) that engages in the business of buying or selling (such as acting as products brokers or wholesalers), or transporting, in interstate commerce, or storing in or for interstate commerce or importing any fish products.

"(d) ACCESS TO RECORDS.—The Secretary and the Secretary of Commerce shall, on request at reasonable times, have access to and make copies of records maintained under this section.

"SEC. 1910. IMPORTS.

"(a) REQUIREMENT.—

"(1) IN GENERAL.—No fish product shall be entered, or withdrawn from warehouses, for consumption in the United States, unless such fish product—

"(A) is not adulterated or misbranded;

"(B) complies with all requirements applicable to fish products in commerce in the United States under this title;

"(C) is marked and labeled as required by regulations for imported articles; and

"(D) complies with the requirements of this title and regulations promulgated under this title.

"(2) TREATMENT.—On entry into the United States, any fish product that satisfies the requirements of paragraph (1) shall be considered and treated as domestic fish products under this title, except that all labeling of such fish products shall identify the country of origin.

"(b) INSPECTION OF IMPORTS.—The Secretary shall enforce the requirements of this section through inspections and other procedures, and the sampling and inspection of fish products that are offered for importation or entered, or withdrawn from warehouses, for consumption in the United States, and through any other procedures that the Secretary determines necessary to ensure compliance with this title.

"(c) CORRECTIVE ACTIONS.—All fish products that are refused entry into commerce in the United States under subsection (a) or that are entered, or withdrawn from warehouses, for consumption in the United States in violation of this section, shall pursuant to regulations promulgated by the Secretary, be destroyed unless—

"(1) such fish products are exported within a time fixed for such exportation by the Secretary; or

"(2) the Secretary determines that such fish product can be brought into compliance with this title through relabeling or other action.

If the Secretary makes a positive determination under paragraph (2), the destruction of such fish product may be deferred pending the filing of a written application by the owner or consignee and the execution by the applicant of a bond within a time period specified by the Secretary. On such filing and execution of a bond, the Secretary may authorize the applicant to perform such relabeling or other actions required by the Secretary. If after such action is performed, the Secretary determines that such fish product has been brought into compliance with this title, the Secretary shall permit its entry into commerce.

"(d) COSTS.—Storage, cartage, labor, and other costs resulting from the denial of entry, or withdrawal from warehouse, of any fish product under this section shall be paid by the owner or consignee of such product. The nonpayment of such costs shall constitute a lien against such product and any other fish product thereafter entered, or withdrawn from warehouse, for consumption in the United States by such owner or consignee.

"(e) FOREIGN SEAFOOD INSPECTION PROGRAM.—

"(1) REVIEW.—On request of a country desiring to export fish products to the United States, the Secretary shall review the inspection program, including the sanitary, wholesomeness, quality, species verification, residue and other requirements and tolerances, with respect to fish products to be offered for importation into the United States, to determine whether such requirements and tolerances for such products are at least equal to those established under this title.

"(2) CERTIFICATION.—If the Secretary determines that a country desiring to export fish products to the United States meets the standards and procedures set forth in paragraph (1), with respect to fish products to be offered for importation into the United States, and that such country will permit the enforcement measures that the Secretary determines necessary pursuant to paragraph (5), the Secretary shall issue a certificate to such country stating that the country meets such requirements.

"(3) EFFECT OF NONCERTIFICATION.—All fish products imported from a country that is not certified by the Secretary under this section shall be inspected by the Secretary at the port of entry to ensure compliance with the provisions of this section.

"(4) REVIEW.—

"(A) IN GENERAL.—The Secretary shall periodically review certificates issued under this subsection and shall revoke any such certificate if the Secretary determines that such action is necessary.

"(B) INSPECTION.—The consideration of any application for a certification under this subsection and the review of any such certification, by the Secretary, shall include the inspection of individual establishments that produce fish products to be offered for export to the United States to ensure that such products, and the procedures and standards used in handling and processing such products, meet the inspection, sanitary, quality, species verification, residue and other standards and tolerances required by this title.

"(5) ENFORCEMENT.—The Secretary shall enforce the requirements of this section through inspections, sampling, testing, or such other actions at such stages in the handling or processing of fish products, whether in the foreign country, during importation, or otherwise as the Secretary determines necessary to ensure compliance with this title.

"(f) REPORTS TO CONGRESS.—Not later than March 1 of each year, the Secretary shall submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a comprehensive and detailed written report with respect to the administration of this section during the immediately preceding calendar year. Such report shall include—

"(1) a certification by the Secretary that foreign entities exporting fish products under this section have complied with requirements at least equal to all the inspection, building construction standards, and all other provisions of this title and regulations issued thereunder;

"(2) the names and locations of establishments authorized or permitted to have imported fish products into the United States;

"(3) the number of inspectors employed by the Department of Agriculture in the calendar year for which the report is being prepared that were assigned to inspect the establishments referred to in paragraph (2) and the frequency with which each such establishment was inspected by such inspectors;

"(4) the number of inspectors licensed by each country from which any imports subject to the provisions of this section were imported who were assigned, during the calendar year concerned, to inspect such imports and the facilities in which such imports were handled and the frequency and effectiveness of such inspections;

"(5) the total volume of fish products that were imported into the United States during the year for which such report was prepared from each country, including a separate itemization of the volume of each major category of such imports from each country during such year, and a detailed report of rejections of entities for certification and products because of the failure of such entities or products to meet appropriate standards prescribed under this section; and

"(6) the name of each foreign country that applies requirements for the importation of fish products from the United States.

"SEC. 1911. EXPORTS.

"(a) STANDARDS.—Fish products intended for export to a foreign country shall not be considered to be adulterated or misbranded under this title if such products—

"(1) are exported consistent with the specifications of the foreign purchaser;

"(2) are not in conflict with the laws of the country to which they are intended for export;

"(3) are labeled on the outside of the shipping package that they are intended for export; and

"(4) are not sold, offered for sale, or otherwise disposed of in commerce within the United States except that such fish product shall be considered to be adulterated if the Secretary determines such products represent a threat to the health of the eventual consumer.

"(b) INSPECTION.—The Secretary shall inspect fish products intended to be exported to foreign countries at such times and places and in such manner as the Secretary determines necessary.

"(c) CERTIFICATES.—The Secretary shall, on request of the exporter, provide a certificate for export stating the condition of fish products inspected under this section.

"SEC. 1912. RECALL.

"The Secretary may require any person who owns or operates an establishment or is in the business of importing of fish products, to recall any fish product that is adulterated or misbranded if the Secretary determines that such fish product is adulterated or misbranded and could cause serious health consequences.

"SEC. 1913. COOPERATION WITH CENTERS FOR DISEASE CONTROL.

"The Secretary of Health and Human Services shall establish, through the Centers for Disease Control, an active surveillance system, based on a representative proportion of the population of the United States, to provide an accurate estimate of the frequency of human disease in the United States associated with the consumption of food, including a comparison of each major food category.

"SEC. 1914. PROHIBITED ACTS.

"The following acts and the causing thereof are prohibited under this title—

"(1) the processing or handling of any fish product at any establishment except in compliance with the requirements of this title;

"(2) the refusal to permit entry or inspection to or on any establishment or business engaged in importing fish products, or to otherwise interfere with any inspector or other person in carrying out the duties required under this title or under regulations implementing this title;

"(3) the sale, transportation, or offer for sale or transportation, in interstate commerce of any fish product that is adulterated or misbranded at the time of such sale, transportation, or offer for sale or transportation;

"(4) the possession by any establishment of fish products except in compliance with the requirements of this title or regulations issued under this title;

"(5) the commission of any act, or the omission of any act, while fish product is being transported in interstate commerce, or held for sale after such transportation, that is intended to cause or has the effect of

causing such products to be adulterated or misbranded;

"(6) the sale, transportation, or offer for sale or transportation, in interstate commerce of any fish product that is not processed in accordance with the requirements of this title or any regulations promulgated under this title;

"(7) the reproduction, alteration, or destruction of any official stamp or certificate without the authorization of the Secretary;

"(8) the misbranding of fish products, or the creation or maintenance of records that are false either by content or omission, or destruction of records containing information required under this title or the alteration or removal of the whole or any part of the labeling of, or the doing of any other act with respect to fish products if such act is done while such fish products are held for sale (whether or not such sale is the first sale) after shipment in interstate commerce and results in such article being adulterated or misbranded;

"(9) the handling or processing for interstate commerce of fish products in any establishment unless there is in effect for such establishment a certification issued by the Secretary; and

"(10) the importation into the United States of fish products if such articles are adulterated, labeled or packaged in a false or misleading way, or otherwise misbranded, or fail to comply with all the inspection, good processing practices, and other provisions of this title and regulations issued under this title applicable to such articles in interstate commerce within the United States.

"SEC. 1915. CIVIL PENALTIES.

"(a) FINES.—

"(1) IN GENERAL.—Any person who violates any provision of this title, or the regulations promulgated pursuant to this title, shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for the first violation. Each day of a continuing violation shall constitute a separate offense.

"(2) CIVIL ACTIONS FILED IN DISTRICT COURT.—The Secretary may commence a civil action in the United States district court in which the person subject to requirements of this title resides, to seek a civil fine from any such person for violation of this title.

"(3) FINDING OF FAILURE TO COMPLY.—If the court, in an action brought under paragraph (2), finds on the basis of clear and convincing evidence, that the person subject to the requirements of this title has failed to comply with such requirements, or the rules and regulations promulgated thereunder, the court shall fine the person not more than $5,000 for each such violation.

"(4) NOTICE.—Not less than 90 days, and not more than 180 days, prior to commencing a civil action under paragraph (2), the Secretary shall provide to each person that is the subject of the action, a written notice that shall include—

"(A) a statement that the Secretary intends to commence such an action;

"(B) a comprehensive description of the alleged violations of this title and the regulations promulgated under this title; and

"(C) a description of the actions to be taken by such person that the Secretary considers necessary to enable the person to comply with this title and to eliminate the need to commence such civil action.

"(5) OPPORTUNITY TO BE HEARD.—Prior to the commencement of a civil action by the Secretary under paragraph (2), the Secretary shall provide the person with an opportunity to present, orally or in writing, information concerning the alleged violations or with respect to such proceeding.

"(6) WRITTEN NOTICE OF WARNING.—In determining whether the public interest would be adequately served by issuing a written notice of warning in lieu of commencing a civil action under paragraph (2), the Secretary shall take into account—

"(A) the compliance history of the person;

"(B) the magnitude of the violations by the person;

"(C) whether compliance with this title would be obtained as a result of a notice of warning; and

"(D) whether such violation is of a minor or technical nature.

Prior to commencing any such civil action under paragraph (2), the Secretary, after considering the factors described in subparagraphs (A) through (D), shall provide a written explanation to the establishment concerning the reasons why the alleged violations of the person warrant commencing a civil action.

"(b) MODIFICATION.—The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty that is subject to imposition or that has been imposed under this section.

"SEC. 1916. CRIMINAL PENALTIES.

"(a) IN GENERAL.—Any person who intentionally violates any provision of section 1903, 1908, 1910 or 1914, or the regulations promulgated thereunder, may—

"(1) be fined in an amount not to exceed $10,000, or imprisoned for not more than 1 year, or both; and

"(2) if such intentional violation involves the intent to defraud, or any distribution of any fish product that is adulterated or misbranded, be fined in an amount not to exceed $20,000, or imprisoned for not more than 3 years, or both.

"(b) NOTICE OF WARNING.—In the case of one or more minor violations of this title or the regulations promulgated under this title, the Secretary may, when the Secretary determines that the public interest will be adequately served thereby, issue to the person committing such violation a suitable written notice of warning. In determining whether the public interest will be adequately served by a written notice of warning, the Secretary shall consider, among other factors—

"(1) the compliance history of such person;

"(2) the magnitude of the violation;

"(3) whether compliance with this title would likely be obtained as a result of such notice; and

"(4) whether such violation is of a minor or technical nature.

"(c) NOTICE TO ALLEGED VIOLATOR.—

"(1) IN GENERAL.—Before any violation under this title is reported by the Secretary to any United States attorney for institution of a criminal proceeding under this section, the person against whom such proceeding is contemplated shall be given reasonable notice of the alleged violation and an opportunity to present the views of such person orally or in writing with regard to such contemplated proceeding.

"(2) EXCEPTION.—Paragraph (1) shall not apply in those cases where it is determined that such notice would significantly interfere with the ability of the United States attorney to prosecute any violation. Nothing in this title shall be construed as requiring the Secretary to report for criminal prosecution violations of this title when the Secretary believes that the public interest will be adequately served by the procedures described in subsection (b).

"(d) PUBLICATION.—In each case in which a criminal penalty is imposed under this section, the Secretary shall publish the name of the offending person, the location of the violator, the amount of the fine and the reason for the fine.

"SEC. 1917. CARRIERS.

"No common carrier or contract carrier, including such carriers that are fish tender vessels, shall be subject to penalties under this title for the receipt, carriage, holding, or delivery, in the usual course of business, as a carrier, of any adulterated or misbranded fish product owned by another person, unless the carrier—

"(1) during the time of such receipt, carriage, holding, or delivery, had knowledge or was in possession of facts that would cause a reasonable person to believe that the fish products were adulterated or misbranded or were otherwise not eligible for transportation under this title; or

"(2) refuses to furnish on request of the Secretary the name and address of the person from whom the carrier received the adulterated or misbranded fish product, and copies of all documents pertaining to the delivery of such fish product.

"SEC. 1918. HEARINGS AND SUBPOENAS.

"(a) ADMINISTRATIVE HEARINGS.—Except in the case of criminal prosecutions under section 1916, and as described in section 1908(e) and 1915, the Secretary shall afford an opportunity for an administrative hearing, under procedures established by the Secretary through regulations, to any person claiming to be adversely affected by the action or inaction of the Secretary under this title (hereinafter referred to in this section as the 'claimant'). Such procedures shall include an opportunity to present evidence, a right of cross examination, and a right to be heard in person or by counsel and through witnesses. After the expiration of 60 days after the entry of an order by the Secretary against the claimant under this section, the Secretary shall take any appropriate action under such order, unless the claimant files for judicial review under subsection (d).

"(b) SUBPOENAS.—

"(1) AUTHORITY.—For the purposes of any hearing or investigation under this title, the Secretary may issue subpoenas requiring the attendance and testimony of witnesses and the production of any documentation or other evidence that relates to any matter under investigation or in dispute before the Secretary and to administer oaths or affirmations.

"(2) COMPENSATION.—The Secretary shall pay witnesses subpoenaed under this subsection customary reasonable fees and transportation expenses.

"(c) INTERIM RELIEF.—The Secretary may take any actions in emergency situations determined necessary, during the pendency of the administrative hearing process and during the pendency of judicial review (unless the court shall order otherwise) to protect the public health, curb persistent violations that endanger public health, or enforce other provisions of this title or regulations promulgated pursuant to this title.

"(d) JUDICIAL REVIEW.—

"(1) PETITION.—Not later than 60 days after the entry of an order by the Secretary, a person adversely affected by such order may obtain judicial review through the filing of a petition of judicial review in the United States court of appeals for the cir-

cuit in which such person resides or where the principal place of business of such person is located, by filing with the clerk of such court a written petition praying that the order of the Secretary be set aside or modified in the manner stated in the petition together with a bond in such sum as the court may consider appropriate. A copy of the petition shall be transmitted by the clerk to the office of the Secretary, and the Secretary shall file in the court the record of the proceeding.

"(2) EVIDENCE.—The evidence contained in the record of the proceeding filed by the Secretary under paragraph (1) shall be considered by the court as evidence in the case. Judicial review of any such order shall be on the record on which the determination and order are based.

"(3) FINDINGS.—The findings of the Secretary concerning questions of fact surrounding the order for which a petition for judicial review is filed shall be sustained if supported by substantial evidence when considered on the record as a whole.

"(4) ACTION BY COURT.—The court may affirm, modify, or set aside the order of the Secretary. If the court determines that just and proper disposition of the case requires the taking of additional evidence, the court shall order the hearing to be reopened for the taking of such evidence in such manner and on such terms and conditions as the court determines to be appropriate. The Secretary may modify the findings of the Secretary as to the facts or make new findings by reason of the additional evidence so taken, and the Secretary shall file such modified or new findings, and the recommendations of the Secretary, if any, for the modification or setting aside of the order of the Secretary, with the return of such additional evidence.

"(5) APPEAL.—The judgment of the court affirming or setting aside, in whole or in part, any order by the Secretary under this subsection shall be final and subject only to review by the Supreme Court of the United States on certiorari or certification as provided for in section 1254 of title 28 of the United States Code.

"SEC. 1919. OTHER CRIMES.

"(a) BRIBES.—

"(1) PERSON WHO BRIBES.—Any person, or agent or employee of any person, who shall give, pay, or offer, directly or indirectly, to any inspector, or other officer or employee of the United States or a State, authorized to perform any of the duties authorized under this title or under rules or regulations of the Secretary promulgated under this title, any money or other thing of value, with the intent to influence such inspector, officer or employee, in the discharge of any duty of such inspector, officer or employee provided for under this title, shall be considered to have committed a felony and, on a conviction thereof, shall be punished by a fine not less than $5,000 nor more than $10,000 and by imprisonment for not less than 1 year nor more than 3 years.

"(2) PERSON ACCEPTING BRIBES.—Any inspector, officer or employee of the United States or a State authorized to perform any of the duties authorized under this title or under rules or regulations of the Secretary promulgated under this title, who shall accept any money, gift, or other thing of value from any person, or officers, agents, or employees thereof, given with the intent to influence the official action of such inspector, officer, or employee, or who shall receive or accept from any person engaged in commerce any gift, money, or other thing of value given with any purpose or intent whatsoever, shall be considered to have committed a felony and shall, on a conviction thereof, be summarily discharged from office and shall be punished by a fine not less than $1,000 nor more than $10,000 and by imprisonment not less than 1 year nor more than 3 years.

"(b) ASSAULT.—Any person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any inspector or other person while engaged in or on account of the performance of the official duties of such inspector or other person under this title shall be fined not more than $5,000 or imprisoned not more than 3 years, or both. Whoever, in the commission of any such acts, uses a deadly or dangerous weapon, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both. Whoever kills any person while engaged in or on account of the performance of the official duties of such person under this title shall be punished as provided under sections 1111 and 1114 of title 18, United States Code.

"SEC. 1920. REGULATION OF PRODUCTS AND ESTABLISHMENTS.

"(a) PROCESSING.—Each establishment or import business that is subject to inspection under this title shall be operated in accordance with such sanitary, good processing, quality control, and handling procedures or practices as are required by regulations promulgated by the Secretary.

"(b) STAMP.—The Secretary shall by regulation prescribe standards for identifying and otherwise marking fish or fish products, or their packages or containers, with an official stamp. The Secretary shall ensure that the official stamp is available only for fish and fish products that are processed or handled in accordance with the requirements of this title.

"(c) RECORDKEEPING.—The Secretary shall promulgate regulations providing for the preparation and maintenance of records that specifically describe all activities relevant to food safety and sanitation. Any such records shall be maintained for such periods of time as the Secretary may by regulation prescribe, but such period shall not exceed 2 years unless the Secretary directs otherwise for good cause shown. Any duly authorized representative of the Secretary shall, at all reasonable times, on notice, be given the opportunity to examine and to copy all such records.

"SEC. 1921. RESEARCH AND EDUCATION.

"(a) RESEARCH.—The Secretary shall, in consultation with other Federal agencies and with the States, establish priorities for fish and fish products safety research, such as test methodology for microbiological and chemical contaminants, and the appropriate Federal agencies shall conduct research regarding such priorities.

"(b) EDUCATION GRANTS.—The Secretary, acting through the Extension Service, shall provide $2,000,000 each fiscal year out of the funds appropriated to carry out this title to award grants for the establishment of demonstration projects by States, under terms and conditions prescribed by the Secretary, to assist States in conjunction with the Extension Service in providing food safety information and instruction regarding the proper handling, storage and preparation of fish and fish products for human consumption.

"(c) SHELLFISH INDICATOR RESEARCH PROGRAM.—

"(1) ESTABLISHMENT.—The Secretary of Commerce, in consultation with the Administrator of the Environmental Protection Agency, shall establish and administer, for a 5-year period, a shellfish indicator research program to develop a system of classification of shellfish harvesting areas based on the latest technological advancements in microbiology and epidemiological methods. In establishing such a program, the Secretary of Commerce shall develop a program that shall include the following activities:

"(A) ASSESSMENTS.—An assessment of commercial shellfish growing areas in the United States, including the evaluation of the relationships between indicators of fecal contamination and human enteric pathogens.

"(B) EVALUATIONS.—An evaluation of the relationships described in subparagraph (A) with respect to potential health hazards associated with human consumption.

"(C) COMPARISONS.—A comparison of the current microbiological methods used for evaluation of indicator bacteria and human enteric pathogens in shellfish and shellfish harvesting areas with new technological methods designed for this purpose.

"(D) EPIDEMIOLOGICAL STUDIES.—The design of epidemiological studies to relate microbiological data, sanitary survey data, and human shellfish consumption data to actual hazards to health associated with such consumption.

"(2) GRANTS.—The Secretary of Commerce shall carry out the research program established under paragraph (1) by providing assistance in the form of grants to eligible applicants.

"(3) SOLICITATION.—Not later than 90 days after the date of enactment of this title, the Secretary of Commerce shall publish in the Federal Register a solicitation of research proposals to carry out the research program established under this subsection.

"(4) AWARDING OF GRANTS.—Not later than 90 days after the date of the publication of the solicitation under paragraph (3), the Secretary of Commerce shall award a grant or grants to eligible applicants to carry out the research program established under this subsection.

"(5) ELIGIBLE APPLICANT.—As used in this subsection, the term "eligible applicant" means—

"(A) any public or private institution of higher education;

"(B) any public or private organization with suitable research capabilities; or

"(C) any consortium of two or more entities referred to in subparagraphs (A) and (B).

"(d) ADVISORY PANEL.—The Secretary shall establish an advisory panel, consistent with the requirements of the Federal Advisory Committee Act, to assist in the development and implementation of the research programs under this section. Such advisory panel shall include one representative each from the Environmental Protection Agency, the Food and Drug Administration, the Department of Commerce, the Fish and Wildlife Service, the Interstate Shellfish Sanitation Conference, appropriate State health authorities and a representative from the commercial fish industry and from a public interest group.

"(e) PERIODIC REVIEW.—The Secretary shall review the research programs established under this section not less than once every 2 years and, on the basis of that review, make changes in the administration of the programs that are appropriate to carry out more effectively the activities described.

"(f) RESEARCH STUDY CONCERNING INSPECTIONS OF HARVESTING AND FISH TENDER VESSELS.—

"(1) CONDUCT OF STUDY.—

"(A) IN GENERAL.—Not later than 2 years after the date of enactment of this title, the Secretary, in cooperation with the Secretary of Commerce shall conduct and complete a study of—

"(i) the role of fish tender and fish harvesting vessels in safeguarding the wholesomeness of fish products;

"(ii) the potential necessity of requesting the Secretary of Commerce, in cooperation with the Coast Guard and the States, to establish procedures for the registration of commercial fishing vessels, fish processing vessels, and fish tender vessels; and

"(iii) based on a scientific analysis, the potential necessity of including any particular type or class of such vessels in the inspection program conducted pursuant to this title.

"(B) UPDATE.—The Secretary, in cooperation with the Secretary of Commerce, may from time to time update the study conducted under subparagraph (A) and shall on completion of such study or after any such updates, immediately submit to the Committees on Agriculture and Merchant Marine and Fisheries of the House of Representatives and the Committees on Agriculture, Nutrition, and Forestry and Commerce, Science, and Transportation of the Senate, the results of such study and the results of any update of such study.

"(2) CONCLUSIONS.—If as a result of the study conducted under paragraph (1) or any update of such study the Secretary concludes, in consultation with the Secretary of Commerce, that any type or class of vessels not subject to inspection should be subject to inspection, the Secretary shall so advise the Committees described in subparagraph (B) of paragraph (1).

"(g) OTHER RESEARCH.—The Secretary shall conduct and support research concerning—

"(1) the testing of methodology for detecting and measuring biological and chemical contaminants in fish products;

"(2) the techniques and procedures utilized for inspecting fish and fish products;

"(3) the sanitation practices for the harvesting, processing, transportation, and storage of fish and fish products; and

"(4) any other matters that may further the purposes of this title.

"(h) REPORTS TO CONGRESS.—The Secretary of Agriculture in cooperation with the Secretary of Commerce shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a biennial report concerning the research and education programs authorized and established under this section. Such reports shall be made available to appropriate Federal and State agencies, the fish industry, and the general public. Each such report shall include, with respect to the period for which such report was prepared—

"(1) a description of the research assisted under this section and the results of such research;

"(2) all changes that were made in the administration of the programs established under this section subsequent to the date of the previous report; and

"(3) any recommendations for legislative action to improve the effectiveness of the inspection program for fish products.

"SEC. 1922. MISCELLANEOUS.

"(a) PROHIBITION ON COPYING OF OFFICIAL MARKS.—No brand manufacturer, printer, or other person shall cast, print, lithograph, or otherwise make any device containing any official mark or simulation thereof, or any label bearing any such mark or simulation, or any form of certificate or simulation thereof, except as authorized by the Secretary.

"(b) COMPLIANCE.—No establishment processing fish products for interstate commerce or otherwise subject to this title shall process any fish product except in compliance with this title.

"(c) ENTRY OF ARTICLES INTO ESTABLISHMENTS.—The Secretary may limit the entry of fish products and other materials into any establishment, under such conditions as the Secretary may prescribe to assure that permitting the entry of such products into such establishments will be consistent with the purposes of this title.

"(d) CONDEMNATION OF SEIZURE.—This title shall not be construed to limit the authority of the Secretary to condemn or seize property that is conferred by provisions of other laws.

"(e) ADMINISTRATIVE DETENTION, CONDEMNATION.—

"(1) ADMINISTRATIVE DETENTION.—When any fish product is found by any authorized representative of the Secretary on any premises where it is held for purposes of, or during or after distribution in, commerce or otherwise subject to the requirements of this title, and there is reason to believe that any such product is adulterated or misbranded and is capable of use as human food, or that it has not been inspected, in violation of the provisions of this title or any other Federal law or the laws of any State or Territory, or the District of Columbia, or that it has been or is intended to be, distributed in violation of any such provisions, it may be detained by such representative for a period of not to exceed 20 days, pending notification of any Federal, State, or other governmental authorities having jurisdiction over such product, and shall not be moved by any person, from the place at which it is located when so detained, until released by such representative. All official marks may be required by such representative to be removed from such product before it is released unless it appears to the satisfaction of the Secretary that the product is eligible to retain such marks.

"(2) CONDEMNATION.—

"(A) LIBEL OF INFORMATION; JURISDICTION.—Any fish product that is being transported in commerce or otherwise subject to the requirements of this title, or that is held for sale in the United States after such transportation, and that—

"(i) is or has been processed, sold, transported, or otherwise distributed or offered or received for distribution in violation of this title;

"(ii) is capable of use as human food and is adulterated or misbranded; or

"(iii) in any other manner is in violation of this title;

shall be liable to be proceeded against and seized and condemned at any time, on a libel of information in any United States district court or other proper court as provided for in this title within the jurisdiction of which the product is found.

"(B) DISPOSAL.—If a fish product is condemned it shall, after the entry of the decree of condemnation—

"(i) be distributed in accordance with regulations promulgated by the Secretary; or

"(ii) be disposed of by destruction or sale as the court may direct and the proceeds, if sold, less the court costs and fees, and storage and other proper expenses, shall be paid into the Treasury of the United States, but such product shall not be sold contrary to the provisions of this title, or the laws of the jurisdiction in which it is sold.

On the execution and delivery of a good and sufficient bond conditioned that the fish product shall not be sold or otherwise disposed of contrary to this title, or the laws of the jurisdiction in which the disposal is made, the court may direct that such product be delivered to the owner thereof subject to such supervision by authorized representatives of the Secretary as is necessary to insure compliance with the applicable laws.

"(C) COURT COSTS AND FEES.—When a decree of condemnation is entered against a fish product and such product is released under bond, or destroyed, court costs and fees, and storage and other proper expenses shall be awarded against the person, if any, intervening as claimant of the fish product.

"(D) PROCEEDINGS.—The proceedings in libel cases under this subsection shall conform, as nearly as may be, to the proceedings in admiralty, except that either party may demand a trial by jury of any issue of fact joined in any case, and all such proceedings shall be at the suit of and in the name of the United States.

"(3) ADMINISTRATION AND ENFORCEMENT.—For the efficient administration and enforcement of this title, the provisions (including penalties) of sections 46, 48, 49, and 50 of title 15, United States Code (except subsections (c) through (h) of section 46 and the last paragraph of section 49 of such title) and the provision of section 4091 of title 47, United States Code, shall be applicable to the jurisdiction, powers, and duties of the Secretary in administering and enforcing the provisions of this title and to any person with respect to whom such authority is exercised. The Secretary, in person or by such agents as the Secretary may designate, may prosecute any inquiry necessary to carry out the duties of the Secretary under this title, and the powers conferred by sections 49 and 50 of title 15, United States Code, on the district courts of the United States may be exercised for the purposes of this title.

"(f) JURISDICTION.—Except as otherwise provided in this title, the United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories, are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of, this title and shall have jurisdiction in all other kinds of cases arising under this title. All proceedings for the enforcement or to restrain violations of this title shall be by and in the name of the United States.

"(g) SEVERABILITY.—If any provision of this title, or the application of such provision to any person or circumstance is held to be unconstitutional or otherwise invalid, the remainder of this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

"SEC. 1923. REGULATIONS.

"(a) ISSUANCE.—The Secretary shall issue regulations necessary or appropriate to carry out this title in accordance with the informal notice and prior public comment requirements of section 553 of title 5, United States Code.

"(b) COPY AND JUSTIFICATION.—Not later than 5 days prior to issuing of any regulation under subsection (a), the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the regulation and a statement in justification of the regulation.

"SEC. 1924. INTERAGENCY COOPERATION.

"The Secretary may, by agreement with the head of any Federal agency, utilize on a reimbursable basis or otherwise, the personnel, services, and facilities of any other department or agency of the United States in the performance of the duties of the Secretary under this title.

"SEC. 1925. EXEMPTION FROM FEDERAL FOOD, DRUG, AND COSMETIC ACT.

"The inspection, sampling or regulation of fish products, and the handling, processing, storage, or transportation of fish products, shall be exempt from the provisions of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.) to the extent that this title applies to such fish products, or the handling, processing, storage, or transportation of fish products, except that this title shall not diminish any authority conferred by the Federal Food, Drug, and Cosmetic Act prior to the implementation or enforcement of this title under section _____05 of the Fish Safety Act of 1990.

"SEC. 1926. COST OF INSPECTION, OVERTIME.

"The cost of inspections rendered under the requirements of this title, shall be borne by the United States, except that the cost of overtime and holiday work required in establishments at such rates as the Secretary may determine shall be borne by establishments. Sums received by the Secretary in reimbursement for sums paid out by the Secretary for such premium pay work shall be available without fiscal year limitation to carry out this title.

"SEC. 1927. AUTHORIZATION OF APPROPRIATIONS.

"(a) INSPECTION PROGRAM.—There are authorized to be appropriated to carry out this title, not to exceed $14,000,000 for fiscal year 1991, $40,000,000 for fiscal year 1992, $80,000,000 for fiscal year 1993, and $100,000,000 in each of the fiscal years 1994 and 1995.

"(b) RESEARCH PROGRAMS AUTHORIZATION.—Of the amounts appropriated under subsection (a), the Secretary shall use not to exceed $5,000,000 in each of the fiscal years 1991, 1992, and 1993, to carry out the research programs under section 1921 of this title.

"(c) EARMARKING OF FUNDS.—

"(1) FOOD AND DRUG ADMINISTRATION.—Of the amount appropriated under subsection (a) in a fiscal year, the Secretary shall ensure that the Food and Drug Administration shall receive—

"(A) 80 percent of such amount in fiscal year 1991;

"(B) 60 percent of such amount in fiscal year 1992;

"(C) 40 percent of such amount in fiscal year 1993; and

"(D) 20 percent of such amount in each of the fiscal years 1994 and 1995.

"(2) DEPARTMENT OF COMMERCE.—Of the amounts appropriated under subsection (a), the Secretary shall ensure that the Department of Commerce shall receive 10 percent of such amounts in each of the fiscal years 1991 through 1995 to carry out its research and classification functions under this title.

"SEC. 1928. EFFECTIVE DATE.

"This title shall become effective on the date of enactment of this title.".

SEC. ____04. AMENDMENTS TO THE ACT OF MAY 8, 1914.

(a) EXTENSION SERVICE.—Section 2 of the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 342), is amended by inserting "food safety," after "home economics,".

(b) EDUCATION.—Section 3 of such Act (7 U.S.C. 343) is amended by adding at the end thereof the following new subsection:

"(g) There are authorized to be appropriated for each of the fiscal years 1991 through 1995, $750,000 for additional programs to be administered by the Secretary of Agriculture through the Extension Service to disseminate food safety information, publications, and instruction to consumers, restaurant food handlers, schools and other persons concerning the proper handling, storage and preparation of fish products.".

SEC. ____05. IMPLEMENTATION BY SECRETARY OF AGRICULTURE.

(a) IN GENERAL.—Except as otherwise provided in this section or in title XIX of the Food Security Act of 1985 (as added by section 3), the Secretary of Agriculture shall, not later than 18 months after the Commissioner of Food and Drugs has issued the initial set of final regulations under section _____06, develop and implement by regulation the comprehensive fish product inspection program required under such title XIX. Such regulations issued by the Secretary of Agriculture shall include regulations—

(1) establishing inspection procedures;

(2) setting forth procedures for training inspectors;

(3) regarding the certification of establishments and importers;

(4) for inspecting imported fish products;

(5) authorizing State programs; and

(6) establishing labeling requirements and procedures for the approval of labels and labeling in accordance with the program established under the amendment made by section _____03.

(b) PHASE-IN OF STATUTORY PROVISIONS.—

(1) EFFECT OF CURRENT REGULATIONS.—The provisions of law in effect on the date of enactment of this title relating to fish product safety, fish product labeling, fish product inspection, and related matters, that are relevant to the regulations of the Secretary of Agriculture, the Secretary of Commerce, or the Food and Drug Administration in effect on such date concerning such matters, shall remain in effect until such regulations are revoked, superseded, amended, or modified by regulations promulgated under title XIX of the Food Security Act of 1985 (as added by section _____03).

(2) TRANSITION.—The Secretary of Agriculture shall issue regulations as the Secretary determines necessary or appropriate, in consultation with the Secretary of Commerce and the Commissioner of Food and Drugs, that provide for an orderly transition to the program required under title XIX of the Food Security Act of 1985 (as added by section _____03). During such transition and phase-in period, the Secretary of Agriculture may implement any aspects of such program prior to the implementation of other aspects of such program and may require the implementation of such aspects in certain geographic areas prior to such implementation in other areas.

SEC. ____06. IMPLEMENTATION BY THE COMMISSIONER OF FOOD AND DRUGS.

(a) IN GENERAL.—Except as otherwise provided in this section or in title XIX of the Food Security Act of 1985 (as added by section _____03), the Commissioner of Food and Drugs, in cooperation with the Secretary of Agriculture, shall, not later than 2 years after the date of enactment of this title, develop and implement a program to carry out and administer such title XIX.

(b) SPECIFIC REQUIREMENTS.—

(1) CONTRACT WITH NATIONAL ACADEMY OF SCIENCES.—Not later than 30 days after the date of enactment of title XIX of the Food Security Act of 1985 (as added by section _____03), the Commissioner of Food and Drugs shall enter into contracts with the National Academy of Sciences to identify chemical and microbiological contaminants, parasites, toxins and other harmful substances that are most likely to be found in fish and fish products and that are most likely to cause fish and fish products to be adulterated.

(2) REPORT.—Not later than 6 months after the date of the execution of the contract under paragraph (1), the National Academy of Sciences shall prepare and submit, to the Secretary of Agriculture, the Secretary of Health and Human Services, the Secretary of Commerce, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report describing the results of the research conducted under paragraph (1).

(3) REGULATIONS.—

(A) PUBLICATION OF TOLERANCES BASED ON REPORT.—Not later than 6 months after receiving the report under paragraph (2), the Commissioner of Food and Drugs shall publish an initial set of proposed regulations that shall include tolerances for those chemical and microbiological contaminants, parasites, toxins and other harmful substances that under such report are found in fish and fish products and that are most likely to cause fish and fish products to be adulterated.

(B) FINAL REGULATIONS.—Not later than 6 months after the date on which the Commissioner issues the proposed regulations under subparagraph (A), the Commissioner shall promulgate final regulations. Such final regulations shall contain a timetable for the issuance of additional rules and regulations.

SEC. ____07. IMPLEMENTATION BY THE SECRETARY OF COMMERCE.

Except as otherwise provided in this section or in title XIX of the Food Security Act of 1985 (as added by section _____03), the Secretary of Commerce in cooperation with the Secretary of Agriculture shall, not later than 2 years after the date of enactment of this title, develop and implement a program to carry out the requirements of such title XIX. Not later than 18 months after such date of enactment, the Secretary of Commerce shall issue proposed regulations.

JEFFORDS AMENDMENTS NOS. 2357 AND 2358

Mr. JEFFORDS proposed two amendments to the bill S. 2830, supra, as follows:

AMENDMENT No. 2357

On Page 28, line 11, after "export", insert the following: "(Other than the export of live dairy cattle)".

AMENDMENT No. 2358

On page 18, line 20, strike "and".

On page 18, line 24, strike the period and insert a semicolon.

On page 18, after line 24, insert the following:

(7) dairy policy should protect against widely fluctuating consumer prices and producer income;

(8) it is in the interest of the United States to have wholesome dairy products available for domestic and international nutrition programs;

(9) a properly functioning dairy program should result in a balanced purchase of dairy products so that the products are available to carry out the nutrition programs; and

(10) the Federal dairy program should encourage greater protein production in milk and discourage additional butterfat production through the use of incentives and disincentives.

HEINZ (AND OTHERS) AMENDMENT NO. 2359

Mr. HEINZ (for himself, Mr. BRADLEY, Mr. ROTH, Mr. SPECTER, Mr. BIDEN, and Mr. LAUTENBERG) proposed an amendment to the bill S. 2830, as follows:

On page 924, line 15, insert "(a) IN GENERAL.—" before "The first".

On page 924, between lines 19 and 20 insert the following new subsection:

(b) TOLERANCES.—Section 8e(a) of such Act (7 USC 608e-1 (a) is amended by adding at the end thereof the following new sentences:

"In carrying out inspections pursuant to a marketing order in the United States or foreign countries, all such inspections shall apply en route or delivery tolerances to all commodities, domestic or foreign, when such inspections are performed at any site in the United States other than a shipping point. For purposes of this subsection, the term 'shipping point' means, with respect to domestic and foreign commodities, the point of origin of the shipment in the producing area or at a port of loading for ship stores. All inspections under this paragraph shall be paid for by the shipper on a user fee basis."

BAUCUS (AND GRASSLEY) AMENDMENT NO. 2360

Mr. LEAHY (for Mr. BAUCUS, for himself, Mr. GRASSLEY and Mr. LEAHY) proposed an amendment to the bill S. 2830, supra, as follows:

On page 425, between lines 4 and 5, insert the following new paragraph:

"(2) to increase export sales of United States processed, value-added agricultural products;".

On page 425, line 5, strike out "(2)" and insert in lieu thereof "(3)".

On page 425, line 6, strike out "(3)" and insert in lieu thereof "(4)".

On page 425, line 9, strike out "(4)" and insert in lieu thereof "(5)".

On page 425, line 15, strike out "(5)" and insert in lieu thereof "(6)".

On page 425, line 18, strike out "(6)" and insert in lieu thereof "(7)".

On page 429, between line 23, strike out "and".

On page 429, between line 23 and 24, insert the following new subparagraph:

"(E) and increase the United States share of world markets for processed, value-added products because of the multiple benefits derived from such United States exports for American producers, processors, agricultural-industrial exporters and the national workforce; and".

On page 429, line 24, strike out "(E)" and insert in lieu thereof "(F)".

On page 432, line 17, after the comma insert "and value-added".

On page 437, between lines 5 and 6, insert the following new subsection:

"(c) VALUE-ADDED PRODUCTS.—With respect to the trade performance of processed, value-added products under the reviews required under this section, the Secretary, not later than 18 months after the initial 3-year period described in such subsections, shall conduct an interim review under this subsection. Such interim and subsequent reviews shall include reports to the appropriate Committees of the Congress concerning those actions that the Secretary has taken during the reporting period to increase exports of United States processed, value-added agricultural products and the plans of the Secretary pertaining to such actions during the subsequent reporting period.".

On page 466, between lines 15 and 16, insert the following new paragraph:

"(10) RELIEF FROM UNFAIR TRADE PRACTICES AGAINST PARTICULAR COMMODITIES.—

"(A) COMMERCIAL EXPORT PROMOTION.—

"(1) AVAILABILITY.—The Secretary shall, if appropriate for each agricultural commodity described in clause (ii), make available some or all of the commercial export assistance that is available under this subtitle to assist in the mitigation or to offset the unfair trade practice serving as the basis for the proceeding described in such subparagraph.

"(ii) APPLICATION.—Clause (i) shall apply in the case of agricultural commodities for which the United States has—

"(I) instituted any dispute settlement proceeding under any international trade agreement;

"(II) been prevented from progressing to a decision in proceedings described in subclause (I) as a result of the failure of a panel to reach a conclusive interpretation of law or the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress; or

"(III) initiated a section 301 investigation into foreign unfair trade practices effecting the article.

"(B) DUTIES OF SECRETARY.—For any agricultural commodity described in subparagraph (A)(ii), the Secretary shall—

"(i) promptly consult with representatives of the industry producing such commodities and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy that utilizes some or all of the assistance available under this subtitle to assist in the mitigation or to offset the unfair trade practice identified in subparagraph (A)(ii); and

"(ii) ascertain and take into account the industry preference for the practical use of available assistance in implementing subparagraph (A)(i).".

On page 477, between lines 10 and 11, insert the following new section:

"SEC. 407. BUDGET INCENTIVES.

"(a) PROVISION OF ADVISE.—Not later than November 15 of each year, the Secretary shall advise the Secretary of the Treasury and the Director of the Office of Management and Budget concerning the additional United States agricultural exports, including but not limited to exports of value-added agricultural products resulting from the assistance provided by the Secretary under section 302(c)(10).

"(b) ESTIMATION OF REVENUE.—The Director of the Office of Management and Budget shall estimate the amount of additional revenue received by the Treasury as a result of the assistance programs established under this Act to provide for the enhancement of United States processed, value-added agricultural exports.

"(C) DETERMINATION OF BUDGETS.—In determining the budgets of the Department of Agriculture, the President shall, to the maximum extent practicable, provide special consideration for the export assistance programs funded by the Secretary under this Act, based on the increases in Treasury receipts and the balance of payments of the United States with other countries.".

MOYNIHAN (AND OTHERS) AMENDMENT NO. 2361

Mr. LEAHY (for Mr. MOYNIHAN, for himself, Mr. LEAHY, Mr. LEVIN, Mr. D'AMATO and Mr. KASTEN) proposed an amendment to the bill S. 2830, supra, as follows:

At the end of title XIV, add the following:

SEC. . Interagency research, design criteria and eradication program on zebra mussels, Dreissena polymorpha, as they affect the nation's agricultural irrigation systems.

(a) the Secretary of Agriculture and the Assistant Secretary of the Army for Civil Works, in consultation with the Director of the U.S. Fish and Wildlife Service and the Administrator of the Environmental Protection Agency, shall develop a program of research and design criteria for agricultural irrigation systems, with the emphasis on developing techniques and design standards to eradicate and control the effects of zebra mussels in the nation's agricultural irrigation systems.

(b)(1) There are hereby authorized to be appropriated to the Secretary of Agriculture to carry out subsection (a) of this section, the amount of $2,000,000 for each of the five fiscal years beginning with fiscal year 1991.

(2) There are hereby authorized to be appropriated to the Secretary of the Army for Civil Works to carry out subsection (a) of this section, the amount of $2,000,000 for each of the five fiscal years beginning with fiscal year 1991.

SANFORD AMENDMENT NO. 2362

Mr. LEAHY (for Mr. SANFORD) proposed an amendment to the bill S. 2830, supra, as follows:

Add the following section at the end of title IX:

SEC. 9. DISTORTIONS TO WORLD SUGAR TRADE.

Whereas the Senate finds that:

(1) the sugar industry is important to the countries of Latin America, especially in the Caribbean, Central American and Andean regions;

(2) the United States is an important destination for sugar from these countries;

(3) over the past nine years, import quotas have drastically reduced U.S. imports of sugar;

(4) the sugar industry of these countries is in the midst of a prolonged crisis, undermining economic growth and creating political instability;

(5) for the long-term development of these regions, trade is more important than aid;

(6) the export-promotion strategy of these regions can succeed only to the extent that other developed countries increase access to their markets for sugar;

(7) despite requests by regional governments, the international community has not been forthcoming in granting broader market access; and

(8) in light of Latin America's severe economic crisis and its commitment to rebuilding its economies, the international community should remove obstacles to reviving trade.

Therefore, the General Accounting Office shall, no later than October 31, 1990, report to Congress recommendations for policies the United States can adopt to improve and enhance developing countries access to world sugar markets and reduce other distortions to world sugar trade.

GARN (AND RIEGLE) AMENDMENT NO. 2363

Mr. LEAHY (for Mr. GARN, for himself and Mr. RIEGLE) proposed an amendment to the bill S. 2830, supra, as follows:

On page 444, line 20, strike "fiscal" and insert "financial" and strike all from line 24 through line 7 on page 445 and insert the following:

"(3) is the financial institution issuing the letter of credit or a subsidiary of such institution."

SIMON (AND OTHERS) AMENDMENT NO. 2364

Mr. LEAHY (for Mr. SIMON, Mr. CONRAD, Mr. HARKIN, Mr. DIXON, Mr. LUGAR, Mr. BURDICK, Mr. COATS, Mr. DASCHLE, Mr. GORE, Mr. HELMS, Mr. HOLLINGS, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. LEVIN, Mr. WALLOP, Ms. MIKULSKI, Mr. GRAMM, and Mr. LEAHY) proposed an amendment to the bill S. 2830, supra, as follows:

On page 499, between lines 9 and 10, insert the following new section:

SEC. 1136. SENSE OF SENATE CONCERNING REBALANCING PROPOSAL OF THE EUROPEAN COMMUNITY.

(a) FINDINGS.—Congress finds that—

(1) the success of the agriculture negotiations under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) is important to the liberalization of world agricultural trade and the development of the markets for United States commodities;

(2) In order to correct distortions and restrictions in world agricultural markets, the participants in GATT negotiations have committed to substantial and progressive reductions in agricultural protection and support;

(3) the history of establishing more market-oriented trade since World War II has been progressive liberalization through a series of multilateral trade negotiations;

(4) the European Community's proposal to "rebalance" import protections could actually permit the European Community to increase import barriers for some products, including products which have enjoyed barrier free trade status as a result of earlier trade negotiations;

(5) this rebalancing proposal could pose a particularly severe threat to United States exports of corn gluten feed and oilseeds to the European Community, products whose duty-free status the European Community has long sought to undercut; and

(6) the European Community market for United States exports of corn gluten feed and oilseeds has been a successful fixture of United States-European Community trade relations for approximately 30 years, and should not be restricted.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the European Community's proposed balancing of import protections is fundamentally at odds with the important goals of liberalizing world agricultural trade and eliminating trade-distorting policies;

(2) such rebalancing could have a particularly severe impact on United States exports of corn gluten feed and oilseeds to the European Community, leaving them vulnerable to unfair treatment and increased trade barriers; and

(3) the United States, throughout the remainder of the Uruguay Round of the GATT negotiations on agriculture, should forcefully reject the European Community's proposal to rebalance import protections.

LEAHY (AND LUGAR) AMENDMENT NO. 2365

Mr. LEAHY (for himself and Mr. LUGAR) proposed an amendment to the bill S. 2830, supra, as follows:

On page 861, between lines 19 and 20, insert the following new subtitle:

SUBTITLE E—AMERICA THE BEAUTIFUL

SEC. 1571. SHORT TITLE.

This subtitle cited as the "America the Beautiful Act of 1990".

SEC. 1572. FINDINGS.

Congress finds that—

(1) trees and forests provide beauty and diversity to both rural and urban landscapes;

(2) trees and forests protect the Nation's soil, water, and wetland resources by filtering runoff and preventing erosion;

(3) trees and forest provide food and cover for many species of wildlife;

(4) trees and forests capture and safely store greehouse gases, thereby reducing the possibility of global climate change;

(5) trees and forests provide shade, block winds, and add moisture to the air, thereby mitigating the urban "heat island" effect and signficantly reducing energy use;

(6) trees and forests make important contributions to the environmental, social, and economic well-being of both rural and urban areas across the Nation; and

(7) stewardship of trees and forests could be significantly enhanced by encouraging, promoting, and supporting partnerships and community service projects involving individuals, youth groups, organizations, businesses and governments at all levels.

SEC. 1573. PURPOSES.

The purposes of this subtitle are to—

(1) authorize the President to designate a private nonprofit foundation as eligible for a one-time grant from the Secretary of Agriculture, to be used for promoting public awareness and a spirit of volunteerism, soliciting private sector contributions, and overseeing the use of these contributions to encourage tree planting projects in communities and urban areas;

(2) promote the principles of basic forest stewardship through the nationwide planting, improvement, and maintenance of trees in order to increase reforestation, enhance the environmental and aesthetic qualities of our Nation's rural and urban areas, and reduce global carbon dioxide levels;

(3) authorize the Secretary of Agriculture to provide increased financial and technical assistance to State forestry agencies and others, and enter into cost sharing agreements with individuals, for the purpose of encouraging owners of nonindustrial private lands to plant and maintain trees and improve forests in rural areas; and

(4) authorize the Secretary of Agriculture to provide increased financial and technical assistance to State forestry agencies and others for the purpose of encouraging units of local government, civic groups, and individuals to plant and maintain trees and improve forests in communities and urban areas.

SEC. 1574. NATIONAL TREE TRUST FOUNDATION.

(a) PURPOSES.—It is the intent of this section to provide for the awarding of a grant to a private nonprofit Foundation to be used for the following purposes—

(1) to solicit, accept, and administer public and private sector grants;

(2) to promote public awareness and a spirit of volunteerism by awarding grants to, and providing organizational support and training for, local community volunteer organizations dedicated to tree planting and the care of trees;

(3) to support the preservation of unique national resources and environments; and

(4) to award matching grants to nonprofit organizations including youth groups for the planting and cultivation of trees to ensure that our descendants may share the pride of their ancestors when referring to their land as "America the Beautiful".

(5) to award matching grants to municipalities that have developed an urban forestry and have demonstrated a capability to provide at least one-half of the total cost of the project or program for which the Foundation funds will be used.

(b) AUTHORITY.—

(1) IN GENERAL.—The President is authorized to designate a private nonprofit organization (hereinafter referred to in this section as the "Foundation") as eligible to receive funds pursuant to subsection (d), after making a determination that such organization is able, consistent with its charter, to carry out the purposes described in subsection (a), and that the officers of such organization have the experience and expertise necessary to direct the activities of the organization.

(2) CONSTRUCTION.—Nothing in this section shall be construed as making the Foundation an agency or instrumentality of the United States, or as making officers, employees, or members of the board of directors of the Foundation officers or employees of the United States.

(c) AMOUNT OF GRANT.—In fiscal year 1991, the Secretary of Agriculture is authorized to make a grant to the Foundation, from amounts appropriated to carry out this subtitle, in an amount that shall not exceed $25,000,000.

(d) USE OF FUNDS.—

(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (c) shall be utilized by the Foundation—

(A) to carry out the purposes described in subsection (a); and

(B) for the administrative expenses of the Foundation incurred in carrying out such purposes.

(2) INTEREST.—Notwithstanding any other provision of law, the Foundation may hold amounts awarded under a grant under subsection (c) in interest-bearing accounts, prior to the disbursement of such funds for the purposes described in subsection (a),

and may retain for such program purposes any interest earned on such deposits.

(e) ELIGIBILITY OF THE FOUNDATION.—

(1) COMPLIANCE.—To be eligible to receive a grant under this section, the Foundation shall agree to comply with the requirements of this section.

(2) CONSISTENCY WITH PURPOSES.—The Foundation may use funds provided under this section only for programs and projects that are consistent with the purpsoes described in subsection (a).

(3) OUTSIDE SOURCES OF COMPENSATION.—Officers and employees of the Foundation may not receive any salary or other compensation for services rendered to the Foundation from any source other than the Foundation.

(4) PROHIBITION ON ISSUANCE.—The Foundation shall not issue any shares of stock or declare or pay any dividends.

(5) COMPENSATION.—No part of the funds of the Foundation shall inure to the benefit of any board member, officer, or employee of the Foundation, except as salary or reasonable compensation for the services or expenses of such member, officer or employee. Compensation for board members shall be limited to reimbursement for reasonable costs of travel and expenses. No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation if such question affects the financial interests of the director, officer, or employee or the interests of any corporation, partnership, entity, or organization in which such director, officer, or employee is an officer, director, or trustee, or in which such director, officer, or employee has any direct of indirect financial interest.

(6) POLITICAL ACTIVITY.—The Foundation shall not engage in lobbying or propaganda for the purpose of influencing legislation and shall not participate or intervene in any political campaign on behalf of any candidate for public office.

(7) GENERAL AUDITS.—For the fiscal year in which the Foundation receives the grant awarded under this section, and for the succeeding 5 fiscal years, the accounts of the Foundation shall be audited annually in accordance with generally accepted accounting procedures by independent certified public accountants or independent licensed public accounts certified or licensed by a regulatory authority of a State or of a political subdivision of the United States. The report of each such independent audit shall be included in the annual report required by paragraph (10).

(8) AGENCY AUDITS.—The financial transactions undertaken under this section by the Foundation may be audited by any agency designated by the President for the fiscal year in which the Foundation receives the grant awarded under this section and for the 5 succeeding fiscal years.

(9) MAINTENANCE OF RECORDS.—The Foundation shall ensure—

(A) that each recipient of assistance provided through the Foundation under this subtitle maintains, for 5 years after the receipt of such assistance, separate accounts with respect to such assistance, and such records as may be reasonably necessary to disclose fully the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is provided or used, the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit; and

(B) that the Foundation, the agency designated by the President pursuant to paragraph (8), or any of the duly authorized representatives of the Foundation, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of assistance under this section that are pertinent to the provision and use of such assistance.

(10) ANNUAL REPORT.—Not later than 3 months after the conclusion of each fiscal year, the Foundation shall publish an annual report for the preceding fiscal year. The report shall include a comprehensive and detailed report of the operation, activities, financial condition, and accomplishments of the Foundation under this subtitle. The obligation of the Foundation to publish annual reports under this paragraph shall terminate after publication of the report incorporating the findings of the final audit required by paragraph (9).

SEC. 1575. RURAL TREE PLANTING, FOREST IMPROVEMENT AND STEWARDSHIP PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture is authorized to establish a rural tree planting, forest improvement and stewardship program as a special component of the Rural Forestry Assistance Program and forest stewardship incentives program established under sections 3 and 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2102) (as amended by subtitle A).

(b) ASSISTANCE.—

(1) IN GENERAL.—In carrying out this section, the Secretary of Agriculture is authorized to provide financial, technical, and related assistance to State foresters and other persons for the purpose of assisting nonindustrial private landowners to plant, maintain, and improve trees and forest resources in rural areas.

(2) EMPHASIS.—Assistance provided by the Secretary of Agriculture under this section shall be used to emphasize tree planting and forest stewardship practices designed to prevent soil erosion, enhance aesthetics and recreational opportunities, improve wildlife habitat, increase timber supplies, reduce the possibility of global climate change, and provide other environmental and economic benefits.

SEC. 1576. COMMUNITY TREE PLANTING AND FOREST IMPROVEMENT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture is authorized to establish a community tree planting and improvement program as a special component of the urban forestry assistance program established under section 8 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105) (as redesignated by section 1514).

(b) ASSISTANCE.—

(1) IN GENERAL.—In implementing this section, the Secretary of Agriculture is authorized to provide financial, technical, and related assistance to State foresters and other persons for the purpose of assisting units of local government, civic organizations, and individuals to plant, maintain, and improve trees and forests in communities and urban areas.

(2) EMPHASIS.—Assistance provided by the Secretary of Agriculture under this section shall be used to emphasize tree planting and forest improvement practices designed to improve the efficiency of energy use, enhance aesthetics and recreational opportunities, improve wildlife habitat, moderate temperature extremes, reduce the possibility of global climate change, and provide other general environmental benefits that contribute to social well-being and a sense of community.

SEC. 1577. GENERAL PROVISIONS.

(a) ADDITIONAL AUTHORITY.—In carrying out this title, the Secretary of Agriculture may utilize such of the authority provided in section 12 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109) (as redesignated by section 1514) as the Secretary may consider appropriate and practicable.

(b) REGULATIONS.—The Secretary of Agriculture may issue such regulations as may be necessary to carry out the provisions of this subtitle.

SEC. 1578.

There are authorized to be appropriated as necessary such sums as may be necessary to implement this subtitle.

KERREY AMENDMENT NO. 2366

Mr. KERREY proposed an amendment to amendment No. 2365 proposed by Mr. LEAHY (and Mr. LUGAR) to the bill S. 2830, supra, as follows:

On page 3, strike lines 2 through 8.
On pages 4 to 9, strike section 1574.

HARKIN (AND DIXON) AMENDMENT NO. 2367

Mr. LEAHY (for Mr. HARKIN, for himself, Mr. DIXON, and Mr. GRASSLEY) proposed an amendment to the bill S. 2830, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. PSEUDORABIES ERADICATION.

(a) FINDINGS.—Congress finds that efforts to eradicate pseudorabies in United States swine populations by the Department of Agriculture in cooperation with State agencies and the pork industry have a high priority and should be continued until pseudorabies is completely eradicated in the United States.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish and carry out a program for the eradication of pseudorabies in United States swine populations.

(c) USE OF FUNDS FOR TESTING AND CONTROL OF DISEASES AND PESTS.—The Secretary shall ensure that not less than 65 percent of the funds appropriated for any animal or plant disease or pest eradication or control program administered by the Department of Agriculture shall be used for testing and screening of animals or plants and for other purposes directly related to the eradication or control of the animal or plant disease or pest.

(d) APPROPRIATIONS.—There are hereby authorized to be appropriated for each of the fiscal years ending September 30, 1991 through September 30, 1995, such sums as may be necessary for the purpose of carrying out the program established under this section.

FOWLER (AND GORTON) AMENDMENT NO. 2368

Mr. LUGAR (for Mr. FOWLER, for himself and Mr. GORTON) proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 924, strike line 21 and all that follows through line 18, page 929, and insert the following:

SEC. 1725. SHORT TITLE.

This may be cited as the "Agricultural Marketing Research and Reform Act of 1990."

SEC. 1726. DEFINITION.

COSMETIC.—The term "cosmetic" means superficial damage to, or alteration of, the exterior appearance of an agricultural commodity that does not significantly affect yield, taste, or nutritional value.

SEC. 1727. STATEMENT OF POLICY.

It is the policy of Congress that federal grade standards for perishable commodities shall be developed with consideration of their impact on farmers' ability to reduce pesticide use and of consumer access to a safe, affordable, abundant, flavorful and nutritious food supply.

It is further the policy of Congress that the Federal Government shall investigate the impact of federal grade standards on pesticide use in agriculture and take appropriate action based on the findings of that research.

SEC. 1728. RESEARCH.

(a) The Secretary of Agriculture shall provide for the conduct of research, through the Economic Research Service and the Cooperative State Research Service, in consultation with other agencies within USDA;

(b) The research shall examine the effects, to the extent listed in the following subsection (c) ("scope of research"), of grade standards and other regulations, as developed and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.), and other statutes governing cosmetic appearance;

(c) SCOPE OF RESEARCH.—The primary goal of this research is to investigate the extent to which grade standards and other regulations governing cosmetic appearance affect pesticide use in the production of perishable commodities. The research shall also—

(1) determine pesticide application levels for U.S. perishable commodity production and assess trends and factors influencing those trends of such pesticide application levels since 1975;

(2) determine the extent to which federal grade standards and other regulations affect pesticide use in agriculture for cosmetic appearance;

(3) determine the effect of reducing emphasis on cosmetic appearance in grade standards and other regulations on:

(A) the application and availability of pesticides in agriculture;

(B) the adoption of agricultural practices that result in reduced pesticide use;

(C) production and marketing costs;

(D) domestic and international markets and trade for perishable commodities:

(4) determine the extent to which grade standards and other regulations reflect consumer preferences;

(5) develop options for implementation of food marketing policies and practices that will remove obstacles that may exist to pesticide use reduction, based on the findings of research conducted under this section;

(6) FIELD RESEARCH.—

(A) The Secretary of Agriculture shall implement, not later than 12 months after enactment of this Act, or upon completion of the first phase of the research, a minimum of three, 2-year market research projects, in at least three States, to demonstrate and evaluate the feasibility of consumer education and information programs;

(B) Scope of field research—Research shall be conducted to evaluate programs designed to—

(i) offer consumers choices among perishable commodities produced with different production practices;

(ii) provide consumers with information about agricultural practices used in the production of perishable commodities;

(iii) educate the public about the relationship, as determine in the research conducted under this Act, between cosmetic appearance of perishable commodities and pesticide use.

(d) DISSEMINATION OF RESULTS.—The Secretary of Agriculture shall disseminate to concerned parties the results obtained from prior scientifically valid research concerning federal marketing policies and practices described in this section to avoid any duplication of effort and to ensure that current knowledge concerning such policies and practices is enhanced;

(e) ADVISORY COMMITTEE—

(1) The Secretary of Agriculture shall establish an advisory committee for the purposes of providing ongoing review of the implementation of the requirements in this section and providing the Secretary of Agriculture with recommendations regarding the implementation of those requirements;

(2) MEMBERSHIP.—The Advisory Committee shall consist of twelve members comprising of three representatives from not-for-profit consumer organizations, three representatives from not-for-profit environmental organizations, three representatives from production agriculture and the perishable commodity grower/shipper community, and three representatives from the food retailing sector, each with experience in the policy issues discussed in this section;

(3) The Advisory Committee shall cease to exist no later than September 30, 1993.

(f) REPORT—The Secretary of Agriculture shall report to Congress on the findings of research under this section no later then September 30, 1992 with the exception of the findings under subsection (6) which shall be reported no later than September 30, 1993.

SEC. 1729. CHANGES IN PROCURAL REGULATIONS.

With regard to federal grade standards developing and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C.1621 et seq.), the Secretary of Agriculture shall—

(1) take into account the impact of these standards on perishable commodity growers' ability to reduce the use of pesticides;

(2) provide for citizens outside of the perishable commodity industry fair and reasonable opportunity to formally petition a change in grade standards;

(3) provide for a comment period after a formal petition to change grade standards has been made to enable all interested parties to submit information. The Secretary of Agriculture shall evaluate the information and consider it in the revision process;

(4) provide interested parties with annual status reports, updated upon request, on all pending grade standard changes the Department of Agriculture is considering.

SEC. 1730. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out the activities required under this Act, $4,000,000 for each fiscal year.

KASSEBAUM (AND DASCHLE) AMENDMENT NO. 2369

Mr. LEAHY (for Mrs. KASSEBAUM, for herself and Mr. DASCHLE) proposed an amendment to the bill S. 2830, supra, as follows:

On page 328, between lines 12 and 13, insert the following new subsection:

(d) TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.—Effective beginning with the date of enactment of this act, the Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, in the event of a transfer of ownership of land (or an ownership interest in land) by way of devise or descent, the Secretary of Agriculture may, if the new owner succeeds to the prior owner's Conservation Reserve Program contract (entered into pursuant to title XII of this Act), make payments to the new owner under such contract without regard to the amount of payments received by the new owner under any Conservation Reserve Program contract executed prior to such devise or descent.

"(b) LIMITATION.—Payments made pursuant to this section shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the death of the prior owner."

BURNS (AND CONRAD) AMENDMENT NO. 2370

Mr. LUGAR (for Mr. BURNS, for himself and Mr. CONRAD) proposed an amendment to the bill S. 2830, supra, as follows:

In S. 2830, on page 490, line 23, insert the following new section:

SEC. 1124. DURUM WHEAT IMPORTS.

(a) The Secretary of Agriculture shall conduct a study of the impact on domestic durum wheat growers of the importation of durum wheat from Canada into the United States.

(b) By no later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report on the study conducted under subsection (a).

BURNS AMENDMENT NOS. 2371 AND 2372

Mr. LUGAR (for Mr. BURNS) proposed two amendments to the bill S. 2830, supra, as follows:

In S. 2830, on page 490, line 23, insert the following new section:

SEC. 1124. ALFALFA SEED IMPORTS.

(a) The Secretary of Agriculture shall conduct a study of the impact on domestic alfalfa seed growers of the importation of alfalfa seed from Canada into the United States.

(b) By no later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report on the study conducted under subsection (a).

In S. 2830, on page 1081, line 10, add the following new section:

"SEC. . USDA'S OFFICE OF TRANSPORTATION.

(a) It is the sense of Congress that the United States Department of Agriculture's Office of Transportation should continue as an independent office and take the lead in addressing agricultural transportation issues. The USDA's Office of Transportation should actively participate in efforts to

seek solutions to present and future rail transportation problems. This is especially important for the purpose of maintaining and improving U.S. agriculture's competitive position in the world marketplace. Likewise, USDA, through the Commodity Credit Corporation is a major shipper of grain. During periods of rail car shortages CCC loses the flexibility it needs to properly administer federal government farm programs. Grain rail car shortages can interfere with the PL-480 program, government food donation efforts and the efficient transfer of government grain stocks to private ownership.

(b) It is the sense of Congress that USDA's Office of Transportation should assist in ensuring that adequate numbers of grain rail cars are available on an equitable and timely basis to preserve the competitiveness of U.S. agricultural producers.

(c) It is the sense of Congress that availability of adequate and timely rail transportation for all of this nation's agricultural areas permits farmers and our rural communities to maximize the benefit of prices received from end-user to producer. Conversely, when rail transportation is not available on an adequate and timely basis, farmers and rural communities are forced to seek, and rely upon, expensive government programs rather than the marketplace.

WARNER AMENDMENT NO. 2373

Mr. WARNER proposed an amendment to the bill S. 2830, supra, as follows:

On page 803, on line 1, insert;

"SEC. 1496. CLOSED-SYSTEM AQUACULTURE.

(a) In order to gain further knowledge of intensive water recirculating aquaculture systems, the Secretary may make grants for the purpose of further developing and expanding aquaculture research facilities at Virginia Polytechnic Institute and State University at Blacksburg, Virginia, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems.

"(b) There is authorized, in the event the Secretary decides to take action under paragrah (a), to be appropriated the sum of $500,000, or such funds as are available, for the facility for fiscal years 1991 through 1995 to carry out the provisions of this section.".

EXON AMENDMENT NO. 2374

Mr. EXON proposed an amendment to the bill S. 2830, supra, as follows:

On page 309, between lines 9 and 10, insert the following:

"(j) IMPLEMENTATION.—The Secretary shall ensure that the program established under this section shall be implemented in such a manner that will:

"(1) Minimize potential loan forfeitures;

"(2) Minimize the accumulation of oilseed stocks by the Federal Government;

"(3) Minimize the cost incurred by the Federal Government in storing oilseeds; and

"(4) Allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally.".

STEVENS (AND THURMOND) AMENDMENT NO. 2375

Mr. STEVENS for himself and Mr. THURMOND) proposed an amendment to the bill S. 2830, supra, as follows:

At page 811, insert the following at line 19 and renumber subsection (2) through (5) appropriately:

"(2) develop and contract for the development of field arboretums, greenhouses, and tree nurseries, in cooperation with the State, to facilitate production and distribution of tree seeds and seedlings in states where the Secretary determines that there is an inadequate capacity to carry out present and future reforestation needs.".

SYMMS AMENDMENT NO. 2376

Mr. LEAHY (for Mr. SYMMS) proposed an amendment to the bill S. 2830, supra, as follows:

At the appropriate place in title IV, insert the following new section:

"SEC. 40. NONDISCRETIONARY AUTHORITY.

"Any provision of this Act relating specifically to the authority of the Secretary to adjust the payments due to producers of barley for the 1988 and 1989 crop years shall be nondiscretionary.".

HARKIN (AND OTHERS) AMENDMENT NO. 2377

Mr. HARKIN (for himself, Mr. GRASSLEY, and Mr. DIXON) proposed an amendment to the bill S. 2830, supra, as follows:

On page 1081 of the bill, insert the new section:

SEC. 1947. PSEUDORABIES ERADICATION.

(a) FINDINGS.—Congress finds that efforts to eradicate pseudorabies in United States swine populations by the Department of Agriculture in cooperation with State agencies and the pork industry have a high priority and should be continued until pseudorabies is completely eradicated in the United States.

(b) ESTABLISHMENT OF PROGRAM—The Secretary shall establish and carry out a program for the eradication of pseudorabies in United States swine populations.

(c) USE OF FUNDS FOR TESTING AND CONTROL OR DISEASES AND PESTS.—The Secretary shall ensure that not less than 65 percent of the funds appropriated for any animal or plant disease or pest eradication or control program administered by the Department of Agriculture shall be used for testing and screening of animals or plants and for other purposes directly related to the eradication or control of the animal or plant disease or pest.

(d) APPROPRIATIONS.—There are hereby authorized to be appropriated for each of the fiscal years ending September 30, 1991 through September 30, 1995, such sums as may be necessary for the purpose of carrying out the program established under this section.

DURENBERGER AMENDMENT NO. 2378

Mr. DURENBERGER proposed an amendment, which was subsequently modified, to the bill S. 2830, supra, as follows:

At the end of title XII, add the following:

SECTION 1. (a) FINDINGS.—The Congress finds that—

(1) Federal policy, as reflected in the Food, Agriculture, Conservation and Trade Act of 1990, to protect the Nation's wetlands and ground water from loss or degradation is of vital importance to American agriculture and to the country as a whole;

(2) Wetlands reduce floods, improve ground and surface water quality, and provide recreational areas and habitat for fish and wildlife;

(3) Ground water provides drinking water to 50 percent of the Nation's population or 117 million Americans, and that 97 percent of Americans in rural areas rely on untreated ground water for their household needs;

(4) Government regulations protecting and preventing ground water from contamination and wetlands from loss or degradation have been developed piecemeal by several different Departments and agencies and as a result are complex and confusing often leaving landowners uncertain as to their duties and obligations and the resources at risk;

(5) There is a need for a national strategy that coordinates and strengthens the Nation's ground water and wetlands protection efforts; and

(6) Key conservation provisions in the Food, Agriculture, Conservation and Trade Act of 1990 go a long way toward protecting wetlands and ground water, and any new legislation involving wetlands and ground water protection should recognize these gains.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) Federal agricultural policy should reflect environmental policy and concerns;

(2) Wetlands loss or degradation and ground water contamination should be discouraged by Federal, State, and local governments; and

(3) The upcoming reauthorization of the Federal clean water programs should—

(A) emphasize a policy designed to prevent wetlands loss and ground water contamination.

(B) provide consistent and understandable regulations that will give landowners greater certainty as to their duties and responsibilities for protecting wetlands and ground water; and

(C) strengthen the Nation's ground water and wetlands protection laws.

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENT CONTRACTING AND PAPERWORK REDUCTION

Mr. BUMPERS. Mr. President, the Subcommittee on Government Contracting and Paperwork Reduction of the Committee on Small Business has scheduled a hearing for Friday, July 27, 1990. The purpose of the hearing is to receive additional testimony regarding the concerns of small business government contractors relating to increasing competition from Federal prison industries. The hearing is to be held in the committee's hearing room, SR-428A, commencing at 9:30 a.m. It will be chaired by Senator DIXON, chairman of the subcommittee.

Federal prison industries [FPI], also referred to by its tradename UNICOR, is a Government-owned corporation that centrally manages a chain of 72

workshops located at 41 correctional facilities operated by the Federal Bureau of Prisons. FPI employs an inmate workforce of nearly 14,000. These industrial operations are used principally to combat idleness in the Federal inmate population.

The output of these workshops are sold to the Federal Government in direct competition with small business concerns. FPI is already a very large Government player in the Federal procurement market. According to FPI's 1988 annual report, its sales in 1988 totaled $335.9 million. If FPI were ranked among the top 100 Federal contractors for fiscal year 1988, FPI would have ranked 58th, just ahead of Chrysler Corp. Its sales for fiscal year 1989 were $360.7 million, and FPI has announced plans for further growth to meet the expected expansion of the Federal inmate population. FPI is presently forecasting growth to $427 million in total sales for fiscal year 1992.

Mr. President, small businesses also emphasize the unfairness of the competition from FPI. Under Federal procurement regulations implementing FPI's statute (18 U.S.C. 4124), FPI is a "required source of supply," giving it precedence over all other sources in meeting the needs of Federal agencies. Agencies are required to offer to FPI the opportunity to fulfill the Agency's need for a product or service found in FPI's schedule of products and services, before offering the contracting opportunity to the private sector. The small business community has come to call this FPI's "super preference." Since FPI's activities are concentrated in approximately 250 products and services out of the millions of different items bought annually by Federal agencies, FPI's impact falls intensely on only narrow segments of the Federal market.

FPI has been expanding its activities both by increasing its market share in existing product lines and by entering new markets. This has alarmed additional segments of the small business community. On July 18, 1990, the subcommittee received testimony from six small business government contractors who had personally experienced what they persuasively asserted was unfair competition from FPI. These firms furnish an array of products to various Federal agencies, most notably the Department of Defense, which is FPI's largest customer. Included among the product lines being pressured by FPI's expansion are: various forms of office and other furniture; draperies; various other forms of textiles, including a broad range of military clothing; footwear, especially combat boots and military shoes; wire and cable harnesses for various DOD applications; and envelopes. Their testimony cited the highly preferential manner in which FPI is permitted to participate in the Federal procurement process as a root cause of their charges of unfair competition from FPI.

Mr. President, the small business community has cited an additional cause for their deepening concern about competition from the Federal prisons. On July 11, 1990, the Senate passed the omnibus crime bill, S. 1970. As passed, this bill includes an amendment establishing mandatory work requirements for Federal prisoners. The provision identifies four broad categories for expanded work activities by Federal convicts: State and local public works and infrastructure repair; construction and maintenance of prisons and other detention facilities; prison industries; and other appropriate labor. The amendment establishes a Federal Private Sector/Prison Industry Enhancement [PIE] Program and expands the non-Federal PIE Program from 20 prison projects to 50 prison projects. Items manufactured through the Federal PIE Program could be sold commercially, unlike the products of FPI. The manufacturing and other activities undertaken under the new Federal PIE Program would be separate from, and in addition to the expanded activities undertaken through FPI. The amendment to S. 1970 also specifically authorizes the Federal Bureau of Prisons to furnish convict labor to private business concerns under contract through both the new Federal PIE Program and the existing FPI program. Finally, the explanatory material accompanying the amendment specifically encouraged the Federal Bureau of Prisons and FPI to focus on shoe manufacturing, textiles, and electronic assembly work, industry sectors already very hard hit by foreign competition.

Mr. President, during this Friday's hearing, the subcommittee will be hearing from Mr. Robert Q. Millan, the member of FPI's Board of Directors representing the Department of Defense. The concerns of a number of labor unions will be presented by Segundo Mercado-Llorens, director of government affairs for the United Food and Commercial Workers International Union. Testimony is to be presented by representatives of some of key national small business organizations, including the National Federation of Independent Business [NFIB], the Small Business Council of the U.S. Chamber of Commerce; and the Small Business Legislative Council [SBLC]. Finally, testimony will be received from small business dealers and contractors who furnish screenprinting services, two additional groups that have experienced FPI's unfair competition.

Further information concerning this subcommittee hearing may be obtained from the Committee's Procurement Policy Counsel, William B. Montalto; Bill may be reached at 224-5175.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, July 25, at 10 a.m., for a hearing on medical devices.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., Wednesday, July 25, 1990, for a hearing to consider the findings and recommendations contained in two recent reports concerning the management and operation of the National Park Service's Concessions Program. The two reports are: "Report of the Task Force on National Park Service Concessions," April 9, 1990, prepared at the request of the Secretary of the Interior, and "Follow-up Review of Concessions Management, National Park Service," Report No. 90-62, April 1990, prepared by the Inspector General of the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:45 a.m., Wednesday, July 25, 1990, for a hearing to receive testimony on the current operations and future mission of the Department of Energy's National Laboratories.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LEAHY. Mr. President, at the July 25 business meeting, the committee will consider the following:

Agenda No. 9, S. 2555, to amend the Wild and Scenic Rivers Act by designating a segment of the Lower Merced River in California as a component of the National Wild and Scenic Rivers System.

Senator BUMPERS will circulate an amendment in the nature of a substitute.

Agenda No. 10, H.R. 2174, to provide for the establishment of the Mississippi River Corridor Study Commission, and for other purposes.

Amendments may be offered.

Agenda No. 13, S. 2680, to provide for the relief of certain persons in Stone County, AR, deprived of property as a result of a 1973 dependent resurvey by the Bureau of Land Management.

Senator BUMPERS will circulate an amendment in the nature of a substitute.

Agenda No. 15, nomination of Paul L. Ziemer to be Assistant Secretary for Environment, Safety and Health, U.S. Department of Energy.

Agenda No. 16, nomination of Calvin A. Kent to be Administrator of the Energy Information Administration, U.S. Department of Energy.

Agenda No. 17, nomination of David H. Leroy to be Nuclear Waste Negotiator, Office of the Nuclear Waste Negotiator.

The committee may also consider any other items ready for action.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LEAHY. Mr. President, I ask unanimous consent that the full committee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., Wednesday, July 25, 1990, for a business meeting to conduct pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Wednesday, July 25, 1990, at 10 a.m. to conduct a hearing on financial service developments in Europe and Japan in the context of considering measures to modernize America's financial services industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON NATIONAL OCEAN POLICY STUDY

Mr. LEAHY. Mr. President, I ask unanimous consent that the full Committee/National Ocean Policy Study, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 25, 1990, at 1:15 p.m. on S. 2044, Dolphin Protection Consumer Information Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SURFACE TRANSPORTATION SUBCOMMITTEE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Surface Transportation Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 25, 1990, at 9:30 a.m. on reauthorization of the Hazardous Materials Transportation Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on July 25, 1990, beginning at 1 p.m., in 485 Russell Senate Office Building, to consider for report to the Senate S. 1980, the Native American Repatriation of Cultural Patrimony Act and S. 2340, the Indian Child Protective Services and Family Violence Prevention Act, to be followed immediately by a hearing on S. 2770, the Indian Finance Corporation Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 25, at 1:30 p.m. to hold an ambassadorial nomination hearing.

Townsend B. Friedman, Jr., to be Ambassador to the People's Republic of Mozambique.

Kenneth N. Peltier, to be Ambassador to the Federal and Islamic Republic of the Comoros.

Genta H. Holmes, to be Ambassador to the Republic of Namibia.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 25, at 4 p.m. to hold an ambassadorial nomination hearing.

Edward W. Gnehm, Jr., to be Ambassador to the State of Kuwait.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COURTS AND ADMINISTRATIVE PRACTICE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Courts and Administrative Practice of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, July 25, 1990, at 1:30 p.m., to hold a hearing on S. 2465, the Antiterrorism Act of 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HUMAN RIGHTS IN ROMANIA

● Mr. DECONCINI. Mr. President, over 1 month has now passed since the violent suppression of peaceful protests in Bucharest in mid-June. My colleagues in the U.S. Commission on Security and Cooperation in Europe—the Helsinki Commission—and I have written to Romanian President Iliescu to express our concern over the Government's continuing repression of the opposition.

The Helsinki Commission sent a delegation to the Copenhagen Meeting of the CSCE Conference on the Human Dimension, where we expressed in the strongest terms our disappointment over the grave setbacks to Romania's nascent democracy. At that time, we raised with the head of the Romanian delegation the cases of Marian Munteanu, Nica Leon, and Dumitru Dinca, as well as the scores of others in detention at the time.

We understand that Messrs. Munteanu, Leon, and Dinca remain in detention, along with 185 others. We have received disturbing reports that the detainees have not had adequate access to their families or legal counsel. We also understand that some, including Mr. Munteanu, urgently require medical care.

Last month, the Romanian Government joined its 34 partners in the CSCE in adopting the Concluding Document of the Copenhagen Meeting. That document affirms that the participating CSCE states "are determined to support and advance those principles of justice which form the basis of the rule of law. They consider that the rule of law does not mean merely a formal legality which assures regularity and consistency in the achievement and enforcement of democratic order, but justice based on the recognition and full acceptance of the supreme value of the human personality and guaranteed by institutions providing a framework for its fullest expression.

We hope that the Romanian Government will demonstrate its commitment to the Copenhagen principles not only by obeying its own laws, but also by seeking to exercise justice. The previous Romanian regime consistently belittled the value of human beings. The present Government can reawaken respect for human dignity in Romania.

Mr. President, what impressed this Commission most about the University Square demonstrators was their repeated insistence that their protest remain nonviolent. The independent groups representing the democratic opposition, including the Group for Social Dialogue, the students' leagues, the Fratia independent trade union confederation and the Alliance for the Proclamation of Timisoara have emphasized the importance of nonviolence to the democratic movement, and have repeatedly called for a dialog.

We in the Helsinki Commission second that call for a constructive approach to addressing the opposition's and Government's concerns. In our letter to President Iliescu, we request-

ed that the Romanian Government release the detainees pending the upcoming trials, and provide them with necessary medical care. Second, we expressed the hope that the Romanian Government will initiate a roundtable involving representatives of the democratic opposition. As the parliament gets down to the important task of writing a constitution, this roundtable could aid in healing the deep wounds which afflict Romanian society. Third, we encouraged the Government to permit the press to operate freely, as only a truly free press can guarantee the free flow of information on which democracies are based. We look forward to Mr. Iliescu's response to our requests, made in a spirit of cooperation.

Helsinki Commission Cochairman STENY HOYER and I, as well as other colleagues in the House and Senate, had the opportunity last week to meet with eight representatives, of Romania's fledgling independent press. These courageous journalists—Stelian Tanase, chief editor of the Group for Social Dialogue's 22 weekly; Radu Eugeniu Stan, general secretary of Expres newspaper; Leonard Constantin Opera, from Astra magazine; Stefan Niculescu-Maier, section chief of Romania Libera newspaper; Mircea Mihaies, chief editor of Orizont magazine; Lazar Madaras, chief editor of Brassoi Lapok magazine and deputy in the newly elected Romanian parliament; Eugen Cojocaru, deputy director of "Editura Clusium"; and Petre Barbu, editor of Flacara magazine—are on the front lines of the struggle to build a democracy in Romania. As they point out, the independent press can validate the idea that the expression of different opinions is vital for a free society. They emphasized that the free flow of information between Romania and the outside world is likewise essential to strengthening Romania's nascent civil society.

Mr. President, we must continue to press the Romanian Government to honor the human rights commitments it has made to its people and to the international community. At the same time, we should establish as many direct links as possible with Romania—through professional and educational exchanges, the provision of information, and financial and moral support for the institutions of civil society. Let us bear these means of advancing Romanian democracy in mind as we explore alternatives for aid to Eastern Europe.●

REMARKS BY JACK KEMP, SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

● Mr. MACK. Mr. President, I would like to submit for the RECORD a thoughtful speech recently given by Secretary of Housing Jack Kemp at the Wealth of Nations: 1990 World Business Conference in Edinburgh, Scotland.

In his address, Secretary Kemp reflects upon the timeless principles of democracy and free markets as conceived by Adam Smith and Thomas Jefferson. Ultimately, he suggests, it is the people, acting freely and entrepreneurially, who create the wealth, opportunity and prosperity that define a free market society. The role of government, therefore, is to protect these freedoms, the Secretary emphasizes, and to invite economic growth to end poverty.

The remarks follow:

REMARKS BY SECRETARY JACK KEMP

A DEMOCRATIC CAPITALIST MANIFESTO AND AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF CITIES, EDINBURGH, SCOTLAND, JUNE 29, 1990

Ladies and gentlemen, I am honored to be able to address this Wealth of Nations: 1990 World Business Conference. It is fitting that we should hold this conference in Edinburgh, Scotland, so close to the place where Adam Smith last looked upon this earth 200 years ago.

Yet, if he were here today, I suspect that even more than the speeches, Smith would be thrilled by the fact that Europe is celebrating the occasion by re-embracing the principles and ideas he espoused in his *An Inquiry into the Nature and Causes of the Wealth and Nations.* Indeed, isn't it incredible that the whole world is beginning to rediscover the timeless truths and ideas he laid out in 1776!

Just imagine . . . since the dawn of history . . . all at once . . . in exactly the same year . . . within a few months of each other . . . from opposite sides of the Atlantic . . . two inspired men . . . one a professor of moral philosophy, the other the fiery architect and poet of American Independence . . . gave the world the twin pillars of free society—the moral and inalienable rights to political and economic freedom. Smith's *The Wealth of Nations* and Jefferson's Declaration of Independence were then and remain today the greatest charters of freedom ever written.

Adam Smith and Thomas Jefferson didn't write a recipe for just individuals to gain wealth; they didn't write just for Anglo-Saxons, Americans, and English-speaking industrialized nations; they didn't describe how America or Britain alone could be free and create wealth and opportunity. They gave witness that free men and women in countries large or small, in any hemisphere or climate, no matter what their color or creed could govern themselves and create wealth, prosperity, and opportunity for all time to come.

In the 19th century, Abraham Lincoln's greatest insights concerning the rights of all human beings to democracy and equality of opportunity came right out of Jefferson and Smith. He said, "Any people anywhere, being inclined and having the power, have the right to rise up, and shake off the existing government, and form a new one that suits them better. This is a most valuable—a most sacred right—a right, which we hope and believe is to liberate the world."

America's foreign policy, and that of our friends and allies in Europe and Asia, has, at its best, long sought to advance the cause of freedom and democracy around the world. But two great things have changed since the end of the Second World War. Europe and Japan have prospered, as we had hoped, and taken their rightful place as world powers. Second, the Soviet Union now holds out to us the hope that it will not be the threat to political order in the future that it has been in the past.

Today, while we do not have to use exactly the same means to achieve a free international order, it is essential, in my view, to maintain and strengthen our friendships and alliances. We must also open our minds, as well as our borders, to the possibilities that lay to the East and to the South.

At this moment of such dramatic change in the world order, it has become increasingly fashionable for some on both sides of the Atlantic to claim that America's ideas and influence in the world are waning. From Yale Professor Paul Kennedy to French minister Jacques Attali, we hear of the "decline of America." Oddly enough, this thesis is just the opposite of Attali's countryman Jean Jacques Servan-Schreiber, who wrote two decades ago with great alarm about an American challenge which he said was threatening to dominate Europe's future.

Both views are not only factually wrong, but in my opinion, extremely naive and pessimistic. But one thing we must say of Mr. Attali and other doomsayers is that at least they are consistent. As a good and loyal socialist, Mr. Attali appears to have little understanding of Smith. He views political economy as essentially a zero-sum game, hence his emphasis on government welfare and redistribution of existing wealth, rather than the creation of new wealth by free people, free markets, free trade, and free democratic societies.

Minister Attali's latest thesis merely transfers this zero-sum theory to politics. In his view, apparently there is only so much greatness to go around. Thus for Europe to gain, America must lose; and for America to prosper, Asia must suffer. (or reduction ad absurdum . . . America will become but the breadbasket of Europe.)

My friends, this notion is antithetical to all we've learned about what makes nations great. Is Mr. Attali arguing that America would be a greater nation if we had done all in our power to prevent the postwar recoveries of France, Britain, Germany, and Japan? Does he seriously believe America would be more important if it were the only wealthy nation in a world of mediocrity? Surely, America is better off as a prospering nation in a thriving international economy, just as a thriving global economy is a benefit to America.

Fortunately, most Americans and Europeans agree with Adam Smith's teaching that the growth of Europe is good for America, and the growth of America is good for Europe. And I believe profoundly that a strong Asia is good for both America and Europe. In fact, as Presidents Bush and Salinas expand the trade relationship between the U.S. and Mexico in a western hemisphere free trade zone—like the one we have with Canada—and someday soon extend it to Central and Latin America, the Pacific Rim nations and Eruope will also share in new markets and new prosperity from expanding global trade.

The facts do not bear out a dismal picture of the world in which the United States is becoming an enfeebled economic power, losing its leadership in the world.

To the contrary, the last eight years have witnessed a tremendous economic expansion

that is the longest in U.S. peacetime history. The U.S. economy is nearly a third larger than it was a decade ago. U.S. manufacturing productivity is now remarkably near to that of Japan in the 1980s. Since 1981, more than 21.5 million jobs have been created—more jobs than have been created in the last decade in all of Europe, Canada, and Japan combined. More than four million new business enterprises, relatively low inflation, and higher standards of living for most of our people testify to the strength of the U.S. economy. And, according to the U.S. Treasury figures, federal income taxes paid by the top one percent of taxpayers has surged by over 80%.

I am particularly pleased to have been helpful in rediscovering the supply-side principles of classical economics. We dramatically lowered the marginal tax rates from 70% down to 28%. And, if a Democratic Congress would give President Bush his recommended reduction in the capital gains tax, the impact would be even more dramatic.

The U.S. has problems, to be sure. But the U.S. budget deficit has already dropped significantly, measured as a portion of the total economy. And the U.S. trade deficit, often cited as a sign of weakness, is in reality a symbol of capital flight from abroad seeking the thriving and profitable opportunities for new investment in the United States.

The U.S. savings rate, often cited as a sign of overconsumption is also misunderstood. It is simply arithmetic to figure out that when the U.S. economy expands by one third and the U.S. savings rate remains roughly constant, that the U.S. savings pool has accordingly expanded significantly over the last eight years. In addition, savings figures alone are no assurance, nor measure of prosperity. Witness the Soviet Union and other command economies which have enormous pools of savings, but few opportunities either to spend those funds or invest them in productive activities.

With all due respect, it's not the economy of the United States that is in decline, nor is it the entrepreneurial capitalist model. Professor Paul Kennedy and the other pessimists should have been writing about the decline of state directed economies.

At Stanford University, on his recent visit to America, President Gorbachev admitted that the cold war is over, but then suggested that it doesn't matter who won it. Well, with all due respect, it does matter—it matters a great deal who won and why. I hasten to add that our arms and missiles didn't win the cold war—it was the power of western ideas, the triumph of liberal democracy and free market economies over the stifling hand of communist and socialist economies and dictatorships.

Isn't it incredible that in Moscow, more people are lining up at McDonalds than at Lenin's Tomb! I was fascinated recently seeing on satellite TV, demonstrators carrying a banner in Red Square that read "Workers of the world, we're sorry . . . We've seen the future, it doesn't work." I've recently read that Mayor Gavril Popov wants to turn downtown Moscow into a free-enterprise zone and turn public housing over to the residents. Pyotr Filipov of the Leningrad City Council is even more explicit—he says "we must quickly hurry through Marxism-Leninism, through Socialism, to *Reaganism*!"

By now you're wondering why President Bush's Secretary of Housing and Urban Development is so passionate and outspoken about the cause of spreading democracy and entrepreneurial capitalism around the world. Well, ever since President Bush appointed me, I've been travelling across the United States and visiting thousands upon thousands of poor people living in some of the most desolate and despair-ridden communities in the world.

I've been struck by how similar the problems of America's inner cities are to those of Eastern Europe and even Third World economies. Ironically, both are suffering from the same malady. The malady is socialism.

Because, you see, in America we really have two economies. One economy—our mainstream economy—is democratic capitalist, market-oriented, entrepreneurial, and incentivized for working families whether in labor or management. The mainstream economy rewards work, investment, savings, and productivity. Incentives abound for productive human, economic, and social behavior.

But there is another economy—a second economy—that is similar in respects to the Eastern Europe or Third World "socialist" economy, if you will. It is almost totally opposite to the way people are treated in our mainstream capitalist economy, and it predominates in the pockets of poverty throughout urban and rural America. This economy has barriers to productive human and social activity and a virtual absence of economic rewards.

In the U.S., government tax, regulatory, and entitlement programs, set-up out of a desire to help the poor, in reality have led to a counterproductive economy. Instead of independence, they led to dependency. In an effort to minimize pain, they maximized welfare bureaucracy and social costs that are near pathological.

We in the Bush Administration are making a private sector war on poverty one of our highest priorities. We believe that strengthening the link between effort and reward, increasing incentives for entrepreneurship, job creation, homeownership, and private property can restore hope and opportunity to people in inner city pockets of poverty. We believe that ideas such as Enterprise Zones, where the capital gains tax rate would be eliminated in distressed communities; turning low-income people into homeowners; abolishing income and Social Security taxes on low-income workers; and expanding low-income housing vouchers can help create that ladder of opportunity out of poverty. These are the policies that can work not just in inner cities, but in less developed countries across the world.

I believe we're at a point in history when what we know about creating wealth and opportunity in America's inner cities can work not only in America, but in Eastern Europe; and not only in Europe, but in the Third World, and indeed, in the Soviet Union itself.

Conventional wisdom on the left and the right all too often says the same thing about both inner city America and Eastern Europe—they're both incredibly poor . . . lacking skills and resources . . . too much debt . . . and underdevelopment . . . where recovery, if possible at all, will be painful, hard to endure, and of such duration that not much can be done for either except inject massive doses of government assistance and promise redistribution of wealth. But, ladies and gentlemen, this is exactly the same thing people said and believed about post-war West Germany.

Too few remember that in contrast to today, West Germany and all of Western Europe were paralyzed and prostrate in 1945. People had to stand in endless lines waiting for rations of food and other essentials. Their life savings and pensions could only be redeemed in worthless currency. Barter was a way of life. There were price and wage controls, but few jobs, little production, and virtually no investment.

Devastated post-war Berlin was the essence of a zero-sum society. History records that young men fought with senior citizens for food scraps in the ruins and trash bins. The Reichsmark was all but abandoned and replaced by the "Zigaretten Wirtschaft" or cigarette economy. A carton of Lucky Strikes became a unit of account. Food, construction costs, workers' wages . . . just about everything was priced in cigarettes. The German press speculated about a possible U.S. loan of 50 million cartons of cigarettes to support the worthless Reichsmark!

People were losing hope that life would ever rise above this bleak level. In the United States there were worries that democracy itself would fail if prosperity could not be restored. And all of a sudden, something happened.

A finance minister who had studied and read the 18th century writings inquiring into "the nature and causes of the wealth of nations" came to the forefront. In just a few strokes of incredible political courage, vision, and entrepreneurship, Ludwig Erhard changed the course of German history and thus Western hopes for reconstruction.

On one day in June, the 20th of June, 1948, he reformed the currency by abolishing the Reichsmark and substituting the Deutschemark. He crushed inflation by tying the new currency *de facto* to the stable exchange rate system worked out at Bretton Woods and thus established the integrity of this new West German numeraire.

Henry Wallich, a one time U.S. Federal Reserve Board member, in his book, *The Mainsprings of German Revival* wrote "[T]he spirit of the country changed overnight. The grey, hungry and dead-looking figures wandering about the streets in their everlasting search for food came to life as, pocketing their 40 D-marks, they went on their first spending spree."

On June 22, because inflation had pushed West German people into extremely high tax rates, Erhard indexed the tax brackets to apply to high incomes, dramatically lowering effective tax rates.

On July 7, he abolished rationing, cancelled hundreds of regulations, and eliminated wage and price controls—against the advice of the U.S. State Department and the military command.

According to the history books, within a year, West German workers were eating more and better food than those in austerity-ridden Britain, which had turned to Socialist government, and, incidentally, had received more Marshall aid. In two years West Germany's real income increased 40 percent. By 1952 her exports had risen 600 percent. Over 12 years from 1950 to 1962, while the U.S. GNP was increasing a healthy 50%, West Germany's rose at a rate five times our own—247 percent. Within a generation an autocratic nation twice defeated in the century's most destructive wars had become not only a strong democracy and a world economic power, but a trusted friend and ally.

What caused this wirtschaftswunder—this economic miracle? Well, first of all, it was not a miracle! Cancellor Adenauer and his Economics Minister Ludwig Erhard both

said the Marshall Plan had little to do with it. They didn't try socialism, and it wasn't some government industrial policy. It certainly wasn't a World Bank or IMF-imposed austerity program.

Ludwig Erhart did not discover some magic formula or experience a sudden utopian vision. He simply, yet profoundly applied the socially responsible free market prescriptions of Adam Smith's classical economics.

He established a stable currency, and maintained its integrity as a storehouse of value and unit of account.

He allowed the markets to work freely in setting prices and wages, and in allocating resources by eliminating, in one bold stroke, all rationing and price controls.

He dramatically reduced the steeply graduated tax rates on working, saving, investing, and producing.

He applied orderly principles of law to private property, patents, and contracts.

And, he began to weave a safety net to take care of those who, for one reason or another, couldn't take care of themselves.

Erhard's reforms all rested on one fundamental principle of democracy: that prosperity, wealth, and opportunity can only be created by people acting freely and entrepreneurially—by strengthening the people and relying on their talents and potential—not government planning. Ladies and gentlemen, the key to wealth, and prosperity is allowing people freedom—freedom to work, to save, freedom to own their own property and homes, to succeed, and yes, to fail, but try again. The ultimate cause of the wealth of nations, and indeed, the wealth of cities, is people.

In my view, Eastern Europe's problems are no worse than those of post-war West Germany. The governments of Eastern Europe cannot expect to bring back growth without using the same classical economic approaches that restored prosperity to West Germany, helped revitalize the American economy under the policies of Ronald Reagan, and indeed are the hallmark of the dynamic nations of the Pacific Rim.

Eastern Europe really doesn't need more development banks; it doesn't need industrial policies; it doesn't need government-to-government grants and massive infusions of Marshall-style aid. The people themselves are a source of wealth. All they need is opportunity and the ideas that have been creating wealth and entrepreneurship in the West since the age of Adam Smith.

In what George Gilder, in his book, Microcosm, called the quantum age of the new technology, our greatest assets are not the wealth we see around us, but in the potential which is unseen in the economy of the human mind. With computers able to transmit the entire information contained in the U.S. Library of Congress in literally a flash of light, the capitalist market place has left the centrally-directed economies in the dustbin of history. The new waves of technology and the information revolution have left the socialist economies with but one choice: transform or descend into perpetual decline.

As President Bush said in his inaugural address: "We know what works—freedom works . . . We know how to secure a more just and prosperous life for man on earth: through free markets, free speech, free elections, and the exercise of free will unhampered by the state." The most important lesson of history is that the right policies lead to the right results.

Yet the sudden shift away from communist and socialist central planning has sometimes resulted in great pessimism about the world order. Here are people who have lived with the heavy boot of government central planning and dictatorship on their necks for some forty or fifty years—suddenly breathing the air of freedom and hope—only to be told by some in the West that what they will experience is years of pain and unemployment, sacrifice and difficulty.

To use an example from the left, Alexander Cockburn says that free market reforms would condemn Eastern Europe to permanent third-rate status. He offers no better solution than replacing hard Soviet socialism with "soft" Swedish socialsim.

Jeffrey Sachs from Harvard, using the conventional wisdom, advised Poland's first noncommunist government to impose devaluations and austerity. Poland increased taxes, rationed credit, postponed privatizatoin of enterprises, imposed strict wage controls, dramatically devalued the zloty, raised consumer prices, and crushed demand, causing so much pain and bickering that the great movement of Solidarity is breaking up into factions and disputes.

The Washington Post recently reported that the IMF is prescribing what it always prescribes—dramatic price increases in return for imposing more burdensome debt on overextended governments and people.

Well, you can't enrich poor nations by impoverishing their people. Indeed, neither Eastern Europe nor the U.S.S.R. is poor. There is tremendous wealth, creativity, and innovation in their people. After all, it is the mind and talents of a free people—not their material resources—which is the source of all wealth. The answer to poverty is not austerity. Nor is the answer international welfare. The real answer is economic growth that flows from the freedom if individuals are to work, save, invest in each other, and produce new wealth. The role of government is to protect these freedoms, and in so doing invite economic growth and an end to poverty.

This means preserving the value of the people's money, not cheating them out of their savings through devaluation. This will encourage them to produce and save more.

This means defending their property rights through the rule of law, so the people need not fear the confiscation of the fruits of their labors. This will encourage them to labor more.

This means levying taxes carefully, permitting the people to keep as much of their production as possible, thereby encouraging them to produce more.

This means taxing solely to raise revenues for the legitimate needs of the state, not to punish wealth and success to promote egalitarian ends.

This means preserving the competition of the marketplace at all levels of enterprise, resisting the impulse to protect big business and state enterprise at the expense of young and small entrepreneurs who can ultimately create most of the new wealth.

These are the lessons we have learned in the West in the last 200 years, beginning with the linkage of Jeffersonian democracy and Adam Smith's economic system of natural liberty. We have relearned and refined these lessons most recently with Ludwig Erhard's miracle in Germany, Ronald Reagan's revolution in the United States, Margaret Thatcher's revitalizaton of Great Britain, and now with President Bush's call for the 90s to be the decade of global democracy.

Looking beyond Europe 33 years ago, the great visionary and leader, Winston Churchill, predicted that "As long . . . as the free world holds together . . . and maintains its strength, Russia will find that Peace and Plenty have more to offer than exterminatory war . . . It may well be if wisdom and patience are practiced that Opportunity-for-All will conquer the minds . . . of mankind." How prophetic Churchill was! Just to survive, the Soviet Union must eventually adopt democratic capitalism and free markets. As champions of freedom, we who have long supported socially responsible free enterprise will be the first to welcome Russia back into the family of nations.

In fact, I hope to return to Scotland to help celebrate the ultimate fulfillment of Adam Smith's revolutionary ideal. Because he discovered the "nature and causes of the wealth of nations." we can increasingly look ahead to a world becoming even more united in freedom and democracy, peace and prosperity.●

TRIBUTE TO LESLIE J. MASSEY

● Mr. LUGAR. Mr. President, for more than 40 years Leslie J. Massey has worked tirelessly for the betterment of the deaf community. His constant service and caring assistance have been felt by a countless number of deaf citizens. The drive and conviction with which Les has sought to help deaf and hearing impaired individuals have resulted in the successful completion of a grand scope of accomplishments.

Les spent his youth in Lafayette, IN, as a champion boxer. His own deafness never hindered his athletic ability and certainly never stood in the way of his determination to work for the deaf community later in life. He attended the Indiana School for the Deaf, where he graduated salutatorian in 1943. Continuing his education, Les received his B.A. from Gallaudet College in 1948, and in 1961 was awarded his M.S. in education from Butler University.

For 35 years, Les served as an instructor at the Indiana School for the Deaf, where he also coached football, basketball, and track for 28 of these 35 years. His many years of teaching and coaching have helped in distinguishing Les as one of the most committed and influential leaders within the deaf community.

Throughout his life, Les has been involved with an endless number of organizations for the deaf in which he has consistently held office. He is a member of the Indiana Association of the Deaf [IAD] where he has served as both president and treasurer. Les also belongs to the National Association of the Deaf [NAD], the Registry of Interpreters for the Deaf [RID], and the Greater Indianapolis Deaf Club in which he has served as treasurer, secretary, and vice president.

Similarly, Les has remained an active alumnus of both the Indiana School for the Deaf and Gallaudet College, while also remaining involved with the Indiana State Teachers Asso-

ciation and the National Education Association. He has served as a volunteer in numerous capacities, ranging from teaching sign language classes to organizing sporting events in which deaf individuals participated.

Leslie Massey is an extraordinary person who continues to play an important role in working to benefit deaf and hard of hearing individuals. Through his deep concerns and many accomplishments, Les has made invaluable contributions to the entire deaf community.●

EXECUTIVE SUMMARY OF TO REPROCESS OR NOT TO REPROCESS: THE PUREX QUESTION

● Mr. ADAMS. Mr. President, today I am submitting for the RECORD an executive summary of a report recently published by the Hanford Education Action League on the Plutonium-Uranium Extraction [PUREX] Facility in Hanford, WA. The report is entitled "To Reprocess or Not to Reprocess: The PUREX Question," and was written by Scott Saleska and Arjun Makhijani of the Institute for Energy and Environmental Research.

I have long had questions about the best way to dispose of the remaining 2,100 metric tons of highly radioactive fuel from N-reactor operations at Hanford. To date, the Department of Energy has inadequately examined options for dealing with this fuel other than running it through PUREX. This report serves to broaden the debate over means of treating this fuel. I commend the Hanford Education Action League for commissioning this study and the State of Washington for making the funding for the report available.

The executive summary follows:

EXECUTIVE SUMMARY

INTRODUCTION

From December 1963 until 1988 the primary mission of the N-reactor at the U.S. Government's Hanford Reservation was the production of plutonium for federal nuclear weapons and research programs. Plutonium was produced as the reactor's fuel rods were irradiated; later, after the rods were withdrawn from the reactor and allowed to cool, plutonium was separated along with uranium in a chemical separation process known as PUREX (*P*lutonium-*UR*anium *EX*traction).

Until recently, the existing stock of highly radioactive used fuel (generally referred to as irradiated or spent fuel) from the N-reactor was intended to provide plutonium for the U.S. nuclear weapons program. A variety of factors, however, (including reduced international tensions, impending arms control cuts, and the cancellation of a proposed plutonium isotopic refining plant in Idaho known as SIS) have combined to reduce the need for this plutonium for weapons purposes. Since the U.S. Department of Energy (DOE) has acknowledged that it will not produce more plutonium for weapons for many years, the primary concern today for the disposition of this fuel is for environmental, safety, and health factors. Another consideration is the cost of the various options.

The N-reactor is now in a state of cold shutdown as a result of a DOE decision in early 1988 to permanently close the reactor because of safety problems raised in the aftermath of the explosion of the Soviet Union's Chernobyl nuclear station in April 1986. At the time of the 1988 decision to close the reactor, approximately 2,800 metric tons of irradiated fuel was stored in water basins awaiting reprocessing at Hanford's PUREX plant.

The safe and environmentally responsible reprocessing of irradiated nuclear fuel has always been a complex, difficult process because of the combination of radiological and chemical hazards involved, and PUREX has been plagued by many environmental and safety problems. The accumulating problems eventually caused its emergency shutdown in the middle of a reprocessing run in late 1988. Since then, PUREX has not operated except to finish up and clear out the remains of the aborted 1988 reprocessing run.

Currently there are approximately 2,100 metric tons of highly radioactive irradiated fuel from the N-reactor in storage. This fuel is currently stored in two water pools known as the K-basins. The fuel in basin K-West is encapsulated in sealed water-filled containers, while the fuel in the K-East basin is in open containers which leave it in direct contact with the basin water, which has become highly contaminated and has in the past leaked into the environment.

This study focuses on the question of what to do with this remaining irradiated fuel. This in turn involves both interim management and long-term management questions. There are three main options available for interim management of N-fuel:

Reprocess N-fuel at PUREX or a similar reprocessing plant, extracting the plutonium and uranium in the process, and converting most the rest of the spent fuel material into high-level and low-level radioactive wastes. Much of the low-level wastes would be discharged to the ground, while the high-level wastes would be stored and subject to ongoing management in Hanford's high-level waste tanks and waste processing activities;

Continue to store N-fuel underwater in storage basins with encapsulation of exposed fuel elements to protect against continued radioactive contamination of the basin water; or,

Transfer N-fuel to new dry storage facilities where fuel elements would be stored in enclosed casks under a suitable cover gas such as argon or helium.

The latter two of these options would leave the plutonium in the fuel unrecovered. All three interim options would require eventual permanent disposition of high-level radioactive waste, either in the form of containerized spent fuel rods, or in some other form such as vitrified glass (planned by DOE for high-level liquid reprocessing waste) or possibly containerized N-fuel material in an oxidized form. According to current U.S. policy, such disposition will eventually involve permanent emplacement of the waste in a deep underground repository. This is currently scheduled to begin in the year 2010, assuming the one site currently under investigation at Yucca Mountain, Nevada proves to be suitable and can be licensed by the U.S. Nuclear Regulatory Commission.

In late 1989, Westinghouse Hanford Company, the principal federal contractor at the Hanford site, released a study—"the Westinghouse Study" (WHC 1989c)—outlining several options for N-fuel management and purporting to address the question of which one to adopt. This study was based in part on a 1982 DOE Environmental Impact Statement on PUREX operation (DOE 1982), and has also been supplemented by an April 1990 study examining the non-PUREX options in somewhat greater detail (WHC 1990c).

The Westinghouse documents concluded that the most desirable option for the safe, environmentally sound, and cost-effective management of the remaining N-reactor fuel is the re-start of PUREX to reprocess it. Westinghouse further concluded that continued underwater storage of N-fuel in the basins "is not considered environmentally responsible," [1] and that the PUREX option will resolve the problem of N-fuel management the quickest by clearing all N-fuel out of basin storage by 1995.

With regard to the non-PUREX options, Westinghouse found that all "are technically possible," but that all were also "subject to regulatory and legislative guidelines/controls and more detailed engineering studies that can not be fully evaluated until the decision process begins." "In the interim," Westinghouse concludes, "we are continuing to plan on processing all of the N-Reactor spent fuel through the PUREX plant." [2]

Westinghouse also noted that all non-PUREX N-fuel storage options would probably be subject to federal law [3] requiring that an Environmental Impact Statement (EIS) be conducted prior to implementation, and that "[t]he single exception to the EIS requirement would be processing through PUREX as is currently planned." (WHC 1990c, p. 2.)

SUMMARY OF FINDINGS

There are two specific areas of findings in this study regarding the management of Hanford's irradiated N-reactor fuel. The first relates directly to the approach to this issue taken by Westinghouse and DOE and the methodology and content of studies supporting that approach. The second relates to the inherent technical and policy questions surrounding options for N-fuel management, which to a large extent, exist regardless of how DOE and Westinghouse deal with them.

A. Assessing the DOE/Westinghouse approach

Analysis of DOE management over the last decade reveals serious flaws in the approach being taken toward N-fuel management. Specifically, our principal findings with regard to the DOE approach to the N-fuel management problem are as follows:

1. The principal environmental need purportedly addressed by PUREX operation—i.e., the clean out of spent N-fuel from the water basins—is a product of DOE's past neglect. To the extent that water basin storage is now an environmental problem, it is largely one of DOE's own making, one

[1] Cover letter from J.C. Fulton, Manager, Chemical Processing Programs of Westinghouse Hanford Company to J.R. Hunter, Director of Operations at U.S. DOE—Richland, transmitting WHC 1989c (Dec. 13, 1989).

[2] Cover letter from W.G. Ruff, Deputy Manager, Defense Operations Division of Westinghouse Hanford Company to J.R. Hunter, Director of Operations at U.S. DOE—Richland, transmitting WHC 1990d (April 13, 1990), p. 1.

[3] The National Environmental Policy Act (NEPA), 42 U.S. Code, Sections 4321 *et seq.*

whose present-day urgency could have been foreseen and responsibly addressed long ago by the implementation of sounder fuel storage techniques.

2. The main Westinghouse study, conducted for DOE which called for PUREX operation as an environmental clean-up measure (WHC 1989c) is based on distorted and incomplete analysis. Our primary findings are that it downplays the feasibility of what may be the least dangerous option (dry storage) and ignores the most serious dangers to the public (the potential explosion of high-level water tanks).

3. The DOE/Westinghouse statement that PUREX will resolve the problem of N-fuel the fastest is highly misleading. On the one hand, the Westinghouse study implies that once reprocessing activities at PUREX are complete (by about 1995, it is claimed) resolution is achieved—an attitude which ignores the liquid high-level radioactive reprocessing wastes. On the other hand, it is implied that the non-reprocessing options do not resolve the problem until around 2010, the time of final disposal.

In fact, dry storage of N-fuel is an interim option which could remove N-fuel from the K-basins in the same timeframe as assumed for PUREX.

In any case, no conceivable interim option for N-fuel management resolves the problem before permanent disposition is achieved, since *all* options result in significant quantities of high-level radioactive waste or spent fuel which must be managed for the long term.

4. The tone of the Westinghouse Study implies a relatively urgent need to clear out spent N-fuel from the water basins which is not explained. Although it is fairly clear that by modern environmental standards, continued storage of N-fuel in the water basins under current conditions would not be considered "environmentally responsible" (as Westinghouse notes), there is no basis that we are aware of for concluding that continued underwater storage of N-fuel in an encapsulated form is any more environmentally irresponsible than reprocessing at PUREX; indeed, there is some reason to conclude that PUREX operation would be more environmentally irresponsible than continued N-fuel storage in K-basins (see Findings 4 and 5 in part B, below).

5. The cost figures used in Westinghouse's cost-comparison are speculative and not sufficiently developed to permit a reasonably accurate cost comparison to be made, much less to provide a basis for a definitive conclusion regarding a "least cost" option. Moreover, by failing to use standard financial cost-comparison techniques which are so basic they would be familiar to any sophomore-level student of financial planning, Westinghouse has produced a highly distorted cost picture which reduces PUREX costs relative to the non-PUREX options.

6. The Westinghouse study predicts high costs for the no-reprocessing options in large part because PUREX is assumed to be maintained in a costly stand-by until after the turn of the century. This assumption is programmatically absurd because it yields higher PUREX costs if PUREX does not operate than if the plant is used to reprocess N-fuel.

7. In fact, contrary to the conclusions of the Westinghouse study, an adjusted cost analysis based on the order-of-magnitude Westinghouse cost-data implies that the operation of PUREX may be among the most costly options for managing N-fuel.

Taken together, these flaws invalidate the conclusions of the Westinghouse study, and appear to indicate that the analysis was more a cavalier exercise in after-the-fact rationalizaiton of a decision already made to operate PUREX thatn an honest attempt to address the environmental problems posed by N-reactor fuel. Evidence for such an attitude is found in the testimony of a DOE contractor before a DOE advisory panel, in which the decision to re-start PUREX was explained as follows:

"I don't know that we debated it extensively but at least we bought off on the idea it is better to process that fuel whether you need the material or not than to leave it in the K-basin. . . . Transporting the fuel to some other location didn't strike us as a good alternative. Without what I would call detailed debate, we basically bought off on the idea that yeah, processing it was the best thing you could possibly do with that fuel." [4]

That same cavalier attitude permeates the official evaluation of options. Thus, the need for a serious, complete, and competently conducted analysis which would measure all N-fuel management options against objective criteria remains as strong as ever.

The National Environmental Policy Act (NEPA)—the primary federal law intended to encourage the kind of sound, far-sighted environmental decision-making that DOE appears to be avoiding in this case—would require the completion of just such an analysis in the form of a supplementary Environmental Impact Statement (EIS). Instead of adopting this approach, however, DOE has so far denied that the law applies to the re-start of PUREX as a clean-up machine; indeed, Westinghouse has even gone so far as to cite NEPA as just another example of one of the regulatory hurdles that would apply to all no-PUREX options for N-fuel management, but would not apply to PUREX operation itself.[5] Such an attitude—which seems to view an EIS as simply a regulatory hurdle rather than an opportunity for sound and comprehensive environmental decision-making—is perhaps another example of the narrow approach of DOE and Westinghouse to the PUREX question which resulted in such a deeply flawed study in the first place.

In any case, the fact is that the EIS requirements are not so clear-cut as Westinghouse asserts. The legal applicability of NEPA to the new plans for PUREX is a matter of some debate, and has not yet been determined by the courts.[6]

In sum, an examination of the approach taken so far by DOE and Westinghouse with regard to N-fuel management and PUREX operation reveals fundamentally inadequate technical analysis, a cavalier attitude towards issues of the most serious nature, and a narrow-minded reluctance to consider the intent of environmental law. The DOE record so far on the PUREX question indicates that DOE Secretary Watkins' attempts to change the culture of DOE have so far been ineffective, at least on this question.

B. Assessing technical and policy issues regarding N-fuel management

Based on a preliminary review of the data, and on past experience in the U.S. and Britain with the management of spent nuclear fuels and high-level nuclear wastes, we have reached several tentative conclusions about the technical and policy aspects of N-fuel management. It should be emphasized that because of constraints of time and financial resources, these findings are, of necessity, preliminary in nature. There is still a need for a more detailed, quantitative risk assessment. Specifically, our approach does not incorporate probabilistic risk analysis, but focuses instead on the conclusions which can be drawn based primarily on evaluation of the relative magnitude of possible consequences associated with proposed options. The utility of such an analysis is that it can be useful in defining the important questions which need to be further addressed in a subsequent and more detailed risk assessment.

Our principal findings regarding technical and policy issues can be divided into short-term and long-term issues as follows:

Short-Term Management Issues

1. There is no magic bullet. N-fuel was not designed for extended storage, and no option for its management is without risks. Indeed, these risks appear (regardless of the option considered) to be greater than those which would be associated with comparable options implemented with commercial spent fuel.

2. The highest-consequence potential hazards for public health and the environment appear to be associated with the operation of PUREX. Specifically, the highest-consequence hazard appears to be the explosion of a waste tank containing the high-level liquid wastes from PUREX which, depending on the explosive force generated, could result in extensive radioactive contamination.

3. It appears that the dry storage of N-fuel under a dry inert gas such as helium or argon may well be the lowest-risk method for interim on-site management of N-fuel. Because the question of final waste disposal form is left open for future determination, this approach also makes no assumptions concerning repository availability or location.

4. Even in the absence of dry storage, there is reason to conclude that the environmental consequences of PUREX operation will be comparable if not worse than continued storage in the water basins, based on PUREX's routine radioactive emissions alone. For example, although the two events are not strictly comparable, the activity level of routine discharges of radioactivity to the environment (air and ground) from PUREX during its last year of operation was greater than the accidental levels of radioactive discharge from the K-East basin which last leaked in the late 1970's.

5. Encapsulation of all currently exposed N-fuel (a prospect which was apparently considered and rejected around 1980 because it was anticipated that PUREX would clean out the K-East basin by the mid 1980's) would considerably reduce the probability of leakage of radioactivity to the environment. According to current PUREX operating standards, however, PUREX operation will result in eventual radioactive discharges to the environment with virtual 100 percent certainty.

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[4] DOE Contractor Dana Powers, before the Advisory Committee on Nuclear Facility Safety, (Feb. 20, 1990), pp. 209-210. Available from U.S. Department of Energy, 1000 Independence Ave SW, Washington, DC 20585.

[5] As mentioned in the introduction, one recent Westinghouse document (WHC 1990c, p. 2) noted that the "single exception to the EIS requirement would be processing through PUREX as currently planned."

[6] Several citizen groups have indicated their intent to bring legal action against DOE if it does not agree to conduct an Environmental Impact Statement according to NEPA requirements. See NRDC 1990.

6. The option which would generate the greatest total volume of radioactive waste across all categories is the operation of PUREX. The ultimate volume of high-level waste (assuming it has been converted to its final vitrified glass form) generated by reprocessing would be roughly comparable to the volume of N-fuel, but the volume of low-level radioactive wastes generated by reprocessing would be immensely greater than for any other option for N-fuel disposition.

In sum, significant risks which exceed the limits of acceptability in modern commercial nuclear practice are inherent in virtually all options for managing N-fuel. However, a preliminary consideration of the options based on a "minimum possible environmental consequence" approach indicates that PUREX operation (and thus, adoption of reprocessing tank wastes and glass as an indefinite on-site storage form) is imprudent, particularly in the name of clean-up and increased safety. This is especially true in light of the existence of several interim storage alternatives which appear preferable to reprocessing at PUREX.

Long-Term Management Issues

1. There are unavoidable uncertainties which apply to all options regarding the long-term or permanent disposition of N-fuel. A principal reason for this is the large uncertainties associated with the development of a permanent solution for the disposition of high-level radioactive wastes and spent fuel in the U.S. According to current U.S. policy, such disposition will take place some time after the year 2010 by the permanent emplacement of high-level wastes and spent fuel in a deep underground repository at a site known as Yucca Mountain, Nevada, which is being developed by the DOE.

2. However, DOE's Yucca Mountain program suffers from numerous problems, and the suitability of the site itself remains in question, not to mention the date of availability. Additional uncertainty pertains to the compatibility of N-fuel (in any of its possible forms, including glass) with the Yucca Mountain environment.

3. Interim management options—such as upgraded storage in water basins or storage in dry casks—which maintain N-fuel in its current form provide the greatest technical flexibility for resolving the uncertainties associated with long-term disposal.

RECOMMENDATIONS

After consideration of the above findings, including the apparent dangers associated with PUREX operation, high-level waste generation and management, ongoing N-fuel storage, and other considerations, our preliminary recommendation are as follows:

A. Short-term management

1. Because the highest-consequence hazards appear to be associated with reprocessing, and because alternative methods for N-fuel management are available, PUREX should not restart.

2. Regardless of the method of N-fuel management ultimately adopted, underwater storage of N-fuel will continue in the K-basins for at least five years. Therefore, encapsulation of exposed N-fuel should proceed as soon as possible to minimize the risk associated with continued underwater storage.

3. Because preliminary information indicates that dry storage under helium, argon, or other suitable gas may be the most desirable option for interim management of N-fuel, preliminary design work on dry storage facilities for N-fuel should begin as soon as possible;

B. Long-term management

1. Because maintaining N-fuel in its current form provides the greatest flexibility in the face of long-term disposal uncertainties, remaining N-fuel should not be reprocessed. Thus, long-term considerations reinforce recommendation 1 in Part A, above, that PUREX should not operate.

2. In order for any DOE proposal for PUREX as a clean-up operation to be taken seriously, it should include plans for the permanent disposition of the separated plutonium along with the high-level and other wastes generated. This is the only way that DOE can assure observers that plutonium production is not the real motive for PUREX operation.

C. Issues for further study

Simultaneous with encapsulation of exposed N-fuel in the K-basins and initiation of detailed dry storage design work, an independent study (as could be mandated by Congress or conducted by the National Academy of Sciences) is needed to more precisely characterize and compare the risks inherent in options for N-fuel management. Such an analysis should include detailed consideration of:

1. Interim Measures for N-fuel Management. More detailed, quantitative consideration is needed of interim measures based on their relative environmental risks. Examination of such measures should include consideration of the following:

(a) Relative Risks of N-fuel Storage Forms. A comparison of the relative risks and costs associated with the interim storage options for maintaining N-fuel in its current form. Specifically, a comparison should be made between continued storage of N-fuel in K-basins (assuming upgrade of water storage via encapsulation of currently exposed fuel elements) and dry storage of N-fuel in new facilities;

(b) PUREX as Waste Conversion Facility. Further consideration of PUREX is probably not necessary. However, if DOE intends to further consider PUREX operation, the plant needs to be viewed as a waste treatment operation for converting N-fuel to high-level waste. From this perspective, PUREX needs to be compared with the other interim management options on the basis, not only of plant operation, but of the environmental risks and costs associated with low-level waste disposal, ongoing management of high-level waste in tanks, and with eventual vitrification of these wastes.

(c) Waste Tank Explosion risks associated with PUREX operation. Since it has not done so previously, DOE needs to undertake a complete assessment of the Soviet Kyshtym waste tank explosion and its lessons for the U.S. in terms of the consequences and probabilities of catastrophic tank explosions. Such an assessment should include consideration of the mechanism of radiolytic generation of hydrogen and failure of tank ventilation systems as a source of tank explosion risk.

(d) Ability of each option to comply with existing environmental law. Currently, even in shut-down mode, PUREX is in violation of federal hazardous waste law (RCRA). The ability of other options for N-fuel management to comply with existing federal law needs to be evaluated and compared to PUREX operation.

(e) Uranium metal Fires in all N-fuel Management Options. The risk of uranium metal fires associated with each option for the management of N-fuel needs to be fully evaluated (including risks for dry storage, oxidation, and reprocessing). In addition, the magnitude of risk probabilities associated with metal fires in each option needs to be estimated, so that it can be compared with the risks of fires in other options for managing N-fuel. It is not sufficient to simply state, as DOE has done in the past, that the risk is "small."

2. Compatibility of Interim with Long-Term Measures. The analysis should include consideration of the compatibility of interim management options with the potential problems associated with the development of long-term measures for the permanent disposition of N-fuel. Optimal interim options, from this perspective, would be those which minimize risks even in the absence of assumed repository availability and whose final waste form can be determined when final disposal conditions become more certain. Less desirable would be those interim management options which foreclose long-term options, or result in waste forms that would be more difficult to change if final disposal conditions are different from those currently assumed.

Consideration of these issues is necessary to ensure risk minimization even in the face of repository development uncertainties. Included under this category should be analysis relating to:

(a) Direct disposal for N-fuel. The direct disposal of N-fuel needs to be explicitly considered as one of the options for its management and compared on an equal basis to other long-term options. Consideration should be given in this process to the approach of viewing the waste canister and surrounding overpack as equal in importance to geologic isolation for achieving long-term containment.

(b) Potential disposal problems associated with vitrified glass waste forms. DOE needs to address the potential difficulties associated with the repository disposal of vitrified glass, especially in the Yucca Mountain environment.

(c) Possible sensitivity of waste form to repository location or nature of host-rock.

3. Complete life-cycle costs of each option. A competent cost assessment is needed that compares the costs of each option.

4. Options for irradiated FFTF and Shippingport fuels. Options for the disposition of FFTF and Shippingport fuels need to be weighed in the same way as options for N-fuel before a conclusion can be drawn regarding the safest and most cost-effective option.●

STEEL SUBSIDY NO. 7: INDONESIA

● Mr. HEINZ. Mr. President, over the past few weeks, I have spoken about a widespread problem in international steel production: the use of subsidies by many countries to support their domestic firms. As I have previously documented, subsidization is practiced in every region of the world and by most steel producers.

I would like today to turn to Indonesia—another wildcard country that is using subsidies. In my remarks of June 21, I referred to Turkey as such a wildcard because it has neither a voluntary restraint agreement, nor a bilateral consensus agreement with the United States and thus has no guidelines to insure that its steel trade with the United States is conducted on a level

playing field. The same holds true for Indonesia, and American steelmakers are the loser because of it.

In April, 1989, the Indonesian Government injected $75 million in equity and loans into that Nation's only cold-rolling mill, CRMI. According to the recently released report, "Steel at a Glance," another $357 million infusion is under consideration. Secondly, Krakatau, the state-owned integrated steelmaker, has increased its 1990 expansion project and plans to partially fund this work through loans from government banks.

Actions like these are intolerable market distortions and are the intended target of the President's efforts to forge an international consensus on steel production. But without cooperation from all parties, an agreement will remain out of reach. Renewed attempts must be made both to reach a global accord which includes these wildcard producers and to enforce existing pacts completely. The Trade Agreements Compliance Act, which Senator BAUCUS and I and others have introduced, will go a long way to accomplishing the latter task. Our steel industry can meet and beat any competitor in the world today, if free and fair trade is practiced. To this end, I urge Senators' support for President Bush's steel initiative and for the Trade Agreements Compliance Act.●

ORDERS FOR TOMORROW

Mr. LEAHY. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Thursday, July 26; that following the prayer, the Journal of proceedings be approved to date; that the time for the two leaders be reserved for their use later in the day; that upon reservation of the two leaders' time there be a period for morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each; and that Senators NUNN and REID be recognized for up to 15 minutes each; and I further ask unanimous consent at 10, when the Senate resumes S. 2830, that Senator LAUTENBERG be recognized to offer an amendment relating to pesticides.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. LEAHY. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in recess under the previous order until 9 a.m., Thursday, July 26, 1990.

There being no objection, the Senate, at 10:59 p.m., recessed until Thursday, July 26, 1990, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 25, 1990:

SUPREME COURT OF THE UNITED STATES

DAVID H. SOUTER, OF NEW HAMPSHIRE, TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES, VICE WILLIAM JOSEPH BRENNAN, JR., RETIRED.

DEPARTMENT OF STATE

EDWARD P. BRYNN, OF VERMONT, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BURKINA FASO.

RYAN CLARK CROCKER, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF LEBANON.

DEPARTMENT OF THE TREASURY

JEROME H. POWELL, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE DAVID W. MULLINS, JR., RESIGNED.

EXTENSIONS OF REMARKS

ITALIAN-AMERICAN HERITAGE AND CULTURE MONTH

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1990

Mr. ENGEL. Mr. Speaker, today I would like to take the opportunity to introduce, along with 103 of my colleagues, a bipartisan piece of legislation designating October, 1990 as Italian-American Heritage and Culture Month. This resolution will pay tribute to the experiences and achievement of Italian-Americans in this country. This commerative legislation will continue a tradition I initiated last year when Congress, for the first time, passed and the President signed a resoltuion designating October, 1989 as Italian-American Heritage and Culture Month.

The Italian-American community is one of the largest ethnic groups in the United States representing over 20 million American citizens. Their experiences are not unlike those of other immigrant groups who have journeyed to our shores seeking greater opportunities and a new and better life. Italian-Americans, like other immigrant groups, have aspired to the attainment of the American dream and their contributions have helped shape the great tapestry of the United States.

The designation of October as Italian-American Heritage and Culture Month will honor Christopher Columbus and his unique place in American history and will feature the many contributions and achievements of Italians and Italian-Americans in every facet of life in these United States. In addition, a key objective of this commemoration will be to acquaint the American public with the lesser known personages such as William Paca, an original signer of the Declaration of Independence, Philip Mazzei, credited with coining the Declaration of Independence phrase, "All men are created equal," Enrico Fermi, one of the early pioneers of nuclear physics, and others who have contributed so much to the development of our country.

There are many Italian-American groups and organizations throughout the country which greatly contribute to the progress and prosperity of our Nation on a yearly basis. These organizations are planning special programs and events during the month of October in conjunction with Italian-American Heritage and Culture Month. These events will bring to the attention of the public the great contributions Italian-Americans have to our society.

Mr. Speaker, it is with great honor and pride that I propose this legislation. I wholeheartedly urge my colleagues to join me in designating October 1990 as "Italian-American Heritage and Culture Month."

H.R. 4000, THE CIVIL RIGHTS ACT OF 1990, IS PRO-WOMEN'S RIGHTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1990

Mr. HAWKINS. Mr. Speaker, the Civil Rights Act of 1990 is largely restorative in nature, but it also achieves equity for women by conforming the remedies available under Federal law for intentional discrimination. Currently, only racial minorities may recover compensatory and, in particularly egregious cases, punitive damages. Our society holds gender, religious and national origin discrimination to be just as reprehensible, but victims of these types of intentional job bias cannot recover such damages under Federal law. The Civil Rights Act of 1990 would fill this gap in title VII's remedial scheme.

The current gap discourages many victims from filing suit to enforce their rights. As one Federal judge has recognized:

There is little incentive for a plaintiff to bring a title VII suit when the best that she can hope for is an order to her supervisor and to her employer to treat her with the dignity she deserves and the costs of bringing her suit. One can expect that a potential claimant will pause long before enduring the humiliation of making public the indignities which she has suffered in private • • • when she is precluded from recovering damages for her perpetrators' behavior.

Even if they file suit, and prove a violation of title VII, many women are not made whole for their injuries. What good is a legal right without an effective remedy to enforce its breach?

The employer lobby warns that adding damages to title VII will trigger a litigation explosion and produce multimillion dollar jury verdicts for plaintiffs. But look at our experience with cases involving intentional racial discrimination. A recent study by Shea & Gardner, a large Washington, DC, law firm, found that plaintiffs were awarded compensatory and punitive damages in only 68 of 576 reported cases between 1980 and 1989. Plaintiffs received less than $50,000—for both compensatory and punitive damages combined—in two-thirds of these 68 cases, and received more than $200,000 in only three instances. I would like to include this study in the CONGRESSIONAL RECORD for the benefit of the Members of Congress.

The changes proposed by the pending legislation are fair, necessary, and long overdue for women and nonracial minorities. These workers deserve better than second-class remedies.

ANALYSIS OF DAMAGE AWARDS UNDER SECTION 1981

INTRODUCTION

Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e-2000e-17 (1982), prohibits employment discrimination on the basis of race, color, religion, sex or national origin. 42 U.S.C. § 2000e-2(a). Employees who succeed on a Title VII claim are entitled to equitable relief including back and front pay, reinstatement, instatement, injunctive relief and attorney fees. 42 U.S.C. §2000e-5(g) and (k). Successful Title VII employees cannot, however, receive compensation for consequential damages for injuries resulting from the discrimination, such as medical expenses, nor are they entitled to punitive damages.

Employees also are protected from intentional employment discrimination on the basis of race under 42 U.S.C. §1981 (1982). In addition to equitable relief, Section 1981 awards compensatory and punitive damages. Thus, if an employee sues under both Title VII and Section 1981, compensatory and punitive damages would be available. Because, however, Section 1981 does not prohibit employment discrimination on all of the bases protected under Title VII, such as sex, even where an employer intentionally engages in unlawful sex discrimination, an employee is not entitled to compensatory or punitive damages.

Legislation entitled "The Civil Rights Act of 1990," S. 2140/H.R. 4000, 101st Cong., 2d Sess. (1990) (the 1990 Act), has recently been introduced in Congress. The purpose of the 1990 Act is to "amend the Civil Rights Act of 1964 to restore and strengthen civil rights laws that ban discrimination in employment . . ." Preamble to the 1990 Act. In Title VII cases involving intentional discrimination, Section 8 of the 1990 Act states that compensatory damages may be awarded and, if an employer engages in an "unlawful employment practice with malice, or with reckless or callous indifference to the federally protected rights of others, punitive damages may be awarded."

The purpose of Section 8 is to ensure that remedies available to Title VII plaintiffs are equivalent to the remedies which are available to employees who sue under Section 1981. When looking at liability, courts have already held that, "[w]hen 42 U.S.C. § 1981 and Title VII are alleged as parallel bases of relief, the same elements of proof are required for both actions."

Flanagan v. *Aaron E. Henry Community Health Services Center*, 876 F.2d 1231, 1233-34 (5th Cir. 1989). Thus, since the standard for proving intentional discrimination would be the same for Section 1981 and Title VII, by examining damages which have been awarded in Section 1981 employment discrimination cases, it is possible to forecast the types of awards which could be rendered if Congress passes the 1990 Act.

We have reviewed Section 1981 employment discrimination claims decided in United States federal district courts and Courts of Appeals for the past ten years. In short, using the Section 1981 experience as

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

a guide our research shows that, if Congress passes the 1990 Act:

(1) Most plaintiffs' claims for damages will fail for procedural or substantive reasons;

(2) Of those plaintiffs who do prevail, many will receive only equitable relief, which currently is available under Title VII;

(3) When a plaintiff does receive compensatory or punitive damages, the award will probably be moderate;

(4) If an employer engages in outrageous intentional discrimination, in a few cases, the plaintiff may receive a more substantial compensatory or punitive damages award; and

(5) If either a jury or court awards excessive compensatory or punitive damages, the award may well be reduced or reversed on appeal.

DISCUSSION

Our research included a total of 576 cases decided between 1980 and 1990. Of these cases, 144 settled, or were reversed or remanded, and no further information was available. In 314 cases, the claims either were dismissed before trial or a court or jury ruled that the plaintiff was not entitled to relief under Section 1981.

In the 118 remaining cases, the plaintiff proved that the employer intentionally engaged in unlawful racial discrimination. In 50 of these cases, however, plaintiffs did not receive any compensatory relief or punitive damages. Rather, the plaintiff received only back pay, front pay or other equitable remedies comparable to those currently available under Title VII. See Appendix B for a list of these cases. In many of these cases, compensatory or punitive damages were not awarded because the court specifically concluded that the remedies afforded under Title VII were sufficient to make the plaintiff whole for the damage suffered. See *e.g., Walsdorf* v. *Board of Commissioners for The East Jefferson Levee District,* 857 F.2d 1047, 1054 (5th Cir. 1988). Thus, because it is likely that Title VII plaintiffs will have experiences similar to Section 1981 plaintiffs, even if the 1990 Act is passed, our research demonstrates that, in a substantial number of cases, courts will continue to award only equitable relief.

From 1980 to the present, our research found that plaintiffs were awarded compensatory or punitive damages in 68 cases involving 91 claims.[1] Of the 65 claims where it is possible to determine the exact amount of the award,[2] 42 of the combined compensatory and punitive damages awards were $50,000.00 or less. See Appendix A. In fact, in four cases, plaintiffs received nominal awards of less than $500,00.

Our research found five cases over the past ten years where judges or juries awarded substantial compensatory or punitive damages that were later found to be unwarranted.[3] On appeal, these awards were either reduced or the entire case was reversed because of the amount of the award. Thus, in *Vance* v. *Southern Bell Tel. and Tel. Co.,* 863 F.2d 1503 (11th Cir. 1989), a jury awarded $42,000.00 in back pay, $500,000.00 in front pay, $500,000.00 in compensatory damages and $2.5 million in punitive damages. The district court ruled that all of the damages awards were excessive and granted the defendant's motion for a new trial. The Court of Appeals affirmed the district court and remanded for a new trial stating that "the size of each of the damages awards when considered in light of the evidence presented supports the district court's grant of a new trial." 863 F.2d at 1516.

Similarly, in *Stephens* v. *South Atlantic Canners, Inc.,* 848 F.2d 484 (4th Cir. 1988), a jury awarded $100,000.00 in compensatory damages and $85,000.00 in punitive damages. After reviewing the evidence, the Court of Appeals affirmed the compensatory damages award, but held that "our detailed review of the proceedings reveals no evidence which would support an award of punitive damages." *Id.* at 492 (footnote omitted). See also *Ramsey* v. *American Air Filter Co.,* 772 F.2d 1303 (7th Cir. 1985); *Rodgers* v. *Fisher Body Division, 739 F.2d 1102 (6th Cir. 1984); Rowlett* v. *Anheuser-Busch Inc.,* 832 F.2d 194 (1st Cir. 1987). These cases indicate that if a jury or a court awards excessive compensatory or punitive damages, the award can be corrected by a trial or appeals court.

In all of the cases we reviewed, we found only three cases, one of which is pending on Appeal, where a plaintiff was ultimately awarded in excess of $200,000.00 in compensatory and/or punitive damages. In *Rowlett* v. *Anheuser. Busch, Inc.,* 832 F.2d 194 (1st Cir. 1987), a jury awarded $123,000.00 in compensatory damages and $3 million in punitive damages. The Court of Appeals noted that the defendant discriminated against the plaintiff for over ten years, then terminated the plaintiff for "disloyalty" after he filed a discrimination claim with the New Hampshire Commission of Human Rights. 832 F.2d at 197. Because of these acts, the court ruled that the compensatory damages award was not grossly excessive. While the court felt that the punitive damages award needed to be substantial because "Anheuser-Busch is a substantial company [and] any amount adjudged must be sufficient to deter it or any other rational employer from repeating such conduct in the future," it did not feel that Anheuser-Busch's conduct warranted "$3 million worth of outrage." *Id.* at 206, 207. Accordingly, it reduced the $3 million award to $300,000.00.

Similarly, the court in *Mitchell* v. *Keith,* 752 F.2d 385 (9th Cir. 1985), awarded $500,000.00 in punitive damages. The plaintiff in this case was the first Equal Employment Opportunity Coordinator at one of General Motors Corporation's (GM) California plants. Although there were multi-defendants in this case, punitive damages were assessed only against General Motors Corporation. The Court of Appeals ruled that the amount was not excessive because GM fired the plaintiff solely because of his efforts to protect the rights of minority employees.

Finally, in *McKnight* v. *General Motors Corporation,* 705 F.Supp. 464 (E.D. Wis. 1989), the plaintiff was awarded $500,000.00 in punitive damages. The jury found that the plaintiff was fired in retaliation for filing valid racial discrimination complaints in the past.[4]

CONCLUSION

Our research demonstrates that, since 1980, victims of intentional employment discrimination have not received excessive damage awards under 42 U.S.C. 1981. Since courts use the same standards to examine intentional discrimination claims under Section 1981 and Title VII, we believe that the types of relief afforded in Section 1981 claims accurately reflect relief that would be awarded under the Civil Rights Act of 1990. Using the Section 1981 experience as a guide, our research shows that, if Congress passes the 1990 Act, most plaintiffs will receive neither compensatory nor punitive damages. Even if an employee proves that the employer engaged in intentional discrimination, unless an employer has engaged in outrageous, intentional conduct, compensatory and punitive damages awards will be moderate. Finally, if a judge or jury awards "excessive" damages, the award will be modified by another court.

FOOTNOTES

[1] Some of the cases had more than one plaintiff.

[2] Because some of the awards combined back pay and compensatory damages and because many of the trials were bifurcated or the damages award was calculated later, we were unable to ascertain the amount of damages awarded in all cases.

[3] These five cases appear on Appendix C.

[4] General Motors has appealed the jury verdict. The case was argued on February 12, 1990 in the United States Court of Appeals for the Seventh Circuit before Judges Posner, Easterbrook and Fairchild. It is currently under advisement.

Footnotes at end of article.

STATUS OF NEW GERMAN EXPORT CONTROL LEGISLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. HAMILTON. Mr. Speaker, I would like to draw the attention of my colleagues to correspondence I recently had with the German Ambassador to the United States, the Honorable Juergen Ruhfus, regarding German export control laws. This correspondence deals with the status of German export control legislation introduced in 1989 following revelations linking German private companies to the Rabta chemical plant in Libya.

At that time of the Rabta incident, Chancellor Kohl announced that his government would tighten export controls and strengthen weak laws and lax penalties for companies that illegally exported weapons technology. To date, only part of this legislation has entered into force.

The correspondence that follows deals with the pace of progress the German Government has made in addressing this issue. It includes a letter from the subcommittee to Ambassador Ruhfus, dated June 21, 1990 and two subsequent responses from Ambassador Ruhfus, dated July 6, and July 19, 1990.

The correspondence follows:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, June 21, 1990.

His Excellency JUERGEN RUHFUS,
Ambassador, Embassy of the Federal Republic of Germany, Washington, DC.

DEAR MR. AMBASSADOR: I write with respect to an article which appeared in *The Washington Post* on Sunday, June 10, 1990. The article, "Asia's Nuclear Nightmare: The German Connection," states that "a constant flow of German exports has brought India and Pakistan to the brink of nuclear deployment."

The article makes several charges against the government of the Federal Republic concerning lax export policies. Specifically, the article claims that:

The West German government did not stop uranium enrichment exports to Pakistan from the firm of Albert Migule between 1977 and 1980;

West German firms provided special steel, electronics and processing vessels enabling

Pakistan to produce nuclear weapons materiel;

West German firms provided Pakistan with designs for a tritium-making reactor and supplied Pakistan with a tritium gas purification plant;

The West German Government did nothing to prevent a Duesseldorf firm from smuggling heavy water to India, or to prosecute it later, despite intelligence provided by the United States and diplomatic overtures from the United States, Switzerland and Norway.

I would appreciate your comments on these points raised by Mr. Milhollin's article, as well as your answers to the following questions:

How have export control laws, regulations and administrative practices in the Federal Republic changed since the time of the incidents raised by Mr. Milhollin's article?

Would current export control laws, regulations and administrative practices in the Federal Republic now prevent the types of exports cited by Mr. Milhollin?

How would the changes in export control laws proposed by Chancellor Kohl's government in the aftermath of the Rabta affair (early 1989) affect German exports of nuclear-, chemical-, and ballistic missile-related technologies?

What is the status of the proposed export control legislation?

What priority does the government of the Federal Republic attach to enactment of this legislation?

Do you expect this legislation to be enacted before Federal elections take place at the end of this year?

What is the reason for the long delay in enactment of this legislation?

I am sure you are aware of the sensitivities of many Members on these export issues. I would appreciate your providing comments on this article and I look forward to your reply.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

THE AMBASSADOR OF THE
FEDERAL REPUBLIC OF GERMANY,
Washington, DC, July 6, 1990.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Washington, DC.

MR. CHAIRMAN: Thank you for your letter of June 21, 1990, in which you raised questions regarding an article by Prof. Milhollin in the Washington Post of June 10, 1990.

As a preliminary answer to your questions I should like to inform you that in response to increasing risks of proliferation and misuse in the areas of nuclear, chemical and biological weapons technology the Federal Republic of Germany has considerably strengthened its export administration and regulations.

On July 1, 1990, legislation raising penalties for violation of German foreign trade law has entered into force. A bill that will strengthen the War Weapon Control Act has been passed by the Bundestag and is under final consideration in the Bundesrat.

The enclosed paper will give you a short summary of the present state of this tightened legislation.

I have passed on your further questions to the Foreign Ministry in Bonn and will get back to you as soon as I receive the reply.

With best regards,

Sincerely yours,

JUERGEN RUHFUS.

TIGHTENING OF GERMAN EXPORT CONTROLS

After thorough deliberations, the Parliament of the Federal Republic of Germany recently passed an initial package of laws that entered into force on 1 July. This continued the extensive reform of foreign trade and payments legislation in the light of the experience gained with various incidents involving the spread of dangerous technology, especially as regards chemical weapons in Libya and nuclear weapons in Pakistan.

The Government of the Federal Republic of Germany had previously issued numerous regulations introducing additional bans and authorization requirements, e.g. the ban on all supplies to the plant at Rabta in Libya, an authorization requirement for all fifty chemical precursors covered by the Australian Group, an authorization requirement for the transfer of know-how and for all transit transactions, and a regulation prohibiting the participation of German companies in Iraq's "big gun" project. Furthermore, the staff of the Frankfurt-based Federal Office of Economics responsible for export controls were more than doubled from 75 to 160 by the end of 1989 and will be trebled by the end of 1990. The establishment of a modern data processing system further increased the efficiency of export controls. In numerous cases, intensified investigations of suspected companies were initiated.

The recently enacted laws are more stringent in three respects:

1. *Increased deterrence under criminal law.*—The maximum punishment for infringements of foreign trade and payments legislation has been greatly increased from 3 to 10 years' imprisonment. In future, the mere endangerment (as opposed to violation until now) of the security and external relations of the Federal Republic of Germany and of peaceful international relations will constitute an offense. This very high maximum penalty in relation to other countries will lead to considerably more severe sentences in future than were customary in the past.

2. *Provisions against activities abroad.*—The new laws provide for the first general legal basis for subjecting activities abroad by German nationals to authorization. The Federal Government will make use of this power in the next few days in order to prevent uncontrolled activity by German missile exports abroad. This is particularly important in view of pertinent experience with countries like Argentina, Egypt, Iraq and Libya.

3. *Better information base.*—An important part of new laws enables the authorities to develop in future a close-knit information network for the purposes of preventing illegal activities. All German companies are required to provide information on their products in the sensitive areas of nuclear, biological and chemical weapons technology, even if the products are not intended for export. By being placed further upstream, the export control system will thus serve to prevent illegal exports more effectively.

Parliament is still debating a more stringent War Weapons Control Bill with even stiffer maximum penalties and the inclusion of additional activities abroad. The Bill failed to pass the Bundesrat (Upper House) on 22 June, because several Länder wanted to include even more stringent provisions than envisaged by the Bundestag (Lower House). The Bundesrat has, however, decided that the Bill should take immediate effect (eliminating the customary three-months waiting period), after termination of further deliberations on 1 October of this year.

THE AMBASSASOR OF THE
FEDERAL REPUBLIC OF GERMANY,
Washington, DC, July 19, 1990.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Washington, DC.

MR. CHAIRMAN: Referring to your letter of June 21, 1990, as well as to my letter of July 6, 1990, I should like to finally reply to your questions on German export controls.

As to the exports to Pakistan (your first three and your sixth questions) the West German companies concerned acted against German export regulations by exporting without the necessary license. If the companies had filed export applications, they would have been refused by the competent authorities.

Even the new export legislation and measures will give no complete guarantee against such illegal exports in future, they do, however, substantially increase costs and risk of any violation of the German Foreign Trade and Payments Law by improving the control system, widening the scope of punishable activities and raising penalties.

As to your fourth question concerning the Dusseldorf based company Hempel, not all of Hempel's shipments to India were illegal and subject to prosecution. In this trial based on the former legislation only the misuse of documents could be punished. Under the new export legislation, also the other parts of Hempel's transactions would be illegal and punishable.

To your fifth and seventh question: The new legislation provides tighter regulations in three areas:

The production of biological, chemical and nuclear weapons in Germany is prohibited.

The participation of Germans in the production of these weapons and in ballistic missile-related projects will be punishable.

The penalties for violations of the Foreign Trade and Payments Law have been substantially increased.

The new laws and regulations will enable the authorities to prevent illegal exports of nuclear, chemical, biological and ballistic missile-related technologies far more effectively than before.

To your questions eight through ten: The reform of the Foreign Trade and Payment Law has been adopted by the German parliament and entered into force. The War Weapons Control Bill is still under consideration in the Conference Committee and is expected to be adopted in autumn this year.

And finally to your eleventh question: The bills imply as host of new and complicated legal matters comparable to the renewal of the US Export Administration Bill. Due to the great importance of the matter, a thorough discussion has been necessary in which all political forces could participate. Therefore, the parliamentary debate took considerable time and is still to be completed as to the War Weapons Control Bill.

I hope that these answers are satisfactory. Please do call me if further clarifications are necessary.

With best regards,

Sincerely yours,

JUERGEN RUHFUS.

AIDS PROTESTERS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. PORTER. Mr. Speaker, recently protesters shouted down Secretary of Health and Human Services Dr. Louis Sullivan during his speech to the AIDS Conference in San Francisco.

With thousands of people dying each year from AIDS, and many more suffering from this horrible disease, I can understand the protesters' frustration. In the past, these disruptive activities helped to focus Federal attention on AIDS and move forward our research and treatment of efforts.

But, Mr. Speaker, these raucous tactics are no longer productive. They only obscure the truly important issues.

Recent Federal initiatives to combat AIDS are unprecedented in our Nation's history. We have responded more dramatically and forthrightly to AIDS than to any other public health problem.

Since 1984, Federal spending for AIDS has increased from $61 million to several billion dollars. In fiscal year 1991, six departments of Government will spend $3.5 billion on AIDS. The Public Health Service alone will spend $1.7 billion—as much as it spent for cancer.

Mr. Speaker, AIDS activists should work responsibly with the Federal Government, rather than shouting down the very officials who are most dedicated to helping them.

TRIBUTE TO THE JEDNOTA

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to the Jednota, the First Catholic Slovak Union. The Jednota will be celebrating its 100th anniversary on September 4, 1990.

Between 1880 and 1924 there was a mass immigration of Slovaks to the United States and like all other groups of immigrants, they made their own contributions to American society. People of Slovak descent worked hard to help create the America we know today. They worked long hard hours in coal mines, forges and furnaces of steel mills, industrial plants and farms. But what Americans of Slovak heritage are best known for is their profound faith and devotion to keep God and their love for their homeland.

The Jednota, which literally translated means union or fraternity, is the name used to represent the First Catholic Slovak Union of the United States and Canada. The Jednota was established in Cleveland, OH for the purpose of forming a national Slovak Catholic fraternal benefit society. Over the last 100 years, the Jednota has grown into one of the most notable Slovak Catholic fraternal benefit societies in the world. At present, it has 71,510 members and $65 million in assets.

The Jednota has been especially involved in charity work. It has provided in excess of a million dollars in charitable and cultural grants to churches, schools and institutions. The Jednota also runs an orphanage where more than 4,000 children have been cared for and educated.

I would like to take this opportunity to recognize the Jednota, the First Catholic Slovak Union. It is an outstanding organization that has made exceptional contributions to our society. I would also like to recognize the members of the Jednota from my 17th Congressional District of Ohio who have dedicated themselves to making our community a better place. I am proud to pay tribute to this fine organization.

TRIBUTE TO ITALIAN-AMERICANS

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. PALLONE. Mr. Speaker, it was nearly 500 years ago when Christopher Columbus discovered America and opened a pathway which centuries later would be traveled by countless immigrants to the United States. These immigrants have contributed greatly to the culture and spirit of our Nation. In truth, the essence of American life is greatly founded upon the immigrant experience.

Prominent among those peoples who have immigrated to America is the Italian-American. Beginning in 1492 with the brave son of Genoa, Columbus, Italian immigrants have traveled west across the Atlantic and set upon a new life in America. As the quincentennial anniversary celebration of Columbus' discovery rapidly approaches, there is no more fitting time to again recognize the contributions made by Italian-Americans to our Nation.

Twenty million Italian-Americans reside as citizens in the United States, making Italian-Americans one of the largest ethnic groups in our melting pot. There are thousands of Italian-American organizations and clubs which share a common pride in their heritage and contribute to the progress and prosperity of the United States. Americans of Italian descent have made outstanding contributions in the arts, humanities, education, law, Government, medicine, and entertainment.

I am proud to introduce with Representative ELIOT ENGEL, legislation designating October 1990 as Italian-American Heritage and Culture Month. In doing so, I join over 100 of our colleagues in paying tribute to the remarkable experiences and achievements of our fellow Italian-Americans.

Since the inception of an Italian-American Heritage and Culture Month last year, many Italian-American organizations have hosted events celebrating and sharing their culture with their communities. By designating October as Italian-American Heritage and Culture Month once again, we seek to encourage the continuing celebration of the unique contributions of Italian-Americans to our culture and communicate the great pride we share as Americans of Italian descent.

RULE ON H.R. 4328, THE TEXTILE, APPAREL, AND FOOTWEAR TRADE ACT OF 1990

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to serve notice to my colleagues that, pursuant to the rules of the Democratic caucus, I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 4328, the Textile, Apparel, and Footwear Trade Act of 1990.

H.R. 4000, THE CIVIL RIGHTS ACT OF 1990: THE VANISHING PLAINTIFF'S LAWYER

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. HAWKINS. Mr. Speaker, this body will soon be considering H.R. 4000—the Civil Rights Act of 1990—which overturns a number of recent Supreme Court decisions that substantially narrowed the scope and protections of Federal antidiscrimination law. This legislation restores substantive rights and strengthens existing remedies.

I worry, however, that the changes made by the bill may be undermined by a larger trend in civil rights cases—the shrinking pool of plaintiffs' lawyers. Without them, victims of employment discrimination cannot pursue legal redress for their injuries, employers are not held responsible for discriminatory actions, and workers will be unable to serve as private attorneys general to enforce our strong public policy against discrimination, as Congress intended.

A recent story in the Washington Post confirmed this troubling development. According to the article, lawyers who once handled plaintiffs' employment discrimination cases on a regular basis have virtually all gone out of business. Some lawyers took out personal loans to allow them to continue working on such cases, but were ultimately forced to give up their practices. Moreover, the problem of adequate compensation is particularly acute in the context of large class action cases challenging systemic discrimination, which ironically enough provide the most far-reaching relief to women and minorities.

Because this is an issue of great importance to the Members of Congress, I would like to include this article in the CONGRESSIONAL RECORD. As one Federal judge recently warned, unless the decline in the number of civil rights lawyers is reversed, "the progress that has been made during the past four decades toward eradicating discrimination * * * will be halted, and the promise of equal treatment and opportunity for all will be but empty words."

THE VANISHING JOB-BIAS LAWYERS—ATTORNEYS, LAW FIRMS SAY THEY CAN'T AFFORD TO TRY RIGHTS CASES

(By Sharon Walsh)

In the early 1970s, Richard T. Seymour was an idealistic young Washington lawyer in solo practice, handling complicated employment discrimination cases. He won every case.

But Seymour had a problem that most winning lawyers never face: He could never make any money. Three years after he opened his employment discrimination practice, he closed it, swamped with debts that would take him 10 years to pay.

Now Congress and the Bush administration are engaged in intense negotiations over the Civil Rights Act of 1990, which would broaden the rules under which employees can bring cases against companies charging discrimination on the basis of sex, race, religion or disability. But as Seymour and other lawyers point out, many good cases will never get to trial because most lawyers cannot afford to take them.

"Would I be willing to set up a small office to concentrate on employment discrimination again?" asked Seymour, now a salaried attorney for the nonprofit Lawyers Committee for Civil Rights Under Law. "No. I would be crazy."

According to a number of civil rights lawyers, the system set up by Congress and the courts for paying legal fees for discrimination cases is tilted against them. Because most plaintiffs cannot afford to pay the usual hourly fees, lawyers must agree to take their cases on a contingent fee basis—which means they get paid only years after the suits are filed, and then only if they win. When they do win, they often find themselves in court again, haggling over hourly rates and the number of hours they spent on the case. And current rules allow no interest to be paid on the fees that are owed.

"I know of no lawyers who will take these cases routinely on a contingent-fee basis," said William L. Bransford, a Washington attorney who had handled many job discrimination cases.

"Since 1973, people who've handled them on a regular basis have all gone out of business," said Joel P. Bennett, a Washington attorney and member of the American Bar Association's Economics of Law Practice Section. "In many cases, some of them stopped solo practice and went to big firms. The big firms won't do them. It's just not economically feasible."

One of Seymour's most successful cases is a good example of why so many attorneys have abandoned the practice of employment discrimination law.

In 1972, Seymour took on the Mississippi State Employment Service for discriminating against blacks and women in job referrals. The case was tried in 1979. Two appeals and 11 years later, a federal appeals court judge found that the state agency was guilty of willful discrimination and was ordered to pay a judgment of nearly $5 million.

However, during the 18 years Seymour handled the case, he was never paid a dime—and still hasn't been because attorneys must wait until the case has reached its final appeal before applying for fees. The case cost him more than $100,000 in out-of-pocket expenses—forcing him to take out personal loans.

While the problem of finding lawyers for discrimination suits is national in scope, many Washington-area attorneys said it is even more pronounced here because this is where suits against the federal government are filed. According to plaintiffs' attorneys, the Justice Department still fights cases that would be settled in the corporate world. And, when they lose, they fight over attorney's fees—a move that a number of attorneys said discourages them from bringing even meritorious cases in the first place.

"My experience is that the U.S. government can be one of the most difficult and irrational of defendants," said Guy Saperstein, of Saperstein, Seligman & Mayeda in Oakland. "The word settlement isn't in their vocabulary."

Stuart M. Gerson, head of the Justice Department's civil division, denies that the federal government is reluctant to settle cases. "We settle a lot of major cases," Gerson said. "We have a fixed budget, and with the S&L cases and fraud cases, we can't afford to tie up attorneys on bad cases."

"The numbers of Title VII cases continue to climb," said Gerson of the contention that it's difficult to find attorneys to pursue them. "Somebody's taking these cases."

While the number of cases does climb every year, many are filed by the employees themselves, without an attorney and never make it to trial because they can't find lawyers to work on a contingent-fee basis.

Kathy Hammond knows firsthand the difficulties of finding an attorney to handle a discrimination case. Hammond, formerly a GS-5 clerk for the Naval Investigative Service, began looking for a lawyer to file a race discrimination case against her employer last December. Since then, she has been fired from her job and has talked to at least 30 private attorneys and countless bar referral services and civil rights groups.

Why can't she find a lawyer? "Basically, money," said an undeterred Hammond. "They definitely don't want to take the case on a contingent-fee basis. . . . This is really a bad situation. It has happened to other black women [at the agency], but they're getting away with it because I can't afford an attorney," she said, her voice rising with frustration.

The Lawyers Committee for Civil Rights Under Law reports receiving about 1,000 requests each year for assistance in employment cases, according to Joseph M. Sellers, the committee's director. Of that number, the committee takes about 50, or 5 percent.

While a number of large firms take such cases on a pro bono basis—in Washington, firms such as Arnold & Porter, Covington & Burling, Hogan & Hartson and Arent, Fox, Kintner, Plotkin & Kahn—they are not part of their regular business. And there simply are not enough pro bono hours to go around, according to legal experts.

Robert M. Adler, a Washington attorney who has handled a number of job discrimination cases in the past, seldom takes them now. "Every now and then somebody calls and they really touch you, so you'll take the case," said Adler. Most of the time, he said, he doesn't even take the calls.

One ongoing dispute between lawyers who bring discrimination suits and those who defend against them is over what attorneys call "fee enhancement."

Attorneys who take other types of contingent-fee cases are often compensated for the "risk" of the cases by getting double their usual fees when they win. However, both state and federal agencies often fight this. And, in cases brought under Title VII of the Civil Rights Act, judges in a number of states and federal jurisdictions differ on the amount of additional fees for risk.

The proposed revisions to the 1964 law now before Congress is silent on the question of fee enhancement, but it does contain language that would allow lawyers to collect interest on the fees they win. Many civil rights lawyers think that more than that will be needed to get more lawyers interested in job-bias cases again.

"No one thing will really change it," Sellers said. "Some attorneys might be more willing to take cases, but not against the government."

Saperstein, who has one of the largest practices in the country devoted to civil rights law, has stopped taking new cases. He was getting about 150 new case requests a month and decided to take only class-action suits.

"I had to put many mortgages on my house during the lean years," Saperstein said. "Not many people are willing to do that."

PRECEDENT-SETTING CASE HAS YET TO PAY A PENNY

(By Sharon Walsh)

In 1983, Washington attorney Robert M. Adler took on the case of Mabel King, a nurse who sued the D.C. Department of Corrections for sex discrimination. He took out thousands of dollars in loans along the way to support the case.

After prevailing in *King v. Palmer*, Adler was awarded attorney fees and costs. In addition, the court awarded him what is known as an "enhancement" payment equal to 50 percent of his contingent fees for the risk of taking the case. The District contested that part of the award.

Last week, the U.S. Court of Appeals unanimously found that Adler was entitled to a 100 percent enhancement—or double his fees in the case—which should boost his total fee award to more than $400,000.

Attorneys here say the precedent-setting case could mean that more attorneys will be willing to take discrimination cases in the District. However, the District government has decided to appeal the decision to the Supreme Court.

"Everybody thinks I'm rich," said Adler wearily, noting he has waited seven years to be paid for his work. "I'm going to have to hire an attorney who knows his way around the Supreme Court, probably pay them out of my own pocket."

And, said Adler, if the Supreme Court does hear the case and the District loses, it could mean another $50,000 or more in attorney fees that the District would have to pay—or, more accurately, that the District taxpayers would have to fork over.

"Fee litigation is among the most socially useless forms of litigation," said Joseph M. Sellers of the Washington Lawyers' Committee for Civil Rights. "Nobody likes to do it. The U.S. and District governments seem unwilling to resolve a fee dispute by simply paying it."

THE BALANCED BUDGET AMENDMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday,

July 25, 1990, into the CONGRESSIONAL RECORD:

THE BALANCED BUDGET AMENDMENT

The federal budget deficit is one of the most intractable problems facing the Congress and the President. The deficit must be controlled to sustain our economic vitality and to reduce our dependence on foreign capital. Yet, our government has failed to muster the political will necessary for meaningful deficit reduction, and many Americans are now looking at alternative methods to decrease the budget deficit. One popular proposal is an amendment to the Constitution requiring a balanced budget.

The balanced budget amendment under consideration by the Congress would require that total government spending for each year could not exceed estimated revenues unless three-fifths of the Congress provided for a specific excess. The Congress and the President would have to agree in advance on the revenue estimate. The amendment also would require a three-fifths majority to increase the federal debt. The amendment would be waived when a declaration of war is in effect.

Supporters of this proposal in the House of Representatives recently failed by a vote of 279 to 150 to attain the two-thirds majority necessary for passage. The Senate could vote on this issue later this year. The action by the House probably kills the balanced budget amendment for this year.

I agree that the Congress and the President clearly have not done enough to reduce the deficit, and that much tougher steps must be taken to control the growing government debt. Although I voted for a balanced budget amendment in 1982, I do not agree that this proposal will do what its supporters contend. I voted against it for the following reasons:

First, the proposal does not guarantee that a balanced budget will in fact be achieved. It states that total spending shall not exceed estimated receipts. If we have learned anything in the last ten years it is that there is often a dramatic difference between estimates and reality. Recent revenue estimates have been wrong more often than they have been correct, missing the mark by billions of dollars.

Second, evasion would be easy. The President and the Congress have amply demonstrated their skill at manipulating legislative procedures to avoid tough political choices. The Gramm-Rudman budget reduction law, for example, has failed in large part due to the deliberate use of rosy economic forecasts, underestimated costs, bloated savings and revenue estimates, and expenses shifted to other years. The federal government also could follow the lead of many state and local governments of moving programs off-budget to balance the budget. State and local units have created over 25,000 off-budget entities to tax and spend outside local and state budget controls.

Third, the proposed amendment is unworkable. It contains no enforcement mechanism for achieving a balanced budget—mandating a result without offering a solution. The proposal is similar to declaring that the United States shall henceforth have clean air or be drug-free. It does not say what happens if the Congress and the President do not agree on the estimated receipts or what happens if the budget is not balanced and the government runs a deficit. If the revenue estimate is wrong, or a crisis emerges, would each program within every agency have to be approved by the Congress, or would each agency be allowed to determine the exact allocation of funding, or would some arbitrary formula be applied? Would the government default on its bills because the increase in the debt had not been approved by a three-fifths majority?

Fourth, the proposal promises to do something about the budget deficit tomorrow, but the problem is today. The measure would not take effect until 1995 at the earliest; sending a signal that hard budget choices can be put off until later. In the meantime, almost $1 trillion could be added to the national debt. The amendment is politics by distraction.

Fifth, the proposal could trigger a recession. The Congress and the President would be required to reduce the budget deficit—however large it might be—to zero the first year the proposed amendment is in effect. The deficit is currently hovering around $200 billion. Pulling large amounts of money out of the economy quickly could cause enormous economic hardship because of jobs lost and benefits cut or eliminated.

Sixth, federal courts would almost certainly be asked to resolve disputes about interpretation of the proposal. If the courts make many of the tough decisions required to balance the budget, that would represent a dramatic shift in authority from elected representatives to the unelected power of judges. And if the courts refuse to become involved in the political dispute over the amendment, the budget process could stalemate. In either case, the proposal ensures an endless stream of lawsuits as various questions are placed before the courts slowing down the budget process while the Congress and the President await decisions.

Seventh, the proposal would reduce the federal government's flexibility to deal with emergencies and is potentially dangerous. A serious recession or world crisis could produce revenue losses or require spending increases that would result in a deficit. Under the proposed amendment, a minority in one House of the Congress could frustrate the efforts of the Congress and the President to respond quickly in urgent circumstances.

Finally, the proposal would enshrine one kind of fiscal policy in the Constitution. The place to solve the deficit problem is at the budget summit now in progress and not in the Constitution. Meaningful budget reforms are possible without a constitutional amendment. Placing the empty promise of this proposal into the Constitution will only breed deep cynicism about the Constitution as people understand that the measure is unenforceable and cannot deliver what is promised.

The budget deficit represents an absence of political will, not the need to restructure our entire political system. Where there is political leadership, public consensus can be organized around the requirement to pay for what we spend, and a balanced budget amendment is not necessary. In the absence of leadership, an amendment to the Constitution cannot guarantee a balanced budget.

RESIDENT MANAGEMENT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. PORTER. Mr. Speaker, very soon the House is scheduled to debate H.R. 1180, the housing reauthorization. I want to call Members' attention to one aspect of Secretary Kemp's HOPE proposal, which is included as a separate title in this legislation.

Subtitle A, "HOPE for Public Housing Homeownership," would authorize $136 million to help public housing residents form resident management councils to purchase public housing units from local housing authorities.

Mr. Speaker, resident management is no fuzzy theoretical construct. It is a system of empowerment that is working nationwide in public housing developments. And it is working most successfully in developments that local housing authorities had abandoned as unmanageable.

Resident-managed developments require lower operating and capital budgets than comparable developments managed by housing authorities. But more importantly, resident management serves as the foundation upon which communities are built.

And now, under the HOPE legislation, with resident management as their foundation, public housing tenants will get a chance at the American dream—homeownership. I encourage your support of the HOPE Program.

TRIBUTE TO DR. DOMINIC DEMARCO

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. TRAFICANT. Mr. Speaker, I rise today to honor Dr. Dominic DeMarco, D.D.S., of my 17th Congressional District of Ohio, a founding member of the Domingos Foundation.

Dr. DeMarco, along with his son, Paul, founded this nonprofit, tax-exempt organization in order to put the skills of retired healthcare workers at the disposal of Third World countries. After 39 years of dedicating himself to the dental profession in Girard, OH, Dr. Demarco now gives much of his time to providing dental care throughout the Third World. Since 1980, Dr. DeMarco has made nine trips to a remote fishing village called Turiacu on the northern coast of Brazil.

Dr. DeMarco earned his degree in dentistry from the Ohio State University in 1949. He married the former Alice Detesco some 34 years ago and served his country throughout the Korean conflict as a dentist. Following the conflict, Dr. and Mrs. DeMarco had four sons: David and Andrew, both doctors, and Peter and Paul, both attorneys.

Dr. DeMarco's commitment to his local community, his country, and the underprivileged of the Third World is highly commendable. We owe him a great deal for his commitment to service in the 17th District.

RULE ON H.R. 5350, THE SHORT-TERM DEBT CEILING EXTENSION AND H.R. 5355, THE LONG-TERM DEBT CEILING EXTENSION

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to serve notice to my colleagues that, pursuant to the rules of the Democratic caucus, I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 5350, the short-term debt ceiling extension, and H.R. 5355, the long-term debt ceiling extension.

OUR COMMITMENT TO EDUCATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. HAWKINS. Mr. Speaker, as the budget summit proceeds, I thought it would be instructive to read the Committee for Education Funding "Statement on Deficit Reduction and Budget Process Reform." Deficit reduction is important but preserving and enhancing our commitment to education is equally important and entirely compatible with deficit reduction.

THE COMMITTEE FOR EDUCATION FUNDING "STATEMENT ON DEFICIT REDUCTION AND BUDGET PROCESS REFORM"

The Committee for Education Funding (CEF) is a coalition of 100 national elementary, secondary, and higher education associations and institutions. Through its member organizations, CEF represents the views of several million students, parents, teachers, faculty, presidents, administrators, librarians, counselors, trustees, and school board members regarding adequate federal financing of educational opportunities for America's preschool, elementary, secondary and postsecondary students.

On January 22, 1990, the Committee for Education Funding advised Congress and the President that the current resources allocated to education programs should be increased from $24 billion to $54.5 billion over a five year period in order to extend educational aid and services to all eligible children. For Fiscal Year (FY) 1991, CEF recommended a $5 billion education increase as the first increment toward meeting this goal. Although education is considered one of the highest priorities in the regular FY 1991 Congressional budget and appropriations process, this commitment of resources may be seriously compromised by across-the-board solutions to deficit reduction imposed by a budget summit agreement or by budget process reforms.

The members of the education community well understand the strain that has been placed on the federal budget by excessive deficits, and we favor equitable efforts to balance the budget. However, domestic discretionary priorities such as education have borne the brunt of deficit reduction efforts over the last several years, while other areas of the budget have grown substantially and necessary revenue increases have been laid aside. The member organizations of the Committee for Education Funding urge Congress and the President to ensure that any deficit reduction solution agreed to in the current budget summit negotiations protects our nation's commitment to the education of its children. Any such agreement must ensure an increased investment of federal resources in education programs. We urge members of Congress and the Administration to consider the following recommendations in any budget summit agreement:

(1) CEF strongly supports making an increased investment in education a top budget priority. Education is an essential investment in the future of our country. It is an investment in economic growth and the personal and social well-being of our citizens. Education should not be used to achieve short-term deficit reduction savings that will sacrifice our nation's long-term economic competitiveness.

(2) CEF supports new revenues to fund universal educational opportunity.

(3) CEF supports the Pre-Gramm-Rudman-Hollings budget and appropriations process, which assigned Congress and the President joint responsibility to make the choices necessary to balance the budget.

(4) CEF supports the repeal of Gramm-Rudman-Hollings Act.

(5) CEF opposes legislative measures that impose across-the-board reductions in education funding, or that shift the power to make budgetary decisions from Congress to the President. Specifically, CEF opposes the following measures:

Balanced-budget constitutional amendment;

Line-item veto;

Enhanced rescission authority;

Separate funding caps for defense and for domestic discretionary programs, which were imposed in previous budget summit agreements; and

Across-the-board spending cuts that negate congressional priorities.

IMPACT ON EDUCATION OF GRAMM-RUDMAN-HOLLINGS

In 1985, Congress passed and the President signed the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act. Unlike the original Budget Act of 1974, which was designed primarily to impose greater order on congressional fiscal decisions, GRH was conceived specifically to eliminate the record $221 billion deficit in a five-year period. This legislation marked a new era in federal budgeting by introducing the automatic sequestration process which imposed across-the-board cuts in federal spending if Congress and the President failed to agree on an alternative deficit reduction plan. Gramm-Rudman-Hollings was signed into law just three months after its introduction, without benefit of hearings and adequate debate to determine how or if the new process and the sequester mechanism would actually work.

Although proponents claimed that the GRH sequester was such an arbitrary solution to deficit reduction that it would never be used, Congress and the President have consistently used across-the-board spending reductions as a means to obtain deficit savings since the passage of Gramm-Rudman-Hollings. Furthermore, proponents of the original GRH legislation argued that it would serve as a means to achieve equilibrium between defense and domestic reductions, to rein in mandatory spending, and to force new revenues. In reality, GRH has served to extract heavy cuts in domestic discretionary programs while only marginally curbing the rate of increase in defense spending, and has exercised virtually no leverage to boost revenues or limit entitlement growth.

For federal education spending, GRH had immediate and severe consequences. In March of 1986, when the GRH sequester mechanism was first activated, 4.3 percent was automatically cut from every discretionary education program for a total of $678 million. Eighteen of the 21 major education programs were cut below their previous year's levels and hundreds of thousands of disadvantaged students were denied services or direct aid for which they were eligible.

Subsequent experience with GRH has provided conclusive evidence of its profound ability to undermine public policy imperatives, as well as its failure to appreciably reduce the deficit. Since the 1983 release of the Department of Education's report *A Nation at Risk*, numerous studies have documented America's mounting *education* deficit. But GRH has served systematically to counteract congressional attempts to respond to this crisis.

Implementation of the first White House/Congressional budget summit agreement for FY 1988, called to avoid a pending sequester, resulted in a $710 million cut from education programs by imposing a 4.26 percent across-the-board reduction on all domestic discretionary programs. In FY 1990, the failure of some authorizing comittees to comply with their budget reconciliation instructions forced yet another form of an across-the-board cut on education programs: the partial sequester. The partial sequester was used despite the fact that appropriators had already complied with the discretionary budget authority and outlay caps imposed by the budget resolution. However, appropriated accounts including education were then partially sequested in order to meet the deficit savings that were required by reconciliation to come from other areas of the budget. The partial sequester cut education by $270 million.

In fact, since the passage of GRH, education has been cut by a total of $2 billion either in the form of a sequester or in across-the-board spending cuts that have been forced by domestic discretionary caps agreed to in the last three budget summits. Although an overwhelming majority of Congress and the American people support substantial investments in federal education spending, every education program has been cut repeatedly by across-the-board spending reductions that negate congressional priorities.

For the past five years, Gramm-Rudman-Hollings has forced disproportionate cuts in domestic discretionary priorities such as education, while little real progress has been made in reducing the unified budget deficit. The deficit has remained at about $150 billion over the past three years. Based on the most recent estimates, OMB is projecting that the FY 1990 deficit will be between $184 and $206 billion. If the Social Security surplus is excluded from the calculation, the deficit estimate would increase by another $65 billion. It is clear that although GRH was touted as a means to force responsible deficit reduction, the obsession with meeting the yearly GRH targets has actually provided incentives for unrealistic forecasts of economic growth and interest rates, budget gimmickry, and the inability

of Congress to set and maintain domestic spending priorities such as education.

FY 1991 BUDGET AND APPROPRIATIONS PROCESS

Congress and the President are currently engaged in yet another White House/Congressional budget summit. Pressure for summit negotiations this year developed as a result of: the Office of Management and Budget's (OMB) revision of its FY 1991 deficit estimate from $100 billion to $159 billion; an emerging political consensus to take the Social Security trust funds out of the deficit calculation in order to unmask the true funds out of the deficit calculation in order to unmask the true size of the deficit; and the need to meet the enormous cost of the Savings and Loan bailout. These three factors have given new impetus to reach a deficit reduction agreement and to consider yet another round of budget process reforms.

Although OMB's January deficit estimate required $36 billion in savings this year, OMB's revised estimate of $159 billion, issued just six months later, requires a $95 billion sequester—or a 36% across-the-board cut on nonexempt domestic discretionary programs including education.

In order to avoid such a catastrophic sequester, the budget summit negotiators are attempting to reach agreement on $50 to $60 billion in savings for FY 1991 and as much as $500 to $600 billion in savings over the next five years. In addition to discussing various spending reduction and revenue raising proposals, the negotiators are considering adjusting and extending the GRH deficit targets and several budget process reforms that would directly impact on the availability of funding for education. For these reasons, the Committee for Education Funding has taken the following positions:

CEF POSITION ON BUDGET REFORM

(1) CEF strongly supports making an increased investment in education a top budget priority. Education is an essential investment in the future of our country. It is an investment in economic growth and the personal and social well-being of our citizens. Education should not be used to achieve short-term deficit reduction savings that will sacrifice our nation's long-term economic competitiveness.

The President's FY 1991 budget states "The United States faces major challenges in the coming decades. To take advantage of these opportunities and to meet the challenges, a step-up in the rate of economic growth is essential. . . . The key to faster productivity growth is an increase in investment where investment is broadly understood to include not only additions to physical capital but also additions to knowledge in the form of research and development and improvements in human capital resulting from education and training." CEF agrees with the President and believes that a substantial investment in education is called for at this time.

There is no clearer link between investment and future growth than that which has been documented in education. The U.S. House Select Committee on Children, Youth and Families has even quantified the impact, finding that for every $1.00 invested in quality preschool education, $6.00 in savings is returned through lower costs in special education, public assistance and crime.

The same committee reported last year that "each year's class of school dropouts costs the nation more than $240 billion in lost earnings and foregone taxes over their lifetimes." At the elementary and secondary school level, we must offer incentives to encourage young people to stay in school through expanded investments in federal education programs targeted to disadvantaged students and school improvement." We must fully fund child nutrition programs consistent with current law. And we must ensure equal access to a postsecondary education for all students through expanded student financial assistance.

An overwhelmingly majority of the American people agree that education is a vital and cost-effective investment of our federal resources. A New York Times/CBS News poll released in June 1990 found that 86 percent of Americans believe that if spending cuts are needed to reduce the deficit, it is unacceptable to cut education.

Any budget summit agreement must consider education a prime growth incentive by maintaining the commitment that Congress has made to allocate a multi-billion dollar increase to education this year in the regular budget and appropriations process.

(2) CEF supports new revenues to fund universal educational opportunity.

CEF has consistently supported raising revenues to pay for increased investments in education and other domestic priorities. As proof of this commitment, we strongly backed the FY 1988 congressional budget resolution that recognized for the first time since the passage of GRH that new revenues were a necessary component of deficit reduction.

We recognize that any responsible deficit reduction package to address the current deficit must include new revenues. The President's recognition that tax revenue increases must be a part of a budget summit deficit agreement is encouraging.

It is clear that Americans are willing to pay higher taxes if there is some assurance that the revenue generated will pay for needed investments in areas such as education and the environment. A Gallup poll taken in October 1989 found that 76 percent of Americans considered increased spending for improving public education the top federal budget priority. Sixty-three percent of those polled were willing to pay higher taxes for education increases compared to only 13 percent who were willing to pay higher taxes for space exploration.

(3) CEF supports the pre-Gramm-Rudman-Hollings budget and appropriations process, which assigned Congress and the President the joint responsibility to make the choices necessary to balance the budget.

CEF agrees with countless observers who have expressed variants of the following theme: "We must stop trying to solve policy problems with procedural fixes", (Senator Robert Byrd, February 1989); and "process reform is not a substitute for the discipline and political courage needed to solve the problem of budget deficits," (President George Bush, February 1989.)

Congress and the President have the ability to propose and implement a balanced budget plan without the imposition of automatic, mechanistic procedural reforms such as the GRH sequester. The only requirements are political will and the willingness to compromise. The pre-GRH budget and appropriations process required Congress and the President first to set priorities and then to make the difficult but necessary choices in allocating resources and raising revenues to balance the budget.

(4) CEF supports the repeal of the Gramm-Rudman-Hollings Act.

The Gramm-Rudman-Hollings Act is a budget experiment that has failed and must be repealed. Instead of a fail-safe device to ensure budget discipline, the GRH sequester has become a political tool for budgetary brinkmanship. The arbitrary nature of the sequester frustrates congressional efforts to establish priorities. The timing of the sequester prevents expeditious action by Congress on spending bills. And the required reliance on OMB economic assumption to predict the need for and magnitude of a sequester has increased the power of the President to nullify congressional spending decisions. As stated by the former director of the Congressional Budget Office, Alice Rivlin, "Gramm-Rudman-Hollings was a well intentioned effort, but it is now doing more harm than good."

Experience has shown that GRH favors reliance on gimmicks such as asset sales and user fees as a means for avoiding revenue increases and skews deficit reduction efforts toward spending cuts. Education and other domestic discretionary programs have borne the brunt of such efforts while other areas of the budget have grown substantially.

Every discretionary education program, in fact almost every discretionary children's program, is subject to GRH sequesters. Education is only 1.8 percent of the total federal budget, but it accounts for over 11 percent of total discretionary spending available to be cut by sequester and 19 percent of the domestic discretionary budget.

For these reasons, CEF opposes the extension of the GRH sequester provision beyond FY 1993, which would result from legislative proposals to exclude the Social Security Trust Fund from the deficit calculation. CEF strongly opposes the proposal to introduce a second sequester which would ensure that the previous year's education appropriation would be automatically cut subject to revised deficit estimates. This proposal is just a further abrogation of the duty to set priorities and to carry them out, or to raise the necessary revenues to pay for them.

(5) CEF opposes legislative measures that impose across-the-board reductions in education, or that shift the power to make budgetary decisions from the Congress to the President. Specifically, CEF opposes the following measures:

Balanced-budget constitutional amendment—Unless a balanced-budget amendment were drafted to ensure that it would be used as a revenue-forcing device, education programs would be at risk disproportionately among the appropriated accounts available to be cut. At roughly 15 percent of the budget, domestic discretionary spending is already at its smallest share of GNP since the early 1960s, and cannot realistically be expected to bear the primary burden of additional deficit reduction. Education, which has declined as a percent of the total federal budget from 2.5 percent in 1980 to 1.8 percent today, comprises almost 19 percent of the domestic discretionary spending that is most easily cut. Ratification of a balanced budget amendment could result in massive cuts in federal education programs.

Line-item veto—This much-sought-after presidential tool would be an assault on the separation of powers by infringing on congressional power to allocate funds, while yielding little in the way of significant deficit reduction. In addition, the line-item veto could well prove an ineffective tool if Congress applied the several devices available to circumvent it, such as funding percentage set asides, conditional or dependent authorizations, and entitlements. Education programs would be especially vulnerable to the line-item veto because of the considerable

number of separate lines that delineate the small, individual programs of the Department of Education budget—in contrast, for example, to the large, mega-categories that make up the Defense budget.

Enhanced rescission authority—A primary objection to this proposal is that it would shift the power of individual spending decisions from Congress to the President. Furthermore, education would be particularly vulnerable to further cuts due to the large number of individual program lines in the education account. In addition, this proposal would severely retard progress on spending bills and burden Congress with the task of revisiting time and again spending decisions where agreement has already been achieved. Increasing the President's independent authority to cut spending is unnecessary given past experience. In fact, from 1945 to 1989, total appropriations enacted by Congress fell $173.6 billion below the total Administration's budget requests.

Separate funding caps for defense and for domestic discretionary programs imposed by previous budget summits—Every budget summit agreement to date has imposed three separate spending caps on defense, international affairs and domestic discretionary programs. This procedure has replaced the expertise of the appropriators to make and set priorities among these areas with binding agreements that are made by the negotiators without the benefit of hearings or debate. Experience has shown that these arbitrary ceilings thwart the ability of Congress to effectively respond to changing global circumstances and to address pressing domestic priorities. In short, these caps have been used to create a spending floor for defense while creating a spending ceiling for domestic programs. CEF supports the regular budget process that imposes one ceiling on all discretionary spending and allows Congress to determine the allocation of those funds through the appropriations process.

Any across-the-board spending reduction that negates congressional priorities—CEF opposes the use of across-the-board cuts on domestic discretionary programs as a means to fund domestic priorities. Over the last decade, domestic discretionary programs have contributed far more to deficit reduction than any other area of the budget. Total funding for domestic discretionary programs has decreased as a percentage of the total budget from 25 percent to 15 percent. Education and other domestic priorities such as drug prevention, biomedical research and programs aimed at improving our children's health and nutrition should not be forced to compete for resources that are restricted by an arbitrary domestic ceiling. Offsetting funds for domestic priorities by across-the-board cuts on all domestic discretionary programs only exacerbates the inability of Congress to make difficult but necessary budgetary decisions, including raising revenues.

The Committee for Education Funding believes that we cannot continue to mortgage our children's future to finance the deficit. Deficit reduction is a national priority. But it is not the only national priority. Congress and the President must safeguard our nation's future by continuing to invest in its citizens, especially its young people, who are and will be its future.

NO CANDLE BURNS WITHOUT A "WIC"

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. MRAZEK. Mr. Speaker, a friend of mine, Alan M. Miller of North Merrick, Long Island, recently penned the following column in the South Shore Record. The column speaks eloquently of the frustration many of our citizens feel over the priorities we choose in this country, and in particular of the penny-wise, pound-foolish cutbacks made in the most basic services we can provide to those among us in the greatest need.

I commend this article to the attention of my colleagues and salute Mr. Miller for his questioning of the fundamental choices we make in this body and throughout the Federal Government.

[From the South Shore Record, June 14, 1990]

NO CANDLE BURNS WITHOUT A "WIC"

(By Alan Miller)

One of the strengths of our nation, in the 200-plus years since its founding, has been our ability to endure, to prosper, to feed and care for our own. Part of our independence has been our self-sufficiency.

I have seen, in my lifetime, a retreat from that concept, as mega-corporations have swallowed up little ones, and as government has changed from the concept of "for the people" into the oligarchy which it has become. We have marched from a land of struggle to a society of self-indulgence.

One of the most beneficial programs sponsored by the Federal Government has been the "WIC" program. "WIC," which stands for "Women, Infants & Children," has, with a budget of $2.1 billion, insured that those in need, under-privileged in terms of nutrition, would receive assistance to insure that they have enough nutritious food to eat, to sustain them.

In a country where we have a trillion dollar budget, where we spend billions in giving assistance to other nations to help improve their standard of living, the WIC program would seem to be a fundamental and necessary adjunct to our humanitarian beliefs. Yet, with the blessing of the Bush Administration, the program faces cutbacks, is taking no new applicants and is struggling for an additional $150 million this year just to meet increasing costs.

I cannot, for the life of me, understand how we have the resources to bail out a savings and loan industry to the tune of perhaps $500 billion, and not have enough money to guarantee basic nutritional needs for those in society who are less fortunate, largely through no fault of their own.

Corrupt and inept bankers, many of whom lined their own coffers, made bad loans, speculated, took care of families and friends and now the entire nation is made to suffer. Bankers who held lavish conventions in Hawaii, and who lived high on the hog, have gone virtually untouched by any regulatory arm of government, except for several "show-case" trials.

At a time when the Cold War—if not ended—is certainly defrosting rapidly, why can't we divert the funds for just one Stealth bomber (you remember Stealth—when we finally used it, in Panama, it dropped its bombs 400 yards off the target area) to the needs of WIC? What we spend now for basic nutrition, we will reap as benefits, in decades yet to come.

If we can give favored-nation trade (FNT) status to a Chinese government which slaughtered its intellectuals in Tainanamen Square only a year ago and then thumbed its nose at world indignation, why can't we give "favored human status" to those in our own nation who so desperately need it?

No one in this country should go to bed hungry, and no one should do without the basic nutritional requirements of good health. The WIC keeps the candle burning.

FMLN CONTINUES TO UNDERMINE PEACE NEGOTIATIONS

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. MCCOLLUM. Mr. Speaker, I am placing in the RECORD the following letter as I believe it sheds light on a subject in which many people have an avid interest but about which very few know the entire truth. General Adolpho Blandon, the author of the letter, is the defense attache at the Embassy of El Salvador. I believe he is a very reliable source of information and is very knowledgeable as to the events currently taking place in El Salvador.

I found General Blandon's letter to be most disturbing. We have all been so encouraged so far by the support success of the peace talks in El Salvador. It appeared that the FMLN and the EL Salvador Government were finally willing to sit down and negotiate terms for a peaceful settlement in El Salvador.

From this letter you will discern, as I did, that the FMLN has obviously not been as true to its word as most commonly thought. The FMLN has been active in preparing and carrying through with terrorist and assassination attempts against members of the El Salvador Government, particularly military officers. These actions are reprehensible and should be stopped immediately. As General Blandon has stated, few know of these efforts by the FMLN to undermine the peace negotiations. Therefore, he has asked me to do what I can to make others aware of this situation with the overriding hope that this will facilitate the peace process in El Salvador.

Once again, this is a very serious matter that deserves immediate attention and action. I urge my colleagues and others to do what they can to see that this obvious breach of trust by the FMLN is stopped as quickly as possible.

General Blandon's letter reads:

EMBAJADA DE EL SALVADOR,
AGREGADURIA DE DEFENSA,
Washington, DC, July 19, 1990.

Hon. BILL MCCOLLUM,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN MCCOLLUM: On behalf of the Armed Forces of El Salvador, and knowing of your interest in my country, I am writing this letter to inform you of several terrorist actions committed by the FMLN recently, that in my opinion are intended to endanger the possibility of bringing peace to El Salvador soon.

I have been very optimistic about the present peace process between the Government of El Salvador and the FMLN. The possibility of peace is higher now than at any other time in the last ten years. However, the recent assassination of off-duty military officers carried out and publicly claimed by the FMLN brings to serious question the real purposes of their strategy.

On one hand, the FMLN has publicly threatened to launch another offensive if they do not get what they want in the round of talks scheduled to begin in Costa Rica on the 20th of this month.

On the other hand, the FMLN's campaign of assassinations is designed to provoke the failure of the negotiations and to try to provoke a violent reaction by members of the Salvadoran military.

The latest incidents in the pattern of FMLN provocations against the Armed Forces are:

Major Carlos Alfonso Figueroa, 42, was assassinated by the FMLN on 09 July as he was leaving his home to attend an evening class at a civilian university. Major Figueroa was off-duty and wearing civilian clothes. The FMLN took responsibility for the assassination.

Captain Ramon Aristides Reyes, 30, off-duty and also in civilian clothes, was assassinated on the 17th of July as he was driving his car with his wife, who was shot twice during the attack. Captain Reyes was an examplary soldier and he leaves behind three young children. Once again the FMLN took responsibility for the assassination.

These two assassinations are not isolated incidents, but rather are part of a pattern of provocation directed against the Armed Forces. The attacks began last year, when the FMLN placed bombs in the homes of several officers, causing damage and endangering many innocent lives. Then the FMLN started to assassinate relatives of officers, including the daughter of a Colonel on her 23rd birthday and the son-in-law of a general. As of this year, the FMLN has assassinated in cold blood 3 officers and has made attempts to assassinate several others. Since the FMLN has taken credit for these actions, the only interpretation is that they are trying to provoke a hardening of the position of the military, which has so far given its full support to the ongoing peace process.

I am convinced that if we are going to find peace in El Salvador, these provocations must stop immediately. So far, the FMLN has acted with complete impunity, both legal and political. The only way that this attempt to undermine the peace process will stop is if the FMLN is made to pay a political price for their actions by an international rejection and condemnation for the assassination of off-duty military officers and their relatives.

Until now, almost nobody outside El Salvador knows about these FMLN attempts to derail the peace process.

Any action that you can take on this regard will be a very significant contribution to the peace that we all want for El Salvador.

Sincerely,

GEN. ADOLFO BLANDON,
Defense Attache, Embassy of El Salvador, Washington, DC.

HANDGUNS USED IN 639,000 CRIMES A YEAR

HON. JOHN Edward. PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. PORTER. Mr. Speaker, according to a Justice Department, criminals carrying handguns confront 639,000 Americans every year. On average, between 1979 and 1987, the Justice Department found that there were 9,200 murders, 12,100 rapes, 210,000 robberies and 407,600 assaults committed by criminals carrying handguns.

And criminals with handguns were responsible for 44 percent of all murders, 22 percent of aggravated assaults, 18 percent of robberies and 7 percent of all rapes during this period. Overall, 27 percent of all crimes that involved weapons of any type were committed with handguns.

Mr. Speaker, this madness must end. The easy availability of handguns in the United States has made our Nation a shooting gallery where law abiding citizens are the targets.

Like the NRA, I support tough laws, and tough enforcement that will keep repeat offenders off the streets. I believe also that Americans have the right to keep a gun to lawfully protect their homes and businesses. But the acquisition of a handgun needn't be as easy as purchasing a package of gum. Reasonable restraints would constitute a small inconvenience for lawful gunowners and a substantial deterrence on convicted felons and persons who are mentally deranged.

So I also support the Brady bill, which requires a 7-day waiting period for the purchase of a handgun. I urge the Judiciary Committee to report a clean version of the Brady bill and give the House a chance to vote on this important measure.

RULE ON H.R. 5269, THE COMPREHENSIVE CRIME CONTROL ACT OF 1990

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to serve notice to my colleagues that, pursuant to the rules of the Democratic caucus, I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 5269, the Comprehensive Crime Control Act of 1990.

HONORING CONGRESSMAN JOE RESNICK

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. McHUGH. Mr. Speaker, Congressman Joseph Y. Resnick was a distinguished predecessor of mine in representing the mid-Hudson region of New York in Congress in the mid-1960's. He set a very high standard for responsive representation of his constituents, and was a respected and effective Member of this body until his sudden and untimely death in 1968.

Joe Resnick was a much beloved person and exemplary public servant. Members of his family, as well as a number of his friends and admirers, gathered at the Ellenville, NY, Library recently to commemorate his birthday and to celebrate his life. I would like to share with my colleagues the comments I contributed to that gathering; they are sentiments of admiration and appreciation which I am sure are shared by those in the House who were privileged to serve with Congressman Joe Resnick.

COMMENT FROM CONGRESSMAN MATT MCHUGH IN REMEMBRANCE OF CONGRESSMAN JOE RESNICK, ELLENVILLE LIBRARY "EVENING OF REMEMBRANCE," JULY 12, 1990

Joe Resnick was a pioneer in many ways, and was willing to take risks to develop himself and the world around him. Ellenville and the Hudson Valley region have never been the same.

Because Joe believe in developing himself, he took the risk of following his imagination. It's that quality that led him and his brothers to start the Channel Master Company in Ellenville. The success of that venture changed the history of this region, because it encouraged others to see this area as a good place to do business.

Because Joe also believed in developing the possibilities in the world around him, he chose to take other risks to provide political leadership in this area's communities, and waged a successful campaign to represent this region in Congress, the first Democrat to do so. I am keenly aware of how much courage, persistence, and support from fellow citizens it took for him to reach that goal. I am privileged to be a successor of his in representing the people of this community, something that might never have happened if Joe and not been such a pioneer in courageously seeking office as the candidate of a political minority party.

When I think of Joe as a pioneer and leader, I also think of how his family has shared in that quality of his, and continued his ability to better the world around him, both in his immediate community and elsewhere. The Resnick family has become a legend in this region and in many communities throughout the world because it has always carried on Joe's belief that doing well for one's self meant that one had a responsibility to help other people. In a beautiful book he wrote, called "This Special Valley", he expressed it both simply and eloquently: "The great thing about America is that is gives each man a chance to reach his potential. And that includes the opportunity to spend a little time thinking about the other fellow."

In the same book, I love the humorous anecdote he told about a visitor to the plant who was surprised that all the workers called Joe Resnick by his first name. When he asked one the workers why they didn't call the boss "Mr. Resnick", he was told: "I may be working for Joe, but I ain't beholden to him."

In a gathering like this, it is sad to contemplate that Joe Resnick died while still a young man. But I am reminded of what the great American educator John Dewey had said about the span of a person's life: "Be

ashamed to die until you have won some victory for humanity." In that sense, Joe's life was certainly a very complete one. He had won great personal victories, and all around us, in this community and many communities throughout the world, the spirit of his leadership and responsibility for the welfare of others lives on. It lives on especially in the humanitarian leadership of his large extended family, and in the deep affection and pride with which his memory is cherished among us.

EMPLOYEE BENEFITS SIMPLIFICATION ACT OF 1990

HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. CHANDLER. Mr. Speaker, today I am pleased to present Congress with a unique opportunity; that being the opportunity to enact legislation which, for the first time in over 15 years, would actually reduce the complex regulation and administration that currently burdens the sponsors of private pension plans. But in doing so, Mr. Speaker, we have an opportunity which is far more important than merely easing an employer's administrative burdens. More importantly, we have the opportunity to expand our Nation's private pension coverage by removing some of the impediments that discourage employers from offering their employees a pension plan. In short, Mr. Speaker, we have the opportunity to help ensure the retirement security of American workers. I am referring to the Employee Benefits Simplification Act of 1990, a bill I am pleased to introduce today with Mr. ARCHER.

At the outset of my remarks, I commend Senator PRYOR and his staff for initiating this important effort in the other body. I am working with my colleagues in the House to do the same. Together, on a bipartisan basis, we need to achieve something positive for the pension system. It is essential that we do so if we are to provide the future financial security that American workers of all ages expect and deserve.

Since the Employee Retirement Income Security Act [ERISA] was enacted in 1974, various revenue acts have amended retirement plan provisions of the Internal Revenue Code. Specifically, since 1980, an average of one statute per year has been enacted to change the laws governing private pension plans. In fact, since October 1986, five new statutes have been enacted to change pension laws: the Tax Reform Act of 1986, the Omnibus Budget Reconciliation Act of 1986, the Omnibus Reconciliation Act of 1987, the Technical and Miscellaneous Revenue Act of 1988 and the Omnibus Reconciliation Act of 1989. Each of these laws required extensive, sometimes complex, administrative plan changes. The complexity snowballed as new laws were enacted before regulations implementing existing laws were promulgated. This troubling situation has only worsened as Congress has turned with greater frequency to the private pension system as a means of raising Federal revenue.

I have long been concerned that too many changes in pension law have been driven by revenue needs, rather than by what constitutes sound retirement income policy. In 1986, I said it was a mistake to include the far-reaching pension changes that were eventually incorporated into that year's landmark tax bill. There was neither the time, nor—to some extent—the inclination during that debate to evaluate carefully how these changes would affect the ability of employers to continue to provide retirement plans for their employees. One disturbing result of that process has been a dramatic decline in the establishment of new employer-sponsored pension plans. This bill seeks to reverse that alarming trend; not by dismissing the important budgetary constraints we must consider. But by balancing those concerns with a long-term retirement income policy which addresses the needs of a rapidly changing work force.

SIMPLIFICATION FEATURES

It is difficult to achieve simplicity and yet retain flexibility. Important features of this proposed legislation strike such a balance. For instance, this bill will end complex testing requirements for determining who is a highly compensated employee. The new definition is narrowed to someone who is paid more than $50,000 or who is a 5-percent owner. The bill also ends confusion over the various definitions of compensation found in the Internal Revenue Code. The proposed legislation sets forth a single definition of compensation based on W-2 income. Alternatively, the employer may elect to use base pay to determine compensation. These options eliminate the need for additional calculations on the part of the employer.

ALTERNATIVES TO ADP AND ACP TESTING FOR 401(K) PLANS

This bill provides an alternative to burdensome and expensive data collection and calculations required under current law for cash or deferred 401(k) plans. An employer can eliminate actual deferral percentage [ADP] or actual contribution percentage [ACP] testing by using a plan-designed safe harbor. The employer has two choices in this regard. The first alternative to ADP and ACP testing is to provide in the plan for a 100 percent match for elective deferrals up to 3 percent of compensation and a 50-percent match for the next 2 percent of compensation. The second alternative is to have the plan provide a nonelective deferral of at least 3 percent of compensation. Either of these plan-designed alternatives will eliminate needless and expensive calculations without compromising the original policy intent of ADP testing.

PRESERVATION OF BENEFITS

The bill attempts to broaden pension participation and to make sure that money originally set aside for retirement is actually there when an individual retires. In this regard, the bill expands the opportunities for rollovers and mandates the transfer of pension distributions to another plan or to an individual retirement arrangement. However, the grandfather provision for 10-year averaging under the 1986 Tax Reform Act remains unchanged. By allowing unlimited rollovers, pension distribution rules are greatly simplified for both employers and employees. Savings are also increased by encouraging employees to preserve pension funds until retirement.

OTHER PROVISIONS

For plans covering self-employed individuals, the bill will standardize most of the rules governing Keogh plans with basic pension requirements. This will provide consistency of treatment for small businesses. The bill further encourages small employer-provided retirement plans by allowing expanded participation in salary reduction arrangements for simplified employee pension plans. The bill also clears up confusion in the current tax code regarding employers who jointly maintain a Voluntary Employee Benefit Association [VEBA], by allowing expanded coverage on a national level. Fairer treatment is accorded handicapped employees by a provision permitting the plan to continue to contribute on behalf of all disabled participants without violating contribution limits under current law.

Mr. Speaker, while there will be many different views of what constitutes simplification, there should be no dispute concerning the need to begin the task. The time has come to stop adding layer upon layer of excessive regulation to a private retirement system which is already hamstrung by complicated rules. I believe this bill is an excellent first step toward addressing a complex and confusing area of the law that is greatly in need of reform. Throughout this process, our main priority has been to simplify pension rules while retaining enough flexibility to encourage employers to maintain retirement plans for their employees. In doing so, I believe we have taken an important first step toward improving the future retirement security of American workers.

THE CHURCH BENEFITS SIMPLIFICATION ACT OF 1990

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. MATSUI. Mr. Speaker, I am pleased to introduce today the Church Benefits Simplification Act of 1990. The act provides much needed simplification and clarification of the rules that apply to church retirement plans and brings workable consistency to those rules. In addition, the act resolves significant problems churches face in administering their retirement and welfare benefit programs under current law.

My staff and I have worked closely with leaders of the pension boards of 27 Protestant and Jewish denominations in developing this important legislation. The employee benefit program of these denominations are among the oldest programs in our country. Several date from the 1700's, and their median age is in excess of 50 years. These programs provide retirement and welfare benefits for several hundred thousand ministers, lay workers employed by thousands of churches, and church ministry organizations serving the spiritual needs of over 66 million members.

Church retirement benefit programs began in recognition of a denomination's mission to care for its church workers in their advanced years. Several church retirement and welfare benefit programs were initially formed to provide relief and benefits for retired, disabled or

impoverished ministers and families as particular cases of need were identified. As time passed, church denominations began to provide for the retirement needs of their ministers and lay workers on a current and systematic basis. Today, church retirement and welfare benefit programs provide benefits for ministers and lay workers employed in all forms of pastoral, healing, teaching, and preaching ministries and missions, including, among others, local churches, seminaries, old-age homes, orphanages, mission societies, hospitals, universities, church camps, and day care centers.

The goal of the act is to simplify and clarify the rules that apply to church employee benefit plans. Under current law, these rules are generally lengthy and complex and are, for the most part, designed for for-profit, commercial employers. Most denominations are composed of thousands of work units, each having only a few employees, and the budgets of these work units, each having only a few employees, and the budgets of these work units are marginal at best. These organizations rely almost completely on contributions from the offering plate to support their missions, including the salaries and retirement and welfare benefits of their ministers and lay workers. Unlike for-profit business entities, churches cannot pass operating costs on to customers by raising prices. Churches are also much more loosely structured than most for-profit business organizations, and many denominations cannot impose requirements on their constituent parts. For example, hierarchically organized denominations may be able to control the provision of employee benefits to ministers and lay workers, while in congregational denominations, such control is typically more difficult. In addition, churches are tax-exempt and, unlike for-profit business organizations, have no need for tax deductions. Churches and church ministry organizations therefore lack the incentive of for-profit employers to maximize either the amount of the employer's tax deduction or the amount of income which the highly compensated employees who control a for-profit business can shelter from current taxation through plan contributions and tax-free fringe or welfare benefits.

Retirement and employee benefit tax laws do not always take the difference between churches and for-profit employers into account, with the result that churches have had to divert a significant amount of time and resources from their religious missions and ministries in attempting to identify and comply with rules that in many instances are unworkable or simply not needed for church employee benefit plans. This legislation will significantly reduce administrative burdens and related costs now imposed on churches and church ministry organizations. Unlike the for-profit sector, where cost savings can result in a better "bottom line" for shareholders, savings in the church sector will find their way into missions and ministries that help people who need assistance.

A study of Independent Sector, a national membership organization composed of over 600 tax-exempt organizations and corporate philanthropy departments, indicated that approximately half the funds contributed by churches was used in service to others. Religious congregations are the primary voluntary service providers for neighborhoods. Ninety-three percent of religious congregations have one or more programs in human services. Four-fifths of all religious congregations offer family counseling, and one-third give meals or shelter to the poor. Some 78 percent donate for international relief or missionary activity, and two-thirds sponsor hospices, health programs, hospitals, or provide for disabled, retarded, or people in crisis. The Independent Sector study indicated that religious congregations made $8.5 billion in direct grants to other groups and paid $10.7 billion for education, human services, and health programs. These figures are double the giving of all U.S. foundations and corporations combined.

It is my view that the Congress should do everything possible to ensure that churches can continue to maximize their contributions toward these important missions and ministries, rather than paying for costs of complying with rules that are unworkable, or not needed, for church employee benefits plans.

The cornerstone of the act is a recodification of the rules applicable to church retirement plans so that all of such rules in the Internal Revenue Code are identified, simplified, and separated from the rules that apply to for-profit employers. Retirement plan issues unique to churches will thus not be inadvertently impacted when Congress is considering future Code changes which are applicable to for-profit employers but not appropriate for churches.

The act would also ensure that church retirement plans, whether described in the new section 401A (applicable to what are now church section 401(a) plans) or section 403(b), are subject to the same coverage and related rules. In 1986, Congress determined that the section 403(b) plans of churches and so-called "qualified church controlled organizations" should not be subjected to the expense of complying with coverage and related rules. The act would extend this same relief to church section 401A plans and would also eliminate the troublesome "qualified church controlled organization" approach in favor of a provision that only subjects church-related hospitals and universities to applicable coverage and related rules. The act, consistent with the law that now applies to church section 401(a) plans, would also clarify that the coverage rules that will apply to the section 403(b) programs of church-related hospitals and universities are those that were applicable prior to the enactment of the Employee Retirement and Income Security Act of 1974.

The act also would resolve a number of other problems many church pension boards face under current law. For example, under present law there is a question as to whether self-employed ministers are chaplains who work for nonchurch employers are able to participate in their denomination's retirement and welfare benefits programs. The act would make it clear that such ministers participate in such programs.

The act would also: restore QVEC's for church plans; solve several church employee "aggregation" problems; eliminate an administrative problem faced by multiple employer church plans that provide permitted post-retirement medical benefits; provide relief that will result in better retirement income for foreign missionaries; simplify the required distribution rules that apply to church retirement plans; eliminate a unworkable requirement under the so-called section 403(b) "catch-up" contribution rules; and make relief granted under section 457 consistent with coverage relief proposed for church retirement plans.

I urge my colleagues to join me in cosponsoring this vitally important church employee benefits legislation.

TRIBUTE TO KANISHKA RATNAYAKA

HON. DOUG BARNARD, 1JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. BARNARD. Mr. Speaker, I rise today to pay tribute to a young man, Kanishka Ratnayaka of Athens, GA, for being named Georgia's Voice of Democracy broadcast scriptwriting winner.

Kanishka is a 15-year-old 10th grade student at Cedar Shoals High School in Athens. He was born in Sri Lanka and became a citizen of the United States in August 1986. He incorporated this event into his winning essay entitled, "Why I am Proud of America."

I take great pleasure in submitting Kanishka's essay for reprint in the CONGRESSIONAL RECORD:

In August of 1986, I became a citizen of the United States. I became part of one of the greatest countries in the world. In one hand I held my Certificate of Citizenship, and in the other hand I held the Flag of the United States, the symbol of freedom and democracy. I felt honored to have this citizenship that insures freedom, and be among those to whom this comes as their birthright. Then for the first time in my life I realized what it means to be an American, and why I and so many other people are proud of America.

I am proud of America's great heritage. Our forefathers fought for the freedom that was rightfully theirs, and they founded this land of opportunity. Their greatest gift to us was the Constitution, which today gives us the freedom that other world citizens are fighting for. Our inheritance, the Constitution, gives us the opportunity to live and learn freely. We have the freedom to exercise any religion and speak or print our opinions and feelings, without fear of persecution. We are innocent until proven guilty, and our citizens age 18 or older enjoy the right to vote. From fighting for freedom, equality, and justice over two hundred years ago, to today, our forefathers marked our progress.

I am proud of America's progress. America, in spite of its short history, has led the world's progression. Our progress in democracy and humanity is marked by our 26 amendments to the Constitution. It has been emphasized by our Revolutionary War and our strong civil rights movement. It is proved by our commitment to set the example for other countries to follow, and how we uphold Woodrow Wilson's immortal words, "The world must be made safe for democracy." Our progress in education and technology has been tremendous. The people of the United States have the privi-

lege for universal public education, whether one is accelerated, average, or special. These developments have enhanced the quality of life through the attempt to attain total literacy and has provided for a just society with equal opportunity. Technology has advanced rapidly, making scientific and space programs flourish, and making the lives of people around the world easier and better. From inventors such as Thomas Edison to scientists like Albert Einstein, America's past is proof of progress in technology. Many other advances have helped America's progress. In agriculture, we are developing new ways to farm while other countries are still hand planting their staple crops. Scientific and medical research are fields led by America. Our movies and theatre productions are the basis of the world's entertainment. Progress is America's history and promise for the future.

The foundation of any great country is its people. I am proud to be a part of the hard-working American people who have molded America into what she is today. America has become the melting pot of the world, a symbol of many races, nationalities, and cultures living together harmoniously. This mixture of cultures and diversity, yet balance of the American people is symbolized in the landscape of this great country. We live in a land of plains and mountains, deserts and rivers, volcanoes and lakes, beaches and tundras, rolling grassy meadows and rocky mountain trails. This is a country blessed with a rich heritage, progress and beauty.

I hope the few words I have spoken has painted a picture, and image in your mind, of why I am proud of America from Patrick Henry's words which symbolize our great heritage and the mentality of the great American people, "Give me liberty or give me death", to the words of Neil Armstrong which illustrates America's progress, leadership, and pioneering spirit, ". . . Tranquility base here, the eagle has landed. This is one small step for man, one giant leap for mankind."

CORPS OF ENGINEERS ENVIRONMENTAL PROTECTION ACT OF 1990

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. STANGELAND. Mr. Speaker, today I'm introducing the Corps of Engineers Environmental Protection Act of 1990. This legislation establishes within the corps an environmental protection mission, provides environmental and fiscal reforms to the Nation's largest water resources program, and authorizes several important wetlands protection initiatives.

My bill is based on testimony the House Public Works and Transportation's Water Resources Subcommittee received in developing its biennial Corps of Engineers project authorization bill and in reviewing the Nations wetlands programs. It reflects significant input from environmental organizations—particularly the National Wildlife Federation, as well as the Corps of Engineers and others concerned about water projects, wetlands, and environmental protection.

My legislation will help the corps realize their potential to become the Nation's premier environmental engineers. It promotes an environmental ethic within the agency that emphasizes good stewardship of natural resources without weakening the corps' critical role in flood control, navigation, economic development, and other areas.

It also strengthens the agency's wetlands protection efforts—but without resorting to heavy-handed regulations that restrict normal farming practices or infringe on private property rights.

Highlights of the bill include: Establishing environmental protection as one of the agency's primary missions; Providing as part of the Corps' civil works mission a goal of no net loss of wetlands; Expanding opportunities for wetlands protection by demonstrating wetlands restoration, creation, and mitigation banking; Establishing a new program to evaluate and demonstrate the use of constructed wetlands as a way to meet rural America's wastewater treatment and wetlands protection needs; Easing problems associated with wetlands regulations by training and certifying individuals on how to identify and delineate wetlands; Revising water project planning to take into account more fully environmental costs and benefits; Protecting the Federal Treasury against unwise investments in flood plain or shoreline protection projects; Encouraging the use of nonstrucutural, environmental compatible flood control and beach proteciton projects; and Improving reservoir management to increase the corps' flexibility in meeting demands for recreation and fish and wildlife protection and to allow greater public participation in management decisions.

My hope is to incorporate provisions of the bill into H.R. 5314, the Water Resources Development Act of 1990. Time constraints prevented me from attempting to include these provisions in the version of H.R. 5314 introduced on July 19. However, I know that subcommittee chairman HENRY NOWAK, full committee chairman GLENN ANDERSON, and ranking minority member JOHN PAUL HAMMERSCHMIDT support environmental initiatives and procedural and planning reforms within the corps' civil works programs. I look forward to working with them and the rest of my colleagues as we move H.R. 5314 through the committee and onto the floor.

Mr. Speaker, I urge all of my colleagues to support the Corps of Engineers Environmental Protection Act of 1990. Both the National Wildlife Federation and the corps have worked closely with me on developing the bill's various environmental initiatives and reforms. It's not a perfect bill, but it's a good start.

A brief section-by-section summary of the bill is attached.

SECTION-BY-SECTION SUMMARY OF THE CORPS OF ENGINEERS ENVIRONMENTAL PROTECTION ACT OF 1990

Section 1 provides the bill's short title—the Corps of Engineers Environmental Protection Act of 1990.

Section 2 establishes environmental protection as one of the Corps primary missions in planning, designing, constructing, operating and maintaining water resources projects. The section also requires the Corps to transmit periodic reports to Congress on specific steps taken to implement its new mission and on administrative and legislative recommendations.

Section 3 contains several important provisions on wetlands protection, restoration, creation, mitigation banking, and delineation.

Subsection (a) establishes, as part of the Corps' water resources program, an interim goal of no overall net loss of wetlands and a long term goal of increasing the quality and quantity of our wetlands. These are the goals endorsed by the 1988 National Wetlands Policy Forum. The subsection also requires the Corps to develop a wetlands action plan to implement the goals.

Subsection (b) authorizes a nationwide, experimental program for wetlands restoration and creation. Modeled in part on section 45 of the Water Resources Development Act of 1988 (P.L. 100-676), the new program is intended to develop technical information so that wetlands restoration and creation become more helpful in achieving the no-net-loss and net-gain goals.

Subsection (c) authorizes a program to evaluate and demonstrate the use of constructed wetlands to meet rural America's wastewater treatment and wetlands protection needs. The subsection also directs the Corps to establish an interagency working group on constructed wetlands for purposes of meeting the nation's water quality and wetlands protection goals.

Subsection (d) provides cost sharing responsibilities for non-Federal interests in carrying out wetlands programs in subsections (b) and (c). These provisions are modeled in part on requirements contained in section 45 of the Water Resources Development Act of 1988 (P.L. 100-676).

Subsection (e) authorizes a program to demonstrate the use of mitigation banks in meeting the Act's wetlands protection goals and compensation requirements under the Clean Water Act, the Rivers and Harbors Act of 1899, and other laws.

Subsection (f) authorizes a demonstration program for the training and certification of individuals to identify and delineate wetlands and directs the Corps to report on ways to improve the content and implementation of the Federal Manual for Identifying and Delineating Jurisdictional Wetlands.

Section 4 provides important reforms to existing policies on flood plan management.

Subsection (a) revises the Corps benefit/cost analysis procedures to prohibit the Corps from including in the benefit base for justifying Federal flood damage reduction projects any new or substantially reconstructed structures built in the 100-year flood plain.

Subsection (b) directs the Corps to study and report to Congress on increasing the non-Federal share of costs for new projects in areas where new or substantially reconstructed structures are built in the 100-year flood plain.

Subsection (c) and (d) provide for regulations and effective dates.

Section 5 restricts the Corps' ability to participate in environmentally-questionable beach stabilization or renourishment projects.

Subsection (a) prohibits the Corps from spending Federal funds on beach stabilization or renourishment projects unless the impacted State has committed to a beach front management program that restricts unwise development, the use of structural protection measures, and provides for structural relocations and increased public access to beaches.

Subsection (b) and (c) provide for exceptions and the issuance of regulations.

Section 6 requires various reforms to reservoir management policies to increase opportunities for environmental protection and public participation.

Subsection (a) requires the Corps to establish technical advisory committees at major reservoirs.

Subsection (b) requires the Corps to ensure the public has significant opportunities to participate in reservoir management decisions.

Subsection (c) provides the Corps with authority to manage existing reservoirs for recreation and fish and wildlife purposes if other project purposes would not be impaired.

Section 7 defines "Secretary" to mean Secretary of the Army and "wetlands" to mean those areas as defined in EPA's and Corps of Engineers' regulations issued under the Clean Water Act.

CAMPAIGN CONTRIBUTIONS

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. TORRES. Mr. Speaker, The savings and loan crisis has spawned a critical look at the flow of campaign contributions as they affect the legislative process. In particular, allegations have been made that Members' votes have been unduly influenced by contributions from savings and loan industry individuals or political action committees.

I think the critical examination that is going on now is long overdue. I am a cosponsor of legislation which would completely reform the campaign financing system and abolish political action committees. It is imperative that the Congress act on campaign finance reform legislation this year.

Members are being advised, principally by their respective national and local campaign organizations, to scour their records to see if they have received any contributions from individuals or PAC's associated with the savings and loan mess. The name Charles Keating figures prominently in the research efforts. Let me tell my colleagues something about Charles Keating. He never contributed a penny to any one of my campaigns.

The question now arises: had I received a contribution from Charles Keating before his recent notoriety, would I now give it back? And in the future, as the names of individual savings and loan executives are splashed across the headlines, would I return their money also? What standards should I apply? Should I be selective or should I just consider all the savings and loan industry contributions as tainted, and return it all? If so, for what years?

Of all the campaign contributions I have received since 1982, 6 percent have been from the savings and loan industry.

My colleagues, even the hint of an accusation that there is some connection between my votes and campaign contributions raises my blood pressure. Henceforth, I will not be accepting any campaign contributions from any individual or political action committee associated with the savings and loan industry. The fact is, that until we reform the campaign finance system, any other position I might take as a member of the Banking Committee would be interpreted as suspect.

I would point out, that as a member of the Banking Committee, I have voted for strong capital standards for savings and loans that require the owners to put up more of their own money. This is the key to protecting the taxpayers from another bailout in the future. I have also supported tighter regulation of the industry and strong enforcement provisions that punish those involved in financial institution fraud.

I voted to redirect the thrift industry back to housing and community development. In addition, I supported provisions that end discriminatory redlining and instead promote affordable housing.

The American taxpayer is right to be outraged that so little has been done to prosecute the con men and seize the money that was looted from the thrift industry. The House Banking Committee has approved legislation which I cosponsored to uncover and prosecute fraud and embezzlement in the savings and loan industry. The bill, H.R. 5050, will help the Federal Government to successfully prosecute financial crimes at the same time it increases the amount the Government will be able to recover from failed financial institutions. This bill is the strongest step yet taken to ensure that financial criminals will be held accountable to the taxpayers for their actions.

BUFFALO, NY, STUDENT AWARDED SCHOLARSHIP

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. NOWAK. Mr. Speaker, I would like to recognize and congratulate Ms. Deidre Brown a resident of Buffalo, NY, of the 33d District of New York, which I am proud to represent. A student at Canisius College, Ms. Brown is one of 10 recipients of the 1990 Public Service Scholarships awarded by the Public Employees Roundtable. More than 300 applications for these scholarships were received this year.

At this point, I would like to present Ms. Brown's winning essay: "How My Education and Experience Have Prepared Me for My Chosen Government Career." This is a poignant, sensitive description of a tragedy she encountered that inspired here to select child psychology as her career area.

HOW MY EDUCATION AND EXPERIENCE PREPARE ME FOR MY CHOSEN PUBLIC SERVICE CAREER

(By Deidre L. Brown)

My education and experience will help me in my chosen career as a Child Psychologist in the public school system. I presently attend one of the best private colleges in New York State, Canisius College. I am confident that I will receive an excellent education. Therefore I wish not to focus on the quality of the education I will receive at Canisius.

The task set before me was to explain how my education and experience prepare me for my chosen public service career. In doing so, I wish to emphasize the importance my individual experience, I would not be the person I am today or be as devoted to my chosen career.

As a child, I lived a somewhat sheltered life. The words abuse, incest, and molestation were foreign and meaningless to me. In my world, those things simply did not exist. That world came to an end when I learned the gravity of what they meant. Those words were no longer mere utterances on the six o'clock news or in the newspaper. They were reality and became the words that would change my life.

In my sophomore high school English class I sat across from a girl named Tammy. She came into class once again with a blackened eye and I assumed she had had another confrontation with a student. Behind me, two students sat snickering at Tammy and laughed that "her father must have beat her again." I was paralyzed, glued to my seat. I could not believe what I had heard. I am not sure if I am more horrified at their laughter or Tammy's abuse.

After class I spoke with my teacher and explained what I had overheard. I was not sure what was going to be done, I only knew that I wanted to help. In the subsequent weeks, Tammy showed up for fewer and fewer classes. It eventually reached the point where I never saw her again.

I often wonder if she is alive and doing well. When I question my actions then and wonder if I helped, I remember that a life of abuse is no life at all. It is a perpetual hell in which one lingers in with no hope of escape. For Tammy, I chose to take a step to end that hell. If the situation were to arise today, I know that I would again take that step.

It disturbed me that I had been a silent observer, never questioning Tammy's blackened eyes and by this oversight allowing the abuse to continue. I was further saddened that no one else took the time to ask Tammy if she had a problem or if she needed help. We all waited until a time when it may have been too late.

One other incident helped me decide my future in Child Psychology. A six-month-old baby boy named Eric was molested while visiting his father's house. Several people had been in the house at the time and it was impossible to determine who was responsible.

I love Eric as if he were a son. He is now six years old and remembers that something adverse happened over his father's house. Eric exhibits educational as well as behavioral difficulties in school. He never received professional help to deal with his feelings and I wonder if his problems stem from this early childhood tragedy.

I realize that the world is full of Tammys and Erics and all I have to do is look around to see them. Working in a public school will allow me the chance to reach children who are financially unable to seek professional care. I want to help America's forgotten children, for they are our future.

TRIBUTE TO GEN. JOHN W. ROBERTS, USAF-RETIRED

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. MONTGOMERY. Mr. Speaker, I had occasion recently to reexamine Gen. John W. Roberts' biography. I never realized it before

but, in one way or another, John has spent his entire adult life either in or working for the military.

Born in Mankato, MI, he entered the Air Force and earned his pilot's wings in 1943, when, as you may recall, it was still the Army Air Corps. During the Korean Conflict he flew combat missions in F-84 and F-86 aircraft.

Following the war, John had a succession of assignments, each entailing greater and greater responsibility. Among these were command of the 3529th Combat Crew Training Squadron, Assistant Deputy Chief of Staff for Plans, Air Training Command, and Assistant Chief of the Special Warfare Division, Headquarters, United States Air Force. In between these assignments he found time to earn his master's degree in business administration from the George Washington University and to attend the National War College.

During the Vietnam War, John commanded the famed 366th Tactical Fighter Wing (the Gunfighters) located at Da Nang Air Base. Shortly thereafter, upon promotion to Brigadier General, he became Director of the Tactical Air Control Center, Tan Son Nhut Air Base. Following tours as the Air Force's Director for Personnel Planning and as Deputy Chief of Staff for Personnel, he assumed command of the Air Training Command, a position he held until his retirement in 1979.

General Roberts was elected to the board of directors of The Retired Officers Association [TROA] in 1984 and as chairman of the board in December 1988. Through his stewardship, The Retired Officers Association played a vital role as staunch advocates of legislative initiatives to maintain readiness and improve the quality of life for all members of the military community—active, reserve, and retired—plus their families and survivors. I won't describe all of his accomplishments, but will briefly focus on a few to illustrate the breadth of his concern for military people. As chairman, he led the fight for affordable health care which, in turn, ultimately resulted in the repeal of the onerous and illadvised Medicare surtax that was associated with the Medicare Catastrophic Coverage Act—a feat people are still talking about. Likewise, under his direction, TROA supported strengthening the underpinning of the Montgomery GI bill and thus provided a solid foundation for our Nation's future leaders by placing the wherewithall for a college education on the horizon of more than 1,000,000 young men and women who otherwise might have been denied that opportunity. Finally, he was ever mindful of the adverse effects on morale and retention caused by broken commitments and inadequate compensation and forcefully championed the causes of fairness and equity. His leadership efforts to defeat the imposition of user fees in military health care facilities, to preserve COLA and to provide adequate military pay raises are especially worthy of note.

As a final thought, as I am sure you will all agree, the word leadership is often applied to those who do not deserve it. In General Robert's case, just the opposite is true. He has been, in every sense of the word, a leader in the military, TROA and the entire retired community. Our wishes go with him for a long life and continued success in service to his Nation and especially those in uniform whom he has so admirably led.

THE DELANCEY STREET FOUNDATION

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Ms. PELOSI. Mr. Speaker, I rise today to share with my colleagues the occasion of the grand opening of the Embarcadero Triangle, the new headquarters of the world-renown Delancey Street Foundation, which will be the largest self-managed, self-built, self-help complex in the country.

Under the extraordinary leadership of Mimi Silbert, its founder, president, and chief executive officer, Delancey Street has garnered a well-deserved reputation as the most successful program of its kind in the world. With no cost to the taxpayer, Delancey Street takes its residents through a 2-year program consisting of practical and technical training, general education, cooperative living, rap sessions, self-analysis and positive self-esteem workshops. This unique multidiscipline approach has graduated thousands into society as drug-free, legitimate, and successful citizens.

In keeping Ms. Silbert's promise to "prove that people everybody thinks are losers are really winners," Delancey Street currently has 800 residents of all ages, races, and backgrounds in New York, North Carolina, New Mexico, Los Angeles, and its headquarters in San Francisco. The program has been found to be so successful that it has been replicated by countries from Australia to Poland.

The Embarcadero Triangle is the culmination of the Delancey Street creed. Over 250 formerly unemployable drug addicts, homeless people, and ex-felons residing at Delancey Street, trained in every skill in the building trades, as well as in purchasing, contracting, computer, and accounting services, have transformed an entire city block into a 4-story, 350,000-square-foot mixed-use site that includes retail stores, restaurants, and dwelling units for the residents of Delancey Street.

Embarcadero Triangle is more than the ultimate sweat-equity project. Allan Temko, the Pullitzer Prize winning architecture critic of the San Francisco Chronicle, has called the architecture of the Embarcadero Triangle a "masterpiece of contemporary social design." For in fabricating their own steel, in creating their own molds, in sculpting the ironwork, stairs, and terraces, there is a little piece of somebody where ever you look in this magnificent structure.

Thus, it should also be written that Embarcadero Triangle, under the leadership of Mimi Silbert and the Delancey Street Foundation, is a masterpiece of social work as well. It is a complex where its residents can live, and work, and dream, and, in doing so, start a new journey in life. I salute Delancey Street's founder, its workers, and its spirit on this, the occasion of the grand opening of the Embarcadero Triangle, July 26, 1990.

DAVID H. HITT RECEIVES GOLD MEDAL AWARD OF THE AMERICAN COLLEGE OF HEALTHCARE MANAGEMENT

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. FROST. Mr. Speaker, Mr. David H. Hitt, the president and chief executive officer of Methodist Hospitals of Dallas, located in my congressional district, is the 1990 winner of the Gold Medal Award of the American College of Healthcare Executives.

The Gold Medal Award, granted annually to an individual who has demonstrated excellence and leadership in healthcare management, will be presented to David during the college's July 29, 1990, annual banquet in Washington, DC.

David Hitt has been in healthcare administration for 42 years and is well known for his professional competence and leadership. For example, during the 1950's he chaired the first American Hospital Association task force on the use of computers in hospitals. In 1990, he is serving on the AIDS task force for Dallas County, illustrating his participation in a wide range of activities aimed at improving patient care.

For 27 years, he served in executive management at Baylor University. While there he developed and implemented many patient-oriented programs, including an innovative decentralized organization plan that required nursing and executive management to visit nursing units regularly in order to improve communications with the medical care staff and physicians.

Six years ago David took over the leadership of Methodist Hospitals of Dallas. In that time, he has played a critical role in the growth and development of this major community hospital.

The American College of Healthcare Executives, a Chicago-based international professional society of more than 23,000 healthcare executives, has honored David Hitt for his professional service to our community and our Nation, and it is a very just recognition.

I am pleased to call Mr. David Hitt to the attention of the U.S. House of Representatives and to congratulate him on his receiving the Gold Medal Award of the American College of Healthcare Executives.

HONORING METROHEALTH MEDICAL CENTER—CLEVELAND, OH

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Ms. OAKAR. Mr. Speaker, today, with great pride, I rise to offer this statement in recognition of the accomplishments of MetroHealth Medical Center located in Cleveland, OH. MetroHealth is one of the Nation's leading medical centers and a model for how an institution

in today's competitive health care environment can remain committed to a public charitable mission, and not let quality or financial viability suffer.

The Medical Center is nationally recognized for its patient care, academic and clinical research programs. MetroHealth's name and accomplishments are directly associated with past medical milestones such as the eradication of polio, the control of tuberculosis, and many of today's efforts toward conquering AID's and the ravages of cancer. In 1988, MetroHealth was named by the American Hospital Association as the finest hospital in the country for providing community service.

As Cleveland's first hospital, MetroHealth Medical Center has more than 150 years of experience handling complex medical problems. Last year more than 150,000 Greater Clevelanders chose MetroHealth as the place to receive their care.

MetroHealth is a national leader in the area of women's and children's health, trauma and critical care, cancer and rehabilitation services. Whether providing routine care or treatment for a life threatening condition, MetroHealth has available the most qualified medical staff, leading edge technology, and most important, a commitment to quality.

Three examples of the unique capacities of MetroHealth are its aeromedical transport program, the MetroHealth Center for Rehabilitation, and the John A. Gannon Center for Burns and Trauma. Metro Life Flight is a regional emergency transport service serving Ohio, neighboring States and Canada. Metro Life Flight is prepared, 24 hours a day, 7 days a week, to transport critically ill patients from referring locations to MetroHealth Medical Center, and to more than 50 other receiving hospitals within a 200 mile service area. Flying the largest, safest, most powerful aeromedical helicopters in the country, Metro Life Flight has completed 10,000 missions, making it the second largest program of its kind in the United States.

Nearly one-third of the patients transported by Metro Life Flight are treated at MetroHealth in the John A. Gannon Center for Burns and Trauma. One of only 169 or so Level One Trauma Centers in the country, the center treats major trauma and severe burns in one of the newest and most technologically advanced facilities in the nation. MetroHealth's Burn Center was established in 1971 and has grown in recognition as a leading center for the treatment of severe burns.

The MetroHealth Center for Rehabilitation, Ohio's largest and most comprehensive rehabilitation center, has provided annually inpatient and outpatient rehabilitation treatments to over 1,200 patients suffering from serious injuries and chronic illnesses. MetroHealth's common goal is for each patient receiving rehabilitation services to achieve the highest level of independence within the framework of the illness or injury. A pioneer in innovative services since its inception, MetroHealth Center for Rehabilitation is nationally recognized for its range of services and specialized programs in the areas of spinal cord and head injury, stroke, and also as a pioneer in research programs such as functional electrical stimulation.

MetroHealth has a unique mission of service to the poor in the Cleveland area, and a corresponding open door policy. Their success in maintaining this mission and continually improving the types and quality of services available must be recognized with special notice being given to the dedicated physicians, nurses and support staff who better the lives of thousands of Clevelanders—especially those with no place else to turn.

QUESTIONNAIRE RESULTS

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. WYLIE. Mr. Speaker, last spring I asked the people of the 15th District of Ohio, which I have the honor to represent, their opinions on a number of important issues facing our Nation today. Admittedly this is not a scientific survey, but after tabulating and reviewing the 13,000-plus responses, I thought that our colleagues might find the following results interesting.

FINAL QUESTIONNAIRE RESULTS

[In percent]

	His			Hers		
	Yes	No	Und.	Yes	No	Und.
1. Do the political changes taking place in the Soviet Union and Eastern Europe warrant a reduction in defense spending?	70	22	8	68	24	8
2. Do you favor increasing economic aid to Eastern European countries?	33	54	13	28	59	13
3. Do you favor increasing economic aid to Nicaragua?	33	55	12	25	59	16
4. Should Ohio congressmen vote for the clean air bill if the cost sharing formula for acid rain cleanup results in higher electric rates?	64	27	9	62	26	12
5. Should Pacific Rim nations such as Japan, Korea and Taiwan contribute a greater share of the cost of their own defense?	95	3	2	93	4	3
6. Do you favor the legalization of the use of marijuana, cocaine or heroin?	16	78	6	14	79	7
7. Do you favor a capital gains tax cut?	44	44	12	41	43	16
8. Do you think the amount of money appropriated to provide shelters and services for the homeless should be increased above President Bush's budget recommendation?	37	51	12	42	46	12
9. President Bush has asked Congress to appropriate $5.5 billion for research development and the construction of five B–2 stealth bombers for FY 1991. Should I support the President?	29	62	9	25	62	13
10. Do you favor repeal of the outside earnings limitation for Social Security recipients?	67	22	11	61	24	15
11. Do you favor excluding the Social Security Trust Fund from federal deficit calculations?	75	16	9	72	15	13
12. Would you favor reducing the Social Security tax now to a pay-as-you-go level even though additional monies would have to be added in the future to the Social Security Trust Fund to take care of the baby boomers?	27	59	14	24	57	19
13. Do you favor increasing direct subsidies and payments to state certified child care facilities to meet the growing need for child care?	36	54	10	44	46	10
14. Do you favor a refundable tax credit to parents to pay for child care in a facility of the parents' choice?	52	38	10	57	35	8
15. The issue of federal funding for abortions has become one of the most controversial in my years in Congress. Please indicate which position most nearly states your own?						
a. I favor a constitutional amendment making abortion illegal in all cases.		9			9	
b. I do not favor a constitutional amendment but am opposed to abortion except in the case of rape, incest or where the life of the mother is in danger.		12			11	
c. I am pro life, but do not support a constitutional amendment, and do not think federal funds should be used to pay for an abortion in any case.		10			10	
d. I am pro choice but do not feel federal funds should be used to pay for abortions.		15			16	
e. I would support federal funding of abortions but only if the life of the mother is in danger.		1			1	
f. I would support federal funding of abortions in the case of rape, incest or where the life of the mother is in danger if she can't afford an abortion otherwise.		18			16	
g. I favor federal funding for abortion for mothers who can't afford it if that is what the mother wants.		35			37	

AGE OF CONSTITUENT

[In percent]

	18–27	28–41	42–57	Over 57
His	10	29	28	33
Hers	9	27	25	39

TRIBUTE TO ADM. CARLISLE A.H. TROST

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. SKELTON. Mr. Speaker, today I pay tribute to Adm. Carlisle A.H. Trost, a truly outstanding naval officer and gentleman. On July 1, 1990, Admiral Trost ended 37 years of active naval service. In ceremonies held at the U.S. Naval Academy in Annapolis, MD, on June 29, 1990, Admiral Trost was relieved by Adm. Frank B. Kelso II, as Chief of Naval Operations.

Admiral Trost graduated first in his class from the U.S. Naval Academy on June 5, 1953. Subsequently, Admiral Trost served on the U.S.S. *Robert A. Owens* (DD 827) before beginning his long career serving in both nuclear-powered attack and ballistic missile submarines. On July 1, 1986, he was named the 23d Chief of Naval Operations.

A leader during a time of rapid change, Admiral Trost set a course which will guide the Navy into the 21st century and ensure the U.S. Navy's role in the protection of our national interests. He maintained a firm commitment to Navy people and their families which helped the Navy to achieve its highest levels of reenlistment in the post-Vietnam era. In October 1989, Admiral Trost became the first Chief of Naval Operations to visit the Soviet Union, making a significant contribution to the lessening of tensions and building of confidence between our two Navies.

I would like to personally express my appreciation to Admiral Trost and recognize him for his devoted years of service to the Navy and our country. Let me also recognize his wife, Pauline, and their children for their loyalty and support, which are so necessary in the life of a career naval officer. I invite my colleagues to join with me in congratulating this gentleman for his distinguished career.

A "POINT OF LIGHT" CHOSEN IN RIVERSIDE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. BROWN of California. Mr. Speaker, I rise today to recognize an organization in my district which was selected on Saturday, July 21, 1990, as a "Daily Point of Light" by the President. This organization, Alternatives to Domestic Violence, represents the volunteer ethic at its finest, and I am proud to join the President in bringing attention to this group.

Founded in 1977 by concerned citizens, Alternatives to Domestic Violence provides support services to victims of domestic violence. More than 100 volunteers play a role in carrying out the organization's programs and helping increase public awareness about the terrible social problem of domestic violence.

Volunteers who assist with the 24-hour crisis line provide counseling, information, referral, and emotional support to those who call in need of assistance. Those who work with the Horizon House Shelter comfort women and their children who have sought refuge from domestic abuse. The childrens' program counsels the children who temporarily live at Horizon House. The volunteers work with the children, helping them cope emotionally with the violence they have experienced. In addition, the volunteers accompany the women throughout the judicial process, offering advice and providing support.

In these, and myriad other ways, the volunteers of Alternatives to Domestic Violence truly embody the spirit of the Point of Light program, which is intended to call every individual, group, and organization in America to claim society's problems as their own by taking direct action. Without this volunteer effort, groups such as Alternatives to Domestic Violence surely could not exist.

However, we make a grave mistake to assume that hard work alone is all that it takes to make volunteer organizations, such as this one, work. The reality is that operating a crisis telephone line, paying rent and operating a shelter, and providing care for children, takes more than elbow grease and good intentions: It takes money.

It is becoming increasingly clear that our Nation is approaching a period of economic stringency. In my home State of California, we have already seen how that translates into budget cuts. Alternatives to Domestic Violence is a prime example of an outstanding organization which depends on State funding to supplement its volunteer effort, and which is being threatened by budget cuts. Despite our praise, and despite our Presidential Point of Light, without the necessary funding, Alternatives to Domestic Violence will cease to exist.

I call upon my colleagues in the House to keep this example in mind as we consider the tough budget choices which we will have to make in months and years ahead.

LEAD POLLUTION PREVENTION ACT OF 1990

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. THOMAS A. LUKEN. Mr. Speaker, lead poisoning in the United States has reached epidemic proportions, with an estimated one in six children suffering from dangerously elevated levels of lead. This means that over 3 million children are threatened with the possibility of significant neurologic impairment, permanently lowered I.Q.'s, convulsions, comas, or even death as a result of exposure to lead, often from everyday sources such as dirt, dust, and drinking water or, in many older homes, paint chips.

Even relatively small exposures to lead can cause subtle but irreparable harm, resulting in brain damage and nervous disorders which stunt children's prospects for full, productive lives. And although children, particularly in urban areas, are at special risk, adults may also suffer serious health effects from exposure to lead. Indeed, there appears to be no safe level of exposure to this toxic heavy metal.

Although the dangers of lead are by now well known, too little has been done towards eradicating lead in the environment. Decades of widespread use of products such as leaded gasoline and lead paint have left a menacing legacy of toxic contamination of our air, water, and soil. And the continuing use of lead in a wide variety of products further contributes to the already intolerable amounts of lead in the environment.

The Lead Pollution and Exposure Reduction Act, which I am introducing today, would combat the hazards posed by lead which has already been dispersed into the environment, while taking firm steps to curtail additional contamination. Strict limits would be placed on the lead content of many products, including paint, plumbing fixtures, solder, inks, and plastic additives. Further, manufacturers would have to notify EPA of any additional or newly developed products containing lead. New products would be banned unless EPA finds dispersion of lead in the environment to be unlikely and no comparable product is available. The bill also requires labeling of products which contain lead.

All lead-acid batteries, which account for three-fourths of the 1.4 million tons of lead used in the United States annually, would be recycled. And leaded gasoline, which has in the past contributed heavily to our environmental burden of lead, could not be sold at a price lower than unleaded gas.

The bill also requires EPA to revise Federal standards for lead in drinking water and ambient air, long overdue. EPA would be directed to work with other Government agencies to set standards for environmental sampling and blood analysis laboratories and to bring about improvements in lead detection and abatement. The bill also provides for critically needed research and public education activities.

Similar legislation has been introduced by Senators REID, LIEBERMAN, and BRADLEY. I look forward to working with them and others to halt the incalculable damage caused by lead pollution which, today, is all too pervasive in the United States.

THE 1990 FARM BILL ADDRESSES NORTHEAST PENNSYLVANIA'S GYPSY MOTH PROBLEM

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. KANJORSKI. Mr. Speaker, the 1990 farm bill which we are currently considering, deals with a myriad of issues related to American agriculture. While some are contentious, these debates should also focus on other aspects of the bill which make important strides to address serious problems.

One such issue is insect control. Section 1502 of the farm bill outlines the Federal Government's response to insect infestation in our Nation's State and private forests. I applaud the more aggressive stand taken by these provisions in the farm bill to assist the States in the insect control programs, and urge my colleagues to join me in supporting this effort.

Mr. Speaker, the area I represent in northeastern Pennsylvania suffered extensive damage this year due to an unprecedented infestation of gypsy moths. Approximately 1,500,000 acres in Pennsylvania were defoliated in the spring and summer of 1989 by gypsy moths. This year, the damage is expected to be twice that amount.

The gypsy moths completely stripped trees of their leaves, caused serious rashes in some people who came in contact with the insects, and did untold economic and environmental damage to a large number of communities.

Preliminary investigation indicates that the problem will worsen before it improves, and next year Pennsylvania may experience even worse defoliation. Furthermore, research indicates that the gypsy moths are moving to the West and to the South, and that soon very few areas in our country may be free of these troublesome pests.

As I indicated earlier, section 1502 of the 1990 farm bill takes a more aggressive approach to pest abatement by raising the cost-share assistance provided to the States for insect control from 50 to 75 percent and by authorizing $10 million for the pest abatement program; an increase of $1 million over last year's authorization.

Mr. Speaker, I have been assured by the Pennsylvania Department of Forestry that these increases are needed and will be important in their upcoming battles against the gypsy moth. Although I realize that these actions will not in themselves cure the problem, they will offer some relief until the pest can be permanently eradicated.

I would like to offer my sincere appreciation to Chairman VOLKMER and Chairman DE LA GARZA for their leadership and assistance in this important area.

A TRIBUTE TO THE GREATER MIAMI OPERA

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Ms. ROS-LEHTINEN. Mr. Speaker, I am honored to recognize the Greater Miami Opera which will be celebrating its 50th anniversary this 1990–91 season.

Dr. Arturo di Filippi, a voice teacher at the University of Miami, was the first to conceive the idea of bringing opera to Miami and founded the Opera Guild of Greater Miami in 1941. di Filippi was general manager from the company's first production, staged February 13, 1942, of Leoncavallo's "Pagliacci," sung in English until his death in 1972. Dr. di Filippi has had only two successors in the 18 years after his death. The first was his good friend, Robert Herman, who served as general manager from 1973 to 1985 when he retired and was elected to the board of directors as vice president of advocacy and development. The second is Robert M. Heuer, who originally joined the guild in 1979 as its first director of productions and then became assistant general manager in 1983. Mr. Heuer has now served as general manager since 1986.

These three men worked each with a single goal in mind: To raise the Opera of Greater Miami to its finest measure. They succeeded by concentrating on different aspects of the art, such as the visual and contemporary innovations that they saw possible. Today, the Miami Opera is the largest renter of scenery in the country and have created new positions, such as artistic director, which has been held by Dr. Emerson Buckley and Willie Anthony Waters. It has also changed its repertoire to include Mozart, Strauss, Wagner, and contemporary operas, as well as Puccini and Verdi, all done in the original language.

Volunteer leadership has also been a significant part of the guild's rapid success. Soon after Arturo di Filippi founded the guild, Mrs. Marcia Pawley was elected the guild's first president and an executive board was chosen. Mrs. Pawley served as president for 15 years from the guild's inception to 1956.

Currently, this noteworthy opera company is under the masterful stewardship of Chairman Dr. Maxwell Dauer, Vice Chairman Roberta Balfe, Vice Chairman Robert Traurig, President James Herron, Vice President Horacio Aguirre, Treasurer Ronald Korn, Secretary Mrs. Phillip George, and Assistant Secretary Mrs. Oswald Turner. It should be proud to also include as chairmen emeriti, Mr. Horace Cordes, Mrs. Joseph Crawley, Dr. Adelio Montanari, Mr. Alberto Vadia, Mr. Alexander Wolfe; and as directors emeriti, Dr. Richard Elias, Mr. Nathan Gumenick, Dr. Leonard Jacobson, Mr. Graham Miller, and Mr. Morton Weiner.

In its 50 years, the Opera of Greater Miami has done more than just serve an artistic and aesthetic function. The opera's educational and community service program is the largest of its kind in the country. These programs reach every age group in trying to elicit interest and curiosity into the little-known world of the arts.

In celebration of the guild's anniversary, the company will perform Pagliacci, in honor of the company's first production. It also will start the season with a transatlantic opera cruise on the *Queen Elizabeth II* from August 9 to August 15, 1990, led by General Manager Robert M. Heuer and featuring Carol Neblett, Joseph Illick, Virginia Browning, and young artist program graduate Lawrence Craig. The Opera Ball, chaired by Mr. and Mrs. Egmont Sonderling, takes place on November 30. There will also be a gala party on February 18, with opera stars and local dignitaries.

I am pleased to congratulate the Opera of Greater Miami on their commemorative anniversary and wish them much success with their drive to add $10 million to their opera endownment by 1992, to build a performing arts center in the 21st century.

CLARK PORTEOUS HONORED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. SUNDQUIST. Mr. Speaker, a few weeks ago, a good friend and a great newspaperman from the town of Collierville, TN, Clark Porteous, was honored by his community on the occasion of his 80th birthday. As the House was in session on July 10, I was unable to take part in celebrating Clark Porteous Day, but his long and distinguished career are worthy of note by this House.

Clark Porteous has been a newspaperman for six decades. During his 47 years with the Press-Scimitar in Memphis, he covered the politics of the Crump machine, served his country as a combat correspondent during World War II, covered the big flood control projects that tamed the Mississippi River, was there at the onset of the civil rights movement, witnessed the space program come to the Mid-South, wrote about Rock and Roll and a Memphis legend named Elvis Presley.

From 1981 until 1988, Clark edited the Collierville Herald, for whom he remains an associate editor.

A caring man long active in his community, he is also a family man, father to six, grandfather to five, and soon to be a great-grandfather.

Clark Porteous Day in Collierville July 10 is an expression of how people feel about this wonderful man whose friendship and support I am proud to have.

I ask that the Collierville Herald's account of Clark Porteous Day be reprinted in its entirety in the CONGRESSIONAL RECORD.

CLARK PORTEOUS DAY BRINGS PRAISE FROM HIGH PLACES

(By Daisy Fontaine)

He received a letter from the governor of Tennessee. He was made an honorary Shelby County Commissioner. He was given Shelby County Mayor Bill Morris' Shelby County Meritorious Service Award, only the eighth ever given. It was Clark Porteous' day.

The day had already been declared his day by Collierville Mayor Herman Cox and at a morning reception at the Collierville Depot on the Historic Square friends, relatives, admirers, and politicians came in numbers to honor Porteous, The Herald associate editor and dean of Tennessee reporters, on his 80th birthday.

The reception, sponsored by The Herald, the Town of Collierville, and the Collierville Area Chamber of Commerce, was marked by camaraderie and respect from people who had known Porteous from his Memphis Press-Scimitar days and from those who had known him only during the nine years he has been associated with The Herald.

Accolade followed accolade:

John Fowler, Chamber of Commerce president, welcomed the guests and praised the honoree.

Mayor Herman Cox and Vice Mayor Tom Brooks presented Porteous with a framed copy of the proclamation which made Tuesday "his day." Cox said, "I believe in giving flowers to the living. I don't want to lay them on your grave, Clark."

Gov. Ned McWherter, in his letter, praised Porteous for his many years of honest and dedicated journalism.

A Press-Scimitar alumnus who had worked at Memphis City Hall with Porteous, Tom Stone, presented him with the award of merit on behalf of Mayor Morris, who was unable to attend.

County Commissioner Carolyn Gates sealed Porteous' appointment as an honorary county commissioner with a hug and a kiss. She told the crowd Porteous was the first newsman to take her political ambitions seriously and credits his coverage of her campaign as being instrumental in her election to the commission.

Chief Dennis Joyner paid the respects of the Colierville Police Department to Porteous.

The Herald editor and publisher, Van Pritchartt, who worked with Porteous for many years on the Press-Scimitar, reminisced humorously about the years on the daily paper when Porteous was accused of setting waste paper baskets on fire with the embers from a pipe, which was the reporter's constant companion in those days. He added, "Clark, you and I have much more work to do before we're through."

Politicians paying their respects to Porteous and making their bid for election among the guests were Billy Ray Schilling, along with his finance chairman, Charles Pegram, a former manager of the Community Bank of Collierville; and Riley Garner, veteran county trustee, along with his Collierville brother-in-law and his wife, Mr. and Mrs. Joe Boyd Rives.

Members of Porteous' family present were his wife, Elizabeth; three sons, Tom, a captain with the Memphis Police Department; David, an attorney and a Collierville resident; and John, an automotive mechanic. The sons were accompanied by their families. Three of Porteous' grandchildren, Michele, Maria, and Michael, were on hand to wish their grandfather happy birthday.

The newspaperman is the second news media person to receive Mayor Morris' meritorious award. He joins Marge Thrasher, TV personality. Others who have been honored with the medal are Larry Finch, Memphis State University basketball coach; Tom Turner, Shelby County businessman; Arthur N. Seessel, Memphis grocer; Brother Theodore Drahmann, president of Christian

Brothers University; Eleanor Hughes, Shelby County geneologist and member of the Shelby County Historical Commission; and Bishop William H. Graves, bishop of the Christian Methodist Episcopal Church.

INADVERTENT ERROR

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. McNULTY. Mr. Speaker, my good friend and colleague, Mr. SOLARZ, was inadvertently left off the list of original cosponsors of H.R. 5282.

I fully intended to include Mr. SOLARZ on this bill as an original cosponsor and I would like the RECORD to state this.

DUTY SUSPENSION FOR DIGITAL PROCESSING UNITS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. ARCHER. Mr. Speaker, on July 23, 1990, I introduced H.R. 5342, a bill to extend a duly suspension for digital processing units.

Subheading 9902.84.71 of the HTS was created at the request of the administration to provide a 2-year duty suspension on imports of digital processing units—motherboards—for computers. This provision expires after December 31, 1990. At the same time, specific negotiating authority, for the purpose of reducing the tariff on this item through international agreement, was included in the Omnibus Trade and Competitiveness Act of 1988. No serious effort was made to use this authority before it expired during October 1989, given the focus on the GATT talks. Negotiations are now taking place in the context of the Uruguay round, and the administration expects to reach an agreement which will reduce the tariff on this item beginning January 1, 1992.

An extension of the duty suspension is necessary to bridge the gap between the end of the current suspension—December 31, 1990—and the time when the Uruguay round tariff reductions are expected to take place—January 1, 1992.

SITUATION IN KASHMIR

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. GEJDENSON. Mr. Speaker, I rise today to call attention to the volatile situation in Kashmir and my concern for the human rights of the people of this region. Our sense of humanity demands that we acknowledge the unfortunate plight of the Kashmiris. Since the establishment of Pakistan and India in 1947, the people of Kashmir have known only limited peace. Currently, indiscriminate killings, arbitrary arrests, unlawful searches, and unprovoked assaults on peaceful demonstrators haunt the provincial residents. Additionally, food and medical supplies, including vaccines, are extremely scarce. These obvious human rights infractions have created a lifestyle dominated by suffering, fear, and insecurity.

I commend Presidents Bush and Gorbachev for placing this important regional conflict on their agenda at the recent summit in June. Further, I believe that through the medication of these two superpowers and the office of the United Nations, both Pakistan and India may approach the negotiating table prepared to reach an agreement over the integrity of Jammu and Kashmir. Daily news reports express the urgency of this situation and the pressures of extremism on both the Indian and Pakistan Governments which undermine the democratic foundations of both these nations. While I respect the territorial integrity of the Indian Government, I strongly urge the Indian Government and all responsible leaders of the Kashmiri people to attempt to achieve a political solution that will permit the settlement of accumulated grievances and the restoration of law and order, while guaranteeing human rights for all the people of India.

THE PEACE CHILD FOUNDATION

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. FASCELL. Mr. Speaker, I rise today to give recognition to a group whose work with children across America and around the world is helping to promote peace and harmony and to build bridges across racial lines. The Peace Child Foundation brings children from diverse racial, cultural, and socio-economic backgrounds together to work toward a common goal of creating and performing in a musical revue, combining and sharing their unique cultures and experiences.

The Peace Child Foundation is a nonprofit organization which acts as an umbrella for local groups in cities around the United States; helps them get started and gain sponsorship; and oversees the international projects of the foundation. The local groups bring children of different races together to create and perform a musical production extolling harmony and peace. Internationally, Peace Child selects American youths to join with children from other countries to perform and share their cultures and ideas. With these small steps, they are aiding in the peace process in a unique way.

I was recently fortunate enough to see "City at Peace," presented by the Miami branch of the Peace Child Foundation. It was comprised of 112 students who sang and danced their way into the audience's heart. They put their individual talents and interests together and produced a moving show, encompassing the ideals of peace and racial harmony, combined with an antidrug message. Through their effort and group commitment, these young people learned that although they come from different backgrounds, they are all part of one community and can work together to create something truly special on their own. Hopefully with this experience, these children, and those they come in contact with, will grow older and wiser without the prejudice and fear that comes with the unknown.

CONGRESSIONAL SALUTE TO RICHARD V. BERTAIN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1990

Mr. ANDERSON. Mr. Speaker, I rise today to pay highest tribute to Dr. Richard V. Bertain on the occasion of his nomination by the President of the United States to the position of Associate Director of the Office of Domestic and Antipoverty Operations at ACTION.

Richard Bertain holds the best of academic qualifications for this position. After receiving his A.B. in both philosophy and English from St. Mary's College in 1951, Richard went on to attain his master's degree in educational administration for California State University at San Diego in 1960. He then went on to earn his certificate of advanced study from the Graduate School of Education at Harvard University. To top this impressive list, Richard earned his doctorate in educational administration from Harvard in 1964.

Dr. Bertain's professional record is as equally distinguished as his academic record. Since 1978 Richard has held the posts of superintendent and assistant superintendent, business services, of the El Segundo Unified School District. His invaluable contributions to the process of educating our youth in this position, as director of all district functions, including the budget, business services, curriculum/instruction, and personnel, mean he will be sorely missed. Certain people are simply not replaceable. His prior work record reveals a man tirelessly dedicated to the noble field of education in California. He has been assistant superintendent in the Palm Springs Unified School District; the deputy superintendent of schools, acting planning director, and special consultant to the superintendent in the Glendale Unified School District; the director of secondary schools and a high school principal in the Culver City Unified School District, and assistant to the superintendent of the Beverly Hills Unified School District. He was also a teacher in San Diego for 5 years. Furthermore as a management consultant and president of American Educational Services, Richard has provided an invaluable service to numerous other districts in the region. Dr. Bertain is also professionally involved with the Association of California School Administrators, the Association of Supervision and Curriculum Development, and the California Association of School Business Officials. Dr. Bertain is also well published in the field of education.

Above and beyond his professional experiences, Dr. Bertain has found time to be an instructor in educational administration at Loyola-Marymount University. He is also executive administrator of the Schools for Sound Finance, a member of the Southern California City Superintendents, and a member of the Suburban School Superintendents. Furthermore he is executive director of the El Segundo Educational Foundation, the director of

the Thomas Jefferson Center, the director of Four A's Foundation and chairman of the Southwest Special Education Local Planning Agency.

Dr. Bertain has also found time somewhere to sit on the Boy Scouts of America Advisory Council, to be a sustaining member of the Young Men's Christian Association, and to be heavily involved in Harvard University regional alumni clubs and the Knights of Columbus.

I cannot commend Dr. Richard Bertain highly enough. Though I think his record speaks for itself, today, I ask my colleagues to rise in tribute to a man who has spent his life in tireless pursuit of bettering the education and opportunities of California's youth. His achievements stand as a proud example to us all, and one we all would do well to emulate. My wife, Lee, and I wish Richard, his wife, and six children all the best in the years to come, and most especially wish him the greatest success in his newest position.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 26, 1990, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 27

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1933, to provide for the minting of coins in commemoration of the bicentennial of the death of Benjamin Franklin and to enact a fireservice bill of rights and programs to fulfill those rights, and H.R. 4522, to improve the information available to emergency response personnel in the field.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 2521, to exchange certain lands in the State of New Mexico, S. 2527, to direct the Secretary of Agriculture to conduct a study to determine the need for a National Forest Information Center and an expanded environmental education program in New Mexico, S. 2597, to revise the act of June 20, 1910, to clarify in the State of New Mexico authority to exchange lands granted by the United States in trust, and to validate prior land exchanges, S. 2684, to authorize a study of methods to protect and interpret the nationally significant fossil trackways found in the Robledo Mountains near Las Cruces, New Mexico, and S. 2804, to revise the act of May 15, 1965 to designate the NezPerce National Historical Park in the State of Idaho.
SD-366

Governmental Affairs
To hold hearings to review the regulation of all terrain vehicles (atv's).
SD-342

Small Business
Government Contracting and Paperwork Reduction Subcommittee
To hold hearings on the increased competition for small businesses as a result of the expansions in the activities of the Federal Prison Industries, a government-owned corporation.
SR-428A

10:00 a.m.
Appropriations
Business meeting, to mark up H.R. 5229, making appropriations for fiscal year 1991 for the Department of Transportation and related agencies, and H.R. 5311, making appropriations for fiscal year 1991 for the government of the District of Columbia.
S-128, Capitol

Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on the United States' growing dependence on foreign energy imports and on ways to increase domestic energy production and reserves.
SD-215

Foreign Relations
To hold hearings on S. 2575, to urge the Secretary of State to negotiate a ban on mineral resource activities in Antarctica, S.J. Res. 206, calling for the U.S. to encourage immediate negotiations toward a new agreement among Antarctic Treaty Consultative parties, for the full protection of Antarctica as a global ecological commons, and S. Res. 186, expressing the sense of the Senate that the protection of the Antarctic system must be a basic consideration in decisions relating to all activities conducted in the Antarctic.
SD-419

10:15 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Constance Horner, of the District of Columbia, to be a Member of the Board of Directors of the National Consumer Cooperative Bank.
SD-538

2:30 p.m.
Environment and Public Works
Toxic Substances, Environmental Oversight, Research and Development Subcommittee
Business meeting, to mark up S. 2637, to revise the Toxic Substances Act to reduce the levels of lead in the environment.
SD-406

JULY 30

9:30 a.m.
Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To hold hearings on the impact of restructuring the savings and loan industry.
SD-226

2:30 p.m.
Finance
International Trade Subcommittee
To hold hearings on the impact of environmental concerns on international trade, focusing on proposed legislation to prohibit designation of a control as a beneficiary under the U.S. Generalized System of Preferences or the Caribbean Basin Initiative unless that country has effective pollution control standards and meets those standards.
SD-215

JULY 31

9:30 a.m.
Governmental Affairs
To hold hearings on the Department of Energy's high-level waste tanks.
SD-342

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume hearings on proposed legislation to reform and modernize the legal and regulatory structure of the financial services industry to increase competitiveness of U.S. institutions.
SD-538

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed legislation to increase the public debt limit, focusing on the escalating cost of the savings and loan crisis.
SD-215

2:00 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 2659, to revise and supplement Federal reclamation law to eliminate abuses of the Reclamation program, and H.R. 2567, to authorize funds for the construction of the Buffalo Bill Dam and the Reservoir, Shoshone Project, Pick-Sloan Missouri Basin Program, Wyoming.
SD-366

2:30 p.m.
Judiciary
To hold hearings on S. 1400, to regulate interstate commerce by providing for a uniform product liability law.
SD-138

AUGUST 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on reversing the decline of the U.S. electronics industry.
SR-253

Governmental Affairs
To hold hearings to examine efforts by the Internal Revenue Service (IRS) to collect taxes owed to the Government by individuals and corporations, and to

examine why these IRS accounts receivable are so large.
SD-342

Judiciary
Technology and the Law Subcommittee
To hold hearings on S. 2030, to protect the privacy of telephone users by permitting the use of pen registers and trap and trace devices on emergency assistance telephone lines of police and fire departments and where the provider of wire or electronic communication services enables the communication originator to block receipt of his or her number (caller identification).
SD-226

Small Business
Urban and Minority-Owned
Business Development Subcommittee
To hold hearings to examine the impact of the Supreme Court decision in City of Richmond v J.A. Croson Company on minority-owned small businesses.
Room to be announced

2:00 p.m.
Governmental Affairs
To hold hearings on the nominations of Wallace E. Stickney, of New Hampshire, to be Director of the Federal Emergency Management Agency, Stephen D. Potts, of Maryland, to be Director of the Office of Government Ethics, Office of Personnel Management, and Russell F. Miller, of Maryland, to be Inspector General, Federal Emergency Management Agency.
SD-342

Select on Indian Affairs
Business meeting, to mark up S. 2770, to establish the Indian Finance Corporation, an independent, Federally chartered financial institution in which Indian tribes would be directly involved in its administration in an effort to close the gap between the established sources of private capital and Indian country, S. 2451, to establish in the Department of the Interior a Trust Counsel for Indian Assets, S. 2850, to authorize demonstration projects in connection with providing health services to Indians, and S. 2645, to improve the health status of the urban Indian population and to enhance the quality of health care services and disease prevention.
SR-485

AUGUST 2

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on proposed legislation to promote energy efficiency through the use of waste and recoverable materials.
SD-366

Governmental Affairs
To hold hearings on control and financial management of expired appropriations accounts, M accounts.
SD-342

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings to review the National Science Foundation's Director's views on science and technology policy.
SR-253

Foreign Relations
To hold hearings on the Convention on the Elimination of All Forms of Discrimination Against Women (Ex. R, 96th Congress, 2nd Session).
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of Wendy L. Gramm, of Texas, to be a Commissioner of the Commodity Futures Trading Commission.
SR-332

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation on emerging telecommunications technologies.
SR-253

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To continue hearings on proposed legislation to promote energy efficiency through the use of waste and recoverable materials.
SD-366

AUGUST 6

9:30 a.m.
Judiciary
Antitrust, Monopolies and
Business Rights Subcommittee
To resume hearings on the impact of restructuring the savings and loan industry.
SD-628

AUGUST 11

9:30 a.m.
Select on Indian Affairs
To hold hearings on proposed legislation on San Carlos water settlement rights.
SR-485

AUGUST 18

2:00 p.m.
Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To hold hearings to review Peace Corps programs in eastern Europe.
SD-419

AUGUST 21

10:00 a.m.
Finance
International Trade Subcommittee
To hold hearings to review the final report on the U.S.-Japan Structural Impediments Initiative (SII) talks.
SD-215

SEPTEMBER 12

9:00 a.m.
Select on Indian Affairs
Business meeting, to mark up S. 1554, to implement water settlements involving the Pyramid Lake Paiute Tribe, the States of California and Nevada and other parties regarding the waters of the Truckee and Carson Rivers and Lake Tahoe in Nevada and California, and H.R. 5063, to provide for the settlement of the water rights claims of the Fort McDowell Indian community in Arizona.
SR-485

SEPTEMBER 18

9:00 a.m.
Veterans Affairs
To hold joint hearings with the House Veterans' Affairs Committee on legislative recommendations of the American Legion.
SD-106

POSTPONEMENTS

AUGUST 1

9:30 a.m.
Small Business
To hold hearings to examine the impact on small businesses of proposed legislation regarding estate tax freezes and capital gains.
SR-428A